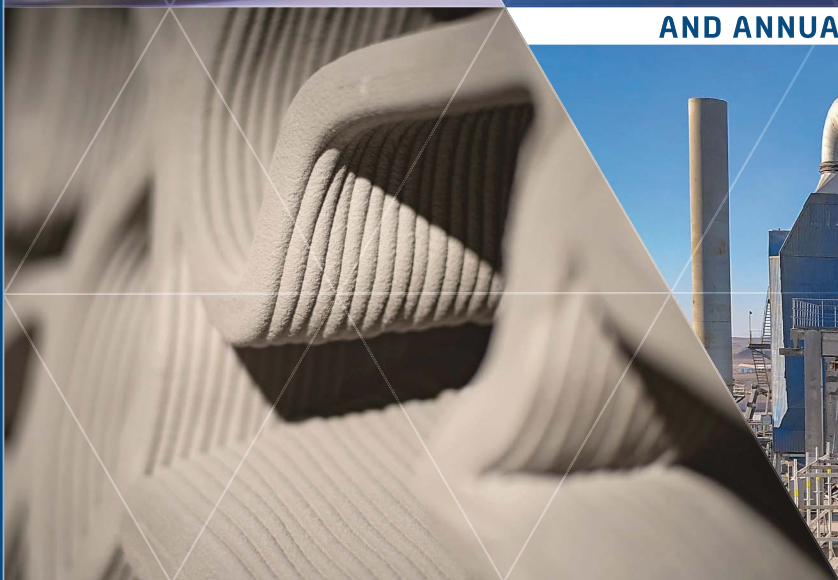
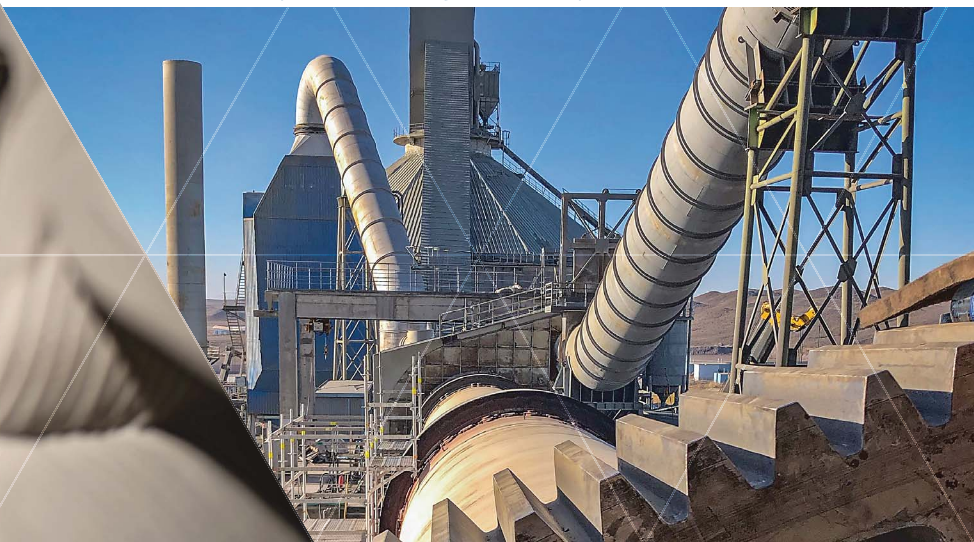
UNIVERSAL REGISTRATION DOCUMENT 2020

AND ANNUAL FINANCIAL REPORT





VICAT

The annual financial report data are clearly identified in the table of contents via the AFR pictogram

UNIVERSAL REGISTRATION DOCUMENT 2020

including the annual financial report

PROFILE The Vicat Group in 2020

Present in 12 countries, the Vicat Group is developing a high-performance offering of mineral and biosourced construction materials and services that meet the needs of the construction industry. Everywhere that its cement plants, aggregate quarries, concrete batching plants, and plants are located, Vicat endeavors to produce locally and develop the regions and employment. Over several years, the Group has been committed to ecological transition by reducing the carbon footprint of all of its activities and by deploying a circular economy model.

In an exceptional but geographically contrasted pandemic context, the Group's solid performance in 2020 testifies to the relevance and solidity of its business model. The good growth recorded in the Americas, Asia and Africa offset the effects of difficult macroeconomic conditions in Turkey and Egypt, and the impact of the sudden shutdown in France for several weeks in the first half of the year due to health measures.

Based on a sound financial position and strong cash flow generation, enabling it to control its indebtedness Vicat is pursuing its targets of profitable and sustainable growth, which is resolutely focused on decarbonating its business lines.

AUTORITÉ DES MARCHÉS FINANCIERS
AMF

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Interview with Guy Sidos, Chairman and Chief Executive Officer

“We are an industrial company marked by a strong culture of innovation, now mobilized for ecological and energy transitions.”

Guy Sidos


© Marie-Eve Brouet

First of all, how do you see the health crisis that has disrupted our lives and, beyond that, the global economy?

I was impressed by the quality and effectiveness of our collective response. Thanks to the commitment of our employees around the world, our results, driven by the dynamism of our latest developments, have improved in all areas: industrial and environmental, commercial, financial, but also security and cybersecurity, which is becoming a major subject.

The provisions of our continuity plans, launched in February 2020, have made it possible to protect, produce and sell. Our strategy has shown its strength and resilience: in local markets, following the principles of the circular economy, and at international level to balance risks geographically. More than these technical elements, the crisis has highlighted the importance of the human factor in its most noble dimensions of courage, commitment, solidarity, benevolence and competence. Despite the social distancing measures, we have never been so close and this makes us proud! I would also like to salute the work of the Louis Vicat Foundation, which, through its initiatives and its proximity to the teams, helped to make this period less difficult.

> *Thanks to its solid fundamentals, our Group can approach 2021 with confidence and look to the future, with the aim of stepping up efforts to decarbonate our processes and our products*

This crisis has also permanently modified our relationship with work, with the successful introduction of remote working, the elimination of certain unnecessary tasks, and finally the search for optimal efficiency. It has opened up opportunities and accelerated ecological and digital transitions. Thanks to a solid foundation, we can approach 2021 with confidence and look to the future, with the aim of intensifying our efforts in the decarbonation of our processes and our products.

Is the Vicat Group business model aligned with the need to accelerate adaptation to climate change?

Our Group is marked by five main principles that guarantee its past, present and future success. The first of these values is our **regional roots**, reaffirmed by the relocation of our head office from Paris La Défense to L'Isle d'Abeau, in the Auvergne-Rhône-Alpes region, in October 2020. This decision has enabled us to bring together all of our Group departments in a single location, thereby promoting synergies and decision-making.

Second value: our **partnership commitment**, affirming our desire to build business relationships or collaborations in the regions, with all stakeholders, in a long-term approach. Next comes **responsible sustainability**, in order to incorporate the impact of our actions on the environment and the quality of life of the people living in the regions where the Group operates, and **shared passion**, the driving force behind our employees' commitment to serving our customers. Finally, we are still an industrial company, marked by a strong **culture of innovation**, with resources that are now being strengthened and mobilized for the ecological and energy transitions.

In early 2020, Vicat's governance set up a Climate Strategy Department which is working to define, coordinate and implement the means to address this issue, which is simple in its principles but complex in its implementation. There is no single technical solution, but a myriad of solutions adapted to each region. The overall number of projects related to the decarbonation of the value chain has therefore increased significantly from 41 projects in 2019 to 53 projects in 2020. And the amount of investments related to these decarbonation projects has more than doubled: they rose from € 23 million in 2019 to € 52 million in 2020.

Investments related to decarbonation doubled in 2020

In this context, how do you qualify the Group's financial results in 2020?

The Group's results in 2020 reflect a solid operating performance, with EBITDA of € 557 million, up 10% at constant scope and exchange rates. The Group's financial statements were affected by the negative impact of currency effects of more than € 100 million on revenue and almost € 24 million on EBITDA. Consolidated net income amounted to € 172 million, an increase of 7.7% and 16.3% at constant scope and exchange rates.

The strong generation of operating cash flows and a significant reduction in working capital requirement have made it possible to reduce the net financial debt by € 88 million, while the industrial investment effort reached € 300 million. The successful refinancing of the USPP for € 175 million at 15 years has enabled the Group to post a significant increase in the average maturity of its debt at more than five years.

The commitment to the year's management did not cause us to lose sight of the long-term. The project to build a new kiln system at the Ragland plant in Alabama is continuing at a steady pace, with a view to come on stream in the first half of 2022. The investment effort also focused on numerous energy efficiency projects, the development of secondary fuels and the production of low-carbon energy with the commissioning of two solar farms, in India and Senegal.

PRESENTATION OF THE GROUP

1

1.1. Vicat in the world

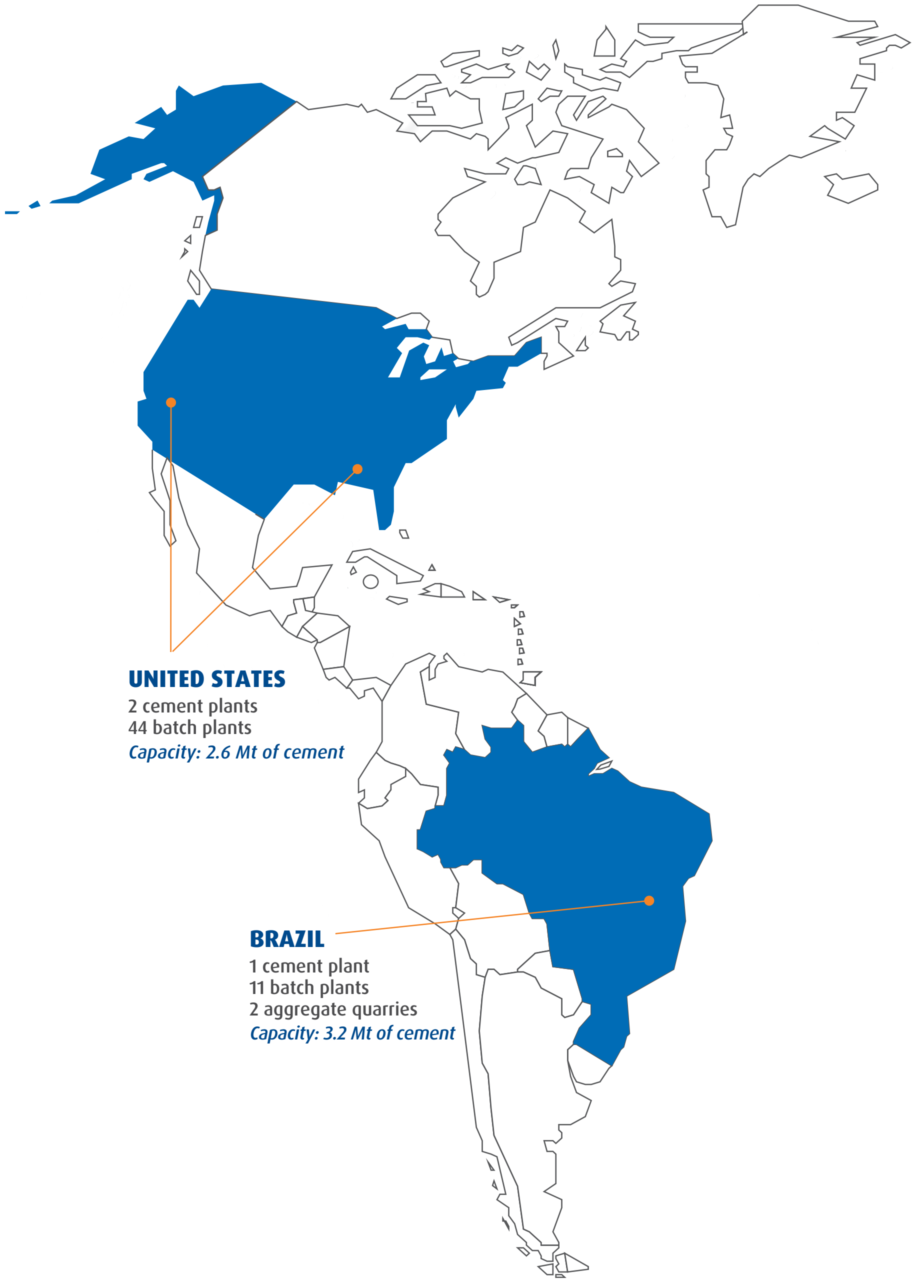
16
cement plants

5
grinding plants

35
million tonnes
of cement capacity

258
concrete
batching plants

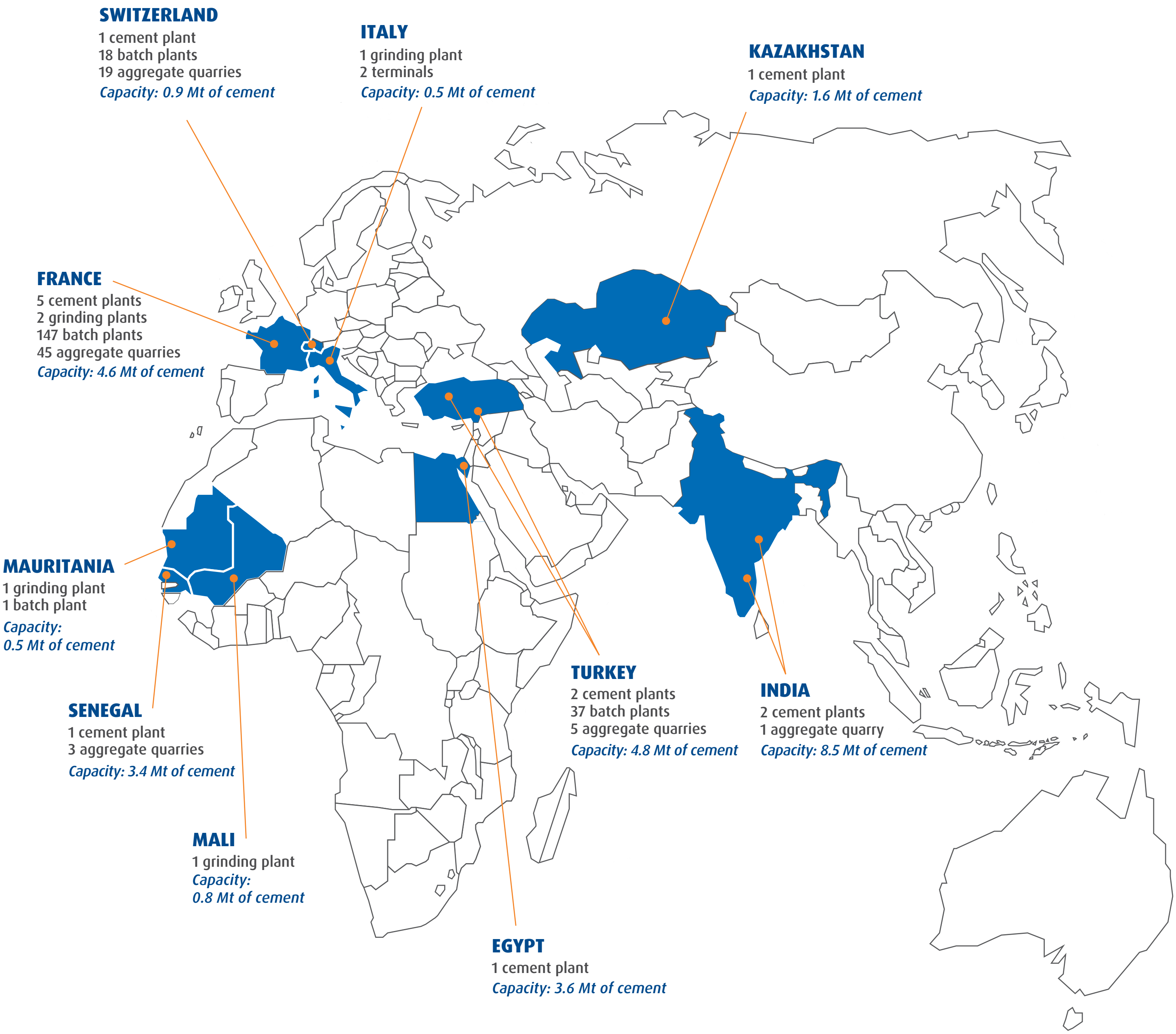
75
aggregate quarries



€2,805 M
sales revenues

9,829
employees

3 business segments
Cement,
Concrete & Aggregates,
Other Products & Services



12 **countries** where Vicat operates

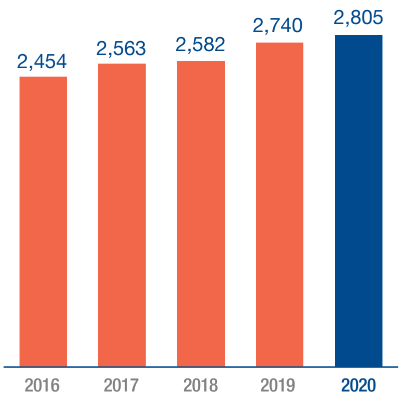
25.0 million tonnes of **cement**

9.3 million m³ of **concrete**

22.7 million tonnes of **aggregates**

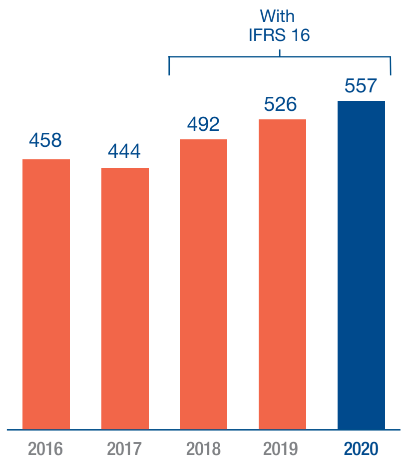
1.2. Key figures

CONSOLIDATED SALES REVENUES
(in millions of euros)



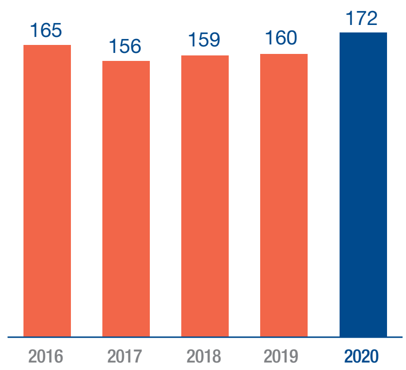
Consolidated sales revenues for 2020 were € 2,805 million, up 2.4% on a reported basis and 5.5% at constant consolidation scope and exchange rates compared with 2019.

EBITDA[1][3]
(in millions of euros)



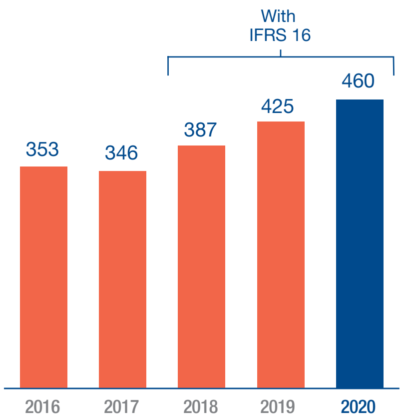
Group consolidated EBITDA, at € 557 million, was up 5.9% compared with 2019 and +10.1% at constant consolidation scope and exchange rates.

CONSOLIDATED NET INCOME[3]
(in millions of euros)



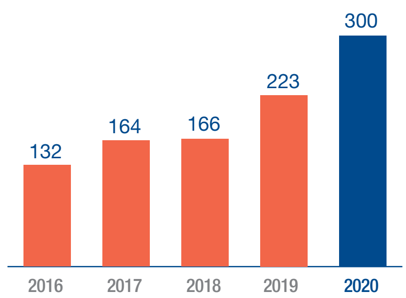
Consolidated net income was € 172 million, up 7.7% and +16.3% at constant consolidation scope and exchange rates.

CASH FLOW FROM OPERATIONS[3]
(in millions of euros)



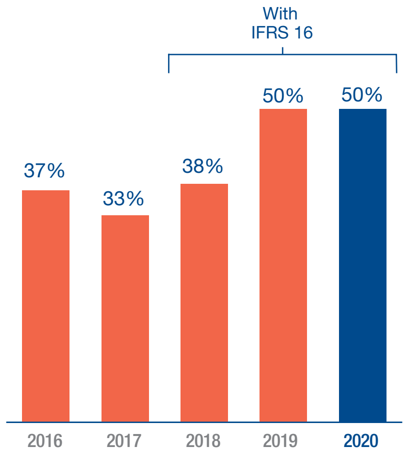
Operating cash flow amounted to € 460 million, generating free cash flow of € 228 million in 2020.

NET INDUSTRIAL INVESTMENTS DISBURSED *(in millions of euros)*



Industrial investments disbursed amounted to € 300 million in 2020.

NET DEBT/EQUITY
(in %)[3]



The gearing was 49.9% of consolidated shareholders' equity as at December 31, 2020, compared with 49.7% as at December 31, 2019.

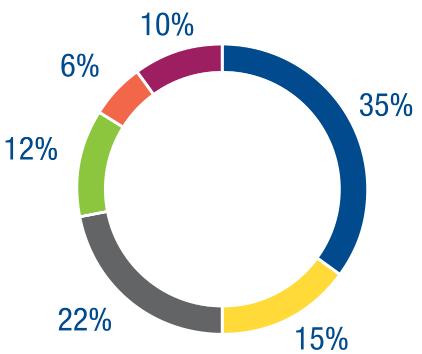
(1) EBITDA (Earnings Before Interest, Tax, Depreciation and Amortization): gross operating income plus other ordinary income and expenses.

(2) Gearing is a ratio analyzing the financial structure and is equal to net debt divided by consolidated shareholders' equity.

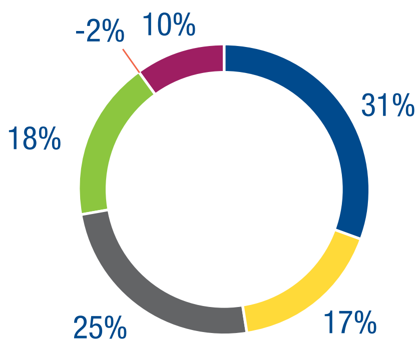
(3) 2018 figures restated following the adoption of IFRS 16.

BY GEOGRAPHICAL AREA (2020)

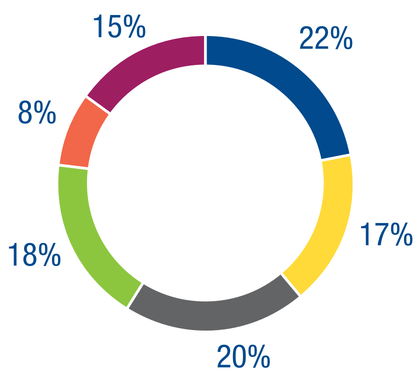
OPERATING SALES REVENUES



EBITDA



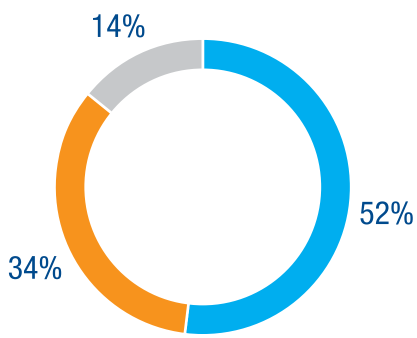
NET CAPITAL EMPLOYED



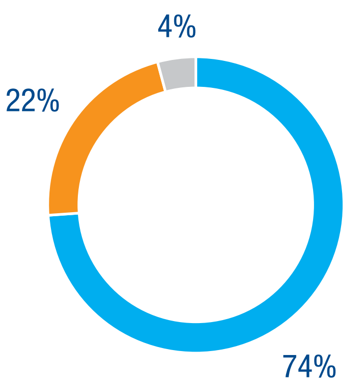
FRANCE EUROPE (EXCLUDING FRANCE) AMERICAS ASIA MEDITERRANEAN AFRICA

BY BUSINESS SEGMENT (2020)

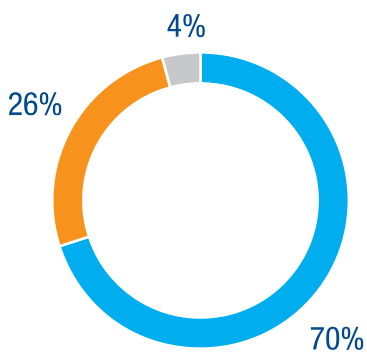
OPERATING SALES REVENUES



EBITDA



NET CAPITAL EMPLOYED



CEMENT CONCRETE & AGGREGATES OTHER PRODUCTS & SERVICES

1.3. History

The Vicat Group's history stretches back two centuries to when Louis Vicat invented artificial cement. Building on these foundations, the Group cultivates a tradition of innovation and technical excellence that continues to this day.

The shareholder structure has always been firmly family-based, and this strong footprint can also be found within the General Management where the succession is based on generations of entrepreneurs driven by the same values.

1817

Louis Vicat invented artificial cement

After graduating from two of France's elite engineering schools, *Ecole polytechnique* and *Ecole des ponts et chaussées*, Louis Vicat invented artificial cement in 1817. On February 16, 1818, his invention was authenticated by the Académie des Sciences. The report was signed by Messrs. de Prony, Gay-Lussac and Girard, distinguished scientists of the time.

1853

Construction at Le Genevrey of the Group's first cement factory

In the vicinity of Grenoble the young engineer Joseph Vicat began to manufacture artificial cement in kilns, after analyzing the local argillaceous limestone and finding it particularly well suited to this task. The initial results were highly satisfactory. Aged 32 at the time and a graduate of the *Ecole polytechnique* like his father, Joseph Vicat soon decided to build a cement factory at Genevrey-de-Vif, in Isère.

1875

Construction of the La Pérelle factory for the manufacture of quick-setting cement

After tireless and rigorous exploration and testing, Joseph Vicat found deposits of limestone particularly suited for the manufacture of quick-setting cement in the Chartreuse mountain range and built a factory for this purpose at La Pérelle, near Saint-Laurent-du-Pont, to the north of Grenoble.

1922–1929

Construction of the Montalieu and La-Grave-de-Peille factories

Joseph Merceron-Vicat started building the Montalieu factory in 1922 and the Grave-de-Peille factory in 1929. The production capacity of the Montalieu site increased steadily over the ensuing years, becoming the Group's main cement factory in Europe. Today, Montalieu is among Europe's largest cement factories and remains one of the Group's flagship facilities.

1960–1974

Development of the Group's Cement business in France

André Merceron-Vicat undertook to considerably develop the Company in France at the end of the 1960s and during the 1970s, with the acquisition and construction of several cement factories. The Vicat Company became France's third-largest producer of cement.

1974

The Group began to expand abroad, focusing initially on the United States

The Company expanded its presence into foreign markets, acquiring the Ragland cement factory in Alabama in 1974.

1980–1990

Vertical integration in France with the development of the Group's Concrete & Aggregates businesses

In 1984, Jacques Merceron-Vicat was appointed as Chairman and Chief Executive Officer of the Group. The Group continued its development with the acquisition of the SATM Group (Transport, Concrete & Aggregates) and of a number of companies active in ready-mixed concrete & aggregates, thus gradually building up a network of concrete batching plants and quarries in the Île-de-France, Centre, Rhône-Alpes and Provence-Alpes-Côte d'Azur (PACA) regions.

1987

Acquisition of the Lebec factory (California, United States)

Located near Los Angeles, this factory has a cement production capacity of 1.3 million metric tons.

1991–1994

Acquisitions of Konya Cimento and Bastas Baskent Cimento in Turkey

1991 saw the start of the Group's operations in Turkey with the acquisition of the Konya cement factory. This was followed by another acquisition in 1994, of Bastas Baskent Cimento, based closer to Ankara.

Today, Konya Cimento and Bastas Baskent Cimento together have a cement production capacity of 4.8 million metric tons. The Group has supplemented its operations in this country with activities in Ready-mixed Concrete & Aggregates.

1999

Acquisition of Sococim Industries in Senegal

The Group successfully integrated Sococim Industries, a company based in Rufisque, near Dakar, thus securing access to a rapidly-developing new continent. Today, Sococim Industries has a cement production capacity of 3.4 million metric tons.

2001
Acquisition of Vigier in Switzerland

In 2001, the Group acquired Vigier, a Swiss group of companies based not far from its French operations in the Rhône-Alpes and Lorraine regions. By integrating Vigier's various businesses – Cement, Concrete, Aggregates, Precast Concrete – the Vicat Group expanded its own operations across the Swiss border.

2003
Acquisitions of Cementi Centro Sud in Italy and Sinaï Cement Company in Egypt

In early 2003, the Group acquired a grinding plant and two shipping terminals in Italy. Then, the Vicat Group acquired an interest in the capital of Sinaï Cement Company as part of a majority partnership in which the Group owns the majority. Today, the El Arish cement factory located in the northern Sinaï Peninsula has a cement production capacity of 3.6 million metric tons.

2004
Establishment in Mali

Construction of a cement distribution station in Bamako.

2007
Establishment of a cement factory in Kazakhstan

Initiated in 2007, the construction of the Jambyl cement factory in Mynaral was completed in 2010, thus meeting the needs of the rapidly growing Kazakh market. The factory steadily increased its output over the following years to reach a cement production capacity of more than 1.6 million metric tons.

2008
Expansion into India and Mauritania

Construction of a greenfield plant with a nominal cement production capacity of 2.8 million metric tons at Chatrasala, in the southern Indian state of Karnataka.

Acquisition of a majority holding in a cement grinding mill with a capacity of 0.5 million metric tons, located at Nouakchott in Mauritania.

2010
New acquisition in India

The Group made a significant acquisition, becoming the majority shareholder in Bharathi Cement, a company based in the Andhra Pradesh state, in southern India. The production capacity of this Company's cement factory has since been raised to 5 million metric tons.

2014
Expansion of operations in India

Vicat holds 100% of the share capital of Kalburgi Cement.

Guy Sidos was appointed Chairman and Chief Executive Officer.

2017
Creation of the Louis Vicat Corporate Foundation.

2019
On January 21, 2019, completion of the majority equity purchase of Ciplan in Brazil

Ciplan (Cimento do Planalto) operates a cement factory near Brasilia with an annual production capacity of 3.2 million metric tons, nine concrete batching plants and two aggregate quarries.

The Vicat Group acquires a foothold in South America, and now operates in 12 countries.

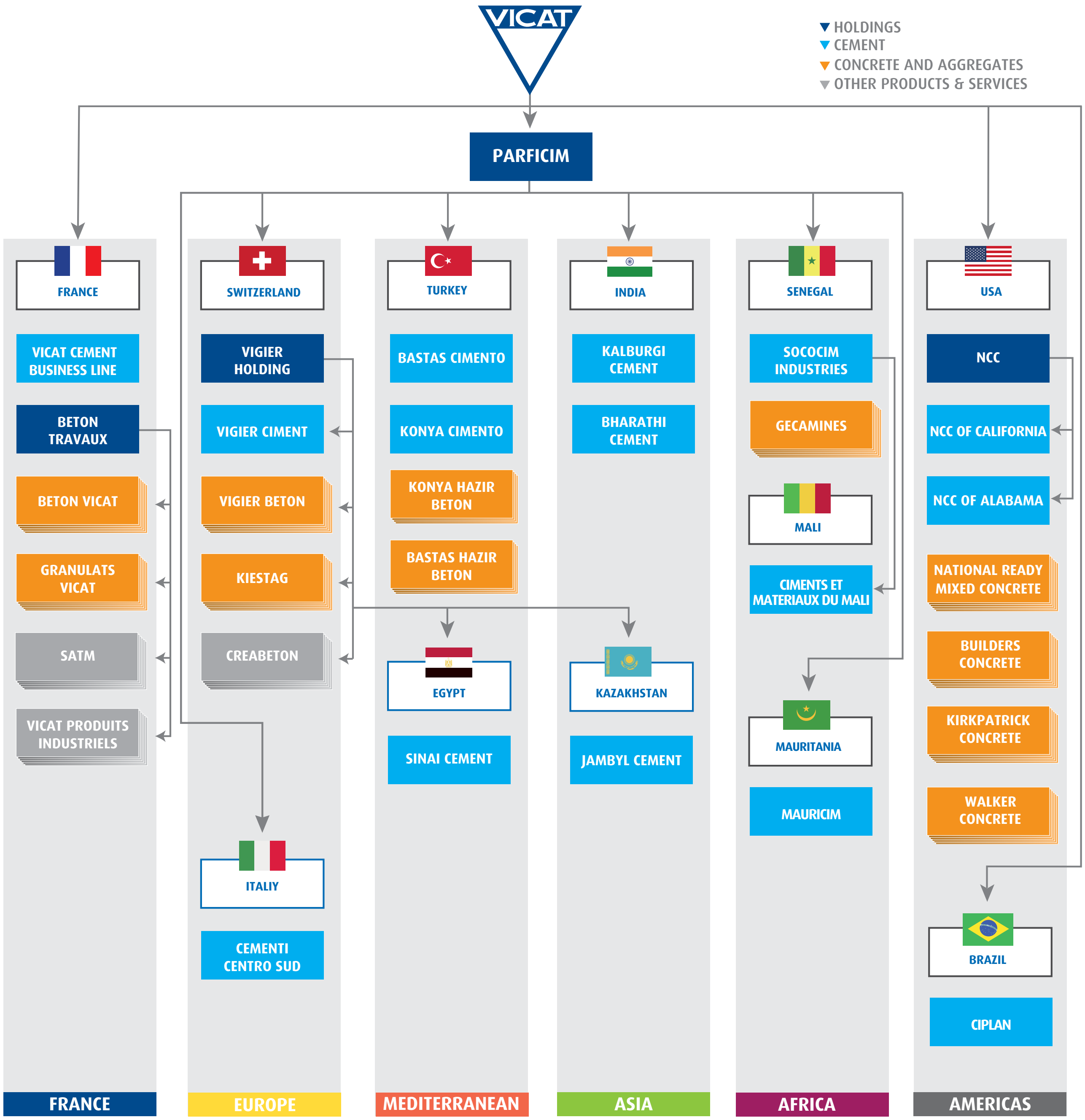
2020
Launch of the new grinding plant in Mali

The new Cement and Materials raw mill in Mali, located near Bamako, with a capacity of 800,000 tons, strengthens the Group's presence in West Africa.

1.4. Simplified organizational chart

The organizational chart below summarizes the main Group companies (134 companies are consolidated). Only the most significant Group companies or those useful for gaining an understanding and appreciation of the Group's organization are shown on this chart.

The organization chart was also designed to highlight the six geographic zones in which the Group operates, with color-coding of the business engaged in by each Group entity.



Some of the subsidiaries directly and indirectly controlled by the Group have minority shareholders who may be industrial or financial partners, or historical shareholders in the subsidiary in question before it was acquired by the Group. The presence of these minority shareholders may lead to the signing of shareholder agreements containing provisions relating to corporate governance, information provided to shareholders, or changes in ownership structure in the subsidiary in question. Nonetheless, and except as otherwise stated (see note 16.2 of chapter 6 of the consolidated financial statements), these shareholder agreements do not provide for put or call options, modifications to the cash distribution, or more generally measures that could have a material impact on the Group's financial structure or limit the exercise of majority control.

Information on the Group's main subsidiaries is provided in section 8.4. "Information on subsidiaries and equity investments" of this Universal Registration Document and in note 34 to the consolidated financial statements as at December 31, 2020.

1.5 Strategy and objectives

The Vicat Group focuses on its core business, Cement, in which it has an acknowledged historical expertise, and expands into the Ready-mixed Concrete & Aggregates markets by vertical integration, in order to secure its access to the cement consumption markets. It also benefits from synergies with complementary activities, in certain markets, to consolidate its range of products and services and to strengthen its regional positioning (for example the Precast Concrete business in Switzerland or Transport in France).

It favors controlled development in its various businesses. The Group wants achieve a balanced combination of dynamic internal growth, supported by industrial investment to meet market needs, a selective external growth policy to address new markets with attractive growth potential or accelerate its vertical integration, and a harmonious development of its sites with respect for the environment, with the short- and medium-term objective of decarbonating its activities, but also safety for its employees, inclusion and value creation for all stakeholders.

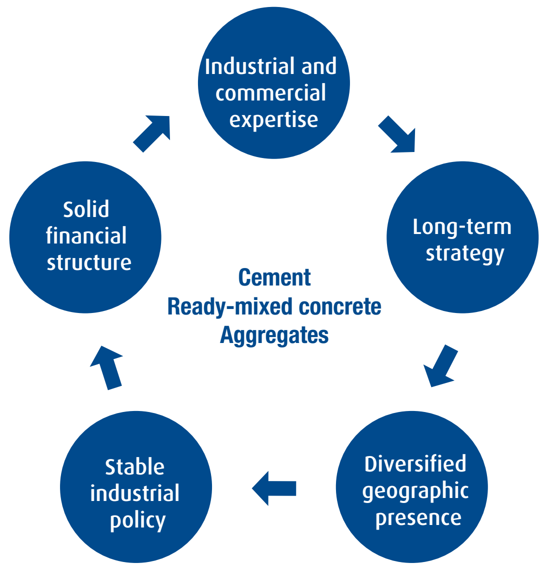
1.5.1. The Group's strengths

Over the years, the Group has developed an acknowledged expertise in its main businesses, with a multi-location approach which has led it to build strong regional positions and balance the distribution of its activities.

The Group's principal strengths can be summarized as follows:

- industrial and commercial expertise in the Group's core businesses;
- long-term strategy, assured by family shareholding and management, since the family has managed the Company for over 160 years and boasts in-depth experience of the businesses;
- diversified geographic presence with strong regional positions;
- a stable industrial policy prioritizing long-term control and management of geological reserves as well as maintaining a modern, high-performance industrial base;
- a solid financial structure with levels of profitability enabling the Group, as has been the practice in the past, to finance its growth objectives from its own resources, thereby favoring the creation of value for shareholders.

These strengths allow the Group to vigorously respond to competitive pressure in certain of its markets and to position itself effectively on sustainably growing markets by rapidly increasing its industrial production capacities, or through acquisitions. The Company combines high operating margins and active management of the environmental aspects of its operations.



1.5.2. Development strategy analysis by business

1.5.2.1. Cement

Cement is the Group's main business, forming the base of its development and profitability. Growth in this business rests on three pillars:

- dynamic internal growth;
- external growth targeting markets with high development potential; and
- the construction of greenfield plants.

The Group's production facilities are described in section 1.6. of this Universal Registration Document.

(a) Internal growth sustained by industrial investment

In the markets where it operates, the Group deliberately sustains its industrial investment, with the following aims:

- first, modernizing its production facilities to improve the efficiency and economic performance of its factories and thus to have the industrial capacity to respond to intense competition;
- second, increasing its production capacity to keep in step with its markets and to consolidate or increase its positions as a regional leader.

The Group intends to take advantage of its strong market positions, the quality of its production facilities and its strict cost controls in order to maximize cash flow and cut debt, so enabling further growth transactions.

The Group also wants to continue the industrial development of its businesses in general, and of its Cement business in particular, while also actively managing environmental aspects.

(b) External growth

ACQUISITIONS TARGETING NEW MARKETS WITH CONSIDERABLE POTENTIAL

The Group's strategy is to penetrate new markets in the Cement sector in a highly selective manner. Accordingly, in pursuing external growth, the Group aims to satisfy all the following criteria:

- location near a significant market with attractive growth potential;
- long-term control and management of geological reserves (objective of 100 years for cement) and securing of operating licenses;
- net contribution by the project to the Group's results in the short term.

The Group's record of growth over the past 40 years illustrates the success of this policy to date. The Brazil acquisition project completed in 2019 was based on these criteria.

CONSTRUCTION OF GREENFIELD PLANTS

The Group may also seize opportunities to enter new developing markets by building new factories on greenfield sites. Such projects are examined very selectively and must comply with the Group's previously-mentioned external growth criteria.

In this context, the Group brought on stream the Jambyl Cement factory at the Mynaral site in Kazakhstan in April 2011 and the Kalburgi factory in the southern Indian state of Karnataka at the end of 2012.

1.5.2.2. Ready-mixed Concrete (BPE)

The Group is developing its Ready-mixed Concrete business in order to reinforce its Cement manufacturing business. This development strategy is in line with the maturity of the relevant markets and their integration in the Group's concrete production.

The Group's objective is to create a network of ready-mixed concrete batching plants around cement factories and close to its consumption markets, whether by constructing industrial sites or facilities or by acquiring existing producers.

The Group's objective in investing in this business is vertical integration while prioritizing the flexibility and mobility of its production facilities and ensuring the profitability of the business.

The Group's development in France, Switzerland, Turkey, the United States and Brazil illustrates this strategy. In other markets such as India, Egypt or Senegal, the Group's strategy is to monitor trends in these markets so as to develop its activities once demand for ready-mixed concrete is sufficiently high.

1.5.2.3. Aggregates

The Group's presence in the Aggregates business is intended to provide a total response to its clients' demand for construction materials and to secure the aggregate resources necessary to develop the Ready-mixed Concrete activity. Development in this business relies on industrial acquisitions and investments intended to increase the capacity of existing installations and to open new quarries and installations.

Investments in this business take into account the following criteria:

- proximity to the end-markets and to the Group's concrete batching plants;
- control and management of major geological reserves (objective of more than 30 years);
- profitability specific to this business.

This development plan has been implemented successfully in France, Switzerland, Turkey, India, Senegal and Brazil.

1.5.3. Geographic development strategy

The Group operates in 12 countries. It recorded 34% of its consolidated sales revenues in France, 15% in Europe (excluding France), 17% in the United States, and 34% in emerging markets (India, Kazakhstan, Egypt, Mali, Mauritania, Senegal, Turkey and Brazil).

The Group's strategy is to combine investments in developed countries, which generate more regular cash flows, with investments in emerging markets offering significant growth opportunities in the longer term, but which remain subject to more significant market fluctuations, and thereby contribute to a diversification of its geographic exposure. In this context, the Group has a particular interest in development projects in emerging countries.

In the markets where it operates, the Group aims to develop strong regional positions around its industrial Cement production facilities, while also consolidating those positions through its Ready-mixed Concrete & Aggregates businesses. Where the Group has entered a market through acquisition of a local producer, it offers its financial strength and its industrial and commercial expertise to optimize the economic performance of the acquired entity while capitalizing on the local identity of the acquired brands.

1.5.4. The Group's extra-financial objectives

The Group has set itself five objectives for work over the coming years:

- Decarbonate the value chain
  - Reducing CO_2 emissions on scopes 1, 2, 3 with the ambition of carbon neutrality across the entire value chain by 2050

  With by 2030:

  - a 40% share of alternative fuels in the energy mix (including a 15% share of biomass), with 100% in Europe as soon as 2025
  - a 20% share of renewable electricity
  - a maximum clinker content of 75% in the cement
- Developing the circular economy in the value chain
  - Give preference to recycled materials over natural raw materials
- Promoting a responsible purchasing policy
- Preserving natural ecosystems
  - Optimizing the management of the Group's forests with a focus on carbon storage and the development of biodiversity
  - Teaching about biodiversity through the Group's sites
  - To propose through its products alternatives to deforestation
- HR objectives for overall performance
  - Safety: reaching zero accidents
  - Increasing the proportion of women in the overall workforce
  - Three women in the top 10 salaried positions by 2022
  - Staff training on climate change, digital tools and business ethics.

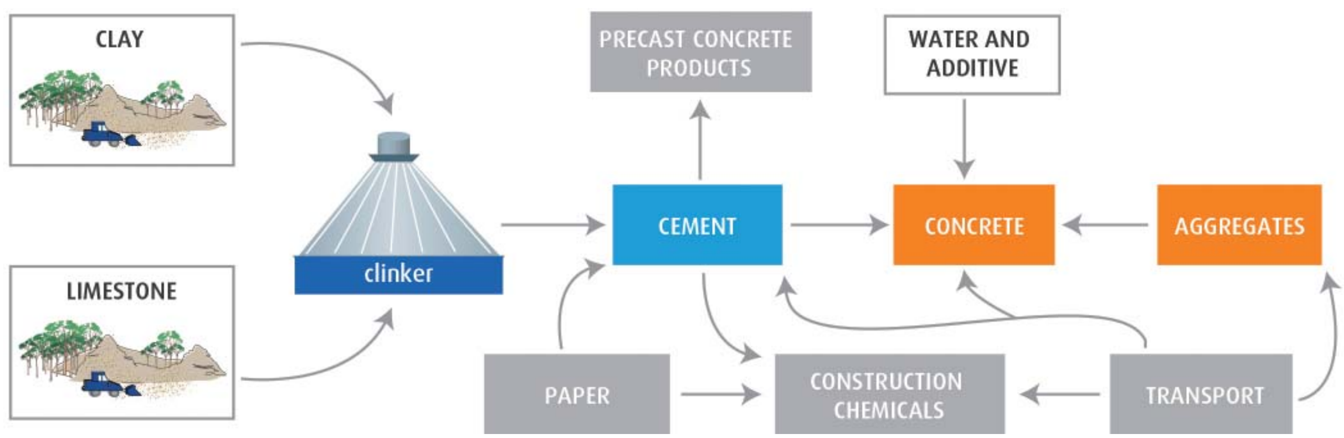
1.6. Description of businesses

The Group's three businesses are:

- Cement;
- Ready-mixed Concrete & Aggregates;
- Other Products and Services.

The following diagram shows the integration of the Group's various businesses.

INTEGRATION OF THE GROUP'S BUSINESSES



Cement: cement is a hydraulic binder used in the manufacture of concrete; its raw materials are limestone and clay. In contact with water, the cement silicates and aluminates reorganize and form a crystalline structure, which gives concrete its strength (see the Glossary at the end of this Universal Registration Document).

Ready-mixed Concrete: the concrete is produced by mixing cement, aggregates, water and additives. Depending on the work for which it is intended and the environment to which it will be exposed, concrete is mixed, dosed and used specifically to meet precise quality and performance criteria.

Aggregates: aggregates are sands and natural gravels used in the construction of civil engineering works, public works and buildings. A significant quantity of these aggregates is used in the manufacture of concrete, with the remainder being used in highway construction. The importance of products from the recovery and recycling of deconstruction waste is increasing year-on-year, a consequence of the Group's desire to help the environment and to be part of circular economy schemes.

Other Products and Services: the Group also operates in activities complementary to its three main businesses, which enables it to develop synergies, optimize costs and improve customer service. These activities are transport, construction chemicals, the production of paper and paper bags, and precast concrete products.

As at December 31, 2020, the Group employed 9,829 people worldwide, and recorded 66% of its consolidated sales revenues outside France.

The following table indicates the extent of the Group's business activities in each of the countries where it operates:

Country	Cement	Concrete & Aggregates	Other Products and Services
France	▼	▼	▼
Switzerland	▼	▼	▼
Italy	▼		
United States	▼	▼	
Brazil	▼	▼	
India	▼	▼	▼
Kazakhstan	▼		
Turkey	▼	▼	▼
Egypt	▼		
Senegal	▼	▼	
Mali	▼		
Mauritania	▼	▼	

Consolidated sales revenues by business segment in 2020

(in millions of euros)	2020	%
Cement	1,421	50.7
Concrete & Aggregates	1,049	37.4
Other Products and Services	334	11.9
TOTAL	**2,805**	**100.0**

The share of the Group's core business contributed by Cement, Concrete & Aggregates increased slightly in 2020 to 88.1% of consolidated sales revenues.

EBITDA by business segment in 2020

(in millions of euros)	2020	%
Cement	415	74.5
Concrete & Aggregates	121	21.7
Other Products and Services	21	3.8
TOTAL	**557**	**100.0**

This breakdown should be read in light of the weighting of capital employed in each activity, see section 1.2. "Key figures" of this Universal Registration Document.

See section 5.2. of the Universal Registration Document for details of the financial position and results.

1.6.1. Cement

Cement manufacture is the Group's core business since the Company's foundation in 1853. Cement is a fine mineral powder and is the principal component of concrete, to which it imparts a certain number of properties and in particular its strength. It is a high-quality yet relatively inexpensive construction material used in construction projects worldwide.

As at December 31, 2020, the Group's worldwide Cement business comprised 16 cement plants and five clinker grinding plants. In France, the Group also operates two factories specializing in natural fast-setting cement. The Group's cement volume sales in 2020 (before intra-group eliminations) amounted to 25.0 million metric tons (compared with 22.4 million metric tons in 2019). In 2020, this segment thus accounted for 50.7% of the Group's consolidated sales revenues (48.2% in 2019) and 74.5% of the Group's EBITDA (70.9% in 2019).

1.6.1.1. Products

The Group manufactures and markets various categories of cement, which are classified according to the chemical composition of their constituent raw materials, any addition of supplementary ingredients at the grinding stage, and the fineness of the product. Each cement range is appropriate for specific applications such as housing construction, civil engineering works, underground works, or the production of concretes subject to corrosive conditions.

The distribution between each type of application on a given market depends on the maturity and the construction practices of the country. The Group's cement factories manufacture conventional cements as well as cements for specific applications. In both cases, these cements are certified as compliant with the standards currently in force in the various countries where Vicat operates, in terms of both composition and designation.

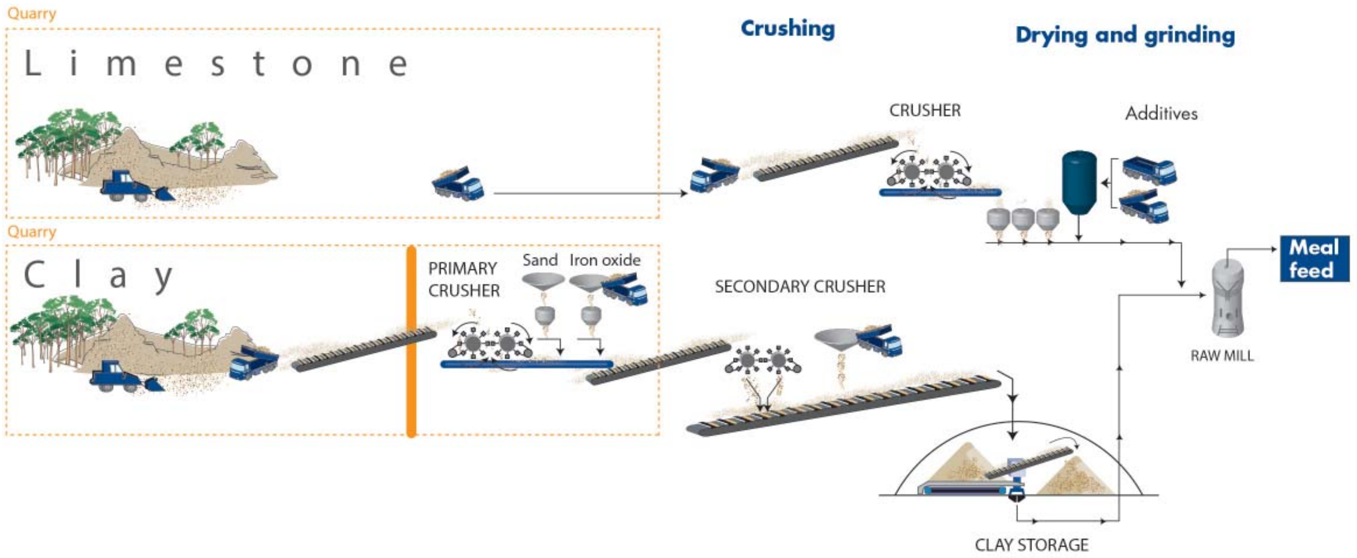
Natural quick-setting cement has been added to these categories: a special quick-hardening cement, whose strength is immediately superior and increases gradually over time. For 160 years, the Group has produced its quick-setting cement from a natural alpine stone, with an exceptional performance offering immediate and high strength as well as low shrinkage. This cement is used for sealing blocks or plugging leaks, and for renovating exterior walls.

All these cements are checked regularly and thoroughly at each stage of the manufacturing process, thus guaranteeing compliance of the finished product with current standards. In addition, the Group conducts research and development programs on its products and their applications, advancing the knowledge of these products and optimizing their use (see section 1.9. R&D and innovation" of this Universal Registration Document).

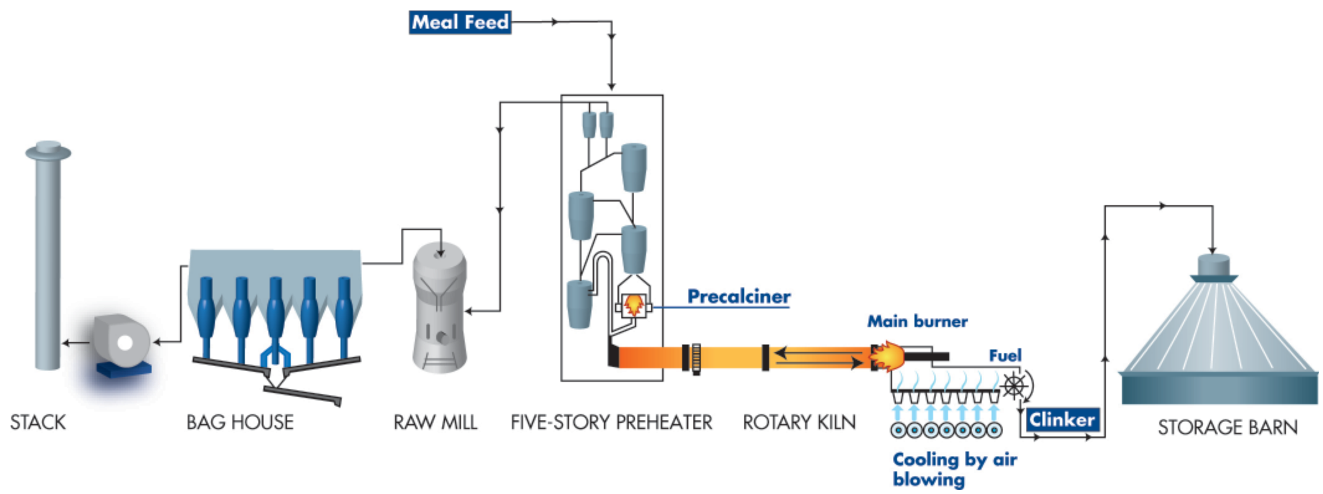
1.6.1.2. Manufacturing methods

Cement is manufactured, in the dry process, mainly in four stages:

- extraction of raw materials: limestone and clay are extracted from quarries generally located near the cement factory. The rock is blasted out with explosives. The rocks and blocks obtained are then transported to crushers, in order to reduce their size and obtain stones less than 6 cm in diameter;
- preparation of the raw material: the materials extracted from the quarries (limestone and clay) are finely crushed until rock meals are obtained. These meals are then mixed in fixed proportions (approximately 80% limestone and 20% clay) before being fed into the kiln. The chemical composition and the homogeneousness of the material on entry to the kiln, and its regularity over time, are fundamental elements in controlling the production process;



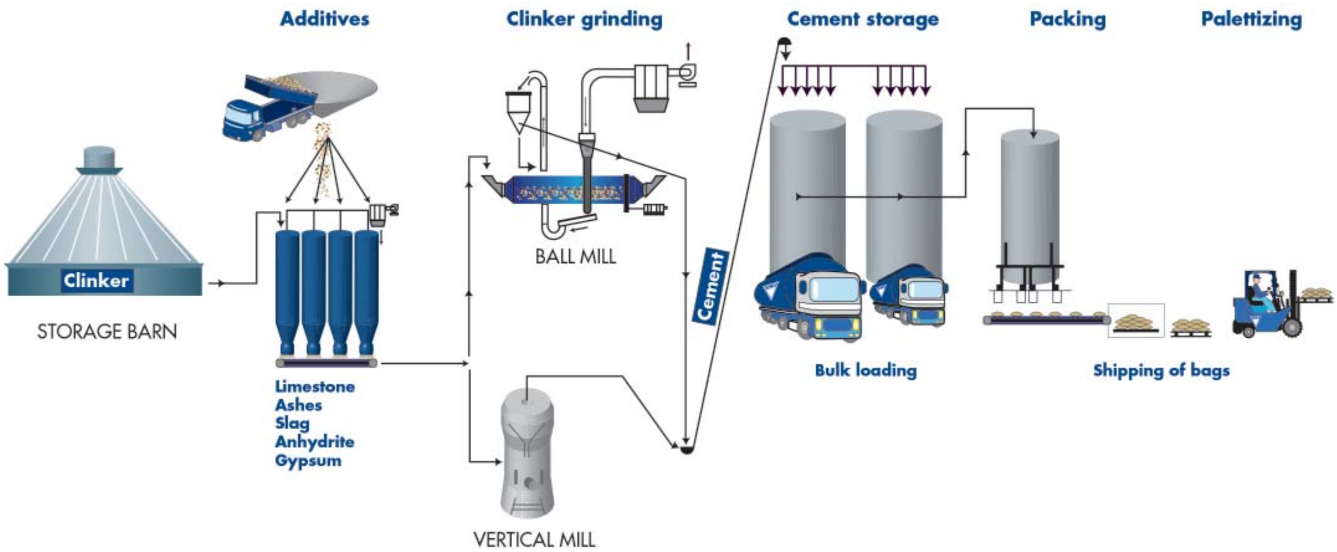
- the kiln system includes a heat exchanger cyclone tower, where the raw meal is introduced after being heated by the exhaust fumes from the revolving kiln (pre-calcination phase). The raw meal undergoes complex chemical reactions during this firing: first, limestone is decarbonated under the action of the heat at a temperature approaching 900 °C and is converted into lime, while clays are broken down into silicates and aluminates. The unit then recombines these at a temperature of approximately 1,450 °C into lime silicates and aluminates. This chemical process creates a semi-finished product called clinker, which has the properties of a hydraulic binder. This firing takes place in tilted revolving kilns lined with refractory bricks.



There is a large global trade in clinker, the semi-finished product. As this product is easier to transport and store, clinker transfers from areas with excess capacity to areas with under-capacity or to areas not having the mineral resources necessary for clinker manufacture have been developing over the years. This reduces the volume of the transported product compared with cement, thereby lowering logistics costs. Once it has reached the consumption market, clinker is delivered to grinding plants, which complete the cement manufacturing process up to packaging and distribution.

This method is particularly used by the Group in Italy, Mauritania and in Mali;

- at the final stage, clinker is ground very finely and limestone filler and gypsum are then added to obtain artificial cement, which can be sold in bags or in bulk. Gypsum and limestone filler are added in order to control the cement setting time. Depending on the quality of the cement, other additives may be included, such as fly ash, blast furnace slag or natural or artificial pozzolans.



There are three types of cement manufacturing processes, each characterized by the specific treatment of the raw materials before firing, namely the dry, semi-dry/semi-wet, and wet processes. The technology used depends on the source of the raw materials. The source and nature of the clay or limestone, together with the water content, are particularly important. In recent decades, the cement industry has invested heavily in a planned migration from the wet to the dry process, which consumes less energy, when raw material resources permit. Of the Group's 24 kilns currently in service, 23 are dry-process kilns.

The Cement manufacturing process is very energy-intensive, in terms of both electricity and thermal energy. Electricity is used for transporting the materials inside the factories for the crushing and grinding operations, while thermal energy is consumed mainly when firing the clinker. The cost of energy accounts for over 30% of the average ex-works cement cost price for the industry and is the primary expense item (this percentage being lower for the Group). In 2020, energy costs for the Group as a whole amounted to over € 300 million. The Group allocates a significant part of its industrial investment to improving its energy productivity.

The Group optimizes its energy requirements by using waste as alternative fuel to fossil fuels (coal, gas and oil). The combustion of this waste in a clinker kiln makes it possible to recover and use the energy released. All the Group's French factories have obtained agreement from the inspecting authorities to use non-hazardous industrial waste or landfill waste (tires, animal meal, industrial oils, etc.) as fuel. The Group gives priority to multi-fuel factories capable of switching between different kinds of fuels according to fuel price. In 2020, the share of alternative fuels in the Group's Cement manufacturing business was 25.8% on average (compared with 26.5% in 2019 and 25.6% in 2018), with significant variations (from 0% to 90%) depending on the availability of fuels in the countries where Vicat operates.

For further information on alternative fuels, see section 1.8. "Climate issues" and section 3.1.1. "The circular economy and waste recovery" in the Statement of Extra-Financial Performance included in this Universal Registration Document.

The Group also uses clinker replacement materials produced by other industrial processes, such as fly ash (derived from the burning of coal in power plants) or blast furnace slag (which is a by-product from steel works). The use of such materials in defined proportions can improve certain properties of the cement and reduce the amount of clinker and thus the amount of fossil fuel needed for its manufacture. Also refer to section 3.1.2. "Decrease of the clinker rate in cement" in the Statement of Extra-Financial Performance included in this Universal Registration Document.

1.6.1.3. Operating sites and production equipment

The Group manufactures cement in all 12 countries where it operates.

The Group is present in France with strong positions in the eastern half of the country and particularly in the south-eastern quarter. The Group has also developed solid positions in the United States in the south-eastern states (Alabama, Georgia) and in California, in Switzerland in the western and central half of the country, in Turkey in Central Anatolia, in Egypt, in the region of Sinai and Cairo. The Group also estimates that it has a leading position in Senegal and the countries bordering it. In addition, the Group has a grinding plant and shipping terminals in Italy and grinding plants in Mali and Mauritania. Finally, by establishing facilities in Kazakhstan, in the Indian states of Karnataka and Andhra Pradesh and in the Brasilia region of Brazil, the Group confirms its geographic diversification and its international dimension.

The table below shows the Group's various cement production sites in France and abroad:

Country	Production capacities	Sites	Key dates
France	**4.6 MT**	Montalieu (1 dry-process kiln)	The Group's main cement factory in France, first built in 1922.
		La-Grave-de-Peille (1 dry-process kiln)	Built in 1929, the La Grave-de-Peille factory is the Group's second-largest cement factory in France.
		Créchy (1 dry-process kiln)	Built in 1968. This cement factory is located near Vichy.
		Xeuilley (1 semi-wet process kiln)	Acquired in 1969, during the cement industry's restructuring period.
		Saint-Egrève (1 dry-process kiln)	Acquired in 1970. This factory is located in South-East France, in the Rhône-Alpes region.
Switzerland	**0.9 MT**	Reuchenette (1 dry-process kiln)	The acquisition of Vigier in 2001 allowed the Group to expand its presence in Europe.
Italy	**0.5 MT**	Oristano (grinding mill)	Acquired in 2003, Cementi Centro Sud is the owner of a grinding mill in Sardinia and has two shipping terminals in Taranto (in Apulia) and Imperia (near Genoa).
United States	**2.6 MT**	Ragland (1 dry-process kiln)	The 1974 acquisition of this cement factory in Alabama marked the first step in the Group's international development.
		Lebec (1 dry-process kiln)	In 1987, the Group reinforced its presence in the United States with the acquisition of this factory near Los Angeles in California.
Brazil	**3.2 MT**	Brasilia (3 dry-process kilns)	A majority interest in Ciplan (Cimento do Planalto) was acquired in January 2019. The company has a modern cement factory next to Brasilia.
Turkey	**4.8 MT**	Konya (2 dry-process kilns)	This factory, acquired in 1991, is located in the southern portion of the Anatolian plateau.
		Bastas (2 dry-process kilns)	This cement factory, acquired in 1994, is located in central Turkey, near the country's capital, Ankara.
Egypt	**3.6 MT**	El Arish (2 dry-process kilns)	At the beginning of 2003, the Group took a strategic holding in the Sinaï Cement Company, owner of a cement factory built in 2001, located 40 km from El Arish port.
India	**8.5 MT**	Chatrasala (1 dry-process kiln)	Kalburgi Cement (formerly Vicat Sagar Cement) built a greenfield plant in northern Karnataka. This cement factory, with a capacity of 3 million metric tons, began production at the end of 2012.
		Kadapa (2 dry-process kilns)	In April 2010, the Group acquired 51% of the company Bharathi Cement. This company had a plant with 2.5 million metric tons of capacity, which was raised to 5.5 million metric tons by the end of 2010.
Kazakhstan	**1.6 MT**	Mynaral (1 dry-process kiln)	In 2007, the Group acquired a special-purpose company established to build a cement factory 400 km north of Almaty. The factory came on stream at the start of April 2011.
Senegal	**3.4 MT**	Rufisque next to Dakar (3 dry-process kilns)	In 1999, the Group took over Sococim Industries, which operates a cement factory near the capital, Dakar.
Mali	**0.8 MT**	Diago next to Bamako (grinding mill)	After a first facility established in 2004, Ciments et Matériaux du Mali invested an 800-thousand-metric ton-capacity grinding mill which was commissioned in late 2019.
Mauritania	**0.5 MT**	Nouakchott (grinding mill)	Since 2008, the Group has held a majority stake in the share capital of Mauricim, which operates a cement grinding mill near the Mauritanian capital.

This represents a **total production capacity of 35 million metric tons**.

Section 1.7. "Overview of Group performance and markets" rounds out this presentation by providing information for each country.

Cement manufacturing is a highly capital-intensive industry, requiring significant investments. The cost of building a cement factory generally amounts to between € 150 million and € 300 million per million metric tons of capacity, depending on the type of work, the production capacity planned and the country where it is built. The Group takes care to maintain its production facilities at a high level of performance and reliability. Accordingly, it has regularly invested in new equipment, giving it the benefit of the latest proven and recognized technologies, and has thus in particular steadily improved the energy balance of the installations. The choice of leading international suppliers is also in line with the Group's policy of industrial excellence intended to give priority to quality, durability and performance of the equipment.

In most cases, the Group owns the land on which its cement factories are built. The Lebec cement plant has a lease granted in 1966 for a term of 99 years with 45 years remaining. In addition, except for some vehicles (such as loaders, trucks and wagons), the Group generally has full ownership of its production equipment.

The Group controls and manages the clay and limestone quarries whether by owning the land it exploits, or through renewable mining rights agreements for terms of between 10 and 30 years according to country, or again through concessions granted by the state, which offer both possession of the land and the right to exploit it. These concessions are also renewable periodically.

From the outset of its quarry operations, the Group takes into account the constraints of restoring its sites. For details, see paragraph 3.3.3. "Quarry rehabilitation" in the Statement of Extra-Financial Performance in chapter 3 of this Universal Registration Document.

1.6.1.4. Competitive position

A trend toward concentration has occurred in recent decades, first in Europe, then in the United States, followed by the rest of the world, leading to the emergence of powerful global players. Nevertheless, the worldwide cement industry remains fragmented: in 2018, the world leader had a global market share of around 9%[(1)].

Markets are therefore subject to strong competition, and the Group faces competition from both domestic cement manufacturers such as Oyak in Turkey, Ciments du Sahel in Senegal, UltraTech in India, or Steppe Cement in Kazakhstan, as well as with multinational cement manufacturers such as LafargeHolcim (Switzerland), Cemex (Mexico) and HeidelbergCement (Germany). These companies operate in a number of the Group's markets.

As cement is a heavy product and expensive to transport, the operating range of most cement factories does not generally exceed 300 km by road. Competition thus plays out mainly with cement manufacturers having factories in the Group's marketing zones. Except in the case of cement factories with sea or river access, able to ship their cement over long distances at low cost by boat, or by rail in some countries such as India or Kazakhstan, the cement market remains local.

As mentioned in section 5.4. "Investments", this activity is also highly capital-intensive and the construction of new capacities must necessarily rely on effective land control of significant high-quality quarry reserves, the ability to obtain operating permits, the existence of available energy sources, and the presence nearby of a large and growing market.

Moreover, cement players active in a local market should be able to provide their customers with continuous services, in all circumstances, and with products of consistent quality that meet their expectations as well as applicable standards.

1.6.1.5. Customers

The profiles of customers are similar in most areas in the world where the Group is established. Customers are either general contractors, such as concrete mixers, manufacturers of precast concrete products, contractors in the construction and public works sector, local authorities, residential property developers or master masons, or intermediaries such as construction material wholesalers or retail chains. The relative significance of one type of customer, however, can vary considerably from one country where Vicat operates to another according to the maturity of the market and local construction practices.

In addition, cement is sold in bulk or in bags. Depending on the level of development in the country of operation. Accordingly, as ready-mixed concrete is a very mature sector in the United States, in this market the Group primarily sells its cement in bulk and mostly to concrete mixers. Conversely, in Senegal, which has yet to develop a Ready-mixed Concrete sector, the Group sells its cement primarily in bags to wholesalers and to retailers.

1.6.2. Ready-mixed Concrete (BPE)

Ready-mixed concrete, in which cement is a main component, is an essential material in today's construction projects.

Ready-mixed Concrete activities have been established in each of the countries where Vicat operates through the acquisition or formation of many companies. The Group initially developed its Ready-mixed Concrete business in France during the 1980s, through direct investments in companies. The Group then pursued its goal of vertical

(1) Source: Global Cement Report.

integration by selective acquisitions of companies, firstly in the markets served by its Cement business, and secondly by developing its production facilities in its existing locations.

The Group operated 258 concrete batching plants in six countries at the end of 2020, and its companies sold more than 9.3 million m3 of concrete during the year.

1.6.2.1. Products

Concrete's main qualities are its strength under compression, its durability and rapid setting time, together with its ease of pouring and handling under varied weather and construction conditions. The qualities and performance of a concrete can be obtained and guaranteed only if the physico-chemical formulation of the concrete and its production cycle are adhered to rigorously. For perfect formulation of concrete, the various components must be precisely proportioned in a given order and at a given rate, and these materials must then be mixed continuously and uniformly. These production constraints explain why concrete manufactured in a batching plant is of a superior quality and uniformity to any concrete mixed manually or in a concrete mixer. This is the reason for the growth of ready-mixed concrete, which guarantees compliance with the standards laid down in construction work specifications.

The Group offers a broad range of concretes, ranging from standard concrete to special concretes, developed for specific applications by its research & development laboratory, thus meeting its customers' needs and constraints.

The Group's research & development laboratories design innovative concrete for new applications or ease of use. See section 1.9. "R&D and innovation" of this Universal Registration Document for further details.

1.6.2.2. Manufacturing methods

Concrete is obtained by mixing aggregates, cement, chemical additives and water in various proportions in batching plants to produce ready-mixed concrete. A concrete batching plant consists of silos (for cement, sands and fine gravels), storage tanks for the various additives, and a mixer. In the United States the mixing of the concrete usually takes place in the mixer truck, unlike in other countries where this operation occurs at the plant, before it is dispatched.

The proportions of cement and aggregates (sands and fine gravel) can vary, chemical additives (such as plasticizers, setting retardants or accelerants) can be added, and a part of the cement can be replaced by derivatives such as fly ash or slag, in order to obtain the concrete properties sought by the customer. Significant technical expertise and demanding quality control is therefore essential to handle the many construction factors to be taken into account by the Group's customers, such as setting time, suitability for pumping, pouring the concrete, weather conditions, shrinkage and structural strength.

The qualities and performances of a concrete can be guaranteed only if the formulation is very precise and its production cycle rigorously adhered-to. The dosage of water, in particular, must be precise and the materials must be mixed continuously and uniformly. To meet all these constraints, the Group's concrete batching plants have been largely automated, in order to guarantee precision in the process.

The concrete prepared in the batching plant is loaded by gravity into a mixer truck, which delivers the concrete to the customer. Depending on the country, the Group either operates its own fleet of mixer trucks or uses subcontractors, to whom it subcontracts ready-mixed concrete deliveries. Delivery logistics are an essential aspect when manufacturing concrete because of its limited setting time. A significant portion of ready-mixed concrete is pumped from the mixer truck to the point of placement at the construction site. This delivery approach is made possible by pump trucks, a number of which are owned or leased directly by the Group (in particular in France by its subsidiary Delta Pompage).

Raw material prices vary considerably according to the national markets in which the Group operates. In general, raw materials account for approximately 70% of the total production costs of concrete delivered. Cement represents, overall, more than half of this cost. Delivery is the second-largest component of the cost, at approximately 20% of the total. A significant portion of the cement and aggregates used in its concrete batching plants is supplied by the Group.

In France, the technical sales team of the Group's Ready-mixed Concrete business enjoys the collaboration of Sigma Béton, a key unit of the Louis Vicat Technical Center, specializing in the Ready-mixed Concrete, Aggregates and road products sectors, and certified ISO 9002 for the formulation, analysis and audit of aggregates, cement and concrete.

1.6.2.3. Operating sites and production equipment

The Group has vertically integrated its operations in France, Switzerland, the United States, Brazil, Turkey and Mauritania, and has operations in its Cement and Ready-mixed Concrete businesses in these countries.

As at December 31, 2020, the Group operated 258 concrete batching plants, located near its principal cement production sites, forming regional networks in order to supply construction sites and urban centers:

- France: 147concrete batching plants;
- Switzerland: 18 concrete batching plants;
- Brazil: 11 concrete batching plants;
- United States: 44 concrete batching plants;
- Turkey: 37 concrete batching plants;
- Mauritania: 1 concrete batching plant.

These batching plants are located near the places where the concrete is used since, in view of the setting times, concrete prepared in a batching plant must be delivered to the pouring site within one and a half hours at the most. The operating range of a batching plant is generally between 20 and 30 km, depending also on traffic conditions in the area.

The majority of the concrete batching plants are fixed, although the Group also uses a certain number of mobile systems that are installed on its customers' construction sites (generally the largest ones), according to customers' needs.

1.6.2.4. Competitive position

Since barriers to entry are not high, the ready-mixed concrete market is very fragmented, with a number of large players, from cement manufacturers and international industrial groups to independent operators.

1.6.2.5. Customers

Ready-mixed concrete is sold mainly to construction and public works contractors, from major international construction groups to house building companies, farmers or private individuals. The concrete batching plants fulfill scheduled work contract orders and immediate delivery requests.

1.6.3. Aggregates

The Ready-mixed Concrete & Aggregates businesses are managed within the same segment, because of the similarity of their customers and the Group's vertical integration policy.

The Group sold 22.7 million metric tons of aggregates in 2020, produced by its 75 quarries.

1.6.3.1. Products

Aggregates (sands and gravel), which are the principal raw materials consumed in the world after water, are natural materials used in the manufacture of concrete, masonry and asphalt. They are also the basic materials for building roads, infill and structures.

There are two main product categories: those from crushed rocks (solid rock) and those from natural gravel and sand (alluvial). This is in addition to recycled materials from demolitions, the share of which is growing every year in order to save natural resources.

Local geology determines the types of aggregates available in a given market. The products differ in physical and chemical composition, particularly in their size, hardness and color. They are generally designated by their minimum and maximum diameters:

- massive rocks are extracted from limestone, granite, porphyry, etc. The most common materials obtained are gravels (0-100, 0-80, 0-31, 0-20), aggregates (0-4, 4-6, 6-10, 10-14, 10-20), ballast and boulders. These materials are mainly intended for earthworks, for the manufacture of bituminous mix, blocks or breeze blocks, and increasingly for manufacturing ready-mixed concrete;
- sand and limestone or sand-lime gravel are extracted from ancient sedimentation of river or glacial deposits, and supply concrete batching plants, bituminous mix plants and construction or public works sites. Materials produced are sand, fine gravel, rolled or crushed gravel primarily intended for precast concrete products, public construction, plasters and the preparation of bituminous mix.

1.6.3.2. Manufacturing methods

Aggregates can come from solid or alluvial rock:

- solid rock: the rock is blasted out with explosive before being crushed, sifted and then washed. Crushers are used to reduce the large rocks to a finer gravel. Processing is completed by sifting the material to sort the various "cut-offs" and recycle the coarse particulates. From the beginning of a project, solid rock quarry operations take integration with the environment into account during operations, and the future of the site once the quarry is closed;
- alluvial rocks: these rocks derive from the sedimentation of river or glacial deposits. They can be operated out of water, in 5 to 8 meter high steps, or in water using dredgers or dragline buckets. Extracted gravel is conveyed to processing facilities by conveyor belts or dumpers, or by boat, geography permitting. In some cases, some of the processing can take place directly in the dredger. The transported product is then washed, sifted and crushed to achieve the desired size.

The wash water is processed using hydrocyclone separation to recover usable fine particulates. This water is then clarified to be fully reused during the process. Residual clay can be used to reconfigure the quarry, as embankments or as an agricultural sub-layer. A wide range of site configuration options is available following closure of the quarry: sports field (lawn, track, etc.), industrial platform, restoration as agricultural or forested land, plantings on the slopes, wetlands and so forth. If bodies of water were created, they can be used for fishing, boating or an environmental project.

The production of aggregates requires heavy equipment in a quarry, for handling both solid rock and alluvial rock. The quarrying and grinding of solid rock requires the use of loaders, transport equipment and crushers. Alluvial rock is extracted using dredges. Aggregates on the processing site are generally transported using conveyor belts.

1.6.3.3. Operating sites and production equipment

The Group's strategy for its Aggregates business in France and in Switzerland is to concentrate on the regions where it already has a presence in the Ready-mixed Concrete business. The Group regularly acquires quarry owners in the aggregates industry or directly establishes operations at new sites.

In other countries, the aim is to round out the Group's offerings to its customers, especially where local requirements are not adequately met and where there is promising growth potential.

As at December 31, 2020, the Group operated 75 quarries:

- France: 45 quarries;
- Switzerland: 19 quarries;
- Brazil: 2 quarries;
- Turkey: 5 quarries;
- Senegal: 3 quarries;
- India: 1 quarry.

Extractions are performed on land which the Group owns or over which it has long-term operating rights, and for which it has obtained the necessary licenses. In addition, the Group maintains the level of its reserves through acquisitions and by obtaining new extraction licenses. Finally, management of the quarries takes into account the vital need to restore the sites. This policy is described in detail in the Statement of Extra-Financial Performance in chapter 3.3.3. "Quarry rehabilitation" in this Universal Registration Document.

The industrial plant comprises heavy equipment such as loaders, haulage machines, crushers and other equipment such as dredgers or draglines. With the exception of some vehicles held under leases or finance leases agreements, the Group generally owns this equipment.

1.6.3.4. Competitive position

The aggregates market is generally fragmented into many local markets. The various participants are regional or national quarry operators, firms in the construction and public works sector which are vertically integrated, together with international industrial groups supplying construction materials.

The Group gives priority to operating quarries located near the consumption markets, so as to optimize its production costs. This approach facilitates access to customers and reduces transport costs.

1.6.3.5. Customers

The Group sells a portion of its aggregates to ready-mixed concrete manufacturers, in the form of either intra-group or external sales. Other customers include manufacturers of precast concrete products, contractors in the public works and road construction sectors, either for their asphalt plants or as infill, construction contractors, but also farmers or private individuals for various purposes.

1.6.4. Other Products and Services

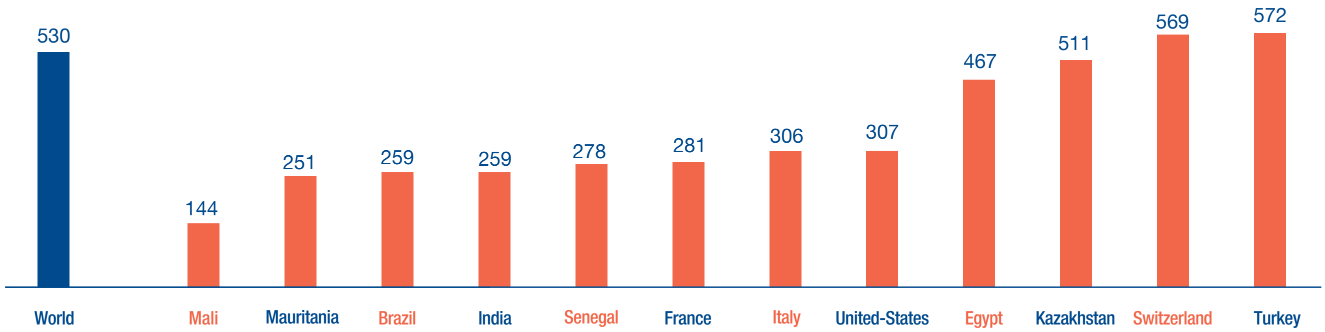
In France, Switzerland, Turkey and India, the Group also has operations in activities complementary to its main businesses. These activities are transport, construction chemicals, the production of paper and paper bags, and precast concrete products.

Operations in the Group's Other Products and Services segment are described in section 1.7. of this Universal Registration Document.

1.7. Overview of Group performance and markets

The dynamism of the construction materials industry in a given market depends primarily on the demographic development of the population, economic growth, and trends in the rate of urbanization. In addition, the architectural culture and local construction practices have a great influence on the choice of construction materials, which mainly include concrete, wood, brick and steel. This choice is also guided by the availability and the price of each of these materials locally.

ANNUAL CEMENT CONSUMPTION *PER CAPITA* IN 2019 (KG *PER CAPITA*)



Sources Global Cement Report.

The selling price of cement, which is the Group's principal product, depends essentially on supply and demand.

Breakdown of consolidated sales revenues by geographical area in 2020

(in millions of euros)	2020	%
France	963	34.3
Europe (excluding France)	423	15.1
Americas	636	22.7
Asia	348	12.4
Mediterranean	173	6.2
Africa	262	9,3
TOTAL	**2,805**	**100.0**

Due to the Group's significant geographical diversification efforts in recent years, the portion of sales revenues generated in emerging countries reached 33.5% of the Group's consolidated sales revenues in 2020.

CEMENT SALES VOLUMES

The Group has 16 cement factories spread over nine countries, as well as five clinker grinding plants established in three countries. Sales were 25,043 thousand metric tons of cement and clinker in 2020.

(in thousands of metric tons)[1]	2020	2019
France	3,008	3,002
Switzerland	884	877
Italy	190	223
United States	2,448	2,241
Brazil	2,937	1,952
India	5,310	5,519
Kazakhstan	1,592	1,551
Egypt	1,635	1,273
Turkey	3,749	3,034
West Africa	3,291	2,716
TOTAL	**25,043**	**22,388**

(1) Volumes of cement, clinker and masonry cement.

Intra-group cement sales accounted for 19.6% of this business in the Group, with a significant disparity, ranging from 0% to 38% depending on the operating regions.

CONCRETE VOLUMES SOLD

The Group operates 258 concrete batching plants which produced and sold 9,309 thousand m^3 of concrete in 2020.

(in thousands of m^3)	2020	2019
France	3,057	3,298
Switzerland	716	661
United States	2,261	2,278
Brazil	576	501
Turkey	2,693	2,392
Mauritania	5	5
TOTAL	**9,309**	**9,135**

AGGREGATES SALES VOLUMES

The 75 quarries operated by the Group's Aggregates business sold 22,713 thousand metric tons of aggregates in 2020.

(in thousands of metric tons)	2020	2019
France	9,888	10,244
Switzerland	3,053	2,411
Brazil	2,317	2,058
India	367	592
Turkey	5,206	4,799
Senegal	1,881	2,868
TOTAL	**22,713**	**22,971**

In the markets where it operates, the Group develops strong regional positions around its cement production facilities, while also consolidating those positions through Ready-mixed Concrete & Aggregates businesses. The Group favors local brands rather than a single global brand.

1.7.1. France

France is the Group's historical market where it operates five cement plants located in the eastern half of the country and a network of concrete batching plants and quarries mainly located in the same catchment areas, with a high concentration in the south-eastern quarter. In addition, the Group has activities in France that complement its three core businesses.

Group sales volumes in France

	2020	2019	Change
Cement *(in thousands of metric tons)*	3,008	3,002	+0.2%
Concrete *(in thousands of m^3)*	3,057	3,298	-7.3%
Aggregates *(in thousands of metric tons)*	9,888	10,244	-3.5%

The health crisis caused a 8.3% drop in GDP in 2020.

Housing starts rebounded sharply after the first lockdown and 2020 should end with a limited decline of 7%, *i.e.* around 380,000 housing starts, after a decline of 2.3% in 2019. On the other hand, not benefiting from the same level of recovery as housing, starts of non-residential buildings fell by 16% in 2020, after an increase of 8.3% in 2019.

The Public Works sector is expected to decline by 15% in 2020. It was penalized by the health crisis but also by the end of public procurement due to restrictive measures.

1.7.1.1. Cement

The French cement industry is concentrated; four groups account for approximately 80% of the market; these are LafargeHolcim, Ciments Calcia (HeidelbergCement Group), Vicat and Eqiom (CRH). Vicat has become the only French operator in this market, which has changed considerably over the last few years.

After a solid year in 2019 at +4%, the cement market started off 2020 at a steady pace until the first lockdown in mid-March, when it came to a halt. However, it was able to benefit from the faster recovery of small projects, which has boosted the Precast and Trading customer segments. Despite this phenomenon and a good recovery in construction activities, 2020 should end with a decrease in cement consumption of around 7.5% (17.9 Mt compared to 19.3 Mt in 2019).

In 2020, Vicat's sales were slightly up (+0.2%) in volume compared to 2019, with a significant increase in exports. Average selling prices increased.

1.7.1.2. Ready-mixed Concrete and Aggregates

There are nearly 1,900 concrete batching plants and more than 500 companies throughout France.

In 2020, after the first lockdown, the ready-mixed concrete market experienced a very gradual recovery with major projects that struggled to regain their pre-health crisis level. The year should end with a 9.3% decline in the market (36.6 million m^3 compared to 40.3 in 2019).

The Group's 147 concrete batching plants cover 10 of the 19 French regions, mainly located in the eastern half of France, and sold nearly 3,057 thousand m^3 in 2020, accounting for over 8% of the national market. Prices rose this year despite the crisis.

More than 1,600 companies operate in the aggregates market in France. The Group is among France's top-ten producers. This market reached around 304 million metric tons in 2020 (excluding recycled materials), down 6%.

The Group has some 60 sites, including 45 quarries, which enabled it to produce and market 9,888 thousand metric tons of aggregates in 2020, corresponding to around 3% of the national market. Sales volumes in 2020 are down 3.5% compared with 2019, while sales prices are on the rise.

1.7.1.3. Other Products and Services

Other Products and Services include activities that are complementary to the Group's main businesses, such as Transport and Major Projects featuring SATM, Construction chemicals with Vicat Produits Industriels, and the Paper and Bags business with Papeteries de Vizille.

Breakdown of operational sales by business

(in millions of euros)	2020	2019	Change
Transport and Major Projects	156.3	169.3	-7.7%
Construction chemicals, Vicat Produits Industriels	84.3	78.7	+7.2%
Paper	38.2	39.2	-2.5%

Transport and Major Projects

Through its 15 branches in France, SATM uses three means of road transport: bucket, tank and platform trucks. SATM generates most of its transport sales revenues as a shipping agent and is a leading player in the field of bulk, bucket and tank transport, which confers great flexibility and adaptability to the market. SATM operates a fleet of approximately a thousand vehicles, the majority of which belong to sub-contractors.

SATM transports much of the cement and aggregates to the Group's ready-mixed concrete batching plants, which accounts for approximately half of SATM's sales revenues in the Group. The complementary nature of this transport activity with the Group's businesses allows it to optimize the quality of service provided to its customers. Sales revenues of this activity, in 2020, were down 7.4% due to the pandemic context.

SATM's major projects business primarily operates on large infrastructure construction sites such as TGV railway lines, motorway projects and power station construction programs. SATM operates on these sites to deliver ready-mixed concrete by means of mobile concrete mixing and batching stations intended for major projects. SATM is a true partner in the major projects field, in France and abroad. Due to the stoppage of construction sites due to health restrictions, sales revenues for 2020 were down by 17.2% compared to 2019.

Construction chemicals

Vicat Produits Industriels (VPI) is a major player in the industrial mortar market for construction and civil engineering, with four plants and a sales network in France. With VPI, the Group has a closer view of the construction materials market and therefore a better understanding of end user needs.

VPI offers a broad range of approximately 200 products that meet many needs: exterior wall coatings, mortar and traditional concretes, products used to repair floors and walls, tiling adhesives and thermal insulation products. The evolution and development of these products and their adaptation to the customer's requirements are handled by the research laboratory team at L'Isle d'Abeau.

Revenues from the VPI activity were up significantly by 7.2% in 2020 thanks in particular to the Building activity, which experienced a strong rebound in the second half of the year.

Paper and bags

Located in the Grenoble area, Papeteries de Vizille operates in two segments: writing/printing paper and bag production.

SPECIAL PAPER PRODUCTION

The Printing/Writing business focuses on the production of specialty papers with higher added value. Accordingly, despite the company's small size, Papeteries de Vizille continues to expand into various countries around the world where the company's expertise is recognized along with the quality and technical sophistication of their products.

In 2020, the Company generated 44% of its sales revenues in the export market.

