UNIVERSAL REGISTRATION DOCUMENT

AND ANNUAL FINANCIAL REPORT

2019

VICAT

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

UNIVERSAL REGISTRATION DOCUMENT 2019

including the annual financial report

(New version of Registration Docucument)

PROFILE The Vicat Group in 2019

Present in 12 countries after the acquisition of Ciplan in Brazil at the beginning of 2019, Vicat Group develops a high-performance offering of mineral and biosourced construction materials and services that meet the construction industry's needs. 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.

The Group's solid performance in 2019 testifies to the relevance and solidity of our business model. The good progress in France, India, USA, Africa and Kazakhstan has offset difficult situations in Turkey and Egypt. Building on a sound financial position and strong cash flow generation, Vicat pursues its targets of profitable growth and its debt reduction policy.

AUTORITÉ DES MARCHÉS FINANCIERS
AMF

This document is a non-certified translation of the original French text for information purposes only. The declaration by the person responsible for the document is not applicable to this translation and is therefore not included herein. The french version of this Universal Registration Document has been filed on March 4, 2020 with the AMF, as competent authority under Regulation (EU) 2017/1129, without prior approval pursuant to Article 9 of the said regulation. The Universal Registration Document may be used for the purposes of an offer to the public of securities or admission of securities to trading on a regulated market if completed by a securities note and, if applicable, a summary and any amendments to the Universal Registration Document. The whole is approved by the AMF in accordance with Regulation (EU) 2017/1129.

Interview with Guy Sidos, Chairman and Chief Executive Officer

"To build life together, we must develop constructive, innovative and sustainable solutions"

Guy Sidos

For the Vicat Group, today present throughout the world, what were the key advances during the year 2019?

2019 was a year of commitments in each of the countries where we operate. We pursued our strategy, consistent with our vision: that of an international player in cement and mineral and biosourced construction materials, a producer in its territories, committed to recruiting its employees locally. A leading company in the environmental transition focused on obtaining carbon neutrality over our value chain. Finally, that of a company that has remained under family control.

Today, two thirds of our sales revenues are conducted outside of France and 70% of our capacities are installed in emerging countries. As such, our expansion in Brazil in 2019, with the acquisition of 66% of the share capital of Ciplan, is especially important. This acquisition represents 10% of the Group's capacity, with a 3.2 million tonne factory, supplemented by aggregate production and ready-mixed concrete. This acquisition, finalized in the first hours of 2019, allowed us to reach consolidated sales revenues of €2.7 billion with 9,947 employees in 12 countries.

> *“Our responsibility is to contribute to supply minerals and biosourced construction materials for a planet that will be home for 10 billion human beings in 2050, with the most positive impacts possible”*

For a number of years, Vicat has been a dedicated fighter in the climate crisis, what is your strategy for reducing your carbon footprint?

Our strategy is illustrated through our many actions concerning all of our business lines. A major focus of our industrial policy is our program to eliminate the use of fossil fuels in Cement manufacturing. Several examples: the installation of a new kiln in the United States, at Ragland, without a coal mill and the reduction of our CO_2 emissions due to our new Alpenat clinker. Today I can affirm that our production processes, that require heating kilns to 2,000 degrees, are getting close to eliminating fossil fuels, and replacing them by waste. We are very proud of the direction we have taken, starting 25 years ago, when climate change was still not a universal concern!

With its roots in history and forward-looking values, its business model rests on the constant development of innovative products and services for the construction industry. Other examples: extending the lifetime of works, multiple uses, the contribution of biomimicry in architecture, functionalization of structures, recycle ability of materials, green mobility. A vision written in our DNA for more than 200 years and the invention of artificial cement by Louis Vicat. We support the environmental, energetic, economic and solidarity transitions through research and development with priority focus on the performance of materials, the environment, the ease of use of our products and economy of resources. We are also innovating by involving ourselves in the circular, local economy, in order to limit consumption of raw materials and water.

Objective of
0%
fossil fuels in France in 2025

This uncompromising innovation and this awareness of our role faced with many challenges in a fragile world make us stronger and strengthen our agility.

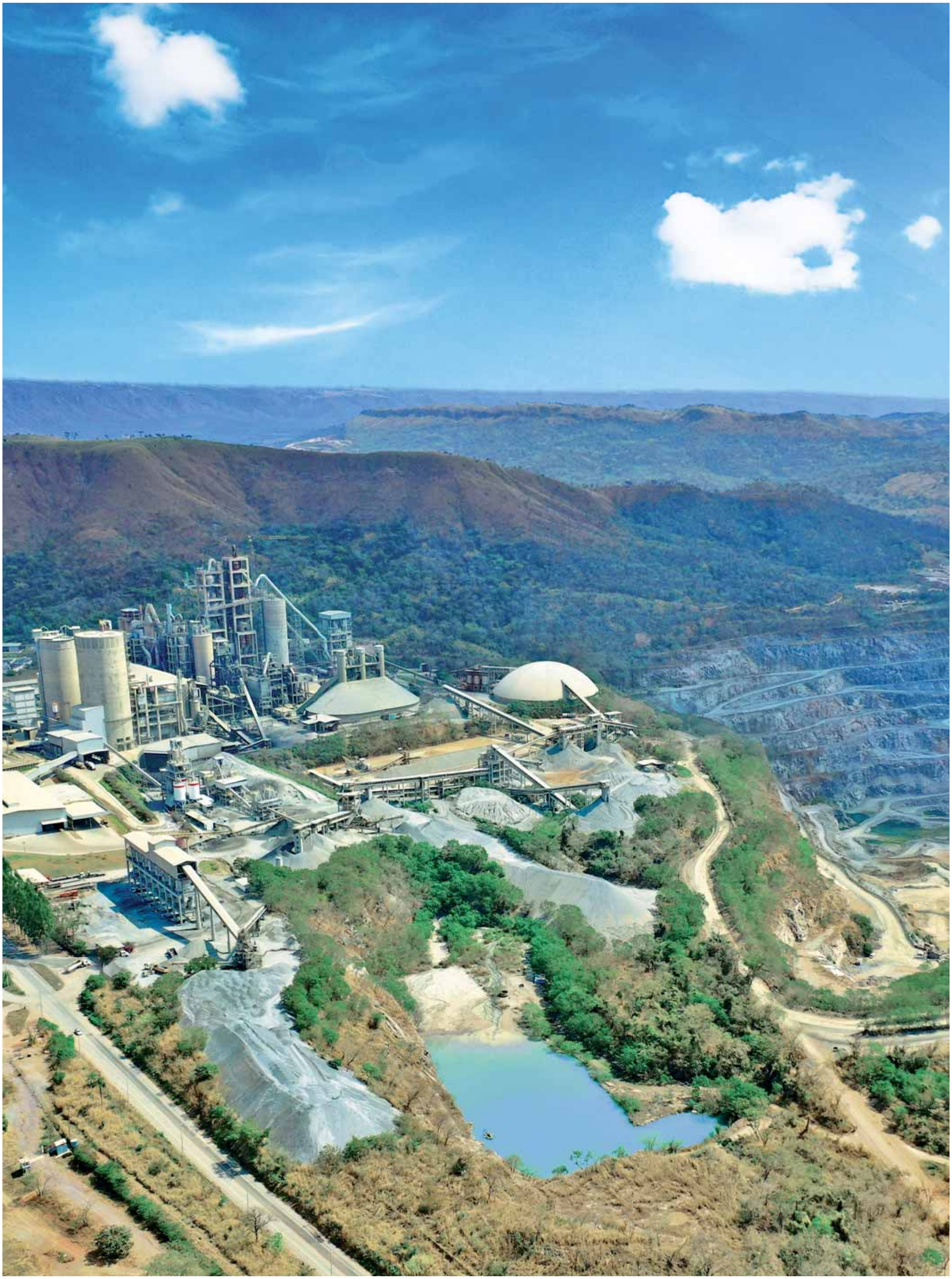
Therefore, to meet the challenge of climate change, in the evolution of our processes and the adaptation of our commercial offerings, we recently created a “Climate Strategy” Department for the Group as a whole.

What are the growth outlooks for 2020 and beyond?

The year 2020 is off to a good start with improved economic conditions in Brazil in particular and price recovery in Senegal, where the resumption of major construction projects is a reality.

In France, the development of cement production technology using activated clays at Xeuilley, to reduce our clinker factor and thus reduce our carbon footprint has been launched. We are also expecting our new product sales to take off, thanks to our policy innovation.

Ciplan cement plant near Brasilia (Brazil)



PRESENTATION OF THE GROUP

1

1.1. Vicat in the world

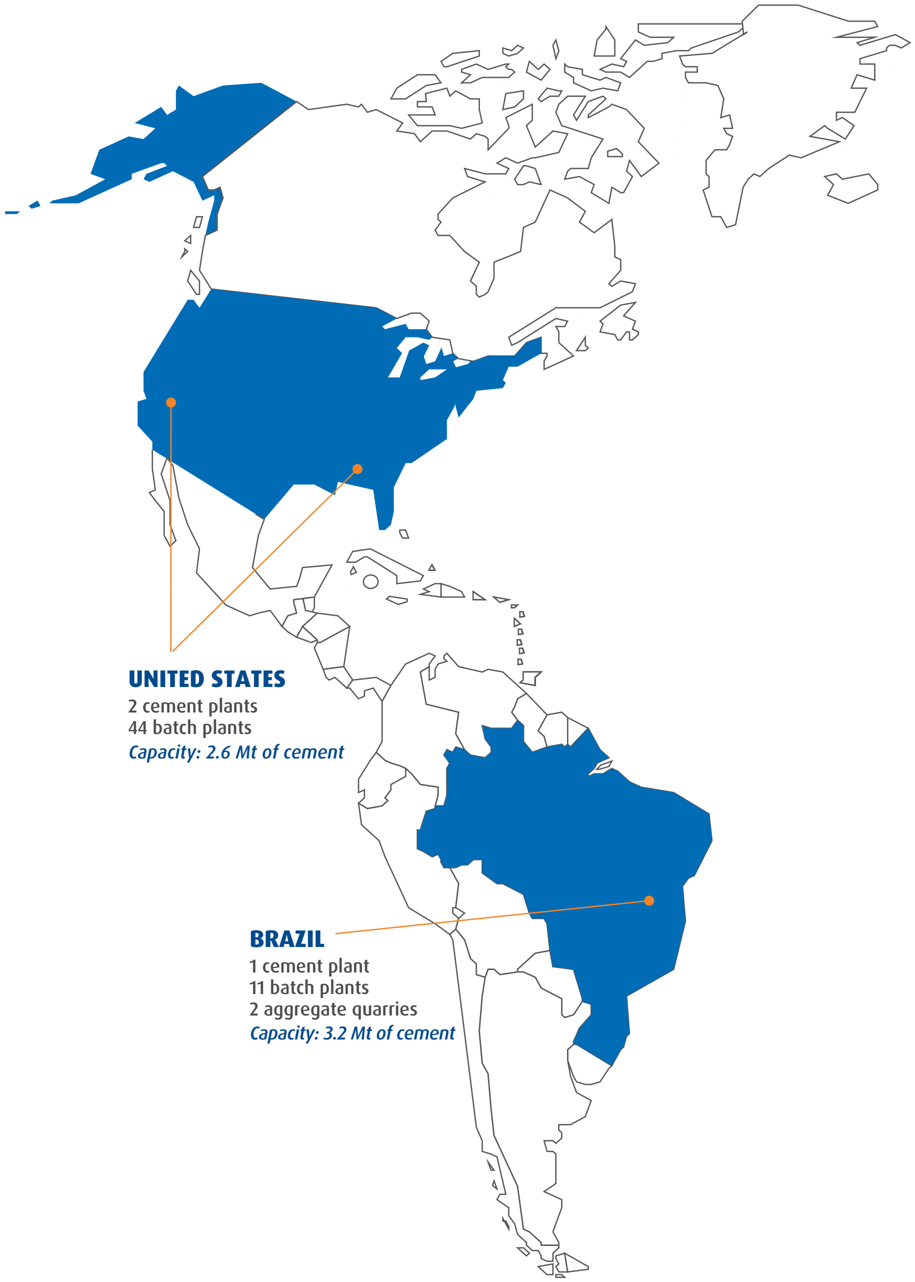
16
cement plants

5
grinding plants

35
million tonnes of cement capacity

259
concrete batching plants

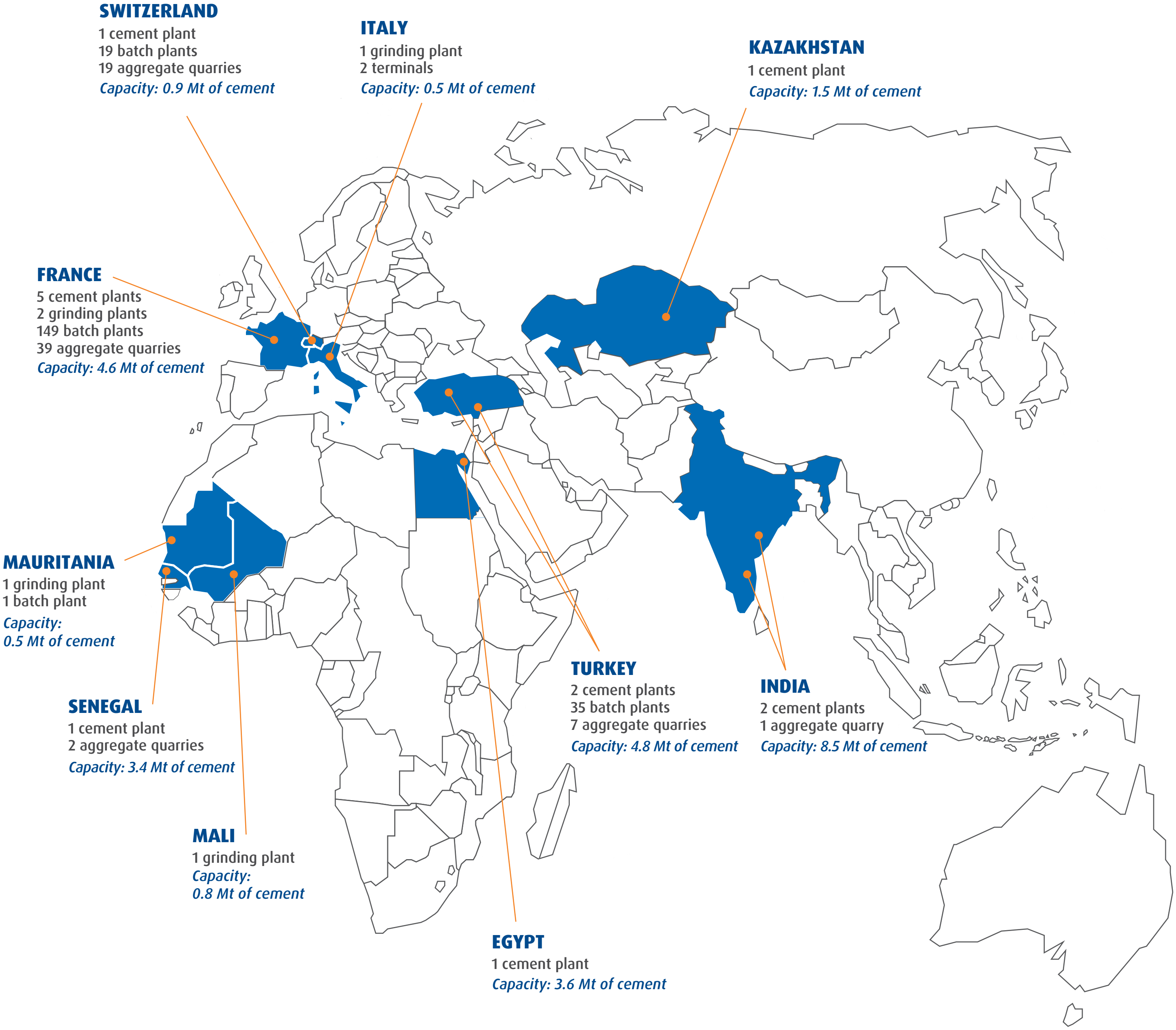
70
aggregate quarries



€2,740 M
sales revenues

9,947
employees

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



12 countries where Vicat operates

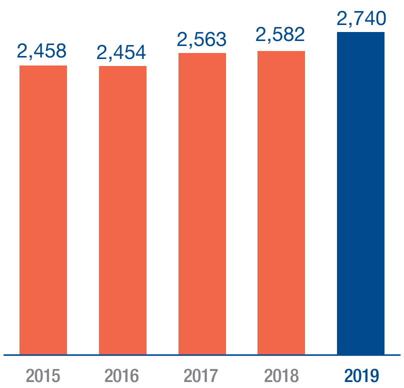
22.4 million tonnes of **cement**

9.1 million m^3 of **concrete**

23.0 million tonnes of **aggregates**

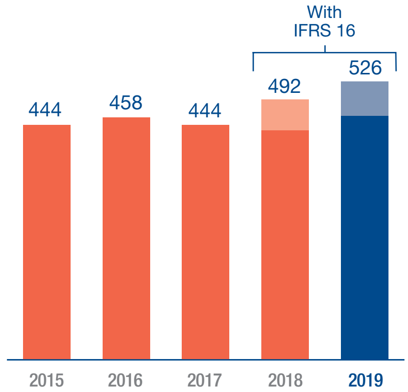
1.2. Key figures

CONSOLIDATED SALES REVENUES
(in millions of euros)



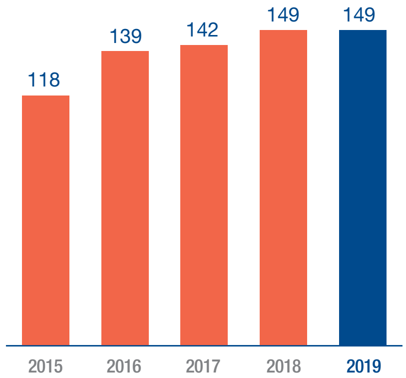
Consolidated sales revenues for 2019 were € 2,740 million, up 6.1% but down -0.8% at constant consolidation scope and exchange rates compared with 2018.

EBITDA (*) (1) (3)
(in millions of euros)



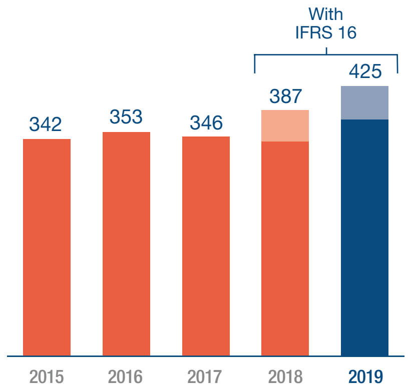
Group consolidated EBITDA, at € 526 million, was up 6.9% compared with 2018 but slightly down by -0.2% at constant consolidation scope and exchange rates.

GROUP SHARE OF NET INCOME (*) (3)
(in millions of euros)



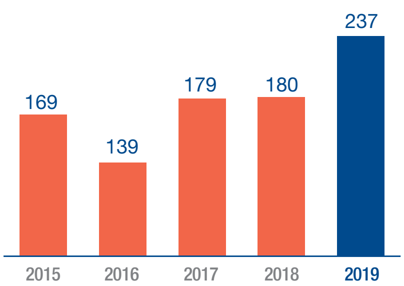
The Group share of net income was € 149 million, stable compared with 2018 and down by -6.5% at constant consolidation scope and exchange rates.

CASH FLOW FROM OPERATIONS (*)
(in millions of euros)



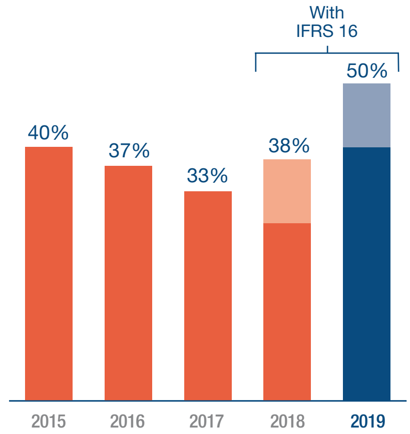
Operating cash flow amounted to € 425 million, generating free cash flow of € 159 million in 2019.

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



Industrial investments disbursed amounted to € 237 million in 2019.

NET DEBT/EQUITY
(in %) (3)



The gearing (2) was 49.7% of consolidated shareholder's equity as at December 31, 2019, compared with 37.6% as at December 31, 2018.

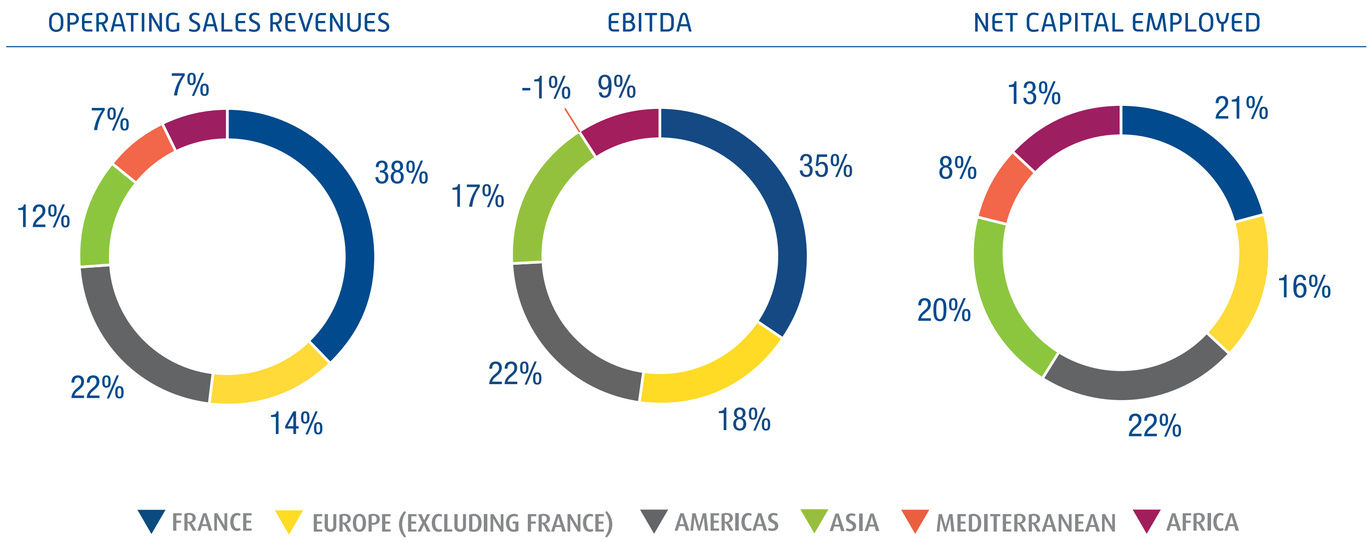
(*) Figures for 2015 have been restated in accordance with the new accounting method applied to greenhouse gas emission rights. The nature of these restatements is explained in note 1.7 to the consolidated financial statements.

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

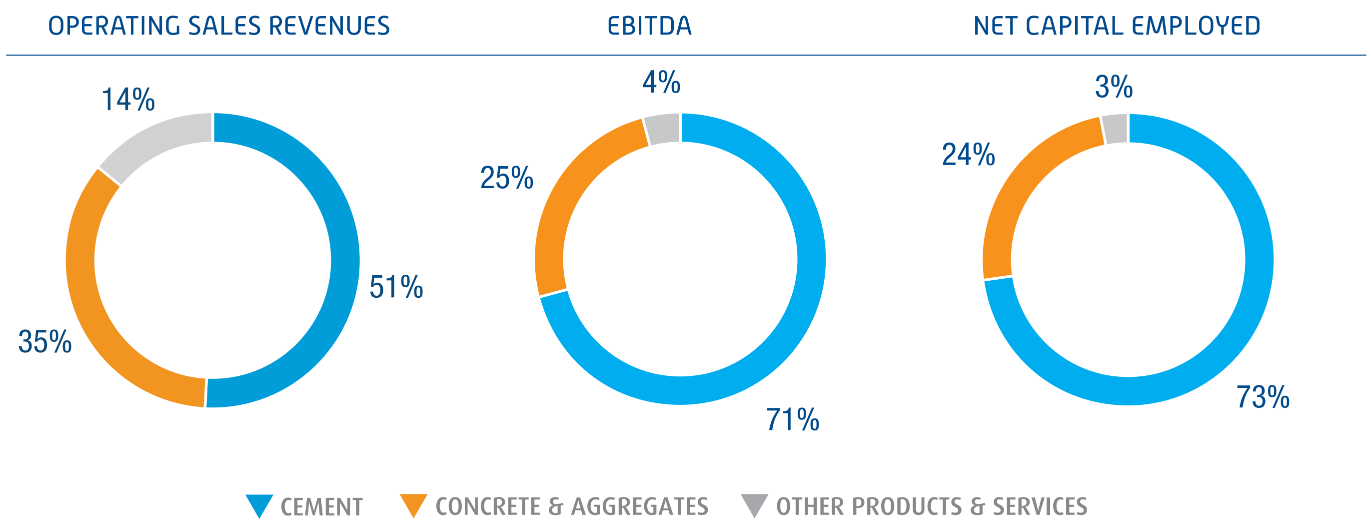
(2) Gearing is a ratio analyzing the financial structure and is equal to net debt divided by consolidated shareholders' equity.

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

BY GEOGRAPHICAL AREA (2019)



BY BUSINESS SEGMENT (2019)



1.3. History

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-baased, 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 Mssrs. 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 Le Genevrey, near the town of Vif in the Isère department.

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 tonnes.

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 tonnes. 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 tonnes.

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, 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 tonnes.

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 1.5 million tonnes.

2008

Expansion into India and Mauritania

Formation of a joint venture between Vicat and the Indian cement manufacturer Sagar Cements. The new Company aims to build a greenfield plant with a nominal cement production capacity of 2.8 million tonnes 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 tonnes, located at Nouakchott in Mauritania.

2010

New acquisition in India

In 2010, the Group made a significant acquisition, becoming the majority shareholder in Bharathi Cement, a company based in Andhra Pradesh state, in southern India. The production capacity of this Company's cement factory has since been raised to 5 million tonnes.

2014

Expansion of operations in India

Purchase of the stake held by Sagar Cements in Vicat Sagar Cement. On completion of this transaction, Vicat held 100% of the share capital of Vicat Sagar Cement, renamed Kalburgi Cement at the beginning of 2015.

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

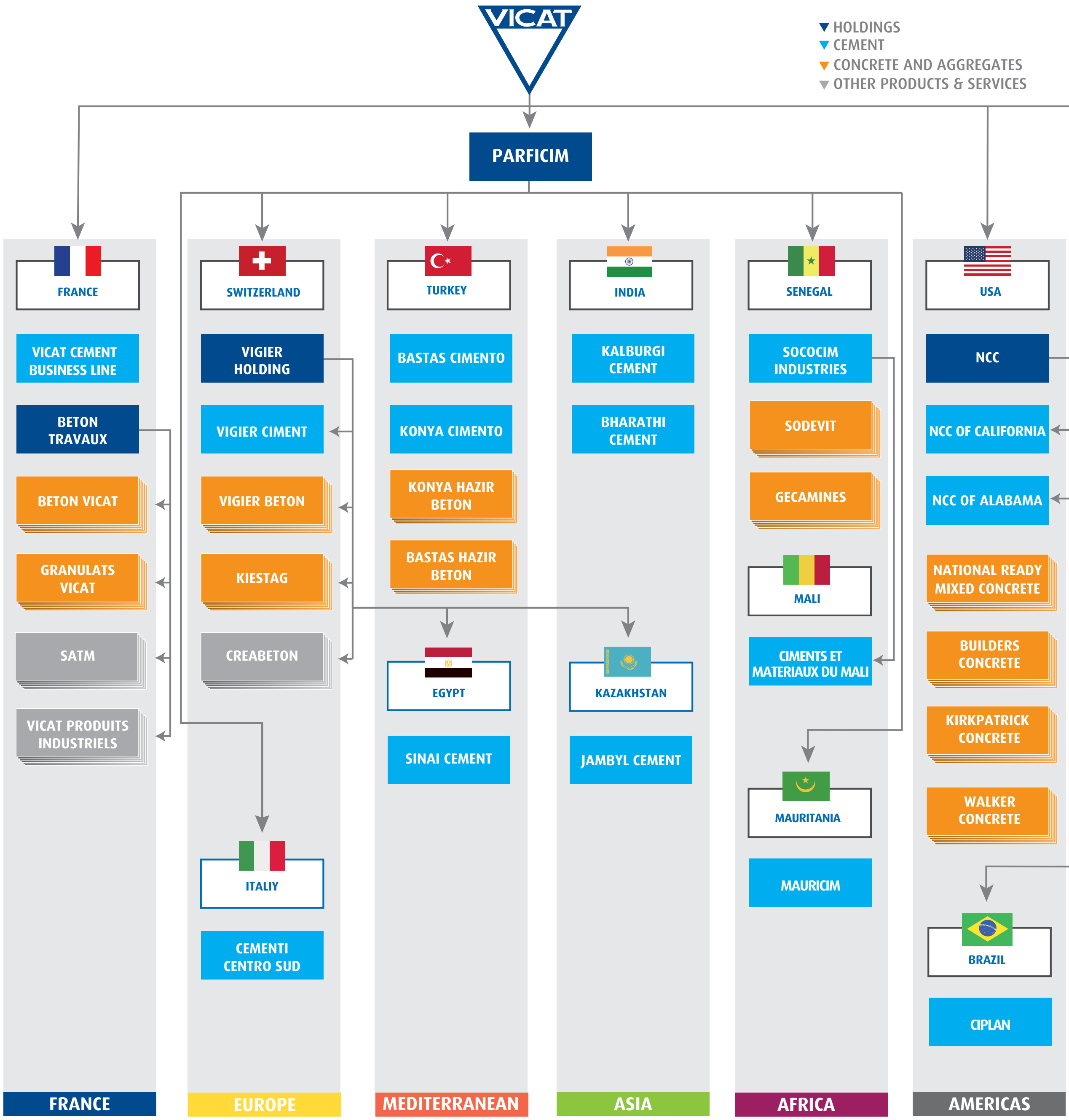
Ciplan (Cimento do Planalto) operates a cement factory near Brasilia with an annual production capacity of 3.4 million tonnes, 9 concrete batching plants and 2 aggregate quarries.

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

1.4. Simplified organization chart

The organization chart below summarizes the principal links between the Group's companies (138 companies are consolidated by the Group). 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, 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 shareholdings" in this Universal Registration Document.

1.5. Strategy and objectives

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, balancing a dynamic internal growth, sustained by industrial investment to meet market demand, with a selective external growth policy to approach new markets having an attractive growth potential or to accelerate its vertical integration.

The main objectives on which the Group focuses are the environment, safety, integration and value creation for all stakeholders.

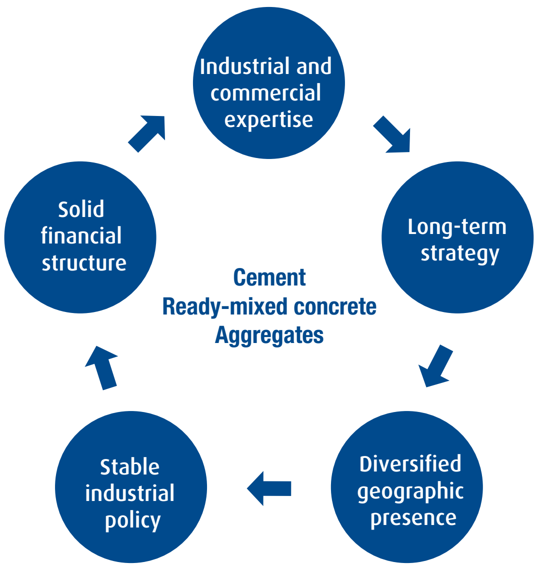
1.5.1. The Group's strengths

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 by 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 1.5. 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

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 36.0% of its consolidated sales revenues in France, 14.6% in Europe (excluding France), 16.6% in the United States, and 32.8% 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. Group objectives

The Group has set itself eight focuses for work over the coming years:

- Zero accidents:
  - Ensuring that 100% of teams received at least one health and safety training session in 2020,
  - Achieving a frequency rate of 5 and a severity rate of 0.3 in 2020;
- Promoting equal treatment and diversity as an asset for the Company's overall performance:
  - Bringing more woman into the industry,
  - As from 2020, having at least one woman in the top 10 salaried positions,
  - Promoting access to employment for disadvantaged groups,
  - Acting for disabled people by increasing the direct and indirect employment rate,
  - Supporting more projects in culture, health and education;
- Taking part in the reduction of greenhouse gases:
  - Enhancing public recognition of the low carbon footprint of cement and applications over its whole life cycle,
  - Achieving a 75% clinker rate in cement and 40% usage of alternative fuels in the energy mix (of which 15% for biomass) by 2030 enabling a reduction of 13% in its specific net CO_2 emissions compared to 2019. Ensuring resilience to climate change;
- Promoting the development of the circular economy:
  - Promoting the recovery of waste in a voluntary, responsible and profitable approach;
- Combating resource depletion:
  - Being part of the circular economy for sustainable resource management;
- Helping preserve biodiversity:
  - Welcoming biodiversity in the city with its products and on its quarry sites, which act as important nature reserves,
  - Ensuring that 100% of teams received at least one environment training session in 2020,
  - Developing the best daily practices to reduce emissions, consumption of resources and preserve biodiversity;
- Promoting scientific and technical culture, protecting and adding value to our heritage, and taking action in favor of education and solidarity.

  It was with these objectives that the Fondation Louis Vicat was created in 2017. It has financing provided by Vicat company;
- Maximizing value creation for all stakeholders:
  - Pursuing targeted organic and external growth and long-lasting profitability in respect of the challenges of the environmental and solidarity transition.

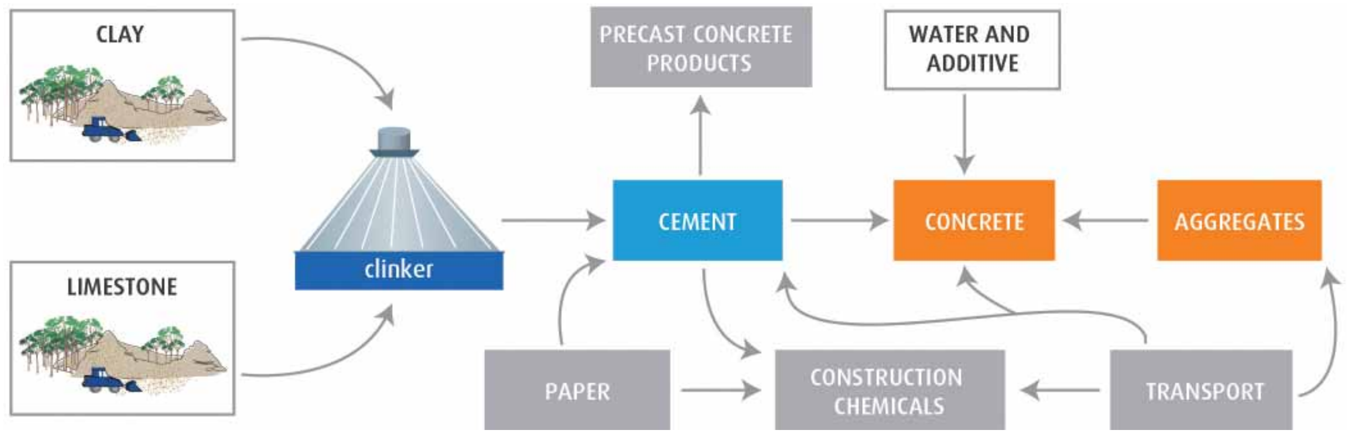
1.6. Description of businesses

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 be part of the circular economy.

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, 2019, the Group employed 9,947 people worldwide, and recorded 64% 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	▼		
Mauritana	▼	▼	

Consolidated sales revenues by business segment in 2019

(in millions of euros)	2019	%
Cement	1,319	48.2
Concrete & Aggregates	1,076	39.3
Other Products and Services	345	12.6
TOTAL	**2,740**	**100.0**

The share of the Group's core business contributed by Cement, Concrete & Aggregates increased slightly in 2019 to 87.4% of consolidated sales revenues.

EBITDA by business segment in 2019

(in millions of euros)	2019	%
Cement	373	70.9
Concrete & Aggregates	130	24.7
Other Products and Services	23	4.4
TOTAL	**526**	**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 has been 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, 2019, the Group's worldwide Cement business comprised 16 cement plants and 5 clinker grinding plants. In France, the Group also operates two factories specializing in natural fast-setting cement. The Group's cement volume sales in 2019 (before intra-group eliminations) amounted to 22.4 million tonnes (compared with 22.8 million tonnes in 2018 and 22.9 million tonnes in 2017). In 2019, this segment thus accounted for 48.2% of the Group's consolidated sales revenues (48.5% in 2018 and 48.6% in 2017) and 70.9% of the Group's EBITDA (70.1% in 2018).