PAPER BAG PRODUCTION

The bags business provides large-capacity paper bags to the agro-food, chemical and construction sectors. The factory has an annual production capacity of approximately 65 million bags, equal to approximately 10% of the national market. Some of the bags sold by Papeteries de Vizille are intended for the Group.

In 2020, sales increased by 7.0% in volume compared to 2019.

1.7.2. Europe (excluding France)

Group sales volumes in Europe (excluding France)

	2020	2019	Change
Cement *(in thousands of metric tons)*	1,073	1,100	-2.4%
Concrete *(in thousands of m^3)*	716	661	+8.6%
Aggregates *(in thousands of metric tons)*	3,053	2,411	+26.6%

1.7.2.1. Switzerland

The Group entered the Swiss market in 2001 by acquiring the Vigier group, which was already vertically integrated both through a network of concrete batching plants and quarries and through significant business activity in prefabricated concrete products. It operates mainly in the western and central parts of the country.

Affected more severely in the second half of the year by the health crisis, Switzerland experienced a decline in GDP in 2020 of around 3.3%, although less penalized than for the euro zone.

Cement

Demand for cement in Switzerland was around 4.6 million metric tons in 2020, which represents slightly less than 600 kg of cement consumption *per capita*, a very high level of demand for a mature market. National deliveries fell by 1.5% in 2020 compared to 2019[(1)] with a more significant decrease for imports.

The local producers in this market are Holcim (LafargeHolcim Group), Jura Cement (CRH Group) and Vigier, a Group subsidiary. Vigier is present in the west of the country and is the third-largest cement manufacturer in Switzerland.

In 2020, despite the context, Vigier Ciment posted sales revenue growth of +8.3% compared to 2019.

(1) Source CemSuisse/internal estimate.

Ready-mixed Concrete & Aggregates

The Ready-mixed Concrete market is highly developed in Switzerland, with a dense network of concrete batching plants.

Through Vigier and its subsidiaries, the Group owns 18 concrete batching plants spread over the western half of Switzerland. These plants produced 716 thousand m^3 in 2020, up nearly 8% compared with the previous year.

Vigier operates 19 aggregates sites, located near the concrete batching plants. These quarries are primarily intended to meet the needs of the concrete batching plants. Sales of Vigier's aggregates amounted to 3,053 thousand metric tons in 2020, up by 26.6% on the previous year.

Other Products and Services

Creabeton Matériaux, a subsidiary of Vigier, comprises four Precast concrete production sites. The four factories are supplied with cement and aggregates by other companies within the Group.

Creabeton Matériaux manufactures and sells a complete range of concrete products, in particular products for gardens (flagstones, paving stones), products for infrastructures (Deltablocs, drainage systems) and made-to-measure products (architectural items).

Vigier group also manufactures and sells railroad sleepers and concrete platform curbs under the Vigier Rail brand, and has acquired a supplier of technical solutions which has licenses for the Low Vibration Tracks slab track systems.

Sales revenues from this Precast Concrete business reached € 122 million in 2020, up by 1.2% compared to 2019 despite strong foreign competition due to the strengthening of the Swiss franc against the euro. These sales represent nearly 400 thousand metric tons of concrete products.

1.7.2.2. Italy

With cement consumption of just over 17 million metric tons of cement, Italy is experiencing a sharp slowdown due to the effects of Covid-19.

Cementi Centro Sud, the Group's subsidiary, operates a grinding mill and two shipping terminals, one near Genoa and the other in the south of the country, which jointly totaled 190 thousand metric tons sold, including quick-setting cement trading. Cementi Centro Sud does not hold a significant share of the Italian cement market, yet it provides the Group with a strategic base for operations in a fast-changing market.

1.7.3. Americas

Group sales volumes in the Americas

	2020	2019	Change
Cement *(in thousands of metric tons)*	5,385	4,194	+28.4%
Concrete *(in thousands of m^3)*	2,837	2,779	+2.1%
Aggregates *(in thousands of metric tons)*	2,317	2,058	+12.6%

1.7.3.1. United States

After an air gap in the second quarter (-30%) related to health restriction measures, GDP recovered sharply in the third quarter (+33%), driven by the reopening of retail and businesses. GDP is expected to end the year with a decline in growth of -3.4% compared to 2019. Unemployment, after having exceeded 14% at the peak of the crisis, fell back below 7% at the end of the year.

The construction industry is resilient. Spending in this sector was up by 3.8% compared to 2019, driven mainly by residential, up sharply, with housing starts up 13%, and to a lesser extent public works.

The Group is present in two main regions: California and the South East (mainly Alabama and Georgia), which are markets that can evolve at very different rates.

Cement

The American cement is estimated at 101 million metric tons in 2020[(1)], up by around 1.2% on 2019. *Per capita* consumption remains moderate for a developed market (around 307 kg of cement per year), due in particular to a preference for construction using wood. Roads, however, are most often made of concrete.

The American cement industry generally supplies around 90% of national consumption, with the rest imported chiefly from Canada, Asia and Mexico.

The following table presents cement consumption in the two regions of the United States where the Group is present[(1)]:

(in millions of metric tons)	2020	2019	Change
South-East	9.3	8.9	+3.9%
California	10.1	10.0	+0.4%
TOTAL UNITED STATES	**100.9**	**99.7**	**+1.2%**

(1) *Source: United States Geological Survey (USGS) and end-of-year estimate.*

The Group has two factories which are more than 3,000 km apart which serve two separate markets: California and the South-East.

The Group's competitors in the two markets in which it operates in the United States are HeidelbergCement, LafargeHolcim, Argos, Cemex, and Buzzi Unicem in the South-East, and Cemex, HeidelbergCement, Cal Portland Cement and Mitsubishi in California.

With overall production accounting for around 2% of the national market, the Group's subsidiary National Cement Company is reportedly the 14th largest US cement manufacturer[1] nationally, and is a major player in the two regions where it is active.

The Group's sales volumes were up 9.2% in 2020, driven by the dynamism of the market despite the health situation. Price increases were also made in California.

To respond to the anticipated growth in the market in the South-East United States and to increase considerably the use of alternative fuels, the construction of a new firing line is under way at the Ragland plant in Alabama to replace the existing equipment. This project launched at the end of 2019 is due to come on stream in 2022.

Ready-mixed Concrete

Ready-mixed concrete is widely used in the United States. The US market for ready-mixed concrete was estimated at around 287 million m3 in 2020[2], *i.e.* 1.2% growth. It is now approaching historical highs.

This market is highly competitive with both large and strongly integrated players, such as Cemex or LafargeHolcim, but many small independent producers still operate at the local level as well.

In 2020, the Group's Ready-mixed Concrete market in the South-East (Alabama and Georgia) accounted for a production of nearly 13.1 million m^3, around a 0.7% increase over 2019[2]. The Ready-mixed Concrete market in California accounted for production of almost 28.4 million m3 in 2020, up 0.4% from the previous year[2].

The Group has grown through successive acquisitions and runs 44 concrete batching plants in North America, mainly through Kirkpatrick Concrete, National Ready Mixed, Walker Concrete and Builders Concrete.

These companies achieved a sales volume of 2,261 thousand m^3 in 2020, a decrease of 0.8% compared to 2019. Price movements were favorable in all regions where the Group operates.

1.7.3.2. Brazil

With strong positions in local markets and a well-known brand, Ciplan operates a modern, high-performance plant, in the vicinity of Brasilia, with a total installed cement capacity of 3.2 million metric tons per year. It is backed by high quality and abundant limestone and clay resources. Ciplan also operates a network of 11 concrete batching plants and two aggregates quarries.

With the onset of the coronavirus pandemic in March 2020, economic activity slowed down sharply, then recovered in the second quarter. The Brazilian government forecasts a drop in GDP for 2020 of 4.6%. The unemployment rate rose from 11.8% at the end of 2019 to 14.6% in the third quarter of 2020.

Cement

Today, the cement market in Brazil is fragmented, with more than 20 actors, including several international groups, significant national actors and companies operating regionally.

Per capita cement consumption, which amounted to almost 354 kg/year in 2014, decreased to around 258 kg/year in 2018. In 2020, this consumption increased to reach 285 kg/year *per capita*.

The provisional figures show growth in cement consumption that should amount to around 60.5 million[3] metric tons, up by 10.7% compared to 2019. The Center-West region where Ciplan is located, and which is generally a strong exporter to the other regions, saw growth of 14.3% in shipments.

Despite the impact of the Covid-19 epidemic, Ciplan's sales increased significantly, by more than 42.5% compared to 2019, reaching 2,937 thousand metric tons, and benefited from sustained price increases.

Concrete

Ciplan has 11 concrete batching plants: four in the Brasilia Federal District, five in the Goias State, one in the north of the Tocantins State and one in the south-east in Minas Gerais.

Sales reached 576 thousand m3 in 2020, up 10.3% compared to 2019.

Ready-mixed concrete remains extremely competitive, with the recovery only taking hold in the second half of the year, with a positive price trend.

(1) *Source: Global Cement Report.*

(2) *Our estimates and the National Ready-Mix Concrete Association (NRMCA).*

(3) *Source: Sindicato Nacional da Industria do Cimento (SNIC), 2020 preliminary data (consumption) and CIA World Factbook (population).*

Aggregates

Ciplan operates two aggregates quarries. The first is shared with the Cement manufacturing business on the Fercal site. It supplies Brasilia and its surrounding area with limestone aggregates. The second is a granite quarry located in Guapó (State of Goias), which supplies the city of Goiania.

Sales reached 2,317 thousand metric tons, up 8.1% compared to 2019.

1.7.4. Asia

Group sales volumes in Asia

	2020	2019	Change
Cement *(in thousands of metric tons)*	6,902	7,070	-2.4%
Aggregates *(in thousands of metric tons)*	367	592	-37.9%

1.7.4.1. India

In 2008, the Group set up operations in India through the limited joint venture Kalburgi Cement and in 2010 it increased its presence in this high-potential market with the acquisition of Bharathi Cement. Thus, with a cement production capacity of 8.5 million metric tons, the Group is able to tap into its significant development potential in order to serve India's southern and western markets.

Following the lockdown and abrupt shutdown of the economy last spring to combat the health crisis, India, the second most affected country in the world, is expected to experience one of its worst economic performances in 2020. GDP is expected to contract by 7.7% for the current fiscal year according to the National Institute of Statistics. The unemployment rate rose sharply to reach 9.1% in December 2020, down from the peak in the month of June (which stood at 23%).

Cement

The cement market in India was estimated at 300 million metric tons in 2020[(1)], making it the second-largest cement market in the world. With a *per capita* consumption of more than 259 kg per year, there is still much growth potential in the market in view of infrastructure requirements, population dynamics and continuing urbanization.

In 2020, the cement market in the states where the Group is active in the South (Andhra Pradesh, Tamil Nadu, Karnataka, Kerala and Goa) and in Maharashtra was estimated to be around 84 million metric tons, down by almost 24% compared to 2019 due to the impact of the crisis and restrictive measures during the first half of the year.

(1) Source: internal estimate.

The Group markets the production of its two factories under the Bharathi Cement label through a broad network of distributors. In 2020, the Group sold 5,310 thousand metric tons of cement, a decrease of 3.8% compared to 2019, thanks to a geographical redistribution of the customer mix, which also led to an improvement in selling prices.

Aggregates

Bharathi Rock Products operates an aggregate quarry approximately 50 km from Bangalore, in Karnataka. This company sold 0.4 million metric tons of aggregates in 2020, a decrease of 38% compared to 2019, due to health restriction measures.

Other Products and Services

Bharathi Polymers (100% subsidiary of Bharathi Cement), is located in Andhra Pradesh, in the district of Kadapa, about 60 kilometers from the cement plant.

Bharathi Polymers sold 43.5 million bags at the end of 2020, down 11.3% compared to the previous year, due to the drop in demand in the health context.

1.7.4.2. Kazakhstan

The Group has been producing cement in Kazakhstan since 2010 from the Jambyl Cement plant. The plant's main markets are in the regions surrounding Almaty and Astana, the capital, and to a lesser extent the southern region of the country.

Kazakhstan's GDP, impacted by Covid-19, fell by 2.6% in 2020.

The construction sector was relatively spared from the health crisis. Construction work was one of the sectors authorized to continue its activities. Kazakhstan has commissioned 15.3 million square meters of housing, a record growth of 16.8% compared to 2019.

Despite the health disruptions, domestic cement consumption increased by 2.6% over the year, exceeding 9 million metric tons.

Sales of Jambyl Cement also increased by 2.6% to reach 1,592 thousand metric tons, thanks to the responsiveness of Jambyl Cement during the year, the recognition of the market for the quality of its products and its rigor in the deliveries of cements.

1.7.5. Mediterranean

Group sales volumes in the Mediterranean

	2020	2019	Change
Cement *(in thousands of metric tons)*	5,383	4,307	+25.0%
Concrete *(in thousands of m³)*	2,693	2,392	+12,6%
Aggregates *(in thousands of metric tons)*	5,206	4,799	+8.5%

1.7.5.1. Turkey

The Group has been active in Turkey for over 25 years, through its cement factories in Konya and near Ankara, the capital, and *via* its network of concrete batching plants and quarries serving the Anatolia region and part of the Mediterranean coast.

As an economy still weakened by the devaluation of the Turkish lira in 2018, Turkey suffered the effects of the pandemic in the first half of the year, but ended up with a stable annual GDP, thanks to government budgetary measures, which enabled a more sustained recovery in economic activity.

The monetary easing, which was the backbone of the government's economic policy until November 2020, contributed to the fall in the national currency, down 36% over the year, also bringing inflation to 14.6% at the end of December.

The construction sector, supported by the budget measures, is up 6.4% year-on-year, for the first time since 2018.

Cement

Taking into account the budget support measures, cement consumption, estimated on the basis of actual data at the end of October 2020, is up by +19.8% over the year, to reach 54.4 million metric tons.

If the Turkish Cement manufacturing sector remains largely fragmented, there seems, however, to be an incipient concentration with the emergence of multinational players such as Vicat, HeidelbergCement and Cementir (Italy) and from Turkish groups of national stature (such as Oyak, Sabanci and Nuh). The principal cement consumption areas in Turkey are the urban areas of Marmara (Istanbul) and Central Anatolia (Ankara), and the tourist areas of the Mediterranean (Antalya) and the Aegean Sea.

In a context of high volatility due to Covid-19, cement sales in Turkey reached 3,749 thousand metric tons, up by 23.6% compared to 2019. Competitive pressure on selling prices remained strong preventing them from going up in 2020.

Ready-mixed Concrete & Aggregates

The Turkish ready-mixed concrete market is estimated at around 75 million m³ in 2020[(1)], a figure up 16.4% compared to the previous year, thanks to the maintenance of major public projects and the impact of budget stimulus packages.

The Group has 37 concrete batching plants around its two cement plants. In the context described above, the production of Bastas Béton and Konya Béton reached 2,693 thousand m³ in 2020, up 12.6%, accompanied by an increase in selling prices.

The Group's position in Turkey in the Aggregates business is focused on supplying its ready-mixed concrete market, which accounts for 60% of its sales.

At 5,206 thousand metric tons, sales of aggregates were up by 8.5% in 2020 compared to 2019.

1.7.5.2. Egypt

The Group entered the Egyptian market in 2003 when it acquired an interest in Sinaï Cement Company, and operates in the northeastern part of the country.

From a macroeconomic point of view, the situation in Egypt was improving its fundamentals until the arrival of the pandemic, which had only a moderate impact. GDP, although slowed, grew. Inflation is down to 5.4% and the currency is stable against the dollar.

However, this macroeconomic upturn has not yet strengthened the microeconomic environment.

In terms of security, the situation in North Sinaï has not changed much since the beginning of the military operation launched in February 2018, and remains tense.

The construction market has slowed since the end of 2016, with the sharp rise in the cost of imported construction materials and the growing scarcity of cash available for residential building. The residential market has also been severely impacted by the tightening of building safety legislation. Officially noting a generalization of breaches of this legislation, the Ministry of Local Development published a decree at the end of May 2020 freezing the allocation of building permits to the private sector until November 2020.

Cement consumption in Egypt continued to decline in 2020. It declined by a further 6% over the year, to stand at around 45.7 million metric tons.

There are currently 16 cement companies in Egypt, throughout the country, including LafargeHolcim, Cemex and Heidelberg Cement, and the most important player is the Egyptian army which already controls almost 40% of the country's private industry and continues to increase

(1) Estimate provided by the THBB.

its production capacities. Most cement factories are concentrated within a 200 km radius around Cairo, the capital.

In this difficult context, sales of Sinaï Cement Company were 1,635 thousand metric tons, up by 28.4% compared to 2020, thanks to the marketing of a new cement and changes to the distribution channel to customers.

1.7.6. Africa

Group sales volumes in Africa

	2020	2019	Change
Cement *(in thousands of metric tons)*	3,291	2,716	+21.2%
Concrete *(in thousands of m³)*	5	5	+9.9%
Aggregates *(in thousands of metric tons)*	1,881	2,868	-34.4%

1.7.6.1. Senegal

The Senegalese economy is severely affected by the impact of the Covid-19 pandemic, particularly in sectors such as tourism, hotels and restaurants, transport and retail. The GDP growth rate is slightly negative (-0.7%) and inflation is estimated at 2.5%. A support plan has been put in place to support the various economic players. The construction sector, impacted by the partial lockdown implemented in the second quarter, rebounded positively over the rest of the year.

Cement

The Group has been active in Senegal since 1999 through its subsidiary Sococim Industries, based in Rufisque, near Dakar, from which it has expanded into surrounding West African countries, namely Mali, Gambia, Guinea-Conakry, Burkina Faso and Mauritania (the “sub-region”). Together, these countries accounted for cement consumption in the order of 10 million metric tons.

The Group estimates that the cement market in Senegal has registered an average annual growth of over 6% per year over the last 15 years. The market has more than doubled in size over the past 15 years, with annual consumption climbing to nearly 5.0 million metric tons in 2020.

The Group faces competition in Senegal with Ciment du Sahel and, since January 2015, with the Nigerian group Dangote. This competitive pressure initially led to a reduction in volumes sold by the Group and an average selling price, however, a partial recovery has since been seen thanks to the overall increase in volumes and the high quality of Sococim’s offering.

The cement industry in Senegal enjoys access to limestone resources hard to find in West Africa, and also supplies neighboring countries, which do not all have domestic clinker producers.

With sales volumes amounting to 2,759 thousand metric tons, up 10.4% compared to 2019, Sococim Industries has kept its leadership position amid intense competition. Selling prices were also up in 2020.

Aggregates

The Group operates in the aggregates market serving Senegal and neighboring countries. The Group produces crushed aggregates (limestone and basalt) in the western part of the country (Dakar and Thiès), which are used in the country’s 11 regions and in neighboring Gambia.

After a difficult year in 2019 due to the stoppage or postponement of major government projects (phase 2 of the Emerging Senegal Plan was unable to start due to a lack of funding), 2020 was doubly impacted by the postponement of the launch of major projects and the Covid-19 health crisis.

The result was a 34.4% decrease in Group volumes in 2020 to 1.9 million metric tons. Selling prices remain stable compared to 2019.

At the end of 2020, Sodevit was merged into Gécamines, enabling greater commercial and industrial synergy between the activities and the simplification of management processes.

1.7.6.2. Mali

The security crisis persistes in the North of the country, in the center and in the three borders region. Political instability ended in a coup in August 2020 that led to the implementation of a political transition. This resulted in an economic slowdown worsened by the effects of the health crisis. As a result, growth forecasts have been revised downwards and GDP is expected to decline by 0.2% according to the International Monetary Fund (IMF) in 2020, while it grew by 5% in 2019.

However, cement consumption was up by 4% and stood at around 2.9 million metric tons. The launch of the Group’s new grinder at the end of 2019 enabled Ciments et Materials du Mali to sell 357 thousand metric tons, in addition to the 189 thousand metric tons of direct sales made by Sococim Industries, which represents a doubling of Group sales in Mali in 2020 compared to 2019.

1.7.6.3. Mauritania

After sluggish growth in 2019, the Mauritanian economy suffered the effects of the Covid-19 crisis in 2020, with a recession estimated at -3.2% for 2020 by the International Monetary Fund. Inflation is estimated at 3.9%.

Annual cement consumption in Mauritania increased slightly in 2020 by 1.5% to 1 million metric tons according to the Group's estimates, mainly supported by the informal sector, which did not dry up during periods of health restrictions.

Mauricim, the Group's subsidiary, grinds high-quality, imported clinker to produce a "marine cement" equivalent, which is in high demand in the capital city.

Mauricim's cement sales increased by 16.9% in 2020, mainly due to private construction. Selling prices have also increased.

The Group supplements its operations in Mauritania with a Ready-mixed Concrete business.

1.8. Climate issues

The Vicat Group considers climate change issues as a core component of its strategy. Well aware of its impact on CO_2 emissions, the Group has focused its research and development effort on the major challenge of reducing CO_2 emissions.

Among the Group's activities, cement production is the main source of carbon dioxide.

1.8.1. Sources of CO_2 emissions

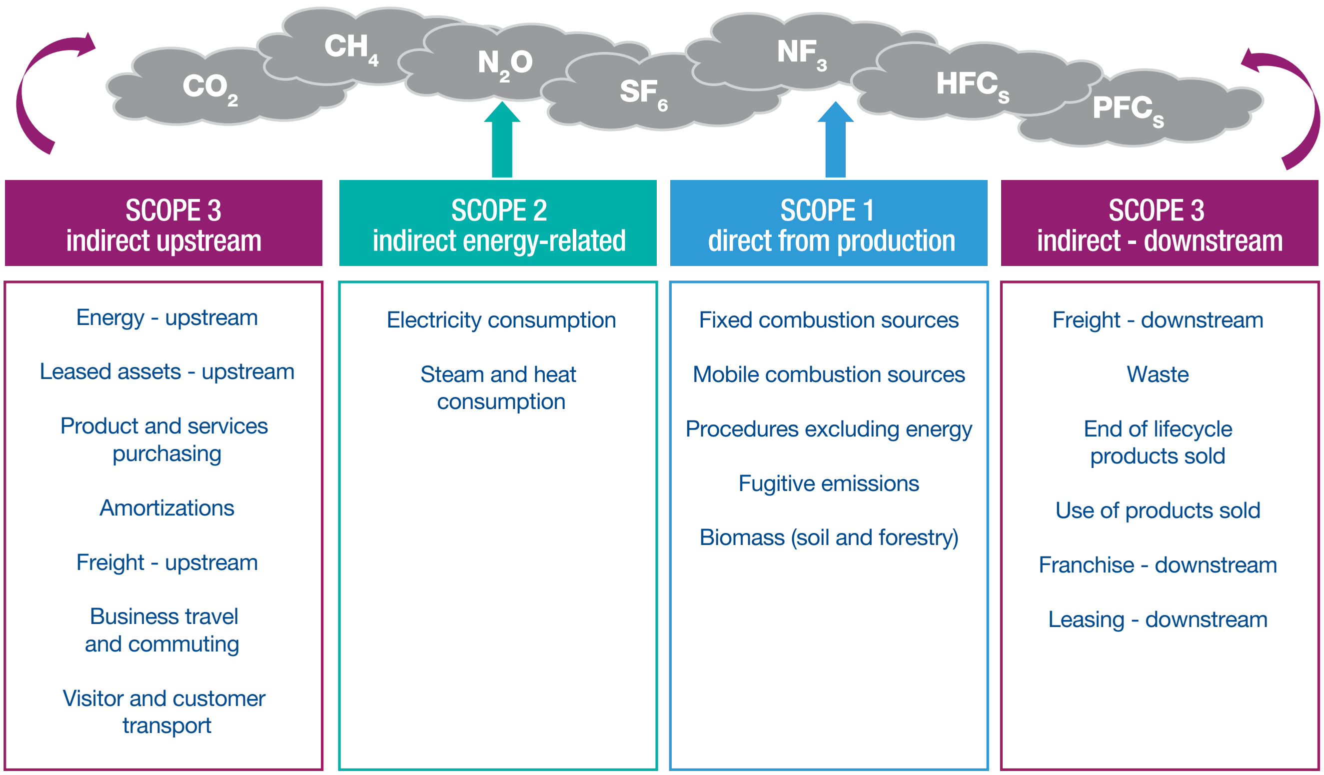
CO_2 linked to cement comes from several sources, in particular (see diagram below):

Direct emissions

- Burning fossil fuels to produce the high kiln temperatures needed to fire the raw materials. This item "fixed sources of combustion" represents approximately 40% of Scope 1 emissions;
- In the decarbonation of carbonates, especially limestone, during firing. This item "non-energy processes" represents approximately 60% of Scope 1 emissions.

Indirect emissions

- From "electricity consumption" in particular for mechanical grinding upstream and downstream from firing. The electricity consumed in Scope 2 is equivalent to approximately 15% of the thermal energy consumed in Scope 1;
- From "transport of goods" (Scope 3, upstream and downstream), highly variable depending on the source of the materials and destination markets. The Vicat Group sources its materials locally and sells into nearby markets in the same territories as the integrated factories.



1.8.2. The Vicat Group's commitments

Vicat has already reduced its CO_2 emissions in France (historical scope) by 15% per metric ton in 2020 compared with 1990. The net specific emissions were only 657 kg of net CO_2 per metric ton of cement at the time.

The Group has made a commitment to cut emissions across its whole current consolidation scope to 540 kg of net CO2 per metric ton of cement by 2030, using available technologies, i.e. a reduction of 13% compared with 2019. In France and Switzerland, countries subject to ETS regulations, the CO_2 ratio reached 523 kg per metric ton of cement in 2020. The Group is targeting 430 kg by 2030 for these two countries, which are a benchmark of best practices for the rest of the countries where it operates.

The Group aims to be carbon neutral over its whole value chain by 2050, but this will require disruptive technologies for Carbon Capture and Usage/Storage (CCUS) that are as yet unproven and will significantly impact its production cost.

1.8.3. Strategies for reducing CO_2 emissions

The main focuses of innovation for reducing the CO_2 footprint of our activities are the following:

In the cement manufacturing process

- Energy (efficiency, production of low carbon and green heat and electricity, significant reduction in the use of fossil fuels);
- Reduction of the clinker rate;
- Reuse of materials and waste energy through the circular economy;
- CO_2 capture during clinker production.

The Group also intervenes in the value chain downstream of its operations in the following areas:

In concrete manufacturing

- Reduction of the level of cement in concrete;
- The integration of biosourced materials such as hemp or wood aggregates.

In construction

- Reduction of the amount of concrete in construction;
- Biomimicry in architecture;
- The right concrete in the right place;
- Use of 3D printing;
- The concentration of performance per cubic meter of concrete to limit the quantity of concrete.

In the use of concrete

- Extending of the lifetime of the works;
- Multiple uses;
- Functionalization of structures;
- Natural recarbonation of concrete (carbon sinks).

End-of-life of concrete

- Recyclable concrete;
- The recovery of demolition concrete through its forced and accelerated recarbonation, concrete being a natural carbon sink.

During transport

- Green mobility (low-carbon electricity, biomethane, hydrogen, biodiesel).

The Vicat Group takes into account a CO_2 cost of 50 euros/metric ton in its internal economic analyses (notably budgets, long-term plans and investment decisions). This price may be revised between now and 2030 based on expectations of future price trends.

1.8.4. Vicat's actions to lower the carbon intensity of its activities

Impacts of the Group's actions in numbers

Years	1990	2010	2020	2030	
REDUCTION OF NET SPECIFIC EMISSIONS PER METRIC TON OF CEMENT *(kg CO_2/eEQ)*					
France scope	657	617	555	-	*i.e.* -15.5% between 1990 and 2020
Current scope of consolidation	-	-	620	540	*i.e.* -13% between 2019 and 2030
REDUCTION OF THE CLINKER RATE *(%)*					
	-	-	81.6%	75%	
USE OF ALTERNATIVE FUELS *(% fossil fuel alternatives)*					
	7%	14%	25%	40%	
metric tons of coal avoided per annum	37,000	268,500	699,800	963,000	
metric tons of CO_2 avoided per annum	10,500	251,000	720,000	1,000,000	
PAPETERIES DE VIZILLE: INSTALLATION OF BIOMASS BOILER *(low-carbon heat production in MWh)*					
	-	-	43,200	45,000	
LOW-CARBON AND GREEN ELECTRICITY PRODUCTION *(MWh)*					
			5% of total consumption	20%	
Switzerland and Papeteries de Vizille (hydroelectric)	-	-	25,496		
India (Waste Heat Recovery System)	-	-	77,123		
India and Senegal (photovoltaic power plants)	-	-	21,618		

1.8.4.1. Energy efficiency

The latest developments in production processes are integrated in new production tools. The Group conducted a regular policy for investment to modernize its productive tools and implement the latest technologies. The 2010 Performance Plan, initiated in 2007, allowed the Group to modernize all cement manufacturing processes, involving significant investment during this period.

As a recent example, the Group installed roller presses to reduce electricity consumption by 30 to 50% compared with the ball mill grinder, as part of raw meal and cement grinding operations in India, Brazil, Turkey and Senegal.

In the future, the Group plans to continue this strategy; thus, the new clinker production line at the Ragland factory in Alabama, ordered at the end of 2019, for commissioning in the beginning of 2022, will use the latest technology to rapidly achieve 60% alternative fuel use, eventually rising to 100%. No coal raw mill has been ordered with this new equipment.

1.8.4.2. Low-carbon electricity production

Low-carbon electricity is now being generated in India using the heat from industrial processes called the WHRS (Waste Heat Recovery System). Power generated by the WHRS at the Kadapa plant in India, launched in late 2019, will supply more than 20% of its needs over a full year. The WHRS at the Kalburgi plant, installed and operational in 2012, was already meeting 20% of the plant's total requirements in 2020.

Photovoltaic power plants in India and Senegal will also provide a portion of the electricity consumed. The photovoltaic plants at Kadapa in India, which launched at the end of 2019, and Rufisque in Senegal, which launched at the end of 2020, will produce more than 5% of each plant's needs on a full-year basis.

The electricity used by the Vigier subsidiary in Switzerland is guaranteed as being 100% hydro-generated.

1.8.4.3. Reduction of fossil fuel use (Group objective: alternative fuel use of more than 40% in 2030 including 15 points from biomass)

Installations for storing and dosage of waste for material and energy recovery have been set up in all countries where the Group operates. The doubling of the capacity of the refuse derived fuel (RDF) treatment plant in Turkey in 2020 is part of this approach. The Group aims for 100% alternative fuel use in the factories in France and Switzerland before 2025 by focusing on waste from biomass. It is a recognized expert in this field.

1.8.4.4. Reduction of clinker rate in cement (Group Objective: a clinker rate in cement below 75% in 2030)

To replace clinker, Vicat promotes the use of waste material or co-products whose carbon content is established or poses no risk of future CO_2 allocation and whose availability is guaranteed in the medium- and long-term.

This choice favors the use of limestone filler, natural pozzolan and thermally-activated clays. As a result, the use of blast furnace slag (potential CO_2 load between 100 kg CO_2 and 1,600 kg CO_2 per metric ton of slag depending on economical, physical, or mass allocation) and fly ash (resulting from coal combustion in the coal power plants) is not considered by the Group to be a sustainable solution.

In France, Vicat markets Naturat cement using 20% natural pozzolans (similar experiments conducted by the Group in Italy and Turkey).

In France, the Group formed a partnership with 2170, a company that has a mixing tool and expertise in the use of micronized limestone filler to reduce the clinker rate.

In 2019, Vicat launched a plan for the partial replacement of clinker in several countries by thermally-activated clays and limestone filler according to the conclusions of the R&D work carried out since 2011 (two patents and one thesis with the *Ecole centrale de Nantes*) as well as the conclusions of the LC3 project of the *Ecole polytechnique fédérale* de Lausanne in Switzerland. It should be noted that thermally-activated clays have been used in Brazil since 2009 in Ciplan's Brasilia factory, giving the Group experience in this area. The ARGILOR project, including a thermal activation facility for clays at the Xeuilley site in France, is one of the first sixteen winners of the France Relance plan for actions to promote decarbonation in the industry. The ARGILOR project will ultimately reduce the Xeuilley site's CO_2 emissions by around 48,000 metric tons each year, *i.e.* a reduction of around 16% at this site.

1.8.4.5. Circular economy

The circular economy, also addressed in chapter 3.1.1., has been a reality for several years in the Vicat Group. It allows the reuse of excavated soil (soil remediation), the recycling of demolition materials, and the replacement of fossil fuels by alternative fuels. In 2020, the use of alternative fuels allowed to avoid the equivalent of 700,000 metric tons of coal and reduced CO_2 emissions by increasing the proportion of biomass fuels.

The Vicat Group is also involved in the reuse of waste from demolition and earth moving. Vicat therefore deploys resources and uses concrete recycling platforms for the production of roadbase materials and the reuse of concrete, in France and Switzerland in particular. In France, through the brand VICAT CIRCUL'ERE, the Group recovers excavated soil from urban and industrial brownfields thus offering an alternative to landfilling while preserving natural resources.

In 2020, Vicat joined forces with Serfim Recyclage, a specialist in the environment, to take over the Refuse Derived Fuels (RDF) activity of Sibuet Environnement. Located in Chamoux-sur-Gelon (France), this production plant will continue to operate under the name of Bioval. This alliance with Serfim Recyclage makes it possible to sustain the supply of alternative fuels to the Vicat cement plants in Montalieu-Vercieu and Saint-Egrève and thus eliminate the use of carbon-based fossil fuels. After the successful launch of Terenvie in 2018, this new collaboration with Serfim strengthens existing synergies in the service of the circular and low-carbon economy.

Vicat is very involved in the national Recybéton project (recycling of demolition concrete in concrete manufacturing) as well as in the European project Seramco (Secondary Raw Materials for Concrete Precast Products), substituting raw materials with high quality waste from construction and demolition such as concrete, bricks, tiles and ceramics.

1.8.4.6. Capture of CO_2 emitted in production

According to various scientific publications, 25% of CO_2 emitted in cement production is directly captured by the concrete during its life cycle from construction to demolition.

After demolition, the concrete still has a significant CO_2 trapping potential. It is possible to bring the rate of CO_2 trapping from decarbonation to more than 50%. In France, with other cement company partners, in the concrete industry and Université Gustave Eiffel (formerly IFSTTAR), Vicat is actively involved in the Fastcarb project. This project aims to validate simple technological solutions using cement's natural carbon trapping potential by creating, in 2019, a pilot factory at its Créchy site in the Allier department in France.

Vicat is working on several other CO_2 capture projects.

- Installation in 2020, at the Montalieu-Vercieu site, of a pilot scheme to produce microalgae using hot gases and CO_2 from the kiln exhausts, in partnership with Université de Nantes, the company Algosource technologies and Total.
- Participation in the Catch4Climate project in partnership with the European cement companies Buzzi Unicem-Dyckerhoff, HeidelbergCement AG, SCHWENK Zement KG in the specially-created research company, CI4C (Cement Innovation for Climate), whose objective is to build a pilot industrial company in Europe to demonstrate the feasibility of Oxyfuel technology.

  This technology should make it possible to concentrate the CO_2 in kiln gases at more than 85% (compared with 15% to 20% currently) and so limit the cost of CO_2 capture.
- In addition, the Group is actively involved in the deployment of low-carbon hydrogen. Hydrogen can be used as a molecule for recovering the captured CO_2, in the form of methane, methanol, etc., or for heavy mobility for our territories and our own captive fleet. Vicat has thus become a shareholder in GENVIA, a consortium formed with Schlumberger, CEA, Vicat, Vinci and AREC (*Agence régionale énergie climat*) for the construction of a new-generation electrolyzer manufacturing plant, which will significantly increase yields in the production of decarbonated hydrogen.

1.8.5. Product range

In France, the market offers cements adapted to different uses and whose CO_2 load can today range from 765 kg net CO_2/metric ton of cement to less than 170 kg CO_2 (source: ATILH) depending on the sources of additives available and the local market of each plant. This broad range of projects allows builders to optimize the carbon content of their works using the right concrete in the right place. The Vicat Group offers a varied range of products to meet this demand.

1.8.6. Governance

To achieve its objectives, the Group created a Climate Strategy Department in 2019.

All the operating departments nourish the Group's Innovation Division with ideas and resources for the development of products, services and production technologies of tomorrow.

A Climate Issues Committee composed in particular of the Chairman and Chief Executive Officer, the Legal Affairs Direcor, the Chief Financial Officer and other members of the General Management, supports the Climate Strategy Department in its actions.

1.9. R&D and innovation

The Group's research resources, housed in the Louis Vicat Technical Center at L'Isle d'Abeau near Lyon in France, are focused on innovation, development and product follow-up.

This center, opened in 1993, is located in the heart of the Auvergne-Rhône-Alpes region near the historical establishments of the Group in Grenoble, and its iconic cement plant at Montalieu, in the Isère department. A team of 90 research scientists, engineers and technicians works in three different laboratories:

- the materials and microstructures laboratory, which investigates the properties of materials and formulates new binders/cements;
- the Sigma Béton laboratory, which formulates and maintains quality control objectives for concrete and aggregates;
- the construction industry product formulation laboratory, which develops innovative compounds for interior building works.

The main themes of research and development are to anticipate or respond to the specific demands of the Group's customers in a rapidly-changing market, guided by the following concerns:

- the environmental challenges faced by the planet, which lend added urgency to the Group's decade-long drive to reduce its carbon footprint among other aims;
- recyclability of materials to protect natural resources;
- renovation of buildings to improve their thermal and acoustic performance;
- the need for greater sustainability of structures so that they can be used in several ways over their life cycle;

- taking account, early in the product development process, of the arduousness of working conditions for our employees and for our customers when implementing solutions;
- the development of constructive processes allowing the use of biosourced raw materials and the optimization of the quantities of material required.

In the context of these activities, the Group registers patents in order to protect the development of products resulting from the work of its research & development teams. The Group is not dependent on patents, licenses or manufacturing processes protected by third-party intellectual property rights.

Total research and development expenses amounted to € 3.4 million in 2020

1.9.1. Low-carbon products

For over ten years, research has focused on the development of new cements which, with equivalent mechanical properties, will result in lower CO_2 emissions. This goal, is fundamental for the future of the industry and forms part of the Group's objective to support the collective effort for the environment. It mobilizes significant manpower in the fields of crystallography, thermodynamics and additives.

State-of-the-art equipment is used to pursue research in this area, ranging from a diffractometer to an X-ray fluorescence spectrometer and an electron microscope. This research has led to the development of the mineral foam, Aircimat, which is being industrialized for a low-carbon, recyclable, fire-resistant insulation that is compliant with indoor air quality standards. The Research and Development teams in Cement, Concrete, Aggregates, Mortar and Building Systems provide support to the sales team and customers to bring new products to the market.

1.9.2. Constructive solutions

3D printing is a new construction method that combines freedom of form and economy of materials. Research and Development explores various applications ranging from social housing (potential savings in building costs) to marine reefs (promotion of underwater biodiversity).

The Group is constantly developing new concrete products to meet the expectations of customers in the building and public works sector. Several technological breakthroughs have been achieved in the concrete industry, with self-leveling concretes, for example, whose extreme fluidity allows them to move effortlessly into and through intricate formwork and make working conditions less arduous. The development of high and very high performance concretes (HPC and VHPC) and more recently ultra-high performance fiber-reinforced concrete (UHPFRC), SMART UP at Vicat, increased the strength of the material ten-fold (200 MPa compression resistance) and enables renovation and repair of aging infrastructure such as bridges.

These concrete products meet the exacting requirements of customers for the construction of complex civil engineering structures or high-rise buildings, giving free rein to architectural creativity.

In France, changes in thermal regulations following the Grenelle Environmental Round Table are taken into account. Research is also aimed at precisely determining the contribution of concrete to the design of innovative construction solutions meeting high energy-efficiency standards for buildings. The Group is thus taking part in a joint research project with scientists from the *Commissariat à l'énergie atomique* (CEA) working at the *Institut national de l'énergie solaire* (INES) in Chambéry to develop precise inertia models for concrete. The Research and Development teams are working to industrialize a thermal renovation solution – the ConIPheR project – combining mineral insulation, concrete durability and energy production on building fronts.

Vicat has a sustainable construction solution made from natural quick-setting cement manufactured at the Group's production facility at the foot of the Chartreuse mountain range combined with biosourced materials, such as hemp. Vicat has developed, with its partner Vieille Matériaux, the insulating and biosourced (hemp) Biosys block, for buildings up to R+3.

Its analytical capabilities enable the Louis Vicat Technical Center to diagnose issues affecting concrete poured in the 19th and 20th centuries and offer treatment solutions. Vicat is a member of the *Cercle des Partenaires du Patrimoine*, an association formed by the French Ministry of Culture and Communication to mobilize companies in support of research programs relating to heritage building fabric, and thus takes part in research on approaches to the restoration of our architectural heritage.

1.9.3. Partnership policy

The Louis Vicat Technical Center works closely with public and private research centers such as the *Commissariat à l'énergie atomique* (CEA), the *Université Gustave Eiffel*, the *Ecole centrale de Nantes*, the Materials and Durability of Constructions Laboratory, the laboratories of schools of architecture and universities, the laboratories of its customers in the building and public works sector, etc. The collaborative projects also include local and international industrial partners.

The R&D teams are also partners in several European programs such as CirMap for the recovery of recycled concrete sand as a raw material for 3D printing or CO2Redress for the use of additives produced locally from residual clays.

Ciplan plant employee, Brazil

RISK FACTORS

2

The Vicat Group has adopted a continuous approach to analyze and manage its risks from which 23 main gross risks have been identified. After management of these risks and at the date of filing of this Universal Registration Document, ten risks have been shown to be specific or significant with a probability of occurrence and likely to have a negative impact on the Group, its business, its financial position or its earnings.

Risk mapping

Risks	Probability of occurrence	Possible impact	Criticality
Harm to the environment	Possible	Significant	High
Country risk	Possible	Significant	High
Health risk	Possible	Significant	High
Ethics and corruption	Possible	Significant	High
Supply Risk	Unlikely	Significant	Limited
Risks related to the construction markets	Possible	Moderate	Limited
Non-compliance with tax and regulations	Possible	Moderate	Limited
Financial risks (exchange rates and interest rates)	Possible	Moderate	Limited
Energy supplies	Possible	Moderate	Limited
Product quality defect	Unlikely	Moderate	Limited

Risk mapping was conducted by the Internal Audit Department. Following a risk identification phase involving interviews with the Group's key operational and functional managers and a subsequent analysis phase conducted in conjunction with General Management, this study enabled a mapping of the 23 risks to which the Group is exposed. This is updated periodically and supplemented by periodic on-site missions. The ten most specific risks are also described in this Universal Registration Document.

2.1. Operational risks

2.1.1. Country risk*

Risk description	Risk management
An integral part of the Group's growth strategy is to seize development opportunities in growing markets. Thus, in 2020, around 33.5% of the Group's sales revenues were generated in markets classed as "emerging countries" (Senegal, Mali, Mauritania, Egypt, Turkey, Kazakhstan, India, Brazil). This exposes the Group to risks such as political, economic and financial, legal and social instability risks, that may result in the implementation of exchange rate controls, export controls or nationalizations or expropriations of private property. If these situations were to last, they might force the Group to write down impairment losses against certain investments or goodwill. Thus, in 2020, the Group's activity and results in Egypt have continued to be affected by the consequences of the devaluation of the Egyptian pound and the still very sensitive security situation that may lead to plant stoppages, under certain circumstances, and particularly when traffic is prohibited in the area due to military operations (see note 2 to the consolidated financial statements).	In its geographic development strategy, the Group selects the countries in which it operates with great care. As explained in chapter 1 of the Universal Registration Document, the Group's strategy is to combine investments in mature countries, which generate regular cash flows (66% of Group sales revenues and 66% of EBITDA in 2020), with investments in emerging markets offering significant growth opportunities in the longer term, but which remain subject to more significant market fluctuations, and so promote diversification of its geographic exposure. Also, through its local teams, the Group keeps itself informed of the political and economic situation in the countries in which it operates, in order to react rapidly in the event of unfavorable regulatory, diplomatic or economic changes, and maintains regular relations with the relevant diplomatic authorities and ministries concerned.

* *High risk.*

2.1.2. Health risk*

Risk description	Risk management
The Group, through its presence in 12 countries, has been exposed, and may again be, albeit to varying degrees, to the risk of a pandemic, such as that of Covid-19 in 2020, which could impact: ▪ the level of activity, due to travel limitation measures that may be taken by local governments; ▪ the health of employees or customers or suppliers, if protective measures are not respected or implemented; ▪ the supply of raw materials or equipment, when logistical flows are made difficult by restrictive measures; ▪ the financial sustainability of customers or suppliers. These various risks could, by their extent or duration, adversely affect the Group's results.	To effectively combat the effects of the pandemic, the Group has put in place various crisis management tools. To protect its employees and subcontractors or customers, the Group has imposed strict health procedures in accordance with local regulations. When remote working is set up, the Group has the ability to equip all employees concerned so that they can continue to meet their professional obligations, while implementing strong IT security rules to avoid risks of cyberattack. The Group continues to favor local supply chain flows, which has limited material supply risks. Finally, the dynamic financial management of the activity as close as possible to the local teams, the Group's financial strength, and the implementation of actions (WCR, investments, savings plans) when necessary to secure cash flow make it possible to face the economic consequences of these health crises.

2.1.3. Supply risks

2.1.3.1. Risks of unavailability of raw materials

Risk description	Risk management
The Group has reserves of land, concessions and operating licenses for its supplies of limestone, clay and aggregates. It also buys some of these raw materials on certain markets from third-party suppliers, as well as additives such as blast furnace slag (from steel works), fly ash (a by-product of coal combustion in power stations) and synthetic gypsum. Nevertheless, if the quarries operated directly by the Group ceased their activities due to reconsideration of its land reserves, concessions or operating licenses, or if suppliers suddenly ceased trading or were forced to halt or cut production of these raw materials, the Group may be required to obtain its supplies at a higher cost and may not be able to pass on the whole of the increase to selling prices, or it may have to seek replacement raw materials.	The supply of raw materials to the Group's factories is ensured by the rigorous management of reserves and quarry operations. A specific in-house organization dedicated to this role enables complete control of raw materials through the combined work of specialists and experts in geology, mining and the environment. The Group uses the best technology there is, from geological and geochemical surveys to the determination of the intrinsic properties of the materials, from computer modeling to operational simulations and extraction and reinstatement work. For instance, the study and monitoring of deposits enables their chemical balance to be monitored and the long-term continuity of supplies to the factories to be checked constantly. Depending on the country, land is controlled by purchase or by an operating agreement with the owners, who may be the State itself. This stage occurs after a complete survey of the subsurface by electric, geophysical or destructive probes. Lastly, the Group is also developing its recycling activity for deconstruction materials (concrete, aggregates) in order to reduce its exposure to traditional supplies.

2.1.3.2. Risks of sensitivity to energy supplies and costs

Risk description	Risk management
The Group's production activities, particularly the Cement manufacturing business, consume large amounts of thermal and electrical energy, which represent a significant part of its operating costs (around 30% of production costs in the Cement business). Increases or significant changes in the price of energy resources may have a significant unfavorable effect on the Group's business and its results. The Group's electricity is supplied by local producers in each country and the Group does not always have an alternative supply source. This situation exposes the Group to interruptions in electricity supply or price increases. For its supplies of thermal energy, the Group buys fossil fuels on the international markets and is thus exposed to fluctuations in the price of such fuels.	When the Group considers that the electrical supply risk is significant, it implements autonomous production solutions, such as in India, with the installation of a private power plant, as well as a solar plant covering part of its energy needs. With regard to fuel, the Group has, on the one hand, adapted its production facilities to use, to the extent possible, a variety of fuels, and, on the other hand, is continuing with forward purchasing in order to smooth out the effects of fuel price fluctuations. It is also developing a policy to promote the use of alternative fuels from recovered waste.

* *High risk.*

2.1.4. Risks related to the construction market*

Risk description	Risk management
The products and services sold by the Group, and in particular cement, concrete and aggregates, are used for construction of individual or multiple occupancy housing, for industrial or commercial buildings, and for infrastructure (roads, bridges, tunnels, highways). The demand for the products and services sold by the Group depends both on structural elements specific to each market and their evolution and on general economic conditions. Structural factors that determine demand for construction materials on each market are mainly demography, the rate of urbanization and economic growth (represented for example by the gross national product per capita), and the respective growth rates of these parameters, as well as more cultural elements such as the construction practices of each market (timber, steel, concrete). The risk of increased competitor capacity is also assessed in this item. The Group's business in the construction materials sector also experiences seasonal fluctuations, which depend both on weather conditions and on the practices in each market, notably in developed countries (USA, Europe). The Group's business may also be affected by climate events in its main markets. Demand for construction materials is directly influenced by exceptional weather conditions (cold, rain, heavy snow, etc.) that could have an impact on the normal use of materials on construction sites, particularly during intense periods of activity in the construction sector.	To reduce the risk of the economic or climatic cyclical nature of a given market, the Group has adopted a geographical development strategy (detailed in section 1.4.3.), which aims to combine investments in developed countries with investments in emerging countries, thus contributing to the diversification of its geographical exposure. In addition, by opting for a multi-sector offering of products and services (private, public), the Group has diversified its exposure. Lastly, the Group has implemented an organization that enables it to address market risks through: ■ regular, detailed business reviews at division and Group levels; ■ decentralized responsibility of local divisions close to the ground in order to provide fast responses to market changes.

2.1.5. Risks related to product defects

Risk description	Risk management
The Vicat Group sells construction materials used to construct all types of works, both for housing and infrastructure projects. A product quality defect related to a dysfunction in the production or control process may have significant impacts on one or several construction projects, leading to potentially heavy financial consequences.	Products manufactured by the Group are subject to a number of checks throughout the production process. The Group also verifies the compliance of its products with the standards applicable in the markets where they are sold. Lastly, the Group has a civil liability insurance policy for a guaranteed amount of € 150 million, written by leading insurers to cover any damage due to product quality defects. All of the Group's subsidiaries are insured under the "Group policy" once the warranty and amounts of the compulsory local policies are exhausted.

* *High risk.*

2.2. Environmental risks*

Risk description	Risk management
The Group must comply with many legislative and regulatory provisions, which differ in each of the countries where it operates. In particular, it is subject to strict international, national and local regulations on the operation of quarries or cement factories and on the need to plan for the consequences of climate change. The continuation of any operation depends on compliance with these legislative and regulatory requirements. Should the Group be unable to comply with the applicable regulations in the future, it could face withdrawals of operating licenses, incur liabilities, or be sentenced to pay fines. The increasingly heavy constraints on CO_2 emissions constitute a particularly serious constraint for cement producers, due notably to the increase in the price of CO2 quotas, which reached € 32 at the end of 2020. The Group's activities may accidentally have an impact on the environment, leading to soil, air or water pollution or a risk to biodiversity. For this reason, investments may be required in monitoring tools or equipment modifications to limit the environmental impact. Failure to do this could expose the Group to civil or criminal penalties.	The Group continuously implements actions to prevent and limit these risks, in particular around the following areas: integrating quarries in their environment, preserving biodiversity, optimizing choices of energy sources, with an increasing share of alternative fuels and energy recovery from waste, controlling and reducing emissions, including greenhouse gases, managing and recycling the water needed for production. Beyond the regulatory context, the Group aims to preserve the environment. The Group has committed to setting up an active document watch at all levels of the organization. The work of the IPCC (Intergovernmental Panel on Climate Change) is one of the resources used. As presented in chapter 1.8. of this Universal Registration Document, the Group fully integrates climate issues into its industrial and innovation policy. It aims to achieve carbon neutrality by 2050 for its entire value chain.

2.3. Legal risks

2.3.1. Risks of non-compliance with legal and tax regulations*

Risk description	Risk management
In addition to the regulatory risks related to respect for the environment indicated above, the Group's companies may become involved in a number of legal, administrative, tax or arbitration proceedings in the course of their normal activities. For example, changes to laws and regulations, as well as the increasing activity of local associations opposed to development of the cement industry may give rise to administrative proceedings and potential disputes. In addition, and particularly in emerging countries, the Group may face discriminatory situations, an absence of fair and equitable treatment, or a distortion of competition due to actions or inaction by government authorities. Lastly, the complexity of tax standards may result, in certain countries, in significant tax demands in the event of disagreements over the interpretation of local tax regulations. See also section 6.3. "Legal and arbitration proceedings" in this Universal Registration Document.	The Group has set up a regulatory and tax watch, an internal control system with the aim of complying with laws and regulations, and an organization in which the Group's Legal Department, the different legal and tax services in the subsidiaries and the Group's internal audit are involved. When issues are complex, the Group may call upon leading external consultants to find solutions that comply with local laws.

* *High risk.*

2.3.2. Ethical or corruption risks*

Risk description	Risk management
The Vicat Group operates in a number of countries where the risk of corruption may be considered to be significant, as highlighted by the NGO Transparency International's ranking. Thus, four of the countries in which we operate are ranked below the 100th place in this ranking. Non-ethical practices or practices that do not comply with applicable laws and regulations by its representatives or employees may expose the Group to criminal and civil penalties and may damage its reputation.	To meet its own ethical obligations as well as those prescribed by law, the Vicat Group has implemented an anti-corruption program that includes a code of conduct, control procedures on operating activities, an internal organization designed to monitor policies and procedures, an internal whistle blowing system and training to educate and raise awareness among employees and third parties.

2.4. Financial risks

2.4.1. Foreign exchange risks

The Group operates within an international framework through locally established subsidiaries, some of which account for their operations in non-euro currencies. The Group is therefore exposed to exchange rate and translation risks.

2.4.1.1. Translation risk

The financial statements of the Group's foreign subsidiaries (other than in the euro zone) as expressed in their operating currencies are translated into euros, the "presentation currency", to prepare the Group's consolidated financial statements. Fluctuation of the exchange rate of these currencies against the euro results in a positive or negative change in the euro value of the subsidiaries' income statements and balance sheets in the consolidated financial statements. The effect of fluctuating exchange rates on the translation of the financial statements of the Group's foreign subsidiaries (other than in the euro zone) on the consolidated balance sheet and income statement is discussed in sections 5.2. "Examination of the financial position and results" and 5.3. "Cash flow and equity" of this Universal Registration Document.

2.4.1.2. Operational and financial foreign exchange risk

Risk description	Risk management
Subsidiaries are essentially involved in producing and selling locally, in their operating currency, so the Group feels that its current and future exposure to exchange rate risks is very low overall. The Group may also be exposed to foreign exchange risk in connection with its internal and external financing.	These companies' imports and exports denominated in currencies other than their own local currency are generally hedged by forward currency purchases and sales. A significant proportion of the Group's gross financial indebtedness is borne by the Company and is denominated in euros after the conversion of debts denominated in US dollars through financial hedging instruments (cross currency swap or forex). Intra-group loans are hedged by subsidiaries if the loan currency is not the same as the subsidiary's operating currency. The Group is still exposed in some countries where there is no hedging market (currency not convertible) or the market is not sufficiently liquid.

* *High risk.*

The table below sets out the breakdown of the total amount of Group's assets and liabilities denominated in foreign currencies as at December 31, 2020:

(in millions of euros)	USD	EUR	CHF
Assets	186	70	192
Liabilities and contracted commitments	(158)	(79)	(37)
Net position before risk management	**27**	**(9)**	**155**
Hedging instruments	(22)	-	(180)
Net position after risk management	**5**	**(9)**	**(25)**

The net position after "risk management" in Swiss francs corresponds mainly to the debts of the Kazakh subsidiary to the Group, not swapped in the operating currency, in the absence of a sufficiently structured and liquid hedge market. The risk of a foreign exchange loss on the net currency position assuming an unfavorable and uniform change of one percent in the operating currencies against the US dollar, totals, in euro equivalent, € 0.3 million (mainly for the kazakh loan).

2.4.2. Interest rate risk

Risk description	Risk management
The Group is exposed to an interest rate risk on its financial assets and liabilities and its cash. This exposure to interest rate risk corresponds to two risks: *Exchange rate risks for fixed-rate financial assets and liabilities* When the Group incurs a debt at a fixed rate, it is exposed to an opportunity cost in the event of a fall in interest rates *Cash flow risks inherent in variable-rate assets and liabilities* The interest rate risk is generated primarily by variable interest rate items in the assets and liabilities. Interest rate fluctuations directly affect the Group's future income flows and expenditure.	Exposure to interest rate risks is managed by combining fixed and variable rate debts on the one hand and on the other hand by limiting the risk of fluctuation of variable rates by recourse to hedging instruments (caps: rate ceilings) and by short term cash surpluses remunerated at a variable rate. The Group refrains from speculative transactions in financial instruments. These types of financial instruments are exclusively used for financial hedging purposes.

The Group estimates that a uniform change in interest rates of 100 basis points would not have a material impact on its earnings, or on the Group's net financial position as illustrated in the table below:

(in thousands of euros)	Impact on income before tax[(1)]	Impact on shareholders' equity (excluding impact on earnings) before tax[(2)]
Impact of a change of +100 bps. of the interest rate	(618)	(5,237)
Impact of a change of -100 bps. of the interest rate	2,835	2,418

(1) A positive figure corresponds to lower interest expense.
(2) A negative figure corresponds to a lower financial liability.

2.5. Internal control and risk coverage

The players	The tools
General Management	Internal control manual and procedures
Operational units	Information management tools
Finance Department	Management system
Group Internal Control	Anti-corruption procedures
Legal and Insurance Department	Group insurance policies
Compliance and Internal Audit Department	

2.5.1. Internal control as a risk prevention tool

The risk prevention policy is an integral part of the Group's industrial policy. It is the responsibility of each operational manager, by country or type of business, and is based, in particular, on the choice of first-rank suppliers for industrial investments, on the constitution of buffer stocks, on the implementation of monitoring and risk prevention procedures and on a training policy.

The Group pays particular attention to matters of internal control in the countries where it operates. It puts measures in place at the level of each operating subsidiary so as to take the specifics of the markets in which it is active into account. These measures are subject to periodic reviews by the Internal Audit Department and statutory auditors of the various Group companies.

2.5.1.1. Definition and objectives of internal control

According to the *Autorité des marchés financiers* (French Financial Regulator) reference framework, which the Company has chosen to apply, internal control is a measure used to ensure:

- compliance with laws and regulations;
- implementation of the instructions and guidelines set by the Chairman and Chief Executive Officer;
- proper operation of Group internal processes, in particular those serving to protect assets;
- reliability of financial information.

This system comprises a set of resources, behaviors, procedures and actions appropriate to the Group's characteristics that contribute to controlling its activities, to the effectiveness of its operations and to the efficient use of its resources.

It should also allow the Group to take into account significant risks, whether operational, financial or compliance risks. Nonetheless, like any management control system, it cannot provide an absolute guarantee that these risks have been completely eliminated.

The scope of internal control extends to the parent company and all the subsidiaries that it controls exclusively or jointly.

2.5.1.2. Internal control players

The internal control process is based on an internal organization that is appropriate to each of the Group's activities and is characterized by the extensive senior management responsibility for operational control.

The Group's key players in terms of internal control are:

- the Group Finance Department, responsible for issuing or updating the Group's accounting and financial policies and ensuring they are properly applied;
- financial control, reporting to the general management of the various businesses and reporting functionally to the Group Financial Control Department, which reports to the Chairman and Chief Executive Officer;
- the financial controllers are seconded by the Group's management to each operating subsidiary so as to reinforce the financial reporting system and enable the Group's management to control the development of its operations;
- the various staff functions providing oversight in their area of expertise;
- the Internal Audit Department reporting to the Chief Compliance Officer, a function created in 2017. He reports to the Chairman and Chief Executive Officer.

The Internal Audit Department works in accordance with an annual audit plan intended to cover the main risks identified within the Company, in particular those relating to accounting and financial information. Audit reports are submitted to General Management and the Audit Committee. They comprise overview reports specifically targeted at senior management, and detailed reports used *inter alia* to draw the attention of the operational staff concerned to any adverse findings and recommendations proposed.

Moreover, certain subsidiaries will have one or more employees in charge of internal control on a full- or part-time basis. As such, they are responsible for assessing and implementing the procedures in place. They can carry out assignments in other subsidiaries and can also coordinate the follow-up on recommendations made by external auditors and the Internal Audit Department.

2.5.1.3. Description of the components of internal control

The Group specifies procedures and operating principles for its subsidiaries, particularly in relation to the development and treatment of accounting and financial information and taking into account the risks inherent in each of the businesses and markets in which the Group operates, in compliance with the directives and common rules defined by the Group's management.

Internal control manual

An internal control manual has been issued to all the Group's operational managers and administration and finance teams. It sets out the legal obligations and definitions in relation to internal control and lays down the fundamentals and principles to be adopted in order to achieve the best guarantee of a high standard of internal control.

Information management tools

As far as information management tools are concerned, the Group steers and monitors the course of its industrial (in particular supply, production and maintenance), and commercial (sales, shipping and credit management) activities, and converts this information into accounting information using either integrated software packages recognized as standard on the market, or specific applications developed by the Group's Information Systems Department.

In this context, the Group has been engaged since 2009 in a progressive updating of its information systems, with a view to standardizing the tools used, improving the security and speed of the processing of data and transactions and facilitating the integration of new entities. This overhaul involves the technical infrastructure on the one hand and the transaction processes and applications supporting such processes on the other. It led the Group to introduce the SAP integrated management software system, initially in France for the Cement and Paper activities (Vicat SA) then in 2015, for the Concrete & Aggregates businesses. Between 2016 and 2020, the Group maintained the continuous improvement of its transactional and decision-making systems, primarily by expanding the application of the SAP software suite to all entities in the France scope.

Management system

The Company has set up a management system allowing General Management and the business units concerned to make informed and quick decisions. This system comprises:

- daily production reports from the plants;
- reviews of weekly activity by the operational units (country or subsidiary);
- monthly operational and financial reviews (factory performance, industrial and commercial performance indicators) analyzed by the Group's Management Control with reference to the budget and the previous financial year;
- monthly reports presenting the consolidated income statements broken down by country and activity sector, and reconciled with the budget;
- monthly consolidated cash flow and indebtedness reports broken down by country and activity sector;
- regular visits by the Chairman and Chief Executive Officer to all subsidiaries, during which the results and the progress of commercial and industrial operations are presented, allowing him to assess the implementation of guidelines and to facilitate information exchanges and decision-making.

Anti-corruption procedures

To meet its own ethical obligations as well as those prescribed by law, the Vicat Group has implemented an anti-corruption program that includes a code of conduct, control procedures on operating activities, an internal organization designed to monitor policies and procedures, an internal warning system and training to educate and raise awareness among directors, employees and third parties (see also chapter 3 section 2.3.1.).

2.5.2. Risk coverage and insurance

The Group has taken out Group policies with leading insurers. These policies are intended to cover all of the Group's subsidiaries, subject to compliance with local legislation.

To improve the protection of its assets, the Group has made, with the assistance of insurers and experts, an analysis of the risks and means of prevention. The Group undertakes an identical policy for risks related to its civil liability.

Property damage

The Group's assets are insured against fire risks, explosion, natural events, and machine breakages. A policy covering risks related to operating losses has been taken out for the Cement and Paper businesses. This policy is in line with common practices in the cement industry.

The cover taken out by the Group has a limit of € 250 million per incident, including operating losses, with the standard sub-limits and exclusions, and resulted from a study of potential incidents.

The Group's large industrial sites are inspected regularly by safety engineers and representatives from our insurance companies. Recommended preventive measures are incorporated into the work on new strategic sites from the design stage onwards.

The implementation of their recommendations is monitored with a view to limiting the probability of accidents occurring.

The Group as a whole also has standard insurance policies for its automotive vehicle fleet and for the private or public transport of its goods or other property by land, sea or inland waterway.

Civil liability

The cap on the cover under the civil liability insurance policy is € 150 million. All of the Group's subsidiaries are insured under the Group policy once the warranty and amounts of the compulsory local policies are exhausted.

Covers under the civil liability and product liability insurance policies taken out, both in France and abroad, are in amounts consistent with local activities and economic considerations.

The risk of environmental civil liability is taken into account in each country.

The Group's executives and Company officers, as well as beneficiaries of powers of attorney are insured under a "directors and officers" civil liability insurance policy, the purpose of which is to deal with the pecuniary consequences of claims made by third parties for defaults engaging their personal civil liability, either individually or collectively.

In 2020, the total cost of insurance cover on the main risks managed under Group policies was approximately 3.6 per thousand of sales revenues.

The items outlined above are quoted by way of illustration at a specific period in time. The Group's insurance policy is subject to change depending on terms and conditions in the insurance market, opportunities which arise, and evaluation by the General Management of the risks incurred and the adequacy of the cover in respect of such risks.

Ready-mixed concrete mixer truck in Brasilia, in the colours of October pink, Brazil

STATEMENT OF EXTRA-FINANCIAL PERFORMANCE 2020

3

Vicat's Business Model

«After providing safety and comfort to the world's population, cement is still the key material to respond to population growth in a context of climate and social emergency.»

Message from the Chairman and Chief Executive Officer

ITS VALUES, ITS STRENGTHS

ITS SHARE CAPITAL:

INNOVATION AND KNOW-HOW

- Since the invention of artificial cement by Louis Vicat in 1817, a strong expertise in cements, concrete and aggregates
- A modern R&D center focused on product and process innovation
- A confirmed technical and industrial know-how

HUMAN

- A family group committed to its employees thereby fostering their loyalty
- High-quality social dialogue
- Respect for health and safety in the workplace
- High level of business skills

INDUSTRIAL

- Modern high-performance production facilities with a high level of maintenance, well-located geographically, in the process of adapting to climate challenges.
- Significant geological reserves that guarantee access to raw materials.
- An industrial purchasing policy that favors recycled products and materials.

ENVIRONMENTAL

- Landholding recognized for its concern for biodiversity preservation and consideration of climate impacts.
- Attention to water resources and air quality at industrial sites.

SOCIAL

- Local roots linked to the nature of the activities.
- Relations with stakeholders (scientific community, associations, suppliers, customers and local authorities, etc.).
- Two very active corporate foundations: the Louis Vicat Foundation and the Sococim Foundation.

FINANCIAL

- Focus on financial performance to guarantee the Group's sustainability and its commitments.
- Financially solid: high equity, limited indebtedness.
- Geographic diversification of the countries where Vicat operates.

ITS MISSIONS

Given the scale of the challenges of population and climate, the most affordable material for the greatest number of people is cement available all over the world.

MEETING THE NEEDS

- Offering high-quality, affordable, safe, and scalable products and services for construction;
- Designing products adapted to the impacts of climate change, to target carbon neutrality over its full value chain by 2050;
- Sharing the value created with the communities where it operates by processing raw materials near source, developing the circular economy and hiring locally;
- Supporting its employees' skills acquisition and development to foster the concept of employability.

PROVIDING A SERVICE

- Developing comprehensive offerings for the transformation of raw materials and waste in the regions where they are extracted or produced, and being an active participant in the circular economy;
- Supporting its customers' projects by ensuring the best use of its products with the right specifications and the support of digital services (PM and BM);
- Promoting diversity and equal treatment;
- Offering the greatest number of people access to essential services through educational, cultural, health, and environmental actions;
- Promoting awareness and training young generations to the environmental challenges through site visits.

PRODUCING IN THE BEST CONDITIONS

- Respect for personal integrity through high-quality labor relations and guaranteeing a safe, healthy working environment;
- Protecting ecosystems and biodiversity;
- Constantly improving the global performance of its production facilities, by wasting and consuming less.

Vicat is a French industrial company, present in twelve countries, which operates mainly in the cement, concrete and aggregates businesses. Anxious to respect its environment and to take into account the major challenges, particularly demographic and climatic, the Company's industrial strategy is based on the long term. Its foundation is sustainable governance, stable family ownerships, and the strong, passionate commitment of its employees.

ITS ACHIEVEMENTS

1 MEETING THE NEEDS OF LOCAL CONSTRUCTION

- Customer satisfaction of the growing needs for construction materials in the regions where the Group operates.
- Launch of new industrial sites (West Africa) .
- Launch of low-carbon cement (pozzolan-based technology) and low-carbon concrete.
- Development of new bio-sourced concretes.
- Development of digital tools to improve customer service.

2 CONTRIBUTING TO THE ACCELERATION OF THE ENERGY AND ECOLOGICAL TRANSITION

- 20% reduction in net CO2 emissions between 1990 and 2020 on scopes 1 and 2 for the Cement business in France (historical scope).
- Share of green energies in the electricity mix at 5% in 2020.
- Transformation of the logistics fleet towards zero emissions (carbon, fine particles, noise, etc.) .
- Continuation of R&D programs related to energy and new materials.

3 CONTRIBUTING TO THE PRESERVATION OF RESOURCES

- Launch in France of the CirculEre subsidiary for energy and materials recovery.
- Development of the recycled concrete and aggregates offering.

4 ACTING FOR THE DEVELOPMENT OF CITIES AND REGIONS

- Business conduct respectful of ethics and competition law.
- Business continuity in 2020 in a context of health crisis which validates the robustness of the business model.
- Contribution to the development of the regions.

5 AN HR POLICY PROMOTING INCLUSIVITY AND COMMITMENT

- A continuously improved health and safety culture.
- No gender pay gap .
- Adapting the Company's organization to the Covid-19 crisis.

6 SUSTAINING THE FINANCIAL PERFORMANCE TO GUARANTEE THE GROUP'S DEVELOPMENT.

- Proven financial strength.
- Increased operating profitability.

ITS OBJECTIVES

DECARBONATE THE VALUE CHAIN

- Reducing CO2 emissions on scopes 1, 2, 3 with the ambition of carbon neutrality across the entire value chain by 2050.
- With by 2030:
  - a rate of 40% of alternative fuels in the energy mix (including 15% for biomass), with 100% in Europe as soon as 2025
  - a rate of 20% of green electricity
  - a clinker content of 75% in cement.

DEVELOPING THE CIRCULAR ECONOMY IN THE VALUE CHAIN

- Give preference to recycled materials over natural raw materials.

PROMOTING A RESPONSIBLE PURCHASING POLICY.

PRESERVING NATURAL ECOSYSTEMS

- Optimizing the management of the Group's forests with a focus on carbon storage and the development of biodiversity.
- Teaching about biodiversity through the Group's sites.
- Offer products to combat deforestation.

HR OBJECTIVES FOR OVERALL PERFORMANCE.

- Safety: Achieve zero accidents.
- Increasing the proportion of women in the overall workforce and management.
- By 2022 integrate three women in the top 10 salaried positions in 2022.
- Staff training on climate change, digital tools and business ethics.

This document is prepared in accordance with the provisions of article L. 225-102-1 and R. 225-105 of the French Commercial Code. Its purpose is to describe the business model, the main challenges connected to the Vicat Group's activities, the policies and procedures implemented and the results, including a presentation of the key performance indicators, for the financial year ended December 31, 2020. The methodology used to produce the Statement of Extra-Financial Performance and to map its key risks is explained at the end of the document. This information was audited by Grant Thornton, an independent third-party body, whose report is attached to this document.

The elements of the performance statement below show that the Vicat Group's approach to social, societal and environmental responsibility is integrated into its overall strategy. It is reflected in the implementation as far upstream as possible in its value chain of a set of best practices aimed at reducing the environmental impacts of its activities and seizing opportunities related to the changes underway in the construction markets. The implementation of this global strategy allows the Vicat Group, at its level, to contribute primarily to the following eleven Sustainable Development Goals (SDGs) as defined by the United Nations in 2015:

- SDG No. 9 "Industry, innovation and infrastructure";
- SDG No. 13 "Climate action";
- SDG No. 7 "Affordable and clean energy";
- SDG No. 12 "Responsible consumption and production";
- SDG No. 11 "Sustainable cities and communities";
- SDG No. 6 "Clean water and sanitation";
- SDG No. 15 "Life on land";
- SDG No. 5 "Gender equality";
- SDG No. 8 "Decent work and economic growth";
- SDG No. 4 "Quality education";
- SDG No. 3 "Good health and well-being".

To a lesser extent, its action also has a positive impact on the following SDGs:

- SDG No. 16 "Peace, justice and strong institutions";
- SDG No. 1 "No poverty";
- SDG No. 10 "Reduced inequalities".

The Covid-19 crisis with which the Group has been confronted has shown the robustness of its business model, which has never been in difficulty. The financial results for 2020 confirm this.

Group values

Vicat, an international industrial group, is closely linked in its values to the history of the family of Louis Vicat, inventor of artificial cement in 1817. His son, Joseph Vicat, built the Group's first cement plant in 1853, in Le Genevrey de Vif, south of Grenoble, in the Alps. This cement plant was a true industrial innovation, with the adoption of the double firing process, which guaranteed a stable quality of cement, innovative for the time. Since then, this concern for quality, together with the desire to constantly better understand and adapt cement processes to the needs of the construction markets, have been constant in the development of the Vicat Group.

Louis Vicat's family, who controls and manages the Group, always takes a long-term view, with the desire to ensure the Company's long-term future and to respond to a social utility, to provide high-performance construction materials to enable mankind to inhabit the planet in the best possible conditions (construction of cities, regional planning and infrastructure development).

The Vicat Group's business model incorporates new developments related to the need to accelerate adaptation to climate change and respond to the new societal demand addressed to companies.

Since 2017, the Group has set up a corporate foundation, the Louis Vicat Foundation, chaired by Sophie Sidos.

The values that drive the Group's leadership and management are based on five major principles that have been key to its success:

- local presence. This illustrates the priority given by the Group to the local aspect with the implementation of "producing local to build local". On October 1, 2020, the Group reaffirmed this first principle by relocating its registered office from Paris La Défense to L'Isle d'Abeau, in the Auvergne Rhône Alpes region. This decision, which had made the La Défense offices inaccessible to ensure the health of employees, enabled the Group to bring together all of its Group departments in a single location, thus promoting synergies and decision-making;

- partnership commitment. This affirms the desire to build business relationships or collaborations in the regions, with all stakeholders, in a long-term approach;
- responsible sustainability. It reflects the Group's commitment to integrate the impact of its actions on the environment and the quality of life of the people living in the regions where it operates. This is true not only for the latter but also for Group employees. The Covid-19 crisis has profoundly changed the way people work with the generalization of teleworking for the functions that allowed it in 2020;
- shared passion. It guarantees the commitment of employees to serve its customers. In 2020, it enabled the Group's teams to continue to mobilize in response to the crisis;
- technical expertise. The Vicat Group's construction materials, which are designed, manufactured and used, require a high level of technical expertise to guarantee their quality. The Group is developing this expertise primarily through its research and development laboratories based mainly at the Louis Vicat Technical Center in L'Isle d'Abeau. Its Sigma Béton subsidiary has also developed a technical training center which provides training to both the Group's customers and Vicat employees.

R&D with increased resources, mobilized on ecological and energy transitions

The Group's research resources, housed in the Louis Vicat Technical Center at l'Isle d'Abeau near Lyon in France, are focused on innovation, development and product follow-up.

This center, opened in 1993, is located in the heart of the Auvergne-Rhône-Alpes region near the Group's historic facilities in Grenoble, and its iconic cement plant in Montalieu, Isère, one of the largest in Europe.

A team of around a hundred researchers, engineers and technicians works in three different laboratories:

- the materials and microstructures laboratory, which investigates the properties of materials and formulates new binders/cements;
- the Sigma Béton laboratory, which formulates and maintains quality control objectives for concrete and aggregates;
- the laboratory for the formulation of industrial finishing products.

The Louis Vicat Technical Center manages and supervises a network of control laboratories within the Group located in each cement plant and in each significant industrial facility of its other activities in the twelve countries where it operates.

It also relies on a network of universities and laboratories, both private and public, which enable it to cover all the bricks of scientific or technical skills it needs in the conduct of its research and development programs, which prioritize decarbonation, the circular economy, the functionalization of materials and the preservation of biodiversity.

In France, the network of R&D partners mainly includes the CEA (*Commissariat à l'énergie atomique et aux énergies alternatives*), the National Solar Energy Institute (INES) in Chambéry, the Gustave Eiffel University (formerly IFFSTAR*), Ecole centrale de Nante*s, laboratories at architecture schools, universities and some of the Group's customers in the building and public works sector. Outside France, the Group has worked extensively with its network of Swiss higher education schools such as the Swiss Federal Institute of Technology in Zurich and Lausanne, as well as with the Universities of Applied Sciences in Geneva, Rapperswil and Friborg.

Several of the research programs underway in 2020 are conducted on a European scale.

Acronym	Program name	Country concerned	Date	Purpose
CONIPHER	Concrete Insulation Photovoltaic Envelope for deep Renovation	France (Life project)	2016-2021	Development of a plug and play photovoltaic insulation cladding
SERAMCO	Secondary Raw Materials for Concrete precast	France, Germany, Luxembourg, Belgium, Netherlands	2017-2020	Use of recycled demolition materials to produce new cements and concretes in the precast industry
CIRMAP	Circular economy via customizable furniture with materials for public places	France, Germany, Belgium, United Kingdom, Netherlands	2020-2023	Use of demolition concrete for the 3D printing of street furniture
CO2REDRES	Treatment of secondary resources to reduce CO_2 emissions in the construction industry	France, Luxembourg, Belgium, Germany	2020-2022	Demonstration of the feasibility of producing mineral additions with hydraulic and/or pozzolanic properties from the thermal treatment of secondary resources

R&D focuses on the entire value chain of the Group. Its work is based on an applied research approach that covers the entire construction system, including sustainable urban mobility issues (Vicat is a shareholder in the laboratory city "Transpolis" in France in the Auvergne Rhône Alpes region), biodiversity ("Odyssey" project), connectivity, 3D printing, solar functionalization of concrete, rapid road repair solutions and building insulation.

The Group regularly files patents and generates know-how. It is autonomous and is not dependent on patents, licenses or manufacturing processes held by third parties for its activity.

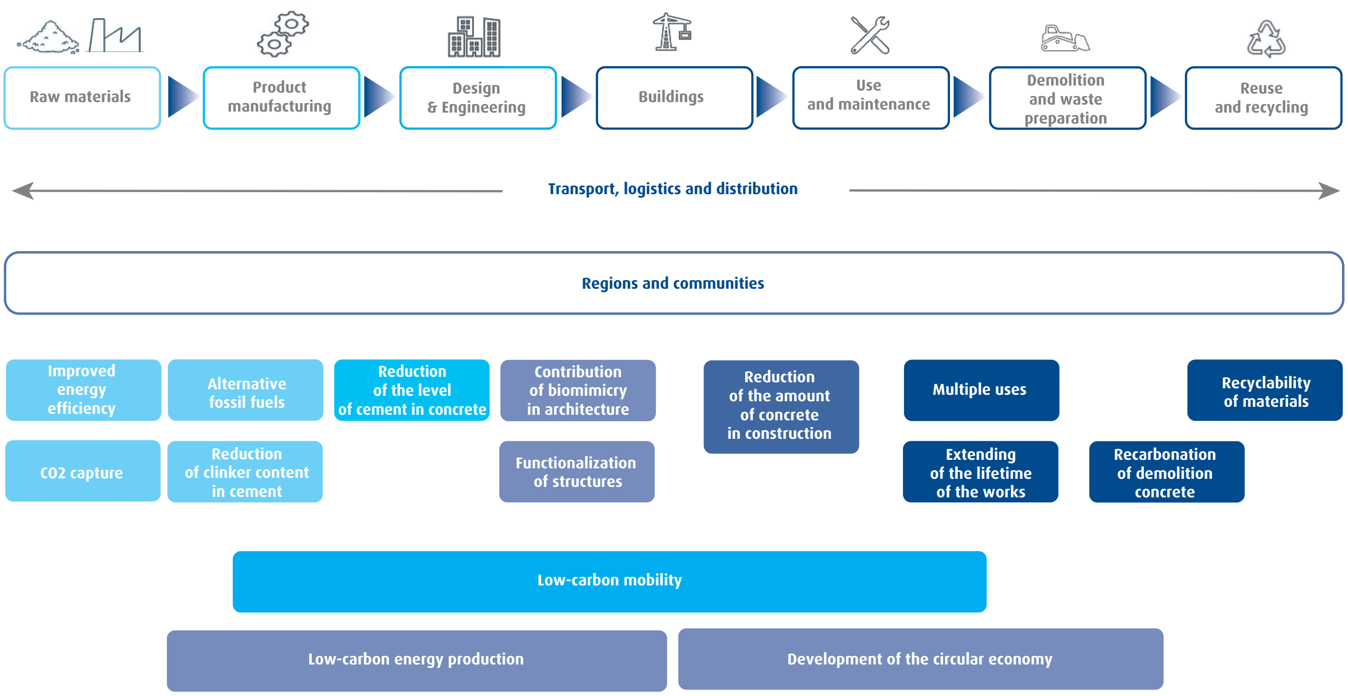
Today, the Group's research and development capacity is an asset in the race for innovation affecting the building and public works sector to move towards ever more sustainable construction. The Vicat Group's human and technical resources enable it to be involved in programs that are heavy in terms of investment as well as in lighter programs that require a high degree of responsiveness to support customers. The latter are confronted with new problems of application of cements or concretes generated by changes in regulations, in particular environmental regulations, new requirements from project owners and the creativity of architects.

3.1. Decarbonation of the Vicat Group's value chain

The Vicat Group follows a logic of "producing local to build local". Its mission is to satisfy the needs of its customers in cement, concrete and aggregates. These needs are closely linked to expectations in terms of infrastructure and housing, with a global population that will increase from 7.5 billion inhabitants today to more than 10 billion in 2050. The ambition of the Vicat Group is to achieve this mission while aiming for carbon neutrality across its entire value chain by 2050.

In 2019, Vicat's governance set up a Climate Strategy Department that is working to define, coordinate and implement the means to achieve this.

ACTIONS ACROSS THE ENTIRE VALUE CHAIN TO ACHIEVE NEUTRALITY



The subject is simple in its principles, but complex in its implementation. There is no single technical solution, but a myriad of solutions adapted to each region, each of which is a piece of a jigsaw that takes on meaning once assembled.

The overall number of projects related to the decarbonation of the value chain increased significantly from 41 projects in 2019 to 53 projects in 2020.

The amount of investments related to these decarbonation projects has more than doubled. They rose from € 23.5 million in 2019 to € 52.1 million in 2020. These investments do not include projects related to new production lines such as the one at Ragland (United States) incorporating the best carbon and energy technologies, for which the estimated amount is of the order of US$ 300 million.

The table below shows the breakdown of current decarbonation projects by country.

Number of projects	2019	2020
France	24	21
United-States	3	11
Turkey	2	3
Senegal	5	5
Switzerland	4	5
India	3	5
Brazil	/	3
TOTAL	**41**	**53**

The major families of projects relate to the circular economy, reducing the clinker content, low-carbon mobility, renewable energy production, CO_2 capture, the material optimization of concretes and the development of biosourced concrete.

3.1.1. The circular economy and waste recovery

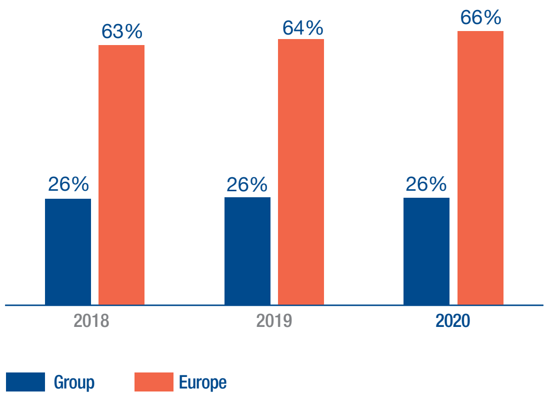
Development of alternative fuels

The use of alternative fuels made up of local waste instead of fossil fuels traditionally used to fuel the cement kiln has many advantages:

- CO_2 emissions reduction;
- Reduction of the energy bill.

Their treatment is useful to the region by avoiding landfill.

CHANGE IN THE RATE OF ALTERNATIVE FUELS (CEMENT BUSINESS)



Today, the Vicat cement plants in France have a high consumption ratio for alternative fuels and the Group has set a target of 100% substitution in France by 2025.

The search and supply of waste favor alternative fuels with a high biomass content. In 2020, the share of total biomass made it possible to avoid 685,000 metric tons of CO_2, an increase of 8% compared to 2019. The total of secondary fuels avoided the use of nearly 700,000 metric tons of coal in 2020.

Material recovery from excavated soil

As part of its cement process and insofar as their chemical nature allows, Vicat incorporates non-inert excavated soil from decontamination sites, in addition to the materials used in its cement quarries.

This recycling of brownfield decontamination site material provides an ecological alternative to landfilling non-inert soil and a reduction in the consumption of natural raw materials.

The "Terenvie" platform located to the south of Lyon and born from the partnership between SERPOL and Vicat makes it possible to store, sort and phyto-remediate excavated soil from brownfield sites before recycling them in the cement kiln.

Change in material substitution in the production of clinker, cement and aggregates (Group scope)

	(in millions of metric tons)	2020	2019	2018
Clinker	Raw materials used	29.6	26.9	29.2
	Of which % of alternative materials	5.3%	4.2%	5.0%
Cement	Raw materials used added	5.0	4.3	4.2
	Total % of alternative materials used in the cement	28.0%	29.3%	28.6%
Aggregates	Raw materials used	22.3	21.1	18.6
	Of which % of alternative materials	4.6%	4.3%	3.8%
TOTAL	**RAW MATERIALS USED**	**56.9**	**52.3**	**52**
	OF WHICH ALTERNATIVE MATERIALS	**7.0%**	**6.3%**	**6.4%**

3.1.2. Decrease in the clinker content in cement

The production of clinker, an intermediate cement product, generates a concentration of CO_2 emissions. Reducing the proportion of clinker in the cement is an important objective because it reduces the final carbon footprint of the material.

The Group has set itself the target of achieving a 75% level of clinker in cement by 2030.

The clinker rate went from 80.5% in 2019 to 79.1% in 2020.

Low-carbon cement with natural pozzolans

The Créchy cement plant is the only French cement plant to produce cements with natural pozzolans. One of these cements, CEM IV/A (P) 42.5 R CE NF, called NATURAT, has one of the best Environmental and Health Data Sheets (FDES) on the market, with a CO_2 emission of 490 kg CO_2eq/t of cement compared to 765 kg of CO_2eq/t for a CEM I 42.5 R (France average).

Low-carbon cement (CEM IV) with natural pozzolans is also produced and marketed in Turkey and Italy.

Cements based on activated clays (artificial pozzolans)

The Group has been producing this type of cement in its Brazilian plant since 2009.

The advantage of activated clays is to lower the level of clinker in the cement while maintaining its resistance and durability properties, obtained thanks to the clinker/clay/limestone combination according to the LC3 technology developed by the Ecole Polytechnique Fédérale de Lausanne (Switzerland).

The process of activating clays is more energy efficient than the production of clinker. The activation of the clay emits significantly less CO_2 than the production of clinker, which emits CO_2 due to the decarbonation of limestone.

In France, as part of the Argilor project, the Group decided to build a thermal activation unit for clays in Xeuilley (Meurthe et Moselle) to produce this low-carbon cement.

Addition of limestone filler

The addition of micronized limestone filler during the production of cement makes it possible to obtain a low-carbon product by mixing with a reduced clinker content.

This is what the start-up 2170, in which Vicat took a stake in 2019, proposes.

Blast furnace slag and fly ash cements

The Group also produces blast furnace slag and fly ash cements to meet current market needs. The Group does not believe that these cements are a relevant response to the need for low-carbon cements.

Since 2014, slag has been removed from its waste status in France. Its carbon weight, currently counted at 0 should logically rise to 500 kg of CO_2 per metric ton if a physical approach is used.

Fly ashes, a by-product of coal combustion, should disappear.

3.1.3. Promotion of Vicat's low-carbon products and services (Deca offering)

In October 2020, the Group launched a campaign in France to promote its low-carbon products and services to encourage its customers to reduce the carbon footprint of the construction sector.

Called "Deca", this offering, which is based on low-carbon cements or biosourced materials, is suitable for all uses (building, public works, retail, precast cement sector).

In the Concrete business, the Deca label offers two levels of up to 50% reduction in the carbon footprint: Deca 1 low carbon level and Deca 2 very low carbon level.

The offering also includes biosourced concrete and eco-responsible transport.

3.1.4. Low-carbon mobility

With biogas: the example of the "Oxygène" concrete mixer

The "Oxygène" truck is a hybrid NGV/Electric mixer truck with very low CO_2 emissions and a very quiet engine, making it particularly attractive for urban construction sites. This project was conducted in partnership with Jacky Perrenot transport and Iveco (manufacturer of industrial vehicles).