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. The principal cement categories produced by the Group are listed and classified below according to French standards:

CEM I	Portland cement	The most frequently used cements in residential construction, for classic reinforced concrete structures
CEM II	Portland composite cement	
CEM III	Blast furnace cement	Conventional cements, with few heat releasing properties during hydration and with low sulfate content, used in underground work in corrosive conditions or for work in marine environments
CEM V	Slag cements	
CEM IV	Pozzolan cements	Conventional cements using mineral products of volcanic origin with hydraulic properties

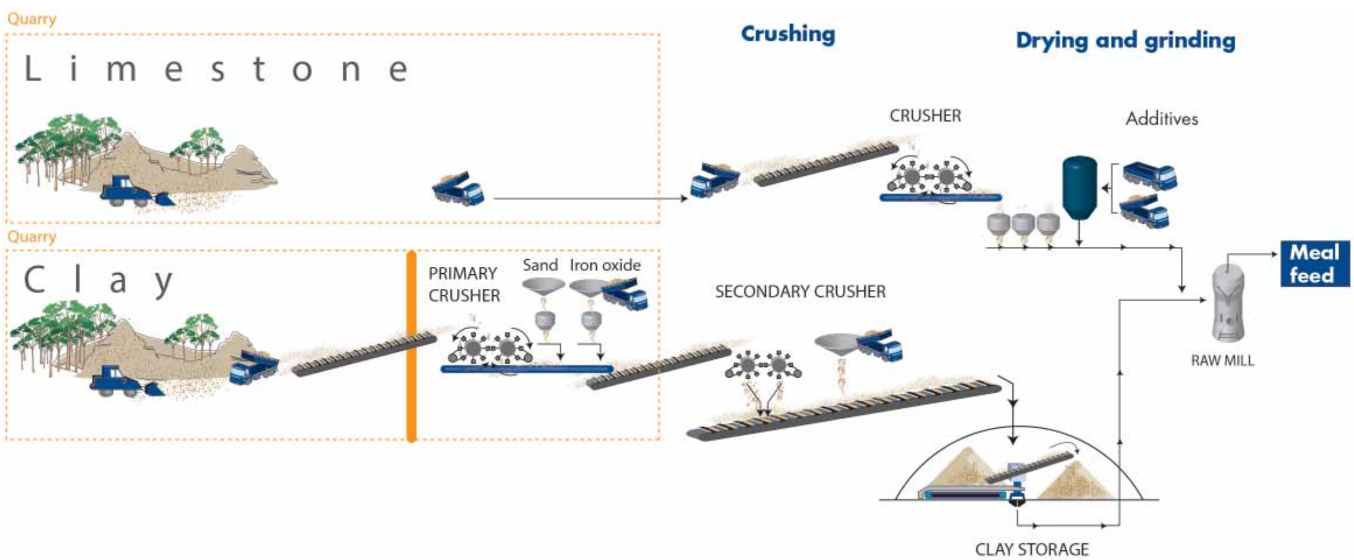
Natural quick-setting cement has been added to these categories: a special quick-hardening cement, whose strength is immediately superior and increases gradually over time. For 160 years, the Group has produced its quick-setting cement from a natural alpine stone, with an exceptional performance offering 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. "Research, development and innovation" of this Universal Registration Document).

1.6.1.2. Manufacturing methods

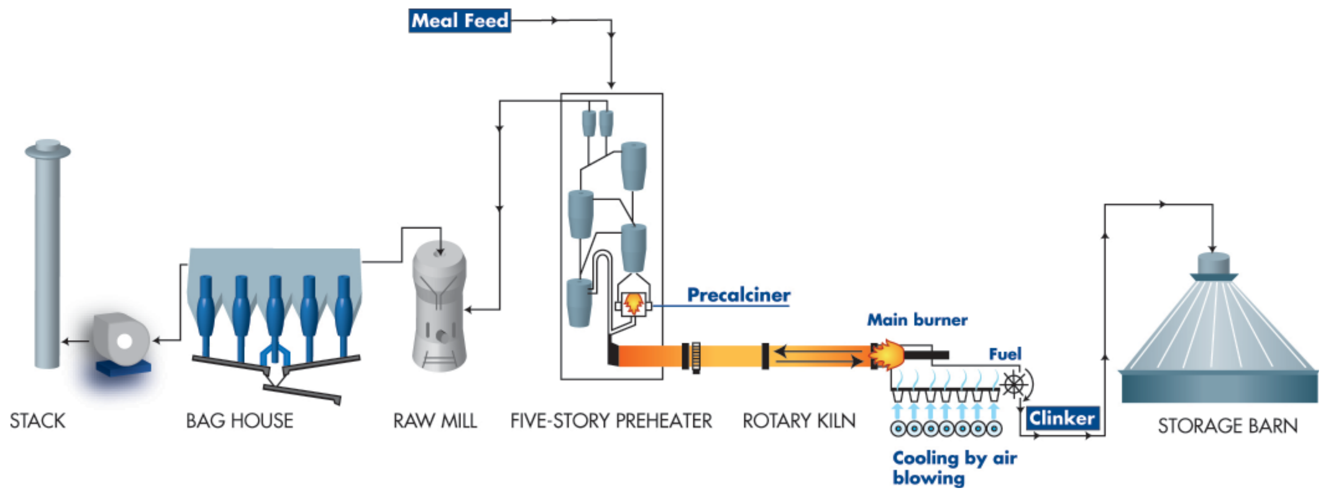
Cement is manufactured, in the dry process, mainly in four stages:

- 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;



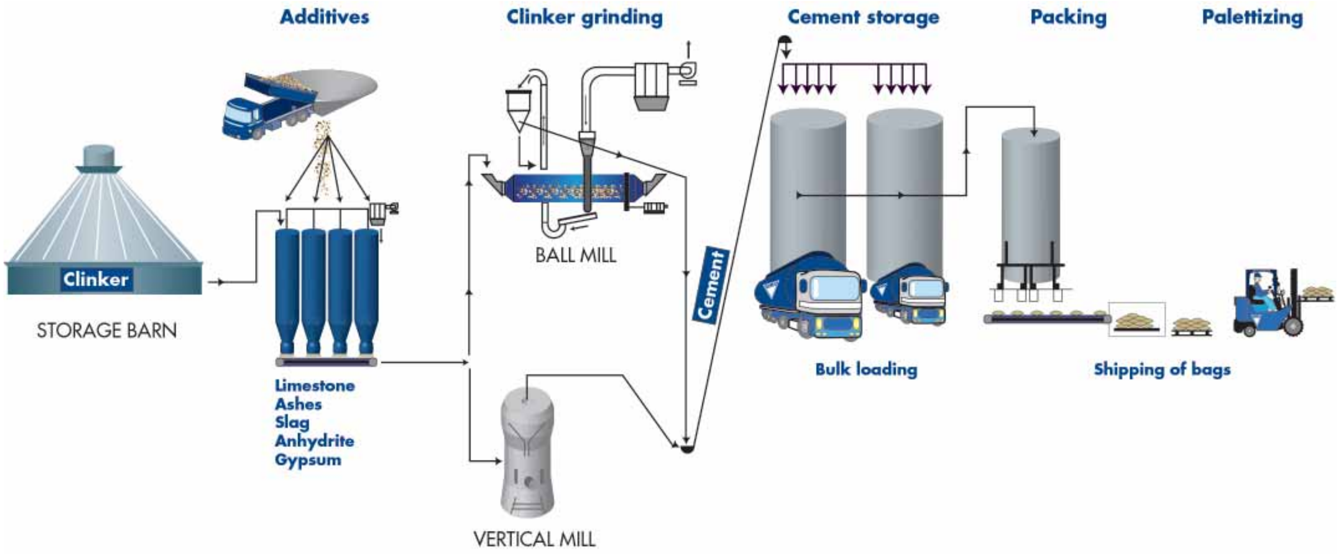
1

- 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 past few 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 and Mauritania;

- 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 2019, 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 2019, the share of alternative fuels in the Group's Cement manufacturing business was 26.5% on average (compared with 25.6% in 2018 and 25.2% in 2017), 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 3.2.1. "Promoting the circular economy" 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 3.3.2. "Improving global industrial performance" 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 specifically in the South-East quarter. It has also developed solid positions in the southeastern states (Alabama, Georgia) and California in the USA, the western half and center of Switzerland, in Central Anatolia, Turkey, and the Sinaï region and Cairo in Egypt. 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 2 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 tonnes, 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 tonnes of capacity, which was raised to 5.5 million tonnes by the end of 2010.
Kazakhstan	**1.5 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 tonnes 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 34.9 million tonnes**.

Section 1.7. "Overview of markets and Group performance" 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 tonnes 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 factory has a lease granted in 1966 for a term of 99 years with 46 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 3.3.2. "Improving global industrial performance" 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 less than 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.

The Group sells its cement in bags or in bulk, depending on the level of development in the country where it operates. 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

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 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 259 concrete batching plants distributed in six countries as at the end of 2019, and its companies sold more than 9.1 million m^3 of concrete during the year.

(1) Source Global Cement Report.

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. "Research, development 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, 2019, the Group operated 259 concrete batching plants, located near its principal cement production sites, forming regional networks in order to supply construction sites and urban centers:

- France: 149 concrete batching plants;
- Switzerland: 19 concrete batching plants;
- Brazil: 11 concrete batching plants;
- United States: 44 concrete batching plants;
- Turkey: 35 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 23.0 million tonnes of aggregates in 2019, produced by its 70 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 typically designated by minimum and maximum diameters:

- solid rock is extracted from limestone, granite, porphyry and other massifs. 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. Aggregates on the processing site are generally transported using conveyor belts. Operating sites and production equipment

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, 2019, the Group operated 70 quarries:

- France: 39 quarries;
- Switzerland: 9 quarries;
- Brazil: 2 quarries;
- Turkey: 7 quarries;
- Senegal: 2 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 3.3.2. "Improving global industrial performance" 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

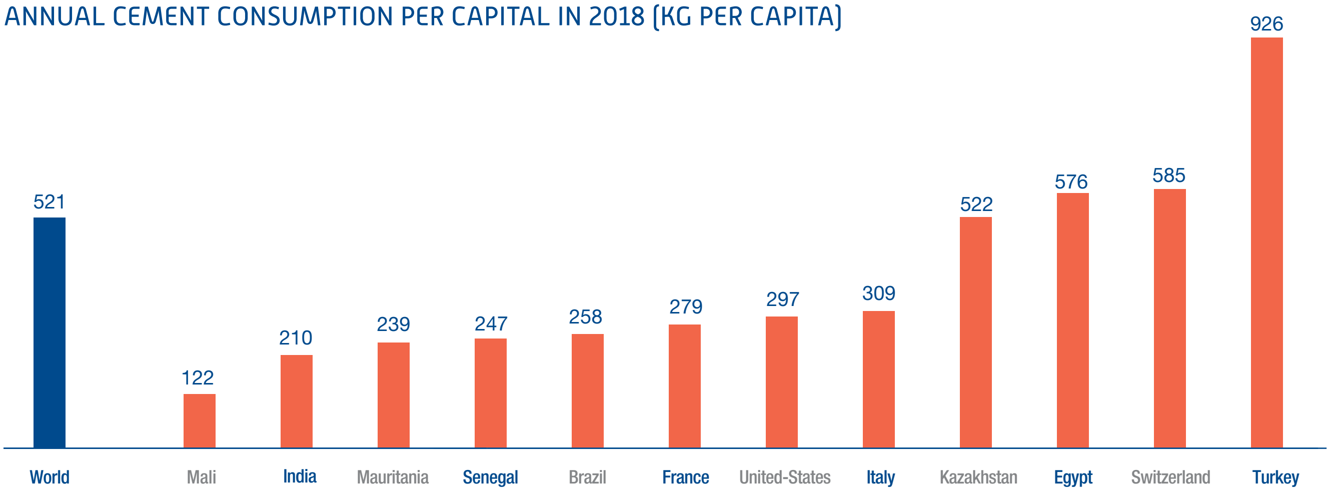
In France, Switzerland, Turkey and India, the Group also has operations in activities complementary to its main businesses. These activities are transport, construction chemicals, the production of paper and paper bags, and precast concrete products.

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

Generally, 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 and steel. This choice is also guided by the availability and the price of each of these materials locally.

ANNUAL CEMENT CONSUMPTION PER CAPITAL IN 2018 (KG PER CAPITA)



Source Global Cement report.

The selling price of cement, which is the Group's principal product, is determined primarily by availability and ease of extraction of its component raw materials, the cost of thermal and electrical energy, and the availability of qualified personnel to maintain the production facilities. The availability of surplus production capacity increases competitive intensity and influences prices.

Breakdown of consolidated sales revenues by geographical area in 2019

(in millions of euros)	2019	%
France	987	36.0
Europe (excluding France)	401	14.6
Americas	589	21.5
Asia	375	13.7
Mediterranean	171	6.3
Africa	217	7.9
TOTAL	**2,740**	**100.0**

Due to the Group's significant geographical diversification efforts in recent years, the portion of sales revenues generated in emerging countries reached 32.8% of the Group's consolidated sales revenues in 2019.

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 22,388 thousand tonnes of cement and clinker.

(in thousands of tonnes) [(1)]	2019	2018	2017
France	3,002	3,061	2,970
Switzerland	877	870	936
Italy	223	183	166
United States	2,241	2,244	2,165
Brazil	1,952		
India	5,519	6,588	5,472
Kazakhstan	1,551	1,541	1,345
Egypt	1,273	1,260	2,407
Turkey	3,034	4,280	4,648
Senegal/Mali/Mauritania	2,716	2,806	2,834
TOTAL	**22,388**	**22,833**	**22,943**

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

Intra-group cement sales accounted for 17.5% of this business in the Group, with a significant disparity, ranging from 0% to 33% depending on the operating regions.

CONCRETE VOLUMES SOLD

The Group operates 259 concrete batching plants which produced and sold 9,135 thousand m^3 of concrete in 2019.

(in thousands of m^3)	2019	2018	2017
France	3,298	3,274	3,336
Switzerland	661	655	703
United States	2,278	2,155	2,215
Brazil	501		
Turkey	2,392	2,936	3,429
Mauritana	5	19	2
TOTAL	**9,135**	**9,039**	**9,686**

AGGREGATES SALES VOLUMES

The 70 quarries operated by the Group's Aggregates business sold 22,971 thousand tonnes of aggregates in 2019.

(in thousands of tonnes)	2019	2018	2017
France	10,244	10,074	9,842
Switzerland	2,411	2,497	2,732
Brazil	2,058		
India	592	641	415
Turkey	4,799	5,497	7,864
Senegal	2,868	3,947	3,554
TOTAL	**22,971**	**22,657**	**24,407**

In the markets where it operates, the Group aims to develop strong regional positions around its cement production facilities, while also consolidating those positions through Ready-mixed Concrete & Aggregates businesses. In countries where the Group establishes a presence through external growth, it seeks to leverage the local identity of the acquired brands.

1.7.1. France

France is the Group's historical market. It operates through its five cement factories located in the eastern half of the country and a network of concrete batching plants and quarries located mainly in the same marketing zones, with a high concentration in the southeastern quarter of the country. The Group also has other businesses in France in addition to its three core businesses.

Group sales volumes in France

	2019	2018	Change
Cement *(in thousands of tonnes)*	3,002	3,061	-1.9%
Concrete *(in thousands of m^3)*	3,298	3,274	+0.7%
Aggregates *(in thousands of tonnes)*	10,244	10,074	+1.7%

According to the latest forecasts, growth in gross domestic product in France should reach 1.3% in 2019, down compared to 2018 (1.7%), but above the average of the euro zone.

In 2019, housing starts were down by -2.3% (but remain above the threshold of 400,000 units) after a -5.8% decrease in 2018. The decrease in multi-family housing was even more pronounced (-3.5% [1]). Non-residential premises starts recorded a significant +8.3% increase after a +2.1% increase in 2018.

While the pace has decreased slightly, the public works activity was still well up on the start of the year (+12.6%) [2] and should continue to expand in Q4 to end the year at over +10% growth for 2019.

1.7.1.1. Cement

The French cement market is mature, with consumption of around 19 million tonnes in 2019. This volume remains low compared to the past. Consumption *per capita* was approximately 279 kg of cement.

The French cement industry is concentrated; four groups account for approximately 94% 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.

Between 2007 and 2015, market volumes fell by more than 30%; 2016 marked the end of this contraction. The first figures available for 2019 show a slight increase in consumption compared to 2018 [3] of around 1 to 2%.

In 2019, Vicat's sales were slightly down (-1.9%) in volume compared to 2018, with a significant increase in exports. Average selling prices increased.

1.7.1.2. Ready-mixed Concrete and Aggregates

In 2019, the market for Ready-mixed Concrete in France was around 40 million m^3. There are nearly 1,900 concrete batching plants and more than 500 companies throughout France. The ready-mixed concrete market saw strong growth over the first half year (+5.2%) then a fairly significant decrease during the second half year compared to 2018 (estimate of -4.7%). SNBPE statistics show significant regional disparities, which are less favorable to Vicat's organization.

The Group's 149 concrete batching plants cover 10 of the 19 French regions, mainly located in Eastern France, and sold nearly 3,298 thousand m^3 in 2019, accounting for over 8% of the national market. After years of decline, the price increases over the last 3 years have gradually enabled more acceptable margin levels to be achieved.

The French aggregate market amounted to around 320 million tonnes in 2019 (excluding recycled materials). More than 1,600 companies operate in this market in France. The Group is one of the top ten aggregate producers in the country.

The Group has some 60 sites, including 39 quarries, which enabled it to produce and market 10,244 thousand tonnes of aggregates in 2019, corresponding to around 3% of the national market. Sales volumes in 2019 rose 1.7% compared with 2018.

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.

(1) Source: INSEE.

(2) Source: Fédération Nationale des Travaux Publics (French Building Federation).

(3) Syndicat Français de l'Industrie Cimentière (French Cement Industry Union - SFIC) and SNBPE.

Breakdown of sales revenues by business

(in millions of euros)	2019	2018	Change
Transport and Major Projects	169.3	159.8	+5.9%
Construction chemicals, Vicat Produits Industriels	78.7	76.4	+3.0%
Paper	39.2	39.8	-1.5%

Transport and Major Projects

Through its 15 branches in France, SATM uses three means of 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 for this activity were up by +7.9% in 2019.

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. 2019 sales revenues were stable compared to 2018.

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.

Sales revenues for the VPI business were up +3.0% in 2019, thanks mainly to the Civil Engineering business.

Paper and bags

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

The following table shows the changes in volumes sold by Papeteries de Vizille:

	2019	2018	Change
Writing and printing paper *(in tonnes)*	17,293	17,385	-0.5%
Bags *(in thousands of units)*	57,935	55,870	+3.7%

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 2019, the Company generated 53% 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 75 million bags, equal to approximately 15% of the national market. Some of the bags sold by Papeteries de Vizille are intended for the Group.

In 2019, sales increased by 3.7% in volume compared to 2018.

1.7.2. Europe (excluding France)

Group sales volumes in Europe (excluding France)

	2019	2018	Change
Cement *(in thousands of tonnes)*	1,100	1,054	+4.3%
Concrete *(in thousands of m^3)*	661	655	+1.0%
Aggregates *(in thousands of tonnes)*	2,411	2,497	-3.4%

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.

Growth in Switzerland slowed significantly in 2019 and should end the year at +0.9%. The Swiss franc appreciated against the euro during 2019.

Cement

Demand for cement in Switzerland was around 4.7 million tonnes in 2019, which represents slightly less than 600 kg of cement consumption *per capita*, a very high level of demand for a mature market. Domestic deliveries fell back -1.7% in 2019 compared to 2018 [1] with a no doubt more significant decrease for consumption if we take imports into account.

The principal producers on this market are LafargeHolcim, which holds approximately two thirds of the Swiss market, JuraCim (CRH group) and Vigier, a Group subsidiary. Lafarge Holcim has a significant presence in the east of the country, whereas JuraCim and Vigier operate in the western part of the country. Through its subsidiary Vigier, the Group is ranked the 3rd largest cement manufacturer in Switzerland.

In 2019, Vigier Ciment posted a 6.7% rise in sales revenues compared to 2018.

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 19 concrete batching plants spread over the western half of Switzerland. These plants produced 661 thousand m^3 in 2019, up nearly 1% compared with the previous year.

Vigier operates 19 aggregates sites, located near the concrete batching plants. These quarries are generally smaller than in France and are primarily intended to meet the needs of the concrete batching plants. Sales of Vigier's aggregates amounted to 2,411 thousand tonnes in 2019, down -3.4% compared to 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.

(1) *Source CemSuisse.*

Precast concrete sales revenues amounted to € 120 million in 2019, down from € 125 million in 2018, representing 380 thousand tonnes of precast concrete products. The 3.8% decrease in sales revenues in euros is the result of increased competition due to the strengthening of the Swiss franc against the euro.

1.7.2.2. Italy

With consumption of slightly over 18 million tonnes of cement, the market in Italy has stabilized at very low levels after ten years of crisis during which volumes fell by over 60%.

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 223 thousand tonnes sold, including quick-setting cement trading this year. 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

	2019	2018	Change
Cement *(in thousands of tonnes)*	4,194	2,244	+87.0%
Concrete *(in thousands of m^3)*	2,779	2,155	+28.9%
Aggregates *(in thousands of tonnes)*	2,058		

1.7.3.1. United States

The American market remained in excellent health in 2019 with GDP growth expected to be around +2.2% compared with +2.9% in 2018.

In the residential sector, construction expenditure increased by 2.7% compared to end-November 2018, thanks to the strong performance by apartment buildings. Housing starts were around 1.365 million (annualized total) or +13.6% on end-November 2018 (1.202 million). The commercial sector stagnated compared to 2018, despite growth in office infrastructure and the electrical sector.

Public works expenditure saw growth of +12.4% in 2019 compared with 2018, thanks to expenditure in education (+12.6%) and road infrastructure (+7.6%).

The Group is present in two main regions: California and the South-East (chiefly Alabama and Georgia) which are markets capable of developing at a very different rate.

Cement

The American cement market, which peaked at over 128 million tonnes in 2005 and 2006, fell to 71 million tonnes in 2010, but has registered an upturn in growth since then. Domestic consumption is estimated at 101 million tonnes in 2019 [(1)], up by around 3% on 2018. Per capita consumption remains moderate for a developed market (around 297 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 tonnes)	2019	2018	Change
South-East	11.8	11.0	+7.5%
California	10.2	10.7	-4.6%
TOTAL UNITED STATES	**101.1**	**97.7**	**+3.5%**

The Group has two factories in the United States which are more than 3,000 km apart and which therefore 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 [(2)] cement manufacturer nationally, and a major player in the two regions where it is active.

The Group's sales volumes in 2019 were globally stable (-0.1%) compared to 2018, its two markets reflected different regional factors.

To respond to the anticipated growth in the market in the South-East United States and to increase considerably the use of alternative fuels, an order has been placed for a new kiln for the Ragland plant in Alabama to replace the existing equipment. This project 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 282 million m^3 in 2019 [(3)]. With growth of about 3% in 2019, it is now nearly back to its historical peak.

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 2019, the Group's ready-mixed concrete market in the South-East (Alabama and Georgia) accounted for a production of nearly 12.9 million m^3, around a 4.6% increase over 2018. The Ready-mixed Concrete market in California accounted for production of almost 28.5 million m^3 in 2019, down about 5.4% compared with the previous year [(3)] .

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 produced 2,278 thousand m^3 in 2019, up +5.7% compared to their 2018 output. Of this, 73% by volume was produced in California and 27% in the South-East. Price movements were favorable in all regions.

1.7.3.2. Brazil

On January 21, 2019, the Group acquired the Brazilian cement manufacturer, Ciplan (Cimento do Planalto). The deal was structured as a reserved capital increase that left Vicat ownng 66.07% of Ciplan and the transport company Planalto.

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 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 (2 new plants were opened in 2019) and 5 quarries (including 2 aggregates quarries).

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

(2) Source: Global Cement Report.

(3) Our estimates and National Ready Mix Concrete Association (NRMCA).

Growth in Brazilian GDP is estimated to be 1.2% for 2019, a slight increase compared to 2018. The unemployment rate continued to decrease in 2019, but remains high at 12.0%.

Cement

Per capita cement consumption, which amounted to almost 354 kg/year in 2014, decreased to around 258 kg/year in 2018. In 2019, this consumption increased for the first time in 6 years.

The provisional figures for cement shipments show growth in cement consumption that should amount to around 54.5 [(1)] million tonnes, up by +3.0% compared to 2018.

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

The Center-West region where Ciplan is located, and which is generally a strong exporter to the other regions, saw growth of +6.3% in shipments.

After sales for the first half year that increased more than the market, Ciplan focused on increasing then consolidating the price levels of cements and mortars in its natural market during the second half year.

Concrete

Ciplan has 11 concrete batching plants: 4 in the Brasilia Federal District, 5 in Goias State, 1 in the north of Tocantins State and 1 in the south-east in Minas Gerais.

The actions to restructure the organization and improve plant efficiency that began at the end of 2018, and the partial renewal of a fleet of old mixer trucks and pumps, made the Ready-mixed Concrete business competitive again.

Sales reached 522 thousand m^3 in 2019, up +24.4% compared to 2018.

As the ready-mixed concrete sector remains extremely competitive, however, prices stopped falling since the start of the year. Prices for new projects rose, but the benefits will only be seen in Ciplan's earnings when these projects are delivered.

Aggregates

Ciplan operates two aggregates quarries. The first quarry 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 2,144 thousand tonnes, up +8.9% compared to 2018.

1.7.4. Asia

Group sales volumes in Asia

	2019	2018	Change
Cement *(in thousands of tonnes)*	7,070	8,129	-13.0%
Aggregates *(in thousands of tonnes)*	592	641	-7.7%

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 tonnes, the Group is able to tap into its significant development potential in order to serve India's southern and western markets.

The latest estimates show a slowing of the economy with GDP growth of 4.8% for 2019/2020 (compared to 7% in 2018). Manufacturing activity has slowed (+2% in 2019 compared to 7% in 2018). Consumption has edged downwards and inflation has reached a level not seen since July 2014 at 7.4% (driven by inflation in food products).

The individual housing market continues to support cement consumption (55%). Infrastructure projects account for 23% of cement demand. The slowdown in consumption, leading to an increase in apartment inventories (Maharashtra) as well as a decrease in investments as part of national projects to build low value housing (focused on rural areas) led to a decrease in demand.

Cement

The cement market in India was estimated at 327 million tonnes in 2018 [(2)], making it the second-largest cement market in the world. With a *per capita* consumption of more than 210 kg per year, there is still much growth potential in the market in view of infrastructure requirements, population dynamics and continuing urbanization.

In 2019, 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 110.3 million tonnes, stable compared with 2018. In a context of over-capacity, there is some volatility in selling prices: the price increase of the first half year was partially eroded by a slide in the second.

(1) Source: Sindicato Nacional da Industria do Cimento (SNIC), 2018 preliminary data (consumption) and CIA World Factbook (population).

(2) Source: Global Cement Report.

The Group markets the production of its two factories under the Bharathi Cement label through a broad network of distributors. In 2019, the Group sold 5,519 thousand tonnes of cement, down by -16.5% compared to 2018. This decrease is partly due to the 0.5 million tonne decrease in export sales to Sri Lanka in the face of low-price competition from Pakistan.

Aggregates

Bharathi Rock Products operates an aggregate quarry approximately 50 km from Bangalore, in Karnataka. This Company sold 0.6 million tonnes of aggregates in 2019, a 7.7% decrease.

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 49.0 million bags at end 2019, down -5.2% compared to the previous year. Increased competition that drove prices downwards, as well as a decrease in demand are the main causes of the decrease in the profitability of the business.

A photovoltaic plant (1 MWh) was installed for this company.

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.

The IMF and Central Bank of Kazakhstan estimate GDP growth of around 4% in 2019.

The residential construction sector benefits from several support programs initiated by the government. However, in 2019 as in the previous year, public works were held back by weak infrastructure development activity.

Cement consumption on the domestic market were up by around 4.3% in 2019 compared to 2018 at almost 9 million tonnes.

In 2019, sales by Jambyl Cement grew by 0.6% to 1,551 thousand tonnes. This sales volume was only possible thanks to our strong production and logistics efficiency during the peak season and dynamic export performance. Jambyl Cement continues to be recognized for its quality products and reliable cement delivery.

1.7.5. Mediterranean

Group sales volumes in the Mediterranean

	2019	2018	Change
Cement *(in thousands of tonnes)*	4,307	5,540	-22.3%
Concrete *(in thousands of m^3)*	2,392	2,936	-18.5%
Aggregates *(in thousands of tonnes)*	4,799	5,497	-12.7%

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.

After a recession in 2018 (-2.8%), brought on by devaluation of the Turkish lira in August, the first three quarters of 2019 saw weak growth. The figure expected by the main international institutions for the whole of 2019 is 0.25%.

From a currency viewpoint, during the year, the Turkish pound oscillated between 6.0 and 6.7 to the euro in 2019 (compared to an average of 5.7 in 2018 and 4.6 in January 2018). Average annual inflation was 15.2% in 2019 compared to 16.3% in 2018.

The construction sector, which is a real indicator of the scale of the crisis, continues to record a downward trend (-7.8% year-on-year).

Cement

The latest figures published by the TCMB (Professional cement union in Turkey) on cement consumption date from October 2019. Given the current situation, a decline of around 31% over 2019 is to be expected, with annual consumption likely to be around 44.7 million tonnes.

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 this context, cement sales in Turkey came to 3,034 thousand tonnes, down -29.1%. The Group has slightly less than 7% of the national market, but is well-placed in the two regions where it operates.

Ready-mixed Concrete & Aggregates

The Turkish ready-mixed concrete market was estimated at approximately 65 million m³ (1) in 2019 (1), down 35.6% compared with the previous year. The Ankara market (about 6.5 million m³) declined sharply in 2019, by around 40%. The market in Konya and surrounding provinces (about 1.4 million m³) shrank by an estimated -38%.

The Group has 35 concrete batching plants around its two cement plants. In the context described above, production by Bastas Concrete and Konya Concrete ended 2019 at 2,392 thousand m³, down by -18.5%.

The Group's position in Turkey in the Aggregates business is focused on supplying its ready-mixed concrete market, which accounts for 56% of its sales. The aggregates sector mirrored changes in demand for ready-mixed concrete.

At 4,798 thousand tonnes, sales of aggregates were down by -12.7% in 2019 compared to 2018.

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 viewpoint, Egypt's situation has improved significantly, as shown by the different financial indicators and highlighted by the IMF in its recent reports:

- GDP growth went from 4.2% to 5.6% in two years, the Egyptian pound appreciated strongly against the main international currencies, gaining 10.5% against the dollar and the inflation rate decreased significantly over the financial year to 7% in December (over sliding 12 months).

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

On the security side, North Sinai continues to experience conflict between the Egyptian army and terrorist cells. The large-scale military operation that was launched on February 9, 2018, is still on-going.

Extremely impacted by the devaluation in November 2016, the construction market has not yet recovered. The increased cost of imported construction materials (notably steel) and the scarcity of cash for residential construction are two problems that have not been overcome.

At the same time, the residential sector has been considerably affected by the tightening of legislation on building safety. For these reasons, the construction market is today more dependent on government infrastructure projects.

After the decreases already recorded in 2017 and 2018, cement consumption in Egypt continued to decline in 2019, with a new decrease of -3% over the year, to 48.7 million tonnes estimated for 2019.

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

In addition to the almost continuous decrease in selling prices, there was a steep increase in electricity costs, following the gradual end to subsidies, and the full year application of the "Clay Tax", doubled in the middle of 2018. Production costs for Egyptian cement producers therfore increased again.

In this difficult context, sales by Sinaï Cement Company were 1,273 thousand tonnes, up by +1% compared to 2018. They only represent a third of the plant's production capacity.

1.7.6. Africa

Group sales volumes in Africa

	2019	2018	Change
Cement *(in thousands of tonnes)*	2,716	2,806	-3.2%
Concrete *(in thousands of m³)*	5	19	-75.5%
Aggregates *(in thousands of tonnes)*	2,868	3,947	-27.4%

1.7.6.1. Senegal

The Senegal economy continues its growth trajectory, started in 2014 with the implementation of the first phase of the "Plan Senegal Emergent". In 2019, Senegal began the second phase of the "Plan Senegal Emergent" Priority Action Program, which is the benchmark for the State's economic and social policy with strong commitment by financial partners (almost 8,000 billion CFA francs already mobilized).

In 2019, GDP growth is expected to be 6% compared to 6.9% in 2018. Inflation remains under control at 1.1%.

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

(1) *Estimate provided by the THBB.*

(the “sub-region”). Together, these countries accounted for cement consumption in the order of 10 million tonnes.

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 4.6 million tonnes in 2019. Per capita consumption is estimated to be about 247 kg/year in 2018.

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 2,535 thousand tonnes, down 4.3% compared to 2018, Sococim Industries has kept its leadership position amid intense competition.

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 Senegal (Dakar and Thiès), which are used in the country’s 11 regions and in neighboring Gambia.

With the end of the major Senegal state works projects following the elections, the basalt aggregates market is no longer under pressure. Gécamines saw a decrease in sales compared to 2018 but was able to maintain its prices and gain market share thanks to the quality of its products and its professionalism. The company also benefited from less pressure to continue and accelerate its restructuring, and improve the efficiency and reliability of its production facilities.

The limestone market shrank with the arrival of new aggregates (flint). The Sodevit still faces competition from companies in the informal sector and the opening of new limestone quarries. The new arrivals launched a price war and limestone aggregate prices fell.

The result was a -27.4% decrease in Group volumes in 2019 to 2.9 million tonnes.

1.7.6.2. Mali

Despite what is still a complicated security situation, Mali recorded another year of economic growth, with latest estimates at around +4.9% for 2019, the same as in 2017 and 2018.

Cement consumption was around 2.8 million tonnes in 2019, a rise of some 5%. 37 thousand tonnes were sold by Ciments et Matériaux du Mali, plus 293 thousand tonnes of direct sales by Sococim Industries. This represents a 27% fall for the Group.

Construction of a cement grinding plant in Diago, with capacity of 800 thousand tonnes per year, was completed in December 2019. This new plant will enable the Group to significantly develop its sales in this region from 2020.

1.7.6.3 Mauritania

Different sources estimate the Mauritanian economy grew by between 2% and 4% in 2019. Inflation is estimated to be 5% and the ouguiya remained stable against the euro.

Annual cement consumption in Mauritania once again decreased slightly in 2019. It is around 1 million tonnes according to the Group’s estimates.

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.

After a new competitor came on-stream in 2018, Mauricim once again saw a slight fall in its sales by 3% in volume and sales revenues.

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

1.8. Climate change issues

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

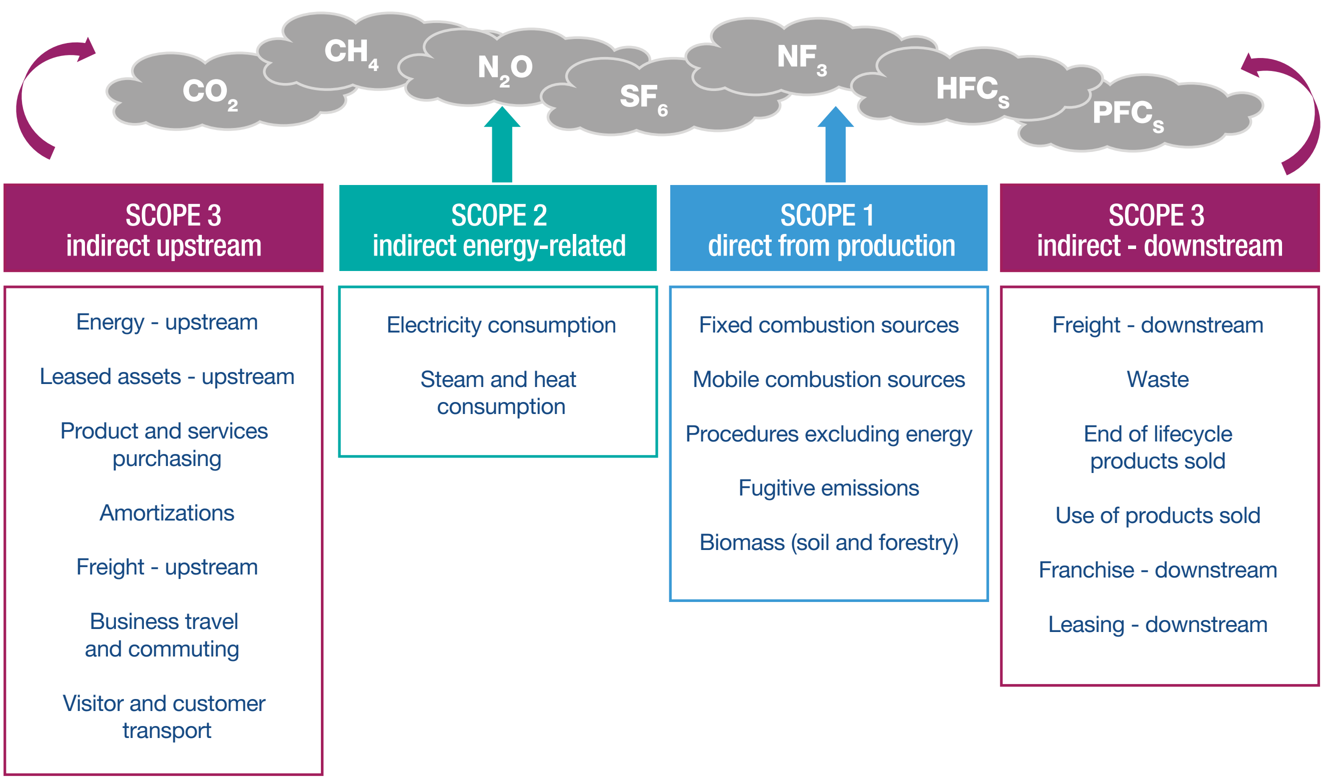
CO_2 linked to cement comes from several sources, in particular (see diagram below):

Direct emissions

- Burning fossil fuels to produce the high kiln temperatures need 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. 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.