It emits 96% less CO_2 than conventional vehicles thanks to its Iveco engine powered by natural gas for vehicles (NGV) of biogenic or "biomethane" origin and thanks to its Cifa Energya mixing drum running on a battery-powered electric motor.

The truck is also particularly quiet: its engine is only half as noisy as a traditional engine and its mixing drum is perfectly silent.

Complying with the rules for the allocation of the Crit'air 1 sticker in France, the "Oxygène" mixer truck will be able to access the future EPZs (low-emission zones) that will be set up in most city centers.

Since March 2020, the Vicat Group has housed an NGV/CNG station at its Chambéry SATM site for the refueling of gas-powered vehicles. This site, open to the public, is operated in partnership with the professional chamber of transporters of Savoie, ADEME, Grand Chambéry and Proviridis.

In the United States, the NCC subsidiary (California) also has a fleet of nearly 70 trucks running on biogas.

With the "Avril" Oleo 100

The "Avril" Oleo 100 is a biodiesel made from 100% vegetable oil (rapeseed), produced in France and can replace diesel (road and non-road) without any modification required on the engines and without impact on performance (autonomy and power).

The use of the "Avril" Oleo 100 reduces CO_2 emissions by 60 to 80% compared to diesel.

The "Avril" Oleo 100 is a solution for captive fleets: cement quarries, aggregates quarries, construction sites, logistics transport.

The volumes of the "Avril" Oleo 100 produced are controlled so as not to compete with the food use of the crops.

The Group was a pioneer in the use of the "Avril" Oleo 100 in its quarries for its captive fleets.

With hydrogen

The renewal of some of the logistics resources is planned with hydrogen trucks for the Transport SATM subsidiary (pre-order of ten tractors of 44 metric tons).

Vicat was a pioneer in light mobility hydrogen with the purchase of NEXO and Kangoo vehicles. It was a partner with Michelin, Engie, CDC and Ataway in the creation of the first hydrogen station in Chambéry in February 2020 (Zero Emission Valley project supported by the Auvergne Rhône Alpes region).

A second hydrogen station is planned on the site of the Saint Egrève cement plant (France). It should be operational in 2022. It will make it possible to supply hydrogen-powered heavy mobility solutions for transporting cement.

With electricity

In Switzerland, Vigier Ciment, a subsidiary of the Vicat Group, relies on electrical energy for its quarry machinery. It is testing the Lynx, the largest electric vehicle on the planet. Equipped with a bucket that can transport and lift 65 metric tons of rock, this giant is equipped with batteries producing 3,000 amps. It consumes energy on empty ascent and produces energy on fully loaded descents, enabling it to produce more energy than it consumes.

In addition, in terms of light mobility, the Group is gradually shifting its fleet of cars to electric or hybrid propulsion.

3.1.5. Renewable energy production

Thanks to its land reserves, Vicat can install photovoltaic plants near its industrial sites. The Vicat Group's solar farms at Barathi Polymer (1 MW) and the Kadapa site (10 MW) in India were reinforced in 2020 with the commissioning of the Kalburgi's farm (8.5 MW), still in India, and that of Rufisque's farm (6.9 MW) in Senegal.

Waste heat from the cement kiln, *i.e.* non-recovered waste heat, can also be used to produce electricity or supply an industrial or urban heating network. Waste Heat Recovery Systems have been installed at the Vicat plants in Kadapa and Kalburgi in India. In Kadapa, this unit, connected to a steam turbine, produces 10 MW of electricity for the plant's own consumption. It came on stream in August 2019.

Change in the renewable energy electricity mix (Group scope)

Electricity *(MWh)*	**2020**	**2019**
Solar	21,618	4,710
Hydraulic	25,496	48,412
WHRS (fatal heat recovery)	77,123	37,895
Total renewables	124,237	91,017
Percentage of renewable energy out of total electrical energy	4.8%	3.9%

The particularly dry summer in Switzerland in 2020 explains the decline in hydroelectric which is fortunately largely offset by the growth in energy produced by waste heat recovery systems in India and the ramp-up of solar farms.

In addition, in France, in Brazil and Switzerland, most of the electricity purchased is decarbonated due to its nuclear or hydroelectric origin.

3.1.6. New industrial investments in cement plants

In addition to industrial sites linked to energy production, the Vicat Group continues to invest in its production capacities. All projects are studied under the prism of energy sobriety, the use of renewable energies and the reduction of the carbon footprint.

In 2020, the commissioning of the new roller press at the Rufisque cement plant is an illustration of this. It made it possible to significantly reduce the electrical energy consumption of the workshop concerned (30%).

Ragland's new generation firing kiln (capacity 5,000 metric tons/day) in the United States, which is scheduled to be operational in 2022, also falls into this project category. It will move away from coal, improve energy performance and reduce the carbon footprint.

3.1.7. CO_2 capture and recovery

Hydrogen and methanol production

The production of hydrogen in a cement plant by electrolysis of water, in close synergy with the cement process, makes a lot of sense and has many advantages. Indeed hydrogen makes it possible on the one hand to recover CO_2 emitted by the cement plant by converting it into a recoverable molecule in the energy or chemical fields (methane, methanol, etc.) and, on the other hand, to supply a fleet of trucks.

Oxygen, co-produced by the electrolysis of water, can be recovered in the clinker production process. It has many advantages: improved combustion in the kiln, reduced fuel consumption, reduced electrical consumption by reducing the volume of combustion gases taken up by the draft fans, and lastly CO_2 concentration in the fumes, facilitating its capture.

Finally, in the case of the use of high-temperature electrolysis technology, the use of waste heat makes it possible to recover the last fraction of the residual energy of the cement kiln.

The Vicat Group has several projects in this area in France: it is a partner of a joint venture called Genvia, with the French Atomic Energy Commission (CEA), Schlumberger, Vinci Construction, and the Occitanie region, to build a "mega-factory" for the production of "high-temperature" electrolyzers, a breakthrough technology with 30% higher efficiency than conventional electrolysis. The project is expected to be signed in 2021.

Within two years, a first demo plant using this technology will be installed on one of the Vicat sites in France.

The "Catch4Climate" project (Oxyfuel technology)

Oxycombustion or Oxyfuel consists of supplying the cement kiln with pure oxygen for combustion rather than ambient air to avoid the introduction of nitrogen (present in the air at 78%), which is inert, which dilutes the CO_2 in the fumes at the exit of the cement kiln. Thanks to a concentration of CO_2 in the fumes increased by 15-20%, to more than 80%, the cost of its capture is reduced.

The CI4C Company, founded between Vicat and three other European cement companies (Buzzi – Dyckerhoff, HeidelbergCement and Schwenk) is in charge of developing the Catch4Climate project aimed at industrially validating the applicability of the Oxyfuel technology.

The project calls for the construction of a pilot project of 450 t/d in Germany at the end of 2021, to come on stream in early 2023.

The "Cimentalgue" project

"Cimentalgue" is an industrial research project co-financed by ADEME and led by Vicat in collaboration with several partners (University of Nantes, Algosource Technologies and Total).

It aims to demonstrate the technical feasibility and economic viability of a process for the co-recovery of CO_2 and fatal heat of industrial origin through the production of photosynthetic microalgae in natural light for the production of food supplements or bio-fuels.

A production unit is being set up at the Vicat cement plant in Montalieu and will come on stream in 2021.

This demo plant with a surface area of 800 m^2 includes several greenhouse systems. Dedicated transfer lines will bring the CO_2 and waste heat recovered from the cement kiln.

The recarbonation of demolition concrete: "Fastcarb" project

The concrete in place is a carbon sink. In contact with air, it captures carbon dioxide and "recarbonates" over a long kinetic range. The average natural capture is estimated at 25%.

The national "Fastcarb" project aims to demonstrate that this value can be doubled for demolition concrete.

The Vicat Group is participating in this project by testing an industrial pilot plant for the recarbonation of deconstructed aggregates in its Créchy cement plant.

10% of annual emissions from French cement plants could be stored if all recycled concrete aggregates were carbonated. This storage is permanent and irreversible.

Carbonation improves the quality of the aggregates by closing the porosity of these materials.

The coarser fractions can be used as road sub-layers or to manufacture new concrete.

The finer fractions (formerly 0/2), rich in cement pastes, have the highest carbon storage potential. Once carbonated, they can be used as corrective sands in concrete or as a cement additive.

3.1.8. Optimization of concrete materials through digitization and 3D printing

In 2020 the Group pursued the development of a range of concrete specially for 3D printing which meets the requirements of each application. As part of the Viliaprint project launched by Plurial Novilia (a subsidiary of Action Logement), the Group will be providing specially formulated cement which in liquid form can be used for printing successive layers to create the concrete shells for five single-storey homes of between 3 and 5 rooms, within the context of a social housing program. 3D printing has the advantage of reducing the volume of concrete used, construction times and the arduous nature of the work. This new construction method project was certified by France's scientific and technical construction center (*Centre scientifique et technique du bâtiment* – CSTB) in 2020.

This certification ensures the insurability of the real estate project and by direct effect the possibility of renting the printed houses. Work is scheduled to start in early 2021 for delivery at the end of the year. The implementation of this project is the result of an intelligent combination of three innovations: robotics, 3D printing and new construction materials.

3.1.9. The development of biosourced concrete

After the development of Biosys, the first construction system based on concrete blocks and hemp in partnership with the company Vieille Matériaux, and officially certified by France's scientific and technical construction center (*Centre Scientifique et Technique du Bâtiment*) (ATEX No. 2482), the Vicat Group announced on December 23, 2020 the launch of its first biosourced ready-mixed wood-based concrete.

The formulation of this concrete will be based on Naturat low-carbon cement, manufactured in the Créchy cement plant (France).

It will enable the Group to position itself in the precast concrete product market, thanks to a consistency adapted to the filling of formworks. This product illustrates the Group's ability to meet the requirements of the RE2020 in France.

3.2. Industrial performance of the Vicat Group in 2020

3.2.1. Carbon impact

The Group's total direct and indirect emissions covering Scopes 1 and 2 amounted to 16.6 million metric tons of CO2 in 2020 compared to 14.6 million metric tons in 2019. This increase is explained by the increase in cement production, which rose from 22.3 million metric tons of cement in 2019 to 24 million metric tons in 2020, due to the growing needs of the construction sector in Brazil, Egypt, Mali, Senegal, Turkey and the United States.

Scopes 1 & 2 CO_2 emissions in 2020 (Group scope)

(in thousands of metric tons)	CO_2 total direct and indirect
Cement	16,449
Concrete & Aggregates	98
Other income & Services	10
TOTAL	**16,557**

Scope 1 CO_2 emissions excluding on-site electricity production and transport of the finished product (Group cement scope)

	2020	2019	2018
kg CO_2 net[(1)]/t cement eq[(2)]	**620**	**621**	**627**

(1) *Definition of net CO_2: direct emissions including the physico-chemical transformation of raw materials at high temperatures and the use of fossil fuels, excluding all alternative fuels.*

(2) *Definition of emissions per cement equivalent (eq): direct emissions, gross or net, divided by clinker production and multiplied by the percentage of clinker in the cement.*

Europe Zone CO_2 emissions (Switzerland France Italy) (cement scope)

	2020	2019	2018
kt CO_2 gross cement	2,229	2,299	2,209
kg CO_2 gross/t clinker	749	754	744
kg CO_2 net/t cement eq	523	533	525

The metric ton of CO_2 per ton of cement ratio is improving. Brazil significantly increased its cement production while reducing its clinker content (from 76.9% to 72.8%), which improved the ton of CO_2 per ton of cement ratio.

For several years, the Vicat Group has taken steps to decarbonate the activity of its European cement plants by using alternative fuels.

3.2.2. Other impacts of industrial activities

3.2.2.1. Electricity consumption (in GWh)

	2020	2019
Cement	2,436	2,182
Aggregates	68	65
Concrete	29	28
Other Products and Services	44	41
TOTAL	**2,577**	**2,316**

The increase in electricity consumption is directly related to the increase in production, particularly of cement.

Specific consumption remains stable overall:

	2020	2019
Cement *(KWh / t cement)*	102	101
Aggregates *(KWh / t aggregates)*	3.2	3.0
Concrete *(KWh / m^3 concrete)*	3.4	3.3

3.2.2.2. Atmospheric emissions

Change in dust, SO_x and NO_x emissions (Group cement scope)

	2020	2019	2018
Dust	55.7	53.9	55.8
SO_x	230	334	207
NO_x	1,029	1,248	1,099

Dust emissions remain stable and comply with applicable local regulations.

Improvements in quarry management in the United States (Ragland) and in Brazil reduced SO_x emissions in 2020.

The reduction in NO_x emissions observed in 2020 results from the commissioning of the "Selective Non Catalytic Reducer" at the Lebec cement plant (United States) and the improvement of the production process in the cement plants in Senegal and India.

Investments in burner technologies and alternative fuels reduce the generation of NO_x in kilns at source.

3.2.2.3. Water management by business activity (Group scope)

In 2020

	Cement	Aggregates	Concrete	Other Products and Services
Percentage recycled *(in %)*	67%	66%	23%	16%
Net intake *(in thousands of m³)*	8,516	5,131	1,513	1,499
Environmental discharges *(in thousands of m³)*	4,851	2,391	0	1,337
Effective consumption *(in thousands of m³)*	3,665	2,739	1,513	163

The Vicat Group is attentive to its water consumption and has made its production teams aware of this. It strictly applies regulations in this area.

3.2.3.4. Waste management and cleanliness of Vicat Group sites

The Vicat Group lists all the areas capitalized for its activities (industrial sites, commercial buildings, quarries, forests, agricultural land) that are rented or owned. The Group ensures that the sites of its cement plants, quarries and concrete batching plants are kept clean and fit into their landscape.

The Vicat Group's activities generate very little waste. The majority is recycled internally in the manufacturing process. Remaining waste is treated appropriately in dedicated pathways, in accordance with regulations.

The Group continues to raise awareness among its employees about the importance of the "reduce, reuse and recycle" approach, to collect waste and to limit water and electricity consumption. In view of the Covid-19 crisis, it was possible to organize these actions by video conference, as in Brazil, on the occasion of Environment Week from June 1 and 5, 2020.

3.3. Preserving biodiversity

3.3.1. Protection of species

Actions for flora and fauna

Each respective site has its own characteristics. The numerous initiatives to preserve biodiversity are generally carried out locally in partnership with specialized associations. They make it possible to maintain islands of biodiversity on the sites which can be used to recolonize the quarries or other sites after exploitation.

The most successful example for Vicat is the Mépieu quarry in France, where the departments of Isère, Ain and Rhône come together. This quarry was opened without the slightest opposition.

To this end, fifteen years before the application was submitted, a study was carried out with FRAPNA Isère. An interesting area, from a biodiversity point of view, was identified on the quarry's right-of-way. These ponds were no longer maintained, which led to a significant loss of biodiversity (fauna and flora).

It was decided to preserve 160 hectares of land as a voluntary nature reserve, the management of which was given to LO PARVI, a local association. Good management of this wetland made it possible to repair what man had damaged and to evaluate methods for measuring biodiversity. Today, species that had disappeared from this environment are reappearing.

The limestone quarry, in operation, adjoins this area and has the advantage of recreating the profiles that were those of the watercourses, before they were virtually canalized.

Once operations are completed, the perimeter of the voluntary nature reserve is to be extended to the quarry so that it can be recolonized by the biodiversity reserve contained in the initial 160 hectares.

Another example of convergence between industry and biodiversity is the installation of wildlife conservation centers near Vicat quarries: the "Tichodrome" in Vif and the "Tétras Libre" in Montagnole, which opened in May 2020. These "hospitals", managed by associations linked to the environmental NGOs France Nature Environnement (FNE) and the League for the Protection of Birds (LPO) take in injured animals, treat them and shelter them during their convalescence before releasing them back into their natural environment. Vicat donates the premises and contributes to the operating costs.

Since 2015, the Vicat Group has been behind the "Odyssey" initiative aimed at preserving pollinating insects and wild bees. Although they do not produce honey, wild bees have an essential role in the pollination of wild crops and plants. Present in rural areas, these species are also found in urban areas.

The Odyssey approach consists of several components, starting with the implementation of concrete actions aimed at providing pollinators on thirty-five Vicat sites to date (quarries, ready-mixed concrete production units and cement plants) a nectar-bearing resource as well as favorable conditions for their development. These include the sowing of flowering meadows, as well as the establishment of six conservation orchards, two of which are in cement plants, in partnership with “Les Croqueurs de pommes”, an association that aims to preserve the region's fruit and ancient arboreal heritage. These actions are an opportunity for Vicat to raise awareness among its employees and the public about the preservation of biodiversity, such as at the Xeuilley cement plant, where a fruit tree grafting operation was organized in the summer of 2020.

Another component of Odyssey is a research programme on urban biodiversity conducted by Vicat in partnership with the National Research Institute for Agriculture, Food and the Environment (INRAE), aimed at studying the capacity of concrete to accommodate the nesting of wild bees in dedicated modules. These concrete modules are currently being tested at Vicat sites.

Aquatic biodiversity

In Senegal, in order to combat the proliferation of mosquito breeding sites, a vector of malaria, the Group released nearly 1,000 tilapia fingerlings (a local fish species donated by the Senegalese National Aquaculture Agency) into the pit bottom lake of the Diack quarry operated by its subsidiary Gécamines.

In France, after the immersion of artificial concrete reefs fostering marine biodiversity off the Cap d’Agde, the Group has developed a partnership with the Mediterranean Oceanographic Institute of Marseille, the *Fondation Jacques Rougerie*, IFREMER and Tangram architects for the exploration of marine biodiversity in very deep environments (-2,400 meters). This “Bathyreef” project is due to materialize in 2021 with the immersion of the concrete reef and the observation robot.

3.3.2. Forest management

Sustainably managing its forests is an area of improvement on which the Group is increasingly focusing as a major landowner, particularly in France.

Based on forestry surveys conducted by independent experts, the Group put in place an action plan to develop and maintain its forestry assets with a view to their sustainable management if possible, as part of its circular economy approach to produce wood energy for its business needs and underscore its connection to the local area by supporting the timber industry (forestry experts and growers).

It was estimated that Vicat owned 1,838 hectares of forest in France in 2020. Eight simple management plans (SMPs) were approved in 2020, covering 1,464 hectares. The other properties are not covered by a simple management plan for a variety of reasons (operation of quarries, easements under which third-parties are entitled to cut wood, forests for which a simple management plan is not required, small parcels of forest, operational difficulties).

The study entrusted in 2017 to the French National Forestry Ownership Center (CNPF) estimated stocks of carbon in the Group’s forests under simple management plans at around 835,860 metric tons of CO_2 locked into all sections of these forests (above-ground and below-ground biomass, dead wood, understorey vegetation, top soil and leaf litter).

3.3.3. Quarry rehabilitation

The Group is developing a comprehensive rehabilitation policy for its quarries based on dialogue with naturalist associations, but also with owners, farmers in the event of agricultural rehabilitation, and local stakeholders (municipalities, etc.).

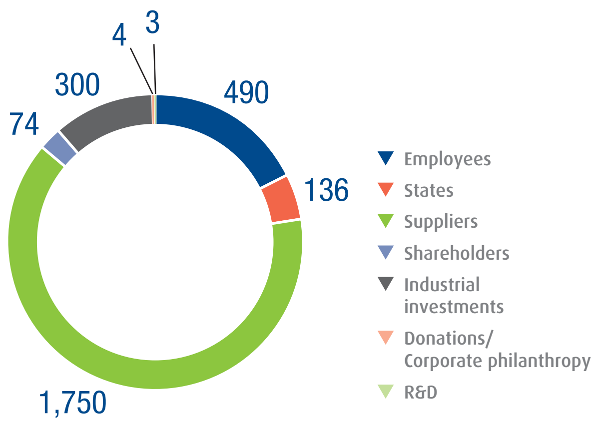
In 2020, 84% of quarries were subject to a rehabilitation plan across the entire Group.

In Brazil, its subsidiary Ciplan is committed to the regeneration of forest areas where biodiversity has been depleted. The “Degraded Area Recovery Plans” (*Planos de Recuperação de Áreas Degradadas* – PRAD) program covers an area of 19,664 hectares spread over the Guapó/GO sites (13,604 hectares) and the site of the cement plant (6 hectares).

3.4. The Group's social commitments

3.4.1. Conduct of business and dialogue with stakeholders

3.4.1.1. Sharing the value created



3.4.1.2. Sustainable purchasing policy

The Vicat Group gives priority to local purchases wherever possible, in order to limit the environmental footprint of its purchases while increasing the development of the local economic fabric.

Contracts, initiated by the Purchasing Department, include provision for its partners to confirm their adherence to the main principles of international law set by the International Labor Organization on non-discrimination, the ban on forced labor or child labor.

In each of its purchasing procedures, the Group also applies an approach which takes into account not only economic factors, but social, societal and environmental factors as well. This approach is implemented directly by the procurement units of the Group's subsidiaries.

The Group is committed to working with leading suppliers which have adopted the principles of CSR and international standards on sustainable development.

The rise of a purchasing policy and the organizational evolution of the Group as part of a larger group of companies from which its supplies, sales and logistics result call for innovative approaches and necessary dialogue. The challenge for the Vicat Group is therefore to align its CSR objectives with its purchasing policy to make it a vehicle for the transformation of its production system. To do this, the Group asks its subcontractors and suppliers to undertake to "comply with laws and regulations, as well as human rights as expressed by international conventions and standards"; these commitments are covered by specific contractual clauses and are based on the principles defined in the code of conduct applicable to Vicat Group suppliers.

The following improvement actions are planned for 2021:

- all Group buyers will be trained in the challenges and best practices of responsible purchasing;
- all of the Group's Purchasing Departments will be encouraged to promote the qualification of suppliers employing disabled workers;
- the Group Purchasing Directive, whose objective is to define the essential rules of the process (purchasing, including responsible purchasing), will be deployed to all Group subsidiaries;
- reporting of responsible purchasing actions will be systematic.

3.4.1.3. Business ethics and corruption prevention

In order to comply with its ethics and the obligations prescribed by law (in particular Sapin II in France), the Vicat Group implements a policy of preventing and combating corruption. Supported by internal audit as part of its control of operating procedures, the Compliance Department oversees the implementation of this policy.

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The Compliance Director leads a network of Compliance Officers in each country. The Compliance Officer is responsible for deploying and enforcing the organization, procedures and training to prevent and fight against corruption. These measures are continuously monitored and reported to the Audit Committee. The recommendations issued by the independent audit firm specializing in Compliance, ADIT, have been implemented and are subject to a continuous improvement process, including the revision of the anti-corruption risk mapping by country.

In addition, the Vicat Group ensures fair practices. It regularly organizes training and audits on competitive practices. These training courses are primarily intended for operational management and sales executives. They are delivered by attorneys or consultants specializing in competition law. All members of the France Management Committee, for example, were once again trained in competition rules in October 2020.

Finally, the Group's Code of Ethics is part of its desire to conduct its business with respect for its stakeholders (customers, suppliers, service providers, employees, residents of the regions where it operates, etc.). The Code promotes respect for women and men, society and the environment. In it, the Vicat Group affirms that respect for laws and regulations is an essential and indispensable requirement. It pledges to uphold the ethical principles set forth in the Code and calls on the support of all its teams in this process.

Since March 26, 2019, in France, where it has its registered office, the Vicat Group has been registered on the declaration website of the High Authority for Transparency in Public Life, in charge of monitoring ethics and conflict of interest issues relating to the exercise of public functions.

3.4.1.4. Indirect jobs and support for local entrepreneurs

Due to the nature of its industrial operations, the Vicat Group creates numerous jobs both upstream and downstream of its production units. It is estimated that in the industrialized world for every one direct job in a cement plant, there are ten associated indirect jobs. This is particularly the case in France (data published by the Infociments website) where upstream suppliers and the whole ready-mixed concrete and precast concrete sector are linked to a cement plant operation in the Group's local network. The Group is also involved in various local economic development initiatives such as the Alizé network. It chairs the Alizé Savoie Approvals Committee, which has been supporting very small companies in the Savoie region for twenty years through zero-interest loans and the provision of expertise from the program's corporate partners. At December 31, 2020, the report showed plans to create 25 additional jobs over the course of the financial year.

Often more staff are employed on production sites in developing countries than in developed countries. It is less common to outsource the support functions (maintenance, for example) because of a lack of qualified industrial infrastructure for the cement industry. The cement plant operated by Sococim Industries (Senegal) generates five indirect jobs for 1 direct job. Initiatives by the Sococim Foundation help to boost activity in the Rufisque area by supporting the development of local companies (very often created by women) that rely on traditional skills in various areas such as the processing of locally-grown cereals, artisan dying and the sale of fabrics. In Kazakhstan and India, it is estimated that the ratio of direct jobs to indirect jobs related to the operation of cement plants is between one and three..

3.4.2. Concern for product quality and consumer health

The Vicat Group pays particular attention to the quality of its products to meet the needs of its customers, which it wishes to support by providing them with clear information on product performance.

The vast majority of the products it produces and sell comply with non-mandatory standards which define the quality and safety levels it commits to achieve.

The Vicat Group submits its products to regular checks carried out in accordance with internal or external procedures by various bodies in order to certify product compliance with the relevant rules or standards, for all ranges of products manufactured.

All of the health and safety information required to use the Group's products under optimal conditions (safety instructions, application advice, and recommendations regarding use) is set out on the packaging (in particular, on cement bags).

3.4.3. Socio-cultural philanthropy actions to support regional development

The Vicat Group is an economic player that contributes to the overall development of the regions where it operates. It works to this end either directly or in conjunction with its corporate foundations, the Louis Vicat Foundation in France and the Sococim Foundation in Senegal.

Its initiatives in favor of local populations are numerous. The development of inclusion for all with a particular focus on making women aware of the industry, access to education, culture awareness, preservation of heritage, health prevention, sport are key priorities. Its strong links with the local communities ensure these initiatives are successful and sustainable. They are initiated by the different local managers but are also widely supported and implemented by all employees who give their time.

3.4.3.1. Actions in the field of education

Vicat's actions target all levels of education, from primary school to university, and support local government policies. They relate to the improvement of learning conditions (supply of materials for maintaining or building the institutions for students), supply of equipment (from IT tools to office equipment), granting of scholarships and reception of interns so that they can learn about the Group's businesses.

In India, the Vicat Group has created a new kindergarten in the village of Pandillapalli in the state of Andhra Pradesh, just a few kilometers from its Kadapa factory. The kindergarten opened in 2019 and 31 children now attend. The establishment project was granted ISO 9001 certification. The children also have a special canteen. In 2020, the Group also took part in the renovation program for the 1930 schools in Andra Pradesh through donations of cement. It also provided digital tools for the organization of online classes within the Louis Vicat DAV Vidya Mandir school groups (375 students at the Bharathi cement plant and 480 students at the Kalburgi cement plant).

In Senegal, the Group took part in the rehabilitation of the Gouye Mouride primary school in Rufisque. With the support of the Sococim Foundation scholarship, Mr. Ababacar Sadikh Sembene was able to join the *Ecole polytechnique* in France. 16 other students benefited from this scheme in 2020. The Sococim Foundation has also signed research support agreements with the Cheikh Anta Diop University in Dakar.

In Brazil, the extension of the "Queima Lençol community school" in Fercal, built with materials provided by Ciplan, a Group subsidiary, has increased the school's capacity from 200 to 800 students in 2020. Ciplan also supports the University of Brasilia, the university center of the Federal District and the Paulista University.

The Group works alongside architecture and engineering schools to pass on knowledge of its businesses and to develop joint projects on research and innovation. One such example is the partnership with ESTP, a specialized civil engineering school, in Paris. In Kazakhstan, the Jambyl Cement subsidiary developed in 2020 a partnership with the Zhambyl Polytechnic Higher College in Taraz for training in industrial occupations (chemists, welders, plumbers, mechanics).

In France, one example of the commitment made by the Vicat Group to supporting students from disadvantaged neighborhoods is the support provided by its subsidiary SATM for the *Ma chance, moi aussi* association. This association is involved in providing academic support to children aged between five and seven from disadvantaged neighborhoods at after school clubs offering a range of activities including schoolwork, games, cultural activities, and sport. Important subjects such as the value of community life, personal beliefs, ethical values, etc. are also touched on.

A partnership was established in 2020 with the NGO Human Right Watch to promote access to education for young girls in Africa.

3.4.3.2. Actions in the field of cultural discovery and sport

Cultural activities were strongly impacted in 2020 by the Covid-19 crisis and most projects that had face-to-face content were postponed.

The Group sponsors several sports clubs in the countries where it operates. Given its local roots in the Lyon area and its particular focus on the development of women's sport, the Vicat Group has solid, sustainable ties with the Olympique Lyonnais women's soccer team.

3.4.3.3. Health actions

The Group works hard to facilitate access to local health care (regular malaria prevention programs, opening of clinics to local populations, free access to certain kinds of care, free transport offered by the cement plant's ambulance, contributions to local hospitals), particularly in the most fragile communities.

To tackle major public health issues in India, the Group has created two medical and social centers: one in the village of Chatrasala, close to Kalburgi cement plant in India, and the other in Nallalingayapalli, close to the Bharathi cement plant. Since they opened, the number of consultations has been increasing consistently.

The particular strength of this second center is that it offers patients remote consultations *via* videolink with specialist physicians from the Apollo hospital in Hyderabad. In addition, this center is equipped with a medical laboratory.

These two centers are one of the contributions made by the Group to health-related issues in India. The Group also tries to support preventative healthcare initiatives, such as providing access to clean drinking water for residents of the neighboring villages. Over 1,300 households come to the distribution center on a daily basis to fetch water. In order to limit the risk of groundwater pollution, the Group supported existing public policies by building 128 additional private toilets in 2019 intended mainly for women.

The issue of waste management has also been addressed: a household waste management center is operated for the four nearby villages and the workers' residence attached to the Bharathi factory. This is active in raising awareness amongst all stakeholders and limiting unauthorized waste disposal.

In 2020, as part of the fight against the Covid-19 pandemic, the Group mobilized in the countries where it operates by distributing kits (gels, masks, gloves) to local populations and by taking action to raise awareness of barrier gestures.

3.5. A human resources policy for the inclusivity and commitment of employees

The Vicat Group actively contributes to the local development of the regions where it operates through the long-term jobs it generates and through a considerable training and promotion effort for its employees, to guarantee their employability.

3.5.1. Hiring locally and building team loyalty in close proximity to markets

3.5.1.1. General changes in the workforce

Type of workforce changes in 2020

Workforce at December 31, 2019	9,947
Natural attrition	(1,039)
Redundancies	(323)
Changes in consolidation scope	20
Recruitment	1,224
WORKFORCE AT DECEMBER 31, 2020	**9,829**

The decrease in the workforce between 2019 and 2020 is mainly due to the subcontracting of some of the teams in Egypt and an adaptation of each country to the activity during this period of health crisis. This slight decrease once again illustrates the Group's commitment to its teams, even in times of great uncertainty.

The change in scope is due to an acquisition in the Concrete business in France.

The Group's departure rate decreased between 2018 (14%) and 2019 (9.9%), and stagnated in 2020 (10.3%) during a period of health crisis. A significant number of staff joining or leaving the Group held posts linked to the seasonal nature of the Group's business activities, especially in France and Turkey. In addition, Turkey, Brazil, Kazakhstan and India recorded a typically high turnover which reaches a rate of 8.6% in 2020, which is considered low in this country.

Group headcount as at December 31 by geographical area

(in number of employees)	2020	2019	Change (%)
France	2,959	2,992	-1.1%
Europe (excluding France)	1,147	1,170	-2.0%
Americas	2,101	2,090	0.5%
Asia	1,219	1,235	-1.3%
Africa	950	934	1.7%
Mediterranean	1,453	1,526	-4.8%
TOTAL	**9,829**	**9,947**	**-1.2%**

Average Group workforce by geographical area

	2020	2019	Change (%)
France	2,987	2,944	1.5%
Europe (excluding France)	1,097	1,118	-1.9%
Americas	2,132	2,086	2.2%
Asia	1,228	1,236	-0.6%
Mediterranean	1,510	1,573	-4.0%
Africa	948	901	5.2%
TOTAL	**9,902**	**9,858**	**0.4%**

Overall, the Group's workforce remained stable in 2020 despite the Covid-19 crisis.

For the Mediterranean region, the decrease is due to the outsourcing of some of the Egyptian teams.

Breakdown of the workforce by business segment and socio-professional category

	Cement	Concrete & Aggregates	Other Products and Services	Total
Executives	1,215	350	244	1,859
White-collar staff	1,433	994	440	2,856
Blue-collar staff	1,752	2,296	904	5,114
TOTAL	**4,400**	**3,849**	**1,580**	**9,829**

The breakdown of the workforce by business segment reflects the development of the Group's operations, particularly in the Cement business in Turkey, India, Egypt and Brazil, in Concrete in the United States and Brazil, and in Aggregates in Senegal and Brazil. In 2020, the Group's workforce in the Cement business remained predominant at 44.8% (46.5% in 2019). The Concrete & Aggregates business continued to grow in 2020 to reach 39.2% (37.6% in 2019). The Other Products and Services business remained stable at 16.1% in 2020 (15.9% in 2019).

In 2020, the proportion of Blue-collar staff increased slightly to 52% of the total workforce (51.6% in 2019).

The proportion of White-collar staff decreased to 29.1% in 2020 (31.1% in 2019).

The proportion of Executives increased to 18.9% in 2020 (17.3% in 2019).

Average Group workforce and changes

(in number of employees)	2020	2019	Change
Cement	4,482	4,528	-1.0%
Concrete & Aggregates	3,823	3,708	3.1%
Other Products and Services	1,597	1,622	-1.4%
TOTAL	**9,902**	**9,858**	**0.5%**

3.5.1.2. Remuneration policy

Remuneration schemes

The Group's remuneration policy is based on rewarding individual and joint performance and securing team loyalty. It takes into account environmental and inclusivity issues, culture, macroeconomic conditions, employment market characteristics, and compensation structures specific to each country.

In France, Vicat SA and its subsidiaries apply the statutory scheme for employee profit-sharing or, in some cases, operate under an exemption. Sums received are invested in the Group savings plan (*Plan d'Epargne Groupe*, or PEG) and in Vicat SA shares, as applicable. In addition, Vicat SA has put in place a profit-sharing agreement. In 2013, a Group retirement savings plan (*Plan d'Epargne Retraite Collectif*, or PERCO) was set up for employees. In order to better support employees preparing for retirement, an agreement to annually transfer a number of days defined in the time savings account (CET) and paid vacation (under certain conditions) into the PERCO entered into force in 2015. In 2020, in France, a "purchasing power" bonus was paid as in 2019. It was supplemented by a "Covid-19" bonus paid in November 2020.

The remuneration policy places particular importance on gender equality and applies the "same salary for the same job" principle.

For several years now, like the remuneration policy for executive Company officers, the variable portion includes the performance of the Group's managers in terms of reducing greenhouse gas emissions and inclusivity (with a focus on the position of women in the Group and their development).

Minimum wage

In all countries where the Vicat Group operates, its subsidiaries do not pay salaries lower than the local statutory minimum. If no such legal threshold is in place, the salaries paid are at least greater than the minimum in the local market by comparing to benchmarks provided by independent local third parties: HR consulting firms, recruitment consultants, etc.

Change in personnel costs as at December 31, 2020

The Group's personnel costs increased by € 14.5 million (*i.e.* +3.1%) to € 489.9 million in 2020 (€ 475.4 million in 2019). This difference is explained by changes in France and Switzerland mainly. The increase in payroll in France (+€7.7 million) is due to:

- recruitment of management for the ecological, solidarity and digital transitions, and for major projects (Grand Paris, Euralpin Tunnel Lyon Turin, etc.);
- the deferral effect of acquisitions and general increases;
- "purchasing power" and "Covid" bonuses paid in 2020.

The exchange rate effect on the Swiss payroll contributed nearly € 5 million to the increase in the Group's personnel costs.

Personnel costs

(in thousands of euros)	2020	2019
Wages and salaries	371,372	345,338
Payroll taxes	113,791	125,048
Employee profit sharing (French companies)	4,758	5,010
Personnel costs	**489,921**	**475,396**
Average number of employees of the consolidated companies	9,902	9,858

3

3.5.2. Supporting skills acquisition and development to guarantee employability

3.5.2.1. Training policy

The Group's ability to attract and retain employees through an effective and inclusive process are two cornerstones of human resources policy.

Its employer brand, which reflects its culture and values, and the fact it is a family-owned, international group, makes it attractive to candidates.

Internal promotion is favored where possible. The objective is to offer everyone career development prospects that allow them to realize their ambitions and their full potential. Mobility, both operational and geographical, is one of the conditions of this progression.

The aim of the Group's human resources policy is to ensure that the individual and collective skills of staff are in line with the Group's strategy on a short, medium and long-term basis. By design therefore, 50% of the members of the digital team are internal recruits.

In 2020, the Group training plan remained focused on health and safety in the workplace, energy transition (reduction in greenhouse gas emissions), the protection of biodiversity, the careful use of resources, the circular economy, digital and the prevention of the risk of cyber-attacks, managerial performance, industrial and commercial performance, and inclusivity). Training is provided on a repeat and long-term basis. In 2020, nearly 60% of teams received at least one training course.

In France, with the *Ecole du Ciment, du Béton et des Granulats*, the Group has an internal training institute for its Cement and Concrete & Aggregates businesses housed within its subsidiary Sigma Béton. Training courses are developed and delivered by drawing on in-house technical expertise. The businesses in France continued their sales force training program. Despite the health crisis, apprenticeships have been maintained at a high level (more than 4% of the workforce) in order to create a pipeline for training in the Group's business sectors and prepare for future hires.

3.5.2.2. Training indicators

	2020	Var 2020 vs 2019 *(%)*	2019	Var 2019 vs 2018 *(%)*	2018
Hours of training	140,740	-31.9%	206,654	45.5%	142,025
Employees having attended at least one training course	5,864	-20.0%	7,329	34.8%	5,438

The decrease of -31.9% in the number of training hours in 2020 compared to 2019 is due to the cancellation of training courses due to the health crisis.

People who received training acquired the skills and knowledge needed to access long-term employment and career prospects in the industry.

3.5.3. Promoting inclusivity

The Vicat Group continues to adopt an inclusive approach both in its policies for employees and those for local residents in the countries in which it operates.

These policies include diversity, gender equality and anti-discrimination initiatives and reflect a desire for stable employment by offering permanent contracts to a vast majority of employees (nearly 94% of Group employees in 2020 as in 2019). In France, nearly 95% of Group employees have a permanent contract.

As an example of the commitments made by the Group to promote inclusivity, an in-house guide entitled "Best practice for high-performance and inclusive recruitment" was launched in 2019 and rolled out across the Group in 2020, with associated e-learning.

3.5.3.1. Commitment to diversity

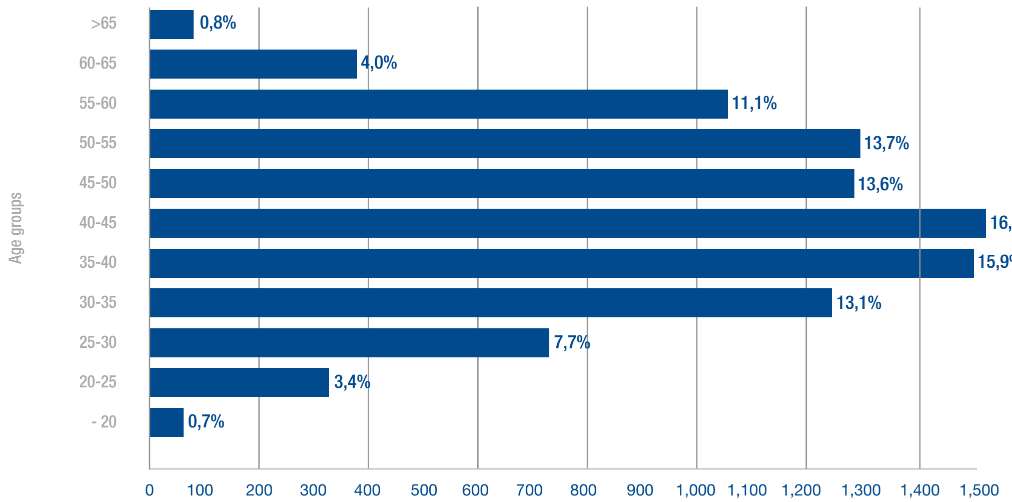
Human resources policies are framed by adherence to and promotion of the values that underpin the Group's culture. They take into account social transition issues.

An intergenerational policy for employees, jobs and skills

Recruitment, training, remuneration and promotion policies stipulate that the Group cannot discriminate against an employee or applicant on the grounds of age.

In France, in order to nurture training courses in the materials industry, the objective in terms of apprenticeships is to reach 5% of the workforce. It was revised downwards due to the health crisis. The desire to achieve parity for this population remained true in 2020. For 2021, the target is again 5%. In 2020 and in 2021, the Group's activities in France are partners of the French government's plan - France Relance: "One young person, one solution", with the support of the Louis Vicat Foundation.

AGE PYRAMID AS AT DECEMBER 31, 2020



In 2020 as in 2019, the Group maintained a balanced age pyramid.

The number of employees under 35 remained proportionately higher in Mali (50%), Brazil (38.7%), Kazakhstan (37.5%), Turkey (28.1%), and Egypt (24.7%). It stands at 24.9% for the Group (27.9% in 2019).

The population of over 50 years old within the Group is 29.6% (27.8% in 2019) of the workforce, with a strong proportional presence in the United States (44.6%), Switzerland (44.9%) and France (37.7%).

The underlying trend is team stability. This stability also confirms the absence of a policy that encourages the departure of older workers and discriminates against this category

In preparation for the impact of retirements, the Group ensures that there is a handover phase with recruitment for the effective transfer of knowledge and life skills between generations.

Change in average length of service and average age of the Group's workforce

	Average age		Average years of service	
	2020	2019	**2020**	2019
GROUP	**41.1**	**42.5**	**9.2**	**9.3**
of which France	*38.5*	*43.6*	*11.4*	*12.0*

The cumulative stability of the average age within the Group and the average length of service reflects the general stability of the workforce and illustrates the responsible sustainability for which the Group strives in terms of employment. The decreases observed are mainly due to the entry of employees by change in scope (in Brazil with Ciplan and in Senegal in the Aggregates business).

Measures to promote the employment of people alienated from the jobs market

Vicat has an active policy to recruit and train people alienated from the employment market in the countries in which it operates. For example, in India almost 400 villagers (often illiterate and uneducated) were trained then hired to work at the Kalburgi and Bharathi cement factories.

Since 2013, Altola, a Swiss Group company, has been working with Oltech GmbH, a not-for-profit company offering socio-professional opportunities for the long-term unemployed. Altola involves an average of six participants from Oltech in work on the recycling of electronic waste at its Olten site. These individuals are supervised by socio-professional support workers. Altola has already made two hires *via* this program.

In 2018, the Vicat Group accepted France's President Emmanuel Macron's invitation to join the *La France une chance, les entreprises s'engagent* and "P.A.Q.T.E" (*Pacte avec les Quartiers pour toutes les Entreprises*) initiatives, which are included in the *France Relance* plan, in order in particular to increase the number of apprenticeships and hires involving residents in disadvantaged city neighborhoods and areas designated for rural development.

In 2020, the Vicat Group became involved with inclusivity clubs in Isère, Alpes-Maritimes, Rhône and Allier.

The Louis Vicat Foundation and disability in 2020

Created in 2017, to mark the bicentenary of the invention of artificial cement by Louis Vicat, the Louis Vicat Foundation, chaired by Sophie Sidos, has set itself the goal of promoting scientific and technical culture, preservation and enhancement of heritage, education and solidarity. In terms of solidarity, the Foundation carried out a series of inclusive actions in 2020 for the benefit of people with disabilities and excluded from employment. Initiatives were taken with the association "Vaincre la mucoviscidose" as part of the "Virades de l'Espoir" or AfB, a company specializing in the recycling of IT equipment by people in the sheltered sector. It has also encouraged coaching of people with disabilities by Group employees. This commitment was materialized by the Vicat Group's participation in the "DuoDay" in France in November 2020, an event that aims to change the way people look at disability in companies.

Ever closer partnerships with associations focusing on social insertion such as *Sport dans la Ville*, *Tous en Stage*, *Institut Télémaque*, Afiph (*Association Familiale de l'Isère pour personnes handicapées*), *Les entreprises pour la cité* and establishments to help job seekers such as the 2nd chance schools and local initiatives have helped turn these commitments into concrete actions. Permanent positions have been reserved for individuals from disadvantaged city neighborhoods and areas designated for rural development. 12 sponsorship programs have been put in place between a Vicat Group employee and a young person from the *Sport dans la Ville* association or the *Institut Télémaque*.

In 2020, the partnership with the association *Tous en Stage* (France), (an innovative solution for businesses and high school freshmen and interns) and the association *Les Entreprises* (Nice) led to the Group's activities in France hosting interns from high schools within France's priority education network scheme. This experience offers young people a wider and more diversified view of the business.

As part of its intention to include women of all ages and social backgrounds in the Company, the Vicat Group's actions have focused on raising awareness of careers in industry amongst young women. Young women from the *L dans la Ville* program run by *Sport dans la Ville* had meetings with Group employees.

Measures to promote the integration of disabled people

The Vicat Group applies a proactive policy in relation to disabled people on a country-by-country basis, and this despite the health crisis.

Group companies thus employ disabled workers directly, through contacts with specialist organizations.

In France, the Group's approach is supported by organizations including the Disabled Persons' Occupational Integration Fund Management Association (or Agefiph) and the Isère Family Association for the Disabled (or Afiph).

In France, disabled employees represented 2.1% of the workforce in 2020 (*versus* 2.5% in 2019).

Two-thirds of the jobs held by disabled employees are industrial jobs.

This policy is also reflected abroad, in particular in Brazil (2.2%) and Turkey (3%).

A large range of actions are taken to help Group employees find out about and accept disability.

These actions are requested by General Management and supported by the support services (human resources internally and purchasing department externally), with the support of the Louis Vicat Foundation. All of the France-based teams took part in European Disability Employment Week held November 16 through 20, 2020, which featured daily awareness-raising exercises. The Group launched a series of actions in favor of research into the fight against cystic fibrosis at the initiative of the Louis Vicat Foundation such as participation of teams in the *Virades de l'Espoir* event, the purpose of which is to raise funds for cystic fibrosis research.

Partnerships have been developed for joint action and to combat prejudice which prevents disabled people from finding jobs in industry. As an example: in India, the company Kalburgi Cement has been providing financial support to the Ambubai school for blind girls since 2012. The company Bharathi finances the Samanvai school which specializes in providing education for disabled children.

The Group seeks to lead by example.

40% of the permanent employees of SODICAPEI, a company specialized in mining and marketing bauxite, are disabled, thereby embodying an innovative, sustainable policy in relation to employment benefits (medical cover, pension, etc.) and social recognition.

The desire to keep our disabled employees in work is shown by making the necessary changes to workstations, either by arranging working hours.

Objectives concerning disability continue in 2021:

- continue to raise awareness and provide training for people with disabilities (all audiences, all ages);
- keep employees with disabilities in employment;
- increase direct employment to 3.8% (French national average), despite the difficulties faced by the Group:
  - most sites are in rural or suburban areas and require means of transport,
  - industrial careers are too often wrongly perceived as being incompatible with disability by disabled people and their families;
- developing indirect employment *via* the development of contracts signed with the protected sector.

3.5.3.2. Commitment to equal treatment

Measures to promote gender equality

The Vicat Group recognizes the positive impact of women in its business. Gender equality remains one of the basic elements of its human resources policy and performance. Measures appropriate to each country are adopted to ensure equal access to jobs and training and equal treatment in terms of remuneration and promotion between men and women.

These results are achieved despite the constraints due to the industrial nature of Vicat's business and jobs.

Because of prejudice, industrial jobs remain very much the preserve of men. Blue-collar jobs account for 52% of the total workforce and in 2020 only 2.3% (1.9% in 2019) of these jobs are held by women. The result is the low proportion of women (10.7% in 2020) in the salaried workforce.

In 2020, the partnership agreement was renewed between Vicat and Sport dans la Ville. With exemplary support from the Louis Vicat Foundation, Vicat is participating in the *Industrie'elles, Déployez vos Ailes!* project. The goal is to change perspectives and break down the clichés that discourage young women from pursuing industrial careers. The young women in the *L dans la Ville* program work to understand the obstacles that stop them discovering the industrial sector, come up with concrete solutions to promote exploration of the sector and contribute to discussions on career paths and job searches in this sector.

The Group has always striven to overcome these obstacles. For example, early on the Group understood that innovation, the cornerstone of its history and its strategy, requires the presence of female employees.

Back in 2016, an action plan was launched in the Group countries where female employment is traditionally low to recruit women to these positions, thereby demonstrating that Vicat was prepared to break with the norms.

In 2020, the Group continued its action to "ungender" the positions in the minds of (internal and external) recruitment personnel and the applicants themselves. In France, it is standard practice to systematically include women among the candidates put forward for positions traditionally held by men. This applies to, work placements, work study/apprenticeships and fixed-term, permanent and temporary posts.

Through teamwork, coaching, training sessions and the sharing of best practices, the objectives are to identify female talent, improve women's performance, accelerate their leadership maturity, their awareness of their specific qualities, style and roles as leaders (a strong leadership characteristic within the Vicat Group) and to lower external and internal obstacles to giving key positions to women.

To further the quest to include more women in the workforce, the Group has joined several networks: *Femmes et Leadership, Femmes et Entrepreneuriat* and *Entreprises Réseau Egalité*, including in French-speaking Africa the *Forum international des pays francophones d'Afrique sur le leadership féminin*. The Sococim Foundation, operated under the technical supervision of Senegal's Ministry for Women, Families and Gender, supports the Group's policy to recognize the role of women in business by helping Senegalese women develop their own businesses.

Recruitment and internal promotions (also the result of a training policy for women) are concrete examples of the success of the Group initiatives.

Thus, the Corporate management team surrounding the Chairman and Chief Executive Officer is made up of nearly 40% of women. An example of internal promotion among others: within Sococim Industries, a Senegalese subsidiary and one of the largest cement companies in West Africa, a new female employee (Integrated Management Systems and Compliance Director) was appointed to the management team.

The Vicat Group pays particular attention to the equal treatment of women and men. In terms of salary, the Vicat Compensation Committee notes that the continuity of Vicat's gender equality policy, driven by merit-based promotion, helps to keep the difference low between 2019 and 2020. As expected, two women are in Vicat's top ten salaried positions as of 2020. Internal promotion initiatives are continuing in order to achieve parity in the Vicat's top ten salaried positions.

Since 2017, to exceed the targets set out in the agreement on gender equality with regard to pay (approved by its labor partners), the Company has embarked on a detailed salary review together with its labor partners to identify potential gender pay gaps on a post-by-post basis and has agreed in principle to a special remedial budget. The study revealed that the gap was close to 0% in terms of amount and value. The necessary adjustments have therefore been made.

These results illustrate Vicat's parity policy driven by promotion on merit.

In accordance with the French law *Liberté de choisir son avenir professionnel* (Freedom to choose a professional future) adopted in August 2018, the Vicat Group has published the results of the gender equality index for its companies in France. Based on either 4 or 5 indicators depending on the size of the company, companies must score at least 75 out of 100 on this index. For instance, the French companies having at least 250 employees all scored above 80 in 2020: a

- Vicat SA: 92/100.
- Béton Vicat: 86/100.
- Granulats Vicat: 85/100.
- Vicat France Services Support: 91/100.
- VPI: 87/100.
- Sigma Béton: 89/100.
- SATM: 89/100.

The Chairman and Chief Executive Officer has decided to apply this Index to all Group countries. Each Group company has an action plan to achieve the score of 100.

One example of an agreement signed to promote professional gender equality: the parental leave policy applicable in France has been improved, guaranteeing pay and offering the option of a 5-day part-time extension.

Lastly, echoing the International Day for the Elimination of Violence Against Women, Vicat launched its new campaign against bullying, sexual harassment and sexist behavior on November 25, 2020.

Workforce as at December 31, 2020 by gender, category, average age, and average years of service

		Including				
(in number of employees)	Total	Executives	White-collar staff	Blue-collar staff	Average age	Average years of service
Men	8,779	1,600	2,185	4,994	41.3	9.2
Women	1,050	258	672	120	39.7	8.7
TOTAL	**9,829**	**1,858**	**2,857**	**5,114**	**41.1**	**9.2**

Analysis of the workforce as at December 31 by gender

	2020	2019
Women	10.7%	10.6%
Men	89.3%	89.4%

Proportion of women as % of workforce

	2020	2019
Executives	13.9	13.9
White-collar staff	23.5	23.2
Blue-collar staff	2.3	1.9
GROUP TOTAL	**10.7**	**10.6**
of which France		
Executives	25.7	25.2
White-collar staff	25.4	26.1
Blue-collar staff	2.6	2.9
TOTAL FRANCE	**18.5**	**18.7**

The proportion of women employed in the Group continued to grow to reach 10.7% in 2020 (10.6% in 2019).

In France, the employment of women was stable at 18.5% in 2020 (18.7% in 2019). With a female workforce of 25% and 21.7% respectively, Kazakhstan and Italy still come top, with France. The Ciplan subsidiary is the Brazilian cement company that proportionately employs the most women in this country.

The percentage of female executives in the Group remains stable at 13.9% in 2020 as in 2019. The proportion of women in management increased in France to reach 25.7% in 2020 (25.2% in 2019). Nearly 30% of executive hires in France are female.

3.5.4. Respect for personal integrity

By putting its employees first, the Vicat Group relies on the strong and passionate commitment of its employees. It enters into constructive dialog, enabling it to maintain high-quality employment relations and ensure a healthy and safe working environment.

3.5.4.1. Maintaining high-quality labor relations

Compliance with international conventions

The values held by the Vicat Group, and shared with all its stakeholders, have forged its strong corporate culture. This corporate culture gives rise to respect in relations with others, solidarity between teams, the inclination to lead by example, a capacity to mobilize energies, and the wherewithal to take strong action on the ground to achieve objectives.

The Group complies with the rules of law in the countries where it operates in accordance with the principles of the United Nations Human Rights Charter which states as follows: “business should support and respect the protection of internationally proclaimed human rights within their sphere of influence and make sure they are not complicit in human right abuses”. All countries where the Group operates are signatories to the United Nations Human Rights Charter and are members of the International Labor Organization. Respect for the principles and fundamental labor rights enumerated in the Declaration related to freedom of association and acknowledgement of the right to collective bargaining, the elimination of all forms of forced or mandatory labor, the abolition of child labor and the elimination of employment and professional discrimination is the subject of particular attention within each company of the Group.

Training sessions for managers are frequently organized with a law firm specialized in current employment law, with a focus on professional equality, ethics, and preventing bullying or discrimination as part of their day-to-day responsibilities.

At the instigation of Group Management, entities in India, Kazakhstan and Senegal have each put in place a code of conduct complying with World Bank standards. Management in India is very sensitive to child protection and has regular, unannounced monthly audits conducted to check that no children are working on the Group’s sites.

Proof of such compliance is found in the audits conducted by various local authorities, none of which revealed any failure to observe applicable laws and regulations in 2020.

Putting employees at the heart of corporate dialog

All Vicat Group companies comply with local laws on respect for freedom of association and the right to collective bargaining, and respect for the right of employees to information and consultation.

Social dialogue works well within the various companies.

In 2020 there were no strike days recorded at the Group’s companies. No Group company was the subject of a complaint or conviction for sexual harassment, sexist behavior or bullying, discrimination or infringement of freedom of association. Despite the health crisis, social dialogue and the social climate remained at the same level of mutual trust and transparency.

For 2020, the scope adopted for the “Review of collective bargaining agreements” indicator was limited to France. A total of 51 agreements were signed during this period.

FOCUS ON ABSENTEEISM

Another indicator of the quality of the labor environment is the absenteeism rate. Absenteeism is monitored in each country in order to identify the reasons and take appropriate action. In 2020, the Vicat Group deemed this indicator satisfactory despite the health crisis: 2.4%.

Proposing an employee-centered work organization

The Vicat Group’s organization reflects its performance objectives. The management chain is short and the number of levels in the hierarchy reduced to operational requirements. Management is direct and local. Teams have real autonomy, driven by their commitment and sense of responsibility.

Work is organized in compliance with local legislation, and with the Group’s own standards, in terms of working and resting time as well as health and safety. This work organization is designed to deliver the best performance from teams at the lowest cost. In France, remote working has been negotiated with the labor partners and was launched on June 1, 2019. Between the end of February and the first half of March 2020, all tertiary positions in the Group moved to teleworking as part of the fight against Covid-19.

The Group is attentive to the quality of working conditions for its teams, workplace health and safety, and working well together according to the Group’s culture and values, emphasizing the importance of mutual respect, independence and accountability.

A mechanism allowing vacation days to be donated has been introduced at our French companies to allow employees dealing with family problems to be gifted additional days’ vacation by their colleagues.

The Group’s relatively small, human-sized team organization has always favored the use of best practices such as continuous improvement.

FOCUS ON PART-TIME WORK

The Group has little need for part-time jobs. As at December 31, 2020, the proportion of part-time employees remained stable at less than 2% of the workforce.

In most cases, part-time work is granted at the request of those concerned.

FOCUS ON SHIFT WORKING

Part of the Group’s industrial business activities requires shift working. The statutory framework is systematically adhered to. In 2020, shift workers represented 18.5% of the Group’s total workforce.

3.5.4.2. Guaranteeing a safe and healthy working environment

Covid-19 health crisis

Since December 2019, the Group's Management has been monitoring the evolution of the Covid-19 pandemic. In January 2020, a first prevention campaign highlighting barrier gestures was launched. At the end of February 2020, *i.e.* two weeks before the governments imposed drastic measures (lockdown, etc.), the Group had already switched to crisis management with the implementation of:

- measures to combat the pandemic which have been reinforced over the course of scientific progress (communication with the teams, barrier gestures, equipment and supplies such as hydro-alcoholic gels, plexiglass partitions, activity, action continuity plan, teleworking, orders of masks and mandatory mask wearing, systematic daily temperature recording, regular screening campaigns including voluntary families, etc.) in accordance with current health laws and protocols;
- a Group Covid-19 Crisis Committee and Covid-19 officers in the Group's countries.

The priorities from February 2020 were clearly stated and respected:

- protect employees as well as partners (customers, suppliers, subcontractors, etc.);
- protect activities and jobs (in satisfactory health conditions, produce and serve customers);
- prepare for the recovery.

In 2020, through strict compliance with anti-Covid-19 measures, the Group did not record any "clusters" or on-site contamination. No serious cases were reported. Unfortunately, due to contamination outside our sites and serious co-morbidity factors, we deplored the death of an Indian employee and a Senegalese employee in 2020.

From the beginning of March 2020, in France, the Management gave a directive that any employee who thought they were at risk because of an aggravating factor for themselves or a member of their family could take a leave of absence with continued pay.

Group Management has ensured that employees are not impacted economically by the consequences of this health crisis. There was almost no recourse to short-time working and compensation was maintained in the event of illness or leave due to an aggravating factor. In France, Management decided to pay a Covid-19 bonus in November 2020 to thank the teams for their commitment.

To support the teams in this health crisis, managers received training in crisis management, psychosocial risks (PSR) and teleworking. Likewise, training courses have been introduced to enable teams to learn how to operate in a generalized teleworking mode. Employee surveys were regularly conducted to find out about their difficulties and their psychological state, and to find concrete solutions.

In order to combat the pandemic, the Group has mobilized additional material and financial resources. In 2020, in France, more than one million masks were distributed to teams.

The Group has shown solidarity with the communities in the regions where it operates. For example, more than 20,000 FFP2 masks were given to the French regional health authorities in March 2020, in the midst of a shortage.

Faced with the Covid-19 pandemic, the Group's teams have shown exemplary commitment and courage. Best practices are constantly consolidated and improved to prepare for changes in this health crisis and anticipate future ones.

Health and safety

CONTINUOUS IMPROVEMENT IN HEALTH AND SAFETY CONDITIONS IN THE WORKPLACE

Protecting the health of all employees and guaranteeing their "physical and mental safety" is one of the Vicat Group's cardinal values. At all its sites around the world, the Group strives to improve working and living conditions, health and safety, in accordance with laws and regulations in force. The Group is implementing prevention measures to eliminate or reduce exposure to risks, risk itself, and to reduce the frequency and severity of workplace accidents and occupational illnesses.

The Group is continuing to strengthen and roll out its safety culture, maintaining its objective of "Zero accidents" (for its staff and staff from external companies).

It therefore strengthened its health and safety policy by placing emphasis on leading by example, rigor and commitment for its managers and employees. The effectiveness of this policy is reflected in the constant improvement of safety at all of its sites. In 2020, the Group consolidated its health and safety results, with a frequency rate of 5.5 (5.2 in 2019) and a severity rate of 0.28 (0.40 in 2019).

Prevention actions are monitored as part of multi-year plans which focus on:

a) the training of teams, the organization of awareness-raising campaigns and the production of communication materials associated with the "Zero accident" objective and the means to achieve it.

Meetings also make it possible to share best practices and to report dangerous situations on all topics related to health and safety in the workplace. While in 2020, due to the health crisis, the organization of these safety days was disrupted, they will resume as soon as possible in 2021. To go further and bring safety to life on a daily basis, a "Safety" discussion is held at the start of each meeting. The "Safety minutes" are held every week by managers. In 2020, the increase in the number of "Safety minutes" on tertiary sites illustrates the mobilization of teams in the face of the pandemic and the understanding that, whatever the position, health and safety in the workplace is a priority.

The major topics covered include risk analysis, equipment logs, travel (in particular to reduce road accidents), manual and mechanical handling, the safe use of phones and smartphones, and working at heights, tidiness and cleanliness of facilities and prevention and treatment of psychoactive substance abuse (alcohol and drugs).

In terms of training, the Group has set an objective that 100% of its teams should receive at least one health and safety training session each year. This target was achieved in 2020 and will be renewed in 2021;

b) the availability of risk-appropriate collective and personal protective equipment for teams (employees and subcontractors) at all of the Group's sites;

c) the compliance of facilities with regulatory and technical changes, taking into account the opinion of the experts consulted (in collaboration with safety engineers representing the Group's insurers, in particular) and Group safety standards;

d) the improvement of risk prevention, interventions with external businesses for all the businesses and sites;

e) the implementation of a digital health and safety in the workplace application in the various countries.

The French cement production sites are certified in accordance with the MASE (*Manuel d'Amélioration Sécurité-Santé Environnement des entreprises*) benchmark which makes external contractors subject to the same rules as the Group (training, induction (notably safety induction training), equipment, techniques and organization).

Led by General Management and the managers of the Group, a team of health and safety in the workplace coordinators in all countries and for all businesses is responsible for implementing and managing these multi-year plans. They are mainly developed locally and across the different businesses by its employees. One of the best examples is the adoption of the "Essentials", six rules defined by the Safety Department and broken down by country and activity, which form the fundamental benchmarks used on a daily basis at each site.

In 2020, the teams have undertaken significant work to revitalize these "Essentials" and will continue in 2021.

Internal safety cross-audits carried out by the members of the management committees in France continued. Safety audits, which were reduced in 2020 due to the health crisis, will resume at a sustained pace as soon as possible in 2021. These audits demonstrate Management's commitment and its reiterated desire to achieve the "zero accident" objective. Cross-cutting audits present an opportunity for reasoned discussions on site between teams to prevent and eliminate risk. All topics are reviewed: equipment, organization, regulations and behavior.

The approach on health and safety in the workplace fosters synergies between teams, businesses, and countries. Exchanges and meetings with the Group's safety specialists contribute to and encourage the sharing of experiences and best practices. Accident reports, audit reports, awareness materials, communication tools and all documents pertaining to prevention, health and safety are contained within a networked database, which may be accessed by safety specialists and managers.

Throughout the year, the Safety Department organizes quarterly awareness campaigns which are implemented in all countries. Support materials (posters and notices) are translated into all languages allowing managers to raise team awareness of these vital issues. In 2020, the following topics were highlighted: the prevention of risks related to nip points, and the proper "safe" use of phones and smartphones.

In 2020, the Group relaunched significant work on fire risk prevention. This work, which will continue in 2021, is rolling out an action plan consisting of audits of existing facilities, in particular of alternative fuel facilities. These audits mainly focus on the technical part (fire detection and extinguishing resources) and on the organization and training of teams. The objective is to share experiences and best practices, and to take all corrective and improvement actions in order to prevent any fire risk and limit any consequences.

The Group expanded and enhanced its training program for employees likely to travel abroad for business purposes and for expatriate staff (e-learning modules made mandatory before all business travel) as well as its support and assistance measures, in cooperation with SSF and AXA International, firms whose expertise in the areas of health, safety, and security for people traveling or working abroad is well-known. In 2020, due to the Coronavirus pandemic, these training courses were supplemented by incorporating a set of specific procedures and operating methods. However, in March 2020, travel between the Group's countries was stopped in order to preserve the health of the teams.

AGREEMENTS SIGNED WITH UNIONS CONCERNING WORKPLACE HEALTH AND SAFETY

The Group works with all staff, and in particular with employee representatives, to improve accident prevention and safety at its sites and safeguard the health of employees. The agreements signed reflect this objective shared by Management and labor partners in this area. The support and active participation of labor partners, and their support for the health and safety approach, has helped to develop the safety culture and improve performances.

RESULTS RECORDED IN TERMS OF SAFETY IN THE WORKPLACE BY THE ENTIRE GROUP

The Group's main safety indicators recorded in 2020, in particular the number of lost time accidents and the frequency rate, are close to the level recorded in 2019.

Once again this year, they reflect the commitment and efforts of managers and teams in terms of health and safety. After a period of decline, the frequency rate stabilized, reaching 5.5 in 2020 (compared to 5.2 in 2019). The severity rate for 2020 has improved significantly and stands at 0.28 (compared to 0.40 in 2019).

This rate reflects a significant decrease in the number of working days lost, mainly due to the lesser severity of the events recorded in 2020. Accidents requiring more lengthy periods of time off are very rare in the Group.

The improvement in frequency rate in 2020 was mainly due to the ever-increasing number of Group sites reporting no lost-time accidents. For example, eight of the Group's cement plants recorded no lost-time accidents in 2020; some had not reported any for two, three or four years (*e.g.* Bharathi in India and Peille in France). In the Aggregates business in France, some regions have not recorded any lost-time accidents for over 4 years. Businesses in Mali and Italy have also not recorded any lost-time accidents for over 4 years.

Accidents without lost time for the Group recorded a decrease of -7.2% (122 in 2020, 132 in 2019).

In 2020, several countries made a significant improvement in their safety performance: Senegal, which halved its frequency rate, and India and Brazil, which recorded a frequency rate of zero.

	Group		
*For Group employees**	**2020**	**2019**	**Change**
Number of lost-time accidents among Group employees	110	103	+7%
Number of fatal accidents among Group employees	0	0	- %
Number of lost days for Group employees	5,609	7,864	-29%
Frequency rate	5.5	5.2	+5%
Severity rate	0.28	0.40	-30%

	Group Cement		
*For Group employees**	**2020**	**2019**	**Change**
Number of lost-time accidents among employees	29	32	-9%
Number of fatal accidents among employees	0	0	- %
Frequency rate	3.3	3.6	-9%
Severity rate	0.16	0.21	-24%

	Concrete & Aggregates, Other Group Products and Services		
*For Group employees**	**2020**	**2019**	**Change**
Number of lost-time accidents among employees	81	71	+14%
Number of fatal accidents among employees	0	0	- %
Frequency rate	7.3	6.6	+11%
Severity rate	0.38	0.56	-32%

* *These analyses were carried out on a sample of around 96% of the workforce, as data on recent changes in scope are not yet available for these indicators.*

3.6. Statement of extra-financial performance in figures

Environmental responsibility

Topic	Indicator	Scope	2020	2019	2018
Material issues					
	Provisions and guarantees in respect of environmental risks *(in € million)*	Group	59.3	51.4	49.6
	Environment-related investments *(in € million)*	Group	51.1	23.4	17.4
Management of resources and the circular economy					
Raw materials	Quantity of unprocessed natural material extracted *(in millions of metric tons)*	Group	53.0	49.0	48.6
	Share of consumption from extracted substitute materials	Group	93.0%	93.7%	93.6%
	Share of consumption from purchased unprocessed materials	Group	7%	6.3 %	6.4 %
	Consumption of raw materials for the production of clinker *(in millions of metric tons)*	Group	29.6	26.9	29.2
Circular economy	Share of alternative fuels in the energy mix	Cement	25.8%	26.5%	25.6%
	Share of biomass in the energy mix	Cement	10.6%	10.5%	9.0%
Water	Percentage recycled	Cement	67.0%	65.0%	67.0%
	Percentage recycled	Concrete & Aggregates	61.3%	69.3%	73.6%
	Percentage recycled	OPS	15.7%	19%	15%
	Net intake *(in thousands of m^3)*	Cement	8,516	8,353	8,535
	Net intake *(in thousands of m^3)*	Concrete & Aggregates	6,644	5,847	4,299
	Net intake *(in thousands of m^3)*	OPS	1,499	1,213	1,577
	Effective consumption *(in thousands of m^3)*	Cement	3,665	3,662	3,778
	Effective consumption *(in thousands of m^3)*	Concrete & Aggregates	4,252	4,021	4,477
	Effective consumption *(in thousands of m^3)*	OPS	163	40	53
Atmospheric emissions					
Dust	Dust emissions *(in metric tons/year)*	Cement	1,046	895	994
	Specific dust emissions *(in g/t of Clinker)*	Cement	56	54	56
SO_2	SO_2 emissions *(in metric tons/year)*	Cement	4,307	4,828	3,698
	Specific SO_2 emissions *(in g/t of clinker)*	Cement	230	333	207
NO_x	NO_x emissions *(in metric tons/year)*	Cement	19,315	18,958	19,599
	Specific NO_x emissions *(in g/t of clinker)*	Cement	1,029	1,248	1,099
CO_2	Direct and indirect CO_2 emissions *(in Kt)* Scopes 1 and 2	Group	16,557	14,583	15,928
	Gross CO_2 emissions from kilns *(in Kt)*	Cement	15,532	13,581	14,647
	Gross specific CO_2 emissions *(in kg/t of clinker)*	Cement	828	817	821
	Net specific CO_2 emissions *(in kg/t of cement eq)*	Cement	620	621	627
	Cement - Scope 1 + Scope 2 CO_2 (direct + indirect)	Cement	16,449	14,474	15,829
	Concrete & Aggregates - Scope 1 + Scope 2 CO_2 (direct + indirect)	Concrete & Aggregates	98	101	93
	OPS - Scope 1 + Scope 2 CO_2 (direct + indirect)	OPS	10	7	7

Topic	Indicator	Scope	2020	2019	2018
Energy consumption	Total electricity consumption *(in GWh)*	Cement	2,436	2,182	2,230
	Total electricity consumption *(in GWh)*	Concrete & Aggregates	97	93	73
	Total electricity consumption *(in GWh)*	OPS	44	41	41
	Total electricity consumption *(in GWh)*	Group	2,577	2,316	2,344
	Heat balance of kilns *(in GJ/metric ton clinker)*	Cement	3,552	3,507	3,458
	Share of alternatives in the energy mix	Cement	25.8%	26.5%	25.6%
	Share of coal and lignite in the energy mix	Cement	38.8%	36.8%	43.6%
	Share of coke in the energy mix	Cement	31.4%	31.9%	26.3%
	Share of hydrocarbons (gas) in the energy mix cement	Cement	3.9%	4.7%	4.4%

Social responsibility

Topic	Indicator	Scope	2020	2019	2018
Employment	Workforce at December 31	Group	9,829	9,947	8,844
	Average workforce by geographical area	Group	9,902	9,858	8,684
		France	2,987	2,944	2,845
		Europe (excluding France)	1,097	1,118	1,091
		Americas	2,132	2,086	1,155
		Asia	1,228	1,236	2,282
		Africa and the Mediterranean	2,458	2,474	1,311
	Average number of employees by business	Cement	4,482	4,528	4,103
		Concrete & Aggregates	3,823	3,708	3,406
		Other Products and Services	1,600	1,622	1,175
Change in the salaried workforce by type of movement	Natural attrition	Group	1,039	792	824
	Redundancies	Group	323	273	456
	Changes in consolidation scope	Group	20	947	44
	Recruitment	Group	1,224	1,395	1,620
Change in personnel costs as at December 31	Salaries and wages *(in thousands of euros)*	Group	371,372	345,338	313,787
	Social security contributions *(in thousands of euros)*	Group	113,791	125,048	110,756
	Employee profit sharing *(in thousands of euros)*	French companies	4,758	5,010	4,420
	Personnel costs *(in thousands of euros)*	Group	489,921	475,396	428,963
Health and safety in the workplace	Number of lost-time occupational accidents	Group	110	103	106
	Number of fatal accidents	Group	0	0	1
	Frequency rate	Group	5.5	5.2	6.2
	Severity rate	Group	0.28	0.4	0.34
Training	Total number of hours of training	Group	140,740	206,654	142,025
	Number of employees having attended at least one training course (during the year)	Group	5,864	7,329	5,438
Diversity and equal treatment	Female employees as a percentage of the workforce	Group	10.7%	10.60%	10.40%
	Disabled employees	France	2.10%	2.50%	2.60%

3.7. Notes on methodology

3.7.1. Methodology and scope of the statement of extra-financial performance

The data shown in the Statement of Extra-Financial Performance have been gathered and consolidated on the basis of a common reference framework for all Vicat Group, entitled "Reporting Protocol for Social, Environmental and Societal Information" in its version V8. Each year, the Vicat Group's CSR Coordination unit, in association with the General Management, submits the reference framework to the managers responsible for each indicator for evaluation. In 2020, apart from the changes required to comply with the provisions of article L. 225-102-1 of the French Commercial Code, substantial changes were made to the rules for collecting and consolidating environmental data due to the deployment of a new Group reporting and consolidation tool (SiRoCCO2 project).

The reporting process used to compile the Statement of Extra-Financial Performance covers the full scope of consolidation, *i.e.* Vicat SA together with its subsidiaries and the companies it controls, as defined in article L. 233-3 of the French Commercial Code.

The data collected cover the period from January 1 through December 31. In principle, extra-financial indicators are consolidated from the date of acquisition of a site or sites until their date of disposal. Some of the indicators may not be consolidated, provided that this absence is warranted by the data's unavailability or lack of relevance for the period in question with regard to the business activities pursued.

Environmental data are collected by business and by country and consolidated at Group level. Across all businesses, key performance indicators, focusing on materials and energy consumption, atmospheric emissions and the percentage of alternative fuel used per metric ton produced, are contained in a specific file according to their definition. For the preparation of its reporting protocol, the Vicat Group relies on the sector guides drawn up by the Global Cement and Concrete Association, an association of which it is a member. In 2020, the Vicat Group took advantage of the launch of the consolidation tool (automated processing of data once entered) to make a few changes related to those resulting from the transition from the V2 to the V3 of the "CO_2 and Energy Accounting and Reporting Standard for the Cement Industry (v3.0, 2011)" published by the Cement Sustainable Initiative, whose work is taken up by the GCCA. The rest of the definitions and calculation methods of the indicators remain identical to those of previous years.

Data on health and safety in the workplace are collected by the operating entities and consolidated by the Group's Safety Department, which reports to the Human Resources Department. Data processing is based on an Excel spreadsheet. Among the key performance indicators monitored by the Group are, in particular, the frequency rate and the severity rate. The first measures the frequency of work-related lost-time accidents in relation to the working hours of the entire workforce. It is calculated as follows: (number of occupational lost-time accidents x 1,000,000)/number of hours worked. The severity rate allows the Group to evaluate the seriousness of work accidents based on the numbers of days lost as compared with hours worked. It is calculated as follows: (number of days lost x 1,000)/number of hours worked.

The number of hours worked is calculated as follows: total contractual hours worked plus overtime, minus justified absences by employees, aggregate hours to December 31 of the financial year in question.

The employment data are collected by legal entity then consolidated by the Human Resources Department on the basis of a form drafted with reference to internal guidelines that meet the specific requirements of companies' CSR transparency obligations.

Grant Thornton, an independent third-party firm accredited by COFRAC and which has been appointed to verify data provided by the Group, carries out a review of the Vicat Group's guidelines and reporting procedures as part of its mission. In 2020, all verification work was carried out remotely in accordance with the health regulations in force.

3

3.7.2. Methodology for identifying and processing significant extra-financial risks

Extra-financial risk management is incorporated into overall risk management. All material business and product-related extra-financial risks to which the Vicat Group could be exposed throughout its value chain are already taken into consideration in the financial risk map compiled by the Finance Department and the Compliance Department. These risks are presented in chapter 2 of the Universal Registration Document entitled “Risk factors”. Risks which are significant to the Company and important for the success of the Vicat Group’s activities are discussed in this Statement of Extra-Financial Performance. The Legal Department, the Finance Department and the CSR Coordination unit, take part in reviewing this risk map. The relevance of the extra-financial risks identified was shared with the operational units in the countries in which the Vicat Group operates. Please note that the Group’s prioritization of extra-financial risks may be different from one country to another. The relevance of its risks was assessed by the Group’s General Management which approved the risk map.

The policy of preventing and managing these risks is an integral part of the Group’s long-term industrial policy. The application of this policy by its operational units and at all levels of its organization means that the Group can support the energy transition process and the development of a low-carbon economy necessary to combat the effects of climate change – to help preserve natural resources which are becoming more scarce as part of a circular economy approach – to guarantee the personal integrity and social and societal commitment of all its entities to inclusivity – to help protect threatened ecosystems and biodiversity and – to strengthen its links with local communities as a result of ethical and responsible production, improving the socio-economic vigor of the regions where it operates.

3.8. Report of the independent third-party body on the consolidated statement of extra-financial performance in the management report

Year ended December 31, 2020

To the Shareholders,

In our capacity as independent verifier of Vicat (hereinafter the “entity”), accredited by COFRAC under number No. 3-1080[1], we hereby report to you on the statement of extra-financial performance for the year ended December 31, 2020 (hereinafter the “Statement”), included in the management report pursuant to the legal and regulatory provisions of Articles L. 225-102-1, R. 225-105 and R. 225-105-1 of the French Commercial Code (Code de commerce).

The entity’s responsibility

Pursuant to legal and regulatory requirements, the Board of Directors is responsible for preparing the Statement, which must include a presentation of the business model, a description of the principal extra-financial risks, a presentation of the policies implemented in light of those risks and the outcome of said policies, including key performance indicators.

The Statement has been prepared in accordance with the entity’s procedures (hereinafter the “Guidelines”), the main elements of which are presented in the Statement.

Independence and quality control

Our independence is defined by the provisions of Article L. 822-11-3 of the French Commercial Code and the French Code of Ethics (Code de déontologie) of our profession. In addition, we have implemented a system of quality control including documented policies and procedures regarding compliance with the ethical requirements, French professional standards and applicable legal and regulatory requirements.

Responsibility of the independent verifier

It is our responsibility, on the basis of our work, to formulate a reasoned opinion expressing a conclusion of moderate assurance on:

- compliance of the Statement with the provisions of Article R. 225-105 of the French Commercial Code;
- the fairness of the information provided in accordance with Article R. 225-105 I, 3 and II of the French Commercial Code, i.e., the outcome of the policies, including key performance indicators, and the measures implemented in light of the principal risks (hereinafter the “Information”).

However, it is not our responsibility to comment on:

- the entity’s compliance with other applicable legal and regulatory provisions, in particular the French duty of care law and anti-corruption and tax evasion legislation;
- the consistency of products and services with the applicable regulations.

Nature and scope of our work

Our work described below was carried out in accordance with the provisions of Articles A. 225 1 et seq. of the French Commercial Code determining the methods in which the independent third party conducts its mission and in accordance with the international standard ISAE 3000 - Assurance engagements other than audits or reviews of historical financial information.

(1) Whose scope is available at www.cofrac.fr

Our procedures allowed us to assess the consistency of the Statement with regulatory provisions and the fairness of the Information:

- we obtained an understanding of all the consolidated entities' activities, the description of the labor and environmental risks associated with their activities;
- we assessed the appropriateness of the Guidelines with respect to their relevance, completeness, reliability, objectivity and understandability, with due consideration of industry best practices, where appropriate;
- we verified that the Statement includes each category of labor and environmental information set out in Article L. 225-102-1 III;
- we verified that the Statement includes an explanation for the absence of the information required by the second paragraph under Article L. 225-102-1 III;
- we verified that the Statement presents the business model and the principal risks associated with all the consolidated entities' activities, including where relevant and proportionate, the risks associated with their business relationships and products or services, as well as their policies, measures and the outcomes thereof, including key performance indicators;
- we verified, where relevant with respect to the principal risks or the policies presented, that the Statement provides the information required under Article R. 225-105 II;
- we assessed the process used to identify and confirm the principal risks;
- we asked what internal control and risk management procedures the entity has put in place;
- we assessed the consistency of the outcomes and the key performance indicators used with respect to the principal risks and the policies presented;
- we verified that the Statement includes a clear and reasoned explanation for the absence of policies concerning one or more of the risks;
- we verified that the Statement covers the scope of consolidation, i.e., all the companies included in the scope of consolidation in accordance with Article L. 233 16 within the limitations set out in the Statement;
- we assessed the data collection process implemented by the entity to ensure the completeness and fairness of the Information;
- for the key performance indicators and other quantitative results that we considered to be the most important, we implemented[(1)]:
  - analytical procedures to verify the proper consolidation of the data collected and the consistency of any changes in those data,
  - tests of details, using sampling techniques, in order to verify the proper application of the definitions and procedures and reconcile the data with the supporting documents. This work was carried out on a selection of contributing entities[(2)] and covers between 42% and 54% of the consolidated data relating to the key performance indicators and outcomes selected for these tests;
- we referred to documentary sources and conducted interviews to corroborate the qualitative information (measures and outcomes) that we considered to be the most important[(3)]
- we assessed the overall consistency of the Statement based on our knowledge of all the consolidated entities.

We believe that the work carried out, based on our professional judgement, is sufficient to provide a basis for our limited assurance conclusion; a higher level of assurance would have required us to carry out more extensive procedures.

(1) ***Social information:*** *one-off workforce and breakdown by gender, age and geographical area; hires and departures; absenteeism rate; number of training hours; number of employees who received at least one training course; gender equality index for its companies in France; proportion of women in % of the workforce; number of lost-time accidents among Group employees; number of fatal accidents among Group employees; number of days lost for Group employees; frequency rate.*

Environmental information: *change in the rate of alternative fuel (Cement business); change in material substitution in the manufacture of clinker, cement and aggregates (Group scope); renewable energy mix table; direct and indirect CO_2 emissions (scope 1 & 2); CO_2 emissions Scope 1 excluding on-site electricity production and finished product transport (Group cement scope); evolution of dust emissions, SO_x, NO_x; water consumption by material.*

(2) *France and Brazil.*

(3) ***Qualitative information*** *relating to the following sections: "Carbon capture and recovery"; "Protection of species"; "Quarry rehabilitation"; "Socio-cultural philanthropy actions to support regional development"; "Supporting skills acquisition and development to guarantee employability"; "Promoting inclusivity".*

Means and resources

Our work was carried out by a team of 4 people between October 2020 and February 2021 and took a total of 5 weeks.

We were assisted in our work by our specialists in sustainable development and corporate social responsibility. We conducted interviews with the people responsible for preparing the Statement.

Conclusion

Based on our work, nothing has come to our attention that causes us to believe that the statement of extra-financial performance is not in accordance with the applicable regulatory provisions and that the Information, taken as a whole, is not presented fairly and in accordance with the Guidelines.

Neuilly-sur-Seine, February 13, 2021

Independent third-party body

Grant Thornton

French member of Grant Thornton International

Olivier Bochet	Tristan Mourre
Partner	Director

Material conveyor leading to the Jambyl Cement plant, Kazakhstan

REPORT ON CORPORATE GOVERNANCE

4

4.1. Company information

4.1.1. General information on the Company

Corporate name

The Company's name is Vicat.

Place of registration and registration number

The Company is registered in the Trade and Companies Register of Vienne under number 057 505 539.

Date of incorporation and duration of the Company

The Company was incorporated in 1853 and registered in the Trade and Companies Register on January 1, 1919 for a term of 99 years, which was subsequently extended by a further 80 years to December 31, 2098 by the Combined General Meeting of shareholders of May 15, 2009.

Registered office

The Company's registered office is at 4 rue Aristide Bergès, Les Trois Vallons, 38080 L'Isle d'Abeau.

Legal form and applicable legislation

The Company is a *société anonyme* (French Public Company) with a Board of Directors, governed by the provisions of Book II and articles R. 210-1 *et seq.* of the French Commercial Code.

Accounting period

The Company's accounting period begins on January 1 and ends on December 31 of each year.

4.1.2. Corporate purpose (article 2 of by-laws)

The Company's corporate purpose is:

- quarry operations currently belonging to the Company and all those which it may subsequently own or to which it may subsequently hold rights;
- the manufacture, purchase and sale of limes, cements and all products of relevance to the Construction business;
- the manufacture, purchase and sale of bags or packaging for hydraulic binders in any material and, more generally, any activity carried out in the plastic and paper industries sector;
- the production and distribution of aggregates and sand;
- the public transport of goods overland, and the leasing of all vehicles;
- in general, all industrial, commercial and financial operations associated with this industry, both in France and the rest of the world.

The Company may also invest in any French or foreign Company or firm, whose business or industry is similar to or likely to support and develop its own business or its own industry; to merge with them, to engage in all industries which would be likely to provide it with outlets and to enter into all commercial, industrial, financial, movable property or fixed asset transactions that could in whole or part be related, directly or indirectly, to its corporate purpose or likely to support development of the Company.

4.1.3. General Meeting

4.1.3.1. Type of General Meeting (article 23 of by-laws)

The General Meeting, properly constituted, represents all the shareholders; its decisions taken in accordance with the law and with the Company's by-laws are binding on all shareholders.

An Ordinary General Meeting must be held each year within six months of the financial year-end. Other General Meetings, whether Ordinary General Meetings held extraordinarily, or Extraordinary General Meetings, can also be held at any time of the year.

4.1.3.2. Form and periods of meeting notice (article 24 of by-laws)

General Meetings are convened and conducted in accordance with conditions set by law. Meetings take place on the day and at the time and place indicated on the convening notice.

4.1.3.3. Attendance and representation at General Meetings (article 25 of by-laws)

Shareholders may attend or be represented at meetings provided they are able to legally justify ownership of their shares with an entry in their own name or in the name of the intermediary duly registered on their behalf, in accordance with applicable law either in the registered share accounts held by the Company or in bearer share accounts held by the accredited financial intermediary, at least two business days prior to midnight Paris time on the date of the meeting.

In the case of bearer shares, such evidence shall take the form of a statement of share ownership (*attestation de participation*) issued by the accredited financial intermediary in accordance with the law.

Participation in General Meetings is subject to proof of the ownership of at least one share.

4.1.3.4. Officers of the meetings – Attendance register – Agenda (article 27 of by-laws)

General Meetings are chaired by the Chairman of the Board of Directors, the Vice-Chairman or, in their absence, by a director especially delegated for this purpose by the Board. Alternatively, the meeting itself shall elect a Chairman; the two shareholders having the greatest shareholdings present at the opening of the meeting, and accepting to do so, shall act as tellers. The secretary is appointed by the officers.

An attendance register is maintained under the conditions stipulated by law.

The agenda for each meeting is drawn up by the person convening the meeting. However, one or more shareholders meeting the legal conditions can, under the conditions stipulated by law, require draft resolutions to be included in the agenda.

4.1.3.5. Minutes (article 28 of by-laws)

The deliberations of the General Meeting are noted in minutes drafted under the conditions prescribed by the applicable regulations; copies or extracts of these minutes are certified according to such regulations.

4.1.3.6. Quorum and majority - Competence (article 29 of by-laws)

Ordinary and Extraordinary General Meetings taking decisions quorate and under the majority conditions prescribed by the provisions governing them respectively shall exercise the powers that are allotted to them by law.