In construction

- Reduction of the amount of concrete in construction;
- Biomimicry in architecture;
- The right concrete in the right place;
- Use of 3-D 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 reuse of demolition concrete by its forced, accelerated recarbonation.

During transport

- Green mobility (biomethane, hydrogen, biodiesel).

The Vicat Group applies a CO_2 cost of €30/t in its analytical accounting. This price may be revised between now and 2030.

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

Vicat has already reduced its CO_2 emissions in France (historical scope) by 15% per tonne in 2019 compared with 1990. The net specific emissions were only 657 kg of net CO_2 per tonne 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 CO_2 per tonne of cement by 2030, using available technologies, i.e. a reduction of 13% compared with 2019. 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.

Impacts of the Group's actions in numbers

Years	1990	2010	2019	2030	
REDUCTION OF NET SPECIFIC EMISSIONS PER TONNE OF CEMENT *($kgCO_2$/tct)*					
France scope	657	617	557	-	*i.e.* -15% between 1990 and 2019
Current scope of consolidation	-	-	621	540	*i.e.* -13% between 2019 and 2030
REDUCTION OF THE CLINKER RATE *(%)*					
	-	-	81%	75%	
USE OF ALTERNATIVE FUELS *(% fossil fuel alternatives)*					
	7%	14%	26%	40%	
tonnes of coal avoided	37,000	268,500	625,800	963,000	
tonnes of CO_2 avoided	10,500	251,000	645,000	1,000,000	
PAPETERIE DE VIZILLE: INSTALLATION OF BIOMASS BOILER *(production of low carbon heat in MWh)*					
	-	-	43,200	45,000	
LOW CARBON AND GREEN ELECTRICITY PRODUCTION *(MWh)*					
			4% of total consumption		
Switzerland and Papeteries de Vizille (hydroelectric)	-	-	48,412		All electricity consumed by activities in Switzerland certified as hydroelectric in origin
India (waste heat-WHRS)	-	-	37,895		
India and Senegal (photovoltaic)	-	-	4,270		

1.8.3.1. 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.

1.8.3.2. 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 18% of the plant's total requirements in 2019.

Photovoltaic power plants in India and Senegal will also provide a portion of the electricity consumed. Power generated by the Kadapa photovoltaic power plant launched in late 2019 will produce more than 5% of the factory's total requirement over a full year.

The electricity used in the activities of the Vigier subsidiary in Switzerland is guaranteed 100% hydroelectric.

1.8.3.3. 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 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.

1.8.3.4. 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 tonne 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 substitution of clinker in several countries using thermally activated clay and limestone filler following the conclusions of the LC3 project of the Lausanne Federal Ecole Polytechnique Fédérale in Switzerland. Thermally activated clays have been used in Brazil since 2009 in Ciplan's Brasilia factory, giving the Group experience in this area.

1.8.3.5. Circular economy

The circular economy, also addressed in chapter 3.2.1., 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 2019, the use of alternative fuels allowed to avoid the equivalent of 625,800 tonnes 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. The company Terrenvie was created for this purpose, in partnership with Serpol.

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.

1.8.3.6. Capture of CO_2 emitted in production

According to various scientific publications, 15% to 20% 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, 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 in 2020.
- Participation in the Catch4Climate project in partnership with the European cement companies Buzzi Unicem-Dyckerhoff, Heidelberg Cement 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 taking part in a project for low carbon hydrogen production using CEA high temperature water electrolysis and waste heat from the cement kiln. The hydrogen produced can be used for local industrial transport in the territory and/or combined with CO_2, to reuse the carbon in the form of other molecules useful on the market.

1.8.4. 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/tonne 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.

1.8.5. 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 Change Committee 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.

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 €4.2 million in 2019 (see note 4 to the consolidated financial statements in section 6.1.1 of this Universal Registration Document, figure covers only Vicat SA).

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 resulted in the development of Aircimat technology, now being industrialized, which provides low-carbon insulation that is recyclable, fire resistant and 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

3-D printing is a new construction method that combines freedom of form and economy of materials. Research and development is exploring various applications from social housing (potential savings in building costs) to sea reefs (re-colonization of the coasts by animals and plants).

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 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 (UHPC), 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'Energie Atomique (CEA) working at the Institut National de l'Energie 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'Energie Atomique (CEA), the Institut National de l'Energie Solaire (INES) in Chambéry, the Université Gustave Eiffel, the Ecole Centrale de Nantes, laboratories at architecture schools, universities and the technical departments of some of the Group's customers in the building and public works sector. The collaborative projects also include local and international industrial partners.

Monitoring facilities at the Saint-Jean-le-Vieux quarry (France)

RISK **FACTORS**

2

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, nine risks have been shown to be specific, 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
Ethics and corruption	Possible	Significant	High
Unavailability of raw materials	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 9 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 2019, around 30% 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 Company to write down impairment losses against certain investments or goodwill. Thus, in 2019, 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 developed countries, which generate regular cash flows (70% of Group sales revenues and 70% of EBITDA in 2019), 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. Supply risks

2.1.2.1. 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.

2.1.2.2. 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.

2.1.3. Risks related to the construction markets

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 capital), 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).	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.

Risk description	Risk management
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.	

2.1.4. Risks related to product defects

Risk description	Risk management
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.

2.2. Risks of harm to the environment*

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 CO_2 quotas, which reached € 24 at the end of 2019. 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 is constantly taking measures to address and limit these risks, particularly through the following actions: 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, and has also set itself the target of reducing its CO_2 emissions per tonne of cement material by 13% in 2030 compared to 2019.

* *High risk.*

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 Departments 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.

2.3.2. Ethical or corruption risks*

Risk description	Risk management
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, 4 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. Operational foreign exchange risk (translation)

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", in preparing 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.

* *High risk.*

2.4.1.2. 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 in this respect. The Group is still exposed in some countries where there is no hedging market (currency not convertible) or the market is not sufficiently liquid.	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 table below breaks down the total amount of the Group's assets and liabilities denominated in foreign currencies as at December 31, 2019, when the transaction currency is different from the subsidiary's operating currency. The main risk involves the Swiss franc as this table shows:

(in millions of euros)	**US dollar**	**Euro**	**Swiss franc (CHF)**
Assets	20	56	221
Liabilities and contracted commitments	(376)	(80)	(44)
Net position before risk management	**(356)**	**(24)**	**177**
Hedging instruments	370	0	(220)
NET POSITION AFTER RISK MANAGEMENT	**14**	**(24)**	**(43)**

The net position after "risk management" in Swiss francs corresponds mainly to the debts of the Kazakh subsidiary to the Group, which are not swapped into the operating currency as there is no sufficiently 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, would amount, in euro equivalent, to a loss of € 0.42 million (including € 0.40 million for the Kazakhstan 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. Interest rate fluctuations have an impact on the market value of fixed rate assets and liabilities, while the corresponding financial income or financial expense remains unchanged. *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 have little impact on the market value of variable rate assets and liabilities, but 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 table below breaks down into fixed and variable rates by currency the Group's net exposure to interest rate risk after hedging as at December 31, 2019.

(in thousands of euros)	Euro	US dollar	Other currencies	Total
Total gross non-Group debt	**1,307,856**	**71,945**	**309,142**	**1,688,943**
Debt at fixed rate (including *swaps* and CCS)	529,187	71,869	257,458	858,514
Debt at variable rate	778,669	76	51,684	830,429
Hedging instruments (*caps*)	(714,500)	0	0	(714,500)
Gross debt at variable rates not hedged	**64,169**	**76**	**51,684**	**115,929**
Cash and cash equivalents	(27,976)	(53,233)	(317,304)	(398,513)
NET POSITION AFTER HEDGING	**36,193**	**(53,157)**	**(265,620)**	**(282,584)**

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 earnings 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	(9,539)	(4,087)
Impact of a change of -100 bps in the interest rate	4,009	65

(1) A positive figure corresponds to lower interest expense.
(2) A positive figure corresponds to lower debt.

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. From 2016 to 2019 the Group maintained the continuous improvement of its transactional and decision-making systems, primarily by expanding the application of the SAP software suite. In 2020, the plan is to extend its functionality and the operations it covers.

Management system

The Company has set up a system for steering by General Management and the business units concerned, allowing for 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 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 manufacturing 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 2019, the total cost of insurance cover on the main risks managed under Group policies was approximately 3.2 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.

Footpath made using quick-setting cement at the foot of Château d'If near Marseille (France)

STATEMENT OF EXTRA-FINANCIAL PERFORMANCE 2019

3

Vicat's business model

"Cement gave the world safety and comfort. Now it is the key material for meeting the challenges of population and climate."

M. Guy Sidos, Chairman and Chief Executive Officer

ITS VALUES, ITS STRENGTHS*

Its values and its strengths on which the Company relies to achieve its ambitions

INNOVATION AND KNOW-HOW

- Louis Vicat's invention of artificial cement in 1817.
- Recognized know-how in Cement, Ready-Mixed Concrete, and Aggregates.
- Industrial expertise
- A tradition of innovation and technical excellence.
- Participation in countless civil engineering structures.

HUMAN

- High-quality employee relations founded on respect.
- Respect for health and safety at work.
- 9,947 committed employees passionate about these shared values.

INDUSTRIAL

- A high-quality, modern, high-performance industrial base adapted to climate challenges.
- Major geological reserves.

ENVIRONMENTAL

- A rich, diversified footprint, respectful of biodiversity: forests, wetlands, natural areas, industrial sites .
- Accounting for climate challenges.

SOCIAL

- Institutional, scientific, and technical partnerships.
- Local identity prioritized.
- Two corporate foundations: Louis Vicat and Sococim.
- Close relationships with local communities.
- Its customers' trust.
- Leading suppliers.

FINANCIAL

- Financially solid - high equity - limited indebtedness.
- Geographical diversification.

* See Chapter 1 "Presentation of the Group" and Chapter 3 "S.E.F.P. 2019"

ITS AMBITIONS

What the Company wants to do

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 NEEDS [1]

- 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 [2]

- 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 [3]

- Respect for personal integrity through high-quality employee relations and guaranteeing a safe, healthy working environment [4].
- Protecting ecosystems and biodiversity.
- Constantly improving the global performance of its production facilities, by wasting and consuming less.

(1) See Section 1 of the S.E.F.P. Report.
(2) See Section 2 of the S.E.F.P. Report.
(3) See Section 3 of the S.E.F.P. Report.
(4) See Vicat group's Code of Ethics and the Six Key Rules of Prevention.

Vicat is a French industrial company in the Cement, Concrete, & Aggregates businesses, operating in 12 countries, committed to a long-term industrial policy, intent on respecting its environment and addressing the major issues of population and climate change. It is both rooted in history and fully modern; it is accessible and close to its markets. Its foundation is sustainable governance, stable family ownerships, and the strong, passionate commitment of its employees.

ITS RESULTS

What the Company gains by relying on its values and assets when its ambitions are achieved

1 BEING AN INCLUSIVE COMPANY [5]

- An improved health and safety culture
- Diversity as a factor in company performance.
- Gender equality, no pay gap (Index of professional equality in every country).
- Enhanced multi-generational appeal.
- Team commitment.
- Maintaining work/life balance (balanced seniority, low absentee rate, low employee turnover)

2 CONTRIBUTING TO THE ENERGY TRANSITION [6]

- Reduction of its carbon footprint resulting in a 15% decrease in net CO^2 emissions between 1990 and 2019 for the Cement business in France.
- Delivery of innovative products to markets and customers.
- Development of new strategic partnerships (customers, suppliers, and scientific partners).
- Dynamic research & development programs commensurate with its resources and widespread recognition for its expertise.
- Ability to look ahead to technology, practices, and market or competitor trends.

3 CONTRIBUTING TO THE PRESERVATION OF RESOURCES [7]

- Improved recycling rates.
- Improved use of materials and energy.

4 PRESERVING BIODIVERSITY [8]

- Restored habitats and the arrival of new species of animals and plants.
- Recognition of its contribution to conserving ecosystems and limiting the effects of deforestation.
- Innovation in urgan biodiversity

5 SUPPORTING DEVELOPMENT IN THE COMMUNITIES [9]

- Respect for human rights with the same resolve in every country.
- Business conduct respectful of ethics and anti-competition rules.
- Impact of its societal actions and acclaimed philanthropic foundations.
- Contribution to the vitality of the communities where it operates.
- Building lasting relationships.
- Secure territorial network and regional positioning.

6 FINANCIAL PERFORMANCES [10]

- Optimized asset value.
- Return on capital employed.
- Increased operating profitability.

(5) See Section 3.2.2. of the Universal registration document.
(6) See Sections 1.8., 1.9 et 3.3. of the Universal registration document.
(7) See Sections 1.3., 3.2. of the Universal registration document.
(8) See Section 3.2. of the Universal registration document.
(9) See Sections 3.1. et 3.2. of the Universal registration document.
(10) See Chapter 5 and 6 of the Universal registration document.

ITS OBJECTIVES

What Vicat wants to do even further

ZERO ACCIDENTS

- 100% of teams having undergone at least one health and safety training session by 2020.
- Achieving a frequency rate below 5 and a severity rate below 0.3 in 2020.

PROMOTING EQUAL TREATMENT AND DIVERSITY AS AN ASSET FOR THE COMPANY'S OVERALL PERFORMANCE

- Bringing more women into the industry.
- Starting in 2020, having at least two women in the top ten salaried positions.
- Promoting access to employment for disadvantaged groups.
- Supporting people with disabilities by increasing the direct and indirect employment rate.
- Supporting more projects per year in the areas of the environment, culture, health and education.

CONTRIBUTING TO THE REDUCTION IN GREENHOUSE GASES

- Enhancing public recognition of the low carbon footprint of cement and applications over its whole life cycle.
- In 2030, reaching a 75% clinker rate for cement and a 40% rate for alternative fuels in the energy mix (including 15% biomass), allowing a 13% reduction in net specific CO2 emissions compared with 2019 throughout the Group scope.
- Ensuring its resistance to climate change.

COMBATING RESOURCE DEPLETION

- Being part of the circular economy for sustainable resource management.

SUPPORTING DIGITAL TRANSITION

- Continuing to develop digital tools to improve efficiency and customer service.

CONTRIBUTING TO THE PRESERVATION OF BIODIVERSITY

- Welcoming biodiversity in the city with its products and on its sites, which are genuine reserves for all species.

100% OF TEAMS HAVING UNDERGONE AT LEAST ONE TRAINING SESSION ABOUT ENVIRONMENT IN 2020

- The best daily practices to reduce emissions, consumption of resources and preserve biodiversity.

MAXIMIZING VALUE CREATION FOR ALL STAKEHOLDERS

- Pursuing targeted organic and external growth and long-lasting profitability in respect of the challenges of the environmental and solidarity transition.

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, 2019. 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 factors which form the statement of performance below show that the Vicat Group's corporate, social, and environmental responsibility measures are integrated into its overall strategy in terms of geographical development, its businesses, and its products, and constitute an essential opportunity to maximize value creation for all of its stakeholders and long-term growth. This takes the form of the introduction, as far upstream as possible in the value chain, of a set of best practices aimed at reducing the environmental impacts of its activities, thereby contributing to the ecological and energy transition processes necessary to achieve the Sustainable Development Goals including in particular SDG No. 9 ("Industry, Innovation, and Infrastructure"), No. 11 ("Sustainable Cities and Communities"), No. 13 ("Climate Action"), and No. 15 ("Life on Land") [(1)]. It concerns each employee, the primary ambassadors for the Group's values. Implementing this approach in each of the Group's countries furthers their socioeconomic development. As an economic player that proudly advocates responsible practices, the Vicat Group also contributes to SDGs number 5 and 8 ("Gender equality " and "Decent work and economic growth").

The business model is set out on the previous pages.

Group values

Vicat is an international/multi-site industrial group and a French family business that was established more than 165 years ago. The family is a descendant of Louis Vicat, who invented artificial cement in 1817.

With its roots in history and a forward-looking ethos, its business model rests on the development of products and services for all sectors of the construction industry that are local and support the circular economy. Its Corporate Social Responsibility engagements are translated into concrete initiatives which benefit the countries where it operates. They rest on four pillars:

- the energy and ecological transition: its cement factories are short links in the chain of the circular economy. Increasing its use of raw materials from recycling or recovery of waste generated by human activities enables us to limit its intake of natural raw materials and water resources. Alongside this, the Group has taken action to promote biodiversity and protects the ecosystems in the countries where it operates;
- the demographic transition and growing urbanization: construction materials are the foundations for the growth of intelligent cities. Cement remains the material of the city of the future because it is readily available, long-lasting, inexpensive, easy to use and can be incorporated into different functions (connectivity tools);
- social and solidarity transition: it remains a priority for the Group to place its employees at the heart of its business and to maintain a safety culture for all stakeholders in all the countries where it operates. It develops an inclusive policy that promotes performance, diversity and gender equality with recruitment, training and promotion policies that tolerate no discrimination;
- Digital transition: the Group's strategy relies in particular on digital tools to meet both the needs of customers and the value chain, and employees' needs. In addition to this customer focus, the digital department aims to develop security to safeguard its assets and convergence to facilitate the sharing of best practice within the Group.

  Diversity of experience is recognized as a strong basis on which to provide support for these changes: the aim is for 50% of the members of the digital teams to be recruited internally and for the team to achieve gender parity. In order to avoid the digital divide, teams are provided with training on new digital working practices at all times during their career.

Building together.

(1) In September 2015, at the United Nations Sustainable Development Summit in New York, the 193 UN Member States adopted a new 15- year program, Agenda 2030, based on the Sustainable Development Goals. These 17 global goals seek to fight against inequality, exclusion and injustice, take action on climate change and the erosion of biodiversity and put an end to extreme poverty. All stakeholders (government, citizens, non-profit organizations, private sector, public bodies and institutions) are asked to contribute to the success of Agenda 2030.

3.1. Meeting needs

Vicat Group first priority is to meet the demand for construction materials thanks to its recognized expertise in its main businesses, and this has been the case since artificial cement was invented by Louis Vicat in 1817. Aware of the importance of bringing effective, sustainable solutions to as many customers as possible, the Group provides clients with a large range of high-quality products and ensures, by sharing the results of its R&D activities, that all of its product developments will contribute to the energy transition and are guaranteed to be resilient to climate change.

3.1.1. Marketing high-quality, safe and affordable products

The Vicat Group places particular importance on the quality of its products in order to meet the needs of its clients whom it supports with clear information on product performance and by providing solutions tailored to meet their needs.

3.1.1.1. Provision of standardized products

Vicat Group makes and sells different categories of cement. The products on offer vary according to the maturity of the market. It manufactures and sells different grades of concrete, from ordinary concrete to special concrete. It produces aggregates that are differentiated by mechanical properties, granulometry, and color. You will find full details of its products in section 1.5. of the Universal Registration Document.

Although the availability and affordability of its products is a key concern, Vicat has built its brand image on quality and compliance with local regulations.

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 Cement France sales division regularly runs "Net Promoter Score" customer satisfaction surveys. Results show a level of satisfaction higher than that of the construction and public works sectors.

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.

Ensuring its products meet these standards is part of a progress and continuous improvement policy for the benefit of all involved. In Turkey, 15% of the products put on the market already have a quality label or specific certification. In Kazakhstan, in 2019, the products of its subsidiary Jambyl Cement were given the "best industrial product" award for the Jambyl region. In France, Béton Vicat (the Group's ready-mixed concrete subsidiary) not only commits to meet the criteria of NF EN 206-1 for the ready-mixed concrete sold on that market, it also has the Guarantee of French Origin label. In accordance with the expectations of its customers, its French subsidiary specialized in the production of aggregates has adopted the "100% local" label launched by France's national union of aggregate producers (*Union Nationale des Producteurs de Granulats* or UNPG). The new Biosys building system developed in partnership with Vieille Matériaux uses blocks of hempcrete and is the first and only hemp-based construction system to have received official certification from France's scientific and technical construction centre (*Centre Scientifique et Technique du Bâtiment*) (ATEX No. 2482).

The Group makes "Environmental and Health & Safety Declaration Sheets" (FDES) for its products available to its customers. These are standardized documents that include results of a Life Cycle Analysis of the product. The Group's life cycle analysis uses a multi-criteria approach based on an inventory of every material and energy input and output at each stage of the product life-cycle. In France, the Group uses the BETie (*BEton Impacts Environnementaux*) configurator devised by France's national professional association for the ready-mixed concrete industry (*Syndicat professionnel national du béton prêt à l'emploi*) to generate these documents which are ultimately aimed at helping construction industry professionals take informed decisions to make buildings more sustainable.

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).

3.1.1.2. Instructions tailored to customer needs

The Vicat Group firmly believes that everyone has a role to play in the circular economy to combat the depletion of natural resources. It strives to strengthen this link with its customers even further by working with them right from the design stage of its products/services to better meet their needs and move towards customization. "The right quantity and the right material in the right place" is the inspiration behind its activity-wide innovative solution strategy which offers customers and project managers a range of solutions adapted to the ecology and energy transition.

The Vicat Group is active on issues such as reducing of the amount of cement used in concrete, reducing the amount of concrete used in construction, extending the lifetime of works, the contribution of biomimicry in architecture, and the functionalization of structures.

Vicat helps companies in the countries where it operates to increase the portion of recycled materials used in their projects. It links up with all public and private stakeholders to assess the whole construction chain to identify resources which can be sourced locally with the proper logistics and to promote green mobility (biomethane and hydrogen). The Group has therefore decided to choose the most fuel-efficient transport solutions available for its sites by starting to renew its fleet with hydrogen trucks at its Transport SATM subsidiary and "Oxygène" mixer trucks running on biogas at Béton Vicat, its ready-mixed concrete subsidiary as well as biogas-fuelled vehicles used by NRM, the California ready-mixed concrete subsidiary.

3.1.2. Developing products

Taking the effects of climate change into account is, at the instigation of Management, an issue for the Vicat Group. This is evidenced by the creation in 2019 of the Climate Strategy Department, the focus of the research work being carried out, its commitments and the delivery of new low-carbon products to the market.

3.1.2.1. Identifying ways to support the energy transition

By its choice of key areas for innovation, and the partnerships created as a result, the Vicat Group is helping to create the conditions for an ambitious and effective market-appropriate energy and environmental transition by the real estate and construction industries and for the mobility of the future (see chapter 1.8. of the Universal Registration Document). It has signed up to the Shift Project, a think tank focusing on the energy transition process made up of experts and stakeholders from the business world. The Shift Project wrote a manifesto which calls on European countries "*to launch policies now which can achieve greenhouse gas emissions as close to zero as possible by 2050*".

Its partnerships are in line with its low-carbon strategy and consistent with the goal of containing global warming below a two degrees Celsius threshold by the end of the century and the work of the International Panel of Experts on Climate Change (IPCC). Projects may be led by the Louis Vicat technical center or by operational Departments, but in all cases work is carried out in accordance with a principal of open innovation in a context which encourages experimentation.

The Vicat Group is pragmatic in looking at more experimental approaches to support innovation in relation to sustainable construction.

This is why in 2015 it took a shareholding in the company Transpolis, whose "urban mobility lab" dedicated to the mobility of the future was inaugurated on July 2, 2019. The "urban mobility lab" has two sections: a traditional area offering a full range of road infrastructure and another which hosts a site unique in Europe for life-sized testing of interactions between vehicles and the urban environment. Its role is also to encourage its partners such as Ifstar and Renault Trucks to work together and share their developments on mobility-related issues.

Created in order to promote the exchange of expertise between major industrial groups such as Bosch, Renault Trucks, Volvo, Aldes, SNCF, and SMEs, *Ruche Industrielle* was officially launched at the *Global Industrie* convention which was held in Lyon in March 2019. This association, of which Vicat is a member, has firm roots in the conurbation of Lyon. It aims to facilitate and coordinate the creation of collaborative industrial projects.

3.1.2.2. Use of ecodesign, ecoconstruction, and 3D printing

Anticipating low-carbon approaches is a driving force in its industrial innovations and a key component of Vicat's new offerings in France. The Vicat Group is making every effort to design suitable products to meet the climate and demographic challenges it faces. The Group applies ecodesign principles to all its development projects.

Vicat contributes by developing new cements which emit less CO_2 and construction materials and systems which help to improve the energy efficiency of the buildings or infrastructures (See section 1.8. of the Universal Registration Document). By investing in 2170, a start-up subsidiary of the Burgundy-based group JPS Granulats, in 2019 the Vicat Group has demonstrated its ambition to strengthen its position in low-carbon cements. In 2018, 2170 became the first company to be certified as meeting the French hydraulic binder standard for cement production *via* mixing. Another example is the development of a range of pervious concrete products combining mechanical resistance and hydraulic performance to temporarily retain rainwater and return it gradually into the natural environment. These could be used for urban development projects. With over 1,000 new products throughout Europe, Vicat's natural quick-setting cement places it as a key player in the bio-sourced construction industry.

The Group is continuing 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. In addition to the architectural freedom it creates, 3D printing is also apparently beneficial in reducing the amount of concrete used, reducing construction time, and making the work less onerous.

The launch of this project which received the necessary authorizations in 2019 is the result of the intelligent combination of three innovations: robotics, 3D printing and new construction materials.

3.1.3. Providing jobs and training in the local area

Recognized for its actions to promote the ecological transition and solidarity, the Vicat Group is a key stakeholder in the materials industry (products and services) in the regions where it operates. It contributes actively to local development by generating direct and indirect sustainable employment and through a considerable training effort for its employees, to guarantee their employability.

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

General changes in the workforce

As at December 31, 2019, the Group employed 9,947 staff.

Hires and departures

Type of workforce changes in 2019

(in number of employees)	Workforce
Workforce as at December 31, 2018	**8,844**
Natural attrition	825
Redundancies	273
Changes in consolidation scope	958
Recruitment	1,243
WORKFORCE AT DECEMBER 31, 2019	**9,947**

As at December 31, 2019, the Group had 9,947 employees compared with 8,844 on December 31, 2018. This 12.5% increase can be explained mainly by the continued growth in France (up 4.1% between 2018 and 2019) and the development of the Aggregates activity. The increase in the workforce in France also resulted from the new positions created to serve its customers and stakeholders and face up to the challenges of the 21st century (the ecological transition, climate strategy, circular economy, digital, etc.).

The change in scope (+958 employees) can be explained by acquisitions aimed at strengthening the Group's position in its preferred geographical areas and in South America with the acquisition of the Ciplan cement manufacturer in Brazil (+923). In France, the Aggregates business acquired Sablières Dier (+12), the Cement business acquired 4 ready-mixed concrete plants (+12) and, across other businesses and departments, CEMB came within the scope of consolidation (+10). France continued with its apprentice recruitment policy with 4.0% of apprentices within its workforce in France (excluding consolidation scope effects) in 2019 (3.1% in 2018) and the Vicat Group achieved its set goal. Between 2018 and 2019, the number of apprentices increased by +48.1%, compared with +28% between 2017 and 2018.

The Group's global hires totalled 1,243 in 2019.

The Group departure rate fell between 2018 (14%) and 2019 (9.9%). The departures resulted mainly from natural departures and adaptation of organizations to the economic situation in each market.

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, India and Kazakhstan recorded a typically high turnover of 9.4%, although this is considered low for these countries.

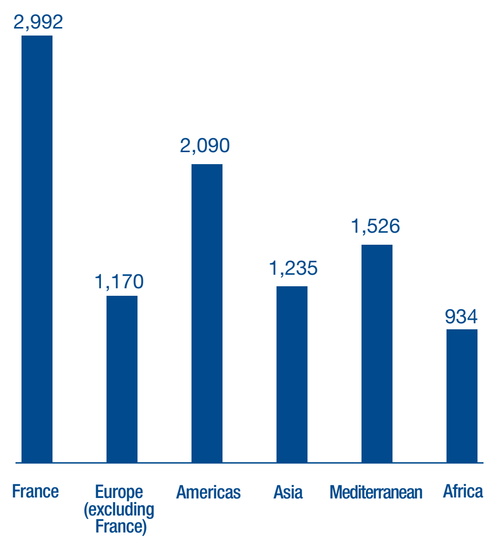
Breakdown of the workforce by geographical area

The workforce comprises local personnel. New staff are generally hired from the catchment areas in which the Group operates.

Group headcount as at December 31, 2019 by geographical area

(in number of employees)	2019	2018	Change (%)
France	2,992	2,874	+4.1%
Europe (excluding France)	1,170	1,146	+2.1%
Americas	2,090	1,172	+78.3%
Asia	1,235	1,245	-0.8%
Mediterranean	1,526	1,517	+0.6%
Africa	934	890	+4.9%
TOTAL	**9,947**	**8,844**	**+12.5%**

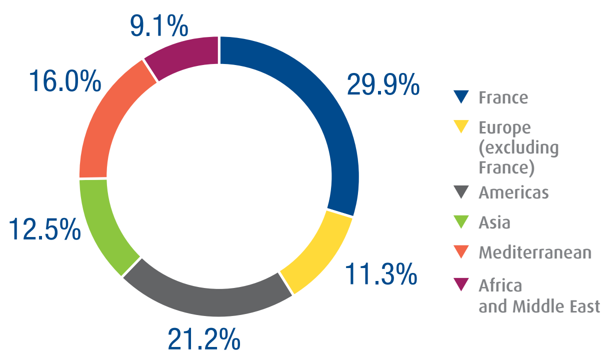
GROUP HEADCOUNT AS AT 12/31/2019 BY GEOGRAPHICAL AREA



Average Group workforce in 2019 by geographical area

	2019	2018	Change (%)
France	2,944	2,845	+3.5%
Europe (excluding France)	1,118	1,091	+2.5%
Americas	2,086	1,155	+80.6%
Asia	1,236	1,247	-0.9%
Mediterranean	1,573	1,494	+5.3%
Africa	901	852	+5.8%
TOTAL	**9,858**	**8,684**	**+13.5%**

BREAKDOWN OF THE GROUP'S AVERAGE NUMBER OF EMPLOYEES IN 2019 BY GEOGRAPHICAL AREA *(in %)*



The Group had an average of 9,858 employees in 2019, up from 8,684 in 2018, an increase of 13.5%. This increase reflects the Group's growth in emerging countries and the economic recovery in developed countries.

The Asia region thus saw its average number of employees stabilize (-0.2%) in one year. After an increase in the average number of employees in India lasting several years (up 5.2% between 2017 and 2018), employee numbers are now stable (-0.5% between 2018 and 2019).

For the Mediterranean region, the 5.3% increase between 2018 and 2019 was due to the strong progress made with the insourcing of clinker production in Egypt (+15.9% in the average number of employees), for Africa (+5.8%) *via* the increase of the average number of employees in Senegal (up 2.2% between 2018 and 2019). Senegal faced a conflicting situation: the average number of employees in the Cement business fell by 0.8% (mainly due to better organization at the cement factory in Rufisque), while the average number of employees in the Aggregates business rose by 6.1% due to higher production capacity and stronger sales. In Mali, the average number of employees is up sharply due to the installation of a new raw cement mill in Diago (+32 employees).

In the Americas, the growth in the average number of employees (+80.6%) is due to the acquisition of the cement manufacturer Ciplan in Brazil and the growth of +2.9% in the United States between 2018 and 2019, generated by the new ready-mixed concrete plant in Los Angeles and the strong performance of the regions where it operates.

The average number of employees in Switzerland rose by +2%, due to activity levels.

The average number of employees in Italy remained stable.

Between 2018 and 2019, the average number of employees in France continued to rise (+3.5%) due to the growth in markets in 2019 (Grand Paris, etc.), external growth transactions, and the strengthening of the teams dedicated to digital and to the challenges generated by the ecological transition process (*e.g.* reduction in CO_2 and greenhouse gas emissions, protection of biodiversity, protection of resources, and the circular economy).

Breakdown of the workforce by business segment and professional category

Group headcount as at December 31, 2019 and change

	Cement	Concrete & Aggregates	Other Products and Services	Total
Executives	1,084	389	244	1,717
White-collar staff	1,599	1,053	440	3,092
Blue-collar staff	1,938	2,296	904	5,138
TOTAL	**4,621**	**3,738**	**1,588**	**9,947**

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 2019, the Group's workforce in the Cement business accounted for the largest share at 46.5% of the total headcount (against 45.4% in 2018).

The Concrete & Aggregates business grew slightly between 2018 and 2019 (37.6% in 2019 compared with 36.9% in 2018).

The Other Products and Services business shrank accordingly: 15.9% in 2019 compared with 17.6% of the total workforce in 2018.

In 2019, the proportion of Blue-collar staff increased slightly to 51.6% of the total workforce (51.1% in 2018).

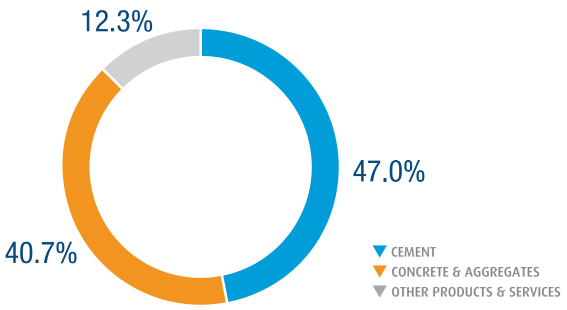
The proportion of White-collar staff remained stable at 31.1% in 2019 as compared to 31.2% in 2018.

The proportion of Executives fell slightly (proportionality effect) to 17.3% in 2019 as compared to 17.8% in 2018.

Average Group workforce and changes

(number of employees)	2019	2018	Change *(%)*
Cement	4,637	4,103	+13.0%
Concrete & Aggregates	4,012	3,406	+17.8%
Other Products and Services	1,209	1,175	+2.9%
TOTAL	**9,858**	**8,684**	**+13.5%**

BREAKDOWN OF THE AVERAGE WORKFORCE IN 2019 *(in %)*



The changes between 2018 and 2019 in the average number of employees in the Cement business (+13.0%), Concrete & Aggregates (+17.8%) and the Other Products and Services business (+2.9%) are consistent with those of the year-end workforce.

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 the 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'Épargne Groupe*, or PEG) and in Vicat SA shares, as applicable. In addition, Vicat SA has put in place a profit-sharing agreement. Money paid into this arrangement can, at the employee's discretion, be invested in the Company's shares under the Group savings plan or in other savings plans offered by a leading financial institution. In 2013, a Group retirement savings plan (*Plan d'Épargne 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 CET (time savings account) and paid vacation (under certain conditions) into the PERCO entered into force in 2015. In 2018 already, before the PACTE law was approved, almost all Group employees in France had a mandatory and/or voluntary profit-sharing agreement.

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

MINIMUM WAGE

In all countries where the Vicat Group operates, its companies 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 (benchmarks provided by independent local third parties: HR consulting firms, recruitment consultants, etc.).

CHANGE IN PERSONNEL COSTS AS AT DECEMBER 31, 2019

The Group's personnel costs increased by € 46.433 million (*i.e.* 10.8%) to € 475.4 million in 2019 (€ 428.9 million in 2018). This net positive balance is explained by:

- The scope effect contributed € 19.2 million in 2019.
- Organic growth which contributed € 18.3 million to this overall increase. Organic growth covers both salary increases and the net rise in the average number of employees (+15.5%) between 2018 and 2019.
- Exchange rate effects which increased these expenses in euros by € 8.4 million, mainly contributed by Egypt, Switzerland, and the United States.

In France, personnel costs increased by 4.3% between 2018 and 2019 due to acquisitions, organic growth of employee numbers during a period of market growth and to meet the needs of its customers and stakeholders, the challenges of the 21st century (Grand Paris, the circular economy, ecological transition, reduction in CO_2 and greenhouse gas emissions, biodiversity, digital, etc.) and significant pressure on the employment market and salaries.

Personnel costs

	2019	2018
Salaries and wages *(in thousands of euros)*	345,338	313,787
Social security contributions *(in thousands of euros)*	125,048	110,756
Employee profit sharing (French companies) *(in thousands of euros)*	5,010	4,420
Personnel costs *(in thousands of euros)*	**475,396**	**428,963**
Average number of employees of the consolidated companies	9,858	8,684

3.1.3.2. Supporting skills acquisition and development to guarantee employability

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 (with extensive training provided) and the team has achieved gender parity.

In 2019, the Group training plan remained focused on health and safety in the workplace, energy transition (reduction in CO_2 and greenhouse gas emissions), the protection of biodiversity, the careful use of resources, the circular economy, digital, managerial performance, industrial and commercial performance, and inclusivity). Training is provided on a repeat and long-term basis.

In France, the Group maintains an internal training institute for its Cement and Concrete & Aggregates businesses, the *Ecole du Ciment, du Béton et des Granulats*, which is housed within its subsidiary Sigma Béton. Training courses are developed and delivered by drawing on in-house technical expertise.

In 2019, the Group successfully continued the multi-year program launched in 2013 relating to specifications and sales activities with pilot teams from its various businesses.

The businesses in France continued their sales force training program. Apprenticeships grew further in 2019 in order to create a pipeline for training in the Group's business sectors and prepare for future hires.

The objective of all training is also to enable employees to adapt to constant changes in their roles, businesses and markets, and to ensure their employability.

These training initiatives naturally help to keep employee performance and engagement high.

Training indicators*

	2019	2018	Change *(%)*
Number of hours of training	206,654	142,025	+45.5%
Number of employees having attended at least one training course	7,329	5,438	+34.8%

The 45.5% increase in training hours between 2018 and 2019 was mainly due to the commitment made by management departments, social partners, and the teams to the development of training, a key to success.

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

In 2019, 73.7% of the teams received at least one training course *versus* 61.5% in 2018. The 34.8% growth in the number of employees having completed at least one training program between 2018 and 2019 can be explained by the Group's declared ambition to reinforce training in certain key areas: workplace health and safety, energy transition (reduction in emissions of CO_2 and greenhouse gases), protection of biodiversity, careful use of resources, the circular economy, digital, managerial performance, industrial and commercial performance, and inclusivity.

Some countries played a particularly significant part in improving the key training performance indicators in 2019, including:

- the United States, which reported a 27.1% rise in training hours, linked to the need for health and safety at work training after hiring drivers in the Concrete business, and the ethical training campaign in 2019;
- France, which still has the highest number of training hours (28% of the Group total), saw this indicator grow by a further 8.6% between 2018 and 2019, with an 8.4% rise in the number of employees who attended at least one training course.

3.2. Providing a service

Because of the excellent relationships of trust the Group has forged with its local communities, customers and employees, it is today a fully-fledged circular economy player, committed to bringing the benefits to its customers, and an inclusive company promoting diversity, taking a stance against discrimination and supporting the development of the countries where it operates.

3.2.1. Promoting the circular economy

Because of its long-established industrial expertise and strong local roots, the Vicat Group can offer solutions for the recovery of materials and energies available in the countries where it operates, while reducing their respective environmental footprints. By pursuing its circular economy policy, it aims to contribute to the preservation of this shared capital of natural resources, ensuring it is not depleted and that its value grows for all stakeholders.

3.2.1.1. Priority use of materials and energy available locally

Strategic choices made some time ago have formed the backbone of the Vicat Group's circular economy approach. Its industrial processes are not the problem but part of the solution to combatting resource depletion and reducing CO_2 emissions.

The Vicat Group selects its raw materials with great care based on their local availability to reduce transport miles

Access to resources (materials and energy) is a vital concern for the Vicat Group (see Chapter 2 of the Universal Registration Document). Land reserves, and their preservation, are strategic for its continued existence. Thus, through sustainable management of the natural resources used in manufacturing processes, Vicat plays its part in local land management.

The main raw materials used by the Vicat Group in its processes are natural, mineral, and therefore extracted from the immediate environment (see section 1.5. of the Universal Registration Document).

Wherever possible, the Vicat Group prefers to use alternative raw materials

It gives preference where possible to alternative raw materials over natural raw materials, subject to these being available locally in the form of either waste products or recycled materials; while considering the resources used in its activities as a whole to see whether the quantities used could be reduced through circular economy initiatives.

The Group identifies current opportunities to source and uses these as a basis for targeted circular economy initiatives. These may be supply contracts with waste producers or the provision of platforms for temporary storage of their waste for future use as a resource. In doing this, Vicat strengthens the synergies between the industrial fabric and the local economy.

Breakdown of materials consumed

	(in millions of tonnes)	2019	2019*	2018	2017
Clinker	Raw materials of which % of alternative materials	26.9 4.2%	24.7 4.6%	29.2 5.0%	29.2 4.4%
Cement	Raw materials added Total % of alternative materials used in the cement	4.3 9.2%	3.9 10.1%	4.2 10.5%	4.1 8.5%
Aggregates	Natural raw materials of which % of alternative materials	21 4.2%	18.6 4.7%	18.6 3.8%	20 2.2%
TOTAL	**RAW MATERIALS OF WHICH ALTERNATIVE MATERIALS**	**52.3 5.5%**	**47.2 6.0%**	**52 6.4%**	**53.4 5.3%**

* *At constant consolidation scope.*

The materials recovered for use as alternatives to natural raw materials include:

- **for clinker manufacture:** fuel ashes, calcium, aluminum or iron oxides with the addition of silica or contaminated soil. The Terenvie platform launched in 2019 in the conurbation of Lyon (France) and created by the joint venture between Serpol and Vicat will accept and process contaminated excavated soil through phytoremediation for use in cement works; this solution guarantees the total traceability of the management of waste products generated by construction project managers;
- **for cement manufacture:** sulfo or phosphogypsums, quarry mineral waste, ashes, blast furnace slag, kiln or bypass filter dust;
- **for aggregates:** returned fresh concrete or demolition.

The Vicat Group is in particular extremely committed to the French Recybéton project (recycling of demolition-sourced concrete in the production of concrete) as well as to the European Seramco project (*Secondary Raw Materials for Concrete Precast Products*) which involves replacing raw materials with high quality waste products from the construction industry and from demolition such as concrete, brick, tiles, and ceramics). According to various scientific publications, 15% to 20% of CO_2 emitted in cement production is directly captured by the concrete during its life cycle from construction to demolition. After demolition, concrete still has significant potential for capturing the CO_2 created by decarbonation, at over 50%. In France, Vicat is actively involved in the Fastcarb project alongside partners including other cement companies, the concrete industry and the Université Gustave Eiffel (formerly IFSTTAR). This project aims to validate simple technological solutions using cement's natural potential as a carbon sink by creating, in 2019, a pilot factory at its Créchy site in the Allier department in France.

The Vicat Group is committed to recovering energy from waste as an alternative to fossil fuels at its cement factories

It is investing in technologies to circularize the value chains, such as the commissioning of the gasifier at the Créchy cement factory in France.

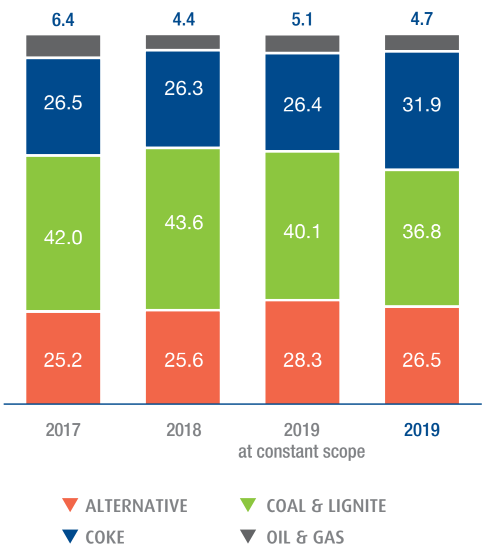
FOCUS ON THE GROWING USE OF ALTERNATIVES IN THE VICAT GROUP'S CEMENT ENERGY MIX

For many years now, the Vicat Group has adopted an ambitious policy aimed at replacing traditional fossil fuels with alternative fuels. Such alternative fuels are, for example, recovered solid fuel, tires, oils, solvents, or other industrial liquid waste which must be treated. The Group also continues to expand its use of crushed waste from biomass sources.

Replacing conventional fuels also helps to reduce the Group's intake of natural resources, which has an important leverage effect in reducing fossil CO_2 emissions.

Alternative fuels in 2019 represented 26.5% of total fuel consumption by therms (28.3% at constant consolidation scope). The share of biomass stands at 9.2% of the total thermal energy (10.1% at constant consolidation scope). The Vicat Group's goal is to reach 15% biomass by 2030. The Group's most advanced factories in terms of alternative fuels report substitution rates equal to or in excess of 80%, with more than 90% at the Reuchenette plant (Switzerland) and 79% at the Créchy plant (France).

CHANGE IN THE BREAKDOWN OF FUELS USED IN THE CEMENT BUSINESS *(in %)*



FOCUS ON THE VICAT CIRCULERE OFFERING

Today, because it can rethink how to create value for its customers and offer them added value, the Group is able to offer new, increasingly innovative, service offerings using local loops. The Group does this by transforming waste produced locally into construction materials that are also used locally without creating any non-recovered final waste which would have to be sent to landfill, and without jeopardizing any of the technical properties of the finished products.

In France, the Vicat CirculEre offering is helping project managers and customers recover as much waste as possible from decontamination and demolition sites (primarily during the restoration of old industrial wasteland) and convert them into industrial products such as cement, aggregates and concrete.

As an international multi-site group, Vicat can deploy its circular economy approach in the countries where it operates and thereby instill a radically different approach to the management of natural resources in line with its sustainable development targets.

3.2.1.2. Job creation, support for local entrepreneurs, and sharing of value

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 factory, 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 factory 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, for 20 years, has been supporting SMEs in the region by sharing the expertise of the program's corporate partners. At December 31, 2019, the report showed plans to create 33 additional jobs over the course of the financial year.

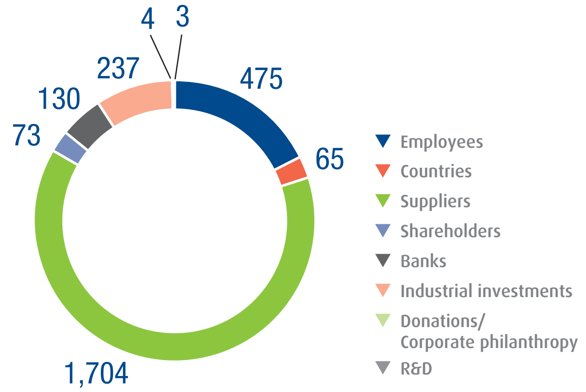
Often more staff are employed on production sites in developing countries than in developed countries. It is less common to outsource the support functions (maintenance, for example) because of a lack of qualified industrial infrastructure for the cement industry. The cement factory operated by Sococim 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, it is estimated that for every direct job there are three indirect jobs linked to the operation of the cement factory by Jambyl Cement. The ratio is also estimated at one to three in India.

Sharing created value

As part of its recruitment policy, the Group prioritizes hiring local people and sharing the value created by means of a fair compensation policy.

The diagram below shows the breakdown of the value shared by the the Group with its main stakeholders in 2019.

VALUE SHARED IN FINANCIAL YEAR 2019



The indicators below translate the results of the Group's strategy, *i.e.*:

- a diversified geographical distribution of its workforce with strong regional positions (recruiting local talent);
- a breakdown of its workforce by activity with cement being the highest employer;
- compensation schemes guaranteeing equity through recognition of performance, equal treatment of men and women and no discrimination.

3.2.2. 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 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 2019 as in 2018). In France, over 95% of Group employees have a permanent contract (from a base that includes apprentices and temporary workers).

The Group also carries out many actions focusing on solidarity in favor of the local community in the areas of education, the environment, cultural learning, success through sport and health initiatives.

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 by France. It will be customized to the various different countries in 2020.

3.2.2.1. Commitment to diversity and equal treatment

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

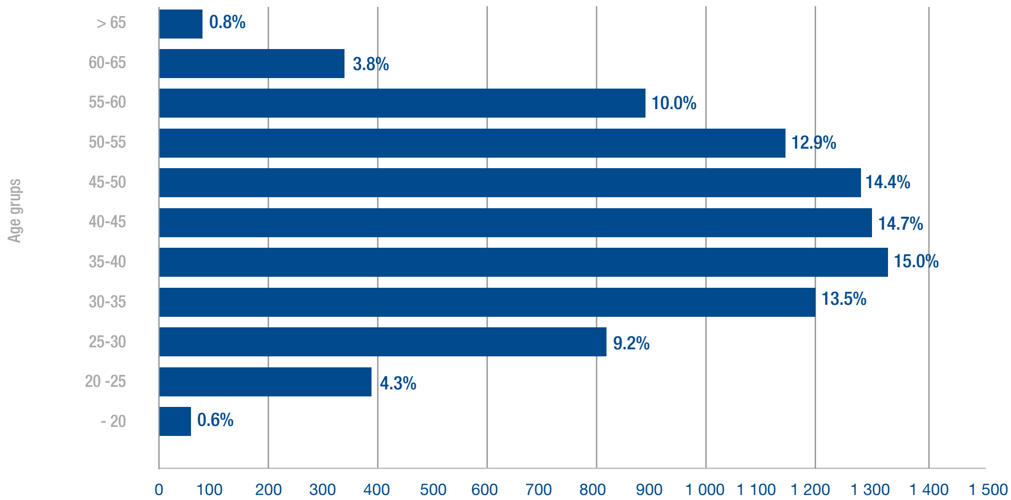
The profile of young people and seniors hired in 2019 is evidence of the success of these policies. The health and safety at work policy driven by management, and covering conditions at work, promotes career-long employability.

The Departments covering the Group's business pay particular attention to providing training for employees in order to avoid them becoming obsolescent in terms of employability, skills, and performance.

New hires receive in-work training, thus benefiting from the skills and knowledge of most experienced employees.

In France, to contribute to the training pathways in the materials industry, the 2020 target is for 5% of its workforce to be apprentices, aiming for an equal gender split within this group.

AGE PYRAMID AS AT DECEMBER 31, 2019



In 2019 as in 2018, the Group maintained a balanced age pyramid.

The number of employees under 35 remained proportionately higher in Brazil (47.2%), Kazakhstan (45.2%), India (39.4%), Turkey (29.8%), and Egypt (27.5%). It increased to 27.9% of the Group's workforce in 2019 (26.9% in 2018).

The percentage of Group employees over 50 fell in 2019 to 27.8% of the total compared to 28.4% in 2018, with a significant proportion in the United States (46.3% in 2019), Switzerland (43.5% in 2019), and France (33.4% in 2019). This development is an impact of the stability of the teams, which are increasing in terms of seniority and age, year after year. 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	
	2019	2018	**2019**	2018
GROUP	**42.5**	**42.5**	**9.3**	**9.6**
of which France	*43.6*	*43.6*	*12.0*	*13.5*

The cumulative stability in average age within the Group (42.5 in 2019, *versus* 42.5 in 2018) and in average years of service (9.3 in 2019, *versus* 9.6 in 2018) reflects the overall stability of the workforce and the Group's commitment towards responsible, long-term employment. The decreases recorded are mainly the result of employees being included as a result of changes to the scope.

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 Switzerland 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 nine 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, 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 2019, the Vicat Group became involved with inclusivity clubs in the Isère (38), Alpes-Maritimes (06), Rhône (69), and Allier (03) districts. Mrs. Sophie Sidos (Chairwoman of the Louis Vicat Foundation) was appointed joint head of the Isère inclusivity club by France's Minister for Employment, Muriel Pénicaud.

The aim for 2020 is to add nearly 20 additional clubs to extend the reach of Inclusivity work across our communities.

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. 14 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*.

The partnership with the association *Tous en Stage*, (an innovative solution for businesses and high school seniors and interns) led to the Group's businesses in France hosting 53 interns from high schools within France's priority education network scheme in 2019. 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* visited the concrete plan in Décines (69) and the operations headquarters in Isle d'Abeau (38).

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.

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 2.5% of the workforce in 2019 (*versus* 2.6% in 2018). This policy is also reflected abroad, in particular in Italy (4.1%), Brazil (2.6%), and Turkey (2.6%).

A large range of actions are taken to help Group employees find out about and accept disability. These actions are led by general management and supported by the support services (human resources internally and purchasing externally), with the support of the Louis Vicat Foundation.

For example, in October 2019, an awareness-raising meeting was held at the operations headquarters in Isle d'Abeau, in partnership with the Afiph, attended by the Chairman and Chief Executive Officer, the Chief Operating Officer, and the Chairwoman of the Louis Vicat Foundation. This meeting was attended by most senior managers in France and focused on the importance of hiring disabled people and declaring their disabilities ("RQTH" procedure).

Similarly, all of the France-based teams took part in European Disability Employment Week held November 18 through 22, 2019, which featured daily awareness-raising exercises.

Partnerships have been developed for joint action and to combat prejudice which prevents disabled people from finding jobs in industry.

In partnership with the Louis Vicat Foundation and the association PEP (*Pupilles de l'Enseignement Public*) Sud Rhône-Alpes, hearing- or visually-impaired high-school students visited Papeteries de Vizille in May 2019. This visit stimulated career aspirations among the young people and led to introductory internships at the cement works.

In India, the company Kalburgi Cement has been providing financial support to the Ambubai for blind girls since 2012. The company Bharathi finances the Samanvai school which specializes in providing education for disabled children.

In launching a partnership with *l'Officiel du Handicap*, Vicat and the Louis Vicat Foundation were among the official sponsors of the 9th national *Dialogues de l'Emploi et de la Formation des Personnes Handicapées* (Dialog for the Employment and Training of the Disabled) held on July 1, 2019 in Bercy with the patronage of the President of France. This illustrates the Group's desire to strengthen its commitment to employing people with disabilities.

Similarly, in the context of a partnership with ADOSM and *Défense mobilité*, a visit was organized in October 2019 for the recruitment of injured army veterans.

This was aimed at presenting the Vicat Group and the world of business, and was greatly appreciated by those veterans present. One of them ended the visit by saying: "*Vicat's values are those which are dear to me, they are based on solidarity, fair, and genuine.*". The representatives from Vicat were able to note the extent to which veterans' excellent training and operational experience can without doubt be a guarantee of performance in industrial activities.

In September 2019, Vicat took part in the *Salon des Talents H+* trade fair organized by Afiph. This is aimed at enabling people with disabilities to meet with companies seeking skilled job applicants, as well as with key representatives of organizations providing assistance with employment and insertion in the Isère district.

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 (reduction or adaptation of working hours), or by adapting workstations (ergonomic arrangements in terms of task content, training, etc.).

The development of subcontracting to companies and organizations that specifically employ people with disabilities (secondment of disabled employees within Group companies, provision of services, such as maintenance of green spaces, removal of certain types of waste, etc.) is another solution employed. As one example from 2019, the Group's Purchases and IT Departments have sub-contracted to the company AfB, a company specializing in the recycling of IT equipment, the recycling of all obsolete IT equipment from Vicat's head office.

Our goals for 2020 with the support of the Louis Vicat Foundation which has made disability its priority for this year are as follows:

- continuing to raise awareness and provide training in favor of the disabled;
- increasing direct employment to 3.8% in 2020 (French national average), despite the difficulties:
  - most of our sites are in rural or suburban areas and require means of transport,
  - our industrial careers are wrongly perceived as being incompatible with disability by disabled people;
- developing indirect employment: *via* the development of contracts signed with the protected sector.

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 51.6% of the total workforce and only 1.9% of these jobs are held by women. The result is the low proportion of women (10.6% in 2019) in the salaried workforce.

In July 2019, a partnership arrangement was signed by Vicat and *Sport dans la Ville*. Vicat is taking part in the *Industrie'elles, Déployez vos Ailes !* project. The goal is to change perspectives and break down the cliches 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. The Group's R&D and marketing teams comprise a majority of women (including in leadership positions).

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 2019, 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 internships for high-school seniors, work placements, work study/apprenticeships and fixed-term, permanent and temporary posts.

The Group is working to improve the ergonomics of the workstations and their equipment. Due to the lack of women on training courses leading to jobs in industry (engineering, for example), it is developing apprenticeships for young ladies.

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.

The Vicat Group pays particular attention to the equal treatment of women and men. With regard to salary, the Vicat SA Compensation Committee noted that in 2019, as in 2018, the difference in average compensation of upper management between men and women with equal qualifications is very low (between -0.1% and +1.2%, depending on category, in 2019).

Since 2017, to exceed the targets set out in the agreement on gender equality with regard to pay (approved by its labor partners and by the Department of business, Competition, Consumer Affairs, Work and Employment, at the regional level), 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 75 in 2018 (the 2019 Index is currently being calculated as this report is being drafted).

- Vicat France Support Services: Score: 100/100 (2018)
- Béton Vicat: Score: 91/100 (2018)
- SA Vicat: Score: 87/100 (2018) and 89/100 (2019)
- V.P.I.: Score: 85/100 (2018)
- Granulats Vicat: Score: 81/100 (2018)

The results for Vicat SA should improve still further in 2020, as the Chairman and Chief Executive Officer, has stated his intention of having at least 2 women amongst the top-paid executives in the Company. Furthermore, he has decided to apply this Index to the foreign companies of the Group from 2019 in order to make this a tool for the development of gender parity within the teams.

In addition, since 2018, for the first time in the history of the Group and probably of French industry for a company of its size, a woman held the position of central union representative for the main union (Force Ouvrière).

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.

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 Shareholders' Meeting has set an example for young female talent to fast-track towards integration in the corporate governance structure.

In addition, Vicat's management decided to bring an employee representative onto the Board of Directors from 2016, even though the law did not require it to do so until a later date. Given the quality of employment relations, naturally the Works Council's method of appointment was used. The Works Council's choice was a female employee and management welcomed this decision.

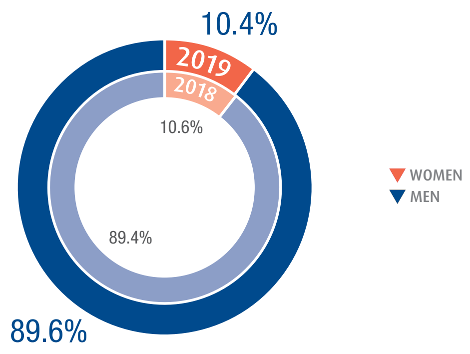
Vicat wins regular awards for its actions to promote the role of women in the Company (ranked 8th among SBF 120 companies by Le Point magazine for promoting women in management in 2019).

3

Workforce as at December 31, 2019 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	8,893	1,478	2,376	5,039	42.6	9.4
Women	1,054	239	716	99	41.5	8.9
TOTAL	**9,947**	**1,717**	**3,092**	**5,138**	**42.5**	**9.3**

ANALYSIS OF THE WORKFORCE AS AT DECEMBER 31, 2019 BY GENDER



Female employees as a percentage of the Group's total workforce

	2019	2018
Executives	13.9	13.4
White-collar staff	23.2	22.5
Blue-collar staff	1.9	2.1
TOTAL	**10.6**	**10.4**

Female employees as a percentage of the Group's workforce in France

	2019	2018
Executives	25.2	25.2
White-collar staff	26.1	25.7
Blue-collar staff	2.9	2.5
TOTAL	**18.7**	**18.0**

The percentage of women employed by the Group increased slightly to 10.6% as at December 31, 2019, as compared with 10.4% as at December 31, 2018. This can be explained by the low level of women Blue-collar staff which hides the effects of the Group's commitment to increasing the proportion of women significantly each year.

In France, the employment of women rose to 18.7% in 2019, as compared with 18.0% in 2018. With a female workforce of 25.7% and 20.8% respectively, Kazakhstan and Italy still come top, with France, for the percentage of women employed.

The percentage of female executives in the Group also improved, rising from 13.4% in 2018 to 13.9% in 2019. In France, the percentage of female executives was stable at 25.2% as at December 31, 2019. Excluding acquisitions during the year, in 2019 women accounted for 31% of hires to management positions in France.

3.2.2.2. Access to healthcare, education, culture, and sport

The Vicat Group is an economic player that supports the development of the countries where it operates through a large number of local resident initiatives. Access to education, culture awareness, health prevention and success through sport are key priorities. Its strong links with the local communities ensures these initiatives are successful and sustainable. They are driven by the different local managers but are also widely supported and implemented by all employees who give their time.

In 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 Bharathi factory. The kindergarten opened in 2019 and 31 children now attend. The Anganwadi establishment project was granted ISO 9001 certification. The children also have a special canteen.

In France, the Vicat Group has launched a partnership with the *Association des Cadets de la Gendarmerie de l'Isère*. The chairwoman of the Louis Vicat foundation, Mrs. Sidos, is acting as the patron for the first graduating class of volunteers to carry out civic duties within their area. 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 is hosting recent graduates with degrees in materials chemistry, as part of a joint project with the M. Auezou State University.

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.

In cultural learning

The discovery of music is a key component of the initiatives of the Group and its foundations. In France, the Louis Vicat foundation supported the latest Berlioz Festival in Isère. Open-air theater came to the Armailler quarry in the Drôme, which welcomed some 700 audience members to five productions as part of the *Théâtre dehors !* festival.

The Group's CSR initiative also encompasses access to reading. In 2019, the Sococim foundation continued to add to the documentary resources of its Maurice Gueye Cultural Center (Senegal).

In the context of its actions to promote cultural heritage, Vicat has made a financial contribution to the organization of the "Revolutionary Festival" in Vizille, cradle of the French Revolution, and has also supported an exhibition on the subject of the paper manufacturing industry presented at the Musée de la Romanche as part of the heritage days event (in Isère in France).

In sport

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.

The success of the large number of employees in France who took part in the International Beaujolais Marathon in 2018 was repeated in 2019. Bharathi Cement, an Indian subsidiary of the Group, took part in the construction of a cricket pitch. Cricket is a sport that is particularly highly appreciated and widespread in India. This training pitch will allow fans of the sport to train for various tournaments held throughout the country.

In health care and the environment

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 factory'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 factory in India, and the other in Nallalingayapalli, close to the Bharathi cement factory. Since they opened, the number of consultations has been increasing consistently. In 2019, 8,400 consultations took place at the first and 15,641 at the second.

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. 5,808 blood tests were carried out in 2019.

These two centers are one of the contributions made by the Group to health-related issues in India. Faced with the large number of cases of kidney failure, the Group enabled the opening in April 2019 of a community blood dialysis center; 249 sessions have already been provided. 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 water pollution, the Group has supported existing public policies by building an extra 128 private lavatories in 2019. 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. 123 tonnes of dry waste and 12 tonnes of wet waste have therefore been collected. All waste products are then processed *via* the appropriate facilities. One part of this waste is composted.

The issue of waste and waste recycling is discussed in most of the countries where the Group operates. Ciplan, the Group's subsidiary in Brazil, has organized two conferences with the "Cooperative Life of Waste Pickers" to highlight the importance of sorting waste for recycling. The partnership established with this cooperative began in 2016 to raise awareness amongst employees and their families.

In France, measures involving raising awareness and providing training for young people on issues relating to the ecological transition continued during 2019. Over 1,600 students of all ages were able to visit cement works, ready-mixed concrete plants, aggregate quarries, the Vizille paperworks, etc. and saw on the ground the day-to-day actions being taken by the Group to reduce emissions of CO2 and other greenhouse gases, protect biodiversity, limit the depletion of natural resources, recycle waste products, and develop the circular economy.

3.2.3. Sharing business ethics

In light of the corruption that is affecting both developed and emerging countries, the Vicat Group has resolved, in all the countries where it operates, to conduct its businesses in strict compliance with its Code of Ethics and codes of good conduct, which have been designed for application across different fields. Its procurement policy is a perfect example of its commitment to Corporate Social Responsibility, promoting responsible and sustainable purchasing.

3.2.3.1. Preventing the risks of corruption and fair practices

Preventing the risks of corruption

The Vicat Group refers to its Code of Ethics to prevent the risks of corruption. This sets out the values embraced by the Vicat Group and which have underpinned its success and continued existence since 1853. Fairness and respect for people and the environment have allowed Vicat to conduct its business with integrity, honesty and transparency.

The Code reflects the Group's commitment to respect its partners, whether they are suppliers, service providers, customers, employees or the local community. It is translated into all languages used in the places in which it operates (French, German, English, Turkish, Portuguese, 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 enshrined in the Code and calls on the support of its employees to help it achieve this. To be more proactive in this area, the Group relies on the work and expertise of its Compliance department. In 2019, an audit was carried out by ADIT. (see Chapter 2 of the Universal Registration Document on risk factors).

The Group reviews its corruption risk map on a yearly basis. Its website features a whistleblower procedure. It delivers classroom-based and e-learning anti-corruption training (fulfilling the requirements of the French Sapin II law).

It is driving the implementation of an anti-corruption code of conduct. It is endeavoring to tighten its accounting controls. It has introduced a third-party assessment procedure and set out a system of disciplinary sanctions, including the dismissal of employees found guilty of acts of corruption. These initiatives are monitored on a regular basis.

Ensuring fair practices

The Vicat Group regularly organizes training courses 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.

3.2.3.2. Constant dialog with its stakeholders and sustainable purchasing policy

Maintaining a constant dialog with its stakeholders

The Group's environmental performance is linked to its ability to engage its stakeholders throughout its value chain. Its continuous improvement approach is not, in fact, the preserve of experts or of Group management, but an issue that is genuinely shared both internally and externally. Stakeholders include all parties interested in the business and decisions of the Vicat Group.

The Group has developed a regular and constructive dialogue with its stakeholders at the local and national level in each of the countries in which it operates. Political institutions, central governments, economic players, community groups, researchers, universities, students, local residents, everyone has a role to play.

The Group relies on all organizational measures in order to have a dialogue with the local communities of its production units such as organized public meetings throughout operations and site monitoring committees. When not required by law, this type of committee is put into place through voluntary action, as in India where the Group's subsidiaries established an "official complaint resolution system" that brings together employees and members of the village twice a month to discuss and resolve any problems that may have arisen. All matters submitted to this procedure are entered in a register duly signed by all parties in attendance at the meeting.

The Group encourages its sites to open their doors to stakeholders to emphasize their links with the local community. In France, the Montalieu-Vercieu cement factory received more than 77 visits during the year. The Pérouges quarry site hosted the 5th edition of the *écophilofête*.

At this event, visitors can explore topics related to the protection of our architectural heritage, the necessary protection of water resources and river management thanks in particular to presentations by the association *France Nature Environnement*.

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 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 Group's draft Purchases Procedure, the aim of which is to define the essential rules governing the process (purchasing) and which follows on from the actions described above, is currently in the process of validation and will be rolled out to all Group subsidiaries in 2020.

3.3. Producing in the best conditions

The Vicat Group is determined to implement a long-term industrial policy that respects personal integrity, is environmentally friendly and recognizes the major demographic, climate-related and ecological challenges [1] by guaranteeing the implementation of optimum working conditions to achieve its target of zero accidents as well as optimum production conditions, thereby reducing its environmental footprint and CO_2 emissions.

3.3.1. Respect for personal integrity

By putting its employees first, the Vicat Group has engendered a passionate and firm commitment from its staff. It enters into constructive dialog, enabling it to maintain high-quality employment relations and ensure a healthy and safe working environment.

3.3.1.1. Maintaining high-quality employee 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.

In France, 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 2019.

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. Management, which is direct, close to the workforce and open to discussion with staff, is a key success factor in maintaining social dialogue and good employee relations.

In terms of results, in 2019 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 or bullying, discrimination or infringement of freedom of association. No significant event occurred to endanger this dialog or employee relations, with the exception of the security situation in the Sinai Peninsula (Egypt) where it has a cement factory.

For 2019, the scope adopted for the "Review of collective bargaining agreements" indicator was limited to France. A total of 46 agreements were signed during this period.

In France, under the law of December 24, 2018, bringing in the emergency economic and social measures decided by the President of the French Republic, the Chairman and Chief Executive Officer, after consultation with labor partners, decided to grant a € 400 bonus, which is within the agreed compensation threshold. This measure applied to almost 80% of the workforce in France.

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 2019, the Vicat Group deemed this indicator satisfactory. It varies between 0% and 4.3%, depending on the country. The rate for France as a whole is 4.3%.

(1) Please refer to the methodology shown in section 5.2. of this document – see Chapter 2 of the Universal Registration Document, "Risk factors".

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.

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.

FOCUS ON PART-TIME WORK

Workforce as at December 31, 2019 by contract type/category

	Cement	Concrete & Aggregates	Other Products and Services	Total
FULL-TIME EMPLOYEES	4,584	3,652	1,510	9,746
Executives	1,079	380	233	1,692
White-collar staff	1,572	1,011	388	2,971
Blue-collar staff	1,933	2,261	889	5,083
PART-TIME EMPLOYEES	37	86	78	201
Executives	5	9	11	25
White-collar staff	27	42	52	121
Blue-collar staff	5	35	15	55
TOTAL	**4,621**	**3,738**	**1,588**	**9,947**
Part-time employees *(as a percentage)*	0.8%	2.3%	4.9%	2%

The Group has little need for part-time jobs. As at December 31, 2019, the percentage of part-time employees remained low and is decreasing. They represent 2% of the total workforce (2.3% in 2018).

As in 2018, many more part-time staff were employed in Other Products and Services (4.9% in 2019, 5.3% in 2018) and Concrete & Aggregates (2.3% in 2019, 2.7% in 2018) than in Cement (0.8% in 2019, 0.9% in 2018).

Part-time staff are employed to varying degrees, usually at the employee's request, in the following countries only: Switzerland (10.8%) and France (2.5%).

FOCUS ON SHIFT WORKING

Part of the Group's industrial business activities requires shift working. The statutory framework is systematically adhered to. In 2019, shift workers represented 21.6% of the Group's total workforce.

3.3.1.2. Guaranteeing a safe and healthy working environment

Ongoing improvements in health and safety conditions at work

Protecting the health of all employees and guaranteeing their "physical and mental safety" is one of the Vicat Group's values. This not only extends to the well-being of its teams, but also to temporary staff and companies participating on a subcontracting basis. 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.

Aware of the fact that improvements in working conditions and in the health and safety of its employees are only made possible by changes in human behavior, the Group is continuing to strengthen and roll out its safety culture, maintaining its single 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 has been reflected in an ongoing improvement in its safety outcomes. In 2019, the Group recorded an improvement in its health and safety results with for accident frequency rates of 5.2.

Prevention measures are monitored in multi-year plans focused on:

- staff training, the organization of awareness campaigns and the preparation of communication materials on the "Zero Accidents" objective and how to achieve it.

  To promote thinking about this subject, to raise awareness, to trigger changes in day-to-day behavior, and to promote the sharing of best practice, safety days are organized each year in all countries. These also allow any dangerous situations connected with workplace health and safety to be reported up the management chain. To take this one step further and make safety part of the daily routine, meetings are preceded by a safety update, and managers give weekly safety briefings. In 2019, the increase in the number of "safety briefings" on tertiary sites reflects the appropriation by as many employees as possible of the fact that health and safety in the workplace and accident prevention are everyone's business.

  As an example, these safety briefings represent 16,500 hours of awareness-raising activities for France, and 25,000 hours [(1)] for Brazil.

  The major issues addressed include risk analysis, equipment logs, travel, manual handling, phone use, working at heights, and tidiness and cleanliness of facilities.

  In terms of training, the Group has set itself the goal of having 100% of teams complete at least one health and safety training course by the end of 2020;
- the availability of risk-appropriate collective and personal protective equipment for teams (employees and subcontractors) at all of the Group's sites;
- 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;
- the improvement of risk prevention, interventions with external businesses for all the businesses and sites.

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 in relation to 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 involves the adoption of the "Inconditional", six rules defined by the Safety Department and customized by country and activity, which form the fundamental benchmarks used on a daily basis at each site and revitalized by the good work of the teams over the last two years.

In 2019, 50 cross departmental internal safety audits were carried out in France, underlining the Management's commitment and reiterated determination to reach its "Zero Accidents" goal. 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 most importantly behavior. This is an ideal time to share solutions and best practices.

The approach on health and safety at work 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.

Every year, in April, the Group takes part in the World Day for Safety and Health at Work. The day aims principally to foster a workplace health and safety culture for all sites, businesses and countries. It provides an opportunity for staff to think about and discuss a chosen theme. "Preventing accidents damaging the eyes" the topic under consideration on April 26, 2019. These annual events are important for team-building so that employees can progress "together" towards the "zero accidents" target.

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 2019, the following subjects were highlighted: road risk prevention, equipment logs, working at heights, and the prevention of accidents involving the eyes.

(1) Hours not counted in training hours.

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.

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 General 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 by all subsidiaries in terms of workplace safety

The Group's key safety indicators, particularly the number of lost-time accidents and the frequency rate, showed a massive improvement in 2019 and reflect the Group's commitment and efforts by management and teams in relation to Health and Safety. There was a significant drop in the frequency rate, which fell to 5.2 in 2019 (a 16% reduction from 2018). The number of lost-time accidents within the Group was down 8% from the previous year (at constant consolidation scope). In 2019, the severity rate was 0.40 (compared with 0.34 in 2018). This severity rate was due to accidents that occurred in France at the beginning of the year, leading to lengthy work stoppages, and to several accidents that occurred in 2018, with stoppages continuing into 2019. In the majority of cases, employees taking time off after an accident are able to return to work in the next few weeks. Accidents requiring more lengthy periods of time off are very rare.