4.1.4. Procedures for modifying shareholders' rights and by-laws

Modification of rights attached to the shares is subject to the requirements of the law. As the Company's by-laws do not stipulate specific provisions, only an Extraordinary General Meeting is qualified to modify the by-laws and rights of shareholders, in accordance with applicable legal provisions.

4.2. Share capital information

4.2.1. Issued share capital and number of shares for each class

The issued share capital as at December 31, 2020 was € 179,600,000, divided into 44,900,000 shares of € 4 each. The Company's shares are fully subscribed, paid up and all of the same class.

To the Company's knowledge, as at December 31, 2020, a total of 8,474,575 Company's shares, whose registration is managed by the Company, were pledged in financial instruments accounts; representing 18.87% of the share capital.

4.2.2. Authorized but unissued share capital

Not applicable.

4.2.3. Other securities giving access to the capital or conferring special controlling rights

Not applicable.

4.2.4. Share subscription and purchase options

Not applicable.

4.2.5. Changes to the share capital during the last three years

There have been no changes to the Company's share capital during the last three years.

4.2.6. Securities not representative of the capital

Not applicable.

4.2.7. Shares held by the Company or for its account

At the end of the 2020 financial year, after distributing 48,987 shares to employees, the Company held 717,855.10 of its own shares, or 1.60% of the share capital.

4.2.7.1. Description of the 2020 share buy-back program

Pursuant to the authorization given by the Ordinary General Meeting of April 3, 2020, in 2020 the Company purchased 145,366.10 of its own shares (*i.e.* 145,050 shares +3,161 tenth parts of shares) on the stock exchange (excluding liquidity agreements) at a nominal value of € 4 per share and a mean price of € 28.40 per share, based on the current share capital.

4.2.7.2. Distribution of transferable securities by purpose

Acquisitions for the purpose of allocation of shares to personnel within the context of employee share ownership and profit-sharing: 145,366.10 shares, representing an acquisition price of € 4,128,422.12.

Acquisitions for the purpose of promoting liquidity of the share through a liquidity agreement in accordance with the ethical Charter of the AMAFI as recognized by the AMF: balance of 30,823 shares at December 31, 2019, acquisition of 215,360 shares and sale of 196,177 shares during the year, with a balance of 50,006 shares at December 31, 2020.

4.2.7.3. Volume of shares used by objectives

Shares allocated to personnel under employee share ownership and profit-sharing: 167,855.10 shares.

Liquid trading of the shares and their liquidity through a liquidity agreement in compliance with the ethical Charter of the AMAFI as recognized by the AMF: 50,006 shares (see also note 13 of the notes to the consolidated financial statements and note 5.1.3. of the notes to the individual financial statements).

No shares repurchased have been allocated to other purposes and the Company did not use derivatives to achieve its share buy-back program.

4.2.7.4. Description of the 2021 share buy-back program

The sixth resolution, the principles of which are listed below, and which is due to be submitted for approval to the General Meeting of April 9, 2021, is intended to allow the Company to trade in its own shares.

The Company may acquire, sell, transfer or swap, by any means, all or part of the shares thus acquired in compliance with current legislative and regulatory provisions and in compliance with changes to the substantive law in order (without order of priority):

(a) to allocate or sell shares to employees and/or officers of the Company and/or of companies which are related to it or will be related to it under the terms and conditions set out in law, particularly for purposes of employee saving schemes and stock ownership plans (notably under the conditions of article L. 332-1 *et seq.* and L. 3344-1 of the French Labor Code);

(b) to foster a liquid trading of the share through a liquidity agreement entered into with an underwriter conforming to the ethical Charter of the French Association of Financial Markets (AMAFI) as recognized by the French Financial Regulator (*Autorité des marchés financiers*);

(c) to retain the Company's shares and subsequently use them for payment, exchange or other in the context of external growth transactions within the limit of 5% of the share capital;

(d) to cancel some or all of the shares acquired up to the maximum statutory limit subject to a confirmatory vote by an Extraordinary General Meeting on a resolution for the purpose;

(e) to allow the Company to trade in the Company's shares for any other purpose authorized now or in the future by law or regulations in force. The unit purchase price must not exceed € 100 per share (excluding acquisition expenses).

The total shares held shall not exceed 10% of the Company's share capital; this threshold of 10% must be calculated on the actual date when the buy-backs are made. The said limit shall be equal to 5% of share capital as regards the objective specified in (c) above. Taking into account the shares already held by the Company on January 1, 2021, the 10% limit corresponds to a maximum number of 3,722,138.90 shares with a nominal value of € 4 each, representing a maximum amount of € 372,213,890.

Pursuant to such resolution, within the limits permitted by the regulations in force, the shares may be purchased, sold, exchanged or transferred in one or more transactions, by all means, on all markets and over the counter including by acquisition or sale of blocks, and by means including the use of derivatives and warrants.

Such authorization shall be given for a period not exceeding eighteen (18) months from the date of the General Meeting, including in a public offer period, within the limits and subject to the periods of abstention provided for by law and in the AMF's General Rules.

This authorization supersedes that granted by the General Meeting of April 3, 2020.

4.2.8. Provisions delaying, deferring or preventing a change of control

Not applicable.

4.2.9. Conditions governing changes to the share capital

The share capital can be increased, reduced or amortized in accordance with the laws and regulations in force.

The General Meeting has granted no delegation to the Board of Directors in the area of increases in share capital.

4.3. Shareholding

4.3.1. Distribution of the share capital and voting rights

The Company's share capital as at December 31, 2020 was € 179,600,000, divided into 44,900,000 shares of € 4 each, fully paid up; shares are in nominee or bearer form at the shareholder's discretion.

Changes in the distribution of the Company's share capital over the past three financial years are listed below:

	At December 31, 2020		At December 31, 2019		At December 31, 2018	
Shareholders	**Number of shares**	**As a % of share capital**	**Number of shares**	**As a % of share capital**	**Number of shares**	**As a % of share capital**
Parfininco	13,733,388	30.59	13,408,855	29.86	13,400,960	29.85
Soparfi	11,939,452	26.59	11,874,509	26.45	11,874,509	26.45
Family	1,967,294	4.38	1,950,779	4.34	1,949,163	4.34
Employees	580,117	1.29	588,005	1.31	565,174	1.26
Public	15,911,888	35.44	16,425,553	36.58	16,435,803	36.61
Treasury shares	767,861	1.71	652,299	1.45	674,391	1.50
TOTAL	**44,900,000**	**100.00**	**44,900,000**	**100.00**	**44,900,000**	**100.00**

The statement of employee profit-sharing specified in article L. 225-102 of the French Commercial Code as at December 31, 2020 appears below:

- employee profit-sharing (Vicat + Subsidiaries): 580,117.70 shares, *i.e.* 1.29% of share capital;
- employees of the Company and related companies under the employee savings plan (PEE): 533,508.50 shares, *i.e.* 1.19% of the share capital.

To the knowledge of the Company, there is no shareholder holding more than 5% of the share capital rights.

Changes in the distribution of the voting rights in the Company over the past three financial years, excluding the voting rights attached to treasury shares, are listed below:

	At December 31, 2020		At December 31, 2019		At December 31, 2018	
Shareholders	**Number of voting rights**	**As a % of total voting rights**	**Number of voting rights**	**As a % of total voting rights**	**Number of voting rights**	**As a % of total voting rights**
Parfininco	27,122,095	37.02	26,760,211	36.52	26,721,550	36.57
Soparfi(1)	23,809,155	32.50	23,695,013	32.33	23,675,465	32.40
Family	3,640,006	4.97	3,628,706	4.95	3,529,861	4.83
Employees and Public(2)	18,695,668	25.52	19,197,004	26.20	19,143,546	26.20
Treasury shares(3)	-	-	-	-	-	-
TOTAL(4)	**73,266,924**	**100.00**	**73,280,934**	**100.00**	**73,070,422**	**100.00**

(1) Soparfi is 99.99% owned by Parfininco, which is itself controlled by the Merceron-Vicat family.
(2) There is no distinction between employees and the public with regard to the supervision of voting rights.
(3) Treasury shares do not carry voting rights.
(4) The number of theoretical voting rights, i.e. the number of voting rights attached to the shares issued, including treasury shares, amounted to 74,584,785 at December 31, 2020. The thresholds referred to in article L. 233-7 of the French Commercial Code are calculated based on the theoretical number of voting rights.

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4.3.2. Rights, privileges and restrictions attached to the shares

4.3.2.1. Rights and obligations attached to the shares (article 9 of by-laws)

Each share gives a right to a share proportional to the capital that it represents in the income and the corporate assets.

If applicable, and subject to the obligatory legal prescriptions, all tax exemptions or charges or any taxation that the Company may bear will be applied to the total number of shares without distinction before making any reimbursement within the lifetime of the Company or at its liquidation, so that all shares of the same category existing at that time receive the same net sum whatever their origin and their date of creation.

Whenever there is a requirement to own a certain number of shares in order to exercise a right, it is the responsibility of the owners who do not have this number of shares to arrange grouping of the required number of shares.

Shares cannot be divided up with respect to the Company.

When a share's usufruct is encumbered, the rights and obligations of the beneficial owner and the bare owner are governed by the law. The rights and obligations attached to the share follow the ownership no matter who acquires it.

As far as the Company is aware, there are no agreements between shareholders which may restrict the transfer of shares.

4.3.2.2. Voting rights (article 26 of by-laws)

Each member of the meeting has as many votes as he has, or represents, shares.

The voting rights attached to shares in capital or rights are proportionate to the share of the capital that they represent and each share confers a right to one vote.

However, voting rights double those conferred on bearer shares are allotted to all paid-up shares for which a personal registration has been proved for at least four years in the name of the same shareholder, at the end of the calendar year preceding the date on which the meeting in question is held.

In the event of a capital increase by incorporation of reserves, profits or issue premiums, double voting rights will be conferred, as of their issue, on registered shares allotted for free to a shareholder pursuant to old shares in respect of which he enjoys this right.

These double voting rights will automatically cease to be attached to any share having been converted to bearer form or on a transfer of title. Nonetheless, the transfer by inheritance, by liquidation of common property held by spouses or by gift *inter vivos* to the benefit of a spouse or a relation ranking as entitled to inherit does not result in the loss of acquired rights. The same is true in the event of a transfer following the merger or spin-off of a shareholder company.

The list of registered shares with double voting rights is determined by the officers of the meeting.

In the event ownership rights to a share are stripped, the voting right is exercised between the legal owner and the usufructuary according to the conditions set by law. Hence, in the event of an allocation agreement on exercising the voting right at general meetings between the legal owner and the usufructuary, they shall notify the Company by registered letter sent to the registered office. As far as the Company is aware, there are no agreements between shareholders which may restrict the transfer of voting rights.

4.3.3. Control of the Company

The Company is controlled directly and indirectly, through the holding companies Parfininco and Soparfi, by the Merceron-Vicat family, which holds the majority of the share capital and the voting rights.

4.3.4. Agreements that can lead to a change of control

To the knowledge of the Company, there is no agreement whose implementation could, at a date subsequent to the filing of this Universal Registration Document, lead to a change of control.

4.3.5. Exceeding the ownership threshold

4.3.5.1. Crossing thresholds set under the by-laws

In addition to the legal and regulatory provisions in force with respect to the crossing of shareholding thresholds, article 7. III of Vicat's by-laws provides that any natural or legal person acting alone or in concert, who directly or indirectly holds or ceases to hold a fraction – of the capital, of voting rights or securities giving future access to the capital of the Company – equal to or greater than 1.5% or a multiple of this fraction, must notify the Company by registered letter with acknowledgment of receipt within a fifteen-day period from the date this threshold is exceeded, specifying their identity as well as that of the persons acting in concert with them, and the total number of shares, voting rights and shares that give future access to the capital, that they own alone, directly or indirectly, or in concert.

Failure to comply with the preceding provisions is penalized by the deprivation of voting rights for shares exceeding the fraction which should have been declared, for any meeting of the shareholders taking place up to the expiry of a two-year period following the regularization date of the notification specified above, if the application of this penalty is requested by one or more shareholders holding at least 1.5% of the share capital or voting rights of the Company. This request is recorded in the minutes of the General Meeting.

The intermediary who is registered as the shareholder in accordance with article L. 228-1 of the French Commercial Code must make the declarations specified in this article for all shares for which he is registered, without prejudice to the obligations of shareholders.

Failure to comply with this requirement shall be penalized in accordance with article L. 228-3-3 of the French Commercial Code.

On February 28, 2020, Norges Bank (the Central Bank of Norway) declared that it had fallen below the threshold of 1.50% of the share capital.

On February 28, 2020, International Value Advisers declared that it had crossed the threshold of 1.50% of the share capital.

On February 27, 2020, Dimensional Fund Advisors LP declared that it had crossed the threshold of 1.50% of the share capital.

On March 24, 2020, International Value Advisers declared that it had fallen below the threshold of 1.50% of the share capital.

On March 27, 2020, Kiltearn Partners LLP declared that it had fallen below the threshold of 1.50% of the share capital.

On November 6, 2020, Highclere International Investors LLP declared that it had crossed the threshold of 1.50% of the share capital.

4.3.5.2. Identification of shares in bearer form

Aside from the legal and regulatory measures, and those prescribed under the by-laws, relating to exceeding the ownership threshold, the following measures apply (article 7. II of by-laws):

For the purposes of identifying its shareholders, the Company or its officers, against payment of a fee, are entitled to request, at any time, information on the owners of its securities, from the central custodian responsible for keeping the share registry, or directly from one or more intermediaries mentioned in article L. 211-3 of the French Monetary and Financial Code.

4.3.6. Commitments to retain Company shares

Six commitments to retain shares, relating to a maximum of 22.51% of the Company's share capital, were made as from 2005, and continued in effect until the date of the filing of this Universal Registration Document, in order to take advantage of the provisions of article 885-O bis of the French General Tax Code allowing the signatories partial exemption from the French wealth tax (*impôt de solidarité sur la fortune* or ISF), as indicated in the table below.

Date of signature of the commitment	Term	Renewal procedure	Senior executive signatories pursuant to article 885-O bis of the French General Tax Code or holding more than 5% of the Company's share capital and/or voting rights
Nov. 22, 2006	6 years starting on Nov. 28, 2006	Extension by 12-month periods	Jacques Merceron-Vicat Guy Sidos Louis Merceron-Vicat Soparfi Parfininco
Dec. 8, 2006	6 years starting on Dec. 13, 2006	Extension by 12-month periods	Jacques Merceron-Vicat Guy Sidos Louis Merceron-Vicat Soparfi Parfininco
Dec. 8, 2006	6 years starting on Dec. 13, 2006	Extension by 12-month periods	Jacques Merceron-Vicat Guy Sidos Louis Merceron-Vicat Soparfi Parfininco
Dec. 20, 2006	6 years starting on Dec. 21, 2006	Extension by 12-month periods	Jacques Merceron-Vicat Guy Sidos Louis Merceron-Vicat Soparfi Parfininco
Dec. 11, 2007	6 years starting on Dec. 13, 2007	Extension by 12-month periods	Jacques Merceron-Vicat Guy Sidos Louis Merceron-Vicat Soparfi Parfininco
July 3, 2015	2 years starting on July 9, 2015	Extension by 3-month periods	Jacques Merceron-Vicat Guy Sidos Sophie Sidos Parfininco Hoparvi SAS

Fourteen commitments to retain shares, relating to a maximum of 22.51% of the Company's share capital, were made as from 2005, and continued in effect until the date of the filing of this Universal Registration Document, in order to take advantage of the provisions of article 787 B of the French General Tax Code allowing the signatories partial exemption from the French inheritance tax (*droits de mutation à titre gratuit* or DMTG), as indicated in the table below.

Date of signature of the commitment	Term	Renewal procedure	Senior executive signatories pursuant to article 787 B of the French General Tax Code or holding more than 5% of the Company's share capital and/or voting rights
July 25, 2005	2 years from August 1, 2005	Extension by 3-month periods	Jacques Merceron-Vicat Sophie Sidos Louis Merceron-Vicat Soparfi Parfininco
Dec. 8, 2006	2 years starting on Dec. 13, 2006	Extension by 3-month periods	Jacques Merceron-Vicat Guy Sidos Louis Merceron-Vicat Soparfi Parfininco
Dec. 8, 2006	2 years starting on Dec. 13, 2006	Extension by 3-month periods	Jacques Merceron-Vicat Guy Sidos Louis Merceron-Vicat Soparfi Parfininco
Dec. 11, 2007	2 years starting on Dec. 13, 2007	Extension by 3-month periods	Jacques Merceron-Vicat Guy Sidos Louis Merceron-Vicat Soparfi Parfininco
May 25, 2010	2 years starting on May 25, 2010	Extension by 3-month periods	Jacques Merceron-Vicat Guy Sidos Sophie Sidos Louis Merceron-Vicat Soparfi Parfininco
April 28, 2011	2 years starting on May 5, 2011	Extension by 3-month periods	Jacques Merceron-Vicat Guy Sidos Sophie Sidos Eléonore Sidos Soparfi Parfininco
July 3, 2015	2 years starting on July 9, 2015	Extension by 3-month periods	Jacques Merceron-Vicat Guy Sidos Sophie Sidos Eléonore Sidos Parfininco Hoparvi SAS
June 17, 2019	2 years starting on June 17, 2019	Extension by 3-month periods	Jacques Merceron-Vicat Guy Sidos Sophie Sidos Louis Merceron-Vicat Soparfi Parfininco
June 17, 2019	2 years starting on June 17, 2019	Extension by 3-month periods	Jacques Merceron-Vicat Guy Sidos Sophie Sidos Louis Merceron-Vicat Soparfi Parfininco
June 17, 2019	2 years starting on June 17, 2019	Extension by 3-month periods	Jacques Merceron-Vicat Guy Sidos Sophie Sidos Louis Merceron-Vicat Soparfi Parfininco
June 17, 2019	2 years starting on June 17, 2019	Extension by 3-month periods	Jacques Merceron-Vicat Guy Sidos Sophie Sidos Louis Merceron-Vicat Soparfi Parfininco
June 17, 2019	2 years starting on June 17, 2019	Extension by 3-month periods	Jacques Merceron-Vicat Guy Sidos Sophie Sidos Louis Merceron-Vicat Soparfi Parfininco
June 17, 2019	2 years starting on June 17, 2019	Extension by 3-month periods	Jacques Merceron-Vicat Guy Sidos Sophie Sidos Louis Merceron-Vicat Soparfi Parfininco
February 1, 2021	2 years starting on February 1, 2021	Extension by 3-month periods	Jacques Merceron-Vicat Guy Sidos Sophie Sidos Louis Merceron-Vicat Soparfi Parfininco

4.3.7. Dividends

The Company can decide to distribute dividends for a given year on a proposal from the Board of Directors and approval of the General Meeting of shareholders.

In preceding years, the dividends distributed by the Company and the earnings per share were as follows:

Year	2019	2018	2017
Dividend per share *(in euros)*	1.50	1.50	1.50
Consolidated earnings per share *(in euros)*	3.31	3.37	3.17
Rate of distribution	45%	45%	47%

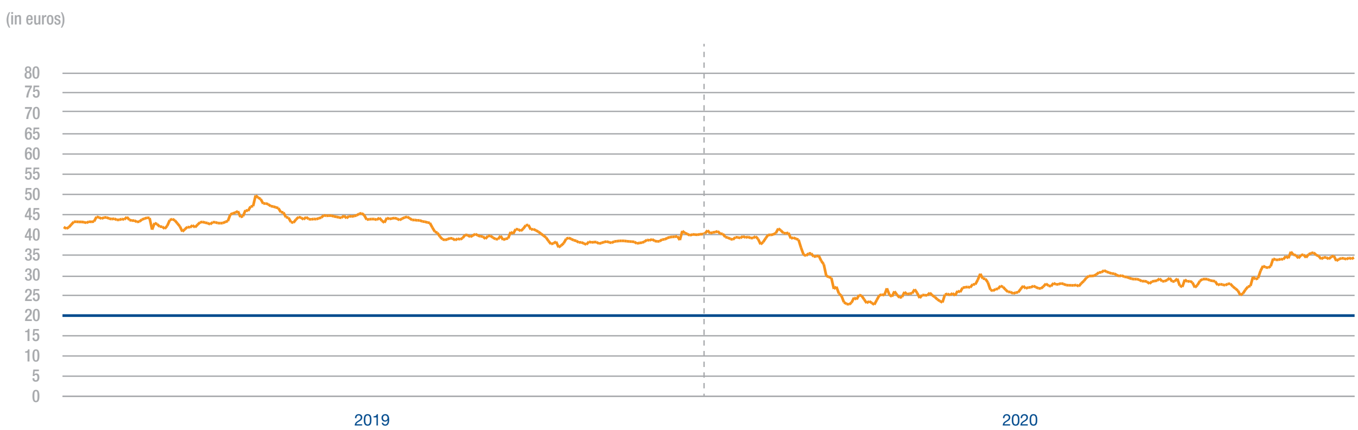
The Company's objective for future years is to distribute in cash to shareholders a level of dividend in line with that proposed by the Board of Directors for previous financial periods.

That said, the distribution and the amount of dividends paid will depend on a number of factors, including the Group's income, financial position, funding needs for industrial and financial development, outlook and all other determinative factors, such as the general economic environment.

Regardless of the objective which the Company intends to prioritize, it cannot guarantee that in the future dividends will be paid nor the amount of any future dividend.

4.4. Changes to the share price

The Company's shares are listed on the Eurolist of Euronext Paris, compartment A. The Company's shares have been eligible for deferred payment (SRD: *service à règlement différé*) since February 2008. The graph below shows the change in the Company's share price from January 1, 2019 to December 31, 2020.



The table below shows the change in the Company's share price in 2020 and 2019 (on the basis of the closing price):

(in euros)	2020	2019
Average price over the year	30.28	41.96
Annual high	41.50	49.75
Annual low	22.70	36.90
Price as at December 31	34.35	40.35

4.5. Frame of reference for corporate governance

The Board of Directors decided at the meeting on August 2, 2012 to adopt the Chairman's proposal to implement the Middlenext Corporate Governance Code, available at www.middlenext.com.

4.6. Governance bodies

4.6.1. Composition of the Board of Directors, Chairman and General Management

4.6.1.1. Board of Directors

The Company is managed by a Board of Directors composed of at least five and no more than twelve members and appointed by the Ordinary General Meeting of shareholders for a term of three or six years.

As stipulated in the by-laws, a director's term of office is automatically extended until the first Ordinary General Meeting held following the normal end of his term of office. A director having completed his term of office may be re-elected. A director appointed to replace another director remains in office only until the end of his predecessor's term.

As at the date of filing of this Universal Registration Document, the Company has twelve directors, including five independent directors.

4.6.1.2. Chairman of the Board of Directors – General Management and limitation of powers

In accordance with the Company's by-laws, the Board of Directors shall elect from among its members a Chairman and set his term of office, which cannot exceed that of his appointment as director.

At its meeting of March 7, 2014, the Board of Directors opted to combine the roles of Chairman of the Board of Directors and Chief Executive Officer.

On this same date, the Board of Directors appointed Guy Sidos as Chairman and Chief Executive Officer, with effect from the close of the Combined General Meeting held on May 6, 2014, and appointed Jacques Merceron-Vicat as Honorary Chairman of the Company.

Under the Company's by-laws, and on the proposal of the Chief Executive Officer, the Board of Directors can appoint up to five individuals to assist the Chief Executive Officer and who are given the title of Chief Operating Officer.

At its meeting of March 6, 2015, the Board of Directors decided to appoint Didier Petetin as Chief Operating Officer – France, excluding the Paper business, for the duration of the term of the Chairman and Chief Executive Officer.

By decision of October 30, 2020, the Board of Directors decided to appoint Lukas Epple as Chief Operating Officer and Group Strategy Director, for the term of office of the Chairman and CEO.

No limitation has been set concerning the powers of the Chairman and Chief Executive Officer or Chief Operating Officers.

4.6.1.3. Members of the Board of Directors

List of tenures and functions exercised in all companies during the financial year ended December 31, 2020:

Honorary Chairman of the Company and Director

JACQUES MERCERON-VICAT

Graduate of the Ecole Spéciale de Travaux Publics. He joined the Group in 1962.

Age:
83 years

Nationality:
French

Date of first appointment:
February 3, 1968

Start date of current appointment:
- 04/29/2016 as director
- 05/06/2014 as Honorary Chairman

Term of office expires:
- As director, at the close of the General Meeting called to approve the financial statements for the year ending December 31, 2021

Other appointments currently or previously held in the Group in the last five years[1]:
- Director of Béton Travaux*
- Director of BCCA*
- Director of National Cement Company*
- Director of Aktas Insaat Malzemeleri Sanayi Ve Ticaret A.S.*
- Director of Bastas Baskent Cimento Sanayi Ve Ticaret A.S.*
- Director of Konya Cimento Sanayi Ve Ticaret A.S.*
- Director of Bastas Hazir Beton Sanayi Ve Ticaret A.S.*
- Director of Konya Hazir Beton Sanayi Ve Ticaret A.S.*
- Director of Tamtas Yapi Malzemeleri Sanayi Ve Ticaret A.S.*
- Director of Sococim Industries*
- Chairman of the Board of Directors of Sinaï Cement Company*
- Chairman of the Board of Directors of Vicat Egypt for Cement Industry*
- Member of the Supervisory Board of Mynaral Tas Company LLP*
- Director of Kalburgi Cement Private Limited*
- Director of Bharathi Cement Corporation Private Limited*
- Director of Mauricim SA*
- Director of Vigier Holding*
- Director of Ciplan Cimento Planalto S.A.*
- Director of Planalto Centro Oeste Transportes S.A.*

Other appointments currently or previously held by the director, or where applicable his permanent representative, outside the Group in the last five years[1]:
- Chairman of Hoparvi SAS*

(1) Current appointments are marked with an asterisk.

Chairman and Chief Executive Officer

GUY SIDOS

Graduate of the Ecole navale. He served in the French Navy before joining the Group in 1999.

Age:
57 years

Nationality:
French

Date of first appointment:
June 11, 1999

Start date of current appointment:

- 05/06/2015 as director
- 05/06/2015 as Chairman and Chief Executive Officer

Term of office expires:

- As director, at the close of the General Meeting called to approve the financial statements for the year ending December 31, 2020
- As Chairman and Chief Executive Officer, at the close of the General Meeting called to approve the financial statements for the year ending December 31, 2020

Other appointments currently or previously held in the Group in the last five years[1]:

- Chief Executive Officer and director of Béton Travaux*
- Chairman of Papeteries de Vizille*
- Chairman of Parficim*
- Chairman of the Board of Directors of Vigier Holding AG*
- Director of Vigier Management*
- Director of National Cement Company*
- Permanent representative of Parficim, director of Sococim Industries
- Vice-Chairman and director of Sinaï Cement Company*
- Vice-Chairman and director of Vicat Egypt for Cement Industry*
- Director of Cementi Centro Sud*
- Director of Aktas Insaat Malzemeleri Sanayi Ve Ticaret A.S.*
- Director of Bastas Baskent Cimento Sanayi Ve Ticaret A.S.*
- Director of Konya Cimento Sanayi Ve Ticaret A.S.*
- Director of Bastas Hazir Beton Sanayi Ve Ticaret A.S.*
- Director of Tamtas Yapi Malzemeleri Sanayi Ve Ticaret A.S.*
- Director of Konya Hazir Beton Sanayi Ve Ticaret A.S.*
- Director of BCCA*
- Member of the Supervisory Board of Mynaral Tas Company LLP*
- Director of Kalburgi Cement Private Limited*
- Director of Bharathi Cement Corporation Private Limited*
- Director of Mauricim SA*
- Sole director of Ravlied Holding AG*
- Director of the Louis Vicat foundation*
- Permanent representative of Parficim, director of Gécamines S.A.
- Director of Ciplan Cimento Planalto S.A.*
- Director of Planalto Centro Oeste Transportes S.A.*

Other appointments currently or previously held by the director, or where applicable his permanent representative, outside the Group in the last five years[1]:

- Director of Medef International*
- Director of CCI France*

(1) Current appointments are marked with an asterisk.

Directors

DELPHINE ANDRE

Ms. André holds a master's degree in corporate law, tax and accountancy. She served as legal counsel and attorney until 2002, when she assumed the role of Chair and Chief Executive Officer of GCA.

Age:
54 years

Nationality:
French

Date of first appointment:
May 6, 2015

Start date of current appointment:
- April 6, 2018

Term of office expires:
- General Meeting approving accounts of year ended December 31, 2020

Other appointments currently or previously held in the Group in the last five years[1]:
Not applicable.

Other appointments currently or previously held by the director, or where applicable his permanent representative, outside the Group in the last five years[1]:
- Manager of ACP*
- Chair of Anvil Finance*
- Director of Banque de Savoie*
- Chair of Charles André*
- Chair of FD Immobilier*
- Chair of Fimholog*
- Manager of Fimo CA*
- Director of GCA Europe*
- Chair of GCA Lavage*
- Chair of GCA Logistique*
- Chair of GCA Logistique Automobile*
- Director of GCA Route France*
- Director of GCATRANS*
- Manager of HIP*
- Chair of 2 HO*
- Director of TA Europe SA*
- Chair of TEA Holding*

(1) Current appointments are marked with an asterisk.

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BRUNO SALMON

Graduate of the Ecole Supérieure de Commerce de Paris. At Cetelem, he served as Head of the French Network, Deputy Chief Executive Officer, and Chief Operating Officer. After holding the position of Chief Operating Officer and director of BNP Paribas Personal Finance, he served as its Chairman from late 2008 to September 2013.

He was Chairman of the Association française des Sociétés Financières (ASF, the French association of specialized financial companies) from May 2010 to June 2013.

Age:
71 years

Nationality:
French

Date of first appointment:
May 15, 2009

Start date of current appointment:
- May 6, 2015

Term of office expires:
- General Meeting approving accounts of year ended December 31, 2020

Other appointments currently or previously held in the Group in the last five years[1]:
Not applicable.

Other appointments currently or previously held by the director, or where applicable his permanent representative, outside the Group in the last five years[1]:
- Director of BNP Paribas Personal Finance*
- Director of ADIE (Association pour le Développement de l'Initiative Economique)*
- Director of YELLOAN (SAS)*
- Director of ADMICAL (Association)*

(1) Current appointments are marked with an asterisk.

LOUIS MERCERON-VICAT

Graduate of the Ecole des Cadres. He joined the Group in 1996.

Age:
51 years

Nationality:
French

Date of first appointment:
June 11, 1999

Start date of current appointment:
- April 18, 2017

Term of office expires:
- General Meeting approving accounts of year ended December 31, 2022

Other appointments currently or previously held by the director, or where applicable his permanent representative, within the Group in the last five years(1):
- Chairman of the Board of Directors of Béton Travaux*
- Chairman of the Board of Directors of BCCA*
- Director of Konya Aktas Insaat Malzemeleri Sanayi Ve Ticaret A.S.*
- Director of Konya Cimento Sanayi Ve Ticaret A.S.*
- Director of Bastas Baskent Cimento Sanayi Ve Ticaret A.S.*
- Director of Bastas Hazir Beton Sanayi Ve Ticaret A.S.*
- Director of National Cement Company* Director of Tamtas Yapi Malzemeleri Sanayi Ve Ticaret A.S.*
- Director of Sococim Industries*
- Director of Sinaï Cement Company*
- Director of Konya Hazir Beton Sanayi Ve Ticaret A.S.*

Other appointments currently or previously held outside the Group in the last five years(1):
Not applicable.

(1) Current appointments are marked with an asterisk.

SOPHIE SIDOS

She held various functions within the Group until 1997.

Age:
52 years

Nationality:
French

Date of first appointment:
August 29, 2007

Start date of current appointment:
- May 6, 2015

Term of office expires:
- General Meeting approving accounts of year ended December 31, 2020

Other appointments currently or previously held in the Group in the last five years(1):
- Director of Béton Travaux*
- Director of BCCA*
- Director of Konya Aktas Insaat Malzemeleri Sanayi Ve Ticaret A.S.*
- Director of Konya Cimento Sanayi Ve Ticaret A.S.*
- Director of Bastas Baskent Cimento Sanayi Ve Ticaret A.S.*
- Director of Bastas Hazir Beton Sanayi Ve Ticaret A.S.*
- Director of Tamtas Yapi Malzemeleri Sanayi Ve Ticaret A.S.*
- Director of Sococim Industries*
- Director of Vigier Holding AG*
- Replacement director of Kalburgi Cement Private Limited*
- Director of Bharathi Cement Corporation Private Limited*
- Director of National Cement Company*
- Director of Konya Hazir Beton Sanayi Ve Ticaret A.S.*
- Chair of the Louis Vicat foundation*

Other appointments currently or previously held by the director, or where applicable his permanent representative, outside the Group in the last five years(1):
Not applicable.

(1) Current appointments are marked with an asterisk.

JACQUES LE MERCIER

A graduate of the Université de Paris with a degree in economics, he also holds a degree in business administration from the Institut d'Administration des Entreprises (IAE) of Université Paris-Dauphine. He has held management positions and chairmanships within financial institutions. He was Chairman of the Board of Directors of Banque Rhône-Alpes from 1996 to 2006.

Age:
76 years

Nationality:
French

Date of first appointment:
August 29, 2007

Start date of current appointment:
- April 3, 2020

Term of office expires:
- General Meeting approving accounts of year ended December 31, 2022

Other appointments currently or previously held in the Group in the last five years[1]:
Not applicable.

Other appointments currently or previously held by the director, or where applicable his permanent representative, outside the Group in the last five years[1]:
Not applicable.

(1) Current appointments are marked with an asterisk.

XAVIER CHALANDON

A graduate of the Institut d'Etudes Politiques de Lyon, he holds a master's degree in law. He has held management positions with various financial institutions. He was Chief Operating Officer of Banque Martin Maurel from 1999 to 2008 and then held the same position at Financière Martin Maurel until 2009. He is a member of the Strategy Committee and the Ethics Committee of Siparex Group.

Age:
71 years

Nationality:
French

Date of first appointment:
April 28, 2010

Start date of current appointment:
- April 11, 2019

Term of office expires:
- General Meeting approving accounts of year ended December 31, 2021

Other appointments currently or previously held in the Group in the last five years[1]:
Not applicable.

Other appointments currently or previously held by the director, or where applicable his permanent representative, outside the Group in the last five years[1]:
- Permanent representative of Banque Martin Maurel at SI Participations*

(1) Current appointments are marked with an asterisk.

SOPHIE FEGUEUX

Doctor of medicine. She exercises the functions of hospital doctor within the Bichat hospital and expert assessor in Public Health (SPF). She has held positions within the Health Ministry and was a health adviser to the Interministerial Delegate on Road Safety.

Age:
61 years

Nationality:
French

Date of first appointment:
May 6, 2014

Start date of current appointment:
- April 3, 2020

Term of office expires:
- General Meeting approving accounts of year ended December 31, 2022

Other appointments currently or previously held in the Group in the last five years(1):
Not applicable.

Other appointments currently or previously held by the director, or where applicable his permanent representative, outside the Group in the last five years(1):
Not applicable.

(1) Current appointments are marked with an asterisk.

ELÉONORE SIDOS

Student at HEC, ENSAE, Sorbonne and Yale

Age:
23 years

Nationality:
French

Date of first appointment:
February 24, 2017

Start date of current appointment:
- April 6, 2018

Term of office expires:
- General Meeting approving accounts of year ended December 31, 2023

Other appointments currently or previously held in the Group in the last five years(1):
Not applicable.

Other appointments currently or previously held by the director, or where applicable his permanent representative, outside the Group in the last five years(1):
Not applicable.

(1) Current appointments are marked with an asterisk.

EMMANUELLE SALLES

Graduate of a DEA in environmental law from the University of Jean Moulin (Lyon III) and a DESS in Legal Risk Management from the University of Nice-Sophia Antipolis. Since 2006 she has been working as an environmental lawyer in the Legal Department of Vicat.

Age: 46 years **Nationality:** French **Date of appointment by the Works Council:** May 12, 2016 **Start date of current appointment:** ■ May 12, 2016 **Term of office expires:** ■ General Meeting approving accounts of year ended December 31, 2021	**Other appointments currently or previously held in the Group in the last five years:** ■ Director of the Louis Vicat foundation*	**Other appointments currently or previously held by the director, or where applicable his permanent representative, outside the Group in the last five years(1):** Not applicable.

(1) Current appointments are marked with an asterisk.

HUGUES METZ

Graduate of a BTS in electrical engineering and a Badge from the École des Mines de Saint-Étienne. Since 1987, he has held various positions at the Vicat de Xeuilley cement plant, where he is currently operations manager.

Age: 55 years **Nationality:** French **Date of appointment by the Works Council:** April 8, 2020 **Start date of current appointment:** ■ April 8, 2020 **Term of office expires:** ■ General Meeting approving accounts of year ended December 31, 2025	**Other appointments currently or previously held in the Group in the last five years:** Not applicable.	**Other appointments currently or previously held by the director, or where applicable his permanent representative, outside the Group in the last five years(1):** Not applicable.

(1) Current appointments are marked with an asterisk.

The Board of Directors, at its meeting of February 12, 2021, decided to propose to the General Meeting of shareholders to renew for a period of six years the terms of office of Mr. Guy Sidos and Ms. Sophie Sidos to renew for a period of three years the terms of office of Ms. Delphine André and Mr. Bruno Salmon and to appoint Mr. Rémi Weber as director to replace Mr. Jacques Le Mercier who resigned at the end of the General Meeting of shareholders of April 9, 2021 for the remaining term of office.

4.6.1.4. Gender parity, diversity and expertise of members of the Board of Directors – Independent directors

Management expertise of members of the Board of Directors

The Board of Directors consists of individuals who have industry knowledge, specific knowledge of the Group's activities, technical and/or management experience, as well as corporate and financial experience. Each member of the Board of Directors is selected according to their availability and their integrity.

Personal information concerning the members of the Board of Directors

As of the date of the filing of this Universal Registration Document, no member of the Board of Directors has at any time in the last five years:

- been sentenced for fraud;
- been associated with a bankruptcy, or been put under sequestration or into liquidation;
- been officially incriminated or penalized by a legal or administrative authority, including by designated professional bodies;
- been disqualified by a court from serving as a member of an administrative, management or supervisory body or from being involved in the management or conduct of the affairs of an issuer.

Corporate governance declaration

(article L. 225-37 of the French Commercial Code)

The Company subscribes to a policy of transparency and continuous improvement regarding its disclosures, in particular those relating to its activities and financial matters. Since August 2, 2012, the Company has used and complied with the recommendations of the Middlenext Corporate Governance Code as its frame of reference for good governance.

The Board of Directors of the Company engages in an ongoing analysis of the rules applicable to the Board and their compliance with the recommendations of the Middlenext Corporate Governance Code. In August 2013, internal rules were established for the Board, particularly with a view to the organization of its self-assessment and internal deliberations and to set forth the conditions for the exercise by Board members of their right to information as well as the requirements incumbent on them with respect to professional ethics and confidentiality. These rules were updated by the Board of Directors at its meeting of October 30, 2020.

Similarly, the Board of Directors has adapted the roles and responsibilities of the Board's committees, in particular its Audit Committee, to the provisions of article L. 823-19 of the French Commercial Code.

Given its majority share ownership by members of the founding family and its long-term vision, the Company aims for continuity in its appointments of directors as a guarantee of longevity. Nevertheless, in order to ensure the rotation of Board members, and in particular its independent directors, the Company has decided that each director should serve for either a three- or six-year term.

As of the date of the filing of this Universal Registration Document, the Board of Directors had four members deemed independent. The Company, referring to the criteria defined by the Middlenext Corporate Governance Code, considers as independent directors those who have no direct or indirect material relationship or special interest with the Company, its subsidiaries, its shareholders or its directors that could compromise the exercise of its freedom of judgment.

Each year, the Board reviews the situation of each of its members and ensures that, in accordance with the Middlenext Corporate Governance Code, they meet the following criteria on an ongoing basis:

- have not been, during the last five years, and not be an employee or executive Company officer of the Company or a Group company;
- not have had a significant business relationship with the Company or the Group (customer, supplier, competitor, service provider, creditor, banker, etc.) over the past two years;
- not be a reference shareholder of the Company or hold a significant percentage of voting rights;
- not have a close relationship or close family ties with a Company officer or reference shareholder;
- not have been a statutory auditor of the Company during the last six years;
- hold no more than five mandates in listed companies or large organizations;
- not be absent from more than 25% of Board or Committee meetings (unless there is a serious reason); and
- not be in a situation of repeated and proven conflict of interest.

In this respect, the Board may consider that a member is independent even though he or she does not meet all the independence criteria and conversely consider that a member is not independent even though he or she meets all the independence criteria.

The independent members are: Sophie Fegueux, Bruno Salmon, Xavier Chalandon and Delphine André.

As at the date of this Universal Registration Document, Sophie Sidos, Sophie Fegueux, Delphine André, Emmanuelle Salles and Eléonore Sidos are members of the Board of Directors, thus bringing the composition of the Board in line with the objectives of French law on gender balance in the boardroom.

Furthermore, since May 2015 the Company has committed itself to the implementation of a Board of Directors assessment in order to bring the Company in line with the requirements of the Middlenext Corporate Code.

4.6.1.5. Conflicts of interests within the administrative, and General Management bodies

To the best of the Company's knowledge, there are not, as of the date of the filing of this Universal Registration Document, any conflicts of interest between the duties of the members of the Board of Directors, the Chairman and Chief Executive Officer and the Chief Operating Officers, with regard to the Company and their private interests and/or other duties.

No arrangement or agreement has been concluded with the main shareholders, customers, suppliers or other parties by virtue of which any of the members of the Board of Directors, the Chairman and Chief Executive Officer or the Chief Operating Officers were selected for their roles.

4.6.1.6. Family ties between directors and managers

Guy Sidos, Chairman and Chief Executive Officer is the son-in-law of Jacques Merceron-Vicat, director and Honorary Chairman, the husband of Sophie Sidos, director, and brother-in-law of Louis Merceron-Vicat, director, and father of Eléonore Sidos, director.

4.6.2. Functioning of the Board of Directors

4.6.2.1. Missions and attributions of the Board of Directors

The Board of Directors determines the policy for the Company's business and supervises its implementation. Subject to the powers expressly granted by shareholders at General Meetings and within the limits of the Company's corporate purpose, it examines any and all matters relating to the efficient operation of the Company and makes decisions on pertinent issues by means of the resolutions it adopts.

Its strategy and actions are informed by the Company's sustainable growth objectives. The Board of Directors is responsible in particular for reviewing and approving all decisions relating to the Company's and its subsidiaries' major economic, social, financial or technological policies and overseeing their implementation, in the context of the Group's general policy defined by the financial holding company Parfininco and the latter's strategic decisions.

The Chairman represents the Board of Directors. He organizes and directs the Board's work and reports on it at the General Meeting.

4.6.2.2. Board meetings

The Board of Directors shall meet, as convened by its Chairman and Chief Executive Officer, as often as required by the interest of the Company, at the registered office or in any other place indicated in the convening notice. However, the Board may also be convened by a group of directors representing at least one-third of Board members, if the Board has not met for more than two months.

The deliberations of the Board of Directors shall be officially recorded in the form of minutes, signed and filed in accordance with regulations.

A quorum of at least one-half of Board members must be present in order for the Board to conduct business. Decisions are taken by a majority vote of the members present or represented. If there is a tied vote, the Chairman shall have the casting vote.

The Board of Directors met four times in 2018, four times in 2019, and four times in 2020.

The dates and the agendas of the Board meetings were as follows:

MEETING OF FEBRUARY 12, 2020

- Presentation of the business report.
- Closing of the individual financial statements at December 31, 2019.
- Closing of the consolidated financial statements at December 31, 2019.
- Review of the reports to the Board of Directors by its committees (Audit Committee and Compensation Committee).
- Presentation of 2020 objectives.
- Appropriation of earnings.
- Review of regulated agreements
- Establishment of an evaluation procedure for free agreements.
- Share buy-back program.
- Delegation of powers as stipulated by the share buy-back program.
- Reallocation of treasury shares.
- Reappointment of two Directors.
- Reappointment of the incumbent statutory auditors.
- Non-renewal of an alternate statutory auditor.
- Remuneration policy for Company officers (*ex ante* vote).
- Remuneration policy for Company officers (*ex post* vote).
- Proposal for the compensation of Directors and members of the Board Committees.
- Reimbursement of expenses incurred by directors.
- Review of projected financial statements.
- Delegation to the Chairman and Chief Executive Officer to provide endorsements and guarantees.
- Approval of the report on payments made to States or regions where the Group performs extraction operations (article L. 225-102-3 of the French Commercial Code).
- Policy in the area of professional equality and equal pay.
- Delegation to the Chairman and Chief Executive Officer to answer written questions from shareholders at the General Meeting.
- Authorization for a bond issue and delegation of powers.
- Approval of the increase in the annual endowment to the Louis Vicat Foundation.
- Proposed amendments to the by-laws.

- Convening of the Combined General Meeting and setting of the agenda.
- Approval of the management report and the report on corporate governance.
- Miscellaneous questions.

All the members of the Board attended this meeting, as well as the Company's statutory auditors and the three Works Council representatives.

The resolutions tabled during this meeting were all adopted unanimously.

MEETING OF MAY 4, 2020

- Recognition of the appointment of a second employee director.
- Presentation of the financial statements for the first quarter of 2020.
- Review of potential conflicts of interest.
- Review of the independence of the directors.
- Breakdown of directors' compensation.
- Renewal of the term of office of Mr. Jacques Le Mercier as member of the Audit Committee and of the Compensation Committee.
- Update on the health crisis.
- Miscellaneous questions.

All the members of the Board attended this meeting, as well as the Company's statutory auditors and the three Works Council representatives.

The resolutions tabled during this meeting were all adopted unanimously.

MEETING OF JULY 27, 2020

- Business report.
- Analysis and approval of the individual and consolidated financial statements as at the end of June 2020.
- Review of projected financial statements.
- Audit Committee report.
- Appointments, promotions, organization.
- Transfer of registered office.
- Corresponding amendment to article 4 of the by-laws.
- Approval of the Internal Rules of the Audit Committee.
- Update on the health crisis.
- Climate action.
- Miscellaneous questions.
- Powers for formalities.

All the members of the Board attended this meeting, as well as the Company's statutory auditors and the three Works Council representatives.

The resolutions tabled during this meeting were all adopted unanimously.

MEETING OF OCTOBER 30, 2020

- Presentation of the activity, sales revenues and press release at the end of September 2020.
- Update of the internal rules of the Board of Directors.
- Appointments.
- Miscellaneous questions.

All members of the Board attended this meeting, with the exception of Delphine André, as well as the Company's statutory auditors and the three Works Council representatives.

Each director had been sent, with the notice convening the Board meetings, all the documents and information necessary to fulfill his or her function. The minutes of the Board meetings were drafted at the end of each meeting.

4.6.2.3. Internal regulations of the Board of Directors

At its meeting of August 1, 2013, the Board of Directors adopted internal rules which were updated on October 30, 2020 and available for viewing on the Company's website: www.vicat.fr applicable to all current or future directors, the purpose of which is to complement legal, regulatory and statutory rules and to specify:

- the role of the Board;
- the composition of the Board;
- the experience and expertise of the members of the Board - Training;
- the independence criteria for directors;
- the operation of the management bodies;
- the conduct of meetings of the Board of Directors;
- information on members of the Board;
- the compensation of the Board of Directors;
- the Board committees;
- the rights and obligations of directors and conflicts of interest;
- the assessment of the Board's operation;
- changes to the internal rules.

4.6.3. Operating details of the committees

The Board of Directors has an Audit Committee and a Compensation Committee. They fulfill their duties under the supervision of the Board of Directors. The Audit Committee consists of four members, two of which are chosen from the independent directors. The Compensation Committee consists of three members, two of which are independent directors appointed by the Board of Directors on the proposal of its Chairman and chosen on the basis of their expertise.

The committee members can be removed at any time by the Board of Directors, which does not have to justify its decision. A committee member may resign his or her role without having to provide reasons for his or her decision.

Each committee is chaired by a Chairman appointed by a majority decision of the committee members. The Chairman of the committee ensures the regularity of its proceedings, with particular reference to the convening and conduct of meetings and the provision of information to the Board of Directors.

Each committee appoints a secretary from among its members or from outside the committee and Board of Directors.

4.6.3.1. Composition of committees

As of the date of this Universal Registration Document, the committees are made up of the following members:

- **Audit Committee:**
  - Jacques Le Mercier, Chairman of the committee,
  - Xavier Chalandon, independent director,
  - Delphine André, independent director,
  - Eléonore Sidos.
- **Compensation Committee:**
  - Xavier Chalandon, Chairman of the committee, independent director,
  - Bruno Salmon, independent director,
  - Jacques Le Mercier.

4.6.3.2. Role of committees

- **Audit Committee**

  The missions of the Audit Committee as defined in its Internal Rules approved by the Board of Directors on July 27, 2020 are as follows:
  - it monitors the process of preparing financial and non-financial information and, where applicable, makes recommendations to ensure its integrity;
  - it monitors the effectiveness of the internal control and risk management systems, as well as, where applicable, the internal audit, with regard to:
    - the procedures relating to the preparation and processing of accounting and financial information, without compromising its independence,
    - the procedures relating to the preparation of extra-financial reporting,
    - where applicable: the anti-corruption system and its deployment, the Vigilance Act, the General Data Protection Regulation (GDPR),
    - any other specific provision with which the Company must comply (depending on the laws and regulations in force);
  - it issues a recommendation on the statutory auditors proposed for appointment by the General Meeting. This recommendation to the Board is prepared in accordance with regulations; it also issues a recommendation to the Board when the renewal of the term of office of the statutory auditor is planned under the conditions defined by the regulations;
  - it monitors the performance by the statutory auditors of their duties and takes into account the findings and conclusions of the High Council of the statutory auditors following the audits carried out in application of the regulations;
  - It ensures that the statutory auditor complies with the conditions governing his independence under the conditions and in accordance with the procedures provided for by the regulations;
  - it approves, in advance, the provision of services other than the certification of financial statements in compliance with applicable regulations;
  - it regularly reports to the Board on the performance of its duties. It also reports on the results of the audit engagement, the way in which this engagement contributed to the integrity of the financial information and the role it played in this process. It immediately informs the Board of any difficulties encountered.
- **Compensation Committee:**

  The Compensation Committee is in charge of:
  - examining the compensation of executive directors and employees (fixed portion, variable portion, benefits of any kind, etc.) and in particular their amount and distribution, as well as the compensation and incentive policy for executive directors;
  - reviewing the share subscription or purchase option plans and, in particular as regards their beneficiaries, the number of options that may be granted to them, as well as the term of the options and the subscription price conditions and those of any other form of access to the Company's share capital in favor of executive directors and employees;
  - reviewing certain benefits, such as pension and welfare benefit plans, disability insurance, death insurance, education allowance, civil liability insurance for Company officers and senior executives, etc.;
  - ensure that diversity is at the heart of the Board of Directors' concerns. The Board, on the proposal of the General Management, sets objectives in terms of gender balance for the governing bodies, the Executive Committee and, more broadly, senior management. The committee ensures that the selection process for the renewal or creation of positions ensures the diversity of applications.

4.6.3.3. Operating details of the committees

- Audit Committee: three times a year and more often at the request of the Board of Directors.
- Compensation Committee: once a year and more often at the request of the Board of Directors.

Committees proposals are adopted by simple majority of the members present, each member having one vote. The members may not be represented by proxies at committee meetings.

The deliberations of the committees are recorded in minutes entered in a special register. Each committee reports to the Board of Directors on its work. The Board of Directors may allocate compensation to the members of the committees.

4.6.3.4. Committee meetings

The Audit Committee met three times in 2020 and examined the following points:

MEETING OF FEBRUARY 5, 2020

- Financial calendar.
- Significant events of the year and 2019 annual financial statements.
- Update on Group refinancing.
- Application and implementation of new regulations.
- DDR/DEU.
- Renewal of the statutory auditors of the Group/Subsidiaries (Turkey)/ Procedures.
- SNFP: extra-financial indicators.
- Legal update: Pacte Law (regulated agreements).
- Procedure for delegating authorization of non-audit tasks by statutory auditors.
- Presentation of external audits by statutory auditors.
- Miscellaneous points.

All members of the Audit Committee attended this meeting with the exception of Delphine André.

MEETING OF JULY 23, 2020

- Proposal of Internal Rules of the Audit Committee;
- Financial calendar.
- Significant events of the year and half-year financial statements.
- Update on Group refinancing.
- Procedure for delegating authorization of non-audit tasks by statutory auditors.
- Application and implementation of new accounting regulations:
- Presentation of external audits by statutory auditors.
- Planning of the next committees.
- Miscellaneous points.

All members of the Audit Committee attended this meeting.

MEETING OF OCTOBER 27, 2020

- Update;
- Cyber security update;
- Action plan/compliance situation;
- Audit plan and internal audit missions;
- ESEF reporting;
- Miscellaneous questions.

All members of the Audit Committee attended this meeting with the exception of Delphine André.

The Compensation Committee met once in 2020 with a 100% attendance rate. It considered the following issues:

MEETING OF FEBRUARY 4, 2020

- Change in compensation for 2019
  - CSP Industrie average compensation benchmark.
- Breakdown of compensation in 2019.
- Gender Equality Index.
- Compensation of the main senior executives in 2019.
- SAPIN II Law and Pacte Law:
  - Remuneration policy for executive Company officers and Company officers:
    - focus on article 39,
    - equity ratios.
- Pacte law: pensions and employee savings plans.
- AGIRC-ARRCO merger.

4.6.4. Operation of the management bodies

The Chairman and CEO is responsible for the General Management of the Company. He has the broadest powers to act in all circumstances in the name of the Company, within the limitations of the corporate purpose and subject to the powers expressly attributed by law to General Meetings. He represents the Company in its relations with third parties.

As of the date of the filing of this Universal Registration Document, the Chairman and Chief Executive Officer is assisted by two Chief Operating Officers and by five Deputy Chief Executive Officers operating, by delegation, in the following areas:

Chief Operating Officer France (excluding the Paper business): Didier Petetin.

Other corporate offices held by Didier Petetin:

- Chairman of Béton Vicat.
- Chairman of Granulats Vicat.
- Chairman of SATMA.
- Chairman of Vicat France Service Support.
- Chairman of VPI.

- Co-Manager of Béton 74.
- Co-Manager of CEMB.
- Director of Monaco Béton.

Chief Operating Officer - Group Strategy Director: Lukas Epple

- in charge of managing and consolidating the Group's strategy in terms of ecological transition and digital transition;
- in charge of overseeing the Development Department.

Deputy Chief Executive Officers:

- United States: Eric Holard.
- Legal Affairs Director: Philippe Chiorra.
- Chief Science Officer and Head of Industrial Performance: Éric Bourdon.
- Finance Department: Hugues Chomel.
- Human Resources Department: Christophe Bérenger.

Name	Age	Brief biography
Didier Petetin	54 years	Mr. Petetin is a graduate of the Ecole Nationale Supérieure d'Arts et Métiers. He joined the Group in 2010 after having worked for Lafarge.
Lukas Epple	56 years	Mr. Epple is a graduate of the University of St. Gall (Switzerland) and Alumnus of Harvard Business School (Boston, United States). He joined the Group in 2013 after having worked for Holcim.
Éric Holard	60 years	Mr. Holard is a graduate of the Ecole Nationale Supérieure d'Arts et Métiers and holds an MBA from HEC. He joined the Group in 1991 after having worked for Arc International.
Philippe Chiorra	64 years	Mr. Chiorra holds a graduate degree (DESS) in legal advisory services. He joined the Group in 2000 after working for Chauvin Arnoux.
Éric Bourdon	53 years	Mr. Bourdon is a graduate of the Ecole Nationale Supérieure d'Arts et Métiers. He joined the Group in 2002 after having worked for Polysius.
Hugues Chomel	59 years	Mr. Chomel holds a degree in Chartered Accountancy and a Master's degree in Business Law from the Université Pierre Mendès-France (Grenoble II). He joined the Group in 2004 after having worked for Schneider Electric.
Christophe Bérenger	50 years	Mr. Bérenger holds a DESS in Human Resources. He joined the Group in 2008 after having worked for CMA CGM.

The Deputy Chief Executive Officers, having an operational role, have responsibility for managing activities and earnings.

4.6.5. Information on the service agreements binding the members of the Company's administration and management bodies

To the best of the Company's knowledge, there are no service agreements binding the members of the Board of Directors, the Chairman and Chief Executive Officer or the Chief Operating Officers to the Company or to any of its subsidiaries and granting benefits to such persons.

4.6.6. Statutory provisions concerning members of the Company's administrative and management bodies

4.6.6.1. Composition of the Board of Directors (article 15 of by-laws)

The Company is administered by a Board of Directors with at least five and no more than twelve members, appointed by the General Meeting, except where this number is exceeded for legal reasons.

4.6.6.2. Term of office of directors - Age limit - Reappointments - Co-option - Employee director (article 16 of by-laws)

1) Directors are appointed for a term of three or six years. They can be re-elected. If one or more seats are unfilled, the Board can, under the conditions set by the law, co-opt members for temporary appointments, subject to ratification at the next General Meeting.
2) Subject to the provisions of items 3 and 4 below, all terms of office expire at the close of the Ordinary General Meeting called to approve the financial statements for the year during which the term of three or six years has ended.
3) When a natural person has been appointed as a director and will reach the age of 75 before the expiration of the three- or six-year term mentioned above, the term of office is limited, in any case, to the period of time between the said director's appointment and the Ordinary General Meeting called to approve the financial statements for the year during which this director reaches the age of 75.
4) However, the Ordinary General Meeting at the close of which the term of office of said director expires may, if the Board of Directors so moves, re-elect the director for a further three- or six-year term,

although it should be noted that at no time may the Board of Directors have more than one-third of its members over the age of 75.

5) Subject to the exceptions provided by law, all directors must own at least ten shares before the expiry of the period set by law and continue to hold these shares throughout their term of office.
6) In addition to the directors whose number, appointment procedures and duties are described in article 15 above, the Board of Directors shall include one or two employee directors, depending on which the number of Board members appointed by the General Meeting shall or shall not exceed the legal threshold.

The Company's Central Economic and Social Committee appoints the employee director(s) for a renewable term of six years.

The Company's Central Economic and Social Committee appoints the employee director(s) in accordance with the applicable legal provisions, with particular reference to the employee's status at the time of appointment, their training and the conditions of their term of office.

Termination of the employment contract shall end the term of office of the director appointed by the company's central economic and social committee.

If a vacancy arises due to a death, resignation, removal, termination of the employment contract or for any other reason, the vacant Board seat shall be filled according to the conditions set out in law.

Subject to the provisions of this article and legal provisions, each employee director shall have the same status, powers and responsibilities as the other directors.

Where the term of office of one or more employee directors is abolished whether as a result of changes in the relevant legislation or regulations, or through changes in the structure of the Company's workforce, such abolition shall become effective upon its having been formally noted by the Board of Directors meeting at the expiry of the term of office of the employee director(s) so appointed.

4.6.6.3. Chairmanship and secretariat of the Board of Directors (article 17 of by-laws)

The Board of Directors shall elect from its members a Chairman and, if it considers it useful, a Vice-Chairman. The Board determines the term of office of the Chairman (and the Vice-Chairman where applicable), which may not exceed either their term of office as director, or the period of time between their appointment as Chairman or Vice-Chairman and the close of the Ordinary General Meeting called to approve the financial statements for the financial year during which they reach the age of 85.

Subject to these provisions, the Chairman of the Board of Directors or the Vice-Chairman can always be re-elected. He organizes and directs the work of the Board, reports on this work to the General Meeting, and carries out its decisions. He oversees the regularity of proceedings on the Company's governance bodies and ensures that the directors are capable of discharging their duties.

The Board of Directors can appoint a secretary for each meeting who can be selected from outside the directors.

4.6.6.4. Meetings – Convening notices – Deliberations – Attendance register (article 18 of by-laws)

The Board of Directors meets at the Chairman's behest as often as required to serve the Company's interests, either at the registered office, or in any other place indicated in the convening notice. The agenda is set by the Chairman at any time, including at the time of the meeting.

Moreover, a group of directors representing at least one-third of Board members may request the Chairman to convene a meeting on a particular agenda, if the Board has not met for more than two months. The Chief Executive Officer may also ask the Chairman to convene a Board meeting on a particular agenda.

Meetings are chaired by the Chairman or the Vice-Chairman or, failing this, by a director appointed at the start of the meeting.

Decisions are taken pursuant to the quorum and majority conditions prescribed by the law. If there is a tied vote, the Chairman shall have the casting vote.

The minutes are drawn up and copies or extracts are delivered and certified in accordance with the law.

The Board of Directors can include as present, for the calculation of the quorum and the majority, any directors attending Board meetings by video-conference or any other appropriate telecommunication method in accordance with applicable laws and regulations.

Decisions within the remit of the Board of Directors, restrictively listed by the law, can be taken by consulting the directors in writing.

4.6.6.5. Powers of the Board of Directors (article 19 of by-laws)

The powers of the Board of Directors are those which are conferred on it by law. The Board shall exercise its powers within the limit of the corporate purpose and subject to those which are expressly granted by law to the meetings of shareholders.

4.6.6.6. Compensation of the Board of Directors (article 20 of by-laws)

The Board of Directors receives as compensation for its service an annual fixed sum, the amount of which is determined by the General Meeting and remains at that level unless otherwise decided.

The distribution of this compensation among its members is determined by the Board of Directors under the conditions provided for by law.

4.6.6.7. General Management (article 21 of by-laws)

General Management structure

In accordance with the legal provisions, the General Management of the Company is assumed either by the Chairman of the Board of Directors or by another individual appointed by the Board of Directors who takes the title of Chief Executive Officer.

This option as to the way in which General Management is to be structured is taken by the Board of Directors and remains valid until another option is selected. Resolutions of the Board of Directors are adopted by a majority of directors present or represented.

Resolutions adopted by the Board of Directors are communicated to shareholders and third parties in accordance with applicable regulations.

The Board of Directors can decide at any time to change its General Management structure.

General Management

Depending on the option chosen by the Board of Directors, in accordance with the provisions above, the General Management of the Company is provided either by the Chairman of the Board, or by a Chief Executive Officer, an individual appointed by the Board of Directors. In the event that the roles of Chairman of the Board and of Chief Executive Officer are separated, the resolution of the Board of Directors appointing the Chief Executive Officer must set his term of office, determine his compensation and, if necessary, limit his powers.

Subject to legal limitations, the Chief Executive Officer, whether or not he also serves as Chairman of the Board, has the broadest powers to act in any circumstance in the name of the Company. However, by way of internal rules, and without this limitation being opposable by third parties, the Board of Directors may limit the extent of his powers.

The age limit for the appointment of a Chief Executive Officer is set at 75 years; the term of office of a Chief Executive Officer shall expire at the close of the first Ordinary General Meeting following the date of his 75th birthday.

The Chief Executive Officer may be dismissed at any time by the Board of Directors.

On the proposal of the Chief Executive Officer, the Board of Directors can appoint up to five individuals to assist the Chief Executive Officer and who are given the title of Chief Operating Officer.

The age limit for the appointment of a Chief Operating Officer is set at 75 years; the term of office of a Chief Operating Officer shall expire at the close of the first Ordinary General Meeting following the date of his 75th birthday.

4.7. Remuneration policy for Company officers

4.7.1. Determination, review and implementation of the remuneration policy

The remuneration policy for all Corporate Officers of Vicat (hereinafter “the Company”) is set by the Board of Directors in accordance with the recommendations of the Compensation Committee, and is reviewed annually.

The remuneration policy was debated and approved by the Board of Directors during its meeting of February 12, 2021 according to the recommendations of the Compensation Committee, which met on February 4, 2021, and in accordance with the provisions of articles L. 225-37-2, L. 225-37-3 and L. 225-100 of the French Commercial Code.

The General Meeting of April 9, 2021 will be asked to approve, based on the policy on the remuneration of the Company’s officers described below, the elements of remuneration of the Company’s officers established by the Board of Directors upon recommendation from the Compensation Committee. This remuneration policy will apply during 2021 to any person who is a Company officer within Vicat.

The Board of Directors makes sure that the remuneration policy in place complies with the corporate interests of the Company, that it is adapted to the strategy of the Company and the context in which it operates, and that it takes into account ecological and inclusive transition issues (notably the climate strategy). In the context of these issues, it makes sure that it helps to promote its performance (economic, industrial, commercial and CSR), its viability and its competitiveness in the short, medium and long terms.

Vicat’s remuneration policy aims to:

- support its short, medium and long-term strategy;
- align the interests of its directors with those of shareholders, employees and all stakeholders;
- ensure that short-term results contribute to the attainment of medium- and long-term results;
- reward financial and CSR results (particularly in terms of Health and Safety at Work) by encouraging ongoing improvements in performance from one year to the next, backed up by its corporate culture and values;

- motivate and reward results and initiatives in ecological transition matters (reduction of CO_2 and other greenhouse gas emissions, preservation of biodiversity, resource savings, circular economy) and in matters of solidarity (inclusion, diversity and gender parity);
- further its commercial strategy;
- reward individual and collective performances, and build loyalty in teams;
- participate actively in employer-employee dialogue, and the cohesion and commitment of teams;
- be competitive and to perform well in order to attract, develop and continually motivate talent whilst maintaining a balanced financial structure.

4.7.2. Remuneration policy for executive Company officers

The remuneration policy for executive Company officers is fixed by the Board of Directors upon recommendation of the Compensation Committee and is reviewed annually. This committee can call upon external advisers specialized in executive compensation. It is also attentive to comments from shareholders.

The remuneration policy for executive Company officers is based on the following principles:

- no executive Company officer is linked to the Company by an employment contract;
- the benefits in kind awarded to executive Company officers correspond to the usual benefits for this type of function (company car, etc.);
- remuneration policy for executive Company officers of the Company complies with applicable law and regulations and the recommendations of the Middlenext Code;
- studies are regularly carried out, notably with the support of external consulting firms, to measure levels and structures of compensation compared to a range of comparable companies (in terms of size and international scope) from both French and international markets (market leaders);
- all elements of compensation and benefits of any kind are analyzed comprehensively, firstly with an "element by element" approach, then by an analysis of overall coherence in order to reach the best possible balance between fixed and variable, individual and collective, and short- and long-term compensation;
- consideration is given to being able to attract, motivate and retain the talent the Company needs, as well as the requirements of shareholders and other stakeholders, particularly in matters of corporate social and environmental responsibility (ecological and inclusive transition), transparency and how this links to performance;
- performance conditions are demanding and correspond to the key factors for profitable and sustainable growth of the Vicat Group and are generally aligned with its published objectives in the short, medium and long terms;
- remuneration policy is governed by simple, clear and transparent rules. The Compensation Committee oversees the proper application of all of these principles as part of its work, and in its recommendations to the Board of Directors, when preparing and implementing remuneration policy and when determining the amounts or valuations of compensation or other benefits.

Vicat had put in place for its executive Company officers (and some high-level executives of the Group), a supplementary pension plan to the statutory and supplementary plans, which was "frozen" in December 2020, in accordance with regulatory changes (ordinance of July 3, 2019 and interministerial instruction No. DSS/3C/5B/2020/135 of July 27, 2020). In accordance with the regulations in force, no rights have been acquired for the beneficiaries for the year 2020. The Company has decided to freeze the commitments in article 39 as of December 31, 2020.

The rules of this supplementary plan (known as "article 39") are described in Chapters 4.8.1.1 and 4.8.1.2. At December 31, 2020, a provision was recognized in the amount of € 7,336 thousand for the IFRS financial statements corresponding to the commitments (net of the insurance contract) related to the supplementary pension plan to the statutory and supplementary plans of Company officers and other Group executives concerned. The change in these commitments for 2020 of around € 5 million is mainly due to the freezing of this supplementary pension plan for € 4.1 million, as provided for by the regulations.

For 2020, the Company has not implemented plans to grant performance shares or stock options to executive or non-executive Company officers, and no securities have been awarded to the aforementioned Company officers in this regard.

The table below summarizes certain elements relating to the benefits granted to executive Company officers in 2020:

	Employment contract		Supplementary pension plan		Compensation or benefits due or likely to be due as a result of termination or change of duties		Compensation relating to a non-compete clause	
Executives and Company officers	**Yes**	**No**	**Yes**	**No**	**Yes**	**No**	**Yes**	**No**
Guy Sidos Chairman and Chief Executive Officer		■	■		■			■
Didier Petetin Chief Operating Officer		■	■		■			■
Lukas Epple* Chief Operating Officer	■			■		■	■	

* *Lukas Epple does not have an employment contract with Vicat SA. He receives no compensation or other benefits as a Corporate Officer of Vicat SA. His employment contract with the Swiss subsidiary Vigier Management AG and the compensation and benefits he receives are in respect of his position as Group Strategy Director.*

4.7.2.1. Remuneration policy applicable to Guy Sidos, Chairman and Chief Executive Officer

The remuneration policy for the Chairman and Chief Executive Officer aims for a balance between short, medium and long-term performance, to promote the development of the Company for all of its stakeholders. Therefore, with the aim of preserving their interests, the Company endeavors to maintain coherence between the overall compensation of the Chairman and Chief Executive Officer and the development of the performance of the Company and the Vicat Group.

At the request of the Compensation Committee of February 4, 2021, the 2020 compensation for the Chairman and CEO, Guy Sidos, was compared to a benchmark conducted by an independent consulting company (MERCER, 2020 data), and to a benchmark of SBF 120 companies of comparable size to Vicat SA (using 2019 regulated data provided by ETHICS&BOARDS). These benchmarks do not include supplementary pension schemes.

It appears that the gross annual salary of the Chairman and Chief Executive Officer is at the beginning of the 3rd quartile of the gross annual salaries of the Chief Executive Officers of the companies present in the MERCER benchmark. The variable portion allocated by Vicat SA is in the first quartile of the benchmarks. Including the benefits in kind granted by the Company, the gross annual remuneration for the Chairman and CEO is positioned in the first quartile of the benchmarks.

During a meeting on February 12, 2021, the Board of Directors determined and validated the principles and criteria for establishing the elements composing the compensation of Guy Sidos for 2021, upon recommendation from the Compensation Committee, which reviewed and validated all elements below during its meeting of February 4, 2021.

The compensation of the Chairman and Chief Executive Officer is broken down as follows:

- Gross annual salary

Subject to a justified individual rise, the rise (Vicat part and Parfininco part) will be in line with the overall increase of the Vicat SA employees.

As compensation for the Vicat mandate, a gross annual salary is paid by Vicat SA: € 813,257 in 2021.

A gross annual salary for the position of Chief Operating Officer of Parfininco is paid by Parfininco: € 40,827 in 2021.

The total of these two amounts is: € 854,084, before general and individual increases that may apply during 2021.

The annual gross salary is determined according to experience, responsibility and the benchmark for an equivalent position in the same or similar sector of activity, whilst taking account of the Company's culture and values.

The fixed compensation of the Chairman and Chief Executive Officer compensates for the responsibilities attached to this type of corporate office.

It is therefore determined by considerations including the following:

- level and complexity of missions and responsibilities attached to this function, the Chairman and Chief Executive Officer being given the broadest powers to act in all circumstances in the name of the Company and to represent it in its relationships with third parties,
- competence, experience, expertise and career of the holder of the function,
- analyzes and market studies of compensation for similar functions in comparable companies.

In respect of 2021:

- the general increase in salaries applied in Vicat SA is 0.6% on March 1, 2021.

  By law, application of this general increase depends on its approval at the Ordinary General Meeting of April 9, 2021. If approved, it will be paid as from the April 2021 salaries, backdated to March 1, 2021.

- Gross annual bonus based on individual performance

It is calculated based on the financial, commercial, industrial and CSR results of the Vicat Group for the year in question.

For 2021, the amount of this bonus will be determined as follows:

- 70% of this bonus on financial, commercial and industrial results (Group),
- 15% of this bonus on CSR results (health and safety at work, reductions in CO_2 and GHG emissions, protection of biodiversity, economy of resources, circular economy, inclusion) (Group),
- 15% of this bonus at the discretion of its Management.

Its amount may not exceed 50% of the gross annual salary (50% for the previous year).

This bonus is paid subject to a vote in the General Meeting.

By law, the payment of this bonus depends upon its approval at the Ordinary General Meeting.

- Gross annual multi-year bonus

Not applicable.

- Gross annual special bonus

It is paid on an exceptional basis and depends on the successful completion of exceptional operations (acquisitions, etc.) for the Vicat Group over the course of the year concerned.

It is determined on the basis of the complexity and scale of the achievement.

Its amount may not exceed 30% of the gross annual salary (20% for the previous year).

By law, the payment of this bonus depends upon its approval at the Ordinary General Meeting.

- Appointment or end of term of office

In the case of an appointment or departure of the Chairman and Chief Executive Officer during the year, these same principles would be applied *prorata temporis* for the period of exercise of his/her functions.

- Benefits in kind

Benefits in kind consist of the following: company car, membership of various associations.

- Insurance against job loss

No insurance against job loss.

- Collective private health insurance scheme

For private health insurance, Guy Sidos belongs to the Vicat SA beneficiaries category governed by articles 4 and 4 *bis* of the AGIRC National Collective Agreement of March 14, 1947.

- Private health insurance "Family" option

  For the supplementary private health insurance option, Guy Sidos belongs to the Vicat SA beneficiaries category governed by articles 4 and 4 *bis* of the AGIRC National Collective Agreement of March 14, 1947 and has contracted this option.

- Supplementary private health insurance option

  For the supplementary private health insurance option, Guy Sidos belongs to the Vicat SA beneficiaries category governed by articles 4 and 4 *bis* of the AGIRC National Collective Agreement of March 14, 1947 and has contracted this option.

- Collective providence scheme

For the collective providence scheme, Guy Sidos belongs to the Vicat SA beneficiaries category governed by articles 4 and 4 *bis* of the AGIRC National Collective Agreement of March 14, 1947.

- Collective mandatory supplementary pension scheme

For the supplementary pension scheme, Guy Sidos is a member of the AGIRC ARRCO supplementary pension plan applicable to all employees of the Company. This possibility was confirmed by the AGIRC/ARRCO circular No. 2019-1-DRJ dated January 9, 2019 and notably sheet No. 1.

- Supplementary pension scheme

No additional pension: elimination in 2021 of the supplementary pension plan, article 39 of the French General Tax Code, of which Guy Sidos was entitled until 2020.

- Payment upon retirement

The amount will be calculated in accordance with the following formula:

- after 5 years' service: Gross annual salary/12,
- after 10 years' service: (Gross annual salary/12) x 2,
- after 20 years' service: (Gross annual salary/12) x 3,
- after 30 years' service: (Gross annual salary/12) x 4,
- after 35 years' service: (Gross annual salary/12) x 5,
- after 40 years' service: (Gross annual salary/12) x 6.

The gross annual salary is equal to the sum of the last 12 gross monthly wages paid.

The length of service corresponds to the length of service in the Group.

- Non-compete clause

No non-compete clause.

- Stock options

No stock options plan.

- Free shares allocation plan

Subject to the respective agreement of the Board of Directors, having taken note of the recommendations of the Compensation Committee and the Combined General Meeting of April 9, 2021, Didier Peletin will be entitled to a free share allocation plan, existing or to be issued, under the conditions set out in articles L. 225-197-1 et seq. and L. 22-10-59 et seq. of the French Commercial Code and under the following conditions:

- category of beneficiaries:
  - salaried employees of the Company or its related companies within the meaning of article L. 225-197-2 of the French Commercial Code who, before the entry into force of Order No. 2019-697 of July 3, 2019 of the defined contribution supplementary pension plan (article 39),

- executive Corporate Officers of the Company who before the entry into force of Order No. 2019-697 of July 3, 2019 benefited from the supplementary defined-contribution pension plan (article 39),
- hereinafter the "Beneficiaries".

This free share allocation plan will replace the supplementary pension plan under article 39 of the French General Tax Code, which was deleted in 2021,

- caps:
- the maximum number of shares that may be allocated pursuant to this authorization may not exceed 1% of the share capital on the allocation date,
- the number of shares allocated to executive Corporate Officers may not exceed 50% of the total number of free shares allocated,
- vesting and retention periods:

  The duration of the vesting and retention periods of the free shares allocated to the Beneficiaries will be determined by the Board of Directors, within the following limits:
- the allocation of shares to the Beneficiaries will be definitive after a minimum period of one (1) year (the "Vesting Period"), subject to fulfilling any conditions or criteria set by the Board of Directors. administration, these conditions and criteria may be different depending on the Beneficiaries,
- the duration of the obligation to retain the shares definitively allocated at the end of the Vesting Period (the "Retention Period") will, if applicable, be set by the Board of Directors,
- the cumulative duration of the Vesting Period and the Retention Period may not be less than two (2) years.

- Director's compensation

As member of the Board of Directors of Vicat SA, Guy Sidos receives compensation in the form of a fixed annual sum, for directors' fees, freely determined by the Board of Directors. The overall annual amount allocated to the Board of Directors is determined by the General Meeting of the Company.

As member of the Board of Directors of Parfininco SA, Guy Sidos receives compensation in the form of a fixed annual sum, for directors' fees, freely determined by the Board of Directors. The overall annual amount allocated to the Board of Directors is determined by the Parfininco General Meeting.

- Other compensation or benefits owed or likely to be owed (in the application of a convention) by Group companies, in relation to the mandate

No compensation or benefits owed or likely to be owed (in application of an agreement) by Group companies, in relation to the mandate.

4.7.2.2. Remuneration policy applicable to Didier Petetin, Chief Operating Officer

The compensation of the Chief Operating Officer is broken down as follows:

The remuneration policy for the Chief Operating Officer aims for a balance between short, medium and long-term performance in order to promote the development of the Company for all of its stakeholders. Thus, with the aim of preserving their interests, the Company endeavors to maintain coherence between the overall compensation of the Chief Operating Officer and the development of the performance of the Company and the activities of the Vicat Group in France (excluding Papeteries de Vizille activity).

At the request of the Compensation Committee which met on February 4, 2021, the 2020 compensation of the Chief Operating Officer, Didier Petetin, was compared with the results of a benchmarking study conducted by an independent consultancy (MERCER, data for 2020) on companies of a comparable size to Vicat SA. These benchmarks do not include supplementary pension schemes.

The gross annual salary of the Chief Operating Officer is very close (difference of nearly 1%) to the average and median gross annual salary of the Chief Operating Officers of the companies present in the benchmark. The variable part attributed is positioned in the first quartile of the benchmarks. By including the benefits in kind granted by the Company, the gross annual compensation of the Chief Operating Officer is in the first quartile.

During a meeting on February 12, 2021, the Board of Directors determined and validated the principles and criteria for establishing the elements composing the remuneration of Didier Petetin, Chief Operating Officer, upon recommendation from the Compensation Committee, who reviewed and validated all of the elements below at its meeting of February 4, 2021.

The compensation of the Chief Operating Officer is broken down as follows:

- Gross annual salary

Subject to a justified individual rise, it will be in line with the overall increase of the Vicat SA employees.

As compensation for the Vicat mandate, a gross annual salary is paid by Vicat SA: € 345,457 in 2021.

The total amount of the annual gross salary is determined according to experience, responsibility and the benchmark for an equivalent position in the same or similar sector of activity, whilst taking account of the Company's culture and values.

The fixed compensation of the Chief Operating Officer compensates for the responsibilities attached to this type of corporate office.

It is therefore determined by considerations including the following:

- level and complexity of the duties and responsibilities attached to this function,
- competence, experience, expertise and career of the holder of the function,
- analyses and market studies of compensation for similar functions in comparable companies.

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In respect of 2020:

- the general increase in salaries applied in Vicat SA is 0.6% on March 1, 2021.

  By law, application of this general increase depends on its approval at the Ordinary General Meeting of April 9, 2021. If approved, it will be paid as from the April 2021 salaries, backdated to March 1, 2021.

- Gross annual bonus based on individual performance

It is calculated based on the financial, commercial and industrial results and by the CSR results of the Vicat Group in France (excluding Papeteries de Vizille) for the year in question.

For 2020, the amount of this bonus will be determined as follows:

- 70% of this bonus on financial, commercial and industrial results (Vicat Group in France excluding Papeteries de Vizille),
- 15% of this bonus on CSR results (safety, reductions in CO_2 and GHG emissions, protection of biodiversity, economy of resources, circular economy, inclusion) (Vicat Group in France excluding Papeteries de Vizille),
- 15% of this bonus at the discretion of its Management.

Its amount may not exceed 40% of the gross annual salary (40% for the previous year).

This bonus is paid subject to a vote in the General Meeting.

By law, the payment of this bonus depends upon its approval at the Ordinary General Meeting.

- Gross annual multi-year bonus

Not applicable.

- Gross annual special bonus

It is paid on an exceptional basis and depends on the successful completion of exceptional operations (acquisitions, etc.) for the Vicat Group over the course of the year concerned.

It is determined on the basis of the complexity and scale of the achievement.

Its amount may not exceed 20% of the gross annual salary (10% for the previous year).

By law, the payment of this bonus depends upon its approval at the Ordinary General Meeting.

- Benefits in kind

The benefits in kind are composed of the following elements: company car.

- Insurance against job loss

Insurance against job loss is included in benefits in kind. Given that “Pôle Emploi” would not provide Didier Petetin with any benefits, a GSC private loss of employment insurance policy was taken out by Vicat SA for Didier Petetin to cover him in the event of involuntary loss of his employment. The period covered is 24 months with effect from the date of losing his employment. The compensation is 55% of the net tax salary (post-income tax).

- Collective private health insurance scheme

For collective private health insurance, Didier Petetin belongs to the Vicat SA beneficiaries category governed by articles 4 and 4 *bis* of the AGIRC National Collective Agreement of March 14, 1947.

- Private health insurance “Family” option

  For the Private health insurance “Family” option, Didier Petetin belongs to the Vicat SA beneficiaries category governed by articles 4 and 4 *bis* of the AGIRC National Collective Agreement of March 14, 1947 and has contracted this option.

- Supplementary private health insurance option

  For the supplementary private health insurance option, Didier Petetin belongs to the Vicat SA beneficiaries category governed by articles 4 and 4 *bis* of the AGIRC National Collective Agreement of March 14, 1947 and has not contracted this option.

- Collective providence scheme

For the collective providence scheme, Didier Petetin belongs to the Vicat SA beneficiaries category governed by articles 4 and 4 *bis* of the AGIRC National Collective Agreement of March 14, 1947.

- Collective mandatory supplementary pension scheme

For the supplementary pension scheme, Didier Petetin benefits from the AGIRC ARRCO supplementary pension applicable to all employees of the Company. This possibility was confirmed by the AGIRC/ARRCO circular No. 2019-1-DRJ dated January 9, 2019 and notably sheet No. 1.

- Supplementary pension scheme

No additional pension: elimination in 2021 of the supplementary pension plan, article 39 of the French General Tax Code, of which Didier Petetin was entitled until 2020.

- Payment upon retirement

The amount will be calculated in accordance with the following formula:

- after 5 years’ service: Gross annual salary/12,
- after 10 years’ service: (Gross annual salary/12) x 2,
- after 20 years’ service: (Gross annual salary/12) x 3,
- after 30 years’ service: (Gross annual salary/12) x 4,
- after 35 years’ service: (Gross annual salary/12) x 5,
- after 40 years’ service: (Gross annual salary/12) x 6.

The gross annual salary is equal to the sum of the last 12 gross monthly wages paid. The length of service corresponds to the length of service in the Group.

- Non-compete clause

No non-compete clause.

- Stock options

No stock options plan.

- Free shares allocation plan

Subject to the respective agreement of the Board of Directors, having taken note of the recommendations of the Compensation Committee and the Combined General Meeting of April 9, 2021, Didier Petetin will be entitled to a free share allocation plan, existing or to be issued, under the conditions set out in articles L. 225-197-1 *et seq.* and L. 22-10-59 *et seq.* of the French Commercial Code and under the following conditions:

- category of beneficiaries:
  - salaried employees of the Company or its related companies within the meaning of article L. 225-197-2 of the French Commercial Code who, before the entry into force of Order No. 2019-697 of July 3, 2019 of the defined contribution supplementary pension plan (article 39),
  - executive Corporate Officers of the Company who before the entry into force of Order No. 2019-697 of July 3, 2019 benefited from the supplementary defined-contribution pension plan (article 39),
  - hereinafter the “Beneficiaries”.

This free share allocation plan will replace the supplementary pension plan under article 39 of the French General Tax Code, which was deleted in 2021,

- caps:
  - the maximum number of shares that may be allocated pursuant to this authorization may not exceed 1% of the share capital on the allocation date,
  - the number of shares allocated to executive Corporate Officers may not exceed 50% of the total number of free shares allocated,
- vesting and retention periods:

  The duration of the vesting and retention periods of the free shares allocated to the Beneficiaries will be determined by the Board of Directors, within the following limits:
  - the allocation of shares to the Beneficiaries will be definitive after a minimum period of one (1) year (the “Vesting Period”), subject to fulfilling any conditions or criteria set by the Board of Directors. administration, these conditions and criteria may be different depending on the Beneficiaries,
  - the duration of the obligation to retain the shares definitively allocated at the end of the Vesting Period (the “Retention Period”) will, if applicable, be set by the Board of Directors,
  - the cumulative duration of the Vesting Period and the Retention Period may not be less than two (2) years.

- Director’s compensation

No director’s compensation

- Other compensation or benefits owed or likely to be owed (in the application of a convention) by Group companies, in relation to the mandate

No compensation or benefits owed or likely to be owed (in application of an agreement) by Group companies, in relation to the mandate.

4.7.2.3. Remuneration policy applicable to Lukas Epple, Chief Operating Officer

Lukas Epple does not have an employment contract with Vicat SA and does not receive any compensation or other benefits from Vicat SA in respect of his corporate office within the Company.

Lukas Epple, a Swiss national, was CEO of Vigier Holding AG from December 2013 to October 2020, a position that corresponds to that of Country Director Switzerland.

In November 2020, he was appointed Group Strategy Director with a Swiss contract with Vigier Holding AG.

At the request of the Compensation Committee, which met on February 4, 2021, the compensation of the Group Strategy Director, Lukas Epple, was compared to a benchmark carried out by an expert and independent consulting firm (MERCER, data for 2020) on a panel of Swiss companies whose revenue corresponds to Vicat SA. These benchmarks do not include supplementary pension schemes.

The gross annual compensation of the Group Strategy Director is in the third quartile of the benchmark.

The remuneration of the Group Strategy Director consists of a gross annual salary, a gross annual performance bonus, annual fees and a company car.

4.7.3. Remuneration policy of non-executive Company officers

Non-executive Company officers are members of the Board of Directors of Vicat, with the exception of the Chairman of the Board of Directors who combines his functions with an appointment as Chief Executive Officer.

The General Meeting sets a global amount allocated annually to the members of the Board. The Board of Directors then divides this amount freely between its members, in particular according to their regular attendance within the Board of Directors.

The Board of Directors may also allocate exceptional compensation for specific missions assigned to certain directors. These agreements are then subject to the procedure on regulated agreements covered by article L. 225-38 of the French Commercial Code.

Lastly, the Board of Directors may also authorize the reimbursement of certain travel expenses and expenses disbursed by the directors in the interest of the Company.

- Appointment or end of term of office

In the case of an appointment or departure of a director during the year, these same principles would be applied *prorata temporis* for the period of exercise of his/her functions.

4.8. Elements of compensation paid or allocated pursuant to 2020

4.8.1. Elements of compensation paid or allocated to executive Company officers

	2020	2019
Guy Sidos		
Chairman and Chief Executive Officer		
Amounts paid during the year	€ 1,236,206	€ 1,114,697
Valuation of options granted during the year	n/a	n/a
Valuation of performance shares granted during the year	n/a	n/a
Didier Petetin		
Chief Operating Officer		
Amounts paid during the year	€ 449,389	€ 401,610
Valuation of options granted during the year	n/a	n/a
Valuation of performance shares granted during the year	n/a	n/a
Lukas Epple		
Chief Operating Officer		
Amounts paid during the year	CHF 0	n/a
Valuation of options granted during the year	n/a	n/a
Valuation of performance shares granted during the year	n/a	n/a
Group Strategy Director		
Amounts paid during the year	*CHF 592,805*	*CHF 581,471*
Valuation of options granted during the year[(1)(2)]	*n/a*	*n/a*
Valuation of performance shares granted during the year	*n/a*	*n/a*

(1) Swiss contract.
(2) Iin 2019 for the position of CEO Vigier Holding AG.