The improvement in frequency rate in 2019 was mainly due to the ever-increasing number of Group sites reporting no lost-time accidents. For example, five of the Group's cement factories recorded no lost-time accidents in 2019; some had not reported any for two or three years (Bharathi, Jambyl Cement, and Peille). 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 3 years. In 2019, several countries saw a remarkable improvement in their safety performance: Turkey which halved the number of lost-time accidents, with a frequency rate of 6.8, down from 3.4, and Switzerland which consolidated its 2018 performance.

The level of the health and safety indicators for Brazil contributes to the improvement in the Group's health and safety indicators, with a frequency rate of just 2.9 in 2019.

	Group		
*For Group employees**	**2019**	**2018**	**Change**
Number of lost-time accidents among Group employees	103	106	-3%
Number of fatal accidents among Group employees	0	1	/ %
Number of lost days for Group employees	7,867*	5,759	+37%
Frequency rate	5.2	6.2	-16%
Severity rate	0.40	0.34	+17%

* *The increase in the number of days lost is mainly due to the number of days linked to accidents which occurred during the previous financial year and the number of days linked to relapses.*

	Group Cement		
*For Group employees**	**2019**	**2018**	**Change**
Number of lost-time accidents among employees	32	28	+14%
Number of fatal accidents among employees	0	0	/ %
Frequency rate	3.6	3.7	-3%
Severity rate	0.21	0.14	+50%

	Concrete & Aggregates Other Group Products and Services		
*For Group employees**	**2019**	**2018**	**Change**
Number of lost-time accidents among employees	71	78	-9%
Number of fatal accidents among employees	0	1	-100%
Frequency rate	6.6	8.3	-21%
Severity rate	0.56	0.50	+12%

* *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.*

3.3.2. Improving its overall industrial performance

Being committed to sustainable construction, the Vicat Group set up an operational organization that brings together industrial performance and environmental excellence. Its performances are assessed both in terms of its specific consumption levels and its emissions. The Vicat Group is particularly concerned to reduce CO_2 emissions from its industrial processes.

3.3.2.1. Regulatory compliance and site cleanliness

The human and physical resources in place

Mindful of the consequences of its activities on the environment, the Vicat Group takes measures to prevent environmental risks and complies with the environmental regulations applicable to its businesses.

In 2019, the provisions and guarantees in respect of environmental risks were shown in the Group's consolidated financial statements (note 15). At December 31, 2019, they represented € 51.4 million (€ 49.6 in 2018). Total investments related amounted to € 23.4 million (against € 17.4 million in 2018). The Vicat Group is resolutely committed to reducing its CO_2 emissions and has invested to reduce its use of fossil fuels and increase the percentage of low-carbon energy in its energy mix by building new photovoltaic, hydroelectric and cogeneration power plants.

All employees are involved in the Vicat Group's environmental responsibility initiative to strictly comply with environmental regulations. This includes monitoring performance indicators and complying with sector codes of best practice.

The Group is continuing its actions aimed at raising awareness among employees, in particular in the context of Environment Week in Brazil which took place June 3 through 6 on the theme of "how to calculate our ecological footprint", or the United Nations International Water Day on March 22, 2019.

Land footprint and waste management

The Group makes sure all industrial sites are kept clean and blend in with their surroundings.

Any waste they produce is mostly recycled within the plant in the manufacture of its products. Remaining waste is treated appropriately in dedicated pathways, in accordance with regulations.

3.3.2.2. Preservation of water and reduction in consumption levels and emissions

The environmental indicators specific to its activities are set out in a summary chart entitled "Extra-Financial Performance in Figures" at the end of this chapter.

Managing water and electricity consumption

WATER CONSUMPTION AND WASTE

To save water, the Group economically manages all water inputs to its processes by making clean choices, promoting recycling, by ensuring that as little waste as possible is discharged and guaranteeing the quality of any water discharged into the natural environment.

- **In the Cement business line**, water is used to cool gases before they are treated through filtration. A large part of the water required is used for cooling the bearings in rotary equipment (bearings in the kiln or grinding mills). The use of closed loops enables the recycling of approximately 65% of total water used;
- **In the Concrete business line**, each cubic meter of concrete produced uses 168 liters of water, perfectly in line with international best practice and well below the 350 liters/m^3 set by French regulations;
- **In the Aggregates business line**, recycling systems enable nearly 75% of the total water requirement for cleaning to be recovered. The specific consumption per tonne of aggregate produced was, on average, 121 liters in 2019.

Water use in 2019 (in m^3 and %)

	Cement	Aggregates	Concrete	Other Products and Services
Total water requirement *(in thousands of m^3)*	24,198	17,521	1,856	1,493
Percentage recycled *(in %)*	65	75	23	19
Net intake *(in thousands of m^3)*	8,353	4,427	1,420	1,213
Environmental discharges *(in thousands of m^3)*	4,690	1,994	3	1,173
Effective consumption *(in thousands of m^3)*	3,662	2,604	1,417	40

ENERGY CONSUMPTION

More than any of the Group's other processes (crushing, grinding, sifting, mixing, conveyer belts, ventilation, drying etc.) the Cement manufacturing business is 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.

This is why improving the energy efficiency and performance of its processes is key to the energy transition to which the Vicat Group is committed. Its industrial policy consists of ongoing work on production facilities from their design to their operation, to minimize their energy consumption.

This is also the purpose of the energy management system described by ISO 50001 certifying its French cement factories in La Grave de Peille, Montalieu-Vercieu and de Xeuilley. The 5-year energy saving plan associated with this process is still on-going. These plants, in addition to the Bastas Cimento plan in Turkey, have had their ISO 50001 certification confirmed.

The improved heat balance of its rotary kilns was due to its decision to invest in the best available technology for its industrial firing systems. In 2019, the thermal balance was 3,507 GJ/ton, up 1.4% from 2018 (3458 GJ/ton). For electricity consumption, which is linked to the grinding of raw materials or clinker, the technical ratio is 104 kWh/ton of cement product (obtained by adding the amount of clinker produced to the amount of cement additives). Electricity consumption at the production sites consolidated in this report (cement factories, quarries, concrete batching plants, paper mills and precast concrete plants) was 2,316 GWh or 8,340 TJ.

Change in electricity consumption at the Group's production sites (in GWh)

	2019	2019 tbd	2018
Cement	2,181	1,982	2,230
Aggregates	65	45	45.8
Concrete	27.9	27	27
Other Products and Services	41.3	41.3	41.4
TOTAL	2,316	2,095	2,344

PERCENTAGE OF LOW-CARBON ELECTRICITY USED BY THE VICAT GROUP

The Group is closely monitoring the transformation of traditional energy supply systems in the countries in which it operates. Low-carbon electricity is now being created using the heat from industrial processes to generate power by cogeneration in India and the installation of photovoltaic power plants in India and in Senegal. Cogeneration in the Kadapa plant in India, launched in late 2019, met 2% of the plant's total requirement in 2019 and will generate more than 20% over a full year. Generation *via* the Kadapa photovoltaic power plant launched in late 2019 also met 2% of the plant's total requirement in 2019 and will generate more than 5% over a full year. Cogeneration in the Kalburgi plant, installed from operational launch, met 18% of the plant's total requirements in 2019. The electricity used by the Vigier subsidiary in Switzerland is guaranteed as being 100% hydro-generated.

A table showing low-carbon production is presented in 1.8.3 of this Universal Registration Document.

Measuring the significant impacts of its activities on atmospheric emissions

MEASURING THE QUALITY OF DISCHARGES FROM ITS CEMENT FACTORIES

The cement industry has pioneered the use of high-performance measuring instruments to monitor the impact of its atmospheric emissions and shared indicators to monitor their performance.

Like most players in the cement industry, the Vicat Group has opted to monitor its performance on the basis of indicators developed by the CSI (Cement Sustainability Initiative). The work of the CSI has now been taken over by the Global Cement and Concrete Association, an association of which the Group is a member.

The parameters monitored in terms of atmospheric emissions are:

- CO_2 emissions for monitoring greenhouse gases having a potential impact on climate change;
- dust emissions, which are one of the main indicators of good kiln operation and one of the main historical impacts of cement factories;
- NO_x (nitrogen oxide) and SO_x (sulfur oxide) emissions as discharges having an impact on atmospheric acidification.

For discharge of dust and NO_x and SO_x emissions, the situation in 2019 was as follows:

Emissions in tonnes and specific emissions

	Number of kilns assessed*	Emissions (tonnes)	Emissions *(grams/tonnes of clinker)*		
		2019	2019**	2018	2017
Dust	24	53.9	48.3	55.8	72
SO_x	24	333	282	207.3	218
NO_x	24	1,245	1,131	1,099	972

* *The Vicat Group has a total of 23 artificial cement kilns and one natural quick-setting cement kiln.*
** *At constant consolidation scope.*

Dust

In its main industrial activity, the production of clinker and cement, the Vicat Group always places a great deal of importance on its filtration systems for chimney emissions likely to impact air quality.

The impact assessment includes chimneys and not merely firing lines so as to take into account emissions from cooler chimneys stacks and, where applicable, those on bypass filters. Thus, the rotary kiln system is considered as a whole.

The Vicat Group thus ensures specific levels of dust emissions from its cement factory kilns that are among the lowest in the industry. In 2019, the improved performance in terms of dust emissions was due to regular maintenance work on the filters in cement factories, in particular, that carried out in Egypt.

SO_x

In the case of SO_x, the main emissions come from pyritic sulfurs in the raw material. In France, so as to move towards emissions levels reflecting the best techniques available (BAT-AELs), absorbent injection systems have been installed at the cement plants of La Pérelle and Xeuilley. The variation recorded for this parameter in 2019 was only due to the variation in sulfur content which fluctuates in line with deposits. Additional DeSox trials *via* the injection of lime are currently underway in Montalieu. Please note here that the lime used to reduce the level of SO_2 has triggered CO_2 emissions upstream and that, for the overall approach, this impact must be taken into account.

NO_x

NO_x emissions are up slightly due mainly to slightly higher levels measured in the Bharathi kiln in India and due to the integration of kilns in Brazil. This having been said, emissions on this level correspond to an average concentration of slightly less than 500 mg/Nm^3 (at 10% oxygen) which is in line with the levels of emissions associated with BAT. It should also be noted that reducing NO_x emissions consists in general of injecting an ammonia solution into the gases.

BY CALCULATING ITS CO_2 IMPACT

Focus on the CO_2 impact linked to clinker production

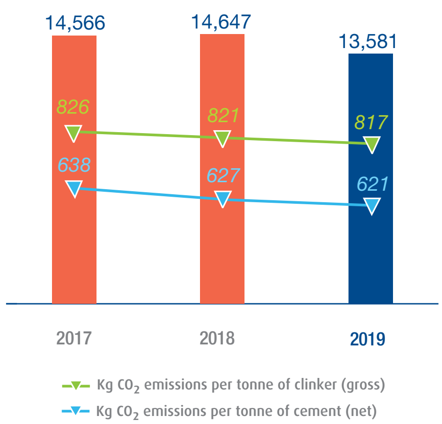
All the rigorous monitoring carried out by the Vicat Group showed that its CO_2 impact essentially derives from its Cement business. Direct CO_2 emissions (from the burning of fossil fuels and the decarbonation of raw materials) from its cement factories are the main performance indicator in terms of gross CO_2 emissions. Moreover, sectoral studies performed by the cement industry show that only CO_2 is to be taken into consideration when monitoring the effect of greenhouse gases. The proportion of emissions of other gases (methane, nitrogen protoxyde, fluorinated gases, etc.) is marginal:

- in France, CO_2 emissions the Group's French factories are subject to quotas under the European ETS program (Exchange Trade System) which is now in phase III (2013-2020). They specifically apply to the five artificial cement factories, to the kilns for natural quick-setting cement, and to the paper mill. Accurate and reliable emissions monitoring is recognized by an unconditional certificate of reasonable assurance prepared and issued after verification by Bureau Veritas Certification;
- in the United States, CO_2 emissions from Vicat's two cement factories in Lebec, California, and Ragland, Alabama, are covered by the monitoring and reporting systems established on the basis of the United Nations GHG Protocol. Since 2013, emissions from the Lebec factory have been subject to Assembly Bill (AB) 32, a specific regulation on greenhouse gas emissions enforced by the California Air Resources Board (CARB);
- in Switzerland, CO_2 emissions from its Reuchenette factory are subject to a quota system that will be integrated with European quotas from 2021.

In response to the challenges of climate change (cf. chapter 2 Risk Factors, of the Universal Registration Document), and given the various areas for action highlighted to reduce the impact of the production of artificial cement and the practices of cement manufacturers, the Vicat Group has chosen to report its performance using the net kg of CO_2 per tonne of cement produced indicator.

The Group's target is to achieve a ratio of 540 kg CO2 net per tonne of cement by 2030, *i.e.* a 13% reduction from 2019 levels, based on currently available technology.

CO_2 EMISSIONS FROM VICAT GROUP CEMENT WORK KILNS AND PERFORMANCE *(as kg CO_2)*



In 2019, specific CO_2 emissions amounted to 817 kg of CO_2 per tonne of clinker.

Group's CO_2 impact

In 2019 the Group's total direct and indirect emissions (relating to the production and consumption of electricity in scopes 1 and 2) amounted to around 14.6 million tonnes of CO_2 to which are added 635 thousand tonnes of CO_2 relating to the use of biomass. In 2018, scope 1 and 2 emissions totalled 15.9 million tonnes of CO_2 plus 565 thousand tonnes of CO_2 relating to the use of biomass.

Direct and indirect CO_2 emissions in 2019 (scopes 1&2)

(in thousands of tonnes)	CO_2 total direct and indirect
Cement (or 24 rotary kilns and 4 grinding plants)	14,474
Concrete & Aggregates	101
Other Products and Services	7
TOTAL	14,583

Sector studies linked to CO_2 emissions by cement manufactures show a Scope 3 impact of less than 20% of total emissions. To date, the definition of scope 3 and the assessment methods for these emissions include significant levels of uncertainty (up to 50% depending on the system), which is why the Group has focused its efforts on scopes 1 and 2 to define the actions to be taken to reduce CO_2 emissions.

3.3.3. Protecting our natural capital

Being aware of its role in protecting biodiversity at its sites, the Vicat Group has, for a long time now, deployed a series of best practices serving as inspiration for all stakeholders. Welcoming biodiversity at its sites has been the subject of a large number of local actions in order to achieve its target. Forests, an ecosystem in their own right, are covered by a sustainable management program, adopted recently. Like wetlands, forests are a real potential area of effective action in combating global warming.

3.3.2.1. Sustainable management of its forests

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

This approach fits perfectly within Sustainable Development Goal No. 15 (SDG 15). 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 1,778 hectares of forest in 2019. Nine new simple management plans were approved in 2019 covering 70% of the total forest acreage. 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 t CO_2 locked into all sections of these forests (above-ground and below-ground biomass, dead wood, understorey vegetation, top soil and leaf litter). In the long term, the Vicat Group is counting on the fact that these stocks are set to increase due to the relatively young age of the forests and the potential of some of these for the production of usable wood.

The 200 truffle plants planted in 2017 in one of the quarries in the context of its redevelopment are being closely monitored by a specialist from the CRPF Auvergne Rhône-Alpes: the essences selected are the immature oak, the everlasting oak, and the hazel, with production beginning on average at between 6 and 8 years for hazels and 10 years for oaks. In 2019, Vicat became a member of the Board of Directors of the *Truffe de l'Isle Crémieu en Dauphiné* association. The Company wishes in this manner to continue finding new uses for restored former quarry sites, to communicate and promote local production, and to be able to try out new growing techniques.

Another 29,525 trees were planted at Vicat Group sites in 2019. In Brazil, the Ciplan subsidiary is taking part in the re-forestation of damaged areas in the context of plans known as "Degraded Area Recovery Plans" covering some thirty hectares in total (on site and excluding production).

3.3.2.2. Welcoming biodiversity at its sites

The Group's commitment to the protection and preservation of biodiversity has its origins in the operational history of its quarries. While quarrying has an impact on natural habitats, quarries also contribute, under programs rolled by sites on a local basis, to the creation of new habitats conducive to numerous species of fauna and flora.

The design and implementation of these programs by multidisciplinary teams demonstrates the Group's desire for the smooth integration of its businesses into the local landscape. Although these programs are closely linked to the sites' operational phasing plan, they encourage the adoption of innovative measures, where restoration plans often go beyond regulatory requirements. Around 30% of sites have a natural restoration plan. The agro-ecology promoted by the Granulats Vicat subsidiary (in France) on the Faverges quarry site has proven successful: in 2019, approximately 900 kilograms of barley were harvested for the brewing of local beer in cooperation with local companies, and was granted the "*IsHère*" label.

These programs essentially identify in-situ measures and when necessary provide for offset programs or voluntary biodiversity reserves. This has been the Group's preferred option in the area surrounding some of its quarries, particularly the Mépieu quarry in France and the Steiner-les Boveresses quarry in Switzerland. Without quarries or cement works, some ecological offsetting work would probably never have been undertaken.

The Group's involvement in, and experience of, protecting biodiversity continues to be widely shared, both internally and externally.

In 2019, the Vicat Group took part in the creation of 32 biomimetic artificial coral reefs. These structures weighing a little over one tonne were 3D printed using a special concrete ink solution developed by Béton Vicat and co-designed with Seeboost and XtreeE. They are part of the Récif'Lab project to restore marine biodiversity.

The new reefs replace the traditional structures composed of car tires and rusted chains placed on the sea bed in marine nature reserves off the coast of Cap d'Agde (Mediterranean Sea).

They will be used to support the surface markers indicating a distance of 300 meters from the shore. In addition to their function as a dead structure, these reefs form a genuine ecological barrier, acting as a shelter and also a nursery for an entire maritime ecosystem.

Group employees are made aware of and are involved in these species conservation programs. They are also informed about best practice and encouraged to form local partnerships for biodiversity protection.

3.4. The Vicat Group's extra-financial performance, in figures

Social responsibility

Topic	Indicator	Scope	2019	2018	2017
Employment	Workforce at December 31	Group	9,947	8,844	8,460
	Average workforce by geographical area	Group	9,858	8,684	8,346
		France	2,944	2,845	2,751
		Europe (excluding France)	1,118	1,091	1,075
		Americas	2,086	1,155	1,112
		Asia	1,236	1,247	1,231
		Méditerranean	1,573	1,494	1,426
		Africa	901	852	751
	Average number of employees by business	Cement	4,637	4,103	3,906
		Concrete & Aggregates	4,012	3,406	3,308
		Other Products and Services	1,209	1,175	1,132
Change in the salaried workforce by type of movement	Natural attrition	Group	825	824	968
	Redundancies	Group	273	456	313
	Changes in consolidation scope	Group	958	44	338
	Recruitment	Group	1,243	1,620	1,302
Change in personnel costs as at December 31	Salaries and wages *(in thousands of euros)*	Group	345,338	313,787	310,276
	Social security contributions *(in thousands of euros)*	Group	125,048	110,756	109,670
	Employee profit sharing *(in thousands of euros)*	Group French companies	5,010	4,420	4,047
	Personnel costs *(in thousands of euros)*	Group	475,396	428,963	423,993
Health and safety in the workplace*	Number of lost-time occupational accidents	Group	103	106	138
	Number of fatal accidents	Group	0	1	1
	Frequency rate	Group	5.2	6.2	8.1
	Severity rate	Group	0.40	0.34	0.31
Training*	Total number of hours of training	Group	206,654	142,025	146,048
	Number of employees having attended at least one training course (during the year)	Group	7,329	5,438	4,956
Diversity and equal treatment	Female employees as a percentage of the workforce	Group	10.6%	10.4%	10.2%
	Disabled employees	France	2.5%	2.6%	3.1%

* *This analysis (relating to health, safety and training indicators) was carried out on a sample representing around 96% of the workforce, as data on recent changes in scope are not yet available.*

Environmental responsibility

Topic	Indicator	Scope	2019 consolidated scope	2019 constant consolidation scope	2018	2017
Material issues	Provisions and guarantees in respect of environmental risks *(€ million)*	Group	51.4	51.5	49.6	48
	Environment-related investments *(in millions of euros)*	Group	23.4	23.4	17.4	18.1
Management of resources and the circular economy						
Raw materials	Quantity of unprocessed natural material extracted *(in millions of tonnes)*	Group	46.8	42.2	46.3	48.0
	Share of consumption from unprocessed materials	Group	94.5%	94.0%	93.6%	94.7%
	Share of consumption from recycled materials	Group	5.5%	6.0%	6.4%	5.3%
	Consumption of raw materials for the production of clinker *(in millions of tonnes)*	Group	26.9	24.7	29.2	29.2
	Share of materials issued from alternative materials consumed in the production of cement as a %	Group	11.2%	12.1%	13.2%	10.7%
Circular economy	Share of alternative fuels in the energy mix	Cement	26.5%	28.3%	25.6%	25.2%
	Share of biomass in the energy mix	Cement	10.5%	11.1%	9%	8.9%
Water	Total water requirement *(in thousands of m^3)*	Cement	24,198	22,456	25,684	26,984
		Concrete & Aggregates	19,376	16,875	15,579	19,703
		Other Products and Services	1,493	1,493	1,857	1,952
	Percentage recycled	Cement	65%	64%	67%	65%
		Concrete	23%	23%	23%	23%
		Aggregates	75%	85%	79%	84%
		Other Products and Services	19%	19%	15%	14%
	Net intake *(in thousands of m^3)*	Cement	8,353	7,995	8,535	9,483
		Concrete & Aggregates	5,847	3,590	4,299	4,492
		Other Products and Services	1,213	1,213	1,577	1,672
	Effective consumption *(in thousands of m^3)*	Cement	3,662	3,474	3,778	3,860
		Concrete & Aggregates	4,021	3,589	4,477	4,488
		Other Products and Services	40	40	53	58

Topic	Indicator	Scope	2019 consolidated scope	2019 constant consolidation scope	2018	2017
Atmospheric emissions						
Dust	Dust emissions *(in tonnes/year)* from 24 kilns assessed	Cement	895	736	994	1,263
	Specific dust emissions *(in g/t of Clinker)*	Cement	54	48	56	72
SO_2	SO_2 emissions *(in tonnes/year)* from 22 kilns assessed	Cement	4,828	4,084	3,698	3,849
	Specific SO_2 emissions *(in g/t of clinker)*	Cement	334	282	207	218
NO_x	NOx emissions (in tonnes/year) from 22 kilns assessed	Cement	18,958	17,226	19,599	17,138
	Specific NOx emission$_s$ *(in g/t of clinker)*	Cement	1,248	1,131	1,099	972
CO_2	Gross CO_2 emissions from kilns *(in Kt)*	Cement	13,580	12,411	14,640	14,566
	Gross specific CO_2 emissions *(in kg/t of clinker)*	Cement	817	815	821	826
	Net specific CO_2 emissions *(in kg/t of cement)*	Cement	621	619	627	638
	Direct and indirect CO_2 emissions *(in kt)* Scope 1 and 2	Group	14,583	13,384	15,928	15,812
		Cement	14,474	13,286	15,829	15,710
		Concrete & Aggregates	101	91	93	93.6
		Other Products and Services	6.8	6.8	6.5	8.2
Energy consumption	Total electricity consumption *(in GWh)*	Cement	2,182	1,982	2,230	2,231
		Concrete & Aggregates	93	72	73	76
		Other Products and Services	41	41	41	44
		Group	2,316	2,095	2,344	2,352
	Heat balance of kilns *(in GJ/ton)*	Cement	3,507	3,514	3,458	3,530
	Share of alternatives in the energy mix		26.5%	28.3%	25.6%	25.2%
	Share of coal and lignite in the energy mix	Cement	36.8%	40.1%	43.6%	42.0%
	Share of coke in the energy mix	Cement	31.9%	26.4%	26.3%	26.5%
	Share of hydrocarbons (gas) in the energy mix cement	Cement	4.7%	5.1%	4.4%	6.4%

Nb: the use of alternative fuels represents a saving of 626 kt coal equivalent in 2019.

3.5. Notes on methodology

3.5.1. Methodology and scope of the statement of extra-financial performance (S.E.F.P.)

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 6. 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 2019, there were no changes to the rules governing the collection, control and consolidation of data, apart from those required under the provisions of article L. 225-102-1 of the French Commercial Code.

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 respectively in articles L. 233-1 and 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 ton produced, are contained in a specific file according to their definition. The reporting process for the Cement business (CO_2 emissions in particular) is specifically based on the industry guides issued by the Global Cement and Concrete Association.

Occupational health and safety data are collected by the operating entities and consolidated by the Group's Safety Department, which reports to the Human Resources Department. 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 accidents with work stoppage in relation to the working hours of the entire workforce. It is calculated as follows: (number of occupational accidents with work stoppage 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.

3.5.2. 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 and updated on a regular basis by internal audit and 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.

3.6. Report of the independent verifier on the consolidated statement of extra-financial performance included in the Group management report

For the year ended December 31, 2019

To the Shareholders,

In our capacity as independent verifier of Vicat (hereinafter the “entity”), accredited by COFRAC under number n° 3-1080 [1], we hereby report to you on the statement of extra-financial performance for the year ended December 31, 2019 (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 non-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

On the basis of our work, our responsibility is to provide a reasoned opinion expressing a limited assurance conclusion on:

- the consistency 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

The work described below was performed in accordance with the provisions of Articles A. 225-1 et *seq.* of the French Commercial Code determining the conditions in which the independent third party performs its engagement and with ISAE 3000 – Assurance engagements other than audits or reviews of historical financial information.

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 labour and environmental risks associated with their activities;

(1) Whose scope is available at www.cofrac.fr

- 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 labour 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 under article L. 225-102-1 III, 2;
- 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 [(1)], we implemented:
  - 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 48% and 56% 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.

Means and resources

Our work was carried out by a team of 4 people between October 2019 and February 2020 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.

(1) *HR & Safety quantitative information: breakdown of Group workforce by age, gender and geographical area; recruitments; departures; absenteeism; number of lost-time accidents among Group employees; number of lost days; frequency rate; severity rate; number of hours of training; disabled employees.*

Environmental quantitative information: dust emissions from kilns assessed; SO_2 emissions; NOx emissions; heat balance of cement factory kilns; total electricity consumption and split by business segment; total water requirement and split by business segment; effective water consumption; environmental discharges; consumption of raw materials for the production of clinker; gross CO_2 emissions of cement kilns; total direct and indirect CO_2 emissions.

(2) *France and India.*

(3) *Qualitative information relating to the following parties: "Developing low-carbon products"; "Supporting skills acquisition and development to guarantee employability"; "Promoting sustainable purchasing throughout its value chain"; "Welcoming biodiversity at its sites".*

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 12, 2020

Independent third-party body

Grant Thornton

French member of Grant Thornton International

Olivier Bochet	Tristan Mourre
Director	Director

Dumper at the cement plant at Bharathi quarry (India)

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 Nanterre 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 located at Tour Manhattan, 6 place de l'Iris, 92095 Paris La Défense.

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 fiscal 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)

Ordinary and Extraordinary 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 the 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 paragraph seven of article L. 228-1 of the French Commercial Code, either in the registered share accounts held by the Company or in bearer share accounts held by an 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, 2019 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, 2019, a total of 5,623,524 Company's shares, whose registration is managed by the Company, were pledged in financial instruments accounts; representing 12.52% 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 2019 financial year, after distributing 54,108 shares to employees, the Company held 621,476 of its own shares, or 1.38% of the share capital.

4.2.7.1. Description of the 2019 share buy-back program

Pursuant to the authorization given by the Ordinary General Meeting of April 11, 2019, in 2019 the Company purchased 36,650.80 of its own shares (*i.e.* 35,481 shares +11,698 tenth parts of shares) on the stock exchange (excluding liquidity agreements) at a nominal value of € 4 per share and a mean price of € 38.55 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: 36,650.80 shares, representing an acquisition price of € 1,412,854.40.

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 35,458 shares at December 31, 2018, acquisition of 155,874 shares and sale of 160,509 shares during the year, with a balance of 30,823 shares at December 31, 2019.

4.2.7.3. Volume of shares used by objectives

Shares allocated to personnel under employee share ownership and profit-sharing: 71,476 shares.

Promotion of a market in the shares and their liquidity through a liquidity agreement in compliance with the ethical Charter of the AMAFI as recognized by the AMF: 30,823 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 2020 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 3, 2020, 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 the legislation, particularly for employee saving and share ownership schemes;

b) to foster a liquid trading of the share through a liquidity agreement entered into with an underwriter in compliance with the ethical Charter of the AMAFI as recognized by the AMF;

c) to retain the Company's shares and subsequently use them for payment or exchange in the context of external growth transactions in compliance with market practice as permitted by the French financial regulator (AMF);

d) to cancel shares within the maximum statutory limit subject, in this last case, to a 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 the 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, 2020, the 10% limit corresponds to a maximum number of 3,837,701 shares with a nominal value of € 4 each, representing a maximum amount of € 383,770,100.

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 11, 2019.

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, 2019 was € 179,600,000, divided into 44,900,000 shares of four euros 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, 2019		At December 31, 2018		At December 31, 2017	
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	13,408,855	29.86	13,400,960	29.85	13,390,810	29.82
Soparfi	11,874,509	26.45	11,874,509	26.45	11,870,143	26.44
Family	1,950,779	4.34	1,949,163	4.34	1,979,764	4.41
Employees	588,005	1.31	565,174	1.26	605,410	1.35
Public	16,425,553	36.58	16,435,803	36.61	16,368,969	36.46
Treasury shares	652,299	1.45	674,391	1.50	684,904	1.53
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, 2019 appears below:

- employee profit-sharing (Vicat + Subsidiaries): 588,005.40 shares, *i.e.* 1.31% of share capital;
- employees of the Company and related companies as described under article L. 225-180 under the employee savings plan (PEE): 539,202.20 shares, *i.e.* 1.20% 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, 2019		At December 31, 2018		At December 31, 2017	
Shareholders	**Number of voting rights**	**As % of total voting rights**	**Number of voting rights**	**As % of total voting rights**	**Number of voting rights**	**As % of total voting rights**
Parfininco	26,760,211	36.52	26,721,550	36.57	26,706,266	36.52
Soparfi (1)	23,695,013	32.33	23,675,465	32.40	23,668,070	32.37
Family	3,628,706	4.95	3,529,861	4.83	3,631,421	4.97
Employees and Public (2)	19,197,004	26.20	19,143,546	26.20	19,120,694	26.15
Treasury shares (3)	-	-	-	-	-	-
TOTAL (4)	**73,280,934**	**100.00**	**73,070,422**	**100.00**	**73,126,451**	**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 ***74,483,233*** *at December 31, 2019. The thresholds referred to in article L. 233-7 of the French Commercial Code are calculated based on the theoretical number of voting rights.*

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 list of registered shares with double voting rights is determined by the officers of the meeting.

In the event of dismemberment of the ownership of a share, the voting right belongs to the legal owner, except for decisions concerning attribution of results, in which case the voting right remains with the usufructuary.

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. The control of majority shareholders is implemented by independent directors, the Audit Committee and the statutory auditors of the Company.

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.

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 of by-laws):

With a view to identifying shares in bearer form, the Company has the right, at any time, under the conditions and according to the details specified by the legal and regulatory provisions, to ask the central custodian of financial instruments for the name or trade name, nationality, year of birth or year of constitution and address of the holders of securities giving immediate or future voting rights in its shareholder meetings, as well as the number of shares held by each of them and if applicable, the restrictions that may apply to the shares.

After following the above procedure and on the basis of the list provided by the custodian, the Company may ask for the same information on the owners of the shares, either by the intermediary of the central custodian or directly from the persons who appear on this list and who the Company considers could be registered on behalf of a third party. The information is provided directly to the financial intermediary authorized to hold the account, who provides it to the Company or to the aforementioned central custodian depending on the situation.

In the case of registered shares, giving access to capital immediately or in the future, the intermediary who is registered on behalf of an owner who is not a resident of France, must reveal under the terms of the law and regulations the identity of the owners of these shares as well as the quantity of shares held by each of them, on request from the Company or its agent, which can be made at any time.

For as long as the Company considers that some shareholders of bearer or registered shares, whose identity has been made known to it, hold shares on behalf of third party shareholders, the Company is entitled to ask these shareholders to reveal the identity of the owners of these shares as well as the quantity of shares held by each of them under the conditions set out above.

Subsequent to this request, the Company may ask any legal entity who owns its shares and has a shareholding of more than 1.5% of its capital or voting rights to reveal the identity of the persons holding directly or indirectly more than one third of the share capital or voting rights of this legal entity that are exercised in its General Meetings.

When the person subject to a request made in accordance with the above provisions has not provided the information thereby requested within the legal and regulatory period or has provided information that is incomplete or incorrect with respect to its quality or to the owners of the shares or to the quantity of shares held by each of them, the shares that give immediate or future access to the capital and for which this person was registered are deprived of voting rights for any meeting of shareholders that takes place until their identification is regularized, and the payment of the corresponding dividend is deferred until this date.

Moreover, in the event that the registered person knowingly misinterprets the above provisions, the court in whose jurisdiction the Company has its registered office may, on request from the Company or from one or more shareholders holding at least 5% of the capital, decide the total or partial deprivation, for a time period not exceeding five years, of the voting rights attached to the shares that were subject to the request for information and if need be, for the same period, of the corresponding dividend.

The intermediary who is registered as the shareholder in accordance with the third paragraph of 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 April 16, 2019, NORGES BANK (the Central Bank of Norway) declared that it had exceeded the threshold of 1.50% of the capital.

On July 12, 2019, DIMENSIONAL, including its subsidiaries, declared that it had exceeded the threshold of 1.50% of the capital.

On October 24, 2019, DIMENSIONAL, including its subsidiaries, declared that it had gone below the threshold of 1.50% of the capital.

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 09, 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
May 22, 2013	2 years starting on May 22, 2013	Extension by 3-month periods	Jacques Merceron-Vicat Guy Sidos Sophie Sidos Louis Merceron-Vicat Soparfi Parfininco
July 3, 2015	2 years starting on July 09, 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

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:

	2018	2017	2016
Dividend per share *(in euros)*	1.50	1.50	1.50
Consolidated earnings per share *(in euros)*	3.37	3.17	3.10
Rate of distribution	45%	47%	48%

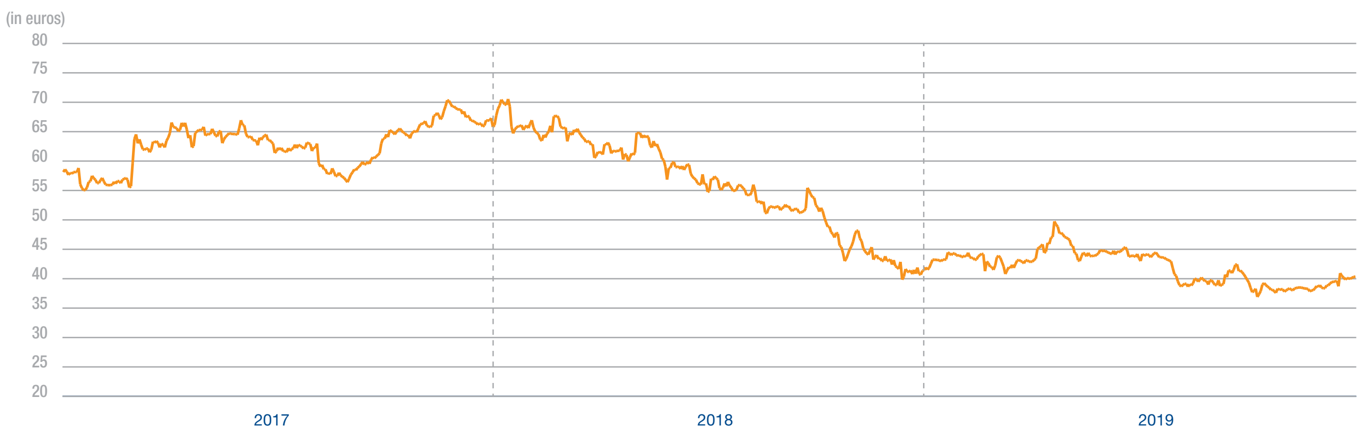
The Company's objective for future years is to distribute in cash to shareholders a level of dividend in line with that proposed by the Board of Directors for previous financial periods.

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. Following the Expert Indices Committee meeting of March 3, 2011, the Company was included in the SBF 120 index as of March 21, 2011. Furthermore, 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, 2017 to December 31, 2019.



The table below shows the change in the Company's share price in 2019, 2018 and 2017 (on the basis of the closing price):

(in euros)	2019	2018	2017
Average price over the year	41.96	56.08	62.59
Annual high	49.75	70.55	70.34
Annual low	36.90	39.84	55.05
Price as at December 31	40.35	41.46	65.79

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 chosen among the shareholders, appointed by the Ordinary General Meeting 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 eleven directors, including four 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 Deputy CEO.

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.

No limitation has been set concerning the powers of the Chairman and Chief Executive Officer or Chief Operating Officer.

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, 2019:

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:
82 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 SA*
- Director of Planalto Centro Oeste Transportes SA*

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:
56 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 Gecamines 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 her permanent representative, outside the Group in the last five years (1):
- Director of IFSTTAR*
- French member of the Presidential Egypt-France Business Council
- Director of Medef International
- Director of CCI France
- Vice-Chairman of the Kazakhstan-France Business Council
- Director Ucly

(1) *Current appointments are marked with an asterisk.*

Directors

DELPHINE ANDRÉ

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 Chairman and Chief Executive Officer of GCA.

Age:
53 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 her permanent representative, outside the Group in the last five years [(1)]:
- Manager of ACP*
- Chairman of Anvil Finance*
- Director of Banque de Savoie*
- Chairman of Charles André*
- Chairman of FD Immobilier*
- Chairman of Fimholog
- Manager of Fimo CA*
- Director of GCA Europe*
- Chairman of GCA Lavage*
- Chairman of GCA Logistique*
- President of GCA Logistique Automobile*
- Director of GCA Route France*
- Director of GCATRANS*
- Manager of HIP*
- Chairman of 2 HO*
- Director of TA Europe SA*
- Chairman of TEA Holding*

(1) Current appointments are marked with an asterisk.

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:
70 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 her permanent representative, outside the Group in the last five years [(1)]:
- Chairman of the Board of Directors of BNP Paribas Personal Finance
- Director of laser Cofinoga (Galeries Lafayette Group)
- Director of Banco Cetelem (Spain)
- Director of Findomestic Banca SPA (Italy)
- Director of Banco Cetelem (Portugal)
- Director of Cetelem IFN SA (Romania)
- Member of the Supervisory Board of BNP Paribas Personal Finance (Bulgaria)
- Chairman of the Association Française des Sociétés Financières (ASF) (France)
- Chairman of the Fondation Cetelem
- Vice-Chairman of the Association Française des Établissements de Crédit et d'Investissement (AFECEI)
- Chairman of L'Étoile (Organization for the management of the welfare activities of the Compagnie Bancaire) (France)
- 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:
50 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:
51 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.*
- Chairman of the Louis Vicat foundation*

Other appointments currently or previously held by the director, or where applicable her 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:
75 years

Nationality:
French

Date of first appointment:
August 29, 2007

Start date of current appointment:
- April 18, 2017

Term of office expires:
- General Meeting approving accounts of year ended December 31, 2019

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 her 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:
70 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 her 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:
60 years

Nationality:
French

Date of first appointment:
May 6, 2014

Start date of current appointment:
- April 18, 2017

Term of office expires:
- General Meeting approving accounts of year ended December 31, 2019

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 her 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 and ENSAE

Age:
22 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 her permanent representative, outside the Group in the last five years (1):
Not applicable.

(1) Current appointments are marked with an asterisk.

EMMANUELLE SALLES

She holds a Master of Advanced Studies (DEA) in environmental law from Université Jean Moulin (Lyon III) and a graduate degree (DESS) in legal risk management from Université de Nice-Sophia Antipolis. She has held the position of environmental lawyer in Vicat's Legal Department since 2006.

Age: 45 years **Nationality:** French **Date appointed 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 her 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, 2020, decided to propose that the General Meeting of shareholders renew, for three years, the terms of office of the directors Sophie Fegueux and Jacques Le Mercier.

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 Code of Corporate Governance 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 Code of Corporate Governance. In August 2013, internal rules of procedure 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.

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 an independent director to be a person who is not related to the Company or the Group by an employment contract, by a significant business relationship or by a situation of subordination or dependency in relation to the Company, the Group, its directors or major shareholders or by a family relationship with the majority shareholder, or who has not been an employee or Company officer of the Company or its subsidiaries over the last five years. 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 Officer, 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 CEO, 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 2017, four times in 2018, and four times in 2019.

The dates and the agendas of the Board meetings were as follows:

MEETING OF FEBRUARY 15, 2019

- Presentation of the business report;
- Approval of the individual financial statements for the year ended December 31, 2018;
- Approval of the consolidated financial statements for the year ended December 31, 2018;
- Review of the reports to the Board of Directors by its committees (Audit Committee and Compensation Committee);
- Presentation of 2019 objectives;
- Review of projected financial statements;

- Appropriation of earnings;
- Share buy-back program;
- Delegation of powers as stipulated by the share buy-back program;
- Reallocation of treasury shares;
- Reappointment of a director;
- Reappointment of the incumbent statutory auditors;
- Reappointment of the alternate statutory auditors;
- Report on the remuneration owed by the Company to the Chairman and Chief Executive Officer and to the Chief Operating Officer (article L. 225-37-2 of the French Commercial Code);
- Review of regulated agreements;
- Management report and report on corporate governance;
- 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);
- Authorization for a bond issue and delegation of powers;
- Policy in the area of professional equality and equal pay;
- Convening of the Ordinary General Meeting and setting of the agenda;
- 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 APRIL 11, 2019

- Review of activity in the first quarter of 2019;
- Reappointment of Xavier Chalandon in the capacity of Chairman of the Compensation Committee and member of the Audit Committee;
- Miscellaneous questions.

All members of the Board attended this meeting, with the exception of Louis Merceron-Vicat represented by Sophie Sidos, as well as the statutory auditors of the Company and three Works Council representatives.

The resolutions tabled during this meeting were all adopted unanimously.

MEETING OF JULY 30, 2019

- Business report;
- Analysis and approval of the individual and consolidated financial statements as at the end of June 2019;
- Review of projected financial statements;
- Benchmarking of cement companies;
- Audit Committee report;
- Authorizations to constitute guarantees for the restoration of quarries;
- Appointments, promotions;
- Miscellaneous questions.

All members of the Board attended this meeting, with the exception of Louis Merceron-Vicat represented by Guy Sidos and Jacques Le Mercier represented by Xavier Chalandon, as well as the statutory auditors and three Works Council representatives.

The resolutions tabled during this meeting were all adopted unanimously.

MEETING OF NOVEMBER 4, 2019

- Presentation of the activity, sales revenues and press release at the end of September 2019;
- Policy of the Group relative to climate challenges;
- Authorization to provide a guarantee for Ciplan Cimento;
- Miscellaneous questions.

All members of the Board attended this meeting or took part by telephone, as well as the statutory auditors of the Company 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 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 regulations 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 rules of procedure.

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 role without having to provide reasons for his 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

The committees have the following duties:

- Audit Committee:

The Audit Committee is responsible for monitoring the process for preparing financial information and for assessing the effectiveness of internal control and risk management procedures.

In addition, the specific responsibilities of the Audit Committee are to:

  - examine the annual and half-yearly financial statements, both consolidated and individual; it shall pay particular attention to the consistency and the relevance of the accounting methods used,
  - examine the internal procedures for gathering and verify financial information designed to guarantee the reliability of consolidated financial information,
  - monitor the effectiveness of the internal control and risk management systems,
  - issue recommendations regarding the choice of statutory auditors,
  - to monitor the work of statutory auditors and examine, every year, their fees,
  - check the independence of the statutory auditors,
  - validate the services indicated in article L. 822-11-2 of the French Commercial Code,
  - produce a report on its assignments for the Board of Directors.
- Compensation Committee:

  The Compensation Committee is in charge of:

  - examining the compensation paid to executives and employees (fixed and variable components, benefits, in-kind, etc.) and in particular their amounts and allocation,
  - 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 executives 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.

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.

The proposals before the committees 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 remuneration or attendance fees to committee members.

4.6.3.4. Committee meetings

The Audit Committee met three times in 2019 with a 100% attendance rate. It considered the following issues:

MEETING OF FEBRUARY 6, 2019

- Financial calendar;
- Significant events of the year and 2018 annual financial statements;

- Application and implementation of new regulations:
  - impacts of IFRS 9 and 15 (applicable from January 1, 2018),
  - progress update on work on IFRS 16 (applicable from January 1, 2019) and 2018 *pro forma* impacts,
  - CSR replaced by DEFP in the Universal Registration Document: business model, new risks;
- Update on Ciplan/Group refinancing;
- Audit reform and its consequences: reappointment of auditors;
- Presentation of external audits by statutory auditors;
- Procedure for delegating authorization of non-audit tasks by statutory auditors;
- Other business.

MEETING OF APRIL 10, 2019

- Group Compliance:
  - Sapin II,
  - international sanctions,
  - GDPR;
- Internal audit;
- Ciplan – Group Refinancing;
- New accounting regulations:
  - Universal Registration Document,
  - IFRIC 23,
  - IFRS 16,
  - 2019 tax news;
- Other business.

MEETING OF JULY 24, 2019

- Presentation of the activity and results;
- Accounting news: IFRIC 23;
- Refinancing/Rate hedging;
- Ciplan: integration, acquisition finalization and Purchase Price Accounting;
- ADIT mission in preparation for inspections by the AFA (French anti-corruption agency);
- AMF letter on the 2018 Universal Registration Document and reply;
- statutory auditors' comments.

The Compensation Committee met once in 2019 with a 100% attendance rate. It considered the following issues:

MEETING OF FEBRUARY 5, 2019

- Changes in compensation in 2018 by category;
- Examination of compensation benchmarks of operational management;
- Analysis of the European directive concerning supplementary pension plans;
- report on employee shareholdings under the PE, PEG and PERCO schemes.

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 a Chief Operating Officer and by three Deputy Chief Executive Officers operating, by delegation, in the following areas:

Chief Operating Officer:

- France excluding 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.

Deputy Chief Executive Officers:

- United States: Eric Holard;
- Legal Affairs Director: Philippe Chiorra;
- Chief Science Officer and Head of Industrial Performance: Éric Bourdon.

Name	Age	Brief biography
Didier Petetin	53 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.
Éric Holard	59 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	63 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	52 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.

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 Officer 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 consisting of at least five and no more than twelve members, drawn from the shareholders and 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) Each director must acquire a minimum of ten shares within the period prescribed by law and must continue to hold those shares throughout his or her term of office.
6) In addition to the directors whose number, appointment procedures and duties are described above, the Board of Directors shall include an employee director.

The Works Council shall appoint an employee director for a renewable term of six years.

The employee director shall be appointed by the Company's Works Council in accordance with the applicable provisions of the French Commercial Code, with particular reference to the employee's status at the time of appointment, the employee's training and the conditions of his term of office.

Termination of the employment contract shall end the term of office of the director appointed by the Works Council.

In the event of a vacancy, death, resignation, dismissal or termination of the employment contract or for any other reason, a new employee director shall be appointed by the Works Council at the first meeting after the vacancy of the employee director's seat has been noted.

Subject to the provisions of this article and the applicable legal measures, the employee director shall have the same status, powers and responsibilities as the other directors.

Where the office of employee director 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 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. The Chairman represents the Board of Directors. 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 shareholders.

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.

In addition, the Chief Executive Officer as well as any Group of directors constituting at least one-third of the members of the Board can, by presenting an agenda of the meeting, convene the Board if it has not met for more than two months; otherwise, the agenda is set by the Chairman and can, if necessary, be determined only in the course of the meeting itself.

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.

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 General Shareholders' Meeting.

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 as attendance fees, whose amount is determined by the General Meeting and remains at that level unless otherwise decided.

The Board of Directors divides the amount of these attendance fees among its members as it deems fit.

4.6.6.7. General Management (article 21 of by-laws)

General Management structure

In accordance with the provisions of article L. 225-51-1 of the French Commercial Code, 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 and 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 rules of procedure, 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 Deputy CEO. One of these individuals also serves as Chief Operating Officer.

The age limit for the appointment of a Deputy CEO is set at 75 years; the term of office of a Deputy CEO shall expire at the close of the first Ordinary General Meeting following the date of his 75th birthday.

4.7. Policy on remuneration of the company's officers

4.7.1. Determination, review and implementation of the compensation policy

The compensation policy for all Company officers is fixed by the Board of Directors according to the recommendations of the Compensation Committee and is reviewed annually.

The compensation policy was debated and approved by the Board of Directors during its meeting of February 12, 2020 according to the recommendations of the Compensation Committee, which met on February 4, 2020, 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 3, 2020 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 compensation policy will apply during 2020 to any person who is a Company officer within Vicat.

The Board of Directors makes sure that the compensation 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 compensation policy aims to:

- support its short, medium and long-term strategy;
- align the interests of its directors with those of shareholders and all stakeholders;
- ensure that short-term results contribute to the attainment of medium- and long-term results;
- reward financial and CSR results by encouraging ongoing improvements in performance from one year to the next, backed up by its business 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.

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.

Vicat has established a special pension plan for executive Company officers and other senior executives within the Group, adding to the coverage provided under mandatory and supplementary pension plans. The benefits of this additional supplementary plan are granted, as decided by the Chief Executive Officer, to senior executives whose gross compensation is greater than four times the French social security ceiling. In addition, in order to receive these benefits, the relevant person must have served at least 20 years with the Group and have reached 65 years of age at the time they acquire the pension rights. The amount of the additional pension is determined in accordance with the time spent within the Company at the employee's leaving date and with the benchmark salary based on the best ten annual salaries. This additional amount may not lead the beneficiary to perceive, all pensions included, an amount exceeding 60% of the base salary. A provision of € 12,346 thousand is recognized in the financial statements corresponding to the additional supplementary pension plan for the aforementioned Company officers and other senior executives in the Group.

4.7.2. Policy on compensation for executive Company officers

The compensation 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 policy on compensation 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.);
- compensation 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;
- compensation 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 compensation policy and when determining the amounts or valuations of compensation or other benefits.

4.7.2.1. Compensation policy applicable to Guy Sidos, Chairman and Chief Executive Officer

The compensation 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, 2020, the 2019 remuneration for the Chairman and CEO, Guy Sidos, was compared to a benchmark conducted by an independent consulting company (MERCER, 2019 data), and to a benchmark of SBF 120 companies of comparable size to Vicat SA (using 2017 regulated data provided by ETHICS&BOARDS). These benchmarks do not include Supplementary pension schemes.

The gross annual salary of the Chairman and Chief Executive Officer is at the limit between the 2nd and 3rd quartiles of the gross annual salaries of Chairmen and Chief Executive Officers of the companies in MERCER's benchmark. The variable part awarded by Vicat SA is positioned 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, 2020, the Board of Directors determined the principles and criteria for establishing the elements composing the compensation of Guy Sidos for 2020, upon recommendation from the Compensation Committee, which reviewed and validated all elements below during its meeting of February 4, 2020.

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.

A gross annual salary for the Vicat mandate is paid by Vicat SA: € 803,614 in 2020.

A gross annual salary for the position of Chief Operating Officer of Parfininco is paid by Parfininco: € 40,343 in 2020.

The total of these two amounts is: € 843,957, before general and individual increases that may apply during 2020.

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,
- analyses and market studies of compensation for similar functions in comparable companies.

In respect of 2020:

- the general increase in salaries applied in Vicat SA is 1.2% on March 1, 2020.

  By law, application of this general increase depends on its approval at the Ordinary General Meeting of April 3, 2020. If approved, it will be paid as from the April 2020 salaries, backdated to March 1, 2020,
- no proposal for individual increases.

During its meeting on February 12, 2020, the Board of Directors approved these elements.

- 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 2020, the amount of this bonus will be determined as follows:

- by the financial, commercial and industrial results (Group) at 70% of gross annual salary,
- by the CSR results (safety, reductions in CO_2 and greenhouse gas emissions, protection of biodiversity, saving resources, circular economy and inclusion) (Group) at 15% of the gross annual salary,
- by the assessment of the management at 15% of the gross annual salary.

Its amount may not exceed 50% of the gross annual salary (30% 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 (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 *pro rata 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(b) 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(b) 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(b) 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(b) of the AGIRC National Collective Agreement of March 14, 1947.

- Collective mandatory supplementary pension scheme

For the supplementary pension scheme, Guy Sidos 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

In the context of the transposition of the European "pension portability" directive of April 16, 2014, the presidential ordinance of July 3, 2019 relative to professional supplementary pension schemes requires a modification to the arrangements for defined-benefit supplementary pensions. Vicat SA has undertaken studies on its scheme for compliance with this ordinance. Compliance will be finalized once the interministerial circular relative to these arrangements is published.

Tentatively, and while waiting for future compliance according to the interministerial circular to be published, the description of the supplementary pension plan according to article 39 of the French General Tax Code, put in place by Vicat, and prior to the ordinance of July 3, 2019, is communicated below.

In application of the ordinance of July 3, 2019, no new supplementary rights will be acquired under this supplementary plan from January 1, 2020.

Until December 31, 2019, Guy Sidos was a member of the supplementary pension plan according to 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 had to 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.

- 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

No free shares plan.

- 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. Compensation policy applicable to Didier Petetin, Chief Operating Officer

The compensation 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.

At the request of the Compensation Committee which met on February 4, 2020, the 2019 remuneration of the Chief Operating Officer, Didier Petetin, was compared with the results of a benchmarking (2019 data) study conducted by an independent consultancy (Mercer) 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 in the first quartile of the gross annual salaries of Chief Operating Officers of the companies included in the benchmarking. 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, 2020, the Board of Directors determined the principles and criteria for establishing the elements composing the compensation 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, 2020.

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: € 310,328 in 2020.

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.

In respect of 2020:

- the general increase in salaries applied in Vicat SA is 1.2% on March 1, 2020.

  By law, application of this general increase depends on its approval at the Ordinary General Meeting of April 3, 2020. If approved, it will be paid as from the April 2020 salaries, backdated to March 1, 2020,
- given the acquisitions made, the increasing complexity of operations, the sustainable and intensifying results of measures to support the ecological and inclusive transition, and rankings in the compensation benchmark for equivalent positions within the SBF 120, the Compensation Committee proposes to the Board of Directors an individual annual gross increase of 10% (outside the general increase) from January 1, 2020.

  By law, the application of this individual increase depends upon its approval at the Ordinary General Meeting of April 3, 2020. If approved, it will be paid as from the April 2020 salaries, backdated to March 1, 2020.

- 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:

- by the financial, commercial and industrial results (France, excluding Papeteries de Vizille) at 70% of gross annual salary,
- by the CSR results (safety, reductions in CO_2 and greenhouse gas emissions, protection of biodiversity, saving resources, circular economy and inclusion) (excluding Papeteries de Vizille) at 15% of the gross annual salary,
- by the assessment of the management at 15% of the gross annual salary.

Its amount may not exceed 40% of the gross annual salary (20% 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 10% 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(b) 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(b) 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(b) 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(b) 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

In the context of the transposition of the European "pension portability" directive of April 16, 2014, the presidential ordinance of July 3, 2019 relative to professional supplementary pension schemes requires a modification to the arrangements for defined-benefit supplementary pensions. Vicat SA has undertaken studies on its scheme for compliance with this ordinance. Compliance will be finalized once the interministerial circular relative to these arrangements is published.

Tentatively, and while waiting for future compliance according to the interministerial circular to be published, the description of the supplementary pension plan according to article 39 of the French General Tax Code, put in place by Vicat SA, and prior to the ordinance of July 3, 2019, is communicated below.

In application of the ordinance of July 3, 2019, no new supplementary rights will be acquired under this supplementary plan from January 1, 2020.

Until December 31, 2019, Didier Petetin was a member of the supplementary pension plan according to 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 had to 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.

- 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

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 or benefits owed or likely to be owed (in application of an agreement) by Group companies, in relation to the mandate.

4.7.3. Policy on the compensation 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.

Each director receives compensation for his/her activity consisting of an annual fixed amount which is determined by the General Meeting and is maintained except in the case of a contrary decision. The Board of Directors then divides this amount freely between its members, 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 2019

4.8.1. Elements of compensation paid or allocated to executive Company officers

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 2019 year to Guy Sidos are given in the tables presented below. These various elements of compensation were established in accordance with the compensation policy for the Chairman and Chief Executive Officer, approved by the shareholders at the General Meeting of April 11, 2019 (twelfth resolution).

	2019			2018		
Gross annual amounts *(in euros)*	**Amounts due**	**Amounts paid**	**% of total paid**	**Amounts due**	**Amounts paid**	**% of total paid**
Guy Sidos, ***Chairman and Chief Executive Officer***						
Fixed compensation	-	839,077	75.3%		724,782	75.8%
Variable compensation	245,000	100,000	9.0%	100,000	100,000	10.5%
Exceptional compensation	55,000	100,000	9.0%	100,000	-	0.0%
Director compensation	-	67,000	6.0%	-	67,000	7.0%
Free shares/*Stock options*		N/A			N/A	
Benefits in kind		8,620	0.8%		63,802	6.7%
TOTAL	**300,000**	**1,114,697**	**100%**	**200,000**	**955,584**	**100%**

Detailed table of elements of compensation of Guy Sidos

Guy Sidos, Chairman and Chief Executive Officer		
Elements of compensation allocated under financial year ended December 31, 2019	**Amounts**	**Comments**
Fixed gross annual salary	**€ 839,077**	In view of the acquisitions made in 2018, the increasing complexity of operations and the positioning in the benchmark of compensation for equivalent positions within the SBF 120, the Compensation Committee proposed to the Board of Directors an individual annual gross rise of € 100,000 (representing +13.8% of the gross annual salary paid in 2018 and excluding the general increase) for the part paid by Vicat from January 1, 2019. During its meeting on February 15, 2019, the Board of Directors approved this proposal. This increase was validated by the vote on the twelfth resolution by the General Meeting of April 11, 2019. The increase was applied dated April 2019 with retroactive effect as of January 1, 2019. The gross annual salary was paid partly by Vicat and partly by Parfininco.
Gross annual bonus based on individual performance (2018)	**€ 100,000**	This bonus was validated by the vote on the twelfth resolution at the General Meeting of April 11, 2019. Its calculation was determined by economic results and by the CSR results of the Vicat Group for 2018. The amount cannot exceed 30% of the gross annual salary. For 2018, this bonus represented 13.8% of the gross annual salary paid in 2018 and was paid in April 2019. This bonus was paid by Vicat.
Gross multi-year bonus (2018)	No gross multi-year bonus.	
Gross annual special bonus (2018)	**€ 100,000**	This bonus was validated by the vote on the twelfth resolution at the General Meeting of April 11, 2019. It is paid on an exceptional basis and depends on the successful completion of exceptional operations (acquisition of Ciplan, Brazil) during 2018 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 2018, this bonus represented 13.8% of the gross annual salary paid in 2018 and was paid in April 2019. 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(b) 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(b) 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(b) 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(b) 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.	

Guy Sidos, Chairman and Chief Executive Officer		
Elements of compensation allocated under financial year ended December 31, 2019	**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	**€ 52,000**	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, 2019, will only be paid in cash to Guy Sidos if the twelfth resolution is adopted at the General Meeting of April 3, 2020:		
Gross annual bonus based on individual performance (2019)	**€ 245,000**	It is paid at the end of April 2020 subject to the vote on the twelfth resolution at the General Meeting of April 3, 2020, and calculated based on the financial and CSR results of the Vicat Group for 2019. The amount cannot exceed 30% of the gross annual salary. For the 2019 financial year, this bonus represents 29.2% of the gross annual salary paid in 2019.
Gross multi-year bonus (2019)	No gross multi-year bonus.	
Gross annual special bonus (2019)	**€ 55,000**	Paid at the end of April subject to a vote on the twelfth resolution at the General Meeting of April 3, 2020, its payment is exceptional and depends on the successful realization of exceptional operations (acquisitions, etc.), 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 the 2019 financial year, this bonus represents 6.6% of the gross annual salary paid in 2019.

Elements of compensation paid or allocated to Didier Petetin, Chief Operating Officer

The details of elements of compensation paid or allocated during the 2019 year to Didier Petetin are given in the tables presented below. These various elements of compensation were established in accordance with the compensation policy for the Chief Operating Officer, approved by the shareholders at the General Meeting of April 11, 2019 (twelfth resolution).

Summary table of compensation for Didier Petetin

	2019			2018		
Gross annual amounts *(in euros)*	**Amounts due**	**Amounts paid**	**% of total paid**	**Amounts due**	**Amounts paid**	**% of total paid**
Didier Petetin, ***Chief Operating Officer***						
Fixed compensation	-	308,534	76.8%		303,149	83.9%
Variable compensation	61,700	50,000	12.4%	50,000	40,000	11.1%
Exceptional compensation	24,000	25,000	6.2%	25,000	-	0.0%
Director compensation	-	-	0.0%	-	-	0.0%
Free shares / *Stock options*		N/A			N/A	
Benefits in kind		18,076	4.5%		18,361	5.1%
TOTAL	**85,700**	**401,610**	**100%**	**75,000**	**361,510**	**100%**

Detailed table of elements of compensation of Didier Petetin

	Mr. Didier Petetin, Chief Operating Officer	
Elements of compensation allocated under financial year ended December 31, 2019	**Amounts**	**Comments**
All of the compensation elements were paid by Vicat.		
Fixed gross annual salary	**€ 308,534**	
Gross annual bonus based on individual performance (2018)	**€ 50,000**	1. This bonus was validated by the vote on the twelfth resolution at the General Meeting of April 11, 2019. 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 2018, this bonus represented 16.5% of the gross annual salary paid in 2018 and was paid in April 2019.
Gross multi-year bonus	No gross multi-year bonus.	
Gross annual special bonus (2018)	**€ 25,000**	2. This bonus was validated by the vote on the twelfth resolution at the General Meeting of April 11, 2019. 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 2018, this bonus represented 8.2% of the gross annual salary paid in 2018 and was paid in April 2019.
Benefits in kind	**€ 18,077**	
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(b) 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(b) 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 beneficiary category of Vicat SA coming 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(b) of the AGIRC National Collective Agreement of March 14, 1947.	

Mr. Didier Petetin, Chief Operating Officer		
Elements of compensation allocated under financial year ended December 31, 2019	**Amounts**	**Comments**
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.	
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 10 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.	
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, 2019, will only be paid in cash to Didier Petetin once the thirteenth resolution has been adopted:		
Gross annual bonus based on individual performance (2019)	**€ 61,700**	3. Paid at the end of April 2020 subject to a vote of the thirteenth resolution of 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 the 2019 financial year, this bonus represents 20% of the gross annual salary paid in 2019.
Gross multi-year bonus	No gross multi-year bonus.	
Gross annual special bonus (2019)	**€ 24,000**	Paid at the end of April 2020, subject to a vote by the General Meeting of April 3, 2020 on the thirteenth 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 2019. 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 2019 financial year, this bonus represents 7.8% of the gross annual salary paid in 2019.

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.

	Financial year 2019	Financial year 2018	Financial year 2017	Financial year 2016	Financial year 2015
Chairman and Chief Executive Officer	1,039,077	824,782	811,666	745,035	721,677
Ratio to average compensation	20.2	16.1	16.4	14.9	14.4
Ratio to median compensation	24.9	19.9	20.1	18.4	18.2
Ratio to annual SMIC (min. wage)	56.9	45.9	45.7	42.3	41.3
Chief Operating Officer	383,534	333,149	332,366	282,954	270,935
Ratio to average compensation	7.4	6.5	6.7	5.7	5.4
Ratio to median compensation	9.2	8.0	8.2	7.0	6.8
Ratio to annual SMIC (min. wage)	21.0	18.5	18.7	16.1	15.5

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 2019, the nominal total of directors' fees was € 312,000 distributed equally among the directors (*i.e.* € 26,000) with the exception of the Chairman and Chief Executive Officer, who for 2019 received twice the compensation received by the other members of the Board of Directors (*i.e.* € 52,000).

In addition, for 2019, the additional compensation allocated to each of the committee members of the Board of Directors amounted to € 7,300 for members of the Audit Committee and € 3,700 for members of the Compensation Committee, pro-rated based on the number of meetings attended.

The total amounts paid to non-executive Company officers during 2018 and 2019 were the following:

(in euros)	Amounts paid during 2019	Amounts paid during 2018
Jacques Merceron-Vicat ***Director and Honorary Chairman***		
Director's compensation	26,000	26,000
Compensation for functions exercised on committees of the Board of Directors	-	-
Louis Merceron-Vicat ***Director***		
Director's compensation	26,000	26,000
Compensation for functions exercised on committees of the Board of Directors	-	-
Bruno Salmon ***Director***		
Director's compensation	26,000	26,000
Compensation for functions exercised on committees of the Board of Directors	3,700	3,700
Sophie Sidos ***Director***		
Director's compensation	26,000	26,000
Compensation for functions exercised on committees of the Board of Directors	-	-
Jacques Le Mercier ***Director***		
Director's compensation	26,000	26,000
Compensation for functions exercised on committees of the Board of Directors	11,000	11,000
Eléonore Sidos ***Director***		
Director's compensation	26,000	26,000
Compensation for functions exercised on committees of the Board of Directors	7,300	7,300
Xavier Chalandon ***Director***		
Director's compensation	26,000	26,000
Compensation for functions exercised on committees of the Board of Directors	11,000	11,000
Sophie Fegueux ***Director***		
Director's compensation	26,000	26,000
Compensation for functions exercised on committees of the Board of Directors	-	-
Delphine André ***Director***		
Director's compensation	26,000	26,000
Compensation for functions exercised on committees of the Board of Directors	7,300	7,300
Emmanuelle Salles ***Employee Director***		
Director's compensation	26,000	26,000
Compensation for functions exercised on committees of the Board of Directors	-	-
TOTAL	**300,300**	**300,300**

4.9. Draft resolutions on compensation submitted to the General Meeting of April 3, 2020

Ninth resolution *(Approval of the remuneration policy for the Company officers -* "ex ante" *vote)*

The Ordinary General Meeting deliberating in accordance with the provisions of article L. 225-37-2 of the French Commercial Code, having reviewed the Board of Directors' report on corporate governance, approves the remuneration policy for the Company officers in this report.

Tenth *resolution (Approval of the information given in the corporate governance report, pursuant to article L. 225-37-3 of the French Commercial Code -* "ex post" *vote)*

The Ordinary General Meeting, having read the corporate governance report prepared by the Board of Directors, approves the information in the report, pursuant to the provisions of article L. 225-37-3 of the French Commercial Code.

Eleventh resolution *(*"Ex post" *approval of elements of compensation paid or allocated in respect of the financial year ended December 31, 2019 to Guy Sidos, Chairman and Chief Executive Officer)*

The Ordinary General Meeting deliberating in accordance with the provisions of article L. 225-100(III) 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, 2019 to Guy Sidos, Chairman and Chief Executive Officer, in relation to his corporate role;
- consequently notes that the elements of variable and exceptional compensation allocated to Guy Sidos, Chairman and Chief Executive Officer for the financial year ended December 31, 2019, will be paid to him.

Twelfth resolution *(*"Ex post" *approval of elements of compensation paid or allocated in respect of the financial year ended December 31, 2019 to Didier Petetin, Chief Operating Officer)*

The Ordinary General Meeting deliberating in accordance with the provisions of article L. 225-100(III) 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, 2019 to Didier Petetin, Chief Operating Officer, in relation to his corporate role;
- consequently notes that the elements of variable and exceptional compensation allocated to Didier Petetin, Chief Operating Officer for the financial year ended December 31, 2019, will be paid to him.

4.10. Compensation policy of non-executive 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 remuneration of non-executive 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) Exhaustiveness

The compensation of non-executive directors was determined and evaluated overall for each of them. Depending on the situations, it includes:

- a fixed compensation;
- variable remuneration;
- directors' remuneration;
- a top-up pension plan;
- benefits in kind.

For the record, no non-executive director receives share options, or a free share allotment, or severance payments.

C) Benchmarking/business

During the meeting of the Compensation on February 4, 2020, the remunerations of non-executive directors were compared to the remunerations indicated in the benchmark conducted by an independent consulting company (MERCER, 2019 data). The results showed that almost all current remunerations are lower than the average remunerations noted.

D) Consistency

The consistency of compensations between the various non-executive 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, 2019

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
Soparfi (company of which Jacques Merceron-Vicat is Chairman and Chief Executive Officer)	11,874,509	26.45	23,695,013	32.33
Parfininco (company of which Jacques Merceron-Vicat is Chairman and Chief Executive Officer)	13,408,855	29.86	26,760,211	36.52
Hoparvi (a company of which Jacques Merceron-Vicat is Chairman)	26,642	0.06	38,132	0.05
Guy Sidos	3,479	0.01	6,958	0.01
Louis Merceron-Vicat	6,094	0.01	12,189	0.02
Xavier Chalandon	100	-	200	-
Delphine André	10	-	20	-
Sophie Sidos	1,913	-	3,826	0.01
Jacques Le Mercier	10	-	20	-
Bruno Salmon	62,126	0.14	124,252	0.17
Eléonore Sidos	10	-	20	-
Sophie Fegueux	203	-	406	-
Didier Petetin	8	-	8	-
Emmanuelle Salles	301	-	439	-

4.11.2. Transactions by members of the Board of Directors in the Company's shares in 2018 and 2019

	Transactions in 2019	Transactions in 2018
Soparfi (company of which Jacques Merceron-Vicat is Chairman and Chief Executive Officer)	Purchase of 0 share	Purchase of 4,366 shares
Parfininco (company of which Jacques Merceron-Vicat is Chairman and Chief Executive Officer)	Purchase of 7,895 shares	Purchase of 10,150 shares
Hoparvi (company of which Jacques Merceron-Vicat is Chairman)	Purchase of 14,166 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 instituted a share options policy or a free share award scheme.

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, as part of its CSR approach Vicat applied a proactive policy in relation to professional equality and equal pay in 2019.

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.

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 is managed by 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 forms part of several networks promoting professional and salary equality, including "Companies Equality Network", a network run by the State Secretariat in charge of equality between women and men and the fight against discrimination.

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.

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 and by the Department of business, Competition, Consumer Affairs, Work and Employment, at the regional level), 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.

In this respect, the Compensation Committee notes in its 2019 report:

"The committee finds that the differences in average compensation between equally qualified men and women senior executives are very low:

Management	Difference	
S1 (€ 100K > SB)	-0,1%	to the detriment of women
S1 (€ 100K < SB < € 165K)	1,0%	in favor of women
S1 (€ 165K < SB > € 300K)	1,2%	in favor of women

These results illustrate Vicat's parity policy driven by merit-based promotion."

Vicat scored 89 in the men/women equality index in 2019 (87 in 2018). The results for Vicat SA should improve still further in 2020, with the decision to have at least 2 women amongst the top-paid executives in the Company. Furthermore, the Chairman and Chief Executive Officer has decided to apply this index to the foreign companies of the Group from 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: 172 out of a total of 920 (excluding Company officers).

	TOTAL	Executives	Female white-collar staff	Female blue-collar staff
Percentage of women in the workforce at 12/31/2019	18.7%	30.4%	19.3%	2.7%

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, ne works assistant, R&D, laboratory, product quality, environmental engineer, security, etc.).

In addition, 97.4% of female staff (excluding apprentices) were on permanent contracts in 2019, 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 signed in 2019 with the association "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, 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.

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. Women now represent 18.3% 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

Awareness amongst managers has been strengthened by the production of a guide for efficient and inclusive recruitment, in which Didier Petetin, Chief Operating Officer, asks his teams to achieve parity by including at least one female profile in each recruitment shortlist (external and internal).

Furthermore, to increase the share of women in its workforce, the Company has a proactive female apprenticeship policy: of the 23 apprenticeships available in 2019, 10 were filled by women, taking the percentage of female apprentices to 48.5%.

Results for 2019:

Three-year agreement	April 2013 - April 2016 agreement		April 2016 -April 2019 agreement	2017 results	2018 results	May 2019 – April 2023 agreement	2019 results
Female employees as a percentage of the workforce	Objective 14%	Result start of 2016 15.4%	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%
Average percentage of women in recruitment	Objective 17%	Result start of 2016 25.5%	Objective 26%	35.1%	34.4%	Objectives: Management: 33.0% Employees, technicians, designers and first-line supervisors: 50.0% Blue-collar staff: 20.0% TOTAL: 35%	Management: 34.0% Employees, technicians, designers and first-line supervisors: 44.7% Blue-collar staff: 25.7% TOTAL: 35.6%

Vicat wins regular awards for its actions to promote the role of women in the Company (*e.g.*: ranked 8th among SBF 120 companies by Le Point magazine for promoting women in management in 2019).

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, 2019				December 31, 2018			
(in thousands of euros)	Sales	Purchases	Receivables	Liabilities	Sales	Purchases	Receivables	Liabilities
Affiliated companies	5,678	2,880	3,754	3,553	1,765	2,452	1,546	2,250
Other related parties	76	1,246	0	270	70	1,274	0	311
TOTAL	**5,754**	**4,126**	**3,754**	**3,823**	**1,835**	**3,726**	**1,546**	**2,561**

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. During 2019, intra-group cement sales amounted to € 273 million, sales of aggregates to € 74 million, transport services to € 108 million, sales related to additional services (analyses, pumping, etc.), to € 40 million and sales related to various pooled products and services to € 65 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 of Vicat S.A.