4.8.1.1. Elements of compensation paid or allocated to Guy Sidos, Chairman and Chief Executive Officer

The details of elements of compensation paid or allocated during the 2020 year to Guy Sidos are given in the tables presented below. These various elements of compensation were established in accordance with the remuneration policy for the Chairman and Chief Executive Officer, approved by the shareholders at the General Meeting of April 3, 2020 (eleventh resolution).

	2020			2019		
Gross annual amounts *(in euros)*	**Amounts due**	**Amounts paid**	**% of total paid**	**Amounts due**	**Amounts paid**	**% of total paid**
Fixed compensation	-	852,526	69.0%		839,077	75.3%
Variable compensation	350,000	245,000	19.8%	245,000	100,000	9.0%
Exceptional compensation	150,000	55,000	4.4%	55,000	100,000	9.0%
Director's compensation		75,000	6.1%		67,000	6.0%
Free shares/Stock options		Not applicable			Not applicable	
Benefits in kind		8,680	0.7%		8,620	0.8%
TOTAL	**500,000**	**1,236,206**	**100%**	**300,000**	**1,114,697**	**100%**

Detailed table of elements of compensation of Guy Sidos

Elements of compensation allocated under financial year ended December 31, 2020	Amounts	Comments
Fixed gross annual salary	**€ 852,526**	The general increase of 1.2% on April 1, 2020 was applied retroactively to March 1, 2020. The gross annual salary was paid partly by Vicat and partly by Parfininco.
Gross annual bonus based on individual performance (2019)	**€ 245,000**	This bonus was validated by the vote on the eleventh resolution at the General Meeting of April 3, 2020. Its calculation was determined by economic results and by the CSR results of the Vicat Group for 2019. The amount cannot exceed 30% of the gross annual salary. For 2019, this bonus represented 29.2% of the gross annual salary paid in 2019 and was paid in April 2020. This bonus was paid by Vicat.
Gross multi-year bonus (2019)	No gross multi-year bonus.	
Gross annual special bonus (2019)	**€ 55,000**	This bonus was validated by the vote on the eleventh resolution at the General Meeting of April 3, 2020. It is paid on an exceptional basis and depends on the successful completion of exceptional operations (signature acquisition of Ciplan, Brazil) during 2019 for the Vicat Group. It is determined on the basis of the complexity and scale of the achievement. The amount cannot exceed 20% of the gross annual salary. For 2019, this bonus represented 6.6% of the gross annual salary paid in 2019 and was paid in April 2020. This bonus was paid by Vicat.
Collective private health insurance scheme Vicat	For private health insurance, Guy Sidos belongs to the Vicat SA beneficiaries category governed by articles 4 and 4 *bis* of the AGIRC National Collective Agreement of March 14, 1947. ■ Private health insurance "Family" option: For the supplementary private health insurance option, Guy Sidos belongs to the Vicat SA beneficiaries category governed by articles 4 and 4 bis *of* the AGIRC National Collective Agreement of March 14, 1947 and has contracted this option. ■ Supplementary private health insurance option: For the supplementary private health insurance option, Guy Sidos belongs to the Vicat SA beneficiaries category governed by articles 4 and 4 bis *of* the AGIRC National Collective Agreement of March 14, 1947 and has contracted this option.	
Collective Providence Scheme Vicat	For the Providence scheme, Guy Sidos belongs to the Vicat SA beneficiaries category governed by articles 4 and 4 *bis* of the AGIRC National Collective Agreement of March 14, 1947.	
Collective mandatory complementary pension scheme Vicat	For the supplementary pension scheme, Guy Sidos is a member of the AGIRC ARRCO supplementary pension plan applicable to all employees of the Company. This possibility was confirmed by the AGIRC/ARRCO circular No. 2019-1-DRJ dated January 9, 2019 and notably sheet No. 1.	
Mandatory complementary pension scheme under article 39 of the French General Tax Code Vicat	Guy Sidos benefits from the supplementary pension plan (article 39 of the French General Tax Code). The aim of this scheme is to guarantee the employees concerned a pension which is as satisfactory as possible with regard to past service, in the event of the normal operation of the various schemes with which the Company is a member of; without replacing them should they default. To benefit from this pension, Guy Sidos must satisfy the following conditions: ■ be at least 65 years old; ■ complete his career in the Company; ■ have liquidated all of his obligatory and optional pensions beforehand; ■ have served at least 20 years at the time of retiring. The basic compensation used to calculate the pension is equal to the arithmetic average of the previous ten years revalued by the addition ratios defined in article L. 351-11 of the French Social Security Code. This calculation does not include end-of-career bonuses, profit-sharing and incentive schemes and, more generally, all compensation of an extraordinary nature. The total amount of the pensions obtained (excluding family increase) at the time of retiring, all employment activities included (including the supplementary pension), shall not exceed 60% of the basic compensation, subject to a minimum guarantee of 5%. Determining the supplementary pension ("SP") takes the total amount of the other pensions up to a maximum which cannot exceed 60% of the basic compensation: ■ SP = [0.5% +1.5% x (N – 20)] x Basic compensation ■ with, if N (number of complete years in the Company) < 20 years then N – 20 = 0 ■ with SP + Total Other pensions < or = 60% x Basic compensation. In application of the ordinance of July 3, 2019, no new supplementary rights were acquired under this supplementary plan from January 1, 2020.	

Elements of compensation allocated under financial year ended December 31, 2020	Amounts	Comments
Payment upon retirement Vicat Parfininco		The amount will be calculated in accordance with the following formula: ■ after 5 years' service: Gross annual salary/12; ■ after 10 years' service: (Gross annual salary/12) x 2; ■ after 20 years' service: (Gross annual salary/12) x 3; ■ after 30 years' service: (Gross annual salary/12) x 4; ■ after 35 years' service: (Gross annual salary/12) x 5; ■ after 40 years' service: (Gross annual salary/12) x 6. The gross annual salary is equal to the sum of the last 12 gross monthly wages paid. The length of service corresponds to the length of service in the Group.
Insurance against job loss		No insurance against job loss.
Non-compete clause		No non-compete clause.
Stock options		No stock options *plan*.
Free shares		No free shares plan.
Director's compensation		
Vicat	**€ 60,000**	As member of the Board of Directors of Vicat SA, Guy Sidos receives compensation in the form of a fixed annual sum, for directors' fees, freely determined by the Board of Directors.
Parfininco	**€ 15,000**	As member of the Board of Directors of Parfininco, Guy Sidos receives compensation in the form of a fixed annual sum, for directors' fees, freely determined by the Board of Directors.
Other compensation or benefits owed or likely to be owed (in application of an agreement) by Group companies, in relation to the mandate		No compensation and no benefits owed or likely to be owed (in the application of a convention) by Group companies, in relation to the mandate.
The following elements, allocated in respect of the year ending December 31, 2020, will only be paid in cash to Guy Sidos if the fourteenth resolution is adopted at the General Meeting of April 9, 2021:		
Gross annual bonus based on individual performance (2020)	**€ 350,000**	It is paid at the end of April 2021 subject to the vote on the fourteenth resolution at the General Meeting of April 9, 2021, and calculated based on the financial and CSR results of the Vicat Group for 2020. The amount cannot exceed 50% of the gross annual salary. For the 2020 financial year, this bonus represents 41.1% of the gross annual salary paid in 2020.
Gross multi-year bonus (2020)		No gross multi-year bonus.
Gross annual special bonus (2020)	**€ 150,000**	Paid at the end of April subject to a vote on the fourteenth resolution at the General Meeting of April 9, 2021, its payment is exceptional and depends on the successful realization of exceptional operations (acquisitions, etc.), during 2020 for the Vicat Group. It is determined on the basis of the complexity and scale of the achievement. The amount cannot exceed 20% of the gross annual salary. For the 2020 financial year, this bonus represents 17.6% of the gross annual salary paid in 2020. This bonus is mainly motivated by the management of the health crisis and its consequences.

4.8.1.2. Elements of compensation paid or allocated to Didier Petetin, Chief Operating Officer

The details of elements of compensation paid or allocated during the 2020 year to Didier Petetin are given in the tables presented below. These various elements of compensation were established in accordance with the remuneration policy for the Chief Operating Officer, approved by the shareholders at the General Meeting of April 3, 2020 (twelfth resolution).

Summary table of compensation for Didier Petetin Gross annual amounts

	2020			2019		
Gross annual amounts *(in euros)*	**Amounts due**	**Amounts paid**	**% of total paid**	**Amounts due**	**Amounts paid**	**% of total paid**
Fixed compensation		344,827	76.7%		308,534	76.8%
Variable compensation	71,000	61,700	13.7%	61,700	50,000	12.4%
Exceptional compensation	34,000	24,000	5.3%	24,000	25,000	6.2%
Director's compensation		Not applicable			Not applicable	
Free shares/*Stock options*		Not applicable			Not applicable	
Benefits in kind		18,862	4.2%		18,076	4.5%
TOTAL	**105,000**	**449,389**	**100%**	**85,700**	**401,610**	**100%**

Detailed table of elements of compensation of Didier Petetin

Elements of compensation allocated under financial year ended December 31, 2020	Amounts	Comments
All of the compensation elements were paid by Vicat.		
Fixed gross annual salary	**€ 344,827**	
Gross annual bonus based on individual performance (2019)	**€ 61,700**	This bonus was validated by the vote on the twelfth resolution at the General Meeting of April 3, 2020. The figure is determined by the financial and CSR results of Vicat Group companies in France (excluding Papeteries de Vizille) for the year in question. The amount cannot exceed 20% of the gross annual salary. For 2019, this bonus represented 20% of the gross annual salary paid in 2019 and was paid in April 2020.
Gross multi-year bonus	No gross multi-year bonus.	
Gross annual special bonus (2019)	**€ 24,000**	This bonus was validated by the vote on the twelfth resolution at the General Meeting of April 3, 2020. This bonus is paid on an exceptional basis and is subject to the successful completion of exceptional operations (acquisitions, etc.) for Vicat Group companies in France (excluding Papeteries de Vizille) during the course of the year concerned. It is determined on the basis of the complexity and scale of the achievement. The amount cannot exceed 10% of the gross annual salary. For 2019, this bonus represented 7.8% of the gross annual salary paid in 2019 and was paid in April 2020.
Benefits in kind	**€ 18,862**	
Collective private health insurance scheme Vicat	For private health insurance, Didier Petetin belongs to the Vicat SA beneficiaries category governed by articles 4 and 4 *bis* of the AGIRC National Collective Agreement of March 14, 1947. ■ Private health insurance "Family" option: For the Private health insurance "Family" option, Didier Petetin belongs to the Vicat SA beneficiaries category governed by articles 4 and 4 bis *of* the AGIRC National Collective Agreement of March 14, 1947 and has contracted this option. ■ Supplementary private health insurance option: For the supplementary private health insurance option, Didier Petetin is *attached* to Vicar SA beneficiaries category under articles 4 and 4 bis of the AGIRC National Collective Agreement of March 14, 1947 and has contracted this option.	
Collective providence scheme Vicat	For the collective providence scheme, Didier Petetin belongs to the Vicat SA beneficiaries category governed by articles 4 and 4 *bis* of the AGIRC National Collective Agreement of March 14, 1947.	
Collective mandatory complementary pension scheme Vicat	For the supplementary pension scheme, Didier Petetin benefits from the AGIRC ARRCO supplementary pension applicable to all employees of the Company. This possibility was confirmed by the AGIRC/ARRCO circular No. 2019-1-DRJ dated January 9, 2019 and notably sheet No. 1.	

Elements of compensation allocated under financial year ended December 31, 2020	Amounts	Comments
Mandatory complementary pension scheme under article 39 of the French General Tax Code Vicat		Didier Petetin benefits from the supplementary pension plan (article 39 of the French General Tax Code). The aim of this scheme is to guarantee the employees concerned a pension which is as satisfactory as possible with regard to past service, in the event of the normal operation of the various schemes with which the Company is a member of; without replacing them should they default. To benefit from this pension, Didier Petetin must satisfy the following conditions: ■ be at least 65 years old; ■ complete his career in the Company; ■ have liquidated all of his obligatory and optional pensions beforehand; ■ have served at least 20 years at the time of retiring. The basic compensation used to calculate the pension is equal to the arithmetic average of the previous ten years revalued by the addition ratios defined in article L. 351-11 of the French Social Security Code. This calculation does not include end-of-career bonuses, profit-sharing and incentive schemes and, more generally, all compensation of an extraordinary nature. The total amount of the pensions obtained (excluding family increase) at the time of retiring, all employment activities included (including the supplementary pension), shall not exceed 60% of the basic compensation, subject to a minimum guarantee of 5%. Determining the supplementary pension ("SP") takes the total amount of the other pensions up to a maximum which cannot exceed 60% of the basic compensation: ■ SP = [0.5% +1.5% x (N – 20)] x Basic compensation ■ with, if N (number of complete years in the Company) < 20 years then N – 20 = 0 ■ with SP + Total Other pensions < or = 60% x Basic compensation. In application of the ordinance of July 3, 2019, no new supplementary rights were acquired under this supplementary plan from January 1, 2020.
Payment upon retirement Vicat		The amount will be calculated in accordance with the following formula: ■ after 5 years' service: Gross annual salary/12; ■ after 10 years' service: (Gross annual salary/12) x 2; ■ after 20 years' service: (Gross annual salary/12) x 3; ■ after 30 years' service: (Gross annual salary/12) x 4; ■ after 35 years' service: (Gross annual salary/12) x 5; ■ after 40 years' service: (Gross annual salary/12) x 6. The gross annual salary is equal to the sum of the last 12 gross monthly wages paid. The length of service corresponds to the length of service in the Group.
Non-compete clause		No non-compete clause.
Stock options		No stock options *plan*.
Free shares		No free shares plan.
Director's compensation		No director's compensation.
Other compensation or benefits owed or likely to be owed (in the application of a convention) by Group companies, in relation to the mandate		No compensation and no benefits owed or likely to be owed (in the application of a convention) by Group companies, in relation to the mandate.
The following elements, attributed for the year ended December 31, 2020, will only be paid in cash to Didier Petetin once the fifteenth resolution has been adopted:		
Gross annual bonus based on individual performance (2020)	**€ 71,000**	Paid at the end of April 2021 subject to a vote of the fifteenth resolution of the General Meeting of April 9, 2021, the figure is determined by the financial and CSR results of Vicat Group companies in France (excluding Papeteries de Vizille) for the year in question. The amount cannot exceed 40% of the gross annual salary. For the 2020 financial year, this bonus represents 20.6% of the gross annual salary paid in 2020.
Gross multi-year bonus		No gross multi-year bonus.
Gross annual special bonus (2020)	**€ 34,000**	Paid at the end of April 2021, subject to a vote by the General Meeting of April 9, 2021 on the fifteenth resolution, payment is exceptional and dependent on the successful completion of exceptional operations (acquisitions and equity investments in France, etc.) for the Vicat Group during the course of 2020. It is determined on the basis of the complexity and scale of the achievement. The amount cannot exceed 10% of the gross annual salary. For the 2020 financial year, this bonus represents 9.9% of the gross annual salary paid in 2020.

4.8.1.3. Compensation paid or awarded to Lukas Epple, Chief Operating Officer, in respect of his position as Group Strategy Director

Summary table of the compensation of Lukas Epple

Gross annual amounts *(in Swiss francs)*	2020			2019		
	Amounts due	Amounts paid	% of total paid	Amounts due	Amounts paid	% of total paid
Fixed compensation		451,334	76.1%		440,000	75.7%
Variable compensation	150,000	135,000	22.8%	135,000	135,000	23.2%
Exceptional compensation	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable
Director's compensation		Not applicable			Not applicable	
Free shares/Stock options		Not applicable			Not applicable	
Benefits in kind		6,471	1.1%		6,471	1.1%
TOTAL	**150,000**	**592,805**	**100%**	**135,000**	**581,471**	**100%**

* *It should be noted that Lukas EPPLE does not have an employment contract with Vicat SA. He receives no compensation or other benefits as a Corporate Officer of Vicat SA. His employment contract with the Swiss subsidiary Vigier Management AG and the compensation and benefits he receives are in respect of his position as Group Strategy Director.*

4.8.1.4. Equity ratio between the level of compensation of the executive Company officers and the average and median compensation of employees of Vicat SA

The following presentation has been produced in accordance with ordinance No. 2019-1234 and its implementing Decree No. 2019-1235 transposing the European Directive of May 17, 2017 on long-term shareholder engagement ("SRD II") and supplementing the arrangements put in place by the "Sapin II" law, with the aim of immediate compliance with the new transparency requirements in matters of remuneration of the Company officers.

It shows the ratio between the compensation of executive Company officers (Guy Sidos and Didier Petetin) and the average and median compensation on a full-time equivalent basis of employees of Vicat SA other than Company officers.

The ratios below were calculated based on the fixed and variable compensation of the executive Company officers, paid during the years mentioned.

	Year 2020	Year 2019	Year 2018	Year 2017	Year 2016	Year 2015
Chairman and Chief Executive Officer	1,152,526	1,039,077	824,782	811,666	745,035	721,677
Ratio to average compensation	21.6	20.2	16.1	16.4	14.9	14.4
Ratio to median compensation	26.8	24.9	19.9	20.1	18.4	18.2
Chief Operating Officer	430,527	383,534	333,149	332,366	282,954	270,935
Ratio to average compensation	8.1	7.4	6.5	6.7	5.7	5.4
Ratio to median compensation	10.0	9.2	8	8.2	7	6.8

The equity ratios of the Chairman and Chief Executive Officer and the Chief Operating Officer are among the lowest in the benchmark based on SBF 120 companies whose revenue is close to that of Vicat.

4.8.2. Compensation paid to non-executive Company officers

Non-executive Company officers are members of the Board of Directors of the Company, with the exception of the Chairman of the Board of Directors who combines his functions with an appointment as Chief Executive Officer.

In 2020, the nominal total of directors' fees was € 426,500 distributed equally among the directors (*i.e.* € 30,000) with the exception of the Chairman and Chief Executive Officer, who for 2020 received twice the compensation received by the other members of the Board of Directors (*i.e.* € 60,000).

In addition, for 2020, the additional compensation allocated to each of the committee members of the Board of Directors amounted to € 8,000 for members of the Audit Committee and € 4,000 for members of the Compensation Committee.

The total amounts paid to non-executive Company officers during 2019 and 2020 were the following:

(in euros)	Amounts paid during 2020	Amounts paid during 2019
Jacques Merceron-Vicat ***Director and Honorary Chairman***		
Director's compensation	30,000	26,000
Compensation for functions exercised on committees of the Board of Directors	-	-
Louis Merceron-Vicat ***Director***		
Director's compensation	30,000	26,000
Compensation for functions exercised on committees of the Board of Directors	-	-
Bruno Salmon ***Director***		
Director's compensation	30,000	26,000
Compensation for functions exercised on committees of the Board of Directors	4,000	3,700
Sophie Sidos ***Director***		
Director's compensation	30,000	26,000
Compensation for functions exercised on committees of the Board of Directors	-	-
Jacques Le Mercier ***Director***		
Director's compensation	30,000	26,000
Compensation for functions exercised on committees of the Board of Directors	12,000	11,000
Eléonore Sidos ***Director***		
Director's compensation	30,000	26,000
Compensation for functions exercised on committees of the Board of Directors	8,000	7,300
Xavier Chalandon ***Director***		
Director's compensation	30,000	26,000
Compensation for functions exercised on committees of the Board of Directors	12,000	11,000
Sophie Fegueux ***Director***		
Director's compensation	30,000	26,000
Compensation for functions exercised on committees of the Board of Directors	-	-
Delphine André ***Director***		
Director's compensation	30,000	26,000
Compensation for functions exercised on committees of the Board of Directors	8,000	7,300
Emmanuelle Salles ***Employee Director***		
Director's compensation	30,000	26,000
Compensation for functions exercised on committees of the Board of Directors	-	-
Hugues Metz ***Employee Director***		
Director's compensation	22,500	-
Compensation for functions exercised on committees of the Board of Directors	-	-
TOTAL	**366,500**	**300,300**

4.9. Draft resolutions on compensation submitted to the General Meeting of April 9, 2021

Twelfth resolution (*Approval of the remuneration policy for the Company's officers ex* ante vote)

The Ordinary General Meeting deliberating in accordance with the provisions of article L. 22-10-8 of the French Commercial Code, having reviewed the Board of Directors' report on corporate governance, approves the remuneration policy for the Company's officers in this report.

Thirteenth resolution *(Approval of the information mentioned in the corporate governance report in accordance with the provisions of article L. 22-10-9 of the French Commercial Code-vote* ex post*)*

The Ordinary General Meeting, acting in accordance with the provisions of I of article L. 22-10-34 of the French Commercial Code, having reviewed the report on corporate governance prepared by the Board of Directors, approves the information contained therein pursuant to the provisions of I of article L. 22-10-9 of the French Commercial Code.

Fourteenth resolution *(*Ex post *approval of elements of compensation paid or allocated in respect of the financial year ended December 31, 2020 to Guy Sidos, Chairman and Chief Executive Officer)*

The Ordinary General Meeting deliberating in accordance with the provisions (II) of article L. 22-10-34 of the French Commercial Code, having reviewed the Board of Directors' report on corporate governance:

- approves the elements making up the total compensation and benefits of all kinds paid or allocated in respect of the financial year ended December 31, 2020 to Guy Sidos, Chairman and Chief Executive Officer, in relation to his corporate role;
- notes, accordingly, that the elements of variable and exceptional remuneration allocated to Guy Sidos, Chairman and Chief Executive Officer, for the financial year ended December 31, 2020, will be paid to him.

Fifteenth resolution *(*Ex post *approval of compensation paid or awarded in respect of the financial year ended December 31, 2020 to Didier Petetin, Chief Operating Officer)*

The Ordinary General Meeting deliberating in accordance with the provisions (II) of article L. 22-10-34 of the French Commercial Code, having reviewed the Board of Directors' report on corporate governance:

- approves the elements making up the total compensation and benefits of all kinds paid or allocated in respect of the financial year ended December 31, 2020 to Didier Petetin, Chief Operating Officer, in relation to his corporate role;
- notes, accordingly, that the elements of variable and exceptional remuneration allocated to Didier Petetin, Chief Operating Officer for the financial year ended December 31, 2020, will be paid to him.

Sixteenth resolution *(Approval of elements of compensation paid or allocated in respect of the financial year ended December 31, 2020 to Lukas Epple, Chief Operating Officer –* ex post *vote).*

The Ordinary General Meeting acting in accordance with the provisions of II of article L. 22-10-34 of the French Commercial Code, having reviewed the Board of Directors' report on corporate governance:

- approves the elements making up the total compensation and benefits of all kinds paid or allocated in respect of the financial year ended December 31, 2020 to Lukas Epple, Chief Operating Officer;
- notes that Lukas Epple is not remunerated for his office as Chief Operating Officer.

4.10. Remuneration policy of non-executive Company directors

The Chairman and Chief Executive Officer ensures compliance with the following principles:

A) Definition

On the model of the principles applied for the remuneration of the Company officers, the policy for the compensation of non-executive Company directors in place complies with the corporate interests of the Company, it is adapted to the strategy of the Company and the context in which it operates, and it takes into account ecological and inclusive transition issues (notably the climate strategy). In the context of these issues, the Chairman and Chief Executive Officer makes sure that this policy helps to promote its performance (economic, industrial, commercial and CSR), its viability and its competitiveness in the short, medium and long terms.

B) Completeness

The compensation of non-executive Company directors was determined and evaluated overall for each of them. Depending on the situations, it includes:

- a fixed compensation;
- variable remuneration;
- directors' remuneration;
- a supplementary pension plan;
- benefits in kind.

For the record, no non-executive Company director receives share options, or a free share allotment, or severance payments.

C) Benchmarking/business

During the meeting of the Compensation Committee on February 4, 2021, the compensation of non-executive Company directors was compared to the compensation indicated in the benchmark conducted by an independent consulting company (MERCER, 2020 data), the results of which showed that almost all current compensation is lower than the average compensation noted.

D) Consistency

The consistency of compensations between the various non-executive Company directors could be checked on the basis the following criteria:

- professional experience and training;
- seniority;
- level of responsibility.

E) Simplicity and stability of the rules

The low portion of variable remuneration compared to fixed remuneration and the absence of an allocation of share options or free allocation of shares allow for simplicity and stability in the rules for setting remuneration.

F) Measurement

The remunerations of the non-executive directors, taking into account the amount and the fact that it is largely of a fixed nature, are compatible with the general interests of the Company and are consistent with market practices in this sector of activity.

4.11. Shareholding of the Company officers and transactions conducted by members of the Board of Directors in the Company's shares

4.11.1. Share ownership by Company officers and Board members as at December 31, 2020

Shareholder	Number of shares	Percentage of share capital	Number of voting rights	Percentage of voting rights
Jacques Merceron-Vicat	41,483	0.09	82,966	0.11
Hoparvi (Company of which Jacques Merceron-Vicat is Chairman)	11,939,452	26.59	23,809,155	32.50
Parfininco (Company of which Jacques Merceron-Vicat is Chairman and Chief Executive Officer)	13,733,388	30.59	27,122,095	37.02
Hoparvi (Company of which Jacques Merceron-Vicat is Chairman)	33,743	0.08	46,219	0.06
Guy Sidos	10,029	0.02	13,968	0.02
Louis Merceron-Vicat	6,094	0.01	12,189	0.02
Xavier Chalandon	100	-	200	-
Delphine André	10	-	20	-
Sophie Sidos	2,913	0.01	4,826	0.01
Jacques Le Mercier	10	-	20	-
Bruno Salmon	65,912	0.15	237,764	0.32
Eléonore Sidos	3,360	0.01	3,370	-
Sophie Fegueux	203	-	406	-
Didier Petetin	8	-	16	-
Emmanuelle Salles	301	-	482	-
Hugues Metz	4,351	0.01	8,042	0.01

4.11.2. Transactions by members of the Board of Directors in the Company's shares in 2019 and 2020

	Transactions in 2020	Transactions in 2019
Soparfi (Company of which Jacques Merceron-Vicat is Chairman)	Purchase of 64,943 shares	Purchase of 0 share
Parfininco (Company of which Jacques Merceron-Vicat is Chairman and Chief Executive Officer)	Purchase of 324,533 shares	Purchase of 7,895 shares
Hoparvi (Company of which Jacques Merceron-Vicat is Chairman)	Purchase of 7,101 shares	Purchase of 14,166 shares
Guy Sidos	Purchase of 6,550 shares	Purchase of 0 share
Sophie Sidos	Purchase of 1,000 shares	Purchase of 0 share
Eléonore Sidos	Purchase of 3,350 shares	Purchase of 0 share

In addition, a certain number of commitments to retain shares have been entered into under the Dutreil law by some Company officers.

4.12. Policy of allocating share options and free allocations of shares

The Company has not implemented a share option policy.

At its meeting of February 12, 2021, the Board of Directors decided to propose to the Extraordinary General Meeting of shareholders that it authorizes the implementation of a free share allocation plan, whether existing or to be issued, in the conditions set out in articles L. 225-197-1 *et seq.* and L. 22-10-59 *et seq.* of the French Commercial Code and under the following conditions:

- Category of beneficiaries:
  - salaried employees of the Company or its related companies within the meaning of article L. 225-197-2 of the French Commercial Code who, before the entry into force of Order No. 2019-697 of July 3, 2019 benefited from the defined-contribution supplementary pension plan (article 39);
  - executive Company officers of the Company or its related companies within the meaning of article L. 225-197-2 of the French Commercial Code, who before the entry into force of Order No. 2019-697 of July 3, 2019 benefited from the supplementary defined-contribution pension plan (article 39);

(hereinafter the "Beneficiaries")

- Term of the authorization:

12 months.

- Caps:
  - the maximum number of shares that may be allocated pursuant to this authorization may not exceed 1% of the share capital on the allocation date,
  - the number of shares allocated to executive Company officers may not exceed 50% of the total number of free shares allocated.
- Vesting and retention periods:

The duration of the vesting and retention periods of the free shares allocated to the Beneficiaries will be determined by the Board of Directors, within the following limits:

(i) the allocation of shares to the Beneficiaries will be definitive after a minimum period of one (1) year (the "Vesting Period"), subject to fulfilling any conditions or criteria set by the Board of Directors, these conditions and criteria may be different depending on the Beneficiaries,

(ii) the term of the obligation to retain the shares definitively allocated at the end of the Vesting Period (the "Retention Period") will, if applicable, be set by the Board of Directors,

(iii) the cumulative term of the Vesting Period and the Retention Period may not be less than two (2) years.

4.13. Report on the Company's policy on professional and wage equality (article 225-37-1 of the French Commercial Code)

As in previous years, Vicat implemented a proactive policy in terms of professional equality and equal pay as part of its CSR approach, in line with the United Nations Sustainable Development Goals.

Driven by its values and its culture, Vicat is an inclusive company which has long recognized the importance of gender balance. Gender equality remains one of the basic elements of its human resources policy. Appropriate measures are adopted to ensure equal access to jobs and training and equal treatment in terms of remuneration and promotion between men and women. All actions and results are supported by the Louis Vicat Foundation, with the Chairman's constant commitment to gender equality.

Developing and promoting female talent in each socio-professional category (SPC)

A coaching and mentoring process for developing and promoting female talent of all ages has been in place for nearly 10 years. This action continues with high-level external consultants (an example being Anne Cullerre, Vice-Admiral and currently the woman who has held the highest military rank, who supports a number of female and male employees in the France and Corporate Departments).

The Company is a member of several networks in favor of professional and pay equality, including *Entreprises Réseau Egalité*, a network supported by the Minister Delegate to the Prime Minister, in charge of gender equality, diversity and equal opportunities.

As an example of actions carried out for all SPCs, the skills-development plan is reviewed before final validation to ensure that female staff receive training leading to qualifications to develop their skills and employability and to attract them to industrial trades whenever possible.

Nearly 40% of the corporate management team surrounding the Chairman and Chief Executive Officer is made up of women.

Since 2017, the Company has had one of the youngest female directors in the SBF 120 with Eléonore Sidos (21 years old in 2019). With this appointment to its Board of Directors, the General Meeting has set an example for young female talent to fast-track towards gaining intensive professional experience and taking on significant responsibilities.

Compensate fairly and without discrimination

The continuity of Vicat's parity policy, driven by merit-based promotion, helps to guarantee equal treatment in terms of compensation. The salary policy pays particular attention to the equal treatment of women and men.

Since 2017, to exceed the targets set out in the agreement on gender equality with regard to pay (approved by its labor partners), the Company has embarked on a detailed salary review together with its labor partners to identify potential gender pay gaps on a post-by-post basis and has agreed in principle to a special remedial budget. The study revealed that the gap was close to 0% in terms of amount and value. The necessary adjustments have therefore been made.

	W/M deviation	W/M deviation	
Management	**2020**	**2019**	
H1 (€ 100,000 > gross compensation)	-2.3%	-0.1%	to the detriment of women
H2 (€ 100,000 < gross compensation > € 165,000)	-3.4%	+1.0%	to the detriment of women
S3 (€ 165,000 < gross compensation > € 300,000)	+0.7%	+1.2%	in favor of women

In this respect, the Compensation Committee notes in its 2020 report:

"The continuity of Vicat's gender equality policy, driven by merit-based promotion, helps to maintain small gaps between 2019 and 2020.

As expected, two women will be included in Vicat's top ten salaried positions from 2020. Internal promotion initiatives are continuing in order to achieve parity in the top ten salaried positions.

Vicat scored 92 in the men/women equality index in 2020 (89 in 2019). The action plan is continuing to reach a score of 100 in the medium term. The Chairman and Chief Executive Officer decided to apply this tool to the Group's foreign companies since 2019.

Overcoming obstacles

All of these actions are carried out despite the constraints imposed by the industrial nature of the Group's activities and jobs. Because of prejudice, industrial jobs remain very much the preserve of men (especially among blue-collar staff). One of the main obstacles is the lack of women in training courses for most industrial jobs (among mechanics for instance). These constraints explain the number of women as a proportion of Vicat's workforce: 170 out of a total of 897 (excluding Company officers).

	TOTAL	Executives	Female white-collar staff	Female blue-collar staff
Percentage of women in the workforce at Dec. 31, 2019	19%	30.8%	18.6%	2.4%

Despite these constraints, director positions on industrial sites or in technical and/or scientific teams are often filled by women. The same applies to Deputy grades and other posts (assistant instrumentation engineer, new works assistant, R&D, laboratory, product quality, environmental engineer, security, etc.).

In addition, 98.7% of female staff (excluding apprentices) were on permanent contracts in 2020, demonstrating the Group's secure employment policy.

Another example of the Company's commitment: with the involvement of the Chair of the Louis Vicat Foundation, a 2-year partnership was renewed in 2020 with the association *Sport dans la Ville* ("Sport in the City") to enable young girls from disadvantaged neighborhoods to explore trades in the materials industry while eradicating prejudices.

Furthermore, the absence of cases of discrimination, bullying, sexual harassment and sexism against women illustrates the effectiveness of Company actions and provides female talent with an environment favorable to their development.

Starting in 2019, Vicat SA has appointed and trained "sexual harassment, bullying and sexist activities" advisers. A training course on relational harmony at work is currently being rolled out to managers to help them pick up early warning signs. Echoing the International Day for the Elimination of Violence Against Women, Vicat launched its new campaign against bullying, sexual harassment and sexist behavior on November 25, 2020.

Lastly, the female employee appointed to the Board of Directors in 2016 after being nominated by the Central Works Committee still does not count towards the mandatory quota of women directors under France's Copé-Zimmermann law. Labor partners, staff, management and the Board of Directors are still unable to comprehend this regulatory situation.

An inclusive approach together with the labor partners

These results are also owing to the joint efforts undertaken over many years by management, managers and labor partners.

In accordance with agreements on equality at work, targets have been set to ensure a growing proportion of women in recruitment, training and promotions, and to ensure equal treatment of men and women in terms of compensation and professional development.

All of these commitments are subject to regular monitoring, particularly with regard to remuneration, with labor partners.

The objectives defined for each of these issues in the recent agreement ended April 2016 were met.

In 2019, Vicat signed a new and particularly ambitious professional equality agreement with its labor partners covering the next four years. This proactive policy led to the setting of objectives for each socio-professional category.

The share of women amongst the elected representatives in our Economic and Social Committee has tracked the changes to the share of women in our workforce, representing 19% of our elected representatives (versus 14% at the end of the last election). The central union representative for the Company is one of the rare cases of high-level female representation in the French industrial union world.

Recruit female talent in each SPC to reach gender parity in the workforce

The awareness of managers has been strengthened by the introduction of the guide for effective and inclusive recruitment (with an associated e-learning), in which teams are asked to achieve parity, by systematically setting at least one female profile for each recruitment shortlist (externally and internally).

Furthermore, to increase the share of women in its workforce, the Company has a proactive female apprenticeship policy: of the 14 apprenticeships available in 2020, 9 were filled by women, taking the percentage of female apprentices at December 31, 2020 to 52% (48.5% at December 31, 2019).

Results for 2020:

Three-year agreement	April 2013, 2016 Agreement	April 2016-April 2019 Agreement	2017 results	2018 results	May 2019-April 2023 Agreement	2019 results	2020 results
Female employees as a percentage of the workforce	Objective 14%	Objective 18%	16.6%	18.0%	Objectives: Management 33.0% Employees, technicians, designers and first-line supervisors 25.0% Blue-collar staff 5.5% **Total 22.0%**	Management 30.4% Employees, technicians, designers and first-line supervisors 19.3% Blue-collar staff 2.7% **Total 18.7%**	Management 30.8% Employees, technicians, designers and first-line supervisors 18.6% Blue-collar staff 2.4% **Total 19%**
Average percentage of women in recruitment	Objective 17%	Objective 26%	35.1%	34.4%	Objectives: Management 33.0% Employees, technicians, designers and first-line supervisors 50.0% Blue-collar staff 20% **Total 35%**	Management 30.4% Employees, technicians, designers and first-line supervisors 44.7% Blue-collar staff 25.7% **Total 35.6%**	Management 40.4% Employees, technicians, designers and first-line supervisors 54.5% Blue-collar staff 0% **Total 35.9%**

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4.14. Statutory auditors' report drawn up pursuant to article L. 225-235 of the French Commercial Code on the corporate government report

See the "Report on corporate governance" section in the statutory auditors' report on the financial statements in chapter 6.2.3. of the present Universal Registration Document.

4.15. Operations with related parties

4.15.1. Contracts and transactions with related parties

Parties related to the Group include mainly the Company's shareholders, its unconsolidated subsidiaries, associated companies (companies accounted for by the equity method), and entities over which the Group's various managers have a significant influence.

Transactions with companies that are unconsolidated or accounted for by the equity method are not significant during the years in question, and were carried out under normal market conditions.

	December 31, 2020				December 31, 2019			
(in thousands of euros)	**Sales**	**Purchases**	**Receivables**	**Liabilities**	**Sales**	**Purchases**	**Receivables**	**Liabilities**
Associates	2,780	2,615	3,226	4,152	5,678	2,880	3,754	3,553
Other related parties	84	1,207	12	148	76	1,246	0	270
TOTAL	**2,864**	**3,822**	**3,238**	**4,300**	**5,754**	**4,126**	**3,754**	**3,823**

4.15.2. Intra-group operations

The Group's financial policy concentrates the financing lines in the parent Company.

In addition, the intra-group flows and internal margins have been eliminated in the Group consolidation operations. For 2020, intra-group cement sales amounted to € 347 million, sales of aggregates to € 103 million, and transport services to € 66 million. For the same period, intra-group financial income amounted to € 10 million.

4.16. Statutory auditors' report on regulated agreements and commitments

General Meeting of shareholders to approve the financial statements for the year ended December 31, 2020

To the shareholders,

In our capacity as statutory auditors of your Company, we hereby report to you on the regulated agreements and commitments.

We are required to inform you, on the basis of the information provided to us, of the principal terms and conditions and the reasons of interest for the Company of the agreements and commitments of which we were notified or which we have identified during our audit work. It is not our role to determine whether they are beneficial or appropriate or to ascertain whether other agreements or commitments exist. It is your responsibility, under the terms of article R. 225-31 of the French Commercial Code, to evaluate the benefits arising from these agreements prior to their approval.

In addition, it is our responsibility, if applicable, to inform you of the information specified in article R. 225-31 of the French Commercial Code relating to the performance during the past year of agreements already approved by the General Meeting.

We have performed the procedures we considered necessary in accordance with the professional code of practice of the National Society of statutory auditors, in relation to this work. Our work consisted in verifying that the information provided to us is in agreement with the underlying documentation from which it was extracted.

AGREEMENTS SUBMITTED TO THE APPROVAL BY THE GENERAL MEETING

We hereby inform you that we have not been notified of any agreements already approved by the Shareholders' Meeting whose execution would have been continued during the past financial year.

The statutory auditors

Paris La Défense, on the February 15, 2021

KPMG Audit

A division of KPMG S.A.

Philippe Grandclerc

Partner

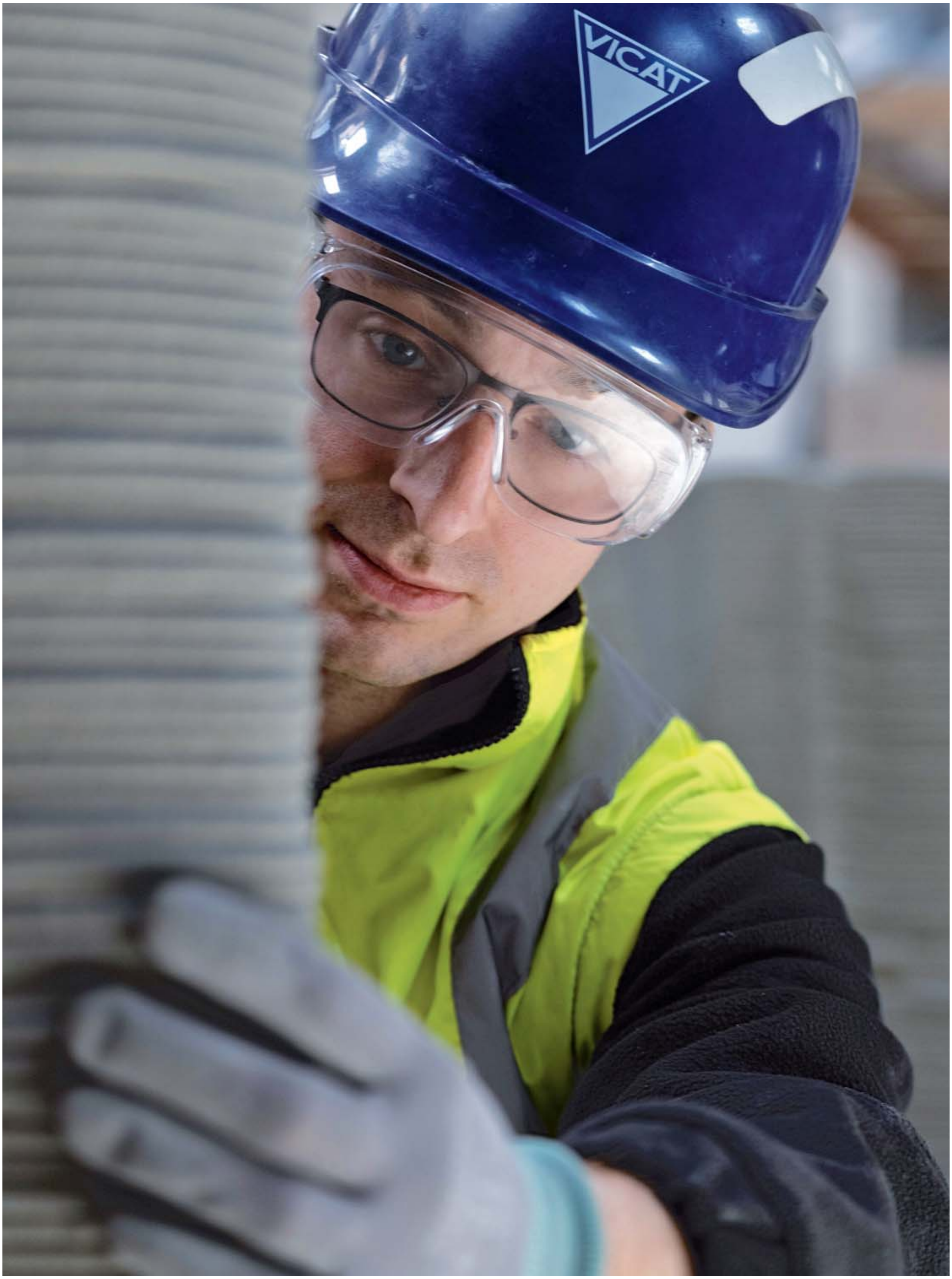
Chamalières, on the February 15, 2021

Wolff & Associés S.A.S.

Grégory Wolff

Partner

Vicat employee handling 3D ink



COMMENTS OVER THE YEAR

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5.1. Key figures

Balance sheet items

(in millions of euros)	2020	2019	2018 restated (a)
Total assets	5,243	5,578	4,761
Shareholders' equity	2,411	2,596	2,481
Net financial debt (excluding put options)	1,202	1,290	932

Income statement items

(in millions of euros, unless otherwise indicated)	2020	2019	2018 restated (a)
Consolidated sales revenue	2,805	2,740	2,582
EBITDA(1)	557	526	492
EBIT(2)	298	267	255
Net financial income (expense)	(35)	(38)	(28)
Consolidated net income	172	160	159
Group share of net income	156	149	149
Net earnings per share *(in euros)*	3.47	3.31	3.32
Dividend per share *(in euros)*	1.50	1.50	1.50

Net investments disbursed

(in millions of euros)	2020	2019	2018 published
Industrial investments	300	223	166
Financial investments(1)	22	354	47

(1) including changes in consolidation scope.

Cash flows

(in millions of euros)	2020	2019	2018 restated (a)
Operating cash flow	461	425	387
Cash flows from operating activities	528	382	382
Cash flows from investing activities	(322)	(577)	(213)
Cash flows from financing activities	(138)	261	(117)
Free cash flow	228	159	216

Consolidated financial ratios

	2020	2019	2018 restated (a)
Net debt/total equity *(in%)* *(gearing)*	49.9	49.7	37.6
Net debt/EBITDA *(leverage)*	2.16	2.45	1.89
Coverage of net financial incomes			
by EBITDA	15.1	15.8	17.6
by EBIT	8.1	8.0	9.1

Non-financial indicators

	2020	2019	2018
Sales volumes			
Cement *(in millions of metric tons)*	25.0	22.4	22.8
Concrete *(in millions of m³)*	9.3	9.1	9.0
Aggregates *(in millions of metric tons)*	22.7	23.0	22.7
Use of alternative fuels (Cement business)	**25.8%**	**26.5%**	**25.7%**
Workforce as at December 31	**9,829**	**9,947**	**8,460**

(a) As IFRS 16 is mandatory for periods beginning on or after January 1, 2019 and has been applied in accordance with the full retrospective method by the Group, the 2018 financial statements have been restated in accordance with the new rules for comparison purposes. The impacts of these restatements are presented in note 34 of the 2019 Universal Registration Document.

(1) Earnings Before Interest, Taxes, Depreciation and Amortization: gross operating income plus other ordinary income and expenses. EBITDA has no standard definition under GAAP. Since EBITDA is calculated differently from one company to another, the data provided in this Universal Registration Document and related to the Group's EBITDA might not be comparable to EBITDA data reported by other companies.

(2) Earnings Before Interest and Taxes: EBITDA less depreciation, amortization and operating provisions. EBIT has no standard definition under GAAP. Since EBIT is calculated differently from one company to another, the data provided in this Universal Registration Document and related to the Group's EBIT might not be comparable to EBIT data reported by other companies.

5.2. Examination of the financial position and results

Investors are advised to read the following financial information, together with the audited consolidated financial statements for the three years covered in this Universal Registration Document, and the notes relating thereto in section 6 "Financial information" of this Universal Registration Document, as well as all other financial information contained in this Universal Registration Document.

5.2.1. Summary of 2020 results and comparison with 2019

(in millions of euros)	2020	2019	Change (in %) Reported	Change (in %) At constant scope and exchange rates
Consolidated sales revenue	2,805	2,740	+2.4%	+5.5%
EBITDA(1)	557	526	*+5.9%*	*+10.1%*
Net margin (%)	*19.9%*	*19.2%*		
EBIT(2)	298	267	*+11.7%*	*+17.5%*
Net margin (%)	*10.6%*	*9.7%*		
Consolidated net income	172	160	*+7.7%*	*+16.3%*
Net margin (%)	*6.1%*	*5.8%*		
Group share of net income	156	149	+4.8%	+10.7%
Operating cash flow	461	425	+8.3%	+12.9%

(1) EBITDA is calculated as the sum of gross operating income and other ordinary income and expenses on ongoing business.
(2) EBIT is calculated as EBITDA less net depreciation, amortization and provisions on ongoing business.

The principal indicators used by the Group for measuring financial and industrial performance are EBITDA and EBIT, which are shown in the published income statement. These aggregates are defined in note 1.23. to the consolidated financial statements, while the relations between gross operating income, EBITDA, EBIT and operating income are presented in the consolidated income statement. Segment information is set out in note 25 to the consolidated financial statements in section 6.1 of this Universal Registration Document.

The main indicators which will be commented upon are as follows:

- sales revenues, which are mainly composed of billings for products delivered and services rendered during the period, in particular the transport of goods re-invoiced to the customer;
- the non-accounting indicators mentioned above.

5.2.1.1. Income statement

Consolidated income statement

2020 was severely disrupted by the Covid-19 epidemic. The Group's activities in its twelve countries of operation have been affected asymmetrically depending on the political responses to the pandemic. Thus, India, France and Italy recorded a sharp decline in their sales during the first half of the year before rebounding in June. The decrease in consolidated sales revenue of -3.2% in the first half was erased in the second half, which increased by +13.8% at constant scope and exchange rates. For the year as a whole, the Group's consolidated sales revenue amounted to € 2,805 million, an increase of +2.4% on a reported basis compared to 2019, and +5.5% at constant scope and exchange rates.

The key factors driving consolidated sales revenue were:

- a +0.7% scope effect, *i.e.* a positive impact of +€ 20 million, due in particular to the consolidation of Ciplan in Brazil over the year as a whole and small acquisitions in the Concrete and Aggregates business in Europe;

- an unfavorable currency effect of -3.7%, corresponding to a negative impact of -€ 105 million over the year due to the appreciation of the euro;
- and lastly, organic growth in activity (+5.5%) in all regions, except France.

Consolidated **EBITDA** reached € 557 million, up +5.9% on a reported basis and +10.1% at constant scope and exchange rates. The EBITDA margin increased by 0.7 point to 19.9%. The change in reported EBITDA was the result of a slightly positive scope effect (less than +€ 2 million), an unfavorable currency effect of nearly -€ 24 million and, finally, solid organic EBITDA growth of +€ 53 million.

At constant scope and exchange rates, the increase in EBITDA is the result of:

- growth in activity, despite the impact of the health crisis;
- positive effects of the cost reduction plan and the reduction in energy costs, amounting to around € 57 million;
- a good general trend in selling prices, with the exception of the Mediterranean area;
- a very clear improvement in EBITDA generated in the Americas (particularly in Brazil) and Asia;
- a significant increase in EBITDA in the Africa region, supported by the improvement in industrial performance in Senegal and the ramp-up of the grinder in Mali in a context of favorable volumes and prices.

These positive elements compensated for:

- a measured contraction in EBITDA generated in France, as a result of the impact of the pandemic on all activities in the first half;
- total stoppage of activity for 30 days in Italy and 33 days in India;
- the impact of the deteriorated macroeconomic and competitive climate in Turkey and Egypt;
- an unfavorable comparison basis on a non-recurring item in Brazil in the amount of € 6 million.

EBIT reached € 298 million compared to € 267 million in 2019, up +11.7% on a reported basis and +17.5% at constant scope and exchange rates. The EBIT margin on consolidated sales revenue improved by almost one point to 10.6%. This change reflects continued improvement in operating profitability in the Americas, Africa and Asia. The sharp upturn in activity observed in France from the third quarter onwards did not fully offset the decline recorded during the first half of the year. Lastly, in view of the factors mentioned above, the Europe (excluding France) and Mediterranean regions posted a decline in their operating profitabiliy over the entire period.

Operating income rose +6.3% on a reported basis and +13.4% at constant scope and exchange rates. This performance reflects improvements in EBITDA and EBIT, a tax amnesty in Brazil amounting to € 6 million, and, finally, impairment of assets related to Egypt for -€ 19 million.

The +€ 3 million improvement in **net financial income** is explained in particular by a tax amnesty in Brazil for € 2 million, and reflects the control of the Group's indebtedness in 2020 in the context of the health crisis.

Income tax expense increased by -€ 7 million given the increase in income before tax. The apparent rate was stable compared to 2019, at 30.7% compared to 30.6%. This stability of the tax rate takes into account a slight improvement in the rates in France and Switzerland as well as a deferred tax income related to the extension of the amendment to the mining agreement in Senegal. These positive elements offset the unfavorable impact of the increase in the non-taxable loss in Egypt, the end of the tax exemption in Kazakhstan, and a negative adjustment of deferred tax assets in India given the reduction in the tax rate of Kalburgi Cement.

Consolidated **net income** totaled € 172 million, up +7.7% on a reported basis and +16.3% at constant scope and exchange rates, despite the impairment of assets related to Egypt. The improvement in results generated in Brazil and India is reflected in a significant increase in the share of minority interests. On this basis, Group share of net income increased by +10.7% at constant scope and exchange rates and +4.8% on a reported basis, to € 156 million.

Operating cash flow amounted to € 461 million, up +8.3% on a reported basis and +12.9% at constant scope and exchange rates, given the strong growth in EBITDA generated during the year.

5.2.2. Income statement analyzed by geographical region

Income statement France

(in millions of euros)	2020	2019	Change (in %) Reported	Change (in %) At constant scope and exchange rates
Sales revenue	963	987	-2.4%	-3.5%
EBITDA	171	182	-6.5%	-7.3%
EBIT	92	102	-9.4%	-9.8%

During this financial year, the Group's performance in France was strongly affected by the health crisis. After a virtual halt in mid-March, the situation gradually improved, and the Group resumed solid growth in its activity in the second half of the year, without compensating for the effects of the first lockdown on the activity in the first half of 2020.

In this context, EBITDA was down over the entire period, as the favorable impact of the fall in energy costs and the effects of the cost reduction plan did not offset the decline in activity and certain exceptional costs in the Cement business.

- *In the Cement business*, operating sales grew by +2.8% over the year. After the sharp decline recorded in the first half, activity rebounded sharply in the second half. Thus, in 2020, volumes, supported by exports, remain robust and selling prices are on the rise. In this context, the EBITDA generated by this activity was down -3.3% over the year. This decrease was the result of the sharp contraction in EBITDA generated in the first half, partially offset by the strong rebound in EBITDA in the second half.
- *The Concrete & Aggregates business* saw its operating sales decline by -6.5% at constant scope, affected by a drop in volumes sold, partly offset by an increase in selling prices. As a result of these factors, EBITDA generated by this activity in France was down -15,5% at constant scope compared to 2019.
- *In the Other Products and Services business*, operational sales dropped -2.7% over the period. The EBITDA recorded by the activity fell back -2.5%.

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Income statement for Europe (excluding France)

(in millions of euros)	2020	2019	Change (in %) Reported	Change (in %) At constant scope and exchange rates
Sales revenue	423	401	+5.6%	+1.2%
EBITDA	97	96	+1.1%	-2.8%
EBIT	55	58	-5.5%	-9.1%

Activity in Europe (excluding France) in 2020 shows contrasting performances between Switzerland and Italy. The Swiss market was only slightly affected by the pandemic during the year, while Italy experienced a particularly difficult health and macroeconomic situation.

In this context, the EBITDA margin on consolidated sales revenue fell by 1.1 points to 23.0%.

In **Switzerland**, the Group's consolidated sales revenue rose by +6.5% on a reported basis and by +1.8% at constant scope and exchange rates. EBITDA was up +1.8% on a reported basis, but down by -2.2% at constant scope and exchange rates.

- *In the Cement business*, operational sales rose +4.2% at constant scope and exchange rates. Activity remained strong throughout the year despite health constraints, supported by a few major projects that helped maintain the Group's market share and increase selling prices. EBITDA generated by this activity over the year increased by +3.2% at constant scope and exchange rates.
- *In the Concrete & Aggregates business*, operational sales rose by +5.5% at constant scope and exchange rates over the year. Selling prices in concrete were under pressure given a more competitive environment, but increased in aggregates. It should be noted that the Aggregates business includes recycling and landfill businesses, which were dynamic in 2020. Given these elements, and an unfavorable

base effect related to the sale of land in this activity in the last quarter of 2019, the EBITDA generated by this activity decreased by -4.3% at constant scope and exchange rates over the year.

- *The Precast business* posted a -2.6% decline in operational sales at constant scope and exchange rates. The competitive environment remained very unfavorable in consumer products, particularly as a result of imports. Rail activity has only resumed very gradually, with orders still below normal. Against this background, EBITDA fell -27.4% at constant scope and exchange rates.

In **Italy** the total stoppage of activity for 30 days in the second quarter caused a -10.5% decline in consolidated sales revenue over the year as a whole. However, in a context of significant drop in volumes, selling prices improved. On this basis, EBITDA fell by -34.4% compared to 2019.

Income statement for the Americas region

(in millions of euros)	2020	2019	Change (in %) Reported	Change (in %) At constant scope and exchange rates
Sales revenue	636	589	+8.0%	+17.2%
EBITDA	141	115	+22.6%	+36.3%
EBIT	86	57	+52.7%	+73.5%

In the United States and Brazil, despite a worrying health climate, activity levels remained positive, supported by the economic measures put in place to deal with the pandemic. In view of these factors, revenue and EBITDA for the Americas are up significantly. The EBITDA margin on consolidated sales revenue increased significantly to reach 22.3% compared to 19.6% in 2019.

In the **United States**, the construction sector, quickly recognized by the authorities as “essential”, was authorized to continue its activities. The infrastructure and residential markets therefore remained dynamic. The Group’s consolidated sales revenue in the United States rose +5.7% on a reported basis and +7.7% at constant scope and exchange rates. EBITDA amounted to € 99 million for the year, an increase of +14.0% on a reported basis and +16.2% at constant scope and exchange rates.

The investment of a new 5,000 metric ton-per-day kiln system at the Ragland plant in Alabama, which began in 2019, continued, with a view to come on stream in the first half of 2022. This new facility will both increase the capacity of the current plant, significantly reduce production costs and contribute actively to the Group’s objectives in terms of reducing its CO_2 emissions.

- *In the Cement business*, operational sales grew +10.0% at constant scope and exchange rates. This performance was the result of solid growth in sales volumes, particularly in California. Taking full advantage of the increases recorded in 2019 and the increase recorded in California during the third quarter, the average selling price was up over the year as a whole. In this context, EBITDA generated by this activity grew by +7.3% at constant scope and exchange rates.
- *In the Concrete business*, operational sales grew by +4.2% at constant scope and exchange rates. As this business is more sensitive to health constraints, volumes fell slightly over the year as a whole. Average selling prices rose sharply, however. On this basis, the EBITDA generated by this activity improved by +57.7% at constant scope and exchange rates over the year.

In Brazil, while some regions have been severely affected by the epidemic, the Group has benefited from a rather favorable sector climate supported by government measures to support the economy and low interest rates, all of which are favorable factors for the development of the residential sector. The Group has relied on the efficiency of its production facilities and the operational improvements made since the acquisition of Ciplan.

As a result, revenue generated in Brazil reached € 156 million, up +15.7% on a reported basis and +48.9% at constant scope and exchange rates, taking into account the deterioration in the exchange rate of the Brazilian real against the euro. EBITDA posted solid growth, at € 43 million compared to € 29 million in 2019.

- *In the Cement business*, operational sales came to € 170 million, up from € 143 million in 2019. Given the significant drop in energy costs and a positive trend, EBITDA is up sharply compared to 2019.
- *In the Concrete & Aggregates business*, operational sales amounted to € 42 million, up +35.9% at constant scope and exchange rates. EBITDA in 2020 increased by +37.8% at constant scope and exchange rates.

Income statement for the Asia region (India and Kazakhstan)

(in millions of euros)	2020	2019	Change (in %) Reported	Change (in %) At constant scope and exchange rates
Sales revenue	348	375	-7.1%	+0.1%
EBITDA	103	89	+15.9%	+24.9%
EBIT	68	54	+26.4%	+36.4%

The Asia region was severely affected by the health crisis, significantly deteriorating the macroeconomic and sectoral climate in the first half of the year, before recording a sharp rebound in the second half. In this context, the Group focused on implementing cost-cutting measures while preserving its ability to seize market opportunities.

India has been worst hit by the pandemic of all the countries in the Group's geographical portfolio. The strict lockdown measures imposed by the government resulted in the complete shutdown of the Group's industrial sites for more than a month during the first half of the year. These lockdown measures also had a negative impact on the resumption of work on construction projects, affected by a labor shortage preventing a more rapid and dynamic sector recovery until the end of the third quarter. The return to a normal situation in the last quarter, state aid to support the economy and the dynamism of the construction sector in particular helped to partially offset the negative effects of the pandemic. In this context, the Group recorded consolidated sales revenue of € 286 million in 2020, almost stable at constant scope and exchange rates (-0.5%). The decrease in sales volumes was offset by a strong increase in average selling prices.

These elements, coupled with the cost reduction plan, enabled EBITDA to grow by +35.2% at constant scope and exchange rates over the year, reaching € 82 million.

In **Kazakhstan**, after a clear increase in activity in the first quarter, supported in particular by the export markets, the environment deteriorated in the second and part of the third quarter, affected by the effects of the health crisis, before resuming volume growth from September onwards. Over the year, volumes were stable. Selling prices were down slightly over 2020 as a whole, despite a more favorable trend in the second half of the year. On this basis, consolidated sales revenue grew by +3.1% at constant scope and exchange rates.

EBITDA for the period decreased by -3.8% at constant scope and exchange rates and reached € 20 million in 2020.

Income statement for the Mediterranean region (Egypt and Turkey)

(in millions of euros)	2020	2019	Change (in %) Reported	Change (in %) At constant scope and exchange rates
Sales revenue	173	171	+1.1%	+19.1%
EBITDA	(11)	(4)	n.s	n.s
EBIT	(29)	(23)	n.s	n.s

The macroeconomic and competitive situation remained difficult in the Mediterranean region, with significant pressure on selling prices, both in Turkey and in Egypt. Given these factors, and the increase in energy costs in this region, EBITDA was negative by -€ 11 million in 2020.

In **Turkey**, sales reached € 124 million, up 19.4% at constant scope and exchange rates, demonstrating the Group's resilience in a difficult environment. EBITDA generated in Turkey amounted to € 8 million, down -24.8% at constant scope and exchange rates. It should be noted that after having recorded a break-even EBITDA in the first half of the year, the trend improved significantly over the second half, returning to solid growth at constant scope and exchange rates.

- *In the Cement business*, operational sales rose +19.5% at constant scope and exchange rates. After a decline in operational sales in the first quarter, activity returned to solid growth over the following three quarters. Given these factors and the substantial increase in energy costs, EBITDA generated by this activity fell -18.6% at constant scope and exchange rates.
- *Operational sales of the Concrete & Aggregates business* posted growth of +23.4% at constant scope and exchange rates. In this context, the EBITDA generated by this activity in 2020 is at break -even.

In **Egypt**, consolidated sales revenue totaled € 49 million, up +18.2% at constant scope and exchange rates. In a context marked by a macroeconomic situation which is struggling to improve, a freeze on building permits between May and November 2020, significant logistical constraints and a deteriorated competitive environment, the health crisis has accentuated the effects of an already unfavorable situation. In this context, however, volumes rose significantly over the year, but were still at a low level. Selling prices continue to fall under pressure from the new Egyptian army plant and remain at levels too low to return to profit.

In this context, and in order to improve its operating performance, the Group intensified its maintenance work on its two kilns, particularly during the last quarter. For the year as a whole, the Group recorded a negative EBITDA of -€ 19 million, compared with -€ 17 million in 2019.

Lastly, given the persistence of a deteriorated macroeconomic and sectoral environment as well as the prospect of slow improvements in the situation, the Group has written down its Egyptian assets in the amount of € 19 million.

Income statement for Africa

			Change (in%)	
(in millions of euros)	2020	2019	Reported	At constant scope and exchange rates
Sales revenue	262	217	+20.4%	+20.8%
EBITDA	56	47	+18.7%	+19.0%
EBIT	25	18	+36.2%	+36.8%

In **Africa**, the environment remained positive, despite the pandemic's substantial impact, which brought large government-funded projects in Senegal to a standstill.

- *In the Cement business*, consolidated sales revenue advanced by +14.8% at constant scope and exchange rates. This development is the result of strong business activity throughout the region, supported by the improved industrial performance of the Rufisque plant and the ramp-up of the new grinder in Mali. Selling prices improved over the year as a whole, despite an unfavorable comparison base effect in the second half following the application of a new cement tax in Senegal from May where it was nevertheless possible to benefit from a modest price increase at the very end of the year. As a result of these factors and lower energy costs, the EBITDA generated by the activity surged +46.3% over the year as a whole.
- *Aggregates business* in Senegal suffered from the shutdown of many government-funded projects, due to budgetary constraints and the health crisis. As a result, its consolidated sales revenue declined -36.6% over the period as a result of a steep volume contraction. EBITDA therefore fell significantly by -53.4%.

In the other West African countries, the Group's activity is up, supported by the rapid ramp-up of the grinder of its subsidiary Ciment et Matériaux in Mali and favorable momentum in Mauritania. Selling prices increased slightly in Mauritania but fell in Mali. On this basis, the EBITDA generated by Mali and Mauritania increased.

5.2.3. Income statement broken down by business segment

Cement business

			Change (in %)	
(in millions of euros)	2020	2019	Reported	At constant scope and exchange rates
Volume *(in thousands of metric tons)*	25,043	22,388	+11.9%	
Operational sales	1,673	1,571	+6.5%	+12.0%
Consolidated sales revenue	1,421	1,319	+7.7%	+13.7%
EBITDA	415	373	+11.3%	+17.3%
EBIT	264	217	+21.7%	+29.0%

Concrete & Aggregates business

(in millions of euros)	2020	2019	Change (in %) Reported	At constant scope and exchange rates
Concrete volume (*in thousands of m³*)	9,309	9,135	+1.9%	
Aggregates volume (*in thousands of metric tons*)	22,713	22,971	-1.1%	
Operational sales	1,083	1,097	-1.2%	+0.1%
Consolidated sales revenue	1,050	1,076	-2.3%	-1.4%
EBITDA	121	130	-7.0%	-7.5%
EBIT	34	46	-27.4%	-28.6%

Other Products and Services

(in millions of euros)	2020	2019	Change (in %) Reported	At constant scope and exchange rates
Operational sales	434	431	+0.7%	+0.3%
Consolidated sales revenue	334	345	-3.1%	-4.4%
EBITDA	21	23	-7.9%	-8.8%
EBIT	0	3	-103.7%	-101.1%

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5.2.4. Elements having an impact on results

As at the date of filing of this Universal Registration Document, the Group considers that the principal factors having a significant impact on its financial performance are the following:

Elements having an impact on sales revenues

(A) Economic conditions in the countries where the Group operates

The materials produced by the Group, cement, concrete and aggregates, are major components of construction and infrastructure in general.

Demand for these products depends on the economic conditions specific to each country and market that are in turn determined by the rate of demographic growth, the level of economic growth and the level of urbanization. These factors influence the level of local public and private sector investment in housing and infrastructure, and therefore the sales achieved by the Group in each market where it operates. More generally, the level of public and private sector investment in housing and infrastructure is affected by the general political and economic situation in each country.

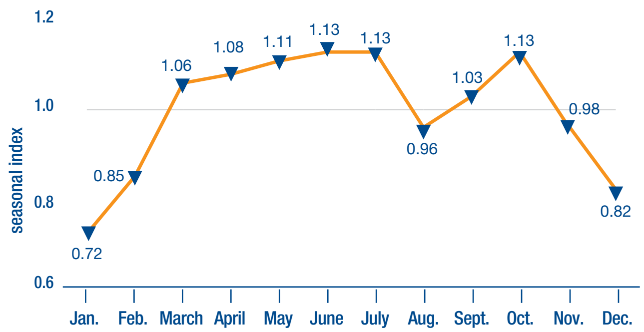
The price levels applicable to each market are determined by the production costs of existing operators and the competitive intensity of the product markets.

(B) Seasonality

Demand in the Cement, Ready-Mixed Concrete & Aggregates businesses is seasonal and tends to decrease in winter in temperate countries and during the rainy season in tropical countries. The Group therefore generally records falling sales revenues in the first and fourth quarters, during the winter season in the principal markets of Western Europe and North America. In the second and third quarters, in contrast, revenue is higher, due to the summer season being more favorable for construction work.

The following image shows the changes in the monthly average seasonality coefficient during the year, calculated from the seasonality of sales revenues recorded during the last five years. Thus, for a monthly average equal to 1, the seasonality factor varied from 0.72 on average in January to almost 1.13 on average in June or October.

SEASONALITY OF VICAT SALES REVENUES



The seasonality varies depending on countries. Thus, the Group's activities in Senegal, despite reduced winter activity from August to October, and in the United States, were less affected by seasonality than Western Europe. Turkey similarly did not see a fall in its activity in August, unlike France and Italy. Finally, the Group's business is subject to very high levels of seasonality in India, owing to the monsoon season, and in Kazakhstan, given the very low temperatures between November and February. The phenomenon is the same in Brazil between October and March with the rainy season.

Elements having an impact on production costs

The principal components of production costs are energy, raw materials, maintenance, and provisions for depreciation of production facilities, transport costs and personnel costs.

The cost of energy is most significant in the Cement business, representing, in total, more than one third of the cost price of cement. The cost of energy includes electricity, whose price depends in particular on the generation capacity available in each market and also fuels, whose prices depend on the overall market conditions for each fuel. The effect of changes in fuel prices varies in particular according to the mix of fuels used, the energy efficiency of each factory, and the capacity to use alternative fuels. The impact of energy price fluctuations has a delayed and reduced impact on the income statements, in view of the inventories held and the existing forward supply agreements.

As the Group's products are heavy, the share of costs relating to transport can prove to be high. The locations of the factories and their proximity to markets are thus determining factors in the competitive position and have a direct effect on the selling prices net of transport obtained by the companies.

Elements having an impact on net financial income

The consolidated financial income depends mainly on the Group's indebtedness, as well as on the interest rates applied and fluctuations in the exchange rates of the currencies in which the Group has debt or has a cash surplus. The sensitivity to these fluctuations in interest and exchange rates is limited by the hedging instruments used.

The Group's activities are run by entities which operate primarily in their own country and their own currency, both for sales and for purchases. The Group's exposure to exchange rates is thus limited.

Nevertheless, import and export transactions by the companies in currencies different from their accounting currency are generally hedged by forward buying and selling currency transactions. Financing is usually subject to exchange rate hedging by Group companies when the loan currency differs from the operating currency.

Elements having an impact on the Group's income tax

The Group's tax burden depends on the tax laws in force in each country in which the Group operates and on exemption agreements from which some subsidiaries (Kazakhstan and Senegal) benefit.

In Senegal, the State signed a mining agreement with Sococim Industries in February 2006 granting it tax exempt status because of its major investment program, the main benefits of which are exemption from corporate income tax, a capping of the occupational and land taxes for a period of 15 years (until the end of the 2020 fiscal year), relief on import duties over the investment period of four years and a fiscal stability clause.

In Kazakhstan, Jambyl Cement benefited from an income tax exemption agreement at the end of 2008, for a ten-year period starting when the plant came into operation in December 2010.

5.2.5. Impact of the change in consolidation scope and change in foreign exchange rates

Changes in the consolidation scope

There was no significant change in consolidation scope in 2020.

Exchange rate fluctuations

The Group's international operations expose its results to fluctuations in the currencies of each country where the Group is established relative to the euro (i), as well as fluctuations in the currencies used by its subsidiaries for their business activities relative to their operating currencies (ii).

i. On the closing of each year's accounts, the income statements of the subsidiaries are converted into euros at the average exchange rates for the period. The fluctuations from one period to another between the different currencies in which the Group operates relative to the euro result in fluctuations in sales revenue and, more generally, income and expenses in euros, even though such fluctuations do not reflect changes in the Group's performance. For the purposes of comparison, the Group presents, in note 19 to the 2020 consolidated financial statements, sales revenues restated at constant consolidation scope and exchange rates compared to 2019. In addition, the balance sheets of the subsidiaries are converted into euros at the year-end exchange rates. Fluctuations in these currencies result in conversion adjustments allocated to equity (see note 1.5 of the notes to the consolidated financial statements);

ii. Profits or losses recorded by the Group's subsidiaries when carrying out transactions in currencies different from their operating currencies are recorded in net financial income as exchange rate gains or losses.

5.2.6. Comparison of earnings for 2019 and 2018

The comparative analysis of the earnings for 2019 and 2018 is presented in the 2019 Registration Document in section 5.2.1 and 5.2.2, pages 137-144 and is incorporated by reference in this Universal Registration Document.

5.3. Cash flow and equity

5.3.1. Share capital

At the date of filing of this Universal Registration Document, the Company's share capital was € 179,600,000 divided into 44,900,000 shares, each with a nominal value of € 4.0 fully subscribed and paid up.

(in millions of euros)	December 31, 2020	December 31, 2019
Share capital	180	180
Additional paid in capital	11	11
Translation reserves	(640)	(406)
Consolidated reserves	2,475	2,402
Net income	150	144
Shareholders' equity – Group share	**2,177**	**2,331**
Minority interests	234	265
Consolidated shareholders' equity	**2,411**	**2,596**

Consolidated shareholders' equity at December 31, 2020 decreased by € 186 million compared to December 31, 2019. It includes a Group share of € 2,177 million and minority interests of € 234 million, mainly related to the cement subsidiaries in India, Brazil, Egypt, Kazakhstan and Turkey.

For a detailed description of shareholders' equity in the Company, please refer to the statement of changes in consolidated shareholders' equity and note 13 to the consolidated financial statements in section 6.1.2 "Notes to the 2020 consolidated financial statements" of this Universal Registration Document.

5.3.2. Cash flows

Cash flows are analyzed by category for each financial year:

- operational activity;
- investment activity;
- financing activity.

Cash flows relating to operational activities are primarily generated by earnings for the period (other than income and expenses not affecting cash flow or not related to the activity) as well as by the change in the working capital requirement.

Cash flows relating to investment activity result mainly from outflows for the acquisition of intangible and tangible fixed assets and other long-term assets, as well as for the acquisition of equity instruments in other entities and participations in joint ventures. They also include loans granted to third parties. Inflows related to divestments and/or redemptions of these assets are deducted from these outflows.

Cash flows related to financing activities result from inflows and outflows having an impact on the amount of the shareholders' equity and borrowed capital. In application of IFRS 16, these include from January 1, 2019, the repayment of lease liabilities.

Net cash, the change in which is presented in the statement of cash flows, consists of cash and cash equivalents less any bank overdrafts.

Cash flow history

(in millions of euros)	2020	2019	2018 restated (a)
Operating cash flow	461	425	387
Change in WCR (excl. exchange rate and consolidation scope effects)[1]	68	(43)	(5)
Net operating cash flows	529	382	382
Net investment cash flows	(322)	(577)	(213)
Net financing cash flows	(138)	261	(117)
Impact of exchange rate fluctuations on cash resources	(38)	-	(10)
CHANGE IN CASH POSITION	**30**	**67**	**42**

(1) Working capital requirement.
(a) As IFRS 16 is mandatory for periods beginning on or after January 1, 2019 and has been applied in accordance with the full retrospective method by the Group, the 2018 financial statements have been restated in accordance with the new rules for comparison purposes.

Analysis of the change in free cash flow and gross and net indebtedness

(in millions of euros)	2020	2019	2018 restated (a)
Cash flow from operations	529	382	382
Industrial investments net of disposals	(300)	(223)	(166)
***FREE CASH* FLOW**	**228**	**159**	**216**

(a) As IFRS 16 is mandatory for periods beginning on or after January 1, 2019 and has been applied in accordance with the full retrospective method by the Group, the 2018 financial statements have been restated in accordance with the new rules for comparison purposes.

In 2020, the Group generated a free cash flow of € 228 million, an increase of € 70 million compared with 2019. Operating cash flow and changes in working capital requirements, with an increase in net industrial investments of € 77 million and financial investments net of disposals of € 19 million, enabled the Group to reduce its net indebtedness by € 88 million in 2020. At € 1,202 million, net indebtedness, excluding put options but including lease liabilities under IFRS 16, represented 49.9% of consolidated shareholders' equity as at December 31, 2020, and 2.16 times 2020 consolidated EBITDA.

5.3.2.1. Net cash flows from operating activities

Net cash flows from operating activities carried out by the Group in 2020 amounted to € 529 million, up by € 147 million compared to 2019.

This increase in cash flow generated by operating activities increased operating cash flow by € 36 million, reflecting the improvement in operating profitability, and a favorable decrease in the change in working capital requirements of € 111 million.

The components of the working capital requirement (WCR) by category are as follows:

(in millions of euros)	WCR at December 31, 2018	Change in WCR Year 2019	Other changes[(1)]	WCR at December 31, 2019	Change in WCR Year 2020	Other changes[(1)]	WCR at December 31, 2020
Inventories	385	(11)	27	401	(25)	(22)	355
Customers	407	(7)	17	417	51	(27)	441
Suppliers	(339)	24	(18)	(333)	(33)	16	(350)
Other receivables & payables	(66)	37	(64)	(92)	(61)	17	(136)
WCR	**387**	**43**	**(38)**	**393**	**(68)**	**(16)**	**309**

(1) Consolidation scope and miscellaneous.

5.3.2.2. Net cash flows from investing activities

The following is a breakdown of cash flows from investing activities:

(in millions of euros)	2020	2019
Investments in tangible and intangible fixed assets	(319)	(237)
Disposals of tangible and intangible fixed assets	19	14
Net investments in shares of consolidated companies	(3)	(323)
Other net financial investments	(19)	(31)
CASH FLOWS FROM INVESTING ACTIVITIES	**(322)**	**(577)**

5.3.2.2.1. Investments and disposals of tangible and intangible assets

They include disbursements made for industrial investments, essentially corresponding to investments made in the United States, France, Switzerland and Senegal.

For further details, see section 5.4. "Investments" of this Universal Registration Document.

In 2020, 70% of these investments were made in the Cement business (62% in 2019), 25% in the Concrete & Aggregates business (30% in 2019) and the remaining 5% in the Other Products and Services business (8% in 2019).

Disposals of tangible and intangible assets generated total cash inflows of € 19 million in 2020 and € 14 million in 2019.

5.3.2.2.2. Net investments in shares of consolidated companies

Acquisitions of consolidated companies carried out in 2020 resulted in a total outflow of € 3 million (€ 323 million in 2019).

The main outflows by the Group during 2019 were mainly made to acquire a 66.07% majority interest in Ciplan in Brazil.

5.3.2.2.3. Other net financial investments

Other net financial investments resulted in a net cash outflow of € 19 million in 2020 and € 31 million in 2019.

5.3.2.3. Net cash flows from financing activities

Net cash flows from financing activities conducted by the Group in 2020 were -€ 138 million, compared with -€ 261 million in 2019.

Net cash flows relating to financing activities comprise primarily:

- cash outflows for the payment of dividends to the Company's shareholders and to the minority interests in consolidated companies (-€ 74 million in 2020 and -€ 73 million in 2019);
- the draw down on or the issue of, net of repayments, credit lines or borrowings taken out by the Group amounting to -€ 60 million in 2020 compared to +€ 333 million in 2019, including payment of annual installments relating to IFRS 16 finance leases;
- the net cash outflow related to the sale by the Company of its own shares: -€ 4 million in 2020 and +€ 1 million in 2019.

5.3.3. Debt

At December 31, 2020, the Group had a solid financial structure, with:

- significant shareholders' equity (of € 2.4 billion), down by -€ 185 million over the year;
- a net indebtedness of € 1,202 million at December 31, 2020, a decrease of -€ 88 million over the year.

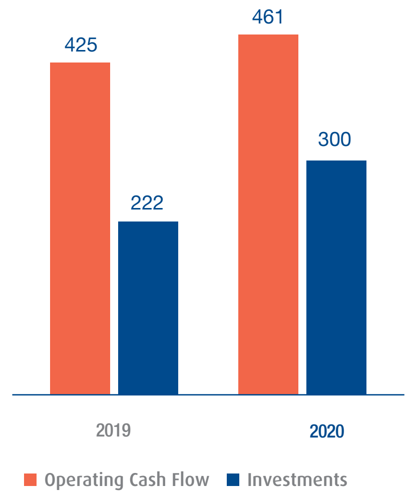
5.3.3.1. Group financial policy

The Group's financial policy is set by the General Management. This policy aims at maintaining a balanced financial structure characterized by the following:

- a net financial indebtedness/shareholders' equity (gearing) under control (see section 5.3.3.4. "Net indebtedness" of this Universal Registration Document);
- satisfactory balance sheet liquidity characterized by the availability of both cash surpluses and confirmed and available medium-term lines of financing.

This policy should make it possible to finance industrial investments through operating cash flows, available surplus financial resources being used by the Group to reduce its indebtedness, and financing in whole or in part external growth operations.

CHANGE IN THE GROUP'S OPERATING CASH FLOW AND NET INDUSTRIAL INVESTMENTS BETWEEN 2019 AND 2020 (IN MILLIONS OF EUROS)



To secure resources in excess of its operating cash flow, the Group has set up confirmed medium-term lines of credit and medium and long-term borrowings.

These financings guarantee the Group, in addition to the liquidity of its balance sheet, even in the case of disrupted markets situations, the means immediately necessary for the realization of larger operations such as exceptional industrial investments, significant external growth operations or the acquisition of large numbers of Vicat shares.

These lines are mainly carried by Vicat SA, but some of the Group's foreign subsidiaries also have medium and long-term lines of credit or borrowings available directly to meet any needs.

Liquidity management

In addition to available cash, the Group has medium-term/long-term lines of credit and borrowings to meet any liquidity needs of the entities. At December 31, 2020, the Group had a total of € 536 million in unused confirmed lines of financing:

Type of facility at December 31, 2020	Borrower	Starting year	Currency	Authorization *(€M)* currencies	Authorization *(€M)* €	Utilization *(€M)*	Not drawn	Maturity	Rate type
US private placement	Vicat	2011	$	120	91	91	-	2022	FR
	Vicat	2020	€	175	175	175	-	2035	FR
Schuldschein	Vicat	2019	€	290	290	290	-	2024/26/29	FR/VR
Total private placement lines					**555**	**555**	**-**		
Syndicated Loan	Vicat	2018	€	550	550	550	-	2025	VR
Bank bilateral lines	Vicat	2017	€	240	240	10	230	2024	VR
Total bank lines[1]			**€**		**790**	**560**	**230**		**VR**
TOTAL CORPORATE FINANCING LINES			**€**		**1,345**	**1,115**	**230**		
Bank bilateral lines	Senegal	2018/19/20	CFAF	102,558	156	105	51		FR/VR
Syndicated Loan	Switzerland	2020	Swiss franc (CHF)	200	185	-	185	2025	VR
Bank bilateral lines	Switzerland	2020	€	50	50	-	50	2025	VR
Bank bilateral lines	Switzerland	2020	Swiss franc (CHF)	20	19	19	-	2021 to 2025	FR
Bank bilateral lines	Turkey	2019	TRY	134	14	14	-		FR
Bank bilateral lines	Egypt	2019	Egyptian pound (EGP)	1,324	69	60	9		VR
Bank bilateral lines	Mali	2019	CFAF	8,000	12	12	-		FR
Bank bilateral lines	Brazil		Brazilian real (BRL)	328	51	40	11		FR
Bank bilateral lines	Mauritania	2018	Mauritanian ouguiya (MRU)	124	3	3	-		FR
TOTAL FINANCING LINES OF FOREIGN SUBSIDIARIES					**560**	**253**	**306**		
Other liabilities						51			
TOTAL EXCLUDING LEASE LIABILITIES					**1,905**	**1,420**			
Lease liabilities						205			
TOTAL GROSS INDEBTEDNESS[2]						**1,625**	**536**		

1) The line "Bank lines" corresponds to all confirmed credit lines which benefit the Company and of which the authorized amount is € 790 million. These lines are used according to the Company's financing needs, by drawing down or by hedging the liquidity risk of the Neu Commercial Papers program*, bearing in mind that the total amount of the draw downs and the Neu Commercial Papers issued must not exceed the authorized total.*

(2) The amount of gross indebtedness used does not include the liability relating to put options (€ 8.4 million).

5.3.3.1.1. Private placements of Vicat SA

US PRIVATE PLACEMENT

A loan for an initial US$ 450 million and € 60 million was subscribed by American investors under a private placement (USPP) in 2010. The 7-year and 10-year maturities were repaid in 2017 for US$ 100 million and € 60 million then for US$ 230 million in 2020. The twelve-year tranche of US$ 120 million will mature in 2022.

To eliminate the exchange rate risk on the principal and the interest, this loan was converted into a fixed-rate synthetic debt in euros by a cross currency swap.

In November 2020, a US private placement, denominated in euros, was set up for an amount of € 174.6 million. This loan is at a fixed rate of 2.07% and has a maturity of 15 years.

SCHULDSCHEIN FINANCING

In 2019, the Company arranged a € 290 million loan with international investors with five-, seven-, and ten-year terms, € 164.5 million at variable rate interest and € 125.5 million at fixed-rate. The interest is payable annually for the fixed-rate portion and twice annually for the variable rate portion at the Euribor six-month rate plus margin.

5.3.3.1.2. Vicat SA bank lines

SYNDICATED LOAN

The five-year credit line, at a variable rate, was placed by the Company with a syndicate of international banks. Its original maturity was January 2023 but two additional one-year options have been activated, postponing the maturity to January 2025. The interests are payable at the Euribor rate for the drawdown period. At December 31, 2020, this credit line had been drawn down for an amount of € 10 million, the remaining € 540 million being allocated to hedge liquidity risk on commercial paper.

BANK BILATERAL LINES

Vicat SA's bilateral lines for € 240 million were renewed in December 2017, by the Company, with banks for a five-year term, plus two additional one-year extension options that have been activated, postponing the maturity to December 2024. The interests are payable at the Euribor rate for the drawdown period.

At December 31, 2020, these lines were not used. On the other hand, € 10 million are allocated to hedge liquidity risk on commercial paper.

COMMERCIAL PAPERS

The Company has a program for issuing commercial paper of € 550 million, fully drawn down as of December 31, 2020. Commercial papers which constitute short-term credit instruments are backed by the lines of credit confirmed for the issued amount and are treated as such in medium-term financial debts in the consolidated balance sheet.

5.3.3.1.3. Subsidiaries' bank debt

This indebtedness breaks down as follows:

SENEGAL

Sococim Industries has two lines of credit for CFAF 15 billion and CFAF 20 billion, all originally having 12 month maturities. As at December 31, 2020, they were drawn down for a total amount of CFAF 26.5 billion.

Two bank bilateral lines of CFAF 16 billion each were put in place with local banks in 2019. These five-year, fixed-rate lines, at December 31, 2020, have been drawn down for a total amount of CFAF 22.0 billion.

The Aggregates subsidiaries in Senegal have access to CFAF 14 billion in repayable bank lines, drawn down in full at December 31, 2020, as well as an amortizable loan of CFAF 17 billion set up in 2019 and 2020 for a period of 18 months.

MALI

In 2019 CMM subscribed for a loan of CFAF 8 billion amortizable over seven years. At December 31, 2020, CFAF 8 billion of this fixed-rate loan had been used.

SWITZERLAND

In August 2020, Vigier took out a fixed-rate loan of CHF 20 million, repayable over ten years. This line was fully drawn down as of December 31, 2020.

In October 2020, Vigier set up a syndicated line of credit of CHF 200 million and bilateral line of € 50 million maturing in 2025. Interest is payable at the Libor rate for the drawdown period plus a margin.

At December 31, 2020, these lines were not used.

TURKEY

In 2019, financing lines were put in place for an amount of 118 million Turkish lira. These were fully drawn down at December 31, 2020.

MAURITANIA

A line of 200 million Mauritanian ouguiya repayable over five years was set up in 2018. At December 31, 2020, this credit line was drawn for the entire outstanding nominal amount, *i.e.* 124 million Mauritanian ouguiya.

BRAZIL

When Ciplan was acquired, an amortizable loan line with final maturity in 2033 and a residual amount of 258 million Brazilian reals at December 31, 2020 was assumed by the Vicat Group.

EGYPT

SCC has 1,324 million Egyptian pounds of bank loans renewable annually at variable rate. At December 31, 2020, 1,152 million Egyptian pounds of these lines had been used.

5.3.3.1.5. Credit risk managed by the Group

The Group is exposed generally to a credit risk in the event of the failure of one or more of its counterparties. The risk related to the financing activities themselves, however, is limited by their dispersion and their distribution over several banking or financial institutions, either within the framework of a syndication, *Schuldschein* or private placement, or by setting up several bilateral lines. This risk is reduced by rigorous selection of the counterparties, who are always banks or financial establishments of international standing, selected according to their country of establishment, their rating by specialist agencies, the nature and the due date for the operations carried out.

As part of the Group's financing, certain counterparties have managed the Group's credit risk by implementing specific clauses. In addition to the cross-default clauses provided for in the majority of credit agreements, the USPP, the *Schuldschein*, the syndicated loan and certain credit lines benefiting the subsidiaries contained covenants which may impose early repayment in the event of non-compliance with financial ratios. These covenants concern ratios related to the profitability and the financial structure of the Group or the subsidiaries in question. Given the reduced number of Group companies concerned, essentially the Company, and the Group's level of net indebtedness, the existence of these covenants does not constitute a risk concerning the balance sheet liquidity and the Group's financial position (also see note 17 of section 6.1.2. "Notes to the consolidated financial statements 2019" of this Universal Registration Document).