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

Agreements authorized and entered into during the year

We inform you that we have not been advised of any agreements authorized in 2019 to be submitted to the General Meeting for approval as mentioned in Article L.225-38 of the French Commercial Code.

AGREEMENTS ALREADY APPROVED BY THE GENERAL MEETING

Agreements already approved in previous years which have not been effective during the year

We have been advised of the pursuit of agreements which were initially approved by the General Meeting in previous years and have not lead to an implementation during the year.

Commitments relating to supplementary pension plans:

Directors: Guy SIDOS, Chief executive Officer and Didier PETETIN, deputy Chief executive Officer.

Purpose: Supplementary pension plan as defined in Article 39 of the French General Tax Code.

Terms and conditions: The related obligations with Cardiff concern the executive directors as well as managers whose salary exceeds 4 times the ceiling of the level A of the social security. The amount of the additional pension is determined in accordance with the time spent within the company at the employee's leaving date and with the benchmark salary based on the best ten annual salaries. This additional amount may not lead the beneficiary to perceive, all pensions included, an amount exceeding 60% of the base salary.

The statutory auditors

Paris La Défense, 12 February 2020	Chamalières, 12 February 2020
KPMG Audit	**Wolff & Associés S.A.S.**
Département de KPMG S.A.	
Philippe Grandclerc	Grégory Wolff
Partner	*Partner*

Baştaş cement plant near Ankara (Turkey)

5

COMMENTS ON RESULTS AND FINANCIAL POSITION

5.1. Key figures

Balance sheet items

(in millions of euros)	2019	2018 restated (a)	2017 published
Total assets	5,578	4,761	4,728 (1)
Shareholders' equity	2,596	2,481	2,470
Net financial debt (excluding put options)	1,290	932	912

Income statement items

(in millions of euros, unless otherwise indicated)	2019	2018 restated (a)	2017 published
Consolidated net sales revenues	2,740	2,582	2,563
EBITDA (2)	526	492	444 (4)
EBIT (3)	267	255	247 (4)
Net financial income (expense)	(38)	(28)	(28) (4)
Consolidated net income	160	159	156 (4)
Net income, Group share	149	149	142 (4)
Net earnings per share *(in euros)*	3.31	3.32	3.17 (4)
Dividend per share *(in euros)*	1.50	1.50	1.50

Investments

(in millions of euros)	2019	2018 published	2017 published
Industrial investments	292	261	187 (4)
Financial investments	379	51	29

Cash flows

(in millions of euros)	2019	2018 restated (a)	2017 published
Cash flow from operations	425	387	346 (4)
Cash flows from operating activities	382	382	343 (4)
Cash flows from investing activities	(577)	(213)	(187) (4)
Cash flows from financing activities	261	(117)	(129) (4)
Free cash flow	159	216	179 (4)

Consolidated financial ratios

	2019	2018 restated (a)	2017 published
Net debt/total equity *(in%)* *(gearing)*	49.7	37.6	32.7 (4)
Net debt/EBITDA *(leverage)*	2.45	1.89	1.77 (4)
Coverage of net financial expenses			
by EBITDA	13.8	17.6	16.1 (4)
by EBIT	7.0	9.1	8.9 (4)

Non-financial indicators

	2019	2018	2017
Sales volumes			
Cement *(in millions of tons)*	22.4	22.8	22.9
Concrete *(in millions of m^3)*	9.1	9.0	9.7
Aggregates *(in millions of tons)*	23.0	22.7	24.4
Use of alternative fuels (Cement)	**26.5%**	**25.7%**	**25.2%**
Workforce as at December 31	**9,947**	**8,460**	**8,101**

(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.

(1) For 2017, restated in compliance with notes 1.1. and 15 (2) of the 2018 Consolidated financial statements.

(2) 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.

(3) 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.

(4) Prior to application of IFRS 16.

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 2019 earnings and comparison with 2018

			Change (%)	
(in € millions)	**2019**	**2018***	**Reported**	**At constant scope and exchange rates**
Consolidated sales	2,740	2,583	+6.1%	-0.8%
EBITDA**	526	492	*+6.9%*	*-0.2%*
EBITDA margin (%)	*19.2%*	*19.1%*		
EBIT***	267	255	*+4.5%*	*-1.5%*
EBIT margin (%)	*9.7%*	*9.9%*		
Consolidated net income	160	159	*+0.8%*	*-7.1%*
Net margin (%)	*5.8%*	*6.1%*		
Consolidated net income, Group share	149	149	-0.0%	-6.5%
Cash flow	425	387	+9.7%	+0.8%

* *2018 financial statements are presented on a pro forma basis after taking into account the effects of the application of IFRS 16.*
** *EBITDA is calculated as the sum of gross operating income and other income and expenses on ongoing business.*
*** *EBIT is calculated as EBITDA less net depreciation, amortisation 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

Vicat Group's consolidated sales of 2019 came to € 2,740 million, up +6.1% on a reported basis and stable (-0.8%) at constant scope and exchange rates. Movements in consolidated sales resulted from:

- a positive scope effect of +5.7% that pushed sales € 148 million higher, mainly related to the acquisition of Ciplan in Brazil in January 2019;
- a positive currency effect of +1.2%, which boosted sales by € 31 million. The US dollar, Swiss franc, Indian rupee and, to a lesser extent, the Egyptian pound all rose against the euro, offsetting the sharp decline in the Turkish lira and the fall in the Kazakhstani tenge;
- lastly, a small decline in organic sales levels of -0.8%. Against a background of higher sales prices in all markets other than Egypt, growth in France, the United States, Kazakhstan and Italy almost fully offset the contraction seen in Turkey, India, Africa and, to a lesser degree, Switzerland and Egypt.

In Cement, operational sales rose +5.7% on a reported basis but fell -2.2% at constant scope and exchange rates. In the Concrete & Aggregates business, operational sales advanced +8.6% on a reported basis and +2.0% at constant scope and exchange rates. In Other Products and Services, operational sales remained stable on a reported basis (-0.1%) and at constant scope and exchange rates (-0.9%).

Consolidated EBITDA was € 526 million, up +6.9% on a reported basis and down -0.2% at constant scope and exchange rates. **At constant scope and exchange rates and excluding the impact of non-recurring income in the USA in 2018 and Brazil in 2019**, Vicat Group's EBITDA rose by 2.1% (6.8% on a reported basis) with EBITDA margin increasing slightly. Against a background of stable energy costs in the Cement business over the year as a whole (-0.5%), this improvement came from:

- a positive scope effect of +6.0% that pushed sales € 30 million higher, mainly related to the acquisition of Ciplan in Brazil (€ 11.8 million of which was non-recurring – see below);
- a positive currency effect of +1.0%, which boosted sales by € 5 million;
- lastly, virtual stability on an organic basis, with a negative impact of less than € 1 million.

It should be reminded that 2018 EBITDA included a positive non-recurring item of € 10.6 million in the Cement business in the USA. In 2019, EBITDA included a PIS COFIN tax credit, recognised in 2019 at Ciplan (Brazil) following a favourable legal ruling, in the amount of € 11.8 million.

Taking into account these factors, the improvement in EBITDA resulted mainly from:

- a substantial increase in EBITDA in India (+19.9%), supported by a solid rise in average selling prices, which comfortably offset the impact of lower volumes;
- a +12.7% increase in EBITDA in the USA (excluding the settlement payment), due largely to higher selling prices;
- growth of +3.5% in EBITDA in France. This performance came from a sharp improvement in EBITDA in the Concrete & Aggregates business, supported particularly by the continued upturn in Concrete prices;
- an increase of +4.4% in EBITDA generated in Africa, which benefited from higher prices in the Cement business in Senegal over the second half;
- lastly, growth of +5.8% in EBITDA in Kazakhstan, supported by solid price increases and a slight increase in the volumes sold at a high level.

Those positive developments compensated for:

- the very sharp decrease in EBITDA in Turkey (-44.3%), which was affected by a large fall in volumes, partly offset by a significant increase in average selling prices against the background of higher energy costs;
- a -45.5% decline in Egypt, where selling prices fell while production and logistics costs rose sharply;
- a -1.9% drop in EBITDA in Switzerland, under the impact of falls in sales in the Other Products and Services and Concrete & Aggregates businesses.

EBIT came to € 267 million, from € 255 million in 2018, an increase of +4.5% on a reported basis and a decrease of -1.5% at constant scope and exchange rates. The EBIT margin on consolidated sales came to 9.7% compared with 9.9% in 2018.

This decline at constant scope and exchange rates was mainly the result of an increase in depreciation, amortisation and provisions following the acquisition of Ciplan in Brazil and the start of operations at the Vernon plant in California and at the Mumbai terminal in India.

Excluding the settlement payment received in the USA in 2018 and the non-recurring gain in Brazil in 2019, EBIT grew by +4.8% on a reported basis and by +3.3% at constant scope and exchange rates in 2019.

Net financial expense was € 38 million. This € 10 million increase in net financial expense was due primarily to:

- a € 4 million increase in the cost of net debt, mainly as a result of assuming Ciplan's remaining debts. It should be noted that, due to lower interest rates, the financial cost of the Group's debt was stable at constant scope, despite increase in outstanding debt; and
- an increase of € 6 million in other financial expense, due primarily to the cost of accruing Brazilian debt and a deterioration in the net currency impact.

Tax expense was stable over the year as a whole, taking account of the small increase in pre-tax income. The increase in the apparent tax rate from 29.8% to 30.6% was mainly because of the tax rate being adjusted downward for loss-making French subsidiaries in 2018, the lower tax rate in 2019 for an Indian subsidiary and the inclusion in the scope of consolidation of Ciplan (Brazil) which is subject to a tax rate of 34%.

Consolidated net income was € 160 million, up +0.8% on a reported basis and down -7.1% at constant scope and exchange rates. **Net income, Group share** was stable on a reported basis at € 149 million and down -6.5% at constant scope and exchange rates.

Excluding the impact of the settlement payment in the USA recognised in 2018, and the PIS COFIN tax credit, recognised in 2019 at Ciplan (Brazil) following a favourable legal ruling, net income was +1.7% higher at constant scope and exchange rates over the year.

Cash flow came to € 425 million, up +9.7% on a reported basis and +0.8% at constant scope and exchange rates.

5.2.2. Income statement analysed by geographical region

Further to the acquisition of Ciplan in Brazil, the Group has adapted the geographical structure of the internal reporting used by General Management to monitor and measure the economic performance of the group on the basis of six areas:

- France;
- Europe excluding France (Italy and Switzerland);
- Americas (United States and Brazil);
- Asia (India and Kazakhstan);
- Mediterranean region (Turkey and Egypt);
- Africa (Senegal, Mali, Mauritania).

Income statement, France

(in millions of euros)	2019	2018 restated	Change (in %) Reported	Change (in %) At constant scope and exchange rates
Sales	987	950	+3.9%	+2.5%
EBITDA	182	175	+4.0%	+3.5%
EBIT	102	94	+8.5%	+8.4%

Business levels in France remained solid in 2019 against a background of favourable macroeconomic and sector conditions. Satisfactory business levels in infrastructure, industry and commercial segments offset the weakness of the residential market. In this climate, and given the inflation in energy costs, particularly for electricity, the Group was able to introduce price increases across all of its main business areas.

The EBITDA margin on consolidated sales was stable at 18.5%.

- *In the Cement business*, operational sales rose +1.7% over the year. This improvement in sales was driven by a solid increase in average selling prices. Volumes were down slightly over the period as a whole. After a particularly strong first half, due in particular to very favourable weather conditions, the second half was affected by a downturn in activity.

With energy prices, particularly for electricity, continuing to rise over the period, the Group's EBITDA fell -0.9%, with an EBITDA margin on operational sales narrowing by 90 basis points.

- *The Concrete & Aggregates business* increased its operational sales by +3.2% at constant scope (+5.9% on a reported basis). That growth was the result of solid price increases in both Concrete and Aggregates. Volumes rose slightly in Concrete and more substantially in Aggregates. As a result of these factors, EBITDA generated by this business in France rose +11.8% at constant scope compared with 2018, and EBITDA margin on operational sales was up 100 basis points.
- *In the Other Products and Services business*, operational sales rose +3.6% at constant scope. EBITDA in this business rose +7.8% at constant scope, supported by progress in the transport market. The EBITDA margin on consolidated sales was stable.

Income statement for Europe excluding France (Italy and Switzerland)

(in millions of euros)	2019	2018 restated	Change (in %) Reported	Change (in %) At constant scope and exchange rates
Sales	401	390	+2.7%	-0.8%
EBITDA	96	96	+0.5%	-2.8%
EBIT	58	61	-4.1%	-7.5%

5

Activity in Europe (excluding France) confirmed the trend seen over the past 18 months with a gradual stabilisation of sector conditions, notably in Switzerland, although the various business segments saw contrasting trends. Consolidated sales in Switzerland fell mainly because of a decline in the Precast business. The Cement business, by contrast, continued its recovery. The Group's performance continued to improve in Italy.

Against this background, EBITDA was stable and the EBITDA margin on consolidated sales came to 24.1% compared with 24.6% in 2018.

In Switzerland, consolidated sales fell -1.9% at constant scope and exchange rates (+1.8% on a reported basis) due to improved business levels in the second half (+2.4% at constant scope and exchange rates) compared to the same period of 2018. EBITDA was down -1.9% at constant scope and exchange rates and up +1.6% on a reported basis. In line with sales, EBITDA saw a resumption of growth in the second half. As a result the EBITDA margin on consolidated sales was stable at 24.8%.

- *In the Cement business*, operational sales rose +2.8% at constant scope and exchange rates. In the second half, operational sales saw a marked recovery with an increase of +4.9% at constant scope and exchange rates. The volume/price mix was well oriented, supported by a more favourable client mix towards the year end.

  Given a slight reduction in production costs, particularly energy costs (substitution rate of 100% at the end of the year), EBITDA generated by this business grew by +5.0% at constant scope and exchange rates. The EBITDA margin on consolidated sales was thus 70 basis points higher.

- *In the Concrete & Aggregates business*, operational sales were down -1.6% at constant scope and exchange rates. In line with the Cement business, the second half saw a marked improvement in the Group's performance in this business. Over the year as a whole, concrete volumes showed very slight growth, but there were further falls in aggregate volumes. Selling prices were lower in both Concrete and Aggregates.

  Against this background, EBITDA fell -8.6% at constant scope and exchange rates. As a result, the EBITDA margin on consolidated sales fell by 170 basis points.

- Precast operational sales fell -7.4% at constant scope and exchange rates, amid fierce competition in consumer products and weak business volumes in the rail sector. However, the second half of the year brought a stabilisation of business levels (-0.1% at constant scope and exchange rates).

  Against this background, EBITDA from this business fell -11.1% at constant scope and exchange rates, albeit with a significant improvement in performance in the second half. The EBITDA margin on consolidated sales was down 30 basis points in 2019.

In Italy, consolidated sales rose +26.7% supported by the reallocation to the Italian operation of Vicat Prompt cement sales from the second half of 2018. The sector environment has improved gradually, bringing growth in volumes, excluding Prompt. Sales prices rose, driven by changes in the product mix. EBITDA was down significantly over the year as a whole, falling -31.9%.

Income statement for the Americas region (United-States and Brazil)

			Change (in %)	
(in millions of euros)	**2019**	**2018 restated**	**Reported**	**At constant scope and exchange rates**
Sales	589	404	+45.7%	+6.4%
EBITDA	115	83	+38.3%	-1.8%
EBITDA restated for non-recurring items*	104	73	+42.5%	+12.7%
EBIT	57	46	+23.2%	-12.3%
EBIT restated for non-recurring items*	46	35	+30.3%	+17.4%

* *EBITDA and EBIT restatements: Restated EBITDA and EBIT exclude non-recurring items recorded in the USA in 2018 and Brazil in 2019.*

The Americas region was formed following the recent acquisition of Ciplan in Brazil. Sales growth on a reported basis therefore reflects a significant positive scope effect, but also solid growth in the US business over the whole of 2019 despite poor meteorological conditions. In Brazil, where the macroeconomic and industry conditions are stabilising, the integration of Ciplan is proceeding in accordance with the Group's expectations thanks to local teams of extremely high quality and industrial facilities that are efficient but offer potential for further improvement. The initial measures introduced to improve technical performance are beginning to bear fruit.

In the United States, the macroeconomic and industry environment continued to improve. However, the year as a whole was affected by relatively unfavourable weather conditions in California and the South-East. With the market situation remaining conducive to price rises, the Group achieved a +12.3% increase in consolidated sales on a reported basis and a +6.4% rise at constant scope and exchange rates over the year as a whole.

EBITDA for the year was € 86 million, down -1.8% at constant scope and exchange rates (+3.6% on a reported basis). It should be noted that 2018 EBITDA in the USA included a positive non-recurring item amounting to € 10.6 million in the Cement business in the USA. Adjusted for that non-recurring item, EBITDA rose +12.7% at constant scope and exchange rates (+18.9% on a reported basis), with the EBITDA margin on consolidated sales rising 100 basis points to 19.0%.

- *In the Cement business*, operational sales rose +4.5% at constant scope and exchange rates. Having been stable in the first half of the year (+0.3% at constant scope and exchange rates), operational sales gained +8.5% at constant scope and exchange rates in the second half. Volumes were stable over the whole year period, with a strong improvement during the second half. Average selling prices increased in both California and the South-East.

  However, because of the substantial increase in energy costs of the year as a whole, and the non-recurrence of the 2018 settlement payment, EBITDA in this business fell -7.4% at constant scope and exchange rates. Adjusted for that non-recurring item, EBITDA posted a substantial +8.5% increase at constant scope and exchange rates, with the EBITDA margin on consolidated sales rising 110 basis points.

- *In the Concrete business*, operational sales rose +9.7% at constant scope and exchange rates. Volumes were up over the period as a whole. Prices posted a solid increase, rising more strongly in the South-East than in California.

  EBITDA generated by the Concrete business rose very sharply, coming in up +37.0% at constant scope and exchange rates over the year as a whole. As a result, the EBITDA margin on operational sales rose by 100 basis points.

In Brazil, the situation is improving gradually after several years in which the macroeconomic environment was subdued. Consolidated sales generated since the Ciplan acquisition was completed on January 21, 2019 amounted to € 135 million. EBITDA was € 29 million. It should be noted that this figure includes non-recurring income of € 11.8 million recognised in the Cement business. Restated for this non-recurring item, EBITDA was € 17.2 million.

- *In Cement*, operational sales totalled € 103 million, with more than 1.9 million tonnes delivered. Volumes in this business were fairly stable over the year as a whole. Sales prices gradually increased over the course of the year. EBITDA for the year was € 24 million. Excluding the non-recurring income of € 11.8 million, restated EBITDA was € 12.2 million for the year.
- *In Concrete & Aggregates*, operational sales totalled € 39 million. Concrete deliveries totalled almost 501,000 cubic metres and Aggregates volumes almost 2.1 millions tonnes. This business saw increases in both volumes and prices in both Concrete and Aggregates throughout the year. EBITDA for the year was € 5 million.

Income statement for the Asia region (India and Kazakhstan)

(in millions of euros)	2019	2018 restated	Change (in %) Reported	Change (in %) At constant scope and exchange rates
Sales	375	399	-6.1%	-7.1%
EBITDA	89	77	+15.8%	+15.4%
EBIT	54	42	+28.4%	+28.5%

The Asia region enjoyed a positive macroeconomic and sector environment, in Kazakhstan over the whole year, supported by buoyant local and export markets. The picture in India was more mixed, with a solid market in the first half, but much weaker trends in the second half of the year following the national and regional elections held in the second quarter. Under these circumstances, the Group focused on raising selling prices and on improving its EBITDA margin.

In India, the Group posted consolidated sales of € 309 million in 2019, down -10.2% at constant scope and exchange rates and down -8.0% on a reported basis. Those declines reflect the Group's strategy of prioritising raising prices over increasing volumes, but also the less favourable macroeconomic and industry conditions in the second half. Volumes sold fell by almost -16% over the year to just over 5.5 million tonnes. Selling prices rose sharply over the period as a whole, although prices were more stable over the final quarter. Given these trends, EBITDA for the year was € 65 million, an increase of +19.9% at constant scope and exchange rates (+22.8% on a reported basis).

The EBITDA margin on consolidated sales therefore improved significantly over the year.

In Kazakhstan, consolidated sales moved +9.4% higher at constant scope and exchange rates and +4.0% higher on a reported basis. In the domestic market, slightly affected by the impact on major projects of the elections held in the second quarter, and the entrance of new players in the third quarter, the Group redirected some of its volumes to export markets, where price conditions were more favourable. Against that backdrop, Cement volumes grew by nearly +1%. However, average selling prices were significantly higher in both the domestic and export markets.

As a result, EBITDA for the year posted growth of +5.2% at constant scope and exchange rates (stable on a reported basis), coming in at € 23 million. The EBITDA margin narrowed slightly.

Income statement for the Mediterranean region (Egypt and Turkey)

(in millions of euros)	2019	2018 restated	Change (in %) Reported	Change (in %) At constant scope and exchange rates
Sales	171	204	-15.9%	-10.5%
EBITDA	(4)	16	n.a.	n.a.
EBIT	(23)	(3)	n.a.	n.a.

The Mediterranean region was affected by a significant deterioration in the macroeconomic and sector situation in Turkey, resulting from the devaluation of the Turkish lira in August 2018. As a result, the base for comparison was very unfavourable for the first nine months of the year. In Egypt, the security situation and the competitive environment remained very difficult throughout the period. Against that background, the Group made a loss of € -4 million at the EBITDA level in the region for 2019.

In Turkey, sales were € 131 million, down -11.4% at constant scope and exchange rates (-20.4% on a reported basis). After a particularly difficult first half, due notably to the highly unfavourable basis for comparison, business levels saw a resumption of growth in the second half, with consolidated sales growing by +4.5% at constant scope and exchange rates and by +5.7% on a reported basis. The sales contraction over the year as a whole reflects the impact of the August 2018 devaluation on macroeconomic and industry conditions and the very sharp slowdown in industrial activity in Turkey. EBITDA amounted to € 13 million, down from € 26 million in 2018, a decline of -44.3% at constant scope and exchange rates (-50.0% on a reported basis).

- *In the Cement business*, operational sales fell -14.5% at constant scope and exchange rates. After a decline in operational sales in the first half (down -24.2% at constant scope and exchange rates), business levels continued to contract in the second quarter, albeit at a much slower rate (down -2.1% at constant scope and exchange rates). The contraction in sales over the course of the year was due to a sharp fall in volumes of over -29%, partly offset by a solid increase in average selling prices.

  Given these factors and the substantial increase in energy costs, EBITDA generated by this business fell -35.4% at constant scope and exchange rates.
- *In the Concrete & Aggregates business*, operational sales were down -3.9% at constant scope and exchange rates. After a steep decline in operational sales in the first half (down -18.2% at constant scope and exchange rates), business levels recovered in the second half, with operational sales growing +16.8% at constant scope and exchange rates. Over the year as a whole, volumes were down more than -18% in Concrete and nearly -13% in Aggregates. Selling prices rose substantially over the period as a whole, in both Concrete and Aggregates.

  Against this backdrop, EBITDA was at break-even over the year.

In Egypt, consolidated sales came to € 40 million, down -6.4% at constant scope and exchange rates (up +4.6% on a reported basis). This contraction in sales came against the background of a tough macroeconomic environment and major logistical challenges in this region and the deterioration of the competitive climate. Given all these factors, volumes were stable (+1%) over the year and sales prices fell, affected by increased output from the new factory operated by the Egyptian army.

The Group recorded a loss at the EBITDA level of € -17 million in 2019, compared with a loss of € -11 million in 2018.

Income statement for Africa (Senegal, Mali, Mauritania)

(in millions of euros)	2019	2018 restated	Change (in %) Reported	Change (in %) At constant scope and exchange rates
Sales	217	235	-7.7%	-7.9%
EBITDA	47	45	+4.5%	+4.4%
EBIT	18	15	+23.5%	+23.3%

In the **Africa** region, the macroeconomic and sector environment was favourable. The construction of new homes and continuing public infrastructure projects helped to boost industry momentum. However, performance over the year was affected by presidential and parliamentary elections in Senegal and by the political decision to freeze prices. In addition, operational issues in the Cement business, and labour disputes external to the Group in Senegal's transport industry, particularly affecting Aggregates, also had an impact on performance in 2019.

- *In the Cement business*, consolidated sales for the Africa region fell -2.6% at constant scope and exchange rates. The decline was caused by a fall of over -3% in Cement volumes over the period as a whole as a result of production constraints. Prices rose over the course of the year, following an increase introduced in August 2019, but the impact of this was only felt in the final quarter of the year. Given these factors and the fall in energy costs, EBITDA generated by this business rose +30.6%.
- In Senegal, consolidated sales in the *Aggregates business* were € 38 million in 2019, a fall of -26.7%. This decline resulted largely from a contraction in volumes, due notably to a temporary freeze on public tenders in the second half and a slight fall in prices. Against this background, EBITDA fell -24.8% at this business.

Lastly, during the fourth quarter of 2019, the Group began production at a new cement mill in Mali, located in Diago, 35 km from Bamako, with a capacity of 800,000 tonnes per year.

5.2.3. Income statement broken down by business segment

Cement business

(in millions of euros)	2019	2018	Change (in%) Reported	Change (in%) At constant consolidation scope and exchange rates
Volume *(in thousands of tonnes)*	22,388	22,833	-2.0%	
Operational sales	1,571	1,486	+5.7%	-2.2%
Consolidated sales	1,319	1,252	+5.4%	-3.2%
EBITDA	373	345	+8.2%	+0.7%
EBITDA restated*	362	334	+8.2%	+4.0%
EBIT	217	204	+6.6%	+1.4%
EBIT restated*	205	193	+6.4%	+7.0%

* *EBITDA and EBIT restated: EBITDA and EBIT excluding non-recurring items recorded in United States in 2018 and in Brazil in 2019.*

Concrete & Aggregates business

(in millions of euros)	2019	2018	Change (in%) Reported	Change (in%) At constant consolidation scope and exchange rates
Concrete volume (*in thousands of m³*)	9,135	9,039	+1.1%	
Aggregates volume *(in thousands of tonnes)*	22,971	22,657	+1.4%	
Operational sales	1,097	1,010	+8.6%	+2.0%
Consolidated sales	1,076	990	+8.6%	+1.9%
EBITDA	130	124	+4.9%	-2.0%
EBIT	46	45	+3.2%	-7.9%

Other Products and Services business

(in millions of euros)	2019	2018	Change (in%) Reported	Change (in%) At constant consolidation scope and exchange rates
Operational sales	431	432	-0.1%	-0.9%
Consolidated sales	345	340	+1.5%	+0.0%
EBITDA	23	24	-1.9%	-3.2%
EBIT	3	7	-51.0%	-50.2%

5.2.4. Elements having an impact on financial income

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.

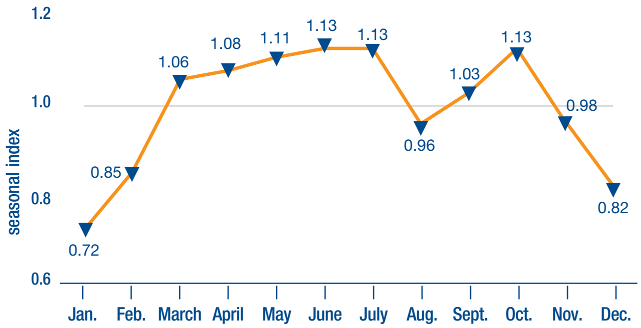
The price levels applicable to each market are determined by the production costs of existing operators and the competitive intensity of the product markets.

(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, sales are 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

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 9 ready-mixed concrete plants and 5 quarries (including 2 aggregates quarries).

Over the period from January 21 to December 31, 2019, Ciplan contributed € 134.1 million to consolidated sales revenues, € 29.0 million to consolidated EBITDA and € 6.2 million to the Group share of net income. The results for the period from January 1 to 21, 2019 are not material.

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.

There was no significant change in consolidation scope in 2019.

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 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 2019 consolidated financial statements, sales revenues restated at constant consolidation scope and exchange rates compared to 2018. 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 2018 and 2017

The comparative analysis of the earnings for 2018 and 2017 is presented in the 2018 Registration Document in section 2.2.2, pages 45-54 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 € 179.6 million, divided into 44.9 million shares, each with a nominal value of € 4.0 fully subscribed and paid up.

(in millions of euros)	December 31, 2019	December 31, 2018 Restated [a]
Share capital	180	180
Additional paid in capital	11	11
Translation reserves	(406)	(400)
Consolidated reserves	2,402	2,323
Consolidated net income	144	145
Shareholders' equity – Group share	**2,331**	**2,259**
Minority interests	265	221
Consolidated shareholders' equity	**2,596**	**2,481**

(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.

Consolidated shareholders' equity at December 31, 2019 increased by € 115 million compared with December 31, 2018 restated and amounted to € 2,596 million as at December 31, 2019 including a Group share of € 2,331 million, and minority interests of € 265 million, which relate mainly to the Cement manufacturing subsidiaries in India, Brazil, Egypt, Switzerland 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 2019 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, starting from January 1, 2019 and in the restated 2018 statements, 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)	2019	2018 restated (a)	2017 published
Cash flow from operations	425	387	346
Change in WCR (excl. exchange rate and consolidation scope effects) [(1)]	(43)	(5)	(3)
Net operating cash flows	382	382	343
Net investment cash flows	(577)	(213)	(187)
Net financing cash flows	261	(117)	(129)
Impact of exchange rate fluctuations on cash resources	-	(10)	(16)
CHANGE IN CASH POSITION	**67**	**42**	**11**

(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)	2019	2018 restated (a)	2017 published
Cash flow from operations	382	382	343
Industrial investments net of disposals	(223)	(166)	(164)
***FREE CASH* FLOW**	**159**	**216**	**179**

(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 2019, the Group generated a free cash flow of € 159 million a decrease of € 57 million compared with 2018. Operating Cash Flow was sufficient, net of the change in WCR, and given an increase in net industrial investments of € 57 million and financial investments net of disposals of € 354 million, to limit the rise in the Group's net indebtedness to € 359 million in 2019. At € 1,290 million, net indebtedness, excluding put options but including lease liabilities under IFRS 16, represented 49.71% of consolidated shareholders' equity as at December 31, 2019, and 2.45 times 2019 consolidated EBITDA.

Stripping out the effect of IFRS 16, the gearing ratio would be 40.36% and EBITDA leverage 2.28.

5.3.2.1. Net cash flows from operating activities

Net cash flows from operating activities conducted by the Group in 2019 totaled € 382 million, *i.e.* an equivalent figure to 2018.

This stability in cash flows generated by operating activities between 2018 and 2019 reflects a € 37 million increase in Operating Cash Flow offset by a similar-sized change in working capital requirement.

The components of the working capital requirement (WCR) by type are as follows:

(in millions of euros)	WCR at December 31, 2017	Change in WCR 2018	Other changes (1)	WCR at December 31, 2018	Change in WCR 2019	Other changes (1)	WCR at December 31, 2019
Inventories	351	39	(5)	385	(11)	27	401
Customers	408	8	(9)	407	(7)	17	417
Suppliers	(311)	(38)	10	(339)	24	(18)	(333)
Other receivables & payables	(56)	(4)	(6)	(66)	37	(64)	(92)
WCR	**392**	**5**	**(10)**	**387**	**43**	**(38)**	**393**

(1) Exchange rates, 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)	2019	2018
Investments in tangible and intangible fixed assets	(237)	(180)
Disposal of tangible and intangible fixed assets	14	14
Net investments in shares of consolidated companies	(323)	(23)
Other net financial investments	(31)	(24)
CASH FLOWS FROM INVESTING ACTIVITIES	**(577)**	**(213)**

Net cash flows from investing activities conducted by the Group in 2019 were -€ 577 million, compared with -€ 213 million in 2018.

5.3.2.2.1. Investment and disposal of tangible and intangible assets

These reflect outflows for industrial investments (€ 237 million in 2019 and € 180 million in 2018) mainly corresponding, in 2019 and 2018, to investments made in France, the United States, Senegal, Switzerland and India.

For further details, see section 5.4. "Investments" of this Universal Registration Document.

In 2019, 62% of these investments were made in the Cement business line (55% in 2018), 30% in the Concrete & Aggregates business line (33% in 2018) and the remaining 8% in the Other Products and Services business line (12% in 2018).

Disposals of tangible and intangible assets generated total cash inflows of € 14 million in 2019 and 2018.

5.3.2.2.2. Net investments in shares of consolidated companies

Acquisitions of consolidated companies carried out in 2019 resulted in a total outflow of -€ 323 million (-€ 23 million in 2018).

The main outflows by the Group during 2019 were mainly made to acquire a 66.07% majority interests in Ciplan in Brazil.

The main outflows by the Group in 2018 were to acquire the minority interests of a Senegalese subsidiary and invest in a joint venture to exploit a parcel of land in France.

5.3.2.2.3. Other net financial investments

Other net financial investments resulted in a net cash outflow of -€ 31 million in 2019 and -€ 24 million in 2018.

5.3.2.3. Net cash flows from financing activities

Net cash flows related to financing activities conducted by the Group in 2019 amounted to € 261 million, compared with -€ 117 million in 2018 restated in application of IFRS 16.

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: -€ 73 million in 2019 and 2018;
- the draw down on or the issue of, net of repayments, credit lines or borrowings taken out by the Group amounting to € 333 million in 2019 compared to (-€ 112 million in 2018) including payment of annual installments relating to IFRS 16 finance leases;
- the net inflow related to the disposal by the Company of its treasury shares: € 1 million in 2019 and € 68 million including the overall payment in 2018, net of taxes, of € 67 million received by Group subsidiaries, further to the capital reduction of the Soparfi holding company, a shareholder in Vicat SA, in November 2018.

5.3.3. Debt

At December 31, 2019, the Group presents a solid financial structure with:

- robust shareholders' equity (€ 2.6 billion), up by € 115 million;
- and net indebtedness of € 1,290 million at December 31, 2019, or € 1,052 million excluding the effect of IFRS 16, mainly due to the acquisition of Ciplan in January 2019 and the consolidation of its debt.

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 financial 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.

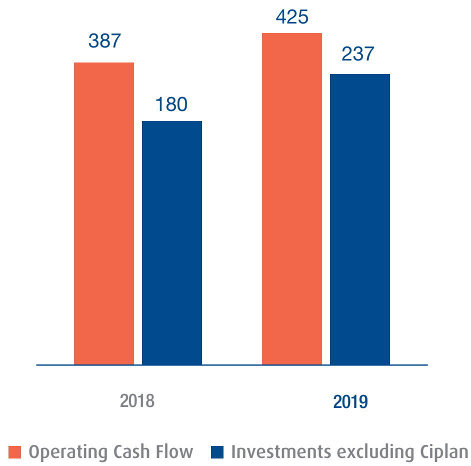
This policy should make it possible to finance industrial investments through cash flows from operations, available surplus financial resources being used by the Group to reduce its indebtedness, and financing in whole or in part external growth operations.

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 facilities are essentially carried by Vicat SA (74%), but some of the Group's foreign subsidiaries also have medium and long-term lines of credit or borrowings, most of them drawn down, to finance their investment programs. This is notably the case in the Turkey, Mali, Brazil, Mauritania, Switzerland, Egypt and Senegal.

THE GROUP'S OPERATING CASH FLOW AND INDUSTRIAL INVESTMENTS SPENT BETWEEN 2018 AND 2019
(in millions of euros)



As at December 31, 2019, the Group had the following confirmed financing facilities, used and/or available:

Type of facility at December 31, 2019	Borrower	Starting year	Currency	Authorization (in millions) currencies	Authorization (in millions) €	Utilization (€M)	Maturity	Rate type
US private placement	Vicat SA	2011	$	350.0	264.1	264.1	2020/22	FR
Schuldschein	Vicat SA	2019	€	125.5	125.5	125.5	2024/26	FR
Schuldschein	Vicat SA	2019	€	164.5	164.5	164.5	2024/26/29	VR
Total private placement lines					**554.1**	**554.1**		
Syndicated Loan	Vicat SA	2018	€	550.0	550.0	(1)	2025	VR
Bank bilateral lines	Vicat SA	2017	€	240.0	240.0	(1)	2024	VR
Total bank lines	**Vicat SA**		**€**	**790.0**	**790.0**	**585.0**		**VR**
Bank bilateral lines	Sococim	2019	CFAF	50,000.0	76.2	64.8	2020	FR
Medium-term loan	Sococim	2019	CFAF	16,000.0	24.4	7.7	2024	FR
Medium-term loan	Sococim	2019	CFAF	16,000.0	24.4	7.7	2024	FR
Bank loan	Sodevit	2018	CFAF	1,750.2	2.7	2.7	2020	FR
Bank loan	Sodevit	2018	CFAF	1,036.6	1.6	1.6	2020	FR
Bank bilateral lines	Sodevit	2019	CFAF	2,500.0	3.8	3.8	2020	VR
Bank bilateral lines	Gecamines	2019	CFAF	10,500.0	16.0	15.2	2020	VR
Medium-term loan	CMM	2019	CFAF	7,674.7	11.7	9.1	2020/2024	FR
Bank bilateral lines	SSC	2019	(EGP)	900.0	50.0	47.0	2020	VR
Syndicated loan	Vigier	2015	CHF	200.0	184.3	0.0	2020	VR
Bank loan	Vigier	2009	CHF	5.0	4.6	4.4	2020	FR
Bank bilateral lines	Bastas	2019	TRY	60.0	9.0	9.0	2020	FR
Bank loan	Ciplan		(BRL)	269.2	59.6	59.6	Until 2033	FR
Bank loan	Bank loan Mauricim	2018	(MRU)	160.0	3.8	3.8	2020 to 2023	FR
TOTAL SUBSIDIARIES' BORROWINGS OR BILATERAL LINES					**472.0**	**236.5**		
Fair value of derivatives						4.1		
Other liabilities						71.0		
TOTAL EXCLUDING IFRS 16						**1,450.7**		
IFRS 16						238.3		
TOTAL GROSS INDEBTEDNESS(2)						**1,688.9**		

(1) "Total bank lines" corresponds to all confirmed lines of credit, essentially for a duration of one or five years at the outset, which benefit the Company and of which the authorized total amount is €790 million. These lines of credit are used depending on the Company's financing requirements by draw down of notes and hedging the liquidity risk of the commercial paper program, bearing in mind that the total amount of draw downs and notes issued must not exceed the authorized total amount. At December 31, 2019, the whole of the €550 million syndicated loan had been used to cover commercial paper. €35 million of the bilateral lines had been drawn down as at December 31, 2019. Given the ability to substitute these lines of credit between one another, and the possible re-allotment of draw downs for the longest line, this information is presented as an overall amount.