5.3.3.2. Gross indebtedness

As at December 31, 2020, gross indebtedness of the Group, excluding put options, was € 1,625 million compared with € 1,689 million at December 31, 2019. It is broken down by type as follows:

(in millions of euros)	Dec 31, 2020	Dec 31, 2019	Change
Private placement lines	555	554	+0.2%
Bank borrowings	765	792	-3.4%
Debt on lease liabilities	205	238	-14.0%
Other borrowings and financial debts	15	15	-0.1%
Current bank facilities and bank overdrafts	85	89	-4.5%
GROSS INDEBTEDNESS	**1,625**	**1,689**	**-3.8%**
of which more than one year	1,412	1,268	11.4%
of which less than one year	212	421	-49.5%

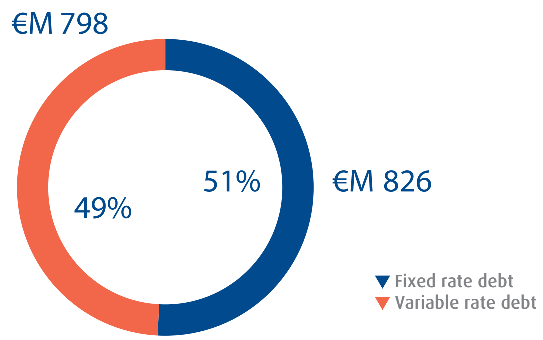
The structure of the Group's gross indebtedness as at December 31, 2020, by type of rate and maturity is as follows:

RATE

As presented in section 2.4.2. "Interest rate risks" of this Universal Registration Document, the gross variable-rate financial indebtedness represented, at December 31, 2020, € 798 million, or 49% of the Group's total gross financial indebtedness. The indebtedness at variable rate is partly covered either by cash surpluses denominated in the same currency or by interest rate derivative instruments.

The interest rate risk on variable rate liability was limited by the purchase of caps in the amount of € 715 million expiring in 2023 to 2029.

FIXED-RATE/VARIABLE RATE INDEBTEDNESS AT DECEMBER 31, 2020

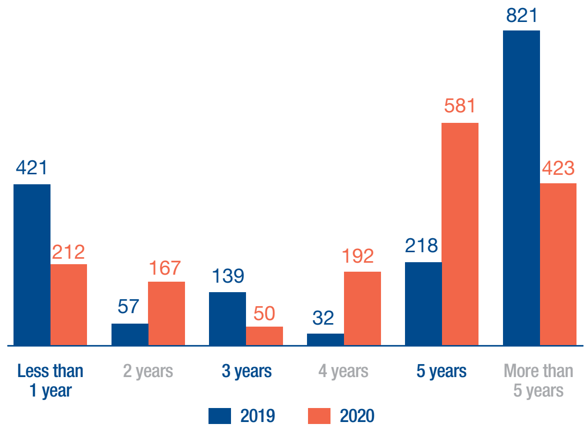


MATURITY

The Group refinanced part of its debt by setting up a USPP of € 174.6 million in November 2020 with a maturity of 15 years, thus significantly improving the Group's average maturity from 4.3 years as of December 31, 2019 to 5.1 years as of December 31, 2020.

See maturities schedule in note 16.1 to the consolidated financial statements.

MATURITIES SCHEDULE FOR GROSS INDEBTEDNESS AT DECEMBER 31, 2020 *(in millions of euros)*



5.3.3.3. Cash surplus

Cash and cash equivalents include cash at bank (€ 145 million as at December 31, 2020) and short-term investments maturing in less than three months and with no risk of a change in the value of the principal (€ 277 million as at December 31, 2020).

Cash is managed country-by-country, under the control of the Group's Finance Department, with cash pooling systems by country. Any surplus is either invested locally or reinvested if applicable into the Group. When the cash surplus is intended to be used within a limited period for financing needs in the country concerned, this surplus is invested locally.

5.3.3.4. Net indebtedness (excluding put options)

The Group's net indebtedness is broken down as follows:

(in millions of euros)	Dec 31, 2020	Dec 31, 2019	Change
Gross indebtedness	1,625	1,689	-3.8%
Cash and cash equivalents	423	399	6.1%
NET INDEBTEDNESS	**1,202**	**1,290**	**-6.9%**

Overall, the Group has a total of € 959 million in available cash, corresponding to unused lines of financing (€ 536 million) and available cash (€ 423 million).

5.3.3.5. Covenants

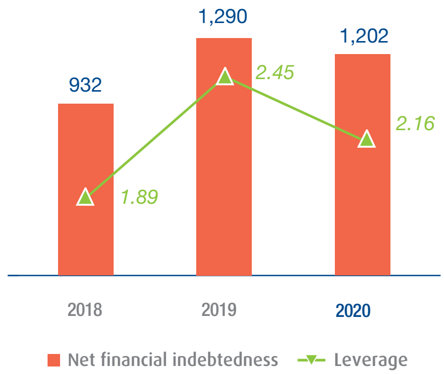
As part of the Group's financings, certain counterparties have managed the Group's credit risk by implementing specific clauses.

The main ratios monitored under the covenants are:

- gearing: corresponds to the ratio of net financial indebtedness/ shareholders' equity and stood at 49.9% at the end of 2020 compared to 49.7% at the end of 2019;
- leverage: corresponds to the ratio of net financial indebtedness/ EBITDA and stood at 2.16 at the end of 2020 compared to 2.45 at the end of 2019.

The Group's objective is to reduce its net indebtedness and to improve these ratios through free cash flow. These ratios could nonetheless rise in future, depending on what external growth opportunities arise. If a significant acquisition came up that offered the prospect of major strategic gains, the Group would accept a significant rise in this ratio, while setting itself the target of reducing it subsequently to levels near those of the abovementioned period.

CHANGE IN NET INDEBTEDNESS AND LEVERAGE RATIO BETWEEN 2018 AND 2020



5.3.4. Analysis of off-balance sheet liabilities

Off-balance sheet liabilities consist primarily of contractual commitments concerning the acquisition of tangible and intangible fixed assets. The table below shows commitments made by the Group as at December 31, 2020 and 2019:

(in millions of euros)	2020	2019
Contractual commitments for the acquisition of fixed assets	160	274

At December 31, 2020, the off-balance sheet commitments given by the Group concern contractual obligations relating to industrial investments. At the end of December 2020, they mainly consisted of the order for the new Ragland kiln in the United States (€ 107.6 million less the deposit paid) as described in section 5.4.2. "Main investments in progress and planned" of this Universal Registration Document, the residual amount corresponding, both in 2020 and in 2019, to investments in the improvement and development of industrial facilities in West Africa, France and India.

5.4. Investments

Cement manufacturing is a highly capital-intensive industry, requiring significant investments. The construction of a cement factory represents a capital expenditure from € 200 to € 300 million. The Group has always taken care to maintain its industrial production facilities at a high level of performance and reliability. Accordingly, it has continuously invested in new equipment, which enables it to benefit from the latest well-proven technologies and in particular to constantly improve the energy balance of the installations. The choice of leading international suppliers is also in line with the Group's policy of industrial excellence intended to give priority to quality, durability and performance of the equipment.

The following sections present the main investments made in recent years and the major projects in progress or planned for the future. The choice of new equipment acquired under this investment program embodies the Group's objective of continuing to improve the energy efficiency of its installations and increasing substantially the proportion of alternative fuels used. As indicated in section 5.3 "Cash flow and equity" in this Universal Registration Document, financial requirements related to industrial investments are generally covered by the Group's own resources.

With the application of IFRS 16 since 2019, investments now include the renewal of equipment leases falling within the scope of the definition provided by this standard.

5.4.1. Investments made

The table below sets out, by business, the principal investments made by the Group over the last three years:

(in millions of euros)	2020	2019	2018 restated**
Cement	283	494	143
Concrete & Aggregates	98	109	128
Other Products and Services	19	68	41
TOTAL INVESTMENTS RECOGNIZED*	**399**	**671**	**312**
Of which financial investments	*23*	*379*	*51*
Including net industrial investments paid out:	*300*	*223*	*166*

* *including right-of-use assets related to lease obligations (IFRS 16).*
** *year 2018 restated from IFRS 16 impacts.*

5.4.1.1. Main investments made in 2020

The total amount of recorded investments made in 2020 was € 376 million. These are shown below for each of the Group's main businesses. Financial investments amounted to € 23 million in 2020. They mainly reflect the financing of new acquisitions aimed at strengthening the Group's presence in the ready-mixed concrete and aggregates market.

Cement: € 283 million of industrial investments

- **France**: the main expenses concerned the promotion of alternative fuels and the maintenance of facilities;
- **United States**: the construction of a new kiln in Ragland (Alabama) continued and represents the bulk of investments;
- **Turkey**: the Group doubled the capacity of its secondary fuel processing plant;
- **Switzerland**: the financial year was marked by acquisitions to increase our raw material reserves and the completion of projects to replace 100% of fossil fuels;
- **India**: a new photovoltaic power plant was commissioned at the Kalburgi plant. At the same plant, a project to increase the capacity of the kiln was started;
- **Senegal**: as in India, a photovoltaic power plant has been commissioned and the construction of a roller press for the Rufisque plant is almost complete.

Concrete & Aggregates: € 98 million of industrial investments

- **France**: investments included new concrete batching plants, the replacement of reserves, and the purchase of quarry equipment for the Aggregates business;
- **United States**: in California, the Group is continuing to renew its fleet with the purchase of mixers running on biogas and the installation of a biogas service station;
- **Switzerland**: the Group continued its strategy of investing in recycling centers, material treatment plants, landfills and renewing aggregates and landfills reserves. The investments also include the renewal of the logistics fleet.

Other Products and Services: € 19 million of industrial investments.

The efforts to improve and maintain our French and Swiss activities were ongoing. In 2020, fleet renewal was lower for these two countries.

5.4.1.2. Main investments made in 2019

The total amount of industrial investments made in 2020 was € 292 million. These are shown below for each of the Group's main businesses. Financial investments amounted to € 379 million in 2019. These reflect the acquisition of Ciplan in Brazil, as well as financing activities on new acquisitions aimed at strengthening the Group's presence in the ready-mixed Concrete market.

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Cement: € 181 million of industrial investments

- **France**: in addition to the ongoing efforts to promote the use of alternative fuels and facility maintenance, the commissioning of a boat to transport cement, in the Mediterranean basin and Corsica in particular should be noted;
- **United States**: in addition to projects aiming to optimize the performance of factories, investments for the period include a new kiln in Alabama (see section 5.4.2. of this Universal Registration Document);
- **Switzerland**: Vigier continued its investments aiming to increase its capacity to use alternative fuels and materials in its cement plants;
- **India**: a system for generating electricity from the kiln's heat output came on stream (Waste Heat Recovery System) as well as a 10 MW photovoltaic plant in its cement plants;
- **Mali**: the construction of a cement mill is complete and it will be commissioned in the fourth quarter;
- **Senegal**: conveyors for alternative fuels were commissioned;
- **Brazil**: the Group targeted its investments to improve the energy performance of the kilns.

Concrete & Aggregates: € 87 million of industrial investments

- **France**: investments included new concrete batching plants, the replacement of reserves, and the purchase of quarry equipment for the Aggregates business;
- **United States**: the Group began renewing its truck fleet in order to reduce its logistics costs and comply with California emissions laws;
- **Switzerland**: the Group continued its strategy of investing in recycling centers, material treatment plants, landfills and renewing aggregates and landfills reserves. The investments also include the renewal of the logistics fleet.

Other Products and Services: € 24 million of industrial investments

The efforts to improve and maintain our French and Swiss activities were ongoing. In Switzerland, the priority was to boost production capacity for higher added value goods, such as rail products. In France, efforts focused on the renewal of the transport fleet in a strong growth environment.

5.4.2. Main investments in progress and planned

Investment in the United States

The Group is continuing to build a new kiln for its Ragland site in Alabama. The US$ 260 million project will boost capacity to 1.8 million metric tons annually and substantially reduce production costs as well as CO_2 emissions. The chosen technology should allow large-scale (more than 70% rising to 100%) use of alternative fuels.

Other investments

Total industrial investment should be about € 365 million for the 2021 financial year, with the following main projects:

- Continued construction of the new Ragland kiln in the United States;
- Efforts on production facilities in India to increase capacity marginally, and investments in new terminals to expand the accessible market and reduce logistics costs;
- The ramp-up of projects related to carbon footprint reduction targets.

5.5. Outlook for 2021

The forward-looking information provided below is based on data, assumptions and estimates considered reasonable in the opinion of the Group's Management. This may evolve or change due to uncertainties, mainly related to the strong volatility of the economic, financial and competitive climate as well as to possible changes in regulatory measures in each country in which the Group operates.

In addition, the occurrence of certain risks, as described in Chapter 2 "Risk factors" of this Universal Registration Document, could have a material impact on the Group's business, financial position, and results.

The Group does not undertake any commitments nor can it provide any assurances that the forward-looking information included here will prove to be accurate.

5.5.1. Business climate

In 2021, the macroeconomic context should rebound in most of the regions in which the Group operates. Unlike in 2019 and 2020, the price of fossil fuels is expected to increase. This cost inflation should be offset by increased use of alternative fuels. In addition to this inflationary context, the Group anticipates an unfavorable impact of exchange rates, linked to the appreciation of the euro against most currencies.

In this context, the Group expects a slight improvement in its EBITDA at constant scope and exchange rates.

At the date of publication of this Universal Registration Document, no tangible effects of the coronavirus epidemic have been noted on the Company's activity.

However, the Group warns that if the expansion or duration of the epidemic were to have an impact on its markets or the macroeconomic context of the countries in which the Group operates, its prospects, as presented in this document, may be affected.

5.5.2. Industrial investments

Given the climate challenges, growth prospects in its markets, and expected levels of cash flow over the next few years, the Vicat Group has decided to intensify its industrial investment policy in 2021, with the following as a reminder:

- the construction of a new kiln in the United States at the Ragland plant (South-East), to replace the existing facility. Commissioning of this project is expected during 2022, for a total industrial investment of around US$ 260 million. The new kiln will bring forward the plant's capacity to 1.8 million metric tons per year (from 1.2 million tons currently) and will benefit from the latest cement industry technology. It will thus enable the Group to address the market growth expected in the South-East of the United States, considerably increase the use of substitute fuels, and significantly reduce production costs;
- an increased effort on strategic projects to reduce the Group's energy costs and carbon footprint.

Therefore, the cash outflow for industrial investment is likely to be around € 365 million in 2021.

5.5.3. Regional details

The 2021 forecast can be analyzed according to the performance in 2020 in a context of the Covid-19 pandemic which has had heterogeneous effects on the activity of the various countries. The Group expects revenue growth but we can distinguish two groups of countries with, on the one hand:

- those who saw their activity increase in 2020 despite the disruptions related to the health crisis and which are expected to stabilize in 2021;
- and, on the other hand, those whose activity will rebound after a year in decline.

  France is part of this second group with a rebound in construction activity, which is however not expected to return to its 2019 level.

In **Europe** (excluding France):

- **Switzerland**, in a slightly declining construction market, could see its activity decline due to a lack of concrete deliveries to large construction sites.
- **Italy**, on the contrary, should benefit from an improvement in demand and increase its sales volumes and margins.

Americas region:

- In the **United States** cement consumption is expected to remain strong. The Ready-mixed Concrete activity, which was disrupted in 2020, should see an upturn in activity that will enable it to continue to improve its profitability.
- In **Brazil**, after a 2020 marked by a sharp increase in volumes and prices in a market upset by the effects of the Covid-19 crisis, a decline in sales is expected but the level of activity and profitability should be higher than in 2019 (in local currency).

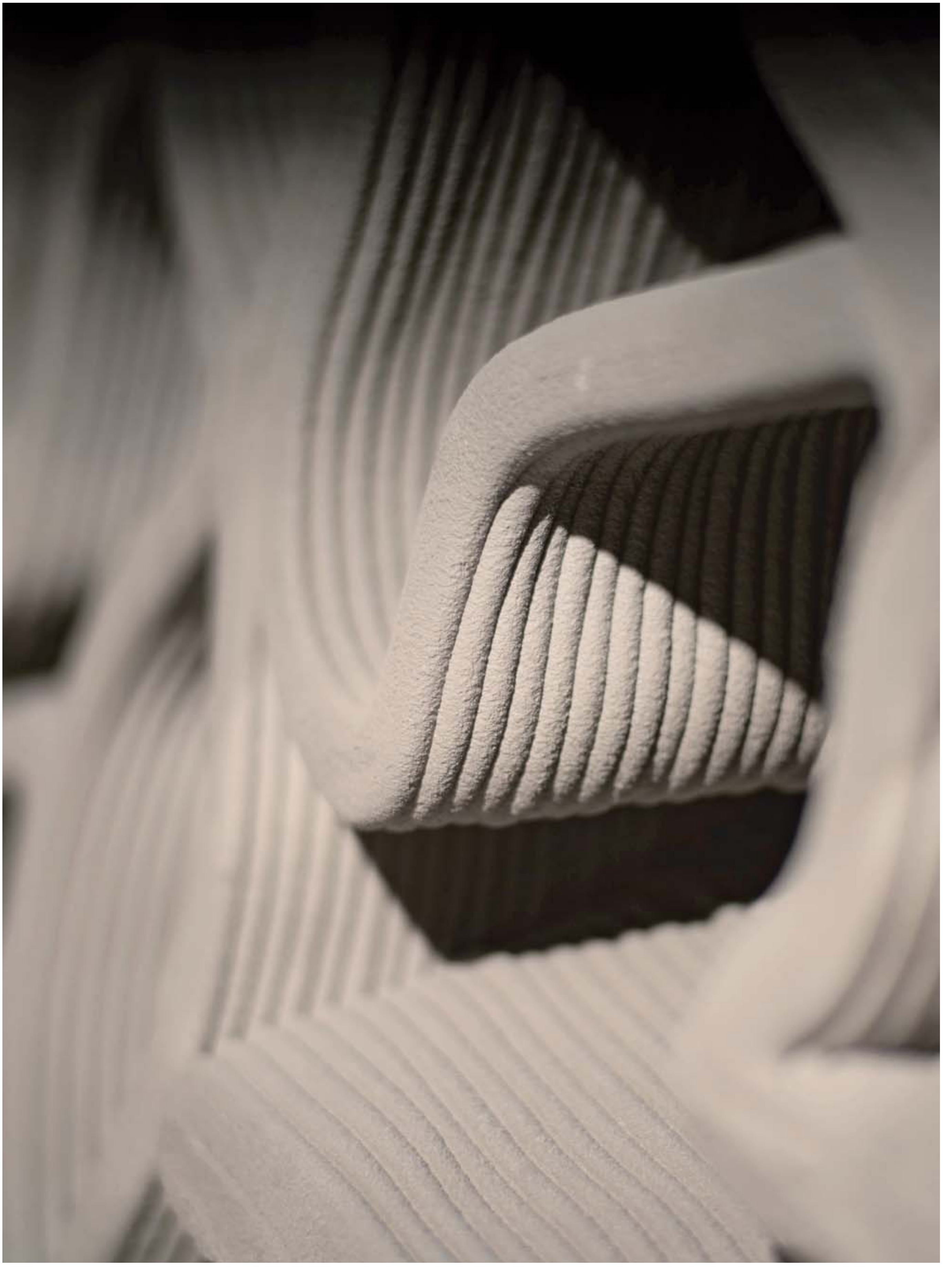
Asia region:

- In **India**, a return to a more normal situation than in 2020 could lead to renewed price competition with the competition to regain its pre-Covid volumes and market shares. This price volatility could weigh on the country's profitability.
- In **Kazakhstan**, competitive pressure on prices could increase with the increase in cement production capacity. The smooth running of the production tool will not compensate for the erosion of prices.

Mediterranean region:

- In **Turkey**, the economy will continue to be disrupted and demand for cement should remain at its current level. Despite this context, the Group anticipates a slight improvement in its profitability compared to 2020 due to good industrial performance and continued selling price increases that offset inflation.
- In **Egypt**, the country's macroeconomic situation is gradually improving, but the cement sector is still suffering from significant production overcapacity and unfair competition from the military. Nevertheless, the Group anticipates a reduction in its losses in this market thanks to the control of production costs and also with the possibility of selling export volumes.

In **West Africa**, in growing markets, the Group plans to consolidate its leading position in Senegal and increase its market share in Mali, with the ramp-up of the new grinder, and in Mauritania. In Senegal, the resumption of major Aggregates projects will improve profitability as well as the improvement of the production equipment of the Cement activity with the commissioning of new equipment (roller press).



FINANCIAL INFORMATION

6

6.1. Consolidated financial statements at December 31, 2020

6.1.1. Consolidated financial statements at December 31, 2020

Consolidated statement of financial position

(in thousands of euros)	*Notes*	December 31, 2020	December 31, 2019
ASSETS			
Non-current assets			
Goodwill	3	1,118,874	1,231,538
Other intangible assets	4	170,812	187,046
Property, plant and equipment	5	1,987,852	2,031,781
Rights of use relating to leases	6	186,829	219,066
Investment properties	7	14,831	15,125
Investments in associated companies	8	77,873	85,212
Deferred tax assets	24	71,922	89,938
Receivables and other non-current financial assets	9	239,176	236,142
TOTAL NON-CURRENT ASSETS		3,868,169	4,095,848
Current assets			
Inventories and work-in-progress	10	354,937	401,551
Trade and other accounts	11	440,874	416,568
Current tax assets		3,328	72,811
Other receivables	11	152,496	192,776
Cash and cash equivalents	12	422,843	398,514
TOTAL CURRENT ASSETS		1,374,478	1,482,220
TOTAL ASSETS		**5,242,647**	**5,578,068**
LIABILITIES			
Shareholders' equity			
Capital	13	179,600	179,600
Additional paid-in capital		11,207	11,207
Treasury shares		(53,587)	(52,416)
Consolidated reserves		2,679,297	2,598,620
Translation reserves		(640,130)	(405,843)
Shareholders' equity, Group share		**2,176,387**	**2,331,168**
Minority interests		**234,306**	**264,767**
TOTAL SHAREHOLDERS' EQUITY AND MINORITY INTERESTS		2,410,693	2,595,935
Non-current liabilities			
Provisions for pensions and other post-employment benefits	14	139,022	141,235
Other provisions	15	116,764	140,243
Financial debts and put options	16	1,270,162	1,109,769
Lease liabilities	16	157,563	178,398
Deferred tax liabilities	24	213,736	253,194
Other non-current liabilities		37,999	52,072
TOTAL NON-CURRENT LIABILITIES		1,935,246	1,874,911
Current liabilities			
Provisions	15	13,522	10,635
Financial debts and put options at less than one year	16	165,375	391,594
Lease liabilities at less than one year	16	47,382	59,864
Trade and other accounts payable		375,329	354,652
Current taxes payable		24,557	49,162
Other liabilities	18	270,543	241,315
TOTAL CURRENT LIABILITIES		896,708	1,107,222
TOTAL LIABILITIES		2,831,954	2,982,133
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		**5,242,647**	**5,578,068**

Consolidated income statement

(in thousands of euros)	*Notes*	2020	2019
Sales revenues	*19*	**2,805,162**	**2,739,993**
Goods and services purchased		(1,720,244)	(1,710,592)
Added value	*1.23*	**1,084,918**	**1,029,401**
Personnel costs	*20*	(489,921)	(475,396)
Taxes		(62,078)	(64,592)
Gross operating income	*1.23*	**532,919**	**489,413**
Other operating income (expense)	*22*	24,396	36,718
EBITDA	*1.23*	**557,315**	**526,131**
Net charges to operating depreciation, amortization and provisions	*21*	(259,467)	(259,488)
EBIT	*1.23*	**297,848**	**266,643**
Other non-operating income (expense)	*22*	(6,080)	13,622
Net charges to non-operating depreciation, amortization and provisions	*21*	(14,207)	(19,206)
Operating income (expense)		**277,561**	**261,059**
Cost of net financial debt	*23*	(36,870)	(33,367)
Other financial income	*23*	20,671	12,577
Other financial expenses	*23*	(18,630)	(17,266)
Net financial expense	*23*	**(34,829)**	**(38,056)**
Earnings from associated companies	*8*	4,021	5,096
Profit (loss) before tax		**246,753**	**228,099**
Income tax	*24*	(74,609)	(68,229)
Consolidated net income		**172,144**	**159,870**
Portion attributable to minority interests		**16,149**	**11,049**
Portion attributable to the Group		**155,995**	**148,821**
EARNINGS PER SHARE *(in euros)*			
Basic and diluted Group share of net earnings per share	*13*	3.47	**3.31**

Consolidated statement of comprehensive income

(in thousands of euros)	2020	2019
Consolidated net income	**172,144**	**159,870**
Other comprehensive income		
Items not recycled to profit or loss:		
Remeasurement of the net defined benefit liability	46	(17,457)
Tax on non-recycled items	307	4,391
Items recycled to profit or loss:		
Net income from change in translation differences	(280,898)	(7,421)
Cash flow hedge instruments	4,878	11,305
Tax on recycled items	(1,157)	(2,919)
Other comprehensive income (after tax)	**(276,824)**	**(12,101)**
TOTAL COMPREHENSIVE INCOME	**(104,680)**	**147,769**
Portion attributable to minority interests	(20,570)	9,554
Portion attributable to the Group	**(84,110)**	**138,215**

Consolidated statement of cash flow

(in thousands of euros)	*Notes*	2020	2019
CASH FLOWS FROM OPERATING ACTIVITIES			
Consolidated net income		**172,144**	**159,870**
Earnings from associated companies		(4,021)	(5,096)
Dividends received from associated companies		4,860	1,486
Elimination of non-cash and non-operating items:			
■ depreciation, amortization and provisions		276,796	284,347
■ deferred taxes		5,086	5,852
■ net (gain) loss from disposal of assets		(5,114)	(4,639)
■ unrealized fair value gains and losses		128	(22)
■ others		10,693	(16,702)
Cash flows from operating activities	*1.23*	**460,572**	**425,096**
Change in working capital requirement		67,647	(42,789)
Net cash flows from operating activities[(1)]	*26*	**528,219**	**382,307**
CASH FLOWS FROM INVESTING ACTIVITIES			
Outflows linked to acquisitions of non-current assets			
■ tangible and intangible assets		(319,370)	(237,484)
■ financial investments		(23,613)	(48,621)
Inflows linked to disposals of non-current assets			
■ tangible and intangible assets		18,946	14,671
■ financial investments		4,912	17,361
Impact of changes in consolidation scope		(2,992)	(322,994)
Net cash flows from investing activities	*27*	**(322,117)**	**(577,067)**
CASH FLOWS FROM FINANCING ACTIVITIES			
Dividends paid		(74,282)	(73,458)
Increases/decreases in capital		250	500
Proceeds from borrowings	*16*	210,729	428,933
Repayments of borrowings	*16*	(209,432)	(43,902)
Repayment of lease liabilities	*16*	(62,198)	(52,519)
Acquisitions of treasury shares		(7,555)	(7,502)
Disposals or allocations of treasury shares		4,423	8,927
Net cash flows from financing activities		**(138,065)**	**260,979**
Impact of changes in foreign exchange rates		(37,552)	486
Change in cash position		**30,485**	**66,705**
Net cash and cash equivalents - opening balance	*28*	328,674	261,969
Net cash and cash equivalents - closing balance	*28*	359,159	328,674

(1) - Including cash flows from income taxes: € (34.5) million in 2020 and € (73.7) million in 2019.
- Including cash flows from interest paid and received: € (36) million in 2020 including € (9.7) million for financial expenses on IFRS 16 leases and € (22.3) million in 2019 including € (3.3) million for financial expenses on IFRS 16 leases.

Statement of changes in consolidated shareholder's equity

(in thousands of euros)	Capital	Additional paid-in capital	Treasury shares	Consolidated reserves	Translation reserves	Shareholders' equity	Minority interests	Total shareholders' equity and minority interests
AT JANUARY 1, 2019	179,600	11,207	(56,144)	2,524,952	(400,348)	2,259,267	221,474	2,480,741
Net income				148,821		148,821	11,049	159,870
Other comprehensive income(1)				(5,111)	(5,495)	(10,606)	(1,495)	(12,101)
Total comprehensive income				**143,710**	**(5,495)**	**138,215**	**9,554**	**147,769**
Dividends paid				(66,434)		(66,434)	(7,030)	(73,464)
Net change in treasury shares			3,728	(1,707)		2,021		2,021
Changes in scope of consolidation and additional acquisitions(2)				(1,713)		(1,713)	40,635	38,922
Other changes				(188)		(188)	134	(54)
AT DECEMBER 31, 2019	179,600	11,207	(52,416)	2,598,620	(405,843)	2,331,168	264,767	2,595,935
AT JANUARY 1, 2020	179,600	11,207	(52,416)	2,598,620	(405,843)	2,331,168	264,767	2,595,935
Net income				155,995		155,995	16,149	172,144
Other comprehensive income(1)				(5,818)	(234,287)	(240,105)	(36,719)	(276,824)
Total comprehensive income				**150,177**	**(234,287)**	**(84,110)**	**(20,570)**	**(104,680)**
Dividends paid				(66,369)		(66,369)	(8,232)	(74,601)
Net change in treasury shares			(1,171)	(1,455)		(2,626)		(2,626)
Changes in consolidation scope and additional acquisitions								
Other changes				(1,676)		(1,676)	(1,659)	(3,335)
AT DECEMBER 31, 2020	**179,600**	**11,207**	**(53,587)**	**2,679,297**	**(640,130)**	**2,176,387**	**234,306**	**2,410,693**

(1) *Breakdown by nature of other comprehensive income:*
Other comprehensive income includes mainly cumulative conversion differences from end 2003. To recap, applying the option offered by IFRS 1, the conversion differences accumulated before the transition date to IFRS were reclassified by allocating them to retained earnings as at that date.
(2) *Mainly including the minority interests connected to the acquisition of Ciplan in Brazil (see note 2).*

Group translation reserves are broken down by currency as follows at December 31, 2020 and 2019:

(in thousands of euros)	December 31, 2020	December 31, 2019
US dollar	6,356	42,965
Swiss franc	206,123	202,323
Turkish lira	(299,777)	(267,777)
Egyptian pound	(126,196)	(124,787)
Kazakh tenge	(99,069)	(89,672)
Mauritanian ouguiya	(10,556)	(8,676)
Brazilian real	(100,930)	(15,348)
Indian rupee	(216,081)	(144,871)
	(640,130)	**(405,843)**

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6.1.2 Notes to the consolidated financial statements for 2020

NOTE 1 Accounting policies and valuation methods

1.1. Statement of compliance

In compliance with European Regulation (EC) 1606/2002 of the European Parliament on July 19, 2002 on the application of International Accounting Standards, Vicat's consolidated financial statements have been prepared, since January 1, 2005 in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union. The Vicat Group has adopted those standards in force on December 31, 2020 for its accounting policies.

The accounting policies and methods applied in the consolidated financial statements as at December 31, 2020 are consistent with those applied for the 2019 annual financial statements with the exception of standards that must be applied for periods beginning January 1, 2020 and that the Group did not early adopt.

New accounting standards applicable from January 1, 2020

It is mainly about the amendment to IAS 1 and IAS 8 "Definition of material", amendment to IFRS 3 "Definition of a business", and amendment to IFRS 9, IAS 39 and IFRS 7 "Interest rate benchmark reform phase I". These amendments did not have any impacts on the Group's consolidated financial statements.

With regard to IFRS 16 "Leases" and its amendment, which deals with rent concessions related to Covid-19, its application (from June 1, 2020) did not have a significant impact on the consolidated financial statements insofar as very few contracts in the Group are affected by such concessions.

Finally, the Group ensured during the first half of 2020 that the IFRS IC interpretation (December 2019) on lease term definition was correctly applied. The analyses carried out by the Group led to the conclusion that this interpretation had no significant impact. Consequently, the reassessment of the lease duration with regard to this interpretation did not give rise to any additional lease liability and right of use asset.

Published accounting standards, amendments and interpretations which are not yet mandatory

The IASB published standards, amendments and interpretations which will mandatorily come into force for financial years starting January 1, 2021 at the earliest or when they are adopted by the European Union. These standards were not therefore applied by the Group on December 31, 2020:

- amendments and interpretations not yet adopted by the European Union on December 31, 2020:
  - amendment of IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 "Interbank rate reform phase II".

As indicated in Note 17 the Group has hedging transactions in its portfolio that are impacted by the interest rate reform and, as indicated in Note 16, some of the Group's debts are indexed to Euribor.

The Group expects that the Euribor rate will be replaced by the hybrid Euribor simultaneously in the hedging instrument contracts and the hedged items and thus believes that the corresponding hedging relationships will remain fully effective. Consequently, the Group does not anticipate any significant impact from the benchmark interest rate reform on its hedging relationships or its income statement.

These financial statements were finalized and approved by the Board of Directors at its meeting of February 12, 2021 and will be submitted to the Shareholders General Meeting of April 9, 2021 for approval.

1.2. Basis of preparation of financial statements

The financial statements are presented in thousands of euros.

The consolidated statement of comprehensive income is presented by nature in two separate tables: the consolidated income statement and the consolidated statement of other comprehensive income.

The consolidated statement of financial position segregates current and non-current assets and liability accounts and splits them according to their maturity (divided, generally speaking, into maturities of less than and more than one year).

The statement of cash flows is presented according to the indirect method.

The financial statements are prepared using the historical cost method, except for the following assets and liabilities, which are recognized at fair value: derivatives, assets held for trading, available-for-sale assets, and the portion of assets and liabilities covered by hedging transactions.

The accounting policies and valuation methods described hereinafter have been applied on a permanent basis to all of the financial years presented in the consolidated financial statements.

The establishment of consolidated financial statements under IFRS requires the Group's management to make a number of estimates and assumptions, which have a direct impact on the financial statements. These estimates are based on the going concern principle and are established on the basis of the information available at the date they are carried out. They concern mainly the assumptions used to:

- value provisions (notes 1.18 and 15), in particular those for pensions and other post-employment benefits (notes 1.16 and 14);
- value the put options granted to third parties on shares in fully consolidated subsidiaries (notes 1.17 and 16);
- measure financial instruments at their fair value and exposure to credit risk (notes 1.15, 9 and 17);

- measure deferred tax assets and, in particular, the probability that the Group will generate sufficient future taxable income against which to allocate them (note 1.21 and 24);
- estimates of the assets and liabilities of an activity in the context of business combinations (note 3);
- perform the valuations adopted for impairment tests (notes 1.4, 1.11 and 8);
- define the accounting principle to be applied in the absence of a definitive standard (notes 1.7 and 10 concerning emission quotas);
- the definition of certain leases, the determination of lease terms (enforceable periods), and in particular the qualification of extension periods as reasonably certain or not, as well as the determination of the related discount rates (notes 1.9 and 6).

The estimates and assumptions are reviewed regularly, whenever justified by the circumstances, at least at the end of each year, and the pertinent items in the financial statements are updated accordingly. The 2020 financial year was marked by the crisis linked to the global Covid-19 epidemic, which magnitude and duration beyond December 31, 2020 cannot be accurately predicted. The assumptions used to prepare the consolidated financial statements at December 31, 2020 take into account this health crisis environment, particularly for the valuations used for the impairment tests (see note 3).

1.3. Consolidation principles

When a company is acquired, its assets and liabilities are measured at their fair value at the acquisition date.

The earnings of the companies acquired or disposed of during the year are recorded in the consolidated income statement for the period subsequent or previous to the date of the acquisition or disposal, as appropriate.

The annual statutory financial statements of the companies at December 31 are consolidated, and any necessary adjusting entries are made to restate them in accordance with the Group accounting policies. All intercompany balances and transactions are eliminated during the preparation of the consolidated financial statements.

Subsidiaries

Companies that are controlled exclusively by Vicat, directly or indirectly, are fully consolidated.

Control exists when the Group:

- has power over an entity;
- is exposed or entitled to variable returns as a result of its involvement with the entity; and
- has the ability to exercise its power over the entity in such a way as to affect the amount of returns it obtains.

In addition, the Group assesses the control exercised over an entity whenever facts and circumstances indicate that an element of assessment of control has changed.

Joint ventures and associates

Joint ventures, which are jointly controlled and operated by a limited number of shareholders, and associates, investments over which Vicat exercises significant influence are reported using the equity method. Any goodwill generated on the acquisition of these investments is presented in “Investments in associate companies”.

When joint control is proven and the legal form of the legal vehicle establishes transparency between the assets of the co-participants and that of the partnership, the joint venture is classified as a joint operation. This type of partnership is then recognized in the Group’s financial statements line by line up to its effective share.

The list of the main companies included in the consolidation scope as at December 31, 2020 is provided in note 33.

1.4. Business combinations – goodwill

With effect from January 1, 2010, business combinations are reported in accordance with IFRS 3 “Business Combinations” (revised) and IAS 27 “Consolidated and Separate Financial Statements” (revised). As these revised standards apply prospectively, they do not affect business combinations carried out before January 1, 2010.

Business combinations carried out before January 1, 2010

These are reported using the acquisition method. Goodwill corresponds to the difference between the acquisition cost of the shares in the acquired company and the purchaser’s pro-rata share in the fair value of all identified assets, liabilities and contingent liabilities at the acquisition date. Goodwill on business combinations carried out after January 1, 2004 is reported in the currency of the company acquired. Applying the option offered by IFRS 1, business combinations completed before the transition date of January 1, 2004 have not been restated, and the goodwill arising from them has been maintained at its net value as shown in the balance sheet prepared according to French GAAP as at December 31, 2003.

In the event that the pro-rata share of interests in the fair value of assets, liabilities and contingent liabilities acquired exceeds their acquisition cost (“negative goodwill”), the full amount of this negative goodwill is recognized in the income statement of the reporting period in which the acquisition was made, except for acquisitions of minority interests in a company already fully consolidated, in which case this amount is recognized in the consolidated shareholders’ equity.

The values of assets and liabilities acquired through a business combination must be definitively determined within 12 months of the acquisition date. These values may thus be adjusted at any closing date within that time frame.

Minority interests are valued on the basis of their pro-rata share in the fair value of the net assets acquired.

If the business combination takes place through successive purchases, each material transaction is treated separately, and the assets and liabilities acquired are then valued and goodwill thus determined.

Business combinations carried out on or after January 1, 2010:

IFRS 3 "Business Combinations" (revised), which is mandatory for business combinations carried out on or after January 1, 2010, introduced the following main changes compared with the previous IFRS 3 (before revision):

- goodwill is determined once on the date the acquirer obtains control.

  The Group then has the option, in the case of each business combination, upon obtaining control, to value the minority interests:

  - either at their pro-rata share in the identifiable net assets of the company acquired ("partial" goodwill option),
  - or at their fair value ("full" goodwill option).

  Measurement of minority interests at fair value has the effect of increasing the goodwill by the amount attributable to such minority interests, resulting in the recognition of a "full" goodwill;
- any adjustment in the acquisition price at fair value from the date of acquisition is to be reported, with any subsequent adjustment occurring after the 12-month appropriation period from the date of acquisition to be recorded in the income statement;
- the costs associated with the business combination are to be recognized in the expenses for the period in which they were incurred;
- in the case of combinations carried out in stages, upon obtaining control, the previous holding in the company acquired is to be revalued at fair value on the date of acquisition and any gain or loss which results is to be recorded in the income statement.

In compliance with IAS 36 (see note 1.11), at the end of each year, and in the event of any evidence of impairment, goodwill is subjected to an impairment test, consisting of a comparison of its net carrying cost with its value in use as calculated on a discounted projected cash flow basis. When the latter is below carrying cost, an impairment loss is recognized for the corresponding loss of value.

1.5. Foreign currencies

Transactions in foreign currencies

Transactions in foreign currencies are translated into the operating currency at the exchange rates in effect on the transaction dates. At the end of the year, all monetary assets and liabilities denominated in foreign currencies are translated into the operating currency at the year-end exchange rates, and the resulting exchange rate differences are recorded in the income statement.

Translation of financial statements of foreign companies

All assets and liabilities of Group companies denominated in foreign currencies that are not hedged are translated into euros at the year-end exchange rates, while income, expense and cash flow statement items are translated at average exchange rates for the year. The ensuing exchange differences on translation are recorded directly in shareholders' equity.

In the event of a later sale, the cumulative amount of translation differences relating to the net investment sold and denominated in foreign currency is recorded in the income statement. Applying the option offered by IFRS 1, exchange differences on translation accumulated before the transition date were zeroed out by allocating them to consolidated reserves at that date. They will not be recorded in the income statement in the event of a later sale of these investments which are denominated in foreign currency.

The following foreign exchange rates were used:

	Closing rate		Average rate	
	12/31/2020	12/31/2019	2020	2019
Brazilian real (BRL)	6.3735	4.5157	5.8900	4.4135
Swiss franc (CHF)	1.0802	1.0854	1.0703	1.1126
Egyptian pound (EGP)	19.2344	17.9955	18.0277	18.7940
Indian rupee (INR)	89.6605	80.1870	84.5063	78.8502
Kazakh tenge (KZT)	516.2530	428.2200	472.6916	428.5058
Mauritanian ouguiya (MRU)	43.6709	42.1843	43.3688	41.1253
Turkish lira (TRL)	9.1131	6.6843	8.0436	6.3570
US dollar (USD)	1.2271	1.1234	1.1413	1.1196
CFA franc (XOF)	655.9570	655.9570	655.9570	655.9570

1.6. Other intangible assets

Intangible assets (mainly patents, rights and software) are recorded in the consolidated statement of financial position at historical cost less accumulated depreciation and any impairment losses. This cost includes acquisition or production costs and all other directly attributable costs incurred for the acquisition or production of the asset and for its commissioning.

Assets with finite lives are depreciated on a straight-line basis over their useful lives (generally not exceeding 15 years) or, in the case of mining rights, as and when they are extracted.

Research costs are recognized as expenses in the period in which they are incurred. Development costs meeting the criteria defined by IAS 38 are capitalized.

1.7. Emission quotas

In the IFRS standards, there is as yet no standard or interpretation dealing specifically with greenhouse gas emission rights. As of January 1, 2016, the Group decided to adopt the method recommended by the ANC since 2013, compatible with the IFRS standards in force (Regulation No. 2012-03 of October 4, 2012, approved on January 7, 2013), that provides more reliable and relevant financial information to reflect the quotas' economic model, in particular eliminating the impacts associated with the volatility of the prices of quotas.

According to this method, provided the quotas are intended to fulfill the obligations related to emissions (production model):

- quotas are recognized in inventories when acquired (free of charge or against payment). They are drawn down as and when necessary to cover greenhouse gas emissions, as part of the restitution procedure, or at the time of their sale, and are not revalued at closing;
- a debt is recognized at the period-end if there is a quota deficit.

Since the Group today has only the quotas allocated free of charge by the State under National Quotas Allocation Plans, applying these rules means they are posted as inventories for a zero value. Moreover, as the Group has recorded surpluses to date, no debt is posted to the balance sheet and, if they are not sold, no amount is posted to the income statement.

1.8. Property, plant and equipment

Property, plant and equipment are reported in the consolidated statement of financial position at historical cost less accumulated depreciation and any impairment losses, using the component approach provided for in IAS 16. When an article of property, plant and equipment comprises several significant components with different useful lives, each component is depreciated on a straight-line basis over its respective useful life, starting at commissioning.

The main depreciation periods are presented below depending on the assets category:

	Cement assets	Concrete & Aggregates Assets
Civil engineering:	15 to 30 years	15 years
Large equipment:	15 to 30 years	10 to 15 years
Other industrial equipment:	8 years	5 to 10 years
Electricity:	15 years	5 to 10 years
Controls and instruments:	5 years	5 years

Quarries are depreciated on the basis of tonnage extracted during the year as a ratio of total estimated reserves.

Certain parcels of land owned by French companies acquired prior to December 31, 1976 were revalued, and the adjusted value was recognized in the financial statements, but without a significant impact on the lines concerned.

Interest expenses on borrowings incurred to finance the construction of facilities during the period prior to their commissioning are capitalized. Exchange rate differences arising from foreign currency borrowings are also capitalized inasmuch as they are treated as an adjustment to interest costs and within the limit of the interest charge which would have been paid on borrowings in local currency.

1.9. Leases

Leases, with the exception of those falling within the scope of the exemptions provided for by IFRS 16, are recognized in the balance sheet, when the asset underlying the lease becomes available, as a right-to-use asset and a liability representing the lease payments. The service component of the lease, and in particular that relative to transportation, is identified during the analysis and treated separately from the lease component. Contracts giving the lessee the right to control the use of an identified asset for a fixed term in return for payment are categorized as leases.

The Group applies the exemptions stipulated in the IFRS 16 standard, where the payments are not included in the lease liability and right to use in the following cases:

- payments relating to short-term leases (below or equal to 12 months);
- payments relating to leases of low-value assets (less than US$ 5 thousand or equivalent);
- payments relating to the service component of the lease when this is identical and measurable;
- payments related to leases of intangible assets, which are very small in number.

Lease payments for these contracts or components of leases are recognized as operating expenses for the term of the lease.

The lease term is the non-cancellable contractual period plus, where applicable, extension options considered reasonably certain to be exercised (extension options being exercised during the period or those that the Group has a statistical track record of exercising). The definition of this enforceable duration takes into account both contractual and economic aspects to the extent that the existence of significant penalties in the event of the lessee's termination are analyzed for each contract.

The rights of use related to leases initially include the lease liability, the initial direct costs, prepaid rents and the estimate of the costs of dismantling or restoring the assets provided for in the contract, and exclude any service component. They are depreciated in accordance with IAS 16 “Property, Plant and Equipment” over the shorter of the lease term and the useful life of the underlying asset, and if necessary impaired in accordance with IAS 36 “Impairment of Assets”.

After initial recognition, the right of use related to leases is reported at cost less accumulated depreciation and any impairment losses.

The lease liability is initially measured at the present value of future payments, which include the present value of fixed and variable lease payments, if they are subject to an index or rate, and estimated expected payments at the end of the contract, such as the residual value guarantee and the purchase option, if its exercise is considered reasonably certain.

The discount rate used to calculate the value of the right-of-use asset and the lease liability is based on the interest rate implicit in the lease or, failing that, the lessee’s incremental borrowing rate at the date of signature of the lease. This marginal borrowing rate takes into account several elements including the currency and lease term, the lessee’s economic context and its financial solidity into account. The Group applied interest rates corresponding to the average repayment term of the lease liability, by defining and using yield curves by maturity, taking into account the structure of lease payments and the typology of the available interest rates.

After initial recognition, the lease liability is calculated at amortized cost using the effective interest rate method and is remeasured, with a corresponding adjustment of the right-of-use asset, if future lease payments are modified as a result of negotiation or when renewal or termination options are remeasured.

Lease payments are recognized by applying IFRS 16 with a resulting depreciation charge and interest expense taken to the income statement.

The tax impact of the application of IFRS 16 results in recognition of deferred taxes, assessed on the net lease asset after deduction of the corresponding lease liability.

1.10. Investment properties

The Group recognizes its investment properties at historical cost less accumulated depreciation and any impairment losses. They are depreciated on a straight-line basis over their useful life (10 to 25 years). The fair value of its investment properties is calculated by the Group’s specialist departments, assisted by an external consultant, primarily by reference to market prices observed on transactions involving comparable assets or published by local notary chambers. It is presented in the notes at each year-end.

1.11. Impairment of non-current assets

In accordance with IAS 36, the carrying amounts of assets with indefinite lives are reviewed at each year-end, and during the year, whenever there is an indication that the asset may be impaired. Those with finite lives are only reviewed if impairment indicators show that a loss is likely.

An impairment loss has to be recorded as an expense on the income statement when the carrying amount of the asset is higher than its recoverable value. The latter is the higher of the fair value less the costs of sale and the value in use. The value in use is calculated primarily on a discounted projected cash flow basis over ten years, plus the terminal value calculated on the basis of a projection to infinity of the cash flow from operations in the last year. This time period corresponds to the Group’s capital-intensive nature and the longevity of its industrial equipment.

The projected cash flows are calculated before tax on the basis of the following components that have been inflated and then discounted:

- the EBITDA from the Long-Term Plan over the first five years, then projected to year 10;
- the sustaining capital expenditure;
- the change in the working capital requirement.

The assumptions used in calculating impairment tests are derived from forecasts made by operational staff reflecting as closely as possible their knowledge of the market, the commercial position of the businesses and the performance of the industrial plant. Such forecasts include the impact of foreseeable developments in cement consumption based on macroeconomic and industry sector data, changes likely to affect the competitive position, technical improvements in the manufacturing process and expected developments in the cost of the main production factors contributing to the cost price of the products.

In the case of countries subject to social tensions and security concerns, the assumptions used also include the potential improvement resulting from the progressive and partial easing of some of these tensions and concerns, based on recent data and an examination of the effect of these tensions on current business conditions.

Cash flows before financial expenses but after tax are discounted at the weighted average cost of capital (WACC). The use of an after-tax rate results in the determination of recoverable amounts identical to those obtained using pre-tax rates with non-taxed cash flows. The discount rate is made per country, taking into account the cost of risk-free long-term money, market risk weighted by a sector volatility factor, and a country premium reflecting the specific risks of the market in which the cash generating unit in question operates.

If it is not possible to estimate the value in use of an isolated asset, it is assessed at the level of the cash generating unit that the asset is part of (defined by IAS 36 as the smallest identifiable group of assets that generates cash inflows which are largely independent of the cash inflows from other assets or groups of assets) insofar as the industrial sites or facilities, products and markets form a coherent whole. The analysis was thus carried out for each geographical area/market/business, and the cash-generating units were determined depending on the existence or not of vertical integration between the Group's activities in the area concerned.

The value of the assets tested, at least annually using this method for each cash-generating unit comprises the property, plant and equipment and intangible non-current assets, including the IFRS 16 rights of use, plus the goodwill attributable to non-controlling interests.

These impairment tests are sensitive to the assumptions held for each cash-generating unit, mainly:

- the discount rate as previously defined;
- the inflation rate, which must reflect the selling price and expected future costs;
- the normalized EBITDA margin;
- the long-term investment rate;
- the growth rate to infinity.

Tests are conducted at each year-end on the sensitivity to an increase or decrease of one point in the discount rate and growth rate to infinity applied, in order to assess the effect on the value of the Group's CGUs. Moreover, the discount rate includes a country risk premium and an industry sector risk premium reflecting the cyclical nature of certain factors inherent in the business sector, enabling to understand the volatility of certain elements of production costs, which are sensitive in particular to energy costs.

Recognized impairments can be reversed and are recovered in the event of a decrease, except for those corresponding to goodwill, which are definitive.

1.12. Inventories

Inventories are valued using the weighted average unit cost method, at the lower of purchase price or production cost, and net market value (sales price less completion and sales costs).

The gross value of goods and supplies includes both the purchase price and all related costs.

Manufactured goods are valued at production cost, including the cost of goods, direct and indirect production costs and the depreciation on all consolidated fixed assets used in the production process.

In the case of inventories of manufactured products and work-in-progress, the cost includes an appropriate share of fixed costs based on the standard conditions of use of the production plant.

Inventory impairments are recorded when necessary to take into account any probable losses identified at year-end.

1.13. Receivables

Receivables are valued at amortized cost and recognized for their nominal value (initial amount of the invoice). Receivables are impaired according to the expected losses model defined by IFRS 9 (see note 1.15).

Receivables may be subject to assignment to financial institutions. In this case, a transaction analysis is carried out to assess the transfer of the risks and rewards of ownership of these receivables and especially the one related to credit risk, late payment risk and the risk of dilution. If this assessment concludes to the transfer of contractual rights to the cash flows and also substantially all the risks and rewards related to the assignment, it leads to the derecognition of receivables in the consolidated statement of financial position and all the rights created or retained during the transfer are recognized where necessary. In the opposite situation, receivables are maintained in the consolidated statement of financial position.

1.14. Cash and cash equivalents

Cash and cash equivalents include both cash and short-term investments of less than three months maturity that do not present any risk of a change in value. The latter are marked to market at the end of the period. Net cash, the change in which is presented in the statement of cash flows, consists of cash and cash equivalents less any bank overdrafts.

1.15. Financial instruments

Financial assets

The Group classifies its financial assets, when they are first entered in the financial statements, according to IFRS 9 based on the contractual cash flow characteristics and on the business model assessment of their ownership.

In practice, for the Vicat Group, the criterion of the contractual cash flow characteristics led to make a distinction between, on one side, loan and receivables instruments, for which the evaluation depends on the business model assessment of their ownership, and, on the other side, equity instruments.

According to the standard, there are three types of loan and receivables assets, each associated with a business model and a valuation method:

- assets valued at the amortized cost: the objective is only to hold the assets to collect the contractual cash flows. This is the case with most of loans and receivables;
- assets valued at the fair value through other comprehensive income: the objective is to hold the assets to collect the contractual cash flows and to sell them;

- assets valued at the fair value through the income statement: applied to assets not covered by any of the two previous models.

Concerning the equity instruments covered by IFRS 9, they have to be measured at fair value, for which the Group may elect to recognize changes in fair value, either in financial profit or loss of the income statement, or in other comprehensive income not recycled in profit or loss, depending on the option taken from the beginning, investment by investment. For some unquoted equity investments, the amortized cost was maintained as this method is the best approximation available for the fair value.

All acquisitions and disposals of financial assets are recorded at the transaction date.

According to IFRS 9, impairments of receivables are based on the expected losses during the full lifetime of the asset and credit risk is assessed on the basis of historical data and any available information at the closing date.

Financial liabilities

The Group classifies its non-derivative financial liabilities, when they are first entered in the financial statements, as financial liabilities valued at amortized cost. These comprise mainly borrowings, other financings, bank overdrafts, etc. The Group does not have financial liabilities at fair value through the income statement.

Treasury shares

In compliance with IAS 32, Vicat treasury shares are deducted from shareholders' equity.

Derivatives and hedging

The Group uses hedging instruments to reduce its exposure to changes in interest and foreign currency exchange rates resulting from its business, financing and investment operations. These hedging transactions use financial derivatives. The Group uses interest rate swaps and caps to manage its exposure to interest rate risks. Forward foreign exchange contracts and currency swaps are used to hedge foreign exchange rate risks.

The Group uses derivatives solely for economic hedging purposes and no instrument is held for speculative ends.

Financial derivatives are valued at their fair value in the balance sheet. Except for the cases detailed below, the change in fair value of derivatives is recorded as an offset in the income statement of the financial statement ("Change in fair value of financial assets and liabilities"). The fair values of derivatives are estimated by the following valuation models:

- the market value of interest rate swaps, foreign exchange rate swaps and forward purchase/sale transactions is calculated by discounting the future cash flows on the basis of the "zero coupon" interest rate curves applicable at the end of the presented reporting periods, and is restated where applicable to reflect accrued interest not yet payable;
- interest rate options are revalued on the basis of the Black and Scholes model incorporating the market parameters as at year-end.

Derivative instruments may be designated as hedging instruments, depending on the type of hedging relationship:

- fair value hedging is hedging against exposure to changes in the fair value of a booked asset or liability, or of an identified part of that asset or liability, attributable to a particular risk, for instance interest rate or exchange risks, which would affect the net income presented;
- cash flow hedging is hedging against exposure to changes in cash flow attributable to a particular risk, associated with a recorded asset or liability or with a scheduled transaction (*e.g.* expected sale or purchase or "highly probable" future transaction), which would affect the net income presented.

Hedge accounting for an asset/liability/firm commitment or cash flow is applicable if:

- the hedging relationship is formally designated and documented at its date of inception;
- the effectiveness of the hedging relationship is demonstrated at the inception and then by the regular assessment and correlation between the changes in the market value of the hedging instrument and the market value of the hedged item. The ineffective portion of the hedging instrument is always recognized in the income statement.

The application of hedge accounting results as follows:

- in the event of a documented fair value hedging relationship, the change in the fair value of the hedging derivative is recognized in the income statement as an offset to the change in the fair value of the underlying hedged financial instrument. The income statement is only impacted by the ineffective portion of the hedging instrument;
- in the event of a documented cash flow hedging relationship, the change in the fair value of the effective portion of the hedging derivative is initially recorded in shareholders' equity, and the change in the fair value of the ineffective portion is directly recognized in the income statement. The accumulated changes in the fair value of the hedging instrument previously recorded in shareholders' equity are transferred to the income statement at the same rate as the hedged cash flows.

1.16. Employee benefits

The Group recognizes the entire amount of its commitments relating to post-employment benefits in accordance with IAS 19 revised.

Regulations, standard practices and agreements in force in countries where the Group's consolidated companies have operations provide for various types of post-employment benefits: lump-sum payments on retirement, supplemental pension benefits, guaranteed supplemental pension benefits specifically for executives, etc., as well as other long-term benefits (such as medical cover for retirees, etc.).

Defined contribution plans are those for which the Group's commitment is limited only to the payment of contributions recognized as expenses when they are incurred.

Defined benefit plans include all post-employment benefit programs, other than those under defined contribution plans, and represent a future liability for the Group. The corresponding liabilities are calculated on an actuarial basis (changes in salaries, mortality, rotation, etc.) using specific actuarial assumptions and the projected unit credit method, in accordance with the clauses provided for in the collective bargaining agreements and with standard practices and law.

Dedicated financial assets, which are mainly equities and bonds, are used to cover all or a part of these liabilities, principally in the United States and Switzerland. The net position of each pension plan is fully provided for in the statement of financial position less, where applicable, the fair value of these invested assets, within the limit of the asset ceiling cap. Any surplus (in the case of overfunded pension plans) is only recognized in the statement of financial position to the extent that it represents a future economic benefit that will be effectively available to the Group, within the limits defined by the standard.

Actuarial variances arise due to changes in actuarial assumptions and/or variances observed between these assumptions and the actual figures. Actuarial gains and losses on post-employment benefits are recognized under "Other comprehensive income" and are not recycled to profit or loss.

The Group has chosen to apply the IFRS 1 option and to zero the actuarial variances linked to employee benefits not yet recognized on the transition balance sheet by allocating them to shareholders' equity.

1.17. Put options granted on shares in consolidated subsidiaries

Under IAS 27 and IAS 32, put options granted to minority third parties in fully consolidated subsidiaries are reported in the financial liabilities at the present value of their estimated price offset by a reduction in the corresponding minority interests.

The difference between the value of the option and the amount of the minority interests is recognized:

- in goodwill, in the case of options issued before January 1, 2010;
- as a reduction in shareholders' equity – Group share (options issued after January 1, 2010).

The liability is estimated based on the contract information available (price, formula, etc.) and any other factor relevant to its valuation. Its value is reviewed at each year-end and the subsequent changes in the liability are recognized:

- either as an offset to goodwill (options granted before January 1, 2010);
- or as an offset to shareholders' equity – Group share (options issued after January 1, 2010).

No impact is reported in the income statement other than the impact of the annual discounting of the liability recognized in Net financial income; the income share of the Group is calculated on the basis of the percentage held in the subsidiaries in question, without taking into account the percentage holding attached to the put options.

1.18. Provisions

In accordance with IAS 37, a provision is recognized when the Group has a current commitment, whether statutory or implicit, resulting from a significant event prior to the closing date which would lead to an outflow of resources without corresponding inflow after the closing date, which can be reliably estimated.

These include, notably, provisions for site reinstatement, which are set aside progressively as quarries are used and include the projected costs related to the Group's obligation to reinstate such sites.

In accordance with IAS 37, provisions are discounted when the impact is significant. The effects of this discounting are recorded under Net financial income.

1.19. Revenue

In accordance with the IFRS 15 accounting standard, revenue is recognized when control over the goods or services is transferred to the customer, which generally, given the nature of the Group's business, corresponds to the date of delivery. It is reported for an amount that reflects the consideration to which the Group expects to be entitled in exchange of transferring those goods or services, net of commercial discounts and rebates and after deduction of excise duties collected by the Group under its business activities. Revenue includes transport and handling costs invoiced to customers.

The Group's sales are mainly of property and services forming a single obligation because the promise to supply the service or property cannot be identified separately, insofar as the Vicat Group offers services integrated with the product to its customers.

1.20. Other income and expenses

Other income and expenses are those arising from the Group's operating activities that are not received or incurred as part of the direct production process or sales activity. These other income and expenses consist mainly of insurance payments, patent royalties, sales of surplus greenhouse gas emission rights, the lease revenues and investment properties and certain charges relating to losses or claims.

1.21. Income taxes

Deferred taxes are calculated at the tax rates passed or virtually passed at the year-end and expected to be applied during the period when assets are sold or liabilities are settled.

Deferred taxes are calculated, based on an analysis of the balance sheet, on timing differences identified in the Group's subsidiaries between the values recognized in the consolidated statement of financial position and the values of assets and liabilities for tax purposes.

Deferred taxes are recognized for all timing differences, including those on restatement of finance leases, except when the timing difference results from goodwill.

Deferred tax assets and liabilities are netted out at the level of each company. When the net amount represents a receivable, a deferred tax asset is recognized if it is probable that the Company will generate future taxable income against which to allocate the deferred tax assets.

Uncertainty over the accounting treatment of risks related to income taxes and the non-acceptance by the tax authorities of the tax treatment adopted is recognized in income tax assets/liabilities in accordance with the probability of its occurrence, which does not take into account the probability of non-detection by the tax authorities. Each uncertainty analyzed individually is assessed either by using the most probable amount or the weighted average of the different possible scenarios.

1.22. Segment information

In accordance with IFRS 8 "Operating Segments" the segment information provided in note 25 is based on information taken from the internal reporting. This information is used internally by the General Management responsible for implementing the strategy defined by the Chairman of the Board of Directors for measuring the Group's operating performance and for allocating capital expenditure and resources to geographical areas and business segments.

The operating segments defined pursuant to IFRS 8 comprise the following six geographic regions in which the Group operates and which can, as permitted by IFRS 8, combine countries with similarities:

- France;
- Europe (except France) including Switzerland and Italy;
- Americas including United States and Brazil;
- Asia including India and Kazakhstan;
- Mediterranean region including Turkey and Egypt;
- Africa including Senegal, Mali and Mauritania.

This organization reflects the Group's matrix-based organization as well as the predominance of geographical aspects in the strategic analyses presented to the General Management. More concise additional information is presented per business sector.

The management indicators presented were adapted in order to be consistent with those used by the General Management, while complying with IFRS 8 disclosure requirements: revenue from operations and consolidated revenue, EBITDA and EBIT (see note 1.23), total non-current assets, net capital employed (see note 25), industrial investments, depreciation and amortization and number of employees.

The management indicators used for internal reporting are identical for all the segments defined above and are determined in accordance with the IFRS principles applied by the Group in its consolidated financial statements.

1.23. Financial indicators

The following financial performance indicators are used by the Group, as by other industrial players and notably in the building materials sector, and presented with the income statement:

Value-added: value of production less consumption of materials used in the production process.

Gross operating income: value-added less personnel costs, taxes and duties (except income taxes and deferred taxes), plus grants and subsidies.

EBITDA (Earnings Before Interest, Tax, Depreciation and Amortization): it is the gross operating income plus other ordinary income and expenses.

EBIT (earnings before interest and tax): EBITDA less net depreciation, amortization, additions to provisions and impairment losses on ongoing business.

Cash flow: net income before net non-cash expenses (*i.e.* predominantly depreciation, amortization, additions to provisions and impairment losses, deferred taxes, gains and losses on disposals and fair value adjustments).

1.24. Seasonality

Demand in the Cement, Ready-Mixed Concrete & Aggregates businesses is seasonal and tends to decrease in winter in temperate countries and during the rainy season in tropical countries. The Group therefore generally records lower revenue in the first and fourth quarters, *i.e.* the winter season in its main markets in Western Europe and North America. In the second and third quarters, in contrast, revenue is higher, due to the summer season being more favorable for construction work.

NOTE 2 Changes in consolidation scope and other significant events

Macroeconomic environment and business trend within the Covid-19 pandemic context

During the financial year 2020, the Group's revenue was impacted by the pandemic in the twelve countries in which it operates in the first half of the year, before experiencing a sharp rebound in business in the second half of the year.

In this specific context, the Group's priority has been first of all to ensure the health safety of its employees, of its customers and of its suppliers by strictly applying procedures adapted to the health situation.

- In France, although the level of activity was significantly impacted by the health crisis and the government measures put in place to deal with it at the end of March and during the months of April and May, the situation has improved significantly from June. Thus, the rebound in activity observed over the last seven months of the year made it possible to partially make up for the decline recorded during the first half of the year;
- In Switzerland, activity remained well oriented in the Cement and Concrete & Aggregates activities;
- In Western Africa, activity remained dynamic in Cement, supported by positive volumes and prices trend. The Aggregates business in Senegal was affected by the sharp slowdown in public infrastructure projects;
- In the United States, despite the worrying evolution of the pandemic, business remained well oriented both in terms of volumes and selling prices, benefiting in particular from the economic support measures put in place by the State;
- In Brazil, the sector environment in the markets in which the Group operates was little affected by the Covid-19 epidemic, and activity remained dynamic throughout the year;
- In the Mediterranean region (Turkey and Egypt), the macro-economic and competitive environments remained difficult without this being specifically attributable to the Covid-19 epidemic. In this context, while the commercial strategies implemented by the Group have enabled it to record an increase in its activity over the full year, operating results have once again deteriorated;
- In Kazakhstan, after a particularly dynamic start in the early part of the year, lockdown decisions and the competitive environment slightly impacted volumes and selling prices during the second quarter. The environment was more favorable in the second half of the year, enabling the Group to record an improvement in its revenue at constant exchange rates in 2020;
- Finally, in India, after the strict lockdown decisions taken by the authorities significantly affecting the level of activity in the first half of the year, the situation gradually improved during the second half of the year, and more particularly in the last quarter of the year, enabling the Group to record an almost stable level of activity at constant exchange rates over the full year.

In this unprecedented context, adaptive measures have been put in place as part of a cost-cutting plan, improvement of working capital and postponement of non-strategic industrial investments.

Furthermore, a certain number of measures to adapt working practices have been applied (temporary sites shutdowns, barrier measures, remote working, etc.). These various actions were reflected as follows in the Group's income statement as at December 31, 2020:

- additional and non-productive costs directly attributable to the application of barrier measures such as the purchase of masks, gels, the installation of specific equipment, etc. The impact of these charges is -€ 2 million and is presented in EBITDA;
- Government support measures which, for the Group, mainly take the form of short-time working schemes in France, Switzerland and Turkey for an amount of € 0.7 million recognized as a deduction from the corresponding personnel expenses (in accordance with IAS 20).

In this particular context, the Group took care to analyze all the potential accounting consequences related to the Covid-19 pandemic. Among these subjects are the impairment of receivables, impairment of inventories as well as fixed assets and investments in associated companies or deferred taxes asset recovery as well as to any evidence of impairment and valuation used for impairment tests.

None of these subjects had a significant impact on the Group's accounts as of December 31.

Transfer of the head office from Paris to L'Isle d'Abeau

Measures to adapt the Group's cost structures were put in place from the first half of 2020 as part of a plan to reduce operating costs and postpone non-strategic industrial investments. In this context, the Group has in particular decided to relocate its head office in L'Isle d'Abeau near Lyon, the Group's operational center in France where the Corporate teams were installed in September.

Volatility of exchange rates and impact on the income statement

The income statement for the first half of 2020 was strongly impacted by the depreciation of the majority of foreign currencies against the euro, mainly the Brazilian real, the Indian rupee and the Turkish lira. Over the period, this resulted in a negative currency effect of -€ 104.7 million on consolidated revenue and -€ 23.6 million on EBITDA.

Consolidated shareholders' equity showed a negative translation adjustment in 2020 for a total net amount of € 270.2 million.

Egypt

Despite an operation that has now been under way for nearly two years, the Egyptian army has not yet succeeded in fully restoring security to all parts of the Sinaï. However, commercial operations have restarted and logistic flows have more or less returned to the previous situation.

As a result, commercial activity is up significantly, with sales volumes increasing by 28% compared to the previous year, despite the disruptions related to the health crisis and the freeze on building permits, which penalized activity for several months. Nevertheless, the entire cement industry has suffered with a market slowed down by the Covid-19 crisis, and furthermore, still disrupted by a cement player dependent on the State.

Taking into account this gap in the expected improvement of the operating conditions and results of its operations, the Group recognized impairment of assets related to Egypt for nearly €19 million.

Provided no further adverse geopolitical, health or security developments occur, these events and their ramifications are so far unlikely to jeopardize the medium-term prospects of an improvement in the subsidiary's profitability, which should begin to gradually occur starting from 2021. Renewed growth in cement consumption amid the upturn in Egypt's macroeconomic conditions, observed before the health crisis holds out the prospect of major development opportunities for Sinaï Cement Company, especially if this return to growth is accompanied, as announced by the Egyptian authorities, by a solution to the troubles in Sinaï and the Gaza Strip as well as the opening of export opportunities.

To be fully able to benefit from the expected market recovery, SCC plans to invest in the production facility, which has been damaged by years in a difficult operating environment. To fund with the capital projects to improve its productivity and control its costs, the Group launched an EGP 650 million capital increase to strengthen the subsidiary's financial structure. The funds provided by the shareholders will be released to the subsidiary, once these administrative approvals have been obtained. The release of the funds contributed by the shareholders will take place after obtaining the administrative approvals, the process of which has been ongoing for more than two years. This deadlock, which gave rise to discussions with the authorities, was due in particular to a difference in the interpretation of the legislation on foreign interests in the Sinai region. With a favorable decision from the Cairo Economic Court in January 2020, the Group expects a resolution of the situation in the coming months.

US Private Placement reimbursement

In the Third quarter of 2020, the Group refinanced part of its debt, which allowed it to extend the average maturity and reduce the average cost of its financing. On November 30, 2020, the Group drew a USPP, originally denominated in euros, for an amount of € 174.6 million, at a fixed rate of 2.07% and with a maturity of 15 years. This arrangement made it possible to repay, at maturity, the ten-year tranche of the US Private Placement set up in 2010 for an amount of US$ 230 million.

Summary of significant events in 2019

Acquisition of Ciplan

Further to the agreement signed in early October 2018, the Vicat Group acquired Ciplan (Cimento do Planalto) on January 21, 2019, and now holds a majority 66.07% stake in the company's share capital, after taking into account the working capital requirement and net debt at the transaction date. This deal took place through a reserved capital increase of € 295 million, which was used to repay most of Ciplan's existing debt. Vicat financed the acquisition by drawing on its existing bank facilities.

Ciplan operates a modern plant, in the vicinity of Brasilia, with a total installed cement capacity of 3.2 million tons per year. It is backed by high quality and abundant mineral resources. The Company also boasts nine ready-mixed concrete plants and five quarries (including two aggregates quarries).

This acquisition represents a further step forward in Vicat's strategy of selective acquisitions and geographical diversification and will establish Vicat in a new emerging market with strong growth potential. To help it capture the full potential of the Brazilian market's prospective growth, Vicat will be able to leverage a highly efficient industrial asset base, high brand recognition, abundant quarry reserves and strong competitive positions in its local markets.

Group refinancing – *Schuldschein*

The Vicat Group successfully completed a € 290 million *Schuldscheindarlehe*n issue (German private placement) on April 26, 2019 to refinance its debt while lowering its average borrowing costs, extending its average debt maturity and diversifying its funding sources.

This financing consists of five-, seven- and ten-year maturities, combining fixed- and floating-rate tranches. Average maturity worked out at 6.24 years and the average interest rate at 1.3% on the date of the transaction.

Furthermore, Vicat activated the option allowing it to retain the initial five-year term at the end of the second year on the € 550 million syndicated loan as well as the bilateral lines. These transactions extend the average debt maturity which stood at 4.4 years at December 31, 2019.

NOTE 3 Goodwill

The change in the net goodwill is analyzed in the table below:

(in thousands of euros)	December 31, 2020	December 31, 2019
Opening	1,231,538	1,006,753
Acquisitions/Additions	834	232,841
Disposals/Decreases	(9,814)	(2,988)
Change in foreign exchange rate	(97,527)	(5,068)
Other movements	(6,157)	-
CLOSING	**1,118,874**	**1,231,538**

Impairment test on goodwill

In accordance with IFRS 3 and IAS 36, at the end of each year and in the event of any evidence of impairment, goodwill is subject to an impairment test using the method described in notes 1.4 and 1.11.

At the end of these analyzes, an impairment of € 7.7 million of goodwill was recognized at December 31, 2020. This impairment loss was included in the line "Other CGUs cumulative" and mainly concerns Egypt.

Goodwill is distributed as follows by cash-generating unit (CGU):

December 2020	Goodwill *(in thousands of euros)*	Discount rate after tax used for the impairment tests *(in %)*	Growth rate to infinity used for the impairment tests *(in %)*	Impairment which would result from a change of +1% in the discount rate	Impairment which would result from a change of -1% in the growth rate to infinity
India CGU	209,598	9.7%	5.5		
West Africa Cement CGU	147,763	7.8% to 11.8%	3.5 to 4		
France-Italy CGU	219,811	6.5%	1.3		
Switzerland CGU	144,941	6.5%	1.0		
Brazil CGU	140,456	8.3%	3.0		
Other CGUs cumulated	256,305	6.6% to 18.3%	2 to 8.3	(39,941)	(19,438)
TOTAL	**1,118,874**			**(39,941)**	**(19,438)**

The impairment tests carried out in 2019 did not result in the recognition of any impairment of goodwill.

Sensitivity tests for a 1% change in the discount rate and a -1% change in the perpetual growth rate carried out at the balance sheet date resulted in the recoverable amount of two CGUs in the Mediterranean region in both cases being less than their net carrying amount.

NOTE 4 Other intangible assets

Gross values *(in thousands of euros)*	**Concessions, patents & similar rights**	**Software**	**Other intangible assets**	**Intangible assets in progress**	**Total**
AT DECEMBER 31, 2018	82,215	55,894	71,831	10,738	220,678
Acquisitions	3,161	4,243	722	10,481	18,607
Disposals	-	(3,060)	(1,149)	-	(4,209)
Changes in consolidation scope	44,521	1,692	15,930	-	62,143
Change in foreign exchange rate	(1,193)	235	722	207	(29)
Other movements	2,979	3,430	1,071	(5,048)	2,432
AT DECEMBER 31, 2019	131,683	62,434	89,127	16,378	299,622
Acquisitions	2,003	3,384	2,035	10,381	17,803
Disposals	-	(536)	(280)	(2,392)	(3,208)
Changes in consolidation scope	-	-	-	-	-
Change in foreign exchange rate	(13,531)	(816)	(7,026)	(48)	(21,421)
Other movements	2,446	1,670	(49)	(4,575)	(508)
AT DECEMBER 31, 2020	**122,601**	**66,136**	**83,807**	**19,744**	**292,288**

Depreciation and impairment *(in thousands of euros)*	**Concessions, patents & similar rights**	**Software**	**Other intangible assets**	**Intangible assets in progress**	**Total**
AT DECEMBER 31, 2018	(24,302)	(37,661)	(40,399)	-	(102,362)
Increase	(1,604)	(5,789)	(4,553)	-	(11,946)
Decrease	-	505	449	-	954
Changes in consolidation scope	(71)	(8)	179	-	100
Change in foreign exchange rate	(456)	(251)	(708)	-	(1,415)
Other movements	(2,464)	-	4,557	-	2,093
AT DECEMBER 31, 2019	(28,897)	(43,204)	(40,475)	-	(112,576)
Increase	(1,578)	(6,735)	(4,249)	-	(12,562)
Decrease	-	48	280	-	328
Changes in consolidation scope	-	-	-	-	-
Change in foreign exchange rate	525	347	2,022	-	2,894
Other movements	259	(45)	226	-	440
AT DECEMBER 31, 2020	**(29,691)**	**(49,589)**	**(42,196)**	**-**	**(121,476)**
Net book value at December 31, 2019	102,786	19,230	48,652	16,378	187,046
NET BOOK VALUE AT DECEMBER 31, 2020	**92,910**	**16,547**	**41,611**	**19,744**	**170,812**

No development costs were capitalized in 2020 and 2019.

Research & development costs recognized as expenses in 2020 amounted to € 3.4 million (€ 4. 2 million in 2019).

NOTE 5 Property, plant and equipment

Gross values *(in thousands of euros)*	Lands & Buildings	Industrial sites or facilities	Other property, plant and equipment	Assets in progress and advances/down payments	Total
AT DECEMBER 31, 2018	1,158,777	2,998,692	140,876	121,719	4,420,064
Acquisitions	10,099	27,706	6,840	177,208	221,853
Disposals	(6,645)	(16,849)	(11,866)	(39)	(35,399)
Changes in consolidation scope	154,070	39,282	9,055	394	202,801
Change in foreign exchange rate	4,134	18,873	2,164	970	26,141
Other movements	28,574	78,195	4,252	(120,150)	(9,129)
AT DECEMBER 31, 2019	1,349,009	3,145,899	151,321	180,102	4,826,331
Acquisitions	16,167	31,569	9,067	249,359	306,162
Disposals	(3,612)	(30,194)	(6,512)	(378)	(40,696)
Changes in consolidation scope	-	250	16	-	266
Change in foreign exchange rate	(88,011)	(166,279)	(2,814)	(12,723)	(269,827)
Other movements	36,382	103,553	2,531	(147,616)	(5,150)
AT DECEMBER 31, 2020	**1,309,935**	**3,084,798**	**153,609**	**268,744**	**4,817,086**

Depreciation and impairment *(in thousands of euros)*	Lands & Buildings	Industrial sites or facilities	Other property, plant and equipment	Assets in progress and advances/down payments	Total
AT DECEMBER 31, 2018	(551,209)	(1,960,334)	(102,476)	(5)	(2,614,024)
Increase	(44,408)	(132,074)	(9,223)	-	(185,705)
Decrease	6,156	15,529	10,912	-	32,597
Changes in consolidation scope	(1,449)	(2,532)	(4,396)	-	(8,377)
Change in foreign exchange rate	(5,937)	(13,730)	(1,678)	-	(21,345)
Other movements	2,346	1,897	(1,944)	5	2,304
AT DECEMBER 31, 2019	(594,501)	(2,091,244)	(108,805)	-	(2,794,550)
Increase	(45,875)	(135,219)	(9,584)	-	(190,678)
Decrease	811	26,328	6,039	-	33,178
Changes in consolidation scope	-	-	(5)	-	(5)
Change in foreign exchange rate	21,813	93,169	1,519	-	116,501
Other movements	(2,818)	12,584	(3,446)	-	6,320
AT DECEMBER 31, 2020	(620,570)	(2,094,382)	(114,282)	-	(2,829,234)
Net book value at December 31, 2019	754,508	1,054,655	42,516	180,102	2,031,781
NET BOOK VALUE AT DECEMBER 31, 2020	**689,365**	**990,416**	**39,327**	**268,744**	**1,987,852**

Property, plant and equipment under construction amounted to € 258 million as at December 31, 2020 (€ 161 million as at December 31, 2019) and advances/down payments on property, plant and equipment represented € 11 million as at December 31, 2020 (€ 19 million as at December 31, 2019).

Contractual commitments to acquire tangible and intangible assets amounted to € 160 million as at December 31, 2020 (€ 274 million as at December 31, 2019).

Capitalized interest amounted to € 1.9 million as at December 31, 2020 (€ 0.7 million in 2019).

NOTE 6 Right of use related to leases

Gross values *(in thousands of euros)*	Land	Buildings	Plant, machinery and equipment	Other property, plant and equipment	Total
AT DECEMBER 31, 2018	83,601	68,413	164,410	73,513	389,937
Acquisitions	3,770	5,549	25,418	16,126	50,863
Disposals	(359)	(2,152)	(20,601)	(14,253)	(37,365)
Changes in consolidation scope	141	3,149	837	-	4,127
Change in foreign exchange rate	470	374	781	102	1,727
Other movements	(5,476)	(549)	1,874	(6,297)	(10,448)
AT DECEMBER 31, 2019	82,147	74,784	172,719	69,191	398,841
Acquisitions	5,544	5,470	26,339	12,640	49,993
Disposals	(914)	(3,793)	(46,505)	(13,072)	(64,284)
Changes in consolidation scope	-	-	-	-	-
Change in foreign exchange rate	(3,427)	(1,813)	(9,239)	(1,130)	(15,609)
Other movements	(1,624)	23	(1,345)	(11,388)	(14,334)
AT DECEMBER 31, 2020	**81,726**	**74,671**	**141,969**	**56,241**	**354,607**

Depreciation and impairment *(in thousands of euros)*	Land	Buildings	Plant, machinery and equipment	Other property, plant and equipment	Total
AT DECEMBER 31, 2018	(21,184)	(34,855)	(72,126)	(37,980)	(166,145)
Increase	(5,542)	(6,440)	(31,174)	(14,464)	(57,620)
Decrease	357	1,752	17,496	14,139	33,744
Changes in consolidation scope	(133)	(712)	(636)	-	(1,481)
Change in foreign exchange rate	(103)	(151)	(486)	(81)	(821)
Other movements	(300)	345	2,298	10,205	12,548
AT DECEMBER 31, 2019	(26,905)	(40,061)	(84,628)	(28,181)	(179,775)
Increase	(5,882)	(7,601)	(29,471)	(11,346)	(54,300)
Decrease	900	3,169	42,540	12,965	59,574
Changes in consolidation scope	-	-	-	-	-
Change in foreign exchange rate	695	891	4,259	242	6,087
Other movements	1,324	1,134	(3,030)	1,208	636
AT DECEMBER 31, 2020	**(29,868)**	**(42,468)**	**(70,330)**	**(25,112)**	**(167,778)**
Net book value at December 31, 2019	55,242	34,723	88,091	41,010	219,066
NET BOOK VALUE AT DECEMBER 31, 2020	**51,858**	**32,203**	**71,639**	**31,129**	**186,829**

Main leasing activities

Most of the leases in force in the Group concern vehicles directly linked to operational activity (construction sites, road transportation and private cars) and real estate (land and buildings). In fact, the Group leases land and buildings, mainly for its offices, concrete batching plants, quarries and warehouses. To a lesser extent, they also concern machinery, equipment and IT equipment.

The majority of these contracts are carried by the Group's French entities, and to a lesser extent by American, Swiss and Turkish companies. The other countries in which the Group operates have an insignificant number of contracts.

Payments made for leases with a term of 12 months or less, or for those relating to low-value assets (unit value of < US$ 5 thousand or equivalent) and expenses related to variable lease payments that are not reliant on a rate and/or index are not included in the measurement of lease liabilities.

An analysis of lease obligations is presented in note 16 “Net financial liabilities and put options”.

NOTE 7 Investment properties

(in thousands of euros)	Gross value	Depreciation & Impairment	Net book value
AT DECEMBER 31, 2018	40,533	(25,042)	15,491
Acquisitions/Additions	271	(933)	(662)
Disposals/Decreases	(242)	184	(58)
Change in foreign exchange rate	441	(159)	282
Changes in consolidation scope and other	75	(3)	72
AT DECEMBER 31, 2019	41,078	(25,953)	15,125
Acquisitions/Additions	654	(870)	(216)
Disposals/Decreases	(569)	314	(255)
Change in foreign exchange rate	59	(20)	39
Changes in consolidation scope and other	326	(188)	138
AT DECEMBER 31, 2020	**41,548**	**(26,717)**	**14,831**
Fair value of investment properties at December 31, 2019			77,761
FAIR VALUE OF INVESTMENT PROPERTIES AT DECEMBER 31, 2020			**78,568**

Rental income from investment properties amounted to € 4 million at December 31, 2020 and € 4.3 million at December 31, 2019.

NOTE 8 Investments in associated companies

Change in investments in associated companies *(in thousands of euros)*	2020	2019
AT JANUARY 1st	85,212	53,044
Earnings from associated companies	4,021	5,094
Dividends received from investments in associated companies	(4,860)	(1,486)
Changes in consolidation scope(1)	(902)	25,861
Change in foreign exchange rates and other	(5,598)	2,699
AT DECEMBER 31st	**77,873**	**85,212**

(1) Change in 2019 mainly due to equity investments in Turkey, Brazil and France.

NOTE 9 Receivables and other non-current assets

(in thousands of euros)	Gross value	Impairment	Net book value
AT DECEMBER 31, 2018	**154,658**	**(1,827)**	**152,831**
Acquisitions/Additions	46,212	(1,227)	44,985
Disposals/Decreases	(13,291)	-	(13,291)
Changes in consolidation scope(1)	65,625	-	65,625
Change in foreign exchange rate	(1,202)	(22)	(1,224)
Changes of other items in other comprehensive income	(12,432)	-	(12,432)
Others	(1,019)	667	(352)
AT DECEMBER 31, 2019	**238,551**	**(2,409)**	**236,142**
Acquisitions/Additions	55,900	(11,918)	43,982
Disposals/Decreases	(10,198)	1,707	(8,491)
Changes in consolidation scope	-	-	-
Change in foreign exchange rate	(29,739)	-	(29,739)
Changes of other items in other comprehensive income	(5,990)	115	(5,875)
Others	3,694	(537)	3,157
AT DECEMBER 31, 2020	**252,218**	**(13,042)**	**239,176**
including:			
■ investments in subsidiaries & affiliates companies (see note 17)	39,900	(479)	39,421
■ loans and receivables(1)(2)	192,062	(12,563)	179,499
■ employee benefit plan assets (see note 14)	13,141	-	13,141
■ financial instruments (see note 16)	7,115	-	7,115
AT DECEMBER 31, 2020	**252,218**	**(13,042)**	**239,176**

(1) Ciplan:
At the time of its acquisition by the Vicat Group, Ciplan received a firm and irrevocable guarantee from from its minority shareholders for all litigation or future litigation relating to the period prior to the acquisition. This guarantee is recognized in other non-current assets in the amount of € 48 million at end-December 2020 (€ 66 million at end-December 2019) for the same amount as provisions for indemnifying claims (see note 15).

(2) Bharathi Cement:
On December 31, 2020, € 32 million (including interest) recorded in "Other non-current receivables", is the subject of two provisional attachments on the bank accounts of an Indian company in the Group, Bharathi Cement, as part of a preliminary investigation by the administrative and judicial authorities into events before Vicat entered its capital. The Group's partner in Bharathi Cement is the focus of an inquiry by the CBI (Central Bureau of Investigation) regarding the source and the growth of his assets.
In connection with this inquiry, the CBI filed 14 charge sheets in September 2012 and over the course of 2013, presenting its allegations. Among these, four also involve Bharathi Cement (the CBI is interested in determining whether the investments made in this company by Indian investors were carried out in good faith in the ordinary course of business and if the mining concession was granted in accordance with regulations).

The proceedings, in 2015, led to a precautionary seizure by the Enforcement Directorate of INR 950 million (approximately € 12 million) on a bank account held by Bharathi Cement. A second precautionary seizure of INR 1,530 million (approximately € 19 million) was made in 2016 within the context of charges regarding the mining concession. While these measures are not such as to hinder the Company's operations, the Company is appealing to the administrative and judicial authorities to challenge their validity.

In July 2019, the Court of Appeal in Delhi invalidated the seizure of INR 1,530 million and demanded a bank guarantee prior to the repayment of the funds.
The Enforcement Directorate has appealed this judgment.
The provisional attachments do not prejudice the merits of the case (CBI investigation) which is still under review and has not at this point led to a charge. The Company has no reason to think there is any probable or measurable financial risk.

Given how long the proceedings, started in 2012, are taking, the receivable related to these precautionary seizures was reclassified at end-2018 as "Other non-current receivables" (see note 11).

Impairment of loans and receivables:

Difficulties related to the macroeconomic environment led the Group to record during the first half of 2020 a depreciation of € 10.9 million related to loans made in connection with investments in the Mediterranean area.

NOTE 10 Inventories and work-in-progress

(in thousands of euros)	December 31, 2020			December 31, 2019		
	Gross	Provisions	Net	Gross	Provisions	Net
Raw materials and consumables	268,824	(28,162)	240,662	302,524	(26,750)	275,774
Work-in-progress, finished goods and goods for resale	120,284	(6,009)	114,275	131,990	(6,213)	125,777
TOTAL	**389,108**	**(34,171)**	**354,937**	**434,514**	**(32,963)**	**401,551**

Surplus greenhouse gas emission quotas received free of charge in France are recorded under inventories at a zero value (corresponding to 5,155 thousand tons at year-end 2020 and 4,757 thousand tons at year-end 2019).

NOTE 11 Receivables

(in thousands of euros)	Trade and other receivables	Provisions Trade and other receivables	Trade and other receivables Net	Other tax receivables	Payroll-related receivables	Other receivables[(1)]	Provisions other receivables	Total other receivables net
AT DECEMBER 31, 2018	431,363	(24,278)	407,085	57,028	4,042	84,322	(2,647)	142,745
Increase	-	(6,126)	(6,126)	-	-	-	(108)	(108)
Reversal of provisions used	-	5,913	5,913	-	-	-	54	54
Change in foreign exchange rate	(1,397)	242	(1,155)	(631)	136	1,073	14	592
Changes in consolidation scope	18,182	(3,174)	15,008	6,845	235	6,038	-	13,118
Other movements	(4,157)	-	(4,157)	8,798	(255)	27,837	(5)	36,375
AT DECEMBER 31, 2019	443,991	(27,423)	416,568	72,040	4,158	119,270	(2,692)	192,776
Increase	-	(5,631)	(5,631)	-	-	-	(123)	(123)
Reversal of provisions used	-	6,675	6,675	-	-	-	149	149
Change in foreign exchange rate	(26,376)	2,305	(24,071)	(7,173)	(91)	(3,513)	139	(10,638)
Changes in consolidation scope	406	-	406	(6)	-	53	-	47
Other movements	46,948	(21)	46,927	(494)	567	(31,746)	1,958	(29,715)
AT DECEMBER 31, 2020	**464,969**	**(24,095)**	**440,874**	**64,367**	**4,634**	**84,064**	**(569)**	**152,496**
of which past due as at December 31, 2020:								
▪ less than 3 months	64,864	(4,872)	59,992	5,256	2,086	21,579	(95)	28,826
▪ more than 3 months	19,219	(15,437)	3,782	11,571	414	2,910	(269)	14,626
of which not past due as at December 31, 2020:								
▪ less than 1 year	378,039	(1,801)	376,238	47,500	2,134	47,406	(205)	96,835
▪ more than 1 year	2,847	(1,985)	862	40	-	12,169	-	12,209

(1) Including on December 31, 2020 a total of € 16.0 million (€ 16.5 million at December 31, 2019) corresponding to a tax credit (including interest) for a sales tax (PIS COFIN) contested by our Brazilian subsidiary which obtained a favorable final judgment in the courts in the second semester of 2019.

NOTE 12 Cash and cash equivalents

(in thousands of euros)	December 31, 2020	December 31, 2019
Cash	145,416	171,841
Marketable securities and term deposits < 3 months	277,427	226,673
CASH AND CASH EQUIVALENTS	**422,843**	**398,514**

Cash deposits include, at December 31, 2020, € 34 million (€ 36 million at the end of 2019) corresponding to the exchange value in "euros" of subscriptions by the shareholders of Sinaï Cement Company, our Egyptian subsidiary, for the ongoing capital increase subscription for which release and thus availability is contingent on approval of the local competent regulatory authorities (See note 2).

NOTE 13 Share capital

Vicat share capital is composed of 44,900,000 fully paid-up ordinary shares with a nominal value of € 4 each, including 717,855 treasury shares as at December 31, 2020 (652,682 as at December 31, 2019) acquired under the share buyback programs approved by the Ordinary General Meetings, and through Heidelberg Cement's disposal of its 35% stake in Vicat in 2007.

These are registered shares or bearer shares, at the shareholder's option. Voting rights attached to shares are proportional to the share of the capital which they represent and each share gives the right to one vote, except in the case of fully paid-up shares registered for at least four years in the name of the same shareholder, to which two votes are assigned.

The dividend paid in 2020 in respect of 2019 amounted to € 1.50 per share, amounted to a total of € 67,350 thousand, equal to € 1.50 per share paid in 2019 in respect of 2018 and amounted to a total of € 67,350 thousand. The dividend proposed by the Board of Directors to the Ordinary General Meeting for 2020 amounts to € 1.50 per share, totaling € 67,350 thousand.

In the absence of any dilutive instrument, diluted earnings per share are identical to basic earnings per share, and are obtained by dividing the Group's net income by the weighted average number of Vicat ordinary shares outstanding during the year.

Since June 30, 2018, for a period of 12 months renewable by tacit agreement, Vicat has engaged Oddo BHF (previously Natixis Securities) to implement a liquidity agreement in accordance with the AMAFI (French financial markets professional association) Code of Ethics of September 20, 2008.

The following amounts were allocated to the liquidity agreement for its implementation: 20,000 Vicat shares and € 3 million in cash.

As at December 31, 2020, the liquidity account is composed of 50,006 Vicat shares and € 1,514 thousand in cash.

In February 2020, Vicat and Natixis entered into a new share buyback mandate under which Vicat gave a mandate to Natixis to acquire on its behalf and in its name, as part of its share buyback program, a maximum quantity of 40,000 shares. This program was fully implemented during the year.

NOTE 14 Employee benefits

(in thousands of euros)	December 31, 2020	December 31, 2019
Pension plans and termination benefits (TB)	62,233	65,309
Other benefits	76,789	75,926
Total pension and other post-employment benefit provisions	**139,022**	**141,235**
Plan assets (note 9)	(13,141)	(5,810)
NET LIABILITY	**125,881**	**135,425**

The Group's main plans: The Group's main defined benefit pension plans are located in Switzerland, the United States and France. Most of these plans are pre-funded through insurance policies or investments in pension funds. Funding approaches used comply with local law, particularly with respect to the minimum funding requirements for past entitlements. Given the material nature of these commitments, the Group updates its actuarial analysis each year in order to reflect the cost of these plans in its financial statements.

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Net liability recognized in the balance sheet

(in thousands of euros)	December 31, 2020			December 31, 2019		
	Pension plans and TB	Other benefits	Total	Pension plans and TB	Other benefits	Total
Present value of funded liabilities	509,245	76,789	586,034	505,838	75,926	581,764
Fair value of plan assets	(464,627)		(464,627)	(446,339)		(446,339)
Net liability before asset limit	**44,618**	**76,789**	**121,407**	**59,499**	**75,926**	**135,425**
Limit on recognition of plan assets (asset ceiling)	4,474		4,474	-		-
NET LIABILITY	**49,092**	**76,789**	**125,881**	**59,499**	**75,926**	**135,425**

Analysis of net annual expense

(in thousands of euros)	December 31, 2020			December 31, 2019		
	Pension plans and TB	Other benefits	Total	Pension plans and TB	Other benefits	Total
Current service costs	(14,764)	(2,134)	(16,898)	(11,857)	(1,877)	(13,734)
Financial cost	(3,779)	(2,582)	(6,361)	(7,826)	(2,796)	(10,622)
Interest income on assets	2,332	-	2,332	5,859	-	5,859
Recognized past service costs	-	-	-	(906)	(129)	(1,035)
Curtailments and settlements	6,415	-	6,415	-	-	-
TOTAL CHARGE WITH INCOME STATEMENT IMPACT	(9,796)	(4,716)	(14,512)	(14,730)	(4,802)	(19,532)
Actuarial gains and losses on plan assets	20,846	-	20,846	36,404	-	36,404
Experience adjustments	(21,046)	5,351	(15,695)	(234)	(1,041)	(1,275)
Adjustments related to demographic assumptions	15,238	611	15,849	7,859	434	8,293
Adjustments related to financial assumptions	(9,684)	(11,270)	(20,954)	(50,856)	(10,023)	(60,879)
TOTAL CHARGE WITH IMPACT ON OTHER COMPREHENSIVE INCOME	5,354	(5,308)	46	(6,827)	(10,630)	(17,457)
TOTAL CHARGE FOR THE YEAR	**(4,442)**	**(10,024)**	**(14,466)**	**(21,557)**	**(15,432)**	**(36,989)**

The curtailments recorded during the year under "Pension plans and TB" mainly concerns the freezing of the supplementary pension plan under Article 39.

Change in financial assets used to fund the plans

(in thousands of euros)	2020 Pension plans and TB	2020 Other benefits	2020 Total	2019 Pension plans and TB	2019 Other benefits	2019 Total
FAIR VALUE OF ASSETS AT JANUARY 1st	446,339		446,339	400,913		400,913
Interest income on assets	2,332		2,332	5,665		5,665
Contributions paid in	17,684		17,684	15,777		15,777
Translation differences	(2,744)		(2,744)	15,055		15,055
Benefits paid	(24,346)		(24,346)	(20,815)		(20,815)
Changes in consolidation scope and other	-		-	-		-
Actuarial gains (losses)	25,362		25,362	29,744		29,744
FAIR VALUE OF ASSETS AT DECEMBER 31st	**464,627**		**464,627**	**446,339**		**446,339**

Analysis of plan assets by type and country at December 31, 2020

Breakdown of plan assets	France	Switzerland	United-States	India	Total
Cash and cash equivalents		2.1%			0.0%
Equity instruments		28.5%			0.2%
Debt instruments		26.5%			0.2%
Real estate assets		26.1%			0.2%
Assets held by insurers	100.0%	0.1%		100.0%	2.7%
Others		16.7%	100.0%		96.6%
TOTAL	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**
PLAN ASSETS *(in thousands of euros)*	**127**	**415,308**	**47,962**	**1,230**	**464,627**

Change in net liability

(in thousands of euros)	2020 Pension plans and TB	2020 Other benefits	2020 Total	2019 Pension plans and TB	2019 Other benefits	2019 Total
NET LIABILITY AT JANUARY 1st	59,499	75,926	135,425	51,343	59,780	111,123
Charge for the year	4,441	10,025	14,466	21,557	15,432	36,989
Contributions paid in	(10,765)	-	(10,765)	(10,005)	-	(10,005)
Translation differences	(2,737)	(6,905)	(9,642)	7	1,098	1,105
Benefits paid by employer	(1,695)	(2,257)	(3,952)	(2,559)	(2,179)	(4,738)
Changes in consolidation scope	69	-	69	166	-	166
Others	280	-	280	(1,010)	1,795	785
NET LIABILITY AT DECEMBER 31st	**49,092**	**76,789**	**125,881**	**59,499**	**75,926**	**135,425**

Principal actuarial assumptions	France	Europe (excluding France)	United-States	Turkey and India	West Africa & the Middle East
Discount rate					
2020	0.25%	0.15% to 0.5%	2.75%	5.9% to 13%	4.5% to 14.5%
2019	0.5%	0.15% to 0.5%	3.5%	6.8% to 13.2%	4.5% to 14.0%
Rate of increase in medical costs					
2020			7.1% to 4.5%		
2019			7.1% to 4.5%		

Discount rate

Discount rates are determined in accordance with the principles set out in IAS 19 Revised, with reference to a market rate at year-end, based on the yields of high-quality corporate bonds issued in the monetary zone in question. They are determined on the basis of yield curves derived by outside experts from AA-rated public bonds.

When the corporate bond market in a zone is not sufficiently liquid, IAS 19 (Revised) recommends using government bonds as a benchmark.

In any event, the benchmarks used must have a maturity comparable to the commitments.

Sensitivity analysis

The main factors contributing to the volatility of the balance sheet are the discount rate and the rate of increase in medical costs.

The sensitivity of the defined benefit obligation at the end of 2020 corresponding to a variation of +/-50 basis points in the discount rate is -€ 36.9 million and +€ 40 million, respectively.

The sensitivity of the defined benefit obligation at the end of 2020 corresponding to a change of +/-1% in the rate of increase of medical costs is +€ 1 million and -€ 0.8 million, respectively.

Average duration of benefits

The average duration of benefits under all plans within the Group is 14 years.

It is expected that € 15 million in contributions will be paid into the plans over the coming year.

NOTE 15 Other provisions

(in thousands of euros)	Restoration of sites	Demolitions	Other risks[(1)]	Other expenses	Total
AT DECEMBER 31, 2018	49,618	1,027	24,462	5,255	80,361
Increase	3,157	13	29,478	2,271	34,919
Reversal of provisions used	(2,413)	(109)	(12,331)	(829)	(15,682)
Reversal of unused provisions	-	-	(42)	-	(42)
Change in foreign exchange rate	1,193	27	(2,644)	351	(1,073)
Changes in consolidation scope	(159)	-	52,651	42	52,534
Other movements	24	(394)	16	215	(139)
AT DECEMBER 31, 2019	51,420	564	91,590	7,305	150,878
Increase	7,420	28	11,364	3,238	22,050
Reversal of provisions used	(2,226)	(73)	(19,589)	(1,124)	(23,012)
Reversal of unused provisions	(17)	-	(113)	-	(130)
Change in foreign exchange rate	(302)	3	(19,938)	(338)	(20,575)
Changes in consolidation scope	-	-	-	-	-
Other movements	2,973	-	(2,480)	582	1,075
AT DECEMBER 31, 2020	**59,268**	**522**	**60,834**	**9,663**	**130,286**
of which less than one year	*29*	-	*5,363*	*8,131*	*13,522*
of which more than one year	*59,239*	*522*	*55,471*	*1,530*	*116,764*

Impact (net of expenses incurred) in the income statement for 2020:	Additional expense	Reversals unused
Operating income	15,674	
Non-operating income	6,376	(130)

(1) At December 31, 2020, other risks included:

- *the provisions recognized in Ciplan's (Brazil) financial statements for a total amount of € 38.8 million (€ 66 million at December 31, 2019) which mainly concern:*
  - *tax litigation relating chiefly to tax credits (ICMS) attributable to import duties related to the purchase of coke and diesel for production purposes, and disputed by the tax authorities (€ 36.4 million),*
  - *industrial relations and labor tribunal disputes following the departure of former employees (€ 2.0 million),*
  - *civil litigation involving fines and claims challenged by the company (€ 0.4 million).*

  At the time of its acquisition by the Vicat Group, Ciplan received a firm and irrevocable guarantee from its Brazilian partners for all litigation or future litigation relating to the period prior to the acquisition. This guarantee is recognized in other non-current assets for € 48.0 million (see note 9), on the one hand in respect of indemnifiable claims accounted for as a provision (€ 38.4 million) and on the other hand, in respect of a tax recorded as tax debts greater than one year (€ 9.6 million);
- *an amount of € 9.7 million (€ 11.6 million as at December 31, 2019) corresponding mainly to the estimated amount of the deductible at year-end for work-related accident claims in the United States and which will be paid by the Group;*
- *the remaining amount of other provisions amounting to € 12.3 million as at December 31, 2020 (€ 14 million as at December 31, 2019) corresponds to the sum of other provisions that, taken individually, are not material.*

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NOTE 16 Net financial liabilities and put options

Financial liabilities as at December 31, 2020 break down as follows:

(in thousands of euros)	December 31, 2020	December 31, 2019
Financial liabilities at more than one year	1,261,797	1,102,263
Put options at more than one year	8,365	7,506
Lease liabilities at more than one year	157,563	178,398
Financial liabilities and put options at more than one year	**1,427,725**	**1,288,167**
Financial instrument assets at more than one year(1) - see note 9	(7,115)	(13,105)
TOTAL FINANCIAL LIABILITIES NET OF FINANCIAL INSTRUMENT ASSETS AT MORE THAN ONE YEAR	**1,420,610**	**1,275,062**
Financial liabilities at less than one year	165,375	391,594
Put options at less than one year	-	-
Lease liabilities at less than one year	47,382	59,864
Financial liabilities and put options at less than one year	**212,757**	**451,458**
Financial instrument assets at less than one year(1)	(300)	(30,072)
TOTAL FINANCIAL LIABILITIES NET OF FINANCIAL INSTRUMENT ASSETS AT LESS THAN ONE YEAR	**212,457**	**421,386**
Total financial liabilities net of financial instrument assets(1)	1,624,702	1,688,942
Total put options	8,365	7,506
TOTAL FINANCIAL LIABILITIES NET OF FINANCIAL INSTRUMENT ASSETS	**1,633,067**	**1,696,448**

(1) As at December 31, 2020, financial instrument assets (€ 7.4 million) are presented either under non-current assets (see note 9), if their maturity is more than one year (€ 7.1 million) or under other receivables, if their maturity is less than one year (€ 0.3 million). They totaled € 43.2 million as at December 31, 2019.

The change, by type of net financial liabilities and put options, breaks down as follows:

(in thousands of euros)	Financial liabilities and put options > 1 year	Financial instruments assets > 1 year	Lease liabilities > 1 year	Financial liabilities and put options < 1 year	Financial instruments assets < 1 year	Lease liabilities < 1 year	Total
AT DECEMBER 31, 2018 RESTATED	**879,713**	**(25,537)**	**195,751**	**152,813**	**-**	**47,797**	**1,250,537**
Issues	419,706		44,564	9,227		6,299	479,796
Repayments	(38,279)		(6,667)	(5,623)		(45,852)	(96,421)
Change in foreign exchange rate	(4,846)		1,136	(1,675)		(4)	(5,389)
Changes in consolidation scope	66,652		2,653	9,956		341	79,602
Other movements(1)	(213,177)	12,432	(59,039)	226,896	(30,072)	51,283	(11,677)
AT DECEMBER 31, 2019	**1,109,769**	**(13,105)**	**178,398**	**391,594**	**(30,072)**	**59,864**	**1,696,448**
Issues	196,169		42,768	14,560		7,226	260,723
Repayments	(106)		(10,994)	(209,326)		(51,203)	(271,630)
Change in foreign exchange rate	(17,819)		(8,223)	(8,253)		(2,945)	(37,239)
Changes in consolidation scope	109		26				135
Other movements(1)	(17,960)	5,990	(44,412)	(23,200)	29,772	34,440	(15,370)
AT DECEMBER 31, 2020	**1,270,162**	**(7,115)**	**157,563**	**165,375**	**(300)**	**47,382**	**1,633,067**

(1) Mainly reclassifications of less than one year of debt dated more than one year the previous financial year, and changes in bank overdrafts.

16.1. Financial liabilities

Analysis of financial liabilities by category and maturity

December 31, 2020 *(in thousands of euros)*	Total	2021	2022	2023	2024	2025	More than 5 years
Bank borrowings and financial liabilities	1,319,515	74,478	126,010	25,307	176,634	564,104	352,982
Of which financial instrument assets	*(7,416)*	*(301)*	(7,115)				
Of which financial instrument liabilities	*1,856*	*31*		803	*333*		*689*
Miscellaneous borrowings and financial liabilities	15,214	5,569	216	116	164	5,141	4,008
Lease liabilities	204,946	47,382	40,660	24,315	15,425	11,296	65,868
Current bank lines and overdrafts	85,026	85,026					
FINANCIAL LIABILITIES	**1,624,701**	**212,455**	**166,886**	**49,738**	**192,223**	**580,541**	**422,858**
of which commercial paper	*550,000*					*550,000*	

Financial liabilities due in less than one year are mainly composed of bilateral lines of Sococim Industries in Senegal, IFRS 16 debts, and bank credit balances.

December 31, 2019 *(in thousands of euros)*	Total	2020	2021	2022	2023	2024	More than 5 years
Bank borrowings and financial liabilities	1,346,450	266,522	12,967	105,144	12,640	206,646	742,531
Of which financial instrument assets	*(43,177)*	(30,072)		(13,105)			
Of which financial instrument liabilities	*2,000*	*309*			1,087	*238*	366
Miscellaneous borrowings and financial liabilities	15,223	5,993	179	194	174	268	8,415
Lease liabilities	238,262	59,864	44,065	33,869	19,269	11,075	70,120
Current bank lines and overdrafts	89,007	89,007					
FINANCIAL LIABILITIES	**1,688,942**	**421,386**	**57,211**	**139,207**	**32,083**	**217,989**	**821,066**
of which commercial paper	*550,000*						*550,000*

Characteristics of borrowings and financial debts (currencies and interest rates)

By currency (net of currency swaps)

(in thousands of euros)	December 31, 2020	December 31, 2019
Euro	1,058,152	1,105,500
US dollar	81,728	71,945
Turkish lira	17,766	10,966
CFA Franc	117,954	115,419
Swiss franc	212,644	238,578
Mauritanian ouguiya	4,284	8,159
Egyptian pound	59,901	47,022
Indian rupee	27,581	27,986
Kazakh tenge	394	103
Brazilian real	44,297	63,264
TOTAL	**1,624,701**	**1,688,942**

By interest rate

(in thousands of euros)	December 31, 2020	December 31, 2019
Fixed rate	826,223	858,512
Floating rate	798,478	830,430
TOTAL	**1,624,701**	**1,688,942**

The average interest rate on gross debt at December 31, 2020 was 3.06%, down from 3.36% at December 31, 2019.

The average maturity of the debt at December 31, 2020 is equal to 5.1 years an increase compared to December 31, 2019 where it was established at 4.3 years.

16.2. Put options granted to the minority shareholders on shares in consolidated subsidiaries

Agreements were concluded between Vicat and the International Finance Corporation in order to organize their relations as shareholders of Mynaral Tas, under which the Group granted put options to its partner on its shareholding in Mynaral Tas.

The put option granted to the International Finance Corporation was exercisable at the earliest in December 2013. Booking of this option resulted in the recognition of a liability of € 8.4 million at more than one year as at December 31, 2020 (€ 7.5 million as at December 31, 2019). This liability corresponds to the present value of the exercise price of the option granted to the International Finance Corporation.

NOTE 17 Financial instruments

In 2020, the health crisis did not call into question the risk management policy relating to financial instruments. The Vicat Group continued to manage its hedging instruments and its liquidity risk without difficulty throughout the year, as evidenced by the following:

Foreign exchange risk

The Group's activities are carried out by subsidiaries operating almost entirely in their own country and local currency. This limits the Group's exposure to foreign exchange risk. These companies' imports and exports denominated in currencies other than their own local currency are generally hedged by forward currency purchases and sales. The foreign exchange risk on intercompany loans is hedged, where possible, by the companies when the borrowing is denominated in a currency other than their operating currency.

The table below sets out the breakdown of the total amount of Group's assets and liabilities denominated in foreign currencies as at December 31, 2020:

(in millions of euros)	US dollar (USD)	EUR	Swiss franc (CHF)
Assets	186	70	192
Liabilities and contracted commitments	(158)	(79)	(37)
Net position before risk management	**27**	**(9)**	**155**
Hedging instruments	(22)	-	(180)
Net position after risk management	**5**	**(9)**	**(25)**

The net position after "risk management" in Swiss francs corresponds mainly to the debts of the Kazakh subsidiary to the Group, not swapped in the operating currency, in the absence of a sufficiently structured and liquid hedge market.

The risk of a foreign exchange loss on the net currency position assuming an unfavorable and uniform change of one percent in the operating currencies against the US dollar, totals, in euro equivalent, € 0.3 million (mainly for the Kazakhstan loan).

Moreover the principal and interest due on loans originally issued by the Group in US dollars (US$ 120 million for Vicat) was translated into euros through a series of cross currency swaps, included in the portfolio presented below (see point a).

Interest rate risk

Floating rate debt is hedged through the use of caps on original maturities of five, seven and ten years.

The Group is exposed to an interest rate risk on its financial assets and liabilities and its cash. This exposure corresponds to the price risk for fixed-rate assets and liabilities, and cash flow risk related to floating-rate assets and liabilities.

The Group estimates that a uniform change in interest rates of 100 basis points would not have a material impact on its earnings, or on the Group's net financial position as illustrated in the table below:

(in thousands of euros)	Impact on income before tax(1)	Impact on shareholders' equity (excluding impact on earnings) before tax(2)
Impact of a change of +100 bps. in the interest rate	(618)	(5,237)
Impact of a change of -100 bps. in the interest rate	2,835	2,418

(1) A positive figure corresponds to lower interest expense.
(2) A negative figure corresponds to a lower financial liability.

Liquidity risk

As at December 31, 2020, the Group had € 536 million in unutilized confirmed lines of credit that were not allocated to the hedging of liquidity risk on commercial paper (€ 440 million as at December 31, 2019).

The Group also has a € 550 million commercial paper issue program. At December 31, 2020, the amount of commercial paper issued stood at € 550 million. Commercial paper consists of short-term debt instruments backed by confirmed lines of credit in the amounts issued and classified as medium-term borrowings in the consolidated balance sheet.

Unused confirmed lines of credit are used to cover the risk of the Group's inability to issue commercial paper on the market, for an amount corresponding to the notes issued, *i.e.* € 550 million on December 31, 2020.

Some medium-term or long-term loan agreements contain specific covenants especially with regards to compliance with financial ratios, reported each half year, which can lead to an anticipated repayment (acceleration clause) in the event of non-compliance. These covenants are based on a profitability ratio (leverage: net indebtedness/consolidated EBITDA) and on capital structure ratio (gearing: net indebtedness/consolidated shareholders equity) of the Group or its subsidiaries concerned. For the purposes of calculating these covenants, the net debt is determined excluding put options granted to minority shareholders. Furthermore, the margin applied to some financing operations depends on the level reached on one of these ratios.

Considering the small number of companies concerned, essentially Vicat SA, the parent company of the Group, the low level of gearing (49.86%) and leverage (2.16) and the liquidity of the Group's balance sheet, the existence of these covenants does not constitute a risk for the Group's financial position. As at December 31, 2020, the Group is compliant with all ratios required by covenants included in financing agreements.

The portfolio of derivative financial instruments is as follows at the end of December 2020:

(in thousands of currencies)	Nominal value *(currency)*	Nominal value *(euro)*	Market value *(euro)*	Current maturity < 1 year *(euro)*	Current maturity 1 - 5 years *(euro)*	Current maturity +5 years *(euro)*
CASH FLOW HEDGES(1)						
Composite instruments						
■ Cross Currency Swap $ fixed/€ fixed	$ 120,000	97,792	7,115		7,115	
OTHER DERIVATIVES						
Interest rate instruments						
■ Euro Caps	€ 714,500	714,500	(1,825)		(1,136)	(689)
FOREIGN EXCHANGE INSTRUMENTS(1)						
Hedging for foreign exchange risk on intra-group loans						
■ VAT $	$ 40,000	32,597	63	63		
■ AAT BRL	BRL 163,000 (Brazilian real)	25,575	(31)	(31)		
■ VAT CHF	CHF 180,000 (Swiss franc)	166,636	238	238		
TOTAL		**1,037,100**	**5,560**	**270**	**5,979**	**(689)**

(1) The difference between the value of the liability at the hedged rate and at amortized cost comes to € 7.1 million.

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In accordance with IFRS 13, counterparty risks were taken into account. This mainly relates to derivatives (cross currency swaps) used to hedge the foreign exchange risk of debts in US dollars, which is not the Group's operating currency. The impact of the credit value adjustment (CVA, or the Group's exposure in the event of counterparty default) and of the debit value adjustment (DVA, or the counterparty's exposure in the event of Group default) on the measurement of derivatives was determined by assuming an exposure at default calculated using the add-on method, a 40% loss given default, and a probability of default based on the credit ratings of banks or the estimated credit rating of the Group. The impact on fair value was not material and was not included in the market value of financial instruments as presented above.

In application of IFRS 7, the breakdown of financial instruments measured at fair value by hierarchical level of fair value in the consolidated statement of financial position is as follows as at December 31, 2020:

(in millions of euros)	December 31, 2020
Level 1: instruments quoted on an active market	-
Level 2: valuation based on observable market information	5.6
Level 3: valuation based on non-observable market information	39.4

NOTE 18 Other liabilities

(in thousands of euros)	December 31, 2020	December 31, 2019
Payroll liabilities	73,291	72,648
Tax liabilities	65,278	49,783
Other liabilities and accruals	131,974	118,884
TOTAL	**270,543**	**241,315**

NOTE 19 Revenue

(in thousands of euros)	2020	2019
Sales of goods	2,581,948	2,379,686
Sales of services	223,214	360,307
SALES REVENUES	**2,805,162**	**2,739,993**

Change in revenue on a like-for-like basis

(in thousands of euros)	2020	Changes in consolidation scope	Change in foreign exchange rate	2020 At constant scope and exchange rates	2019
Sales revenues	2,805,162	19,741	(104,654)	2,890,075	2,739,993

NOTE 20 Personnel costs and workforce

(in thousands of euros)	2020	2019
Wages and salaries	371,372	345,338
Payroll taxes	113,791	125,048
Employee profit sharing (French companies)	4,758	5,010
PERSONNEL COSTS	**489,921**	**475,396**
Average number of employees of the consolidated companies	9,902	9,858

Profit sharing is granted to employees of the Group's French companies in the form of either cash or shares, at the employee's option.

The allocation price of the profit share is determined on the basis of the average of the ten closing prices between the five days before and the five days after the publication of the results.

NOTE 21 Net depreciation, amortization and provisions expenses

(in thousands of euros)	2020	2019
Net charges to amortization/ depreciation of fixed assets	(203,258)	(201,525)
Net charges to amortization/ depreciation of lease right-of-use assets	(53,237)	(57,575)
Net provision expenses	(2,972)	1,207
Net charges to other assets depreciation	-	(1,595)
NET CHARGES TO OPERATING DEPRECIATION, AMORTIZATION AND PROVISIONS	**(259,467)**	**(259,488)**
Other net charges to non-operating depreciation, amortization and provisions(1)	(14,207)	(19,206)
NET CHARGES TO DEPRECIATION, AMORTIZATION AND PROVISIONS	**(273,674)**	**(278,694)**

(1) Mainly including December 31, 2020:
a. a net reversal of provisions for risks and charges with Ciplan for €8.9 million for which the company received a firm and irrevocable guarantee from its minority shareholder (allocation to provisions €16.3 million at December 31, 2019) for indemnifiable disputes provisioned for the year and relating to the period before Vicat's acquisition, (See note 9) ;
b. a depreciation of € 10.9 million related to loans made in connection with investments in the Mediterranean area (See note 9) and a goodwill impairment loss of (€7.7) million (See note 3).

NOTE 22 Other income and expenses

(in thousands of euros)	2020	2019
Net income from disposal of assets	5,221	4,115
Income from investments properties	4,126	4,279
Others(1)	15,049	28,324
Other operating income (expense)	**24,396**	**36,718**
Other non-operating income and expenses(2)	**(6,080)**	**13,622**
TOTAL	**18,316**	**50,340**

(1) Including as at December 31, 2020 an amount of € 5.1 million (€ 11.8 million as at December 31, 2019) corresponding to a tax credit related to sales tax (PIS COFIN) recorded by our Brazilian subsidiary.
(2) Mainly including December 31, 2020:
a. an expense of €8.9 million at Ciplan corresponding to the change in the firm and irrevocable guarantee provided by the minority shareholder to cover the net reversal of provisions for risks and charges in respect of disputes relating to the period prior to the acquisition.
b. income of €6.1 million at Ciplan corresponding to the income from the tax amnesty upon the repayment of the REFIS 2015 debt.
Including, on December 31, 2019, guarantee income, recognized by Ciplan, of € 16.3 million corresponding to indemnifiable disputes provisioned for the period before the acquisition by Vicat (See notes 9 and 21).

NOTE 23 Financial income

(in thousands of euros)	2020	2019
Interest income from financing and cash management activities	22,897	27,395
Interest expense from financing and cash management activities	(50,049)	(49,778)
Interest expense from lease liabilities	(9,718)	(10,984)
Cost of net financial debt	**(36,870)**	**(33,367)**
Dividends	942	1,269
Foreign exchange gains	11,122	10,732
Fair value adjustments to financial assets and liabilities	475	22
Write-back of impairment of financial assets	2,040	6
Net expense from disposal of financial assets	-	524
Discount income	3,179	-
Other income	2,913	24
Other financial income	**20,671**	**12,577**
Foreign exchange losses	(11,983)	(10,661)
Fair value adjustments to financial assets and liabilities	(603)	-
Impairment on financial assets	(6,095)	(1,722)
Net expense from disposal of financial assets	(107)	-
Discounting expenses	-	(4,883)
Other expenses	158	-
Other financial expenses	**(18,630)**	**(17,266)**
NET FINANCIAL EXPENSE	**(34,829)**	**(38,056)**

NOTE 24 Income tax

Component of the tax charge

(in thousands of euros)	2020	2019
Current taxes	(69,523)	(62,377)
Deferred taxes	(5,086)	(5,852)
TOTAL	**(74,609)**	**(68,229)**

Reconciliation between the theoretical and the effective tax expense

The difference between the theoretical and the effective tax expense is analyzed as follows:

(in thousands of euros)	2020	2019
Net earnings from consolidated companies	168,121	154,773
Income tax	74,609	68,229
Profit (loss) before tax	242,730	223,002
Theoretical tax rate	32.0%	34.4%
Theoretical income tax expense at the parent company rate	**(77,722)**	**(76,780)**
Reconciliation:		
France/Foreign jurisdictions spreads[1]	11,597	13,419
Transactions taxed at specific rates	(494)	29
Changes in tax rates	5,407	5,276
Permanent differences	(11,537)	(7,886)
Tax credits	373	505
Others	(2,233)	(2,792)
EFFECTIVE TAX EXPENSE	**(74,609)**	**(68,229)**

(1) Differences between French and foreign tax rates relate mainly to Switzerland, Turkey, the United States, and Egypt.

Change in deferred tax assets and liabilities

	Deferred tax assets		Deferred tax liabilities	
(in thousands of euros)	2020	2019	2020	2019
DEFERRED TAX AT JANUARY 1st	89,938	93,393	253,194	181,392
Expense/income for the year	(12,857)	(15,722)	(7,771)	(9,870)
Deferred tax recognized in other comprehensive income	2,411	3,024	3,261	1,552
Changes in consolidation scope	(94)	761	(6,102)	74,491
Reclassification	(255)	6,175	(255)	6,175
Translation and other changes	(7,221)	2,307	(28,591)	(546)
DEFERRED TAX AT DECEMBER 31st	**71,922**	**89,938**	**213,736**	**253,194**

Analysis of net deferred tax (expense)/income by principal category of timing difference

(in thousands of euros)	2020	2019
Net assets and right of use	17,249	5,300
Financial instruments	(589)	(1,983)
Pensions and other post-employment benefits	6,469	5,269
Special tax depreciation, regulated provisions and other provisions	(3,637)	8,621
Other timing differences, tax loss carry-forwards and miscellaneous	(25,428)	(21,587)
NET DEFERRED TAX INCOME/(EXPENSE)	**(5,936)**	**(4,380)**
■ recognized in consolidated net income	*(5,086)*	*(5,852)*
■ recognized in other comprehensive income	*(850)*	*1,472*

Source of deferred tax assets and liabilities

(in thousands of euros)	December 31, 2020	December 31, 2019
Net assets and right of use	155,386	201,426
Financial instruments	5,565	15,575
Pensions and other post-employment benefits	(34,349)	(35,209)
Special tax depreciation, regulated provisions and other provisions	19,460	10,005
Other timing differences, tax loss carry-forwards and miscellaneous	(4,248)	(28,541)
Net deferred tax liabilities	**141,814**	**163,256**
Deferred tax assets(1)	(71,922)	(89,938)
Deferred tax liabilities	213,736	253,194
NET BALANCE	**141,814**	**163,256**

(1) Deferred tax assets are mainly due to tax loss carryforwards of subsidiaries located in the United States and India, the limitation period of which is respectively from 2031 to 2037 and from 2022 to 2024 for the portion limited in time, the balance can be used indefinitely (18 million of deferred tax assets on tax loss carryforwards can be used indefinitely). Based on the operating forecasts of these subsidiaries, their tax loss carryforwards, whose allocation is limited in time, should be used within four years.

Deferred tax assets not recognized in the financial statements

Deferred tax assets not recognized in the financial statements as at December 31, 2020, owing either to their planned imputation during the exemption periods enjoyed by the entities concerned or to the probability of them not being recovered, amounted to € 15.5 million (€ 9.8 million as at December 31, 2019).

NOTE 25 Segment information

a) Information by business segment

Information relating to geographical areas is presented according to the geographical location of the entities concerned.

December 31, 2020 *(in thousands of euros except headcount)*	France	Europe (excluding France)	Americas	Asia	Mediterranean	Africa	Total
Income statement:							
Operating revenue	987,283	425,712	635,788	348,068	173,210	272,764	2,842,825
Inter-country eliminations	(24,136)	(2,243)	-	(72)	-	(11,212)	(37,663)
Consolidated sales	963,147	423,469	635,788	347,996	173,210	261,552	2,805,162
EBITDA (See note 1.23)	170,502	97,483	141,468	102,746	(11,009)	56,125	557,315
EBIT (See note 1.23)	92,065	55,296	86,461	68,498	(29,391)	24,919	297,848
Balance sheet							
Total non-current assets	792,729	651,369	949,285	679,009	290,748	505,029	3,868,169
Net capital employed(1)	814,515	623,455	742,390	669,945	278,996	536,163	3,665,464
Other information:							
Acquisitions of property, plant and equipment and intangible assets	92,861	42,968	169,708	16,687	14,764	38,489	375,477
Net depreciation and amortization charges	(83,230)	(37,518)	(55,519)	(33,440)	(16,028)	(30,592)	(256,327)
Average number of employees	2,987	1,097	2,132	1,228	1,510	948	9,902

December 31, 2019 *(in thousands of euros except headcount)*	France	Europe (excluding France)	Americas	Asia	Mediterranean	Africa	Total
Income statement:							
Operating revenue	1,008,475	401,410	588,862	374,628	171,313	219,801	2,764,489
Inter-country eliminations	(21,320)	(508)	-	(49)	-	(2,619)	(24,496)
Consolidated sales	987,155	400,902	588,862	374,579	171,313	217,182	2,739,993
EBITDA (See note 1.23)	182,422	96,464	115,435	88,678	(4,169)	47,301	526,131
EBIT (See note 1.23)	101,583	58,484	56,617	54,180	(22,516)	18,295	266,643
Balance sheet							
Total non-current assets	786,974	650,576	1,042,806	782,002	333,481	500,009	4,095,848
Net capital employed(1)	814,230	615,492	860,998	792,512	328,391	534,337	3,945,960
Other information:							
Acquisitions of property, plant and equipment and intangible assets	91,711	38,872	55,183	29,551	11,922	64,408	291,647
Net depreciation and amortization charges	(81,617)	(37,456)	(58,270)	(33,788)	(16,784)	(28,197)	(256,112)
Average number of employees	2,944	1,118	2,086	1,236	1,573	901	9,858

(1) Net capital employed corresponds to the sum of non-current assets, assets and liabilities held for sale, and working capital requirement, after deduction of provisions and deferred taxes.

b) Information by business segment

December 31, 2020 (in thousands of euros)	Cement	Concrete & Aggregates	Other products and services	Total
Income statement				
Operating revenue	1,673,216	1,082,841	434,414	3,190,471
Inter-segment eliminations	(252,160)	(33,076)	(100,072)	(385,309)
Consolidated sales	1,421,056	1,049,765	334,341	2,805,162
EBITDA (See note 1.23)	415,240	120,776	21,299	557,315
EBIT (See note 1.23)	264,432	33,531	(115)	297,848
Balance sheet				
Net capital employed(1)	2,588,856	945,340	131,268	3,665,464

December 31, 2019 (in thousands of euros)	Cement	Concrete & Aggregates	Other products and services	Total
Income statement				
Operating revenue	1,571,132	1,096,614	431,370	3,099,116
Inter-segment eliminations	(251,664)	(21,049)	(86,410)	(359,123)
Consolidated sales	1,319,468	1,075,565	344,960	2,739,993
EBITDA (See note 1.23)	373,129	129,868	23,134	526,131
EBIT (See note 1.23)	217,286	46,166	3,191	266,643
Balance sheet				
Net capital employed(1)	2,894,545	940,978	110,437	3,945,960

(1) Net capital employed corresponds to the sum of non-current assets, assets and liabilities held for sale, and working capital requirement, after deduction of provisions and deferred taxes.

c) Information about major customers

The Group is not dependent on any of its major customers, and no single customer accounts for more than 10% of revenue.

NOTE 26 Net cash flows generated from operating activities

Net cash flows from operating activities conducted by the Group in 2020 totaled € 528 million, compared with € 382 million as at December, 2019.

This increase in cash flows generated by operating activities between 2019 and 2020 is mainly due to a strong improvement in working capital of € 110 million compared to 2019 and an increase in cash flow from operations of € 35 million.

The components of the working capital requirement (WCR) by category are as follows:

(in thousands of euros)	WCR at 12/31/2018	Change in WCR year 2019	Other Changes[1]	WCR at 12/31/2019	Change in WCR year 2020	Other Changes[1]	WCR at 12/31/2020
Inventories	385,133	(11,418)	27,836	401,551	(24,942)	(21,672)	354,937
Other WCR components	2,736	54,207	(65,513)	(8,570)	42,705	5,613	(45,662)
WCR	**387,869**	**42,789**	**(37,677)**	**392,981**	**(67,647)**	**(16,059)**	**309,275**

(1) Consolidation scope and miscellaneous.

NOTE 27 Net cash flows from investing activities

Net cash flows from investing activities conducted by the Group in 2020 were -€ 322 million, compared with -€ 577 million in 2019.

Acquisitions of property, plant and equipment and intangible assets

These reflect outflows for industrial investments (€ 300 million in 2020 and € 223 million in 2019) mainly corresponding, in 2020 and 2019, to investments made in the United States, France and Senegal.

Acquisition/disposal of shares in consolidated companies

Operations for the acquisition/disposal of consolidated companies carried out in 2020 resulted in a total outflow of -€ 3 million (total outflow of -€ 323 million in 2019).

The main outflows by the Group during 2020 were made for capital contributions to the Group's equity-accounted entities.

The main outflows by the Group during 2019 were mainly made to purchase 66.07% of the entity Ciplan in Brazil (see notes 2 and 3).

NOTE 28 Analysis of net cash balances

(in thousands of euros)	December 31, 2020	December 31, 2019
Cash and cash equivalents (see note 12)	422,843	398,514
Bank overdrafts	(63,684)	(69,840)
NET CASH BALANCES	**359,159**	**328,674**

NOTE 29 Remuneration of executives

Pursuant to the provisions of article 225.102-1 of the French Commercial Code, and in accordance with IAS 24, we hereby inform you that the total gross compensation paid to each company officer in 2020 was as follows: G. Sidos: € 1,181,206 and D. Petetin: € 449,389.

These amounts represent the total compensation paid by Vicat SA and any companies it controls, or is controlled by, as defined by article L. 233-16 of the French Commercial Code.

Furthermore, no stock or stock options have been granted to the above company officers with the exception of any income received under legal or contractual employee profit-sharing or incentive plans.

Lastly, the two aforementioned company officers also benefit from a supplemental pension plan as defined in article 39 of the French General Tax Code (CGI).

The corresponding commitments (€ 2,965 thousand in 2020 and € 3,966 thousand in 2019) were posted as provisions in the financial statements, in the same manner as all of the Group's postemployment benefits at the end of 2020 (See note 1.16). The change in these commitments is due to the freezing of this supplementary pension plan, as provided for by the regulations.

NOTE 30 Transactions with related companies

In addition to information required for related parties regarding the senior executives, described in note 29, related parties with which transactions are carried out include affiliated companies in which Vicat directly or indirectly holds a stake, and entities that hold a stake in Vicat.

These related-party transactions were not material and were all concluded on an arm's length basis.

These transactions have all been recorded in compliance with IAS 24 and their impact on the Group's consolidated financial statements for 2020 and 2019 is as follows, broken down by type and by related party:

	December 31, 2020				December 31, 2019			
(in thousands of euros)	Sales	Purchases	Receivables	Debts	Sales	Purchases	Receivables	Debts
Associates	2,780	2,615	3,226	4,152	5,678	2,880	3,754	3,553
Other related parties	84	1,207	12	148	76	1,246	-	270
TOTAL	**2,864**	**3,822**	**3,238**	**4,300**	**5,754**	**4,126**	**3,754**	**3,823**

NOTE 31 Fees paid to statutory auditors

Fees paid to statutory auditors and other professionals in their networks as recognized in the financial statements of Vicat SA and its fully consolidated subsidiaries for 2020 are as follows:

	KPMG Audit		Wolff & associés		Others	
2020 *(in thousands of euros)*	Amount (excl. tax)	%	Amount (excl. tax)	%	Amount (excl. tax)	%
AUDIT						
Certification of individual and consolidated financial statements	1,169	42%	459	17%	1,123	41%
▪ Vicat SA	299	57%	229	43%	-	0%
▪ Controlled entities	870	39%	230	10%	1,123	51%
SUB-TOTAL, AUDIT FEES	**1,169**	**42%**	**459**	**17%**	**1,123**	**43%**
OTHER SERVICES						
Legal, tax, employment and other matters	18	3%	-	0%	682	97%
SUB-TOTAL, OTHER SERVICES	**18**	**3%**	**-**	**0%**	**682**	**97%**
TOTAL	**1,187**	**34%**	**459**	**13%**	**1,805**	**52%**

NOTE 32 Subsequent events

No post-balance sheet event has had a material impact on the consolidated financial statements as at December 31.

NOTE 33 List of main consolidated companies as at December 31, 2020

Fully consolidated: France

COMPANY	COUNTRY	CITY	December 31, 2020 % interest	December 31, 2019 % interest
VICAT	FRANCE	L'ISLE D'ABEAU	-	-
AGENCY BULK CHARTERING VICAT	FRANCE	NANTES	49.99	49.99
ANNECY BETON CARRIÈRES	FRANCE	L'ISLE D'ABEAU	49.98	49.98
LES ATELIERS DU GRANIER	FRANCE	CHAPAREILLAN	99.98	99.98
BÉTON CONTRÔLE CÔTE D'AZUR	FRANCE	NICE	99.97	99.97
BÉTON VICAT	FRANCE	L'ISLE D'ABEAU	99.98	99.98
BÉTON TRAVAUX	FRANCE	L'ISLE D'ABEAU	99.98	99.98
CARRIÈRE DE BELLECOMBES	FRANCE	L'ISLE D'ABEAU	49.98	49.97
CENTRE D'ÉTUDE DES MATÉRIAUX ET DES BÉTONS	FRANCE	FILLINGES	79.99	79.98
DELTA POMPAGE	FRANCE	CHAMBÈRY	99.98	99.98
GRANULATS VICAT	FRANCE	L'ISLE D'ABEAU	99.98	99.98
PARFICIM	FRANCE	L'ISLE D'ABEAU	100.00	100.00
SATMA	FRANCE	L'ISLE D'ABEAU	100.00	100.00
SATM	FRANCE	CHAMBÈRY	99.98	99.98
SIGMA BETON	FRANCE	L'ISLE D'ABEAU	99.99	99.98
VICAT PRODUITS INDUSTRIELS	FRANCE	L'ISLE D'ABEAU	99.98	99.98

Fully consolidated: Rest of the world

COMPANY	COUNTRY	CITY	December 31, 2020 % interest	December 31, 2019 % interest
CIPLAN	BRAZIL	BRASILIA	66.07	66.07
SINAÏ CEMENT COMPANY	EGYPT	CAIRO	56.20	56.20
JAMBYL CEMENT PRODUCTION COMPANY LLP	KAZAKHSTAN	ALMATY	90.00	90.00
MYNARAL TAS COMPANY LLP	KAZAKHSTAN	ALMATY	90.00	90.00
BUILDERS CONCRETE	USA	CALIFORNIA	100.00	100.00
KIRKPATRICK	USA	ALABAMA	100.00	100.00
NATIONAL CEMENT COMPANY OF ALABAMA	USA	ALABAMA	100.00	100.00
NATIONAL CEMENT COMPANY INC	USA	DELAWARE	100.00	100.00
NATIONAL CEMENT COMPANY OF CALIFORNIA	USA	DELAWARE	100.00	100.00
NATIONAL READY MIXED	USA	CALIFORNIA	100.00	100.00
VIKING READY MIXED	USA	CALIFORNIA	100.00	100.00
WALKER CONCRETE	USA	GEORGIA	100.00	100.00
CEMENTI CENTRO SUD Spa	ITALY	GENOVA	100.00	100.00
CIMENTS & MATÉRIAUX DU MALI	MALI	BAMAKO	94.90	94.90

(1) Company merged in 2020.

COMPANY	COUNTRY	CITY	December 31, 2020	December 31, 2019
			% interest	
GÉCAMINES	SENEGAL	THIES	100.00	100.00
POSTOUDIOKOUL	SENEGAL	RUFISQUE (DAKAR)	100.00	100.00
SOCOCIM INDUSTRIES	SENEGAL	RUFISQUE (DAKAR)	99.90	99.90
SODEVIT	SENEGAL	BANDIA	(1)	100.00
ALTOLA AG	SWITZERLAND	OLTEN (SOLOTHURN)	100.00	100.00
KIESWERK AEBISHOLZ AG	SWITZERLAND	AEBISHOLZ (SOLEURE)	100.00	100.00
BETON AG BASEL	SWITZERLAND	BASEL	100.00	100.00
BETON AG INTERLAKEN	SWITZERLAND	INTERLAKEN (BERN)	75.42	75.42
BETONPUMPEN OBERLAND AG	SWITZERLAND	WIMMIS (BERN)	82.46	82.46
CREABETON MATERIAUX SA	SWITZERLAND	LYSS (BERN)	100.00	100.00
EMME KIES + BETON AG	SWITZERLAND	LÜTZELFLÜH (BERN)	66.67	66.67
FRISCHBETON AG ZUCHWIL	SWITZERLAND	ZUCHWIL (SOLOTHURN)	88.94	88.94
FRISCHBETON LANGENTHAL AG	SWITZERLAND	LANGENTHAL (BERN)	79.17	78.67
FRISCHBETON THUN	SWITZERLAND	THOUNE (BERN)	53.48	53.48
KIESTAG STEINIGAND AG	SWITZERLAND	WIMMIS (BERN)	98.55	98.55
KIESWERK NEUENDORF	SWITZERLAND	NEUENDORF (SOLEURE)	50.00	50.00
SABLES + GRAVIERS TUFFIERE SA	SWITZERLAND	HAUTERIVE (FRIBOURG)	50.00	50.00
SHB STEINBRUCH + HARTSCHOTTER BLAUSEE MITHOLZ AG	SWITZERLAND	FRUTIGEN (BERN)	98.55	98.55
SOLOTHURNER ENTSORGUNGS GESELLSCHAFT	SWITZERLAND	FLUMENTHAL (SOLOTHURN)	100.00	100.00
SONNEVILLE AG	SWITZERLAND	DEITINGEN (SOLOTHURN)	100.00	100.00
VIGIER BETON JURA SA	SWITZERLAND	BELPRAHON (BERN)	84.81	82.59
VIGIER BETON KIES SEELAND AG	SWITZERLAND	LYSS (BERN)	100.00	100.00
VIGIER BETON MITTELLAND AG	SWITZERLAND	FELDBRUNNEN (SOLOTHURN)	100.00	100.00
VIGIER BETON ROMANDIE SA	SWITZERLAND	ST. URSEN (FRIBOURG)	100.00	100.00
VIGIER BETON SEELAND JURA AG	SWITZERLAND	SAFNERN (BERN)	94.24	91.76
VIGIER CEMENT AG	SWITZERLAND	PERY (BERN)	100.00	100.00
VIGIER HOLDING AG	SWITZERLAND	DEITINGEN (SOLOTHURN)	100.00	100.00
VIGIER MANAGEMENT AG	SWITZERLAND	DEITINGEN (SOLOTHURN)	100.00	100.00
VIGIER RAIL	SWITZERLAND	MÜNTSCHEMIER (BERN)	100.00	100.00
VIGIER TRANSPORT AG (ex-GRANDY)	SWITZERLAND	LANGENDORF (SOLEURE)	100.00	100.00
VITRANS AG	SWITZERLAND	PERY (BERN)	100.00	100.00

(1) Company merged in 2020.

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COMPANY	COUNTRY	CITY	December 31, 2020 % interest	December 31, 2019
BASTAS BASKENT CIMENTO	TURKEY	ANKARA	91.60	91.60
BASTAS HAZIR BETON	TURKEY	ANKARA	91.60	91.60
KONYA CIMENTO	TURKEY	KONYA	83.08	83.08
KONYA HAZIR BETON	TURKEY	KONYA	83.08	83.08
TAMTAS	TURKEY	ANKARA	100.00	100.00
MAURICIM	MAURITANIA	NOUAKCHOTT	100.00	100.00
BHARATHI CEMENT	INDIA	HYDERABAD	51.02	51.02
KALBURGI CEMENT	INDIA	HYDERABAD	99.98	99.98

Equity method: France

COMPANY	COUNTRY	CITY	December 31, 2020 % interest	December 31, 2019
BIOVAL	FRANCE	L'ISLE D'ABEAU	39.99	-
CARRIÈRES BRESSE BOURGOGNE	FRANCE	EPERVANS	33.28	33.27
DRAGAGES ET CARRIÈRES	FRANCE	EPERVANS	49.98	49.98
SABLIÈRES DU CENTRE	FRANCE	LES MARTRES D'ARTIÈRE	49.99	49.99
SCI ABBE CALES	FRANCE	CHAMBÉRY	69.99	69.98
EST LYONNAIS GRANULATS	FRANCE	DIJON	33.33	33.33

Equity method: Rest of the world

COMPANY	COUNTRY	CITY	December 31, 2020 % interest	December 31, 2019
HYDROELECTRA	SWITZERLAND	AU (ST. GALLEN)	50.00	50.00
SILO TRANSPORT AG	SWITZERLAND	BERN	50.00	50.00
SINAÏ WHITE CEMENT	EGYPT	CAIRO	14.27	14.27
PLANALTO	BRAZIL	BRASILIA	32.38	32.38
BIKILTAS ENERJI PETROL MADENCILIK INSAAT AS	TURKEY	SELCUKLU/KONYA	50.00	50.00

6.1.3. Statutory auditor's report on the consolidated financial statements

Statutory auditor's report on the consolidated financial statements

Year ended December 31, 2020

To the General Meeting of shareholders of Vicat SA,

Opinion

In compliance with the engagement entrusted to us by your Annual General Meeting, we have audited the accompanying consolidated financial statements of Vicat SA for the year ended December 31, 2020.

In our opinion, the consolidated financial statements give a true and fair view of the assets and liabilities and of the financial position of the Group and of the results of its operations for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union.

The audit opinion expressed above is consistent with our report to the Audit Committee.

Basis for opinion

Audit framework

We conducted our audit in accordance with professional standards applicable in France. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under those standards are further described in the "statutory auditors' Responsibilities for the Audit of the Consolidated Financial Statements" section of our report.

Independence

We conducted our audit engagement in compliance with independence rules applicable to us, for the period from January 1, 2020 to the date of our report and specifically we did not provide any prohibited non-audit services referred to in article 5 (1) of Regulation (EU) N° 537/2014.

Justification of assessments – Key audit matters

Due to the global crisis related to the Covid-19 pandemic, the financial statements of this period have been prepared and audited under specific conditions. Indeed, this crisis and the exceptional measures taken in the context of the state of sanitary emergency have had numerous consequences for companies, particularly on their operations and their financing, and have led to greater uncertainties on their future prospects. Those measures, such as travel restrictions and remote working, have also had an impact on the companies' internal organization and the performance of the audits.

It is in this complex and evolving context that, in accordance with the requirements of Articles L.823-9 and R.823-7 of the French Commercial Code (*Code de commerce*) relating to the justification of our assessments, we inform you of the key audit matters relating to risks of material misstatement that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period, as well as how we addressed those risks.

These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on specific items of the consolidated financial statements.

Long term assets valuation

Description of the risk identified:

Goodwill, intangible and tangible assets have net book values at December 31, 2020 of € 1,119 million, € 171 million and € 1,988 million, respectively, and represent a significant amount of the consolidated balance sheet. These assets are accounted and described in notes 1.4 "Business combination - Goodwill", 1.6 "Other intangible assets" and 1.8 "Property, plant and equipment".

These assets may present a risk of depreciation related to internal or external factors, such as the deterioration of the Group's performance, changes in the competitive environment, unfavorable market conditions and changes in legislation or regulations. These changes can have an impact on the Group's cash flow forecasts and consequently on the determination of the recoverable amounts of these assets.

Management performs impairment tests if at least once a year for goodwill or for the other non-financial assets and if there is an impairment trigger as described in note 1.11.Assets are tested at the level of the cash-generating units defined by the Group, which correspond to the smallest identifiable group of assets generating independent cash inflows.

An impairment loss is recognized in the income statement if the net booked value of an asset or cash-generating unit is higher than its recoverable value. The recoverable value is the higher amount between the fair value less the transfer costs and value in use. Value in use is valued according to the discounted future cash flow projections method updated over a period of 10 years, increased by the terminal value calculated on the basis of an infinite projection of the operating cash flow for the last year.

The assessment of the recoverable value of these assets is a key audit matter, given the significant potential of impairment and the high degree of estimation and judgment required by Management for this assessment. The judgments include, in particular, assumptions regarding the future evolution of cement consumption and costs of main factors of production.

Our responses to the risk:

We reviewed the impairment testing process implemented by the Management, in order to perform impairment testing and assessed the permanence of the method used.

We adapted our audit approach whether or not significative evidence of impairment losses exist on cash-generating units. Concerning value in use, we assessed the reasonableness of key Management assumptions with respect to earnings forecasts (with comparison to both budget and historical performance), of growth and discount rates.

For a selection of CGUs, we assessed the reasonableness of future cash flow projections with respect to past achievements, our knowledge of business activity supported by interviews with Group or division managers and, according to their availability, external datas of other companies in the same business sector.

We paid particular attention to the determination of projected to infinity normative terminal cash flow amount. This flow amount corresponds to a projected cash flow beyond the long-term plan established by the Group and, which can be reproduced indefinitely, to allow to calculate the so-called terminal value, included in the estimate of the market value of assets. We analyzed the sensibility of the impairment test to assess the materiality of the potential impacts on the recoverable value of the riskiest assets.

We assessed the appropriateness of the information given in the notes to the financial statements concerning impairment tests of those assets and tested the arithmetic accuracy of the sensitivity analysis.

Recognition of deferred tax assets on tax losses carried forward

Description of the risk identified:

As indicated to the consolidated balance sheet, the deferred tax assets is amounted to 71.9 M€ at 31 December 2020. This balance mainly includes deferred tax assets on tax losses carried forward related to the Indian-based entity Kalburgi Cement.

As mentionned in note 1.21, a deferred tax asset is only recognized if it is likely that the Group will have taxable future profits on which this asset may be to be imputed.

We have considered the determination of recoverability of such deferred tax assets on tax losses carried forward as a key audit matter due to the importance of management's estimation and judgment and the nature of the significance of their amounts. The Group's ability to recover deferred tax assets is assessed by management taking into account forecasts of future taxable results.

Our responses to the risk:

We assessed the probability that the Company may use in the future its deferred tax assets on tax losses carried forward, particularly with regard to:

- reviewing the deferred tax liabilities existing in the same tax jurisdiction, that may be charged against existing tax loss carried forward before they expire;
- the ability of this affiliate to generate sufficient future taxable profits in a foreseeable future allowing the use of existing tax loss carry forward.

We reviewed the process of evaluation of deferred tax assets on tax losses carried forward implemented by Group Management, which will be used either as deferred tax liabilities or future taxable profits.

For the assessment of future taxable profits, we assessed the reliability of the 5-year income tax forecasting process on the basis of which the Group assesses the probability of recovering its deferred tax assets by:

- examining the procedure for developing future taxable income which served as the basis for the estimates;
- comparing the projections of results of prior years with the actual results of the years concerned;
- analyzing the consistency of tax profit forecasts with the Long-Term Plan;
- analyzing the deferral periods of deficits under the tax legislation in force in India;
- assessing the consistency of the assumptions used to determine the taxable profit forecasts with those used for the valuation of the projected cash flows used to determine the value in use of the long-term assets of the cash generating units in India;
- conducting a critical review of the assumptions used by the Management to make projections of results, in particular by reviewing their consistency with the economic data of the sector in which the companies operate and the information collected during our interviews with members of the Management.

Litigations and provisions

Description of the risk identified:

The Group is exposed to a variety of legal risks, especially an ongoing proceeding in India against one of the Group's partner in Bharati Cement.

As indicated in note 1.18,the Group books a provision each time a defined risk is likely to occur before the end of the financial year and the financial impact of such risk may be reliably estimated.

As indicated in note 9 "Receivables and other non-current assets", a Group's partner of Bharathi Cement India based company is the focus of an inquiry by the CBI (Central Bureau of Investigation). In connection with this inquiry two precautionary seizures have been made by the ED (Enforcement Directorate) for an amount of € 32 million as at December 31, 2020 (€ 35 million as at December 31, 2019); the second precautionary seizure amounting to € 19 million was reclassified by ED on its bank account under the Company's name. This deposited cash is booked in "Receivables and other non-current financial assets".

The Company is appealing to the administrative and judicial authorities. Any related contingent liability cannot be estimated with sufficient reliance, and therefore, no provision has been accounted for in the financial statements of the Company.

We have considered the identification of risks and litigations, the valuation of provisions for such risks and litigations and the related information in the notes to the consolidated financial statements as a key audit matter given the amounts involved and the high degree estimate and judgment required by Management to determine such provisions.

Our responses to the risk:

In order to get a sufficient understanding of the litigations, the contingent liabilities and the related estimates, we have interviewed with the Group Legal Counsel, with the management of the main subsidiaries, and have performed a critical review of the Group estimates in relation with the documentation analyzed, the external attorneys legal documentation, and the information provided on the main ongoing proceedings and their potential financial incidence, as communicated by legal confirmation as part of our attorneys' confirmation procedures.

In particular, regarding the India based litigation related to CBI inquiry, we have:

- conducted a review of the internal analysis notes for the likelihood and potential impact of the risk, examining the available procedural elements as well as the legal opinions issued by the Group external attorney;
- exercised our professional judgment to assess, in particular, the positions held by the Group within risk assessment ranges and the validity of the evolution over the time of such positions.

Specific verifications

We have also performed, in accordance with professional standards applicable in France, the specific verifications required by laws and regulations of the Group's information given in the management report of the Board of Directors.

We have no matters to report as to its fair presentation and its consistency with the consolidated financial statements.

We attest that the consolidated non-financial statement required by article L. 225-102-1 of the French Commercial Code (*Code de commerce*) is included in the Group's management report, it being specified that, in accordance with the provisions of article L. 823-10 of this Code, we have verified neither the fair presentation nor the consistency with the consolidated financial statements of the information contained therein and this information must be reported by an independent third party.

Report on Other Legal and Regulatory Requirements

Format of presentation of the consolidated financial statements intended to be included in the annual financial report

In accordance with Article 222-3, III of the AMF General Regulation, the Company's management informed us of its decision to postpone the presentation of the consolidated financial statements in compliance with the European single electronic format as defined in the European Delegated Regulation N° 2019/815 of 17 Decembre 2018 to years beginning on or after January 1st, 2021. Therefore, this report does not include a conclusion on the compliance with this format of the presentation of the consolidated financial statements intended to be included in the annual financial report mentioned in Article L.451-1-2,I of the French Monetary and Financial Code (*Code monétaire et financier*).

Appointment of the statutory auditors

We were appointed as statutory auditors of Vicat SA by the Annual General Meeting held on November 25, 1983 for KPMG Audit and on May 16, 2017 for Wolff & Associés S.A.S.

As at December 31, 2020, KPMG Audit and Wolff & Associés S.A.S. were in the 38th year and 13th year of total uninterrupted engagement since securities of the Company were admitted to trading on a regulated market.

Responsibilities of Management and those charged with governance for the consolidated financial statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with International Financial Reporting Standards as adopted by the European Union and for such internal control as Management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, Management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it is expected to liquidate the Company or to cease operations.

The Audit Committee is responsible for monitoring the financial reporting process and the effectiveness of internal control and risks management systems and where applicable, its internal audit, regarding the accounting and financial reporting procedures.

The consolidated financial statements were approved by the Board of Directors.

Statutory auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Objectives and audit approach

Our role is to issue a report on the consolidated financial statements. Our objective is to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with professional standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As specified in article L. 823-10-1 of the French Commercial Code (*Code de commerce*), our statutory audit does not include assurance on the viability of the Company or the quality of management of the affairs of the Company.

As part of an audit conducted in accordance with professional standards applicable in France, the statutory auditor exercises professional judgment throughout the audit. Furthermore:

- identifies and assesses the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, designs and performs audit procedures responsive to those risks, and obtains audit evidence considered to be sufficient and appropriate to provide a basis for his opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- obtains an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control;
- evaluates the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management in the consolidated financial statements;

- assesses the appropriateness of Management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. This assessment is based on the audit evidence obtained up to the date of his audit report. However, future events or conditions may cause the Company to cease to continue as a going concern. If the statutory auditor concludes that a material uncertainty exists, there is a requirement to draw attention in the audit report to the related disclosures in the consolidated financial statements or, if such disclosures are not provided or inadequate, to modify the opinion expressed therein;
- evaluates the overall presentation of the consolidated financial statements and assesses whether these statements represent the underlying transactions and events in a manner that achieves fair presentation;
- obtains sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. The statutory auditor is responsible for the direction, supervision and performance of the audit of the consolidated financial statements and for the opinion expressed on these consolidated financial statements.

Report to the Audit Committee

We submit a report to the Audit Committee which includes in particular a description of the scope of the audit and the audit program implemented, as well as the results of our audit. We also report, if any, significant deficiencies in internal control regarding the accounting and financial reporting procedures that we have identified.

Our report to the Audit Committee includes the risks of material misstatement that, in our professional judgment, were of most significance in the audit of the consolidated financial statements of the current period and which are therefore the key audit matters, that we are required to describe in this audit report.

We also provide the Audit Committee with the declaration provided for in article 6 of Regulation (EU) N° 537/2014, confirming our independence within the meaning of the rules applicable in France such as they are set in particular by articles L. 822-10 to L. 822-14 of the French Commercial Code (*Code de commerce*) and in the French Code of Ethics (*code de déontologie*) for statutory auditors. Where appropriate, we discuss with the Audit Committee the risks that may reasonably be thought to bear on our independence, and the related safeguards.

The statutory auditors

Paris La Défense, February 15, 2021	Chamalières, February 15, 2021
KPMG Audit	**Wolff & Associés S.A.S.**
A division of KPMG S.A.	
Philippe Grandclerc	Gregory Wolff
Partner	*Partner*

6.2. Individual financial statements at December 31, 2020

6.2.1. Individual financial statements at December 31, 2020 Vicat SA

Income statement

(in thousands of euros)	2020	2019
Production of goods sold	392,128	385,841
Production of services sold	44,170	41,910
Sale of goods	4,922	5,136
Net sales revenues	**441,220**	**432,887**
Stored production	(2,859)	(546)
Capitalized production	3,793	2,395
Operating Subsidy	652	445
Reversals of provisions, depreciation and amortization, expense transfers	1,026	1,861
Other income	5,245	5,017
Operating income	**449,077**	**442,059**
Purchases and external expenses	(260,895)	(255,392)
Taxes	(17,152)	(17,424)
Wages and payroll taxes	(76,013)	(72,390)
Depreciation expenses	(27,176)	(26,119)
Other operating expenses	(2,130)	(1,592)
Operating expenses	**(383,366)**	**(372,918)**
OPERATING INCOME	65,711	69,141
Income from investments in subsidiaries and affiliates	67,753	71,348
Other interest and similar income	6,817	6,818
Reversals of provisions and expense transfers	2,994	3,112
Positive exchange rate differences	173	61
Financial income	**77,737**	**81,338**
Depreciation, amortization and provisions	(4,894)	(7,150)
Interest and similar expenses	(23,042)	(22,366)
Negative exchange rate differences	(182)	(96)
Financial expenses	**(28,117)**	**(29,613)**
FINANCIAL INCOME	49,619	51,726
PROFIT FROM ORDINARY ACTIVITIES BEFORE TAX	**115,331**	**120,867**
Exceptional income on management transactions	1	14
Exceptional income on capital transactions	1,709	3,492
Reversals of provisions and expense transfers	8,608	9,808
Exceptional income	**10,318**	**13,314**
Exceptional expenses on management transactions	(463)	(125)
Exceptional expenses on capital transactions	(5,267)	(5,185)
Depreciation, amortization and provisions	(6,875)	(4,840)
Exceptional expenses	**(12,605)**	**(10,149)**
EXCEPTIONAL INCOME	**(2,287)**	**3,164**
Employee profit-sharing	(2,764)	(2,697)
Income tax	(12,587)	(16,381)
TOTAL INCOME	537,132	536,711
TOTAL EXPENSES	(439,439)	(431,757)
NET INCOME	**97,692**	**104,953**

Balance sheet at December 31, 2020

(in thousands of euros)	December 31, 2020			December 31, 2019
	Gross	Depreciation and impairment	Net	Net
ASSETS				
Concessions, patents, licenses and similar rights	38,858	30,479	8,379	8,702
Goodwill	7,747	1,517	6,231	6,284
Other intangible assets	11,715	677	11,038	5,231
Intangible assets	**58,320**	**32,672**	**25,648**	**20,218**
Land	71,692	11,872	59,820	59,701
Buildings	187,499	148,248	39,250	39,407
Plant, machinery and equipment	639,490	534,046	105,444	104,056
Other property, plant and equipment	14,499	13,202	1,297	1,236
Tangible assets in progress	20,431	-	20,431	17,969
Advances and prepayments	552	-	552	1,547
Property, plant and equipment	**934,162**	**707,368**	**226,794**	**223,915**
Investments in associated companies	2,171,330	7,035	2,164,295	2,158,413
Receivables related to investments in associated companies	1,546	-	1,546	1,528
Other receivables from subsidiaries and associates	10,019	-	10,019	19
Loans	10	-	10	10
Other financial investments	48,317	27,362	20,955	23,500
Financial investments	**2,231,222**	**34,397**	**2,196,825**	**2,183,470**
NON-CURRENT ASSETS	3,223,704	774,437	2,449,267	2,427,603
Raw materials and other supplies	66,752	10,297	56,454	54,923
Finished and semi-finished products	21,676	-	21,676	24,535
Goods	243	-	243	180
Inventories and work-in-progress	**88,671**	**10,297**	**78,374**	**79,638**
Advances and prepayments on orders	731	-	731	849
Trade receivables and related accounts	106,743	337	106,406	90,798
Other receivables	562,301	205	562,096	593,543
Short-term financial investments	4,996	101	4,895	2,796
Cash	1,923	-	1,923	371
Prepaid expenses	1,998	-	1,998	1,080
CURRENT ASSETS	678,692	642	678,049	689,436
Expenses to be allocated over several years	1,569	-	1,569	2,190
TOTAL ASSETS	**3,992,636**	**785,377**	**3,207,259**	**3,198,867**

(in thousands of euros)	December 31, 2020	December 31, 2019
LIABILITY		
Share capital	179,600	179,600
Share premium	11,207	11,207
Revaluation reserve	10,954	10,975
Reserves:		
Legal reserve	18,708	18,708
Regulated reserves	112	112
Other reserves	1,161,141	1,122,623
Retained earnings	240,980	240,915
Net income for the year	97,692	104,953
Regulated provisions	67,948	72,281
SHAREHOLDERS' EQUITY	**1,788,343**	**1,761,375**
Provisions for risks	307	256
Provisions for expenses	46,385	43,531
PROVISIONS	**46,692**	**43,787**
Bank borrowings and financial liabilities	1,118,009	1,149,118
Miscellaneous borrowings and financial liabilities	278	270
Trade payables and related accounts	61,788	54,286
Tax and employee-related payables	28,645	25,680
Debts on fixed assets and related accounts	5,595	5,710
Other liabilities	157,909	158,640
Deferred income	-	-
LIABILITIES	**1,372,224**	**1,393,705**
TOTAL LIABILITIES	**3,207,259**	**3,198,867**

6.2.2. Notes to the individual financial statements for 2020

NOTE 1 Accounting policies and valuation methods

The annual financial statements have been prepared in accordance with generally accepted accounting principles in France according to the general accounting plan (ANC Regulation No. 2014-03 on the General Accounting Plan).

Generally accepted accounting principles have been applied, in accordance with the principle of prudence and the following basic assumptions:

- going concern;
- consistency of accounting policies from one financial year to the next;
- independence of financial years;

and in accordance with the general rules for preparing and presenting the annual financial statements.

The basic measurement method is historical cost. The principal methods used are as follows:

1.1. Intangible assets

Intangible assets are recorded at historical cost after deduction of amortization. Goodwill, fully amortized, corresponds to business assets received prior to the 1986 financial year. Since 2014 business acquired or received as a contribution is not amortized.

Research & development costs are entered as expenses.

1.2. Property, plant and equipment

Tangible assets are recorded at acquisition or production cost, by applying the component approach pursuant to CRC Regulation No. 2002-10. The cost of goods sold excludes all financing expenses. Property, plant and equipment acquired before December 31, 1976 have been restated.

Depreciation is calculated on a straight-line basis over the useful life of assets. Depreciation calculated on a tax rate method is reported in the balance sheet under regulated provisions.

In accordance with ANC Regulation No. 2014-05, deposits and subsoil are accounted for separately under quarry lands:

- the deposit, comprised of materials to be extracted for incorporation into a production process, was reallocated to inventories;
- the subsoil, the residual portion of the land, is recognized under property, plant and equipment. It is not depreciated but will be written down in the event of an impairment loss.

1.3. Financial investments and treasury shares

Investments in associated companies are recorded at acquisition cost, subject to the deduction of any impairment considered necessary, taking into account the percentage holding, profitability prospects and share prices if significant or market prices. Investments acquired before December 31, 1976 have been restated.

Treasury shares are recognized at acquisition cost and recorded in other financial investments. Those intended for allotment to employees under profit-sharing and performance-related bonus schemes are recognized in short-term financial investments. Income from sales of treasury shares contributes to the earnings for the year. At year-end, treasury shares are valued on the basis of the average price in the last month of the financial year. Changes in the share price below the historic purchase price can effect a change in the earnings.

1.4. Inventories

Inventories are valued using the method of weighted average unit cost. The gross value of goods and supplies includes both the purchase price and all related costs. Manufactured goods are recorded at production cost and include consumables, direct and indirect production costs and depreciation of production equipment.

In the case of inventories of finished products and work-in-progress, the cost includes an appropriate share of fixed costs based on standard conditions of use of the production facilities.

Inventory impairments are recorded when necessary to take into account any probable losses identified at year-end.

1.5. Emission quotas

We use the method recommended by the ANC (Regulation No. 2012-03 dated October 4, 2012, approved on January 7, 2013) to recognize greenhouse gas emission quotas.

According to this method, provided the quotas are intended to fulfill the obligations related to emissions (production model):

- quotas are recognized in inventories when acquired (free of charge or against payment). They are drawn down as and when necessary to cover greenhouse gas emissions, as part of the restitution procedure, or at the time of their sale, and are not revalued at closing;
- a debt is recognized at the period-end if there is a quota deficit.

Since Vicat currently only has those quotas allocated free of charge by the State under National Quotas Allocation Plan, applying these rules means they are posted as inventories for a zero value. Moreover, we have recorded surpluses to date, no debt is posted to the balance sheet.

1.6. Receivables

Receivables and payables are recorded at nominal value.

A provision for impairment of receivables is recognized when the current value is below book value and when there is a risk of non-recovery.

1.7. Transactions in foreign currencies and translation differences

Receivables and payables denominated in foreign currencies are recorded using the exchange rates prevailing at the date of the transaction. At year-end, these receivables and payables are valued in the balance sheet at year-end exchange rates.

Differences arising from revaluation of foreign currency receivables and payables are reported in the balance sheet under "Translation adjustment" for any uncovered portion. Additional provisions are made for non-offset unrealized currency losses.

1.8. Debt issuance costs

Issue expenses for borrowings are spread over the term of the borrowings.

1.9. Short-term financial investments

Short-term financial investments are valued at acquisition cost or at market value if lower.

NOTE 2 Significant events during the period and change in accounting method

On July 30, 2020, the Group entered into a € 175 million financing agreement structured as a US private placement with a leading US investor. The credit line was drawn down on November 30, 2020 to repay the maturing US private placement established in 2010. Given the interest rate agreed of 2.07%, this 15-year borrowing facility will deliver significant financial expense savings for the Group from 2021 onwards.

During 2020, the Group's revenue was significantly impacted by the pandemic in its twelve countries of operation, before experiencing a sharp rebound in the second half of the year.

In this specific context, the Group's priority has been first of all to ensure the health safety of its employees, of its customers and of its suppliers by strictly applying procedures adapted to the health situation.

In France, although the level of activity was clearly affected by the health crisis and the government measures put in place to deal with it at the end of March and during the months of April and May, the situation improved significantly from June onwards. The rebound in activity observed over the last seven months of the year made it possible to partially make up for the decline recorded during the first half of the year.

In this unprecedented context, adaptation measures have been put in place as part of a plan to reduce operating costs, improve working capital requirements and postpone non-strategic industrial investments. It was therefore decided to move the Paris registered office of Vicat to Isère, to close our offices in the Manhattan tower for good and to consolidate all of the Corporate functions on the Isle d'Abeau site.

NOTE 3 Subsequent events

There were no significant subsequent events.

NOTE 4 Sales analysis

Net sales revenues by activity break down as follows:

(in thousands of euros)	Total
Cement	407,872
Paper	33,348
TOTAL	**441,220**

Close to 90% of Vicat SA's sales revenues are generated in France.

NOTE 5 Analysis of the financial statements

5.1. Intangible and tangible fixed assets

Gross values

(in thousands of euros)	Gross value at beginning of year	Increase	Decrease	Reclassification	Gross value at end of year
Concessions, patents, goodwill and other intangible assets	50,322	8,487	489	-	58,320
Land and improvements	70,850	255	38	625	71,692
Buildings and improvements	183,963	697	351	3,190	187,499
Plant, machinery and equipment	621,547	9,346	90	8,688	639,490
Other property, plant and equipment	13,885	346	227	495	14,499
Tangible assets in progress	17,969	15,461	-	(12,998)	20,432
Advances and prepayments	1,547	-	996	-	551
TOTALS	**960,082**	**34,592**	**2,191**	**-**	**992,483**

The main changes in tangible and intangible assets are related to:

- renovation of the Lepol grate for the Xeuilley kiln for € 2,757 thousand;
- Blausac's exclusive operating license for € 2,000 thousand;
- the implementation of the SAP system for SATM and Delta Pompage for a total of € 1,620 thousand;
- the scoping study of the customer knowledge project for an amount of € 1,444 thousand;
- the replacement of the St Egrève ferrule and medial sheath for a total of € 962 thousand;
- the installation of a fourth silo and big bag unloading station in Xeuilley for a total of € 692 thousand
- phase 2 CSR debottlenecking in Peille for € 637 thousand;
- the Cimentalgue project for € 617 thousand;
- the Group's financial reporting project for € 521 thousand;
- the installation for secondary fuels in a pipe at Montalieu for an amount of € 1,473 thousand.

Depreciations

(in thousands of euros)	Depreciations at beginning of year	Increase	Decrease	Reclassification	Depreciations at end of year
Concessions, patents, goodwill and other intangible assets	30,104	2,568	-	-	32,672
Land and improvements	10,786	723	-	-	11,509
Buildings and improvements	144,556	3,903	211	-	148,248
Plant, machinery and equipment	517,491	16,645	90	-	534,046
Other property, plant and equipment	12,649	780	227	-	13,202
TOTALS	**715,586**	**24,620**	**528**		**739,678**

5.1.1. Intangible assets

Research & development costs recorded in expenses for the financial year and eligible for CIR (research and innovation tax credit) amounted to € 3,367 thousand. These include € 2,238 thousand for internal costs (depreciation, staff and operating costs) and € 1,129 thousand for work commissioned to external organizations.

5.1.2. Property, plant and equipment

Tangible assets in progress are mainly made up of industrial sites or facilities under construction.

Property, plant and equipment are depreciated as follows:

- construction and civil engineering of industrial sites or facilities: 15 to 30 years;
- industrial sites or facilities: 5 to 15 years;
- vehicles: 5 to 8 years;
- sundry equipment: 5 years;
- computer equipment: 3 years.

5.1.3. Financial investments

Gross financial investments increased by € 16,743 thousand, mainly as a result of:

- changes in investments in associated companies (GETRIM and Dumont Investissement) 17,681;
- changes in other financial investments (938);
- changes in loans -.

TOTAL 16,743

Under the liquidity agreement with ODDO, the following amounts were recognized in the liquidity account at year-end:

- 50,006 treasury shares representing a net value of € 1,514 thousand;
- € 1,026 thousand in cash.

Under this agreement, 215,360 shares were purchased during the year for € 6,632 thousand and 196,177 shares were sold for € 6,322 thousand.

At December 31, 2020, financial investments included 600,006 treasury shares. An additional 167,855 treasury shares were classified as short-term financial investments.

Loans and other gross financial investments amounted to € 49,873 thousand and have a term of more than one year.

5.2. Shareholders' equity

5.2.1. Share capital

Share capital is € 179,600,000, divided into 44,900,000 shares of € 4 each, held by:

- Public 35.44%;
- Employee shareholders* 1.29%;
- Parfininco 30.59%;
- Soparfi 26.59%;
- Family 4.38%;
- Vicat 1.71%.

* *Pursuant to article L. 225-102 of the French Commercial Code.*

5.2.2. Changes in shareholders' equity

(in thousands of euros)	2020	2019
Shareholders' equity at beginning of year	1,761,375	1,729,265
Shareholders' equity at end of year	1,788,343	1,761,375
Change	26,968	32,110
Analysis of changes		
Net income for the year	97,692	104,953
Dividend payments(1)	(66,370)	(66,434)
Revaluation adjustment	(21)	(11)
Regulated provisions	(4,333)	(6,398)
TOTAL	**26,968**	**32,110**

(1) Less dividends on treasury shares.

5.2.3. Regulated provisions

(in thousands of euros)	Amount at beginning of year	Increase during the year	Reversals	Amount at end of year
Price increase provision	1,748	762	32	2,478
Special tax depreciation	68,173	3,513	8,576	63,110
Special revaluation provision	2,360	-	-	2,360
TOTAL	**72,281**	**4,275**	**8,608**	**67,948**

The reversal schedule breaks down as follows:

(in thousands of euros)	Amount	Reversal at 1 year or less	Reversal at more than 1 year
Price increase provision	2,478	166	2,312
Special tax depreciation	63,110	-	63,110
Special revaluation provision	2,360	-	2,360
TOTAL	**67,948**	**166**	**67,782**

5.3. Provisions

(in thousands of euros)	Amount at beginning of year	Increase during the year	Reversal (with use)	Reversal (unused provision)	Amount at end of year
Provisions for quarry restoration	5,342	485	231	-	5,596
Provisions for disputes	256	185	134	-	307
Other provisions for risks and charges	38,189	2,600	-	-	40,789
TOTAL	**43,787**	**3,270**	**365**	**-**	**46,692**

Provisions amounted to € 47 million and covered:

- forecast costs under the French quarry restoration obligation of € 5.6 million. These provisions are made for each of the quarries based on tonnages extracted as a ratio of the potential deposit and the estimated cost of the work to be performed at the end of operations;
- other provisions for expenses which mainly include a provision of € 39.7 million for tax to be repaid to subsidiaries under the Group tax consolidation plan. The amount increased € 1.5 million on 2019.

5.4. Financial liabilities

During 2020, medium and long-term financial liabilities, current bank facilities and other bank borrowings rose by € 31.1 million.

5.4.1. Maturities schedule

(in thousands of euros)	Gross amount	1 year or less	between 1 year and 5 years	+5 years
Bank borrowings and financial liabilities[1]	1,117,999	2,662	798,210	317,127
Miscellaneous borrowings and financial liabilities	278	278	-	-
Short-term bank borrowings and bank overdrafts	10	10	-	-
TOTAL	**1,118,287**	**2,950**	**798,210**	**317,127**
(1) Of which commercial paper	*550,000*			*550,000*

5.4.2. Other information

At December 31, 2020 the Company had € 230 million in unused confirmed lines of credit that were not allocated to the hedging of liquidity risk on commercial paper (€ 205 million at December 31, 2019).

The Company also has a program for issuing commercial paper amounting to € 550 million. At December 31, 2020, the amount of commercial paper issued stood at € 550 million. Commercial paper consists of short-term debt instruments backed by confirmed lines of credit in the amounts issued and classified as medium-term borrowings in the consolidated balance sheet.

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The medium and long-term loan agreements contain specific covenants, especially as regards compliance with financial ratios. The existence of these covenants does not represent a risk to the Company's financial position.

5.4.3. Risk coverage

Foreign exchange risk

The principal and interest due on loans originally issued by the Group in US dollars were converted to euros through a series of cross currency swaps.

Interest rate risk

The variable rate debt (€ 725 million) is hedged through the use of financial instruments (caps) on original maturities of 5 to 10 years amounting to € 715 million at December 31, 2020.

Liquidity risk

Unused confirmed lines of credit are used to cover the risk of the Group finding itself unable to issue its commercial paper through market transactions. As at December 31, 2020, these lines matched the short-term notes they covered, at € 550 million.

5.4.4. Financial instruments

Type *(in thousands of currency units)*	Nominal value (currency)	Nominal value (euros)	Fair value (euros)
CHF forward sales	CHF 180,000	166,636	238
USD Forward sales	USD 40,000	32,597	63
Interest rate caps	EUR 714,500	714,500	(1,825)
Cross Currency Swaps	USD 120,000	97,792	7,115[1]
AAT BRL	BRL 163,000	25,575	(31)

(1) At the same time, debt increased by € 7,081 thousand.

5.5. Maturities schedule for trade receivables and payables

All trade receivables and payables have a term of one year or less.

5.6. Payment terms customers and suppliers

	Article D. 4411.2: invoices issued and unpaid at year-end that are past due					
CUSTOMERS	0 days	1 to 30 days	31 to 60 days	61 to 90 days	91 days and over	Total (1 day and over)
(A): Late payment installments						
Number of invoices	71	130	51	38	220	439
Total amount of invoices, inc. VAT	1,640,030	2,791,070	820,883	448,869	2,433,900	6,494,723
Percentage of total sales for the year, inc. VAT	0.32%	0.55%	0.16%	0.09%	0.48%	1.30%
(B): Invoices not included in (A) relating to disputed liabilities and receivables						
Number of invoices not included	347					
Total amount of invoices not included, inc. VAT	2,654,944					
(C): Reference payment terms used (contractual or legal deadline-article L. 441-6 or L. 443-1 of the French Commercial Code)						
Payment terms used to calculate late payments	-Contractual deadlines granted when opening the customer account					

The above analysis (Table A) does not include the receivables of two international subsidiaries which owed the Company € 5,296,436 debt at December 31, 2020.

TOTAL	1 to 30 days	31 to 60 days	61 to 90 days	Over 90 days
5,296,436	-	87,000	90,392	5,119,044

SUPPLIERS	Article D. 4411.1: invoices received and unpaid at year-end that are past due					
	0 days	1 to 30 days	31 to 60 days	61 to 90 days	91 days and over	Total (1 day and over)
(A): Late payment installments						
Number of invoices	23	376	78	43	134	632
Total amount of invoices, inc. VAT	307,001	1,476,678	451,538	131,787	122,452	2,182,455
Percentage of total purchases for the year, inc. VAT	0.10%	0.46%	0.14%	0.04%	0.04%	0.68%
(B): Invoices not included in (A) relating to disputed liabilities and receivables						
Number of invoices not included				71		
Total amount of invoices not included, inc. VAT				242,496		

5.7. Other balance sheet and income statement information

5.7.1 Inventories and work-in-progress

(in thousands of euros)	December 31, 2020			December 31, 2019		
	Gross	Provisions	Net	Gross	Provisions	Net
Raw materials and consumables	66,752	10,297	56,455	64,037	9,114	54,923
Work-in-progress, finished goods and goods for resale	21,919		21,919	24,715		24,715
TOTAL	**88,671**	**10,297**	**78,374**	**88,752**	**9,114**	**79,638**

The balance of quotas allocated by the French State under the National Quota Allocation Plan, Phase Two (*Plan National d'Affectation des Quotas*, or PNAQ II) for the 2008-2012 period stands at 1,517 thousand tons. In Phase III (2013/2020), surplus quotas totaled 3,584 thousand tons at the end of 2020.

In accordance with ANC Regulation No. 2013-03 article 1, quotas allocated free of charge are not recorded either as assets or liabilities.

5.7.2. Related parties

Elements relating to several balance sheet items *(in thousands of euros)*	Related companies	Payables or receivables represented by commercial paper
Investments in associated companies	2,159,932	-
Trade receivables and related accounts	32,695	-
Other receivables	363,293	-
Trade payables and related accounts	9,968	-
Other liabilities	137,721	-

Transactions with related companies are carried out on arm's-length terms.

Income statement items	Related companies
Financial expenses	580
Financial income excluding dividends	6,392

Transactions with associated companies and related parties are not covered by ANC Regulation No. 2010-02.

5.7.3. Accounts payable

Accounts payable *(in thousands of euros)*	Amount
Bank borrowings and financial liabilities	2,672
Trade payables and related accounts	51,185
Tax and employee-related payables	20,136
Other liabilities	704
TOTAL	**69,655**

5.7.4. Prepaid expenses

Prepaid expenses *(in thousands of euros)*	Amount
Operating expenses	1,998
Financial expenses	-
TOTAL	**1,998**

5.7.5. Short-term financial investments

Short-term financial investments consist of 167,855 Vicat shares held for allocation to employees under compulsory and discretionary profit-sharing schemes and arbitraging for a net value of € 4,996 thousand. This valuation was on the basis of the average share price in December 2020 of € 34.49.

5.7.6. Net financial expense

Net financial expense recorded a net charge to provisions for impairment of treasury shares of € 1,338 thousand (compared to a net reversal of € 1,366 thousand in 2019).

5.7.7. Statutory auditors 'fees

Fees paid to statutory auditors and recognized in the financial statements of Vicat SA for 2020 break down by type as follows:

(in euros)	KPMG	Wolff & associés
Certification of the financial statements	299,800	228,596
Services other than the certification of the financial statements		1,250
TOTAL FEES	**299,800**	**229,846**

NOTE 6 Breakdown of income tax and additional contributions

Profit and loss line items *(in thousands of euros)*	Profit (loss) before tax	Corporate income taxe	Social security contributions	Net profit (loss) after tax
Profit from ordinary activities before tax	115,331	(11,882)	(477)	102,972
Extraordinary net income (and employee profit-sharing)	(5,051)	(221)	(7)	(5,279)
Accounting result	110,280	(12,103)	(484)	97,693

NOTE 7 Impact of special tax evaluations

Headings *(in thousands of euros)*	Additional expense	Reversals	Amounts
Net income for the year			97,693
Income taxes[1]			12,103
Social security contributions			484
Profit (loss) before tax			**110,280**
Change in special tax depreciation of assets	3,513	(8,576)	(5,063)
Change in the special revaluation provision	-	-	-
Change in price increase provision	762	(32)	730
SUBTOTAL	4,275	(8,608)	(4,333)
Net income excluding special tax valuations (before income tax)			**105,947**

(1) Corporation tax expense includes the charge for taxable income for the year less tax credits and the impact of the tax consolidation plan.

Vicat has opted for a tax consolidation plan with itself as the parent company. This option relates to 14 companies. Under the terms of the tax consolidation agreement, subsidiaries pay the same tax as if there had been no tax sharing. The tax saving resulting from the tax consolidation agreement goes to the parent company, other than amounts due to subsidiaries claiming for tax losses, for which a provision is taken (see note 5.3.). For year 2020, this saving came out at € 1.10 million.

The expenses covered by articles 223 *quater* and 39.4 of the French General Tax Code (CGI) amounted to € 145 thousand for 2020.

NOTE 8 Deferred tax

Headings *(in thousands of euros)*	Amount
Tax owed on:	
■ price increase provisions	793
■ special tax depreciation	20,208
Total increases	**21,001**
Prepaid tax on temporarily non-deductible expenses of which employee profit-sharing: 885	1,195
Total tax relief	**1,195**
Net deferred tax	**19,806**

NOTE 9 Off-balance sheet commitments

Commitments given *(in thousands of euros)*	Amount
Pension commitments(1)	19,447
Deposits and guarantees(2)	39,662
TOTAL	**59,109**

(1) Including € 7,392 thousand relating to the supplementary pension plan for Company officers and executives under article 39 of the French General Tax Code.
(2) Including € 31,194 thousand in bank guarantees given for a foreign subsidiary.

Vicat granted a put option to the minority shareholders of its subsidiary Mynaral Tas Company LLP. This option, exercisable in December 2013 at the earliest, is valued at € 8,365 thousand as at December 31, 2020.

Commitments received *(in thousands of euros)*	Amount
Confirmed credit lines(1)	790,000
Other commitments received	0
TOTAL	**790,000**

(1) Including € 550,000 thousand allocated to cover the commercial paper issue program.

Retirement indemnities are accrued in accordance with the terms of in the collective labor agreements. The corresponding liabilities are calculated using the projected unit credit method, which includes assumptions on employee turnover, mortality and wage inflation. Commitments are valued, including social security charges, pro-rata to employees' years of service.

Principal actuarial assumptions used are as follows:

- discount rate: 0.25%;
- wage inflation: from 1.75% to 3.50%;
- inflation rate: 1.60%

NOTE 10 Compensation and workforce

Compensation of executive directors *(in thousands of euros)*	Amount
Compensation allocated to:	
■ directors	427
■ executive management	2,731

Workforce *(in thousands of euros)*	Medium	At December 31, 2020
Management	294	297
Supervisors, technicians, administrative employees	406	395
Blue-collar staff	212	207
TOTAL COMPANY	**912**	**899**
Of which Paper Division	*160*	*157*

Subsidiaries and investments in associated companies

Company or group of companies 2020 *(in thousands of currency units: EUR, USD, CFAF)*	**Capital**	**Reserves and retained earnings before appropriation of income**	**Ownership share** *(in %)*	**Book value of shares held**		**Loans & advances granted by the Company and not yet repaid**	**Guarantees granted by the Company**	**Revenues ex. VAT for the financial year ended**	**Profit or loss (-) for the last financial year**	**Dividends received by Vicat during the year**	**Obser-vations**
				gross	**net**						
1) Subsidiaries *(at least 50% of the capital held by the Company)*											
Béton Travaux 38081 L'Isle d'Abeau Cedex	27,997	275,647	99.97	88,884	88,884	94,436		109	16,657	9,972	
National Cement Company(1) Los Angeles USA	280,520	155,942	97.85	229,581	229,581	32,562		630,964	47,133	-	
Ciplan(2) Brazil	436,922	(401,996)	66.07	300,179	300,179	-		1,012,691	155,973	-	
Parficim 38081 L'Isle d'Abeau Cedex	70,288	1,502,254	100.00	1,423,624	1,423,624	186,156			52,348	56,011	
Satma 38081 L'Isle d'Abeau Cedex	3,841	3,637	100.00	7,613	7,613			18,645	638	1,500	
Cap Vracs 13270 Fos-sur-Mer	20,540	18,660	100.00	53,404	53,404			4,622	2,573		
Sodicapei 34560 Villeveyrac	164	275	58.47	10,990	3,995	393		2,229	55		
Circulere 38081 l'Isle d'Abeau	200	0	100.00	200	200						
2) Investments in associated companies *(10 to 50% of the capital held by the Company)*											
Société des Ciments d'Abidjan Côte d'Ivoire	2,000,000	36,930,364	17.14	1,596	1,596			42,381,325	1,044,229	-	Figures for 2019
Other subsidiaries and affiliates											
French subsidiaries (total)				18,209	18,209	373				137	
Foreign subsidiaries (total)				47,068	47,068	18,747					
TOTAL				**2,181,349**	**2,174,314**	**332,667**				**67,620**	

(1) Figures presented in USD.
(2) Figures presented in BRL.
(3) Figures presented in FCFA.

Inventory of securities in portfolio at December 31, 2020

(in thousands of euros)	
1. Affiliates whose market value is greater than or equal to € 16,000	
4,393,013 shares PARCIFIM	1,423,624
1,749,418 shares BÉTON TRAVAUX	88,884[1]
2,054,000 shares CAP VRACS	53,404
6,479 shares SODICAPEI	10,990
240,068 shares SATMA	7,613
34,374 shares VALERCO	1,210
16,908 shares SEGY	340
4,178 shares SCORI	255
118,864 shares FINAO	221
6,798 shares GYPSE DEMAURIENNE	104
376,000 shares GETRIM	6,015
58,837 shares DUMONT INVESTISSEMENT	10,000
20,000 shares CIRCULERE	200
1,654 shares SIGMA	29
	1,602,890
2. Affiliates whose market value is less than € 16,000	**34**
3. Investments in foreign companies	**578,425[2]**
	2,181,349
(1) Of which increase following revaluation	*1,308*
(2) Of which increase following revaluation	*429*

6.2.3. Statutory auditor's report on the individual financial statements

Year ended December 31, 2020

To the General Meeting of shareholders of Vicat SA,

Opinion

In compliance with the engagement entrusted to us by your Annual General Meeting, we have audited the accompanying financial statements of Vicat SA for the year ended December 31, 2020.

In our opinion, the financial statements give a true and fair view of the assets and liabilities and of the financial position of the Company as at December 31, 2020 and of the results of its operations for the year ended in accordance with French accounting principles.

The audit opinion expressed above is consistent with our report to the Audit Committee.

Basis for opinion

Audit framework

We conducted our audit in accordance with professional standards applicable in France. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under those standards are further described in the "Statutory auditors' responsibilities for the audit of the financial statements" section of our report.

Independence

We conducted our audit engagement in compliance with independence requirements of the French Commercial Code (*Code de commerce*) and the French Code of Ethics (code de déontologie) for statutory auditors for the period from 1st January 2020 to the date of our report and specifically we did not provide any prohibited non-audit services referred to in Article 5(1) of Regulation (EU) No 537/2014.

Justification of assessments – Key audit matters

Due to the global crisis related to the Covid-19 pandemic, the financial statements of this period have been prepared and audited under specific conditions. Indeed, this crisis and the exceptional measures taken in the context of the state of sanitary emergency have had numerous consequences for companies, particularly on their operations and their financing, and have led to greater uncertainties on their future prospects. Those measures, such as travel restrictions and remote working, have also had an impact on the companies' internal organization and the performance of the audits.

It is in this complex and evolving context that, in accordance with the provisions of articles L. 823-9 and R. 823-7 of the French Commercial Code (*Code de commerce*) relating to the justification of our assessments, we inform you of the key audit matters relating to your attention the key audit matters relating to the risks of material misstatement that, in our professional judgment, were of most significance in our audit of the financial statements of the current period, as well as how we addressed those risks.

These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on specific items of the financial statements.

Investment valuation

Description of the risk identified

Investments in Group companies as at December 31, 2020 amount to € 2,164 million and represent one of the most significant items of the balance sheet. As mentioned in note 1, they are recognized at the acquisition cost and depreciated where necessary, by taking into account the equity share percentage, the estimated future profitability and stock prices when significant or market prices.

These investments' value estimate requires management estimate in the choice of the elements to be considered for each related investment. These elements may correspond in some instances to historical elements (the shareholders' equity or last-month average stock price), or to forecast (profitability).

Both competition and macroeconomic environment a number of subsidiaries are facing, as well as the geographical context for some of them, may lead to an activity downturn and to an operating result decrease.

In this context and with respect to some inherent uncertainties, in particular the forecast achievement, we considered the investments in Group companies valuation, as well the receivables from Group companies and related provisions for risks as a key audit matter.

Audit approach

To assess the reasonableness of investments in Group companies valuation, on the basis of the information we have been provided with, our work consisted mainly in ensuring that the Management's estimations were based on an appropriate rationale regarding the valuation method used and for the underlying data and:

- For valuations based on historical items:
  - ensure that the shareholders' equity value considered reconciles with the statutory accounts of the entities which had been subject to an audit or to analytical review;
  - assess the consistency of the assumptions used by the Management in the course for previous assessments underlying the valuation of the related entities and the absence of cyclical or structural factors which would have an incidence at year-end;
  - assess whether any adjustments on the shareholders' equity where relevant, have been supported by an appropriate documentation.
- For valuations based on forecasts :
  - obtain cash flow and operating forecasts for the activities of the entities, prepared by operational management and assess their consistency with the forecast data from the latest strategic plans prepared by Management for each of these activities and approved, when applicable by the General Management;
  - assess the consistency of the assumptions used based on our knowledge of the economic environment at year-end;
  - compare previous forecasts with achievements in order to assess the achievement of past objectives;
  - ensure that the value derived from cash flow forecast has been adjusted from the financial liabilities.

Besides our assesment of investments in Group companies valuation, our work also consisted in the appreciation of the recoverability of receivables related to these investments in the light of analyses performed.

Specific verifications

We have also performed, in accordance with professional standards applicable in France, the specific verifications required by French laws and regulations.

Information given in the management report and in the other documents with respect to the financial position and the financial statements provided to the shareholders

We have no matters to report as to the fair presentation and the consistency with the financial statements of the information given in the management report of the Board of Directors and in the other documents with respect to the financial position and the financial statements provided to the shareholders.

We attest the fair presentation and the consistency with the financial statements of the information relating to payment terms, required under article D. 441-4 of the French Commercial Code (*Code de commerce*).

Report on corporate governance

We attest that the Board of Directors' report on corporate governance sets out the information required by the articles L. 225-37-4, L. 22-10-10 and L. 22-10-9 of the French Commercial Code (*Code de commerce*).

Concerning the information given in accordance with the requirements of article L. 22-10-9 of the French Commercial Code (*Code de commerce*) relating to remunerations and benefits received by the Company officers and any other commitments made in their favor, we have verified its consistency with the financial statements, or with the underlying information used to prepare these financial statements and, where applicable, with the information obtained by your Company from controlling and controlled companies which are within the scope of consolidation. Based on this work, we attest the accuracy and fair presentation of this information.

Other information

In accordance with the law, we have ensured that the information relating to the identity of the holders of capital or voting rights has been communicated to you in the management report.

Other verifications or information required by law and regulations

FORMAT OF THE ANNUAL FINANCIAL STATEMENTS INTENDED TO BE INCLUDED IN THE ANNUAL FINANCIAL REPORT

In accordance with Article 222-3, III of the AMF General Regulation, the Company's management informed us of its decision to postpone the presentation of the financial statements in compliance with the European single electronic format as defined in the European Delegated Regulation No 2019/815 of 17 December 2018 to years beginning on or after January 1st, 2021. Therefore, this report does not include a conclusion on the compliance with this format of the presentation of the financial statements intended to be included in the annual financial report mentioned in Article L.451-1-2, I of the French Monetary and Financial Code (*Code monétaire et financier*).

Appointment of the statutory auditors

We were appointed as statutory auditors of Vicat SA by the Annual General Meeting held on November 25, 1983 for KPMG Audit and on May 16, 2007 for Wolff & Associés S.A.S.

As at December 31, 2020, KPMG Audit and Wolff & Associés S.A.S. were in the 38th year and 13th year of total uninterrupted engagement since securities of the Company were admitted to trading on a regulated market.

Responsibilities of Management and those charged with governance for the financial statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with French accounting principles and for such internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, Management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it is expected to liquidate the Company or to cease operations.

The Audit Committee is responsible for monitoring the financial reporting process and the effectiveness of internal control and risks management systems and where applicable, its internal audit, regarding the accounting and financial reporting procedures.

The financial statements were approved by the Board of Directors.

Statutory auditor's responsibilities for the audit of financial statements

Objectives and audit approach

Our role is to issue a report on the financial statements. Our objective is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with professional standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As specified in article L. 823-10-1 of the French Commercial Code (*Code de commerce*), our statutory audit does not include assurance on the viability of the Company or the quality of management of the affairs of the Company.

As part of an audit conducted in accordance with professional standards applicable in France, the statutory auditor exercises professional judgment throughout the audit. Furthermore:

- identifies and assesses the risks of material misstatement of the financial statements, whether due to fraud or error, designs and performs audit procedures responsive to those risks, and obtains audit evidence considered to be sufficient and appropriate to provide a basis for his opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;

- obtains an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control;
- evaluates the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management in the financial statements;
- assesses the appropriateness of Management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. This assessment is based on the audit evidence obtained up to the date of his audit report. However, future events or conditions may cause the Company to cease to continue as a going concern. If the statutory auditor concludes that a material uncertainty exists, there is a requirement to draw attention in the audit report to the related disclosures in the financial statements or, if such disclosures are not provided or inadequate, to modify the opinion expressed therein;
- evaluates the overall presentation of the financial statements and assesses whether these statements represent the underlying transactions and events in a manner that achieves fair presentation.

Report to the Audit Committee

We submit a report to the Audit Committee which includes in particular a description of the scope of the audit and the audit program implemented, as well as the results of our audit. We also report, if any, significant deficiencies in internal control regarding the accounting and financial reporting procedures that we have identified.

Our report to the Audit Committee includes the risks of material misstatement that, in our professional judgment, were of most significance in the audit of the financial statements of the current period and which are therefore the key audit matters that we are required to describe in this report.

We also provide the Audit Committee with the declaration provided for in article 6 of Regulation (EU) N° 537/2014, confirming our independence within the meaning of the rules applicable in France such as they are set in particular by articles L. 822-10 to L. 822-14 of the French Commercial Code (*Code de commerce*) and in the French Code of Ethics (*Code de déontologie*) for statutory auditors. Where appropriate, we discuss with the Audit Committee the risks that may reasonably be thought to bear on our independence, and the related safeguards.

The statutory auditors

Paris La Défense, February 15, 2021

KPMG Audit

A division of KPMG S.A.

Philippe Grandclerc

Partner

Chamalières, February 15, 2021

Wolff & Associés S.A.S.

Grégory Wolff

Partner

6.3. Legal and arbitration proceedings

The Group is involved in certain disputes, legal, administrative or arbitration proceedings in the ordinary course of its business. The Group recognizes a provision each time a given risk presents a substantial probability of occurrence before the end of the financial year and when it is possible to estimate its financial consequences.

The principal disputes and administrative, legal or arbitration proceedings in progress involving the Group are detailed below.

6.3.1. Litigation in India

The Group's partner in Bharathi Cement is the focus of an inquiry by the CBI (Central Bureau of Investigation) regarding the source and the growth of his assets. In connection with this inquiry, the CBI filed 14 charge sheets in September 2012 and over the course of 2013, presenting its allegations. Among these, four also involve Bharathi Cement (the CBI is interested in determining whether the investments made in this company by Indian investors were carried out in good faith in the ordinary course of business and if the mining concession was granted in accordance with regulations).

In 2015, the proceedings gave rise to a precautionary seizure by the "Enforcement Directorate" of 950 million rupees (originally approximately € 12 million) from a Bharathi Cement bank account. Following this seizure, the corresponding amounts concerned were reclassified from "cash" to "other current receivables".

A second precautionary seizure of 1,530 million rupees (originally approximately € 19 million) was made in 2016 in the context of the charges regarding the mining concession. The sums were transferred to the Enforcement Directorate as part of this seizure. These deposits were also entered as "other current receivables.".

While this measure is not such as to hinder the Company's operations, the Company is appealing to the administrative and judicial authorities to challenge their validity.

In July 2019, the Court of Appeal in Delhi invalidated the seizure of 1,530 million rupees, and demanded a bank guarantee prior to the repayment of the funds. The Enforcement Directorate has appealed this judgment.

The provisional attachments do not prejudice the merits of the case (CBI investigation) which is still under review and has not at this point led to a charge. The Company has no reason to think there is any probable or measurable financial risk.

6.3.2. Ciplan litigation in Brazil

At the time of its acquisition by the Vicat Group, Ciplan received a firm and irrevocable guarantee from its Brazilian partners for all litigation or future litigation relating to the period prior to the acquisition by Vicat. This guarantee is recognized in "other non-current assets" in an amount of € 48 million as at December 31, 2020 in respect of provisions set aside for indemnifying claims as well as a tax liability (see notes 9 and 15 in the notes to the consolidated financial statements).

6.3.2. Situation in Egypt

To be fully able to benefit from the expected recovery of the market, Sinai Cement, the Group's subsidiary in Egypt, plans to invest in the production facility, damaged by years in a difficult operating environment. To give it the means to carry out these investments to improve productivity and control costs, the Group launched an EGP 650 million capital increase to strengthen the subsidiary's financial structure. The release of the funds contributed by the shareholders will take place after obtaining the administrative approvals, the process of which has been ongoing for more than two years. This deadlock, which gave rise to discussions with the authorities, was due in particular to a difference in the interpretation of the legislation on foreign interests in the Sinai region. With a favorable decision from the Cairo Economic Court in January 2020, the Group expects a successful resolution of the situation. To date, the Group has not entered into a dispute with the Egyptian government over this deadlock. However, it could consider initiating proceedings if an outcome is not reached in the coming months.

6.4. Significant changes to the financial or commercial position

No post-balance sheet event has had a material impact on the consolidated financial statements as at December 31.

Ready-mixed concrete biogas mixer trucks, Vernon plant, USA

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GENERAL MEETING

7.1. Agenda for the Combined General Meeting of April 9, 2021

7.1.1. Within the competence of the Ordinary General Meeting

- Management report of the Board of Directors;
- Board of Directors' report on corporate governance;
- Report of the statutory auditors on the financial statements for the financial year ended December 31, 2020;
- Report of the statutory auditors on the consolidated financial statements for the financial year ended December 31, 2020;
- Special report of the statutory auditors drawn up pursuant to the provisions of article L. 225-40 of the French Commercial Code;
- Approval of the individual financial statements and operations for the year ended December 31, 2020;
- Charges and expenses referred to in article 39.4 of the French General Tax Code;
- Approval of the consolidated financial statements for the year ended December 31, 2020;
- Appropriation of earnings for the year ended December 31, 2020 and dividend;
- Discharge to be given to the Board of Directors for the performance of its duties;
- Approval of regulated agreements;
- Authorization to empower the Board of Directors to purchase, hold or transfer the Company's shares and approval of the share buy-back program;
- Renewal of the term of office of Guy Sidos;
- Renewal of the term of office of Sophie Sidos;
- Renewal of the term of office of Bruno Salmon;
- Renewal of the term of office of Delphine André;
- Resignation of Jacques Le Mercier as Director;
- Appointment of Rémi Weber as Director to replace Jacques Le Mercier.
- Approval of the remuneration policy for the Company officers – *ex ante* vote;
- Approval of the information given in the corporate governance report, pursuant to article L. 22-10-8 of the French Commercial Code – *ex post* vote;
- Approval of elements of remuneration paid or allocated in respect of the financial year ended December 31, 2020 to Guy Sidos, Chairman and Chief Executive Officer – *ex post* vote;
- Approval of elements of remuneration paid or allocated in respect of the financial year ended December 31, 2020 to Didier Petetin, Chief Operating Officer – *ex post* vote;
- Approval of elements of remuneration paid or allocated in respect of the financial year ended December 31, 2020 to Lukas Epple, Chief Operating Officer – *ex post* vote;
- Determination of the overall amount of directors' remuneration;
- Ratification of the transfer of the registered office and the corresponding amendment to article 4 of the Articles of Association.

7.1.2. Within the competence of the Extraordinary General Meeting

- Report of the Board of Directors;
- Report of the statutory auditors on the authorization to allocate free shares, existing or to be issued;
- Authorization to be granted to the Board of Directors to allocate free shares, existing or to be issued, to certain employees of the Company and the French subsidiaries and/or certain company officers;
- Powers.

7.2. Draft resolutions for the Combined General Meeting of April 9, 2021

7.2.1. Resolutions within the remit of the Ordinary General Meeting

First resolution *(Approval of the individual financial statements and operations for the year ended December 31, 2020)*

The Ordinary General Meeting, having reviewed the Board of Directors' report and the statutory auditors' report on the individual financial statements for the financial year ended December 31, 2020, approves the individual financial statements for the year as presented to it, as well as the transactions shown in the financial statements or summarized in these reports, showing a profit for the financial year of € 97,692,335.

Pursuant to the provisions of article 223 *quater* of the French General Tax Code, the Ordinary General Meeting records that no expense or cost mentioned in article 39.4 of this Code was incurred during the past financial year.

Second resolution *(Approval of the consolidated financial statements for the year ended December 31, 2020)*

Having reviewed the Board of Directors' report on the management of the Group and the statutory auditors' report on the consolidated financial statements for the financial year ended December 31, 2020, the Ordinary General Meeting approves the consolidated financial statements for the said financial year as presented to it, including the operations specified and summarized therein, which show consolidated net income of € 172,144 thousand and Group share of net income of € 155,995 thousand.

Third resolution *(Appropriation of earnings for the year ended December 31, 2020 and dividend)*

Further to acknowledging the existence of distributable profits, the Ordinary General Meeting approves the appropriation and distribution thereof as proposed by the Board of Directors:

▪ net income for 2020 financial year	€ 97,692,335
▪ retained earnings carried forward	€ 240,980,084
TOTAL	**€ 338,672,419**
Appropriation:	
▪ dividend (based on the current share capital of 44,900,000 shares with a nominal value of € 4 each)	€ 67,350,000
▪ allocation to other reserve accounts	€ 26,322,419
▪ retained earnings	€ 245,000,000

and accordingly fixes the dividend to be distributed for the 2020 financial year at the gross amount of € 1.50 per share (excluding levies).

This dividend shall be detached on April 26, 2021 and released for payment on April 28, 2021.

When it is paid to individuals resident in France for tax purposes, the dividend is subject either to a single flat-rate withholding tax on the gross dividend at a flat-rate of 12.8% or, if the taxpayer opts expressly, irrevocably and globally, to income tax according to the progressive scale after a 40% allowance. The dividend is also subject to social contributions at a rate of 17.2%.

In accordance with the provisions of article 243 *bis* of the French General Tax Code, the Ordinary General Meeting acknowledges that the dividends paid out per share, in the three previous financial years, were as follows:

	2018	2019	2020
Ordinary dividend per share	€ 1.50	€ 1.50	€ 1.50
Dividends eligible for the tax relief provided in article 158.3-2 of the French General Tax Code	€ 1.50	€ 1.50	€ 1.50
Dividends not eligible for the tax relief provided in article 158.3-2 of the French General Tax Code	-	-	-
Total dividend	€ 67,350,000	€ 67,350,000	€ 67,350,000

Fourth resolution *(Discharge to be given to the Board of Directors for the performance of its duties)*

The Ordinary General Meeting provides full and unconditional discharge to the members of the Board of Directors for the performance of their duties during the 2020 financial year.

Fifth resolution *(Approval of regulated agreements)*

Having reviewed the special report issued by the statutory auditors on agreements specified in article L. 225-38 of the French Commercial Code, the Ordinary General Meeting duly notes the conclusions of this report and formally acknowledges that there were no agreements covered by these provisions during the past financial year.

Sixth resolution *(Authorization to empower the Board of Directors to purchase, hold or transfer the Company's shares and approval of the share buy-back program)*

Having reviewed the Board of Directors' special report and the description of the share buy-back program contained in this Universal Registration Document, the Ordinary General Meeting hereby authorizes the Board of Directors to purchase, hold or transfer Company shares, with power to sub-delegate in compliance with the statutory provisions, and subject to compliance with currently prevailing legal and regulatory provisions, with particular reference to article L. 20-10-62 of the French Commercial Code, European Regulation (EU) no. 596/2014 of April 16, 2014 on market abuse, and market practices permitted by the *Autorité des marchés financiers* (French Financial Regulator), for the following purposes (not in order of priority):

(a) to allocate or sell shares to employees and/or officers of the Company and/or of companies which are related to it or will be related to it under the terms and conditions set out in law, particularly for purposes of employee saving schemes, purchase option, free share allocation, and stock ownership plans (notably under the conditions of article L. 3332-1 *et seq.* and L. 3344-1 of the French Labor Code);

(b) to foster a liquid trading of the share through a liquidity agreement entered into with an underwriter conforming to the Ethical Charter of the French Association of Financial Markets (AMAFI) as recognized by the *Autorité des marchés financiers*;

(c) to retain the Company's shares and subsequently use them for payment, exchange or other in the context of external growth transactions within the limit of 5% of the share capital;

(d) to cancel some or all of the shares acquired up to the maximum statutory limit subject to a confirmatory vote by an Extraordinary General Meeting on a resolution for the purpose;

(e) to allow the Company to trade in the Company's shares for any other purpose authorized now or in the future by law or regulations in force.

The Ordinary General Meeting resolves that:

- the unit purchase price must not exceed € 100 per share (excluding acquisition expenses);
- the total number of shares that the Company can acquire may not exceed 10% of its share capital; this threshold of 10% must be calculated on the actual date when the buy-backs are made. However, (i) this limit shall be 5% of the share capital with respect to the purpose specified in (c) above and (ii) when the shares are bought back to promote liquidity, in accordance with regulations in force, the number of shares included in the calculation of the 10% equals to the total shares less the shares resold during the authorization period.

Pursuant to article R. 225-151 of the French Commercial Code and taking into account the 10% cap and the shares already held by the Company, the General Meeting sets the overall maximum allocated to the buy-back program at € 372,213,890, which corresponds to a maximum of 3,722,138.90 shares with a nominal value of € 4 each at December 31, 2020.

Pursuant to this decision, within the limits permitted by the regulations in force, the shares may be purchased, sold, exchanged or transferred at any time including during a public offering, in one or more transactions, by any means, on all markets and over the counter, including by acquisition or sale of blocks, and by means including the use of derivatives and warrants.

The General Meeting resolves that the Board of Directors shall be entitled to implement this resolution at any time during a period not to exceed eighteen (18) months with effect from this General Meeting, including during a public offer period, within the limits and subject to the terms and conditions and abstention periods specified by the law and *Autorité des marchés financiers'* General Regulations.

This authorization annuls and replaces the authorization granted by the General Meeting of April 3, 2020 with respect to the remaining period of validity.

The General Meeting grants all powers to the Board of Directors, with the option of sub-delegation under the terms and conditions of the law, for the purpose of:

- implementing this authorization and continuing to execute the share buy-back program, allocating or re-allocating the shares acquired for the various purposes in compliance with legal and regulatory provisions;
- undertaking adjustments of unit prices and the maximum number of shares to be acquired in proportion to the change in the number of shares, or the nominal value thereof, resulting from possible transactions relating to the Company's share capital;
- placing all stock market orders on all markets or undertaking transactions outside such markets;
- entering into all agreements, in particular for the purpose of keeping share purchase and sale registers, filing all declarations with the *Autorité des marchés financiers* and all other bodies;
- undertaking all declarations and other formalities, and generally undertaking all necessary operations.

The Board of Directors shall inform the General Meeting of operations undertaken in application of this authorization.

Seventh resolution *(Reappointment of Guy Sidos as Director)*

The Ordinary General Meeting resolves to reappoint Guy Sidos as Director for a six-year term expiring at the end of the Ordinary General Meeting to be held in 2027 to approve the financial statements for 2026.

Eighth resolution *(Reappointment of Sophie Sidos as Director)*

The Ordinary General Meeting resolves to reappoint Sophie Sidos as Director for a six-year term expiring at the end of the Ordinary General Meeting to be held in 2027 to approve the financial statements for 2026.

Ninth resolution *(Reappointment of Bruno Salmon as Director)*

The Ordinary General Meeting resolves to reappoint Bruno Salmon as Director for a three-year term expiring at the end of the Ordinary General Meeting to be held in 2024 to approve the financial statements for 2023.

Tenth resolution *(Reappointment of Delphine André as Director)*

The Ordinary General Meeting resolves to reappoint Delphine André as Director for a three-year term expiring at the end of the Ordinary General Meeting to be held in 2024 to approve the financial statements for 2023.

Eleventh resolution *(Appointment of Rémi Weber as Director to replace Jacques Le Mercier)*

The General Meeting resolves to appoint Rémi Weber as Director to replace Jacques Le Mercier for the remainder of his term of office, *i.e.* until the end of the Ordinary General Meeting held in 2023 called to approve the financial statements for the financial year 2022.

Twelfth resolution *(Approval of the remuneration policy for the Company officers* – ex ante *vote)*

The Ordinary General Meeting, acting in accordance with the provisions of article L. 22-10-8 of the French Commercial Code, having reviewed the Board of Directors' report on corporate governance, approves the remuneration policy for the Company's officers in this report.

Thirteenth resolution *(Approval of the information given in the corporate governance report, pursuant to article L. 22-10-9 of the French Commercial Code* – ex post *vote)*

The Ordinary General Meeting, acting in accordance with the provisions of I of article L. 22-10-34 of the French Commercial Code, having reviewed the report on corporate governance prepared by the Board of Directors, approves the information contained therein pursuant to the provisions of I of article L. 22-10-9 of the French Commercial Code.

Fourteenth resolution *(Approval of elements of remuneration paid or allocated in respect of the financial year ended December 31, 2020 to Guy Sidos, Chairman and Chief Executive Officer* – ex post *vote)*

The Ordinary General Meeting, acting in accordance with the provisions of II of article L. 22-10-34 of the French Commercial Code, having reviewed the Board of Directors' report on corporate governance:

- approves the elements making up the total remuneration and benefits of all kinds paid or allocated in respect of the financial year ended December 31, 2020 to Guy Sidos, Chairman and Chief Executive Officer;
- consequently, notes that the elements of variable and exceptional remuneration allocated to Guy Sidos, Chairman and Chief Executive Officer for the financial year ended December 31, 2020, will be paid to him.

Fifteenth resolution (Approval of elements of remuneration paid or allocated in respect of the financial year ended December 31, 2020 to Didier Petetin, Chief Operating Officer – "ex post" vote)

The Ordinary General Meeting, acting in accordance with the provisions of II of article L. 22-10-34 of the French Commercial Code, having reviewed the Board of Directors' report on corporate governance:

- approves the elements making up the total remuneration and benefits of all kinds paid or allocated in respect of the financial year ended December 31, 2020 to Didier Petetin, Chief Operating Officer;
- consequently, notes that the elements of variable and exceptional remuneration allocated to Didier Petetin, Chief Operating Officer for the financial year ended December 31, 2020, will be paid to him.

Sixteenth resolution *(Approval of elements of remuneration paid or allocated in respect of the financial year ended December 31, 2020 to Lukas Epple, Chief Operating Officer* – ex post *vote)*

The Ordinary General Meeting, acting in accordance with the provisions of II of article L. 22-10-34 of the French Commercial Code, having reviewed the Board of Directors' report on corporate governance:

- approves the elements making up the total remuneration and benefits of all kinds paid or allocated in respect of the financial year ended December 31, 2020 to Lukas Epple, Chief Operating Officer;
- acknowledges that Lukas Epple is not remunerated for his office as Chief Operating Officer.

Seventeenth resolution *(Determination of the total amount of Directors' remuneration)*

The Ordinary General Meeting, having reviewed the Board of Directors' report provided for by article L. 22-10-8 of the French Commercial Code, resolves to allocate € 446,000 to the directors in fixed annual compensation for their role as of January 1, 2021 and until the meeting decides otherwise.

It acknowledges that this sum will be distributed among the Directors under the conditions described in the report provided for in article L. 22-10-8 of the French Commercial Code.

Eighteenth resolution *(Ratification of the transfer of the registered office and corresponding amendment to article 4 of the Articles of Association)*

The Ordinary General Meeting ratifies the decision taken by the Board of Directors, at its meeting of July 27, 2020, to transfer the registered office of "Tour Manhattan, 6 place de l'Iris, 92095 Paris La Défense" to "4 rue Aristide Bergès – Les Trois Vallons – 38080 l'Isle d'Abeau" from October 1, 2020.

As a result, it also approves the amendment to the Articles of Association made by the said Board as follows:

Article 4 - Registered office

"The Company's registered office is at 4 rue Aristide Bergès - Les Trois Vallons – 38080 L'ISLE D'ABEAU."

7.2.2. Resolutions within the remit of the Extraordinary General Meeting

Nineteenth resolution *(Free Share Allocation Plan)*

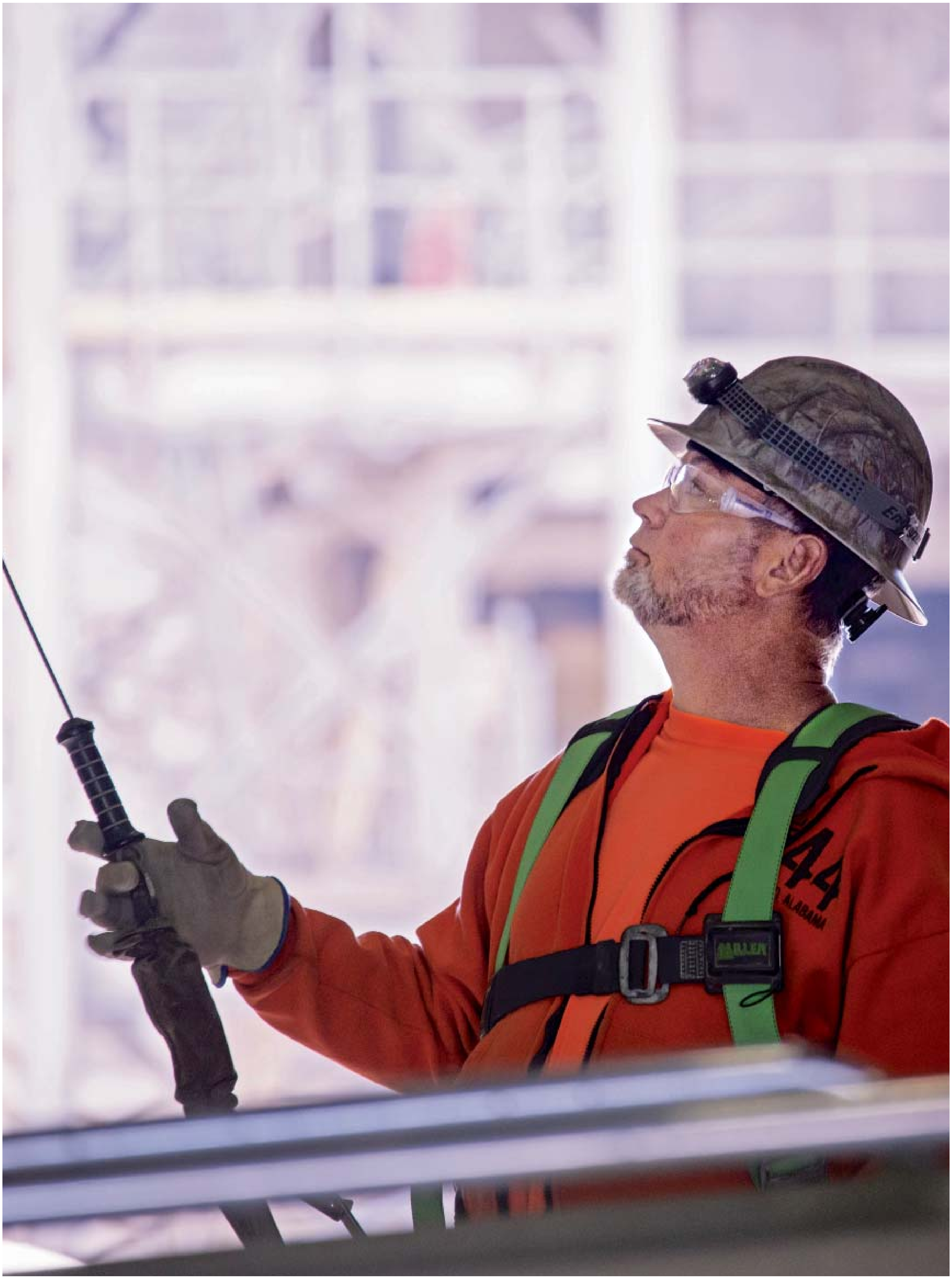
The Combined General Meeting, having reviewed the report of the Board of Directors and the special report of the statutory auditors, ruling in accordance with the provisions of articles L. 225-197-1 *et seq.* of the French Commercial Code:

1. authorizes the Board of Directors, on one or more occasions, to allocate free ordinary shares, existing or to be issued, for the benefit of employees and/or executive Company officers of the Company or of the companies related to it within the meaning of article L. 225-197-2 of the French Commercial Code, which benefited before the entry into force of Ordinance No. 2019-697 of July 3, 2019 from supplementary defined benefit pension scheme (article 39) (hereinafter referred to as the "Beneficiaries");
2. sets the period of validity of this authorization at twelve (12) months from the date of this Combined General Meeting;
3. decides that the number of free shares thus allocated may not represent more than one (1)% of the share capital recorded on the date of the Board of Directors' decision;
4. decides that the number of free shares allocated to the Company's executive Company officers under this authorization may not represent more than fifty (50)% of the total number of free shares allocated;
5. decides that the Board of Directors will determine the Beneficiaries of the ordinary shares, the number of ordinary shares allocated to each of them, as well as the conditions or criteria for the acquisition of the shares allocated, these conditions and/or criteria may be different depending on the Beneficiaries;
6. decides that:
   - (i) the allocation of shares to their Beneficiaries will become definitive, subject to the conditions and allocation criteria set by the Board of Directors, for all or part of the shares allocated, at the end of a minimum vesting period of one (1) year (the "**Vesting Period**"),
   - (ii) the Board of Directors may set a retention period for the shares definitively allocated, the duration of which it shall set, if applicable (the "Retention Period"), it being specified that the cumulative duration of the Vesting Period and the Retention Period may not be less than two (2) years;
7. decides, however, that the allocation of shares will become definitive before the end of the Vesting Period, in the event of disability of the Beneficiary corresponding to the classification in the second or third of the categories provided for in article L. 341-4. of the French Social Security Code;
8. acknowledges that this authorization entails the waiver by the shareholders, in favor of the Beneficiaries of the shares that would be issued as and when the said shares are finally allocated, of their preferential subscription rights and of the portion of the reserves on which they will be, where applicable, an allocation in the event of the issue of new shares;
9. acknowledges that the Board of Directors will inform the Annual Ordinary General Meeting of the transactions carried out under this authorization each year;
10. gives full powers to the Board of Directors, within the limits set by this authorization and the legal provisions in force, to implement this authorization and in particular to:
    - determine the identity of the Beneficiaries of free share allocations, set the number of shares allocated to each of them,
    - set the conditions and criteria for the vesting of the shares allocated (in particular conditions of presence and/or seniority and, where applicable, performance),
    - set the length of the Vesting Period and, where applicable, the Retention Period, which may vary according to the Beneficiaries,
    - adjust the number of free shares allocated during the Vesting Period, if applicable, in order to preserve the rights of the Beneficiaries in the event of any transactions involving the Company's share capital,
    - carry out all acts and formalities necessary for the purpose, in the event of a free allocation of new shares, to record the completion of the resulting capital increases and to make the consequential amendments to the Articles of Association and, more generally, to do all that is necessary.

Twentieth resolution *(Powers)*

The Combined General Meeting hereby grants all powers to the bearer of a copy or extract of the minutes of this meeting for the purpose of performing all legal or administrative formalities, filings and publicity specified by current legislation.

National Cement employee, Alabama (USA)



8

ADDITIONAL **INFORMATION**

8.1. Investor relations and documents available to the public

Apart from meetings organized upon the publication of the Group's annual results and the General Meeting of shareholders, the Company undertakes to keep its institutional and individual investors informed on a regular basis and in a timely manner. When the Company engages in personalized communication to meet the specific needs of various types of interlocutors, it does so with the utmost respect for principles of fairness and transparency. In this context, the Company establishes embargo periods each year (also called "quiet period") of two weeks before the quarterly publications and one month before the publication of full-year and half-year results. During these periods the Company refrains from contacts with analysts and investors and in particular refuses to provide financial analysts and investors with new information on its business and results.

The Company's press releases and consolidated financial statements are available on the Company's website (www.vicat.com). Regulated information is also communicated to the *Autorité des Marchés Financiers* and is published on the latter's website (www.amf-france.org). Similarly, the Registration Document and the Universal Registration Document for the most recent financial years are available on the Company's website (www.vicat.fr) and the *Autorité des marchés financiers* (www.amf-france.org). A copy can be obtained from the Company's registered office (Les Trois Vallons, 4 rue Aristide Bergès, F-38080, L'Isle d'Abeau, France). The Company's by-laws and the minutes of General Meetings, the individual and consolidated financial statements, reports of the statutory auditors, and all other Company documents may be consulted in hard copy at the Company's registered office.

8.1.1. Roadshows and investor conferences

In 2020, the Company maintained its continued commitment to communication by facilitating contacts among investors, financial analysts and the Company. In view of the health crisis, the Company has had to adapt very quickly to ensure that best practices in financial communication and access to information are maintained. Thus, during 2020, the Vicat Group maintained its roadshow programs and its participation in conferences organized by banking institutions specializing in intermediation as far as possible, but in a "remote" form in order to comply with health requirements, mainly using video-conferencing tools (such as Webex and Zoom) and of course telephone contacts.

8.1.2. Documents available to the public

All of the Company's latest financial news, including the 2021 financial calendar, all disclosure documents published by the Company, and share price information are available in the "Investors" section of the Vicat website (www.vicat.com).

Legal documents may be consulted at the Company's registered office, Les Trois Vallons, 4 rue Aristide Bergès, F-38080, L'Isle d'Abeau, France. The Company disseminates regulated information in electronic form by enlisting the services of a primary information provider satisfying the requirements set out in the General Regulation of the *Autorité des marchés financiers* and makes available on its website all regulated information as soon as it is published, in both French and English. Lastly, the Group organizes a conference call to discuss each of its financial publications, which is open to all interested investors, and which provides access information on the Company's website (www.vicat.com) about a week before the event.

8.1.3. Shareholder contacts

Stéphane Bisseuil

Director of Financial Communication and Investor Relations

Tel.: +33 1 58 86 86 05

E-mail: relations.investisseurs@vicat.fr

8.2. Information on the Universal Registration Document

8.2.1. General note

Vicat, a French public limited company with a share capital of € 179,600,000, whose registered office is located at 4 rue Aristide Bergès, Les Trois Vallons, 38080 L'Isle d'Abeau, registered in the Trade and Companies Register of Vienne, under the identification number 057 505 539 is referred to as the "Company" in this Universal Registration Document. Unless expressly stated otherwise, the "Group" refers to the Company and its subsidiaries and holdings as set forth in the organization chart in section 1.4. "Simplified organization chart" of this Universal Registration Document.

Unless otherwise indicated, the figures used in this Universal Registration Document, in particular in section 1.6. "Description of businesses" of this Universal Registration Document, are extracted from the Group's consolidated financial statements, prepared in accordance with IFRS. As the figures have been rounded, the total amounts featured in the tables and various sections of this Universal Registration Document may not equal their overall arithmetic sum.

This Universal Registration Document contains indications on the Group's prospects and development policies. These indications are sometimes identified by the use of the future and the conditional tenses, and forward-looking terms such as "consider", "intend", "think", "with the aim of", "expect", "plan", "should", "want", "estimate", "believe", "wish", "could" or, if necessary, the negative form of these terms, or any other alternative or similar terminology. This information is not historical data and must not be interpreted as an assurance that the facts and data stated will occur. This information is founded on data, assumptions and estimates considered as reasonable by the Group. They are likely to change or be modified due to uncertainties, related in particular to the economic, financial, competitive and regulatory environment. Moreover, the occurrence of certain risks described in chapter 2.1. "Risk factors" of this Universal Registration Document is likely to have an impact on the Group's activities, position, financial results and on its ability to achieve its objectives.

Forward-looking statements contained in this Universal Registration Document also encompass the known and unknown risks, uncertainties and other factors which could, if they materialize, affect the Group's future results, performances and achievements. These factors can in particular include changes to the economic and commercial situation as well as the risk factors set out in chapter 2.1. "Risk factors" of this Universal Registration Document.

Investors are invited to carefully consider the risk factors, described in order of importance, in chapter 2.1. "Risk factors" of this Universal Registration Document before making their investment decision. The materialization of all or some of these risks is likely to have an adverse effect on the Group's activities, financial position or financial results. Moreover, other risks, not yet identified or considered by the Group as not significant could have the same negative effect and investors could lose all or part of their investment.

This Universal Registration Document contains information relating to the markets in which the Group operates. Note that this information comes from studies carried out by third parties. Given the changes which may affect the industry in which the Group operates in France and worldwide, this information may prove to be incorrect or no longer up to date. The Group's activities could consequently evolve differently from what is described in this Universal Registration Document and the declarations or information contained herein could prove to be incorrect.

This Universal Registration Document serves as the annual financial report and includes information required pursuant to article 222-3 of the General Regulations of the *Autorité des marchés financiers*. In order to facilitate the reading of the annual financial report, a cross-reference table is included in section 8.6. of this Universal Registration Document.

8.2.2. Historical information incorporated by reference

Pursuant to article 28 of the Commission Regulation (EU) No. 809/2004 of April 29, 2004, the following information has been incorporated by reference in this 2020 Universal Registration Document:

- the consolidated financial statements for the financial year ended December 31, 2019, prepared in accordance with IFRS, and the statutory auditors' report thereon set out on page 207 of the 2019 Registration Document, submitted to the *Autorité des marchés financiers* on March 4, 2020 under number D.20.0101, in addition to the information taken from the 2019 management report included on pages 137 to 146 of this Registration Document;
- the consolidated financial statements for the financial year ended December 31, 2018, prepared in accordance with IFRS, and the statutory auditors' report thereon set out on page 207 of the 2018 Registration Document, submitted to the *Autorité des marchés financiers* on February 28, 2019 under number D.19.0083, in addition to the information taken from the 2018 management report included on pages 45 to 60 of this Registration Document.

8.2.3. Person responsible for the information contained in the Universal Registration Document

Guy Sidos, Chairman and Chief Executive Officer.

8.2.4. Statement of responsibility for the Universal Registration Document

"I hereby certify that the information contained in this Universal Registration Document is, to the best of my knowledge, consistent with the facts and does not contain any omission likely to alter its substance.

I declare that, to my knowledge, the financial statements have been drawn up in accordance with the accounting standards in force and give an accurate picture of the assets, financial position and results of the Company and of all consolidated firms, and that the management report (details of which can be found in section 8.6. of this Universal Registration Document) paints an accurate picture of the business development, results and financial position of the Company and of all consolidated firms, and describes the main risks and uncertainties facing all stakeholders."

March 10, 2021

Guy Sidos

Chairman and Chief Executive Officer

8.3. Persons responsible for the audit of the financial statements

8.3.1. Incumbent statutory auditors

KPMG Audit

Tour EQCO, 2 Avenue Gambetta, 92066 Paris La Défense Cedex

Represented by Philippe Grandclerc.

Member of the Regional Company of Auditors of Versailles.

First appointed on: Ordinary General Meeting of November 25, 1983.

Appointment expires at the close of the Ordinary General Meeting called to approve the financial statements for the financial year ended December 31, 2025.

Wolff & Associés SAS

Centre Beaulieu, 19 boulevard Berthelot, 63400 Chamalières

Represented by Gregory Wolff.

Member of the Regional Company of Auditors of Riom.

First appointed on: the Ordinary General Meeting of May 16, 2007.

Appointment expires at the close of the Ordinary General Meeting called to approve the financial statements for the financial year ended December 31, 2024.

8.3.2. Alternate statutory auditors

Groupe Audit SERVAL & Associés

115 avenue Charles de Gaulle, 92200 Neuilly-sur-Seine

Represented by Mr Jean-François Serval.

Member of the Regional Company of Auditors of Paris.

First appointed on: Ordinary General Meeting of June 20, 1995.

Appointment expires at the close of the Ordinary General Meeting called to approve the financial statements for the financial year ended December 31, 2024.

8.3.3. Information on statutory auditors who resigned, were dismissed or not reappointed

Not applicable.

8.4. Information on subsidiaries and shareholdings

The Group's principal subsidiaries were determined on the basis of their contribution to financial indicators (sales by entity, share in the consolidated EBITDA, value of the intangible and tangible assets for each entity, consolidated shareholder's equity – Group share) such that the aggregate of the indicators retained for these subsidiaries represents almost 90% of the Group's consolidated total. The Group's main holding companies were added to this list.

The controlling percentage determines the consolidation method to be used when consolidating subsidiaries. The percentage of interest enables the shareholders' equity and income to be broken down between Group share and minority shareholders.

The Group's fully consolidated subsidiaries are distributed across various countries as follows as at December 31, 2020:

Country	Number of companies
France	46
Europe (excluding France)	34
Americas	20
Asia	6
Mediterranean	20
Africa	8
TOTAL	**134**

The main subsidiaries are described below.

Holding companies

Parficim

Incorporated on June 7, 1974, Parficim is a French simplified joint-stock corporation with a share capital of € 67,728,368 with its registered office at L'Isle d'Abeau (38080), Les Trois Vallons, 4 rue Aristide Bergès, registered in the Trade and Companies Register of Vienne under number 304 828 379. The corporate purpose of Parficim, a holding company, is the acquisition and management of transferable securities, shares in interests, and tangible and intangible assets.

As at December 31, 2020, the Company held 100% of Parficim's share capital.

Béton Travaux

Incorporated on March 27, 1965, Béton Travaux is a French Public company with a share capital of € 27,996,544, with its registered office at Les Trois Vallons, 4 rue Aristide Bergès, 38080 L'Isle d'Abeau, registered in the Trade and Companies Register of Vienne under number 070 503 198. Béton Travaux's corporate purpose is the shareholding and management of manufacturing, transport and ready-mixed concrete companies and of all materials or equipment relating to their manufacture.

As at December 31, 2020, the Company held 99.98% of Béton Travaux's share capital (others: 0.02%).

National Cement Company, Inc.

Incorporated on April 17, 1974, National Cement Company, Inc. is a Limited Liability Company under US law with a share capital of US$ 280,520,000, with its registered office at 15821 Ventura Blvd, Suite 475, Encino, CA 91436-4778 (United States), registered in the State of Delaware under number 63-0664316. National Cement Company's corporate purpose is the acquisition, administration and financing of holdings in companies, in particular in the cement and ready-mixed concrete sectors.

As at December 31, 2020, the Company held 97.85% of the share capital of National Cement Company, Inc. and Parficim held 2.15%.

Vigier Holding

Incorporated on August 25, 1884, Vigier Holding is a Swiss Public Company (Société Anonyme), with a share capital of CHF 1,452,000, whose registered office is located at Wylihof 1, Deitingen, 4542 Luterbach (Switzerland), registered in Solothurn under number CH-251.3.000.003. Vigier Holding's corporate purpose is the acquisition, administration and financing of holdings in firms, commercial transactions and sectors of industrial services of all types, in particular in the cement and ready-mixed concrete branch. The Company may acquire shareholdings in other companies and acquire, buy and sell land.

As at December 31, 2020, Parficim held 100% of Vigier Holding's share capital.

Main French subsidiaries

Béton Vicat

Incorporated on January 7, 1977, Béton Vicat, formerly Béton Rhône-Alpes, is a French Public Company with a share capital of € 10,800,352 whose registered office is located at Les Trois Vallons, 4 rue Aristide Bergès, 38080 L'Isle d'Abeau, registered in the Trade and Companies Register of Vienne under number 309 918 464. Béton Vicat's corporate purpose is the production, transport and marketing of ready-mixed concrete and all materials or all equipment relating to its manufacture.

As at December 31, 2020, Béton Travaux held 93.39% of the share capital of Béton Vicat and BCCA held 6.60%.

Granulats Vicat

Incorporated on January 1, 1942, Granulats Vicat, formerly Granulats Rhône-Alpes, is a French simplified joint-stock corporation with a share capital of € 5,601,488 with its registered office at Les Trois Vallons, 4 rue Aristide Bergès, 38080 L'Isle d'Abeau, registered in the Trade and Companies Register of Vienne under number 768 200 255. Granulats Vicat's corporate purpose is the operation of all businesses relating to the sale of construction materials, the public transport of goods and the rental of land, air, sea and river vehicles.

As at December 31, 2020, Béton Travaux held 87.24% of the share capital of Granulats Vicat, Béton Vicat held 9.16% and BCCA held 3.59%.

SATM

Incorporated on November 16, 2015 (by taking over the business of the historical company SATM created in 1958), SATM is a French simplified joint-stock corporation with a share capital of € 1,255,680 with its registered office at 1327 avenue de la Houille-Blanche, 73000 Chambéry, registered in the Trade and Companies Register of Chambéry under number 814 723 441. The corporate purpose of SATM is the purchase, sale, use, rental and operation of all transport and other types of equipment, and all transport and freight-forwarding activities, in particular: road transport, public transport, shipping to all countries and regions, LCL shipping, truck rental, and all commercial, financial or capital transactions directly or indirectly related to the above activities, or which could facilitate their expansion or growth.

As at December 31, 2020, Béton Travaux held 100% of the share capital of SATM.

Vicat Produits Industriels – VPI

Incorporated on May 1, 1957, VPI is a French simplified joint-stock corporation with a share capital of € 3,221,776 with its registered office at Les Trois Vallons, 4 rue Aristide Bergès, 38080 L'Isle d'Abeau, registered in the Trade and Companies Register of Vienne under number 655 780 559. The corporate purpose of VPI is to manufacture and install all covering, sealant and insulating products and articles and all adjuvants etc. as well as any operations as an agent or brokerage connected with these products or this work.

As at December 31, 2020, Béton Travaux held 100% of the share capital of VPI.

Main foreign subsidiaries

Bastas Baskent Cimento Sanayi Ve Ticaret A.S.

Incorporated on July 26, 1967, Bastas Baskent Cimento Sanayi Ve Ticaret A.S. is a Turkish Public company with a share capital of YTL 131,559,120, with its registered office at Ankara Samsun Yolu 35 km, 06780 Elmadag, Ankara (Turkey), registered in the Trade Register of Ankara under number 16577 and whose corporate purpose is the production and sale of cement and limestone.

As at December 31, 2020, Parficim held 87.90% of the share capital of Bastas Baskent Cimento Sanayi Ve Ticaret A.S. and Tamtas Yapi Malzemeleri Sanayi Ve Ticaret A.S. held 3.7% (other: 8.4%).

Konya Cimento Sanayi A.S.

Incorporated on December 11, 1954, Konya is a Turkish Public company with a share capital of YTL 4,873,440, whose registered office is located at Horozluhan Mahallesi Cihan Sokak No:15, 42300 Selçuklu, Konya (Turkey), registered in the Trade Register of Konya under number 2317 and whose corporate purpose is the production and marketing of various types of cements and concretes. The Company's shares are listed on the Istanbul Stock Exchange (BIST).

As at December 31, 2020, Parficim held 81.88% of the share capital of Konya and Konya Cimento Ticaret held 1.46%. The remaining shares, representing 16.66% of the share capital, are held by approximately 5,000 shareholders, with no shareholder holding more than 1% of the Company's share capital.

Bastas Hazir Beton Sanayi Ve Ticaret A.S.

Incorporated on December 20, 1990, Bastas Hazir Beton Sanayi Ve Ticaret A.S. is a Turkish Public company with a share capital of YTL 19,425,000, whose registered office is located at Ankara-Samsun Yolu 35 km, 06780 Elmadag, Ankara (Turkey), registered in the Trade Register of Elmadag under number 488 and whose corporate purpose is the production and marketing of ready-mixed concrete.

As at December 31, 2020, Bastas Baskent Cimento Sanayi Ve Ticaret A.S. held 99.99% of the share capital of Bastas Hazir Beton Sanayi Ve Ticaret A.S. (other: 0.01%).

Sococim Industries

Incorporated on August 7, 1978, Sococim Industries is a Senegalese Public company with a share capital of XOF 4,666,552,110, with its registered office at km 33, Ancienne Route de Thiès, Dakar (Senegal), registered in Dakar under number 78 B 104 and whose corporate purpose is the manufacture, import, marketing and export of limes, cements and sometimes hydraulic products and generally, of all products, materials, goods, articles and services related to construction.

As at December 31, 2020, Postoudiokoul held 55.56% of the share capital of Sococim Industries and Parficim held 44.33% (other: 0.11%). Furthermore, Parficim held 100% of Postoudiokoul.

Sinaï Cement Company

Incorporated on December 27, 1997, Sinaï Cement Company is an Egyptian Public Company with a share capital of EGP 700 million, with its registered office at Sama Tower, Ring Road Katameya, 11411 Cairo (Egypt), registered in Giza under number 118456 and whose corporate purpose is the manufacture, import, marketing and export of bags of cement and construction materials.

Cementi Centro Sud

Incorporated on September 5, 2001, Cementi Centro Sud S.p.a., is an Italian Public Company with a share capital of € 3,434,013, with its registered office at Corte Lambruschini – Torre A, Piazza Borgo Pila, 40/57 F-G – 16129, Genoa (Italy), registered in Genoa under number 02154090985 and whose corporate purpose is the management of harbor terminals and the production, import and export of construction materials.

As at December 31, 2020, Parficim held 100% of the share capital of Cementi Centro Sud S.p.a.

Bharathi Cement Corporation Private Limited

Incorporated on May 12, 1999, Bharathi Cement Corporation Private Limited is an Indian company with a share capital of INR 792 million with its registered office at Reliance Majestic Building, door No. 8-2-626, road No. 10, Banjara Hills, Hyderabad 500034, Andhra Pradesh (India), registered in the Trade and Companies Register of Andhra Pradesh under number U26942AP1999PTC031682, and whose corporate purpose is the operation of quarries and the manufacture of cement.

As at December 31, 2020, Parficim held 51.02% of the share capital.

Kalburgi Limited

Incorporated on July 22, 2008, Kalburgi Limited (formerly Vicat Sagar Cement Private Limited) is an Indian company with a share capital of INR 5,459 million, whose registered office is located at Reliance Majestic Building, road No. 10, Banjara Hills, Hyderabad 500034, Telengana (India), registered in the State of Andhra Pradesh under number U26941TG2008FTC060595. Its corporate purpose is to operate quarries and manufacture cement.

As at December 31, 2020, Parficim held 99.98% of the share capital.

Mynaral Tas Company LLP

Incorporated on March 27, 2007, Mynaral Tas Company LLP is a Kazakhstan company with a share capital of KZT 20,258,454,800, whose registered office is located at Mynaral village, Reserved lands "Betpakdala", Moyinkum District, Zhambyl Oblast, 080618 (Republic of Kazakhstan), registered with the Ministry of Justice of the Republic of Kazakhstan under number 84559-1919-TOO, and whose corporate purpose is the working of a quarry.

As at December 31, 2020, the Company (through Parficim and Vigier Holding) held 90% of the share capital (10% is held by International Finance Company).

Jambyl Cement Production Company LLP

Incorporated on August 5, 2008, Jambyl Cement Production Company LLP is a Kazakhstan company with a share capital of KZT 16,729,195,512, whose registered office is located at Cement plant, Reserved lands "Betpakdala", Moyinkum District, Zhambyl Oblast, 080618 (Republic of Kazakhstan), registered with the Ministry of Justice of the Republic of Kazakhstan under number 10544-1919-TOO. Its corporate purpose is to run a cement factory.

As at December 31, 2020, the Company (through Parficim, Vigier Holding and Mynaral Tas) held 100% of the share capital.

Vicat Latin America

Acquired on August 14, 2019, Vicat Latin America is a public limited company under Brazilian law with a capital of BRL 1,332,779,577 whose registered office is located at SCN QD 4 bloco B. Ed. Centro Emp. Varig salas 1244 e 1246 Asa Norte 70714-900 Brasilia (Brazil), registered in Brasilia under number 31 454 087/0001-09. Vicat Latin America's purpose is to act as a holding company.

As at December 31, 2020, the Company held 99.9% of the share capital of Vicat Latin America.

Ciplan

Incorporated on December 2, 1969, Ciplan (Cimento do Planalto) is a Brazilian law company, with a share capital of BRL 436,921,812.40, whose registered office is located at Rodovia DF 205 km 2.7 Sobradinho 73070-043 Brasilia (Brazil), registered in Brasilia under the number 00.057.240/0001-22. Its purpose is the operation of quarries, manufacture of cement and other activities.

As at December 31, 2020, the Company (through Vicat Latin America) held 66.07% of the share capital.

8.5. Cross-reference table for the present Universal Registration Document in relation to the delegated regulation (EU) 2019/980 from the commission dated March 14, 2019

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8.6. Cross-reference table of the annual financial report and the management report and the report on corporate governance

For greater ease of reading, the following cross-reference table outlines the main information that must appear in the annual financial report, the management report and the report on corporate governance.

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Individual financial statements	6.2.	206
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Consolidated financial statements	6.1.	158
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Management report		
■ Objective and comprehensive analysis of the business, earnings and financial position, notably its debt position	5.2.2. and 5.3.	139 and 145
■ Key financial and non-financial performance indicators relevant to the Company's particular activity, including information relating to environmental and employee matters	5.1. and 3.6	136 and 79
■ Description of the main risks and uncertainties	2.	41
■ Information about financial risks related to the effects of climate change and presentation of the measures taken by the Company to reduce them through the implementation of a low-carbon strategy in all components of its activity	1.8	34
■ Main characteristics of the internal control and risk management procedures regarding the preparation and treatment of accounting and financial information	2.5.	47
■ The Company's objectives and policy regarding the hedging of each main transaction category for which hedge accounting is used, along with its exposure to price, credit, liquidity and cash flow risks.	2.4	46
■ Statement of Extra-Financial Performance:	3.	51
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■ Delegation of powers	4.6.	96
■ Details of the compensation and benefits for Corporate officers	4.7.	111
■ Company report on gender equality (article 225-37-1 of the French Commercial Code)	4.13.	129
■ Company share ownership	4.3.	91
■ Reference of the Corporate Governance Code	4.5.	96
■ Statutory auditors' report on corporate governance	4.14.	132

8.7. Cross-reference table of items in the Statement of Extra Financial Performance report

Between article L. 225-102 para. 1 and 2 and R. 225-105 of the French Commercial Code and the information contained in the Universal Registration Document.

The business model can be found at the start of chapter 3 of the Universal Registration Document.

The methodology for identifying significant extra-financial risks can be found in point 3.7. of chapter 3 of the Universal Registration Document. Risk management is explained in chapter 2 of the Universal Registration Document.

Social information

No	Information required by articles L. 225-102-1 and R. 225-105	Corresponding sections of the Universal Registration Document	Page(s)
1	Total workforce and breakdown by gender, age and geographical area	3.5.1. and 3.5.3.	68 and 70
2	Recruitment and lay-offs	3.5.1.	68
3	Remuneration and pattern of change	3.5.1.	68
4	Organization of working hours	3.5.1.	68
5	Absenteeism	3.5.4.1.	75
6	Procedures for informing and consulting employees and negotiating with them	3.5.4.1.	75
7	Review of collective agreements	3.5.4.1.	75
8	Health and safety conditions at work	3.5.4.1.	75
9	Agreements signed with unions or staff representatives concerning workplace health and safety	3.5.4.2.	76
10	Frequency and severity of workplace accidents and occupational illnesses	3.5.4.2.	76
11	Training policy	3.5.4.1.	75
12	Total number of hours of training	3.5.2.2.	70
13	Measures to promote gender equality	3.5.3.2.	73
14	Measures to promote the employment and integration of the disabled	3.5.3.1.	70
15	Policy on the elimination of discrimination	3.5.3.	70
16	Freedom of association and the right to collective bargaining	3.5.4.1	75
17	Elimination of discrimination in respect of employment and occupation	3.5.3	70
18	Elimination of all forms of forced or compulsory labor	3.5.4.1	75
19	Effective abolition of child labor	3.5.4.1	75

Environmental information

No	Information required by article R. 225-105 of the French Commercial Code	Corresponding sections of the Universal Registration Document	Page(s)
20	Organization within the Group that takes into account and assesses environmental issues or that handles environmental certification	1.8.6.; 1.9; 2.2.	38; 45
21	Training and information provided to employees with regard to the environment	3.5.2.1.	70
22	Resources devoted to the prevention of environmental risks and pollution	1.8.4.; 2.2.; 3.1.	36; 45; 56
23	The amount allocated to provisions and guarantees in respect of environmental risks	3.6.	79
24	Prevention, reduction or remedial measures: Air/Soil/Water	3.2.	62
25	Measures to prevent, recycle and eliminate waste products	3.2.3.4.	63
26	Consideration of noise pollution and all other forms of pollution specific to an activity	3.2.	62
27	Water consumption and supply in accordance with local constraints	3.2.2.3.	63
28	Consumption of raw materials and measures taken to improve the efficiency of their use	3.1.1.	57
29	Energy consumption and measures taken to improve energy efficiency and use of renewable energy sources	3.1.5.; 3.2.2.1.	60; 62
30	Land use	3.3.2.; 3.3.3.	64
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32	Measures taken to adapt to the consequences of climate change	1.8.	34
33	Voluntary reduction targets set over the medium and long terms to reduce greenhouse gas emissions and the means implemented to achieve them	1.8.	34
34	Measures taken to preserve or increase biodiversity	3.3.	63

Societal information

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35	Impact of the Company's activity in terms of employment and local development	3.5.	68
36	Impact of the Company's activity on neighboring or local populations	3.4.1.4.	66
37	Relations and terms of dialog with Company stakeholders	3.4.1.	65
38	Partnership or charity actions	3.4.3.	66
39	Consideration of social and environmental issues in the procurement policy	3.4.1.2.	65
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GLOSSARY

Additives	All products incorporated into concrete that are not cements, aggregates, additives, mixing water or additions (*e.g.* fibers, color pigments, etc.).
Adjuvant	Chemical incorporated in small doses (less than 5% of the cement mass) in the concrete or mortar to modify some of its properties. The incorporation takes place either before, or during mixing, or during the mixing operation.
Aggregate	Fragment generally of rock, used as aggregate of concrete or mortar. The term aggregate is better suited. See: “Aggregate”.
Aggregates	Concrete component. Group of mineral grains, depending on their size, which is between 0 and 125 mm (the size is the length of the side of the square mesh of the sieve through which the grain can pass): fillers, grit, sand, or gravel. A distinction is made between natural aggregates from loose or massive rock when they do not undergo any other than mechanical treatment, and artificial aggregates when they come from the thermal or mechanical transformation of rocks or minerals. Natural aggregates can be rolled, in a rounded shape of alluvial origin, or crushed, in an angular shape, from quarry rock. The nature of the bonds between the aggregates and the cement paste strongly influences the strength of the concrete.
Alternative fuels	Combustible by-product or waste used in the production of heat as a substitute for a “noble” fuel (fuel oil, coal, petroleum coke). Also called “secondary fuel”.
Bagging machine	Automated bagging system. In cement plants, its capacity can reach 5,000 bags/hour. The rotating assembly is driven by nozzles (8 to 16) and is supplied with empty bags by arms or by projection from one or two peripheral stations. The central silo feeds the slats mounted on weighing scales. Automatic extraction takes place during the rotation; the bags are taken up by belts that feed the palletizing system.
BHP	Abbreviation for “high performance concrete”. This concrete, made by its particularly compact formulation and therefore of low porosity, has a mechanical resistance greater than 50 MPa and a much higher durability than that of common concretes.
Binder	Material with the property of passing – under certain conditions (in the presence of mixing water for hydraulic binders) – from the plastic state to the solid state; it is therefore used to bind inert materials. Concrete component which, following the setting process, ensures the cohesion of aggregates.
Blast furnace slag	By-product of the manufacture of cast iron from the blast furnaces of the metallurgical industries. It has hydraulic characteristics similar to those of clinker, and is therefore used in the composition of certain cements.
Calcination	Transformation of limestone into lime by firing at high temperature.
CEM	This designation characterizes a cement that complies with the European standard EN 197-1. CEM cements are made of different materials and are statistically homogeneous in composition.
CEM I	This designation according to standard NF EN 197-1 characterizes the type of cement, “Portland cement”, that is to say a cement composed of at least 95% clinker. Certain CEM I cements have been recognized as being resistant to sulphates, under the CE mark, since the entry into application of standard NF EN 197-1: 2012, on July 1, 2013, three categories were distinguished: CEM I SR0: cement with clinker’s C3A = 0%; CEM I SR3: cement with clinker’s C3A ≤ 3%; CEM I SR5: cement with clinker’s C3A ≤ 5%.
CEM II	This designation according to standard NF EN 197-1 characterizes cements of which the most common are “Portland composite cement” (the letter “M” completes the description of the cement), and “Portland limestone cement” (the letter “L” completes the description of the cement),”Portland slag cement” (the letter “S” completes the description of the cement) or “Portland silica fumes cement” (the letter “D” completes the designation of the cement). A CEM II cement has a clinker content: i.e. from 80 to 94%; this cement is then designated CEM II/A; or from 65 to 79%; this cement is then designated CEM II/.
CEM III	This designation according to standard NF EN 197-1 characterizes the type of cement, “blast furnace cement”, consisting of clinker and blast furnace slag, in the following alternative proportions: 35 to 64% clinker and 36 to 65% slag; this cement is then designated CEM III/A; 20 to 34% clinker and 66 to 80% slag; this cement is then designated CEM III/B; 5 to 19% clinker and 81 to 95% slag; this cement is then designated CEM III/C. CEM III/B and CEM III/C cements have been recognized as being resistant to sulphates, under the CE mark, since the entry into application of standard NF EN 197-1: 2012, on July 1, 2013; they are rated CEM III/B-SR or CEM III/C-SR.

CEM IV	Refers to “pozzolan cement”.
CEM V	Refers to “composite cement”.
Cement	Hydraulic binder, i.e. a fine powder which, mixed with water, forms a paste that sets and hardens as a result of reactions with water. After hardening, this paste retains its strength and stability even under water.
Clay	Compact and impermeable sediment becoming plastic, malleable and more or less thixotropic in the presence of water. Depending on its grade, it has variable physicochemical characteristics. With a composition based on silico-aluminates, clay is present in raw materials for the manufacture of cements and hydraulic lime. It is present in greater or lesser quantity in the marls. See: “Marne”.
Clinker for natural quick-setting cement	Clinker for natural quick-setting cement is produced exclusively by firing at a moderate temperature (1,000 °C to 1,200 °C) a clay-like limestone of regular composition, extracted from homogeneous beds.
Clinkerization	Transformation of raw materials (limestone, silica, alumina and iron oxide) into clinker, taking place at a temperature of 1,450 °C, for Portland clinker.
Concrete	Construction material formed by a mixture of cement, aggregates and water, possibly supplemented by adjuvants, additives and additions. This mixture, which is applied on the building site or in the factory in a plastic state, can adopt very different shapes because it is moldable; it hardens gradually to finally form a monolith. Depending on its formulation, application and surface treatments, its performance and appearance can vary considerably.
Concrete batching plants	Stationary equipment for the industrial production of ready-mixed concrete (BPE).
Concrete strength	All behavioral characteristics under compression, traction and bending stresses. In France, it is conventionally verified for concrete structures 28 days after their installation. In the United States, this period is 56 days.
Cooler	Unit located at the outlet of a cement kiln intended to cool the clinker from 1,400 °C to room temperature. Grid and perforated plate coolers are the most common; the old coolers are made up of a series of rows of movable plates that push the clinker towards the outlet end (arranged in a bed of material 60 to 90 cm thick). Air blowing from the bottom upwards through the plates ensures cooling: at the outlet of the clinker bed, some of the hottest air (secondary air) rises into the kiln to supply combustion, the excess air comes out at the back of the unit. In modern coolers, all plates are fixed. They are protected from the hot clinker by a bed of cold clinker. The displacement of the clinker towards the outlet is ensured by various devices such as “rakes” or “moving floor”.
Crushed aggregate	Aggregate from rock crushing.
Crusher	Crushing equipment, mainly used in quarries. Crushers can be jaw crushers (reciprocating motion, nutcracker principle), hammer crushers, for softer or gyratory materials, by grinding between inverted vertical cones (as for gravel).
Crushing	Breaking up rocks into small pieces by crushing or hammering.
Decarbonation	Reaction of release of CO2 contained in limestone raw materials under the action of heat (850 to 950°C). The remaining lime (CaO) then combines with silicates and aluminates to form clinker. This reaction absorbs a lot of heat and is the main source of heat consumption for the furnace.
Drum	See “Concrete mixer truck”.
Energy recovery	Introduction into the production process of by-products, waste or fuels in principle unnecessary in order to use the heat content for heat production. These products are a complete or partial replacement for primary fuels such as coal, fuel oil or gas. Their use saves primary energy resources, avoids their environmentally damaging destruction and their discharge into the natural environment. For example, in cement plants, tires or residual solvents are used as fuel for the kiln.
Fly ashes	By-product of coal combustion in power plants used as a source of silica and alumina in the manufacture of clinker, or as a replacement for a portion thereof in the manufacture of compound Portland cement.
Formulation	Operation consisting in defining the dosage – by weight rather than volume – of the various constituents of a concrete, in order to meet the desired strength and appearance requirements.
Fresh concrete	Concrete in the phase after mixing and before setting, i.e. in a plastic state that allows it to be transported and poured. The workability of a concrete during this phase of its manufacture is assessed by subjecting a sample to an Abrams cone slump test.
Granulometry	(a) Measurement of the granularity of an aggregate, i.e. the grading of the dimensions of the grains it contains, by passing it through a series of square-meshed sieves with standardized dimensions. (b) Particle size analysis: this is the measurement of the proportion of the various granular sizes of a powder, sand or aggregate.
Gravel	Aggregate with a diameter of between 1 and 63 mm.
Greenfield	A greenfield factory construction project is a project whereby the Group undertakes the construction of a cement plant on a site that had no previous Cement manufacturing business. The project generally consists, after ensuring the existence and accessibility of a natural reserve necessary for the manufacture of cement in sufficient quality and quantity, to design and implement the various components of the industrial and commercial process. In contrast, a project is said to be brownfield if a Cement manufacturing business already exists on the site.

Grinding	Reduction into powder or very fine particles. Grinding can be done by crushing (minerals), by compressing (dyes, cement) or by fragmenting (waste). In cement plants, grinding workshops are generally composed of a grinding device, a separator that returns oversized materials to the raw mill and a ventilation dust collection system.
Gypsum	Natural Calcium Sulfate or by-product from the Phosphoric Acid or Citric Acid Manufacturing Industries. It is added to cement as a setting regulator.
Heat balance	Expression of the measurement of heat exchange between a closed environment and the outside. More specifically, for cement kilns, the heat balance assesses the heat input and compares it with the needs related to physical-chemical transformations and heat losses.
Homogenization	Operation performed in a cement plant to obtain an intimate mixture of the components of the flour before baking. It can be carried out discontinuously in batches or continuously. Mechanical and/or pneumatic mixing means can be used.
Hopper	Truncated cone-shaped high-bay storage device for bulk materials (sand, aggregates, cement), steel or concrete. In the lower part, a hopper ends with a gravity-fed extraction system.
Hydration (of cements)	Chemical phenomenon by which a cement fixes the mixing water and initiates the setting and then hardening processes. This reaction is accompanied by a more or less significant heat release depending on the type of cement.
Lime	Binder obtained by the calcination of more or less siliceous limestone. A distinction is made between aerial limes, which harden under the action of carbon dioxide in the air, and hydraulic limes, which set by mixing with water.
Limestone	Sedimentary rock containing mainly calcium carbonate ($CaCO_3$). Calcite is the most stable and common crystalline form. Dolomites constitute a distinct class: they are mixed carbonates (calcium and magnesium). Limestone is one of the basic raw materials for clinker; it provides the lime necessary for the formation of silicates and aluminates. The magnesia content of the limestones used must remain limited to a few percent in order to avoid the formation of uncombined magnesia during firing, which could cause concrete swelling in the medium or long term.
Material recovery	Introduction into the production process of by-products or waste in order to use their chemical characteristics. These products are a total or partial replacement for products extracted in quarries. Their use saves primary energy resources, avoids their environmentally damaging destruction and their discharge into the natural environment. For example, in cement plants, foundry sands are used in the raw materials used to provide silica as a substitute for natural sand, and synthetic gypsum (for desulfurizing fumes from thermal power plants, among others) replace all or part of the gypsum or natural anhydrite in cements, to regulate the setting time.
Maneuverability	Condition defining the suitability of a mortar or concrete to be transported, handled and used; it is characterized by the consistency and plasticity of the material.
Marl	Mixture of natural clay and limestone in various proportions. If the level of limestone is less than 10%, the marl is said to be argillaceous. For higher rates, marl is classified as marly limestone. It is generally characterized by its carbonate content (of lime and magnesia in a lesser proportion). It is one of the essential raw materials in the manufacture of cement; it provides the argillaceous fraction rich in alumina and iron silicates.
Meal feed	Name given to the raw material of the cement kiln after grinding (the grain size corresponds to that of baker's flour).
Mixer truck	Vehicle used to transport fresh concrete from the production site to the construction site. Also called mounted mixer or drum.
Mortar	Mixture of cement, sand and water, possibly supplemented by additives and additions. It differs from concrete by its absence of gravel. Prepared on-site – from pre-dosed dry industrial mortar or by dosing and mixing all the components – or delivered on-site from a batching plant, the mortars are used for jointing, plastering, screeds and for various repair work, sealing, reworking and capping.
Natural quick-setting cement	Cement with rapid setting and hardening, consisting solely of clinker for natural quick cement, ground, not requiring the addition of a setting regulator.
Plaster	Surface coating (approximately 2 cm for traditional plasters) consisting of a cement and/or hydraulic lime mortar, intended to cover a wall, in order to homogenize the surface and make it waterproof. A distinction is made between traditional plasters (which require three coats), bilayers and finally monolayers (based on industrial mortars and applied in two passes).
Portland cement	CEM I, CEM II, CEM III, CEM IV, CEM V, made from Portland clinker and a setting regulator, or even other constituents. Cement compliant with standard NF EN 197-1.
Portland clinker	Basic constituent of a Portland cement, composed from four major mineral elements: limestone, silica, alumina and iron oxide. It is obtained by firing at high temperature in a cement kiln (1,450 °C).
Pozzolan	Volcanic product composed of silica, alumina and iron oxide which, in the form of a fine powder, can combine with lime to form stable compounds with hydraulic properties (hardening under water). By extension, refers to natural or artificial materials with the same property. Pozzolans are constituents of certain types of cements.
Precalciner	Combustion chamber located at the foot of the preheating tower, supplied with all types of fuel and hot combustion air (750 to 900 °C) from the cooling of the clinker. The precalciner can provide up to 55% of the heat required for the furnace to operate properly. See: "Preheater".

Precalcination	System allowing combustion to be started before entering the furnace, thereby reducing the amount of energy required in the furnace.
Precast concrete products	Production of construction components away from their final location, in a factory or on a site close to the structure. Many structural components such as columns, beams, load-bearing or envelope panels, façade panels, cladding, as well as standardized elements such as blocks, beams, pre-slabs, hollow core slabs, tiles, and finally, parts for roads, sanitation or street furniture can be precast in concrete.
Preheater	Tower made up of a succession of cyclone stages. On each stage, the cooler flour coming from the upper stage is reheated in contact with the hotter gases coming out of the lower stage. The gas-flour mixture is then decanted in the cyclone. The reheated flour then goes down to the lower stage to heat up a little more. The cooled gases rise to the upper stage to continue to heat the flour. At the foot of the preheater, the flour enters the rotary kiln. The preheaters may also include a precalciner.
Prehomogenization	Operation carried out in a cement plant to obtain a premix of crushed raw materials before grinding. It can be carried out in batch mode (creation of a pile for a few days while a second one is being reclaimed) or continuously in circular halls (simultaneous and staggered rotation of the discharge to the pile and the reclaimer).
Pumping	Method of conveying concrete, pushed from a feed hopper to the pouring site, through tubes. It can cover horizontal distances of up to 400 m (or even 1.5 km) and vertical distances of up to 100 m (or even 300 m).
Quarry	Construction site for materials regulated as Classified Installations for the Protection of the Environment. These operations are generally open-cast, with the exception of the Chartreuse underground quarries from which the stone to be fired is extracted for the manufacture of natural cement. Quarries produce the natural raw materials needed for cement production or for the manufacture of aggregates used in the composition of ready-mixed concrete or materials intended for earthworks. Quarrying is generally carried out using explosives in the case of massive rock deposits. The extraction of loose and alluvial materials, whether in water or out of water, is carried out by mechanical equipment. Quarry operations are carried out with the strictest respect for the environment in accordance with a prefectural decree which concludes an administrative examination based on numerous studies, including an impact study. Wherever possible, the redevelopment is coordinated with the local government bodies and authorities, and is carried out as the operational fronts progress.
Raw materials	Name given to the dosed raw material before entering the cement kiln.
Raw mill	Grinding machine. In cement plants, it can be either ball, roller, or drum.
Ready-mixed concrete (BPE)	Concrete manufactured in a facility external to the construction site or on the construction site, mixed in a mixer, delivered by the producer to the user, fresh and ready for use.
Rolled aggregate	Alluvial aggregate made up of round grains.
Sand	Aggregate with a diameter of less than 6.3 mm.
Screed	Cement mortar structure, poured thinly (3 to 5 cm) on a concrete floor to ensure planarity.
Setting	Beginning of the development of the strength of the concrete, mortar or cement paste. It is characterized by the setting test (NF P 15-431, NF EN 196-3).
Setting regulator	Component of cement intended to slow down hydration reactions. These are most often gypsum and calcium sulphates.
Setting time (measurement)	The setting time of cements is determined by observing the penetration of a needle into a cement paste of standardized consistency ("normal" paste) and this to a specified depth (NF EN 196-3). The device, known as the "Vicat device", makes it possible to record the time between the start of contact between water and cement and the start of setting (Vicat needle is inserted up to 4 mm from the bottom) as well as the end of setting (almost no insertion).
Silica fumes	Silica fumes are a co-product of the silicon and silicon alloy industry. They are obtained by condensing SiO gas or by oxidation of Si metal at the surface of electrometallurgical furnaces whose fumes are captured and filtered. These microsilicas are generally densified in order to facilitate storage and handling operations. The silica fume is in the form of spherical elementary balls of amorphous silica (SiO2) whose diameter varies between 0.1 and 0.5 microns. Their silica content varies from 70 to 98% depending on the production unit and the alloy produced. In concrete, silica fumes occur in two ways: by a granular effect linked to the shape and extreme fineness of the powder; by pozzolanic reaction due to the high content of amorphous silica.
Silo	Large capacity tank, generally cylindrical; intended for dry materials (sand, cement, etc.), steel or concrete, loaded from the top and unloaded from the bottom, it is equipped with various types of extraction devices. See: "Hopper".
Standard	Document that specifies a set of technical or other specifications drawn up in collaboration with the parties concerned (representatives of manufacturers, users, consumers, public authorities, and specialized bodies such as the CSTB). Standards are only made mandatory by ministerial orders. They can be of various types: testing, performance, safety and terminology standards. An ISO standard is a standard developed and/or adopted by the International Organization for Standardization. An EN standard is a standard adopted by the European Committee for Standardization. An NF EN ISO + no. referenced standard reproduces in full the European standard, which itself reproduces the international standard of the same number.

Sulfoaluminous clinker	Basic component of a sulfoaluminous cement, consisting of raw materials that essentially contain the following oxides: CaO, Al2O3, SiO2, Fe2O3, SO3, and other minor elements. This clinker is obtained by firing at a temperature of approximately 1,300 °C.
Thermie (th)	Unit of heat energy. 1 th = 1,000 kcal = 1,000,000 cal. This unit is replaced by the unit of energy, the Joule (J): 1 th = 4.1855 MJ (4,185,500 J). The specific consumption of cement kilns is assessed: either in thermie per metric ton of clinker (old units); or in gigajoules per metric ton of clinker (new units). Example: a kiln consumes 850 thermie per metric ton of clinker; the equivalent of 3,558 megajoules per metric ton produced.
Type of cement	Element of a standardized classification according to the nature of the constituents of a cement. There are five types. See “CEM I”, “CEM II”, “CEM III”, “CEM IV”, “CEM V”. This designation is associated with its current strength class: 52.5; 42.5; 32.5, as well as its short-term strength class: R; N; L.
Ultra-high performance fiber-reinforced concrete (UHPFRC)	The addition of metal fibers gives this concrete a ductile behavior in bending traction. It differs from high-performance concretes (BHP) by the ability to dispense with traditional reinforcements, by a compressive strength of over 130 MPa and a direct tensile strength of over 10 MPa.
X-ray diffractometry (analysis by)	This technique is used to determine the mineralogical composition of cements, clinkers or raw materials. It allows a quick and very precise control of the different stages of the Cement manufacturing process. During the analysis, which takes only a few minutes, samples in the form of compacted powder (or diluted in a glass bead) are subjected to a beam of X-rays. A beam of X-rays emitted from a powerful tube hits the sample elements that cause the light beam to be scattered in specific directions. Analysis of the diffractogram makes it possible to determine the minerals comprising the sample and their concentrations.
X-ray fluorescence (analysis by)	This technique is used to determine the chemical composition of cements or raw materials. It allows a quick and very precise control of the different stages of the Cement manufacturing process. During the analysis, which takes only a few minutes, samples in the form of compacted powder (or diluted in a glass bead) are subjected to a beam of X-rays. A beam of X-rays emitted from a powerful tube is used to excite the sample elements. By X-ray fluorescence, the excited atoms re-emit at characteristic wavelengths; the measurement of their intensity makes it possible to obtain their concentration.

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