(2) The amount of gross indebtedness used does not include the liability relating to put options (€7.51 million).

5.3.3.1.1. US private placement

The 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 maturities were repaid in 2017 for US$ 100 million and € 60 million. US$ 230 million remains at 10 years and US$ 120 million at 12 years.

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.

5.3.3.1.2. Schuldschein

During the year, 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.

5.3.3.1.3. Vicat SA bank lines

SYNDICATED LOAN

The five-year credit line, at a variable rate, was placed by the Company with a syndicate of five 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 draw down period. At December 31, 2019, € 550 million had been 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 six 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 draw down period.

At December 31, 2019, € 35 million of these lines had been used.

COMMERCIAL PAPERS

The Company has a program for issuing commercial papers amounting to € 550 million. At December 31, 2019, the amount of commercial papers issued stood at € 550 million. 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.

5.3.3.1.4. Subsidiaries' bank debt

SENEGAL

Sococim Industries has two lines of credit for CFAF 15 billion, and one for CFAF 20 billion, all originally having 12 month maturities. As at December 31, 2019, they were drawn down for a total amount of CFAF 42.5 billion.

Two bank bilateral lines of CFAF 16 billion each were put in place with local bankers in 2019. These five-year, fixed-rate lines, at December 31, 2019, have been drawn down for a total amount of CFAF 10.2 billion.

The Aggregates subsidiaries in Senegal have access to CFA Francs 10.5 billion in repayable bank lines, drawn down in an amount of CFA Francs 2.8 billion as at December 31, 2019.

Moreover, they are using the entire amount of the CFA Francs 10.5 billion provided via short-term lines granted by the banks..

MALI

In 2019 CMM subscribed for a loan of CFAF 8 billion amortizable over seven years. At December 31, 2019, CFAF 6 billion of this fixed-rate loan had been used.

SWITZERLAND

At the end of 2009, Vigier took out a fixed-rate loan of CHF 25 million, redeemable over ten years from 2010. As at December 31, 2019, the residual amount was CHF 4.6 million.

At the end of 2015, Vigier took out a syndicated loan of CHF 200 million from five banks, maturing in 2020. Interest is payable at the Swiss franc LIBOR rate for the draw down period.

At December 31, 2019, the line had not been used.

TURKEY

In 2019, financing lines were put in place in Turkey for an amount of 60 million Turkish lira (at Bastas Cimento). These were fully drawn down at December 31, 2019.

MAURITANIA

A line for 200 million Mauritanian Ouguiyas, repayable over five years, was set up in 2018 and was also drawn down in full. At December 31, 2019, the remaining amount is 160 million Mauritanian Ouguiyas.

BRAZIL

When Ciplan was acquired, an amortizable loan line with final maturity in 2037 and a residual amount of 269.3 million Brazilian reals at December 31, was assumed by the Vicat Group.

EGYPT

SCC has 900 million Egyptian pounds of bank loans renewable annually at variable rate. At December 31, 2019, 846 million Egyptian pounds of these lines had been used.

5.3.3.1.5. Credit risk hedged by the Group

As at December 31, 2019, the Group had a total of € 440 million in unused confirmed lines.

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, moreover, 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 at December 31, 2019, 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, 2019, gross indebtedness of the Group, excluding put options, was € 1,689 million compared with € 1,246 million at December 31, 2018 (restated). It is broken down by type as follows:

(in millions of euros)	2019	2018 restated	Change
Private placements	554	264	+109.8%
Bank borrowings	792	660	+20.0%
Lease liability	238	243	-2.0%
Other borrowings and financial debts	15	14	+8.7%
Current bank facilities and bank overdrafts	89	65	+36.9%
GROSS INDEBTEDNESS	**1,689**	**1,246**	**+35.5%**
of which less than one year	421	201	
of which more than one year	1,268	1,045	

17.2% of the gross financial indebtedness is constituted by the *Schuldschein* put in place by Vicat that year and 15.7% by the USPP of 2010, issued in dollars and euros. After converting the dollar-denominated portion of the loan into a synthetic loan in euros, the gross financial indebtedness is denominated almost 77% in euros.

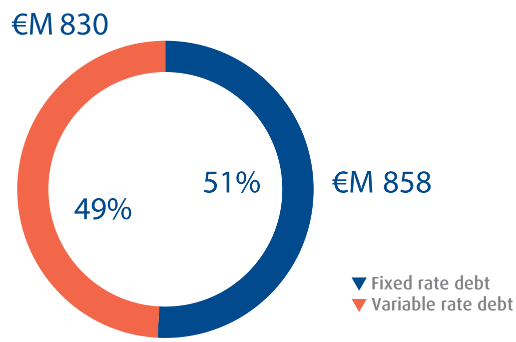
The structure of the Group's gross indebtedness as at December 31, 2019, by type of rate and maturity is as follows:

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, 2019, € 830 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 related to the variable-rate liability was limited by arranging cap agreements for Vicat SA, amounting to € 715 million and expiring in 2020, 2023, 2024, 2025 and 2029.

FIXED-RATE/VARIABLE RATE INDEBTEDNESS AT DECEMBER 31, 2019 *(in millions of euros)*



MATURITY

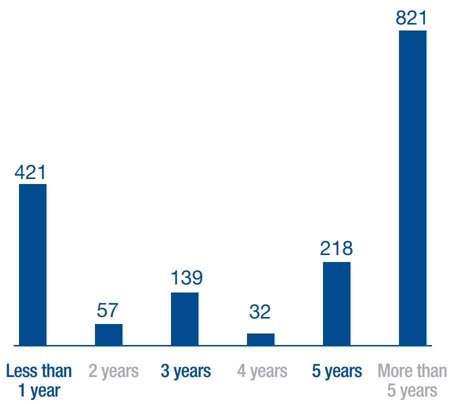
The average maturity at December 31, 2019 was 4.3 years.

Maturities for gross indebtedness excluding the impact of IFRS 9 are as follows:

- debt at less than one year is mainly debt maturing from the Vicat SA USPP (€ 173.4 million), repayments due on the Sococim loan in Senegal (€ 67.2 million), and miscellaneous short-term debts (€ 95 million) and lease liabilities (€ 59.9 million);
- in 2021, the repayments are mainly lease liabilities (€ 44.1 million);
- the due date for the last tranche of the Vicat SA USPP (€ 90.7 million) and the lease liabilities (€ 33.9 million) accounts for almost the entire 2022 maturity;
- in 2023, the repayments are mainly lease liabilities (€ 19.2 million);
- after 2023, the maturity of € 1,037.4 million concerns Vicat SA for € 875.0 million (*Schuldschein* € 290.0 million, a syndicated credit loan line € 550.0 million and bilateral lines € 35.0 million) as well as repayment of Ciplan's debt in Brazil for € 49.6 million and lease liabilities (€ 81.2 million).

See maturities schedule in note 16.1 to the consolidated financial statements.

MATURITIES SCHEDULE FOR GROSS INDEBTEDNESS AT DECEMBER 31, 2019 *(in millions of euros)*



5.3.3.3. Cash surplus

Cash and cash equivalents include cash at bank (€ 171.8 million as at December 31, 2019) and short-term investments maturing in less than three months and with no risk of a change in the value of the principal (€ 226.7 million as at December 31, 2019).

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)	2019	2018 restated	Change
Gross indebtedness	1,689	1,246	+35.5%
Cash and cash equivalents	399	315	+26.7%
NET INDEBTEDNESS	**1,290**	**932**	**+38.5%**

The gearing ratio was 49.7% at the end of 2019, compared with 37.6% at December 31, 2018.

The ratio of net financial indebtedness/EBITDA (leverage) was 2.45 at the end of 2019, compared with 1.89 at the end of 2018.

For the purposes of calculating these covenants, gearing and leverage are calculated excluding IFRS 16 and total 40.36% and 2.28, respectively.

Overall, the Group had a total amount of € 839 million corresponding to unused lines of financing (€ 440 million) and cash (€ 399 million) available to finance its growth in addition to Operating Cash Flow.

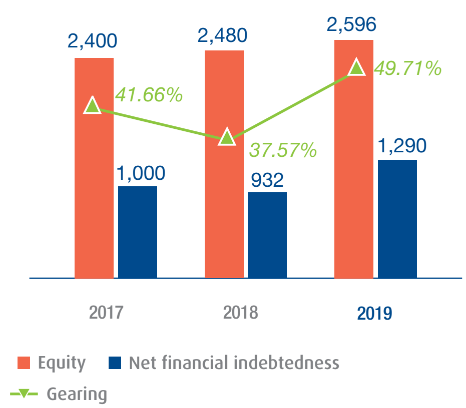
Following the acquisition of Ciplan, gearing and leverage ratios weakened slightly at December 31, 2019, but still give the Group a solid financial structure and substantial flexibility.

Previously, during active acquisition periods for the Group, the gearing ratio was between 50% and 70%. Its average over the last five years was 35.6%, excluding IFRS 16.

After a large-scale industrial investment program between 2006 and 2012, the Group took advantage of the generation of free cash flow to significantly improve its gearing and leverage ratios. This enabled it to kick start its external growth with the acquisition of Ciplan in Brazil in early 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.

NET INDEBTEDNESS AND SHAREHOLDERS' EQUITY BETWEEN 2017 AND 2019 *(in millions of euros)* AND GEARING RATIOS



5

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, 2019 and 2018:

(in millions of euros)	2019	2018
Contractual commitments for the acquisition of fixed assets	274.4	58.6
TOTAL	**274.4**	**58.6**

As at December 31, 2019, the off-balance sheet liabilities of the Group were € 274.4 million (€ 58.6 million as at December 31, 2018) and concerned contractual obligations relating to industrial investments. At end-December 2019, they are mainly composed of the Ragland, United States order for a new kiln (€221.3 million after deduction of the down-payment) as described in section 5.4.2 "Main investments in progress and planned" of this universal registration document. The remainder in both 2019 and 2018 concerns investments in improving and developing industrial sites 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 generally requires 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)	2019	2018 restated	2017 published
Cement	494	143	96
Concrete & Aggregates	109	128	109
Other income & Services	68	41	12
TOTAL	**671**	**312**	**217**
Of which financial investments	*379*	*51*	*29*

5.4.1.1. Main investments made in 2019

The total amount of industrial investments made in 2019 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.

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 onstream (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.

5.4.1.2. Main investments made in 2018

The total amount of industrial investments made in 2018 was € 260 million. These are shown below for each of the Group's main businesses. Financial investments increased to € 51 million in 2018. These mainly correspond to financing activities and new acquisitions aimed at bolstering the Group's presence in the Ready-mixed Concrete market in France and the Aggregates market in Senegal (by buying out minority interests in Gécamines SA).

Cement: € 134 million of industrial investments

- **France:** investments were geared towards maintaining production facilities at the highest standards of financial and environmental performance and included investment in a gasifier at the Créchy factory. Investments also include the renewal of the fleet of worksite vehicles;
- **United States:** in general, the investments made were intended to optimize the industrial and environmental performance of production sites;
- **Turkey:** the Group invested in projects aiming to increase the use of alternative fuels;
- **Switzerland:** the factory invested in projects to increase its capacity to use alternative fuels and materials;
- **India:** installation of a new cement storage and distribution site for the Mumbai market;
- **Mali:** construction of a cement mill continued.

Concrete & Aggregates: € 100 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;
- **Senegal:** the Group completed its increase in Aggregates processing capacity with the introduction of a third installation at its Diack site;
- **United States:** the construction of a new concrete batching plant in California was completed;
- **Switzerland:** the Group continued its strategy of investing in recycling centers, material treatment plants, landfills and renewing aggregates and landfills reserves.

Other Products and Services: € 26 million of industrial investments.

The investments made aimed to improve the productivity of activities in France. In Switzerland, investments focused on improving prefabrication methods with, in particular, a site dedicated to rail products and new product development.

5.4.2. Main investments in progress and planned

Investment in the United States

The Group ordered a new kiln for its Ragland site in Alabama. The US$ 260 million project will boost capacity to 1.8 million tonnes 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 € 300 million for the 2020 financial year of which one third is for the Ragland kiln project. The other main projects are the following:

- **France:** industrial investments will mainly ensure that production facilities remain in compliance with environmental rules and that production costs are optimized in all activities;
- **West Africa:** in Senegal, investment will focus on reducing electricity requirements as well as on building a photovoltaic power plant on the quarry site. These two projects should be in service in the second half of the year;
- **India:** investments will focus on the development of infrastructure to tap new markets and improve the Group's competitive position, particularly through the construction of a terminal in the south of the country, in addition to the Vizag project already referred to in 2019;
- **Egypt:** investments will optimize production and site maintenance costs.

5.5. Outlook for 2020

The forward-looking information provided below is based on data, assumptions and estimates considered reasonable in the opinion of the Group's management. These data, assumptions and estimates may evolve or change due to uncertainties, mainly related to the strong volatility of the economic, financial and competitive environment 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. Context

In 2020, the macroeconomic context is likely to continue to improve in most of the regions in which the Group is active, although certain emerging-market regions will continue to face an uncertain sector environment. Consumed energy prices are likely to continue to fall, given the evolution of worldwide prices and the Group's industrial strategy of replacing fossil fuels.

Against this background, the Group expects a further improvement in its EBITDA over the year as a whole.

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 challenges of climate change, growth prospects in its markets and expected levels of cash flow over the coming years, Vicat Group has taken the decision to increase its industrial investments from 2020, with notably:

- the construction of a new kiln in the USA at the Ragland plant (South-East), to replace the existing facility. Commissionning of this project is expected during 2022, for a total industrial investment of around US$ 260 million. The new kiln bring forward the plant's capacity to 1.8 million tonnes per year (from 1.2 million tonnes currently) and will use 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;
- and lastly, 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 € 300 million in 2020.

5.5.3. Regional details

In **France**, the first half will be affected by an unfavourable basis of comparison, given the very strong business levels seen in the same period of 2019 and the forthcoming local elections in March. The second half is likely to be more positive for business levels, against a price background that is likely to be well oriented throughout the year.

In **Europe (excluding France)**:

- In **Switzerland**, the macroeconomic environment is likely to improve very slightly and the Group anticipates a gradual improvement in volumes and selling prices in Cement, Concrete and Aggregates. Competition in the Precast business is likely to remain tough;

- In **Italy**, the Group's performance should benefit from a further improvement in the macroeconomic and sector background.

Americas region:

- In the **United States**, the macroeconomic and sector context should remain favourable. The Group expects an improvement in volumes, with a stronger increase in California than in the South-East, and a further rise in prices, albeit on a smaller scale than in recent years;
- In **Brazil**, a macroeconomic environment that is stabilising and the gradual effects of enhancements made to industrial facilities, the improvements in the Group's performances in the country are likely to be confirmed in 2020, supported by increases in volumes and selling prices.

Asia region:

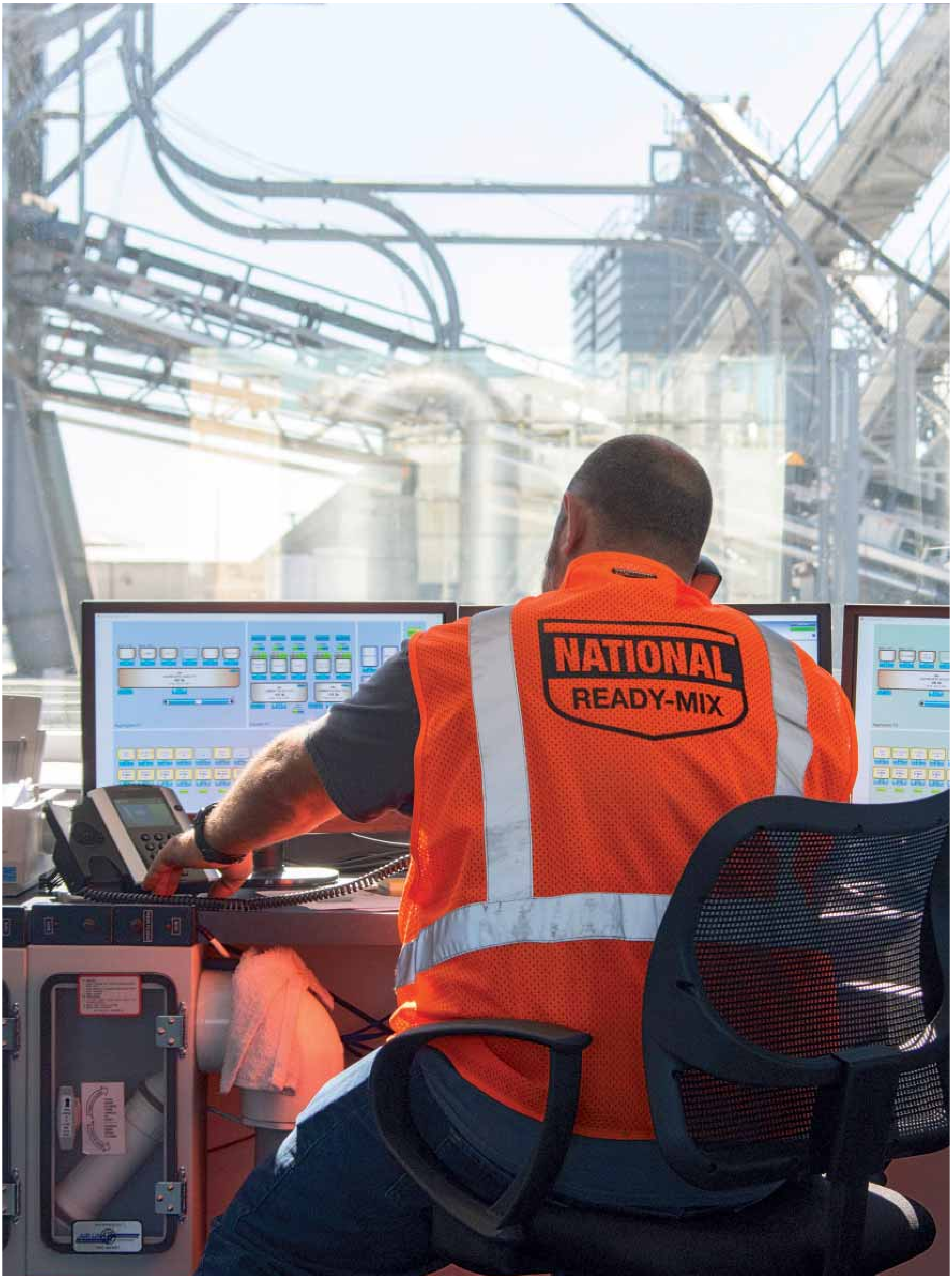
- In **India**, where the macroeconomic situation offers little short-term visibility, the Group will be flexible in its commercial approach whilst awaiting the first effects of government reforms, which should benefit the entire economy and the construction sector in particular. Cement consumption is likely to continue to grow in 2020, in a competitive environment that will remain testing. Therefore, selling prices are expected to increase slightly over the year but will remain highly volatile.
- In **Kazakhstan**, the 2019 performance constitutes a high basis of comparison in a context that should nevertheless remain favourable.

Mediterranean region:

- In **Turkey**, after a year that brought significant deterioration in the macroeconomic and sector environment following the devaluation of the Turkish lira in August 2018, the Group expects a stabilisation in the environment and its performances over the year as a whole;
- In **Egypt**, the security situation is likely to remain highly volatile and operating costs are expected to remain high. The Group has set itself the target of reducing its operating losses over the year.

In West Africa, the construction market is expected to grow, while the operating environment is likely to remain competitive. There will, however, be support from the price increases seen in late 2019. In this context and supported by the improvement in operating conditions at the Rufisque plant, the Group anticipates a positive trend in Cement volumes across the region as a whole, and expects selling prices to increase in Senegal. Business levels should also benefit over the year from the launch of the Group's new mill in Mali.

At the control center of the new concrete plant at Los Angeles (United States)



FINANCIAL INFORMATION

6

6.1. Consolidated financial statements at December 31, 2019

6.1.1 Consolidated financial statements as of December 31, 2019

Consolidated statement of financial position

(in thousands of euros)	*Notes*	December 31, 2019	December 31, 2018 restated [(a)]	January 1, 2018 restated [(a)]
ASSETS				
Non current assets				
Goodwill	3	1,231,538	1,006,753	1,006,987
Other intangible assets	4	187,046	118,316	117,959
Property, plant and equipment	5	2,031,781	1,806,040	1,837,759
Rights of use relating to leases	6	219,066	223,792	200,725
Investment properties	7	15,125	15,491	16,240
Investments in associated companies	8	85,212	53,044	40,696
Deferred tax assets	24	89,938	93,394	98,603
Receivables and other non-current financial assets	9	236,142	152,831	77,557
TOTAL NON-CURRENT ASSETS		4,095,848	3,469,661	3,396,526
Current assets				
Inventories and work-in-progress	10	401,551	385,133	351,303
Trade and other accounts	11	416,568	407,085	408,092
Current tax assets		72,811	42,215	45,001
Other receivables	11	192,776	142,745	174,251
Cash and cash equivalents	12	398,514	314,633	265,364
TOTAL CURRENT ASSETS		1,482,220	1,291,811	1,244,011
TOTAL ASSETS		**5,578,068**	**4,761,472**	**4,640,537**
LIABILITIES				
Shareholders' equity				
Share Capital	13	179,600	179,600	179,600
Additional paid in capital		11,207	11,207	11,207
Consolidated reserves		2,140,361	2,068,460	1,976,285
Shareholders' equity		**2,331,168**	**2,259,267**	**2,167,092**
Minority interests		**264,767**	**221,474**	**233,369**
TOTAL SHAREHOLDERS' EQUITY AND MINORITY INTERESTS		2,595,935	2,480,741	2,400,461
Non current liabilities				
Provisions for pensions and other post-employment benefits	14	141,235	118,344	115,084
Other provisions	15	140,243	70,757	70,703
Financial debts and put options	16	1,109,769	879,713	928,403
Lease liabilities	16	178,398	195,751	166,596
Deferred tax liabilities	24	253,194	181,392	182,291
Other non-current liabilities		52,072	5,410	1,398
TOTAL NON-CURRENT LIABILITIES		1,874,911	1,451,367	1,464,475
Current liabilities				
Provisions	15	10,635	9,604	8,738
Financial debts and put options at less than one year	16	391,594	152,813	138,499
Lease liabilities at less than one year	16	59,864	47,797	46,350
Trade and other accounts payable		354,652	358,753	328,450
Current taxes payable		49,162	38,273	41,188
Other liabilities	18	241,315	222,124	212,376
TOTAL CURRENT LIABILITIES		1,107,222	829,364	775,601
TOTAL LIABILITIES		2,982,133	2,280,731	2,240,076
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		**5,578,068**	**4,761,472**	**4,640,537**

(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.

Consolidated income statement

(in thousands of euros)	Notes	2019	2018 restated [(a)]
Sales revenues	19	**2,739,993**	**2,582,465**
Goods and services purchased		(1,710,592)	(1,644,858)
Added value	1.23	**1,029,401**	**937,607**
Personnel costs	20	(475,396)	(428,963)
Taxes		(64,592)	(59,431)
Gross Operating Income	1.23	**489,413**	**449,213**
Other operating income (expense)	22	36,718	43,105
EBITDA	1.23	**526,131**	**492,318**
Net charges to operating depreciation, amortization and provisions	21	(259,488)	(237,259)
EBIT	1.23	**266,643**	**255,059**
Other non-operating income (expense)	22	13,622	(7,407)
Net charges to non-operating depreciation, amortization and provisions	21	(19,206)	1,184
Operating income (expense)		**261,059**	**248,836**
Cost of net financial debt	23	(33,367)	(29,359)
Other financial income	23	12,577	20,024
Other financial expenses	23	(17,266)	(18,708)
Net financial income (expense)	23	**(38,056)**	**(28,043)**
Earnings from associated companies	8	5,096	3,737
Profit (loss) before tax		**228,099**	**224,530**
Income tax	24	(68,229)	(65,867)
Consolidated net income		**159,870**	**158,663**
Portion attributable to minority interests		**11,049**	**9,781**
Portion attributable to the Group		**148,821**	**148,882**
EARNINGS PER SHARE *(in euros)*			
Basic and diluted Group share of net earnings per share	13	3.31	**3.32**

(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.

Consolidated statement of comprehensive income

(in thousands of euros)	2019	2018 restated [(a)]
Consolidated net income	**159,870**	**158,663**
Other comprehensive income items		
Items not recycled to profit or loss:		
Remeasurement of the net defined benefit liability	(17,457)	6,289
Tax on non-recycled items	4,391	(1,613)
Items recycled to profit or loss:		
Net income from change in translation differences	(7,421)	(61,365)
Cash flow hedge instruments	11,305	759
Tax on recycled items	(2,919)	(197)
Other comprehensive income (after tax)	**(12,101)**	**(56,127)**
TOTAL COMPREHENSIVE INCOME	**147,769**	**102,536**
Portion attributable to minority interests	9,554	(2,454)
Portion attributable to the Group	**138,215**	**104,990**

(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.

Consolidated statement of cash flow

(in thousands of euros)	*Notes*	2019	2018 restated [a]
CASH FLOWS FROM OPERATING ACTIVITIES			
Consolidated net income		**159,870**	**158,663**
Earnings from associated companies		(5,096)	(3,737)
Dividends received from associated companies		1,486	2,492
Elimination of non cash and non-operating items:			
■ depreciation, amortization and provisions		284,347	233,671
■ deferred tax		5,852	4,720
■ net (gain) loss from disposal of assets		(4,639)	(8,582)
■ unrealized fair value gains and losses		(22)	353
■ other		(16,702)	(108)
Cash flows from operating activities	*1.23*	**425,096**	**387,472**
Change in working capital requirement		(42,789)	(5,394)
Net cash flows from operating activities [1]	*26*	**382,307**	**382,078**
CASH FLOWS FROM INVESTING ACTIVITIES			
Outflows linked to acquisitions of non-current assets:			
■ tangible and intangible assets		(237,484)	(180,224)
■ financial investments		(48,621)	(28,469)
Inflows linked to disposals of non-current assets:			
■ tangible and intangible assets		14,671	14,049
■ financial investments		17,361	3,939
Impact of changes in consolidation scope		(322,994)	(22,686)
Net cash flows from investing activities	*27*	**(577,067)**	**(213,391)**
CASH FLOWS FROM FINANCING ACTIVITIES			
Dividends paids		(73,458)	(72,976)
Increases/decreases in capital		500	
Proceeds from borrowings	*16*	428,933	114,838
Repayments of borrowings	*16*	(43,902)	(177,794)
Repayement of lease liabilities	*16*	(52,519)	(49,030)
Acquisitions of treasury shares		(7,502)	(927)
Disposals or allocations of treasury shares		8,927	68,876
Net cash flows from financing activities		**260,979**	**(117,013)**
Impact of changes in foreign exchange rates		486	(9,766)
Change in cash position		**66,705**	**41,908**
Net cash and cash equivalents - opening balance	*28*	261,969	220,058
Net cash and cash equivalents - closing balance	*28*	328,674	261,969

(1) – Including cash flows from income taxes: € (73.7) million in 2019 and € (56.9) million in 2018.
– Including cash flows from interest paid and received: € (22.3) million in 2019 including € (3.3) million for financial expenses on IFRS 16 leases and € (18.5) million in 2018 including € (2.5) million for interest expense on IFRS 16 leases.
(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.

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, 2018 PUBLISHED	179,600	11,207	(60,714)	2,406,371	(360,344)	2,176,120	233,442	2,409,562
IFRS 16 adjustments at January 1				**(9,028)**		**(9,028)**	**(72)**	**(9,100)**
AT JANUARY 1, 2018 RESTATED [a]	179,600	11,207	(60,714)	2,397,343	(360,344)	2,167,092	233,370	2,400,462
Restated net income				148,883		148,883	9,780	158,663
Other comprehensive income [1]				(3,888)	(40,004)	(43,892)	(12,234)	(56,126)
Total comprehensive income restated				**144,995**	**(40,004)**	**104,991**	**(2,454)**	**102,537**
Dividends paids				(66,180)		(66,180)	(6,765)	(72,945)
Net change in treasury shares			4,570	(3,397)		1,173		1,173
Changes in consolidation scope and additional acquisitions				(10,880)		(10,880)	(4,806)	(15,686)
Other changes [2]				63,071		63,071	2,129	65,200
AT DECEMBER 31, 2018 RESTATED [a]	179,600	11,207	(56,144)	2,524,952	(400,348)	2,259,267	221,474	2,480,741
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 paids				(66,434)		(66,434)	(7,030)	(73,464)
Net change in treasury shares			3,728	(1,707)		2,021		2,021
Changes in consolidation scope and additional acquisitions [3]				(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**

(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.
(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 gain, net of tax, of 67 million realized in connection with Soparfi capital reduction (see note 2).
(3) 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, 2019 and 2018:

(in thousands of euros)	December 31, 2019	December 31, 2018
US dollar	42,965	35,830
Swiss franc	202,323	178,128
Turkish new lira	(267,777)	(255,674)
Egyptian pound	(124,787)	(127,180)
Kazakh tengue	(89,672)	(83,317)
Mauritanian ouguiya	(8,676)	(7,399)
Brazilian real	(15,348)	-
Indian rupee	(144,871)	(140,736)
	(405,843)	**(400,348)**

6

6.1.2 Notes to the consolidated financial statements for 2019

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, 2019 for its accounting policies.

New accounting standards applicable from January 1, 2019

The accounting policies and methods applied in the consolidated financial statements as at December 31, 2019 are consistent with those applied for the 2018 annual financial statements with the exception of standards that must be applied for periods beginning January 1, 2019 and that the Group did not early adopt.

IFRS 16 "Leases"

The Group therefore implemented IFRS 16 "Leases" which is mandatory as of January 1, 2019, opting to apply the full retrospective method on the date of transition.

The main changes resulting from IFRS 16 are as follows:

- IFRS 16 replaces IAS 17 and the associated IFRIC and SIC interpretations, and eliminates the previous distinction made by lessees between "operating leases" and "finance leases". The Group has adopted the practical expedient which allow to keep the IAS 17 and IFRIC 4 analyses for the definition of a lease;
- a right of use asset is recognized in balance sheet at contract inception and over the lease term, in counterpart of a lease liability corresponding to the present value of future payments related to these contracts. The services component of the lease, and in particular the one related to transportation, was identified during the analysis and treated separately from the lease component, when it is identifiable and measurable;
- the lease term is the non-cancellable contractual period plus, when applicable, extension options considered reasonably certain to be exercised (extension options being exercised during the period or those for which the Group has a statistical track record of exercising). The recent IFRS IC conclusions confirming that the enforceable period must take into account potential economic penalty that is considered more than insignificant, was not assessed by the Group due to the short notice and will analyse potential impacts in 2020;
- the discount rate used to calculate the right-of-use asset and the lease liability is determined by country based on the lease's implicit interest rate or, failing that, the lessee's incremental borrowing rate at lease inception. 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;
- right-of-use assets are amortized over the shorter of the lease term and the useful life of the underlying asset. The Group applied the ANC's indicative position on 3/6/9 on commercial leases in France published on February 16, 2018 (which is likely to be reviewed in 2020 in light of the IFRS IC's recent conclusions above);
- lease payments are analyzed and recognized as a repayment of the lease liability and an interest expense based on this liability;
- the tax impact of the application of the new standard resulted in the recognition of deferred taxes;
- the Group used the exemptions provided in the standard allowing not to recognize in the face of the balance sheet leases with a term of 12 months or less, or those relating to low-value assets (value when new lower or equal to $ 5 thousand or equivalent). Similarly, the Group did not adopt the option offered by the standard of restating leases on intangible assets given the very limited number of contracts affected.

The new IFRS 16 accounting principles applicable to leases are described in note 1.9.

Due to the Group's decision to apply IFRS 16 on a full retrospective basis at the date of transition, the financial statements for the 2018 financial year provided for comparison purposes have been restated in accordance with IAS 8 "Accounting Policies, Changes in Accounting Estimates and Errors", in application of the new standard. Detailed impacts of the first application of IFRS 16 are provided in note 34.

IFRIC 23 "Uncertainty over Income Tax Treatments"

The Group has also applied IFRIC 23 "Uncertainty over Income Tax Treatments" from January 1, 2019, without restating comparative financial years. The implementation of this standard in 2019 had no significant impact for the Group's financial statements. This interpretation clarifies the application of IAS 12 "Income Tax" regarding the measurement and recognition of income tax risks, which inherently result from the uncertainty of a tax position that could be challenged by the tax authorities.

The other amendments (IAS 28 and IAS 19) and the annual improvements (2015-2017 cycle) had no impact on the Group's consolidated financial statements.

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, 2020 at the earliest or when they are adopted by the European Union. These standards were not therefore applied by the Group on December 31, 2019.

- amendments and interpretations not yet adopted by the European Union on December 31, 2019:
  - IFRS 3 "Business Combinations" and IAS 1 "Presentation of financial statements" and IAS 8 "Accounting methods, changes in accounting estimates and errors";
- amendments and interpretations adopted by the European Union at December 31, 2019:
  - IFRS 9, IAS 39 and IFRS 7 amendments (reform of interbank benchmark rates).

Other changes

Following the acquisition of Ciplan in Brazil, the organization of operational management has changed; consequently, the Group has reviewed and adapted accordingly the geographical structure of the internal reporting used by the General Management to monitor and measure the economic performance, and to allocate investments and resources, with the definition of six geographic areas. In addition to this change of the geographical organization, the matrix-based organization of the Group's businesses, its growing international footprint and the predominance of geographical aspects in the strategic analyses presented to the General Management have led to the geographic regions becoming the primary operational segments, replacing the activity-based focus used until the end of December 2018. The geographical focus is today what best enables the nature and financial impacts of the economic environments in which the Group operates to be assessed. However, additional information by business segment is given.

As of December 31, 2019, the Group has applied, in accordance with IAS 1 and IFRS 8, this new presentation of segment information, as disclosed in note 25, with restatement of the information presented for 2018.

These financial statements were finalized and approved by the Board of Directors at its meeting of February 12, 2020 and will be submitted to the shareholders General Meeting of April 3, 2020 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 (notes 1.15 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 (notes 1.21 and 24);
- perform the valuations adopted for impairment tests (notes 1.4, 1.11, 3 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.

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 the Group Vicat, directly or indirectly, are fully consolidated.

Joint ventures and associated companies

Joint ventures, which are jointly controlled and operated by a limited number of shareholders, and associated companies, investments over which Vicat exercises notable control are reported using the equity method. Any goodwill generated on the acquisition of these investments is presented in "Investments in associated companies".

The list of the main companies included in the consolidation scope as at December 31, 2019 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 so 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 translation differences 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, translation differences 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	
	Dec. 31, 2019	Dec. 31, 2018	2019	2018
US dollar (USD)	1.1234	1.1450	1.1196	1.1815
Swiss franc (CHF)	1.0854	1.1269	1.1126	1.1548
Egyptian pound (EGP)	17.9955	20.5498	18.7940	20.9957
Turkish lira (TRL)	6.6843	6.0588	6.3570	5.6994
Kazakh tengue (KZT)	428.2200	439.9100	428.5058	407.0333
Mauritanian ouguiya (MRU)	42.1843	41.8581	41.1253	42.0151
CFA franc (XOF)	655.9570	655.9570	655.9570	655.9570
Brazilian real (BRL)	4.5157	4.2853 (1)	4.4135	-
Indian rupee (INR)	80.1870	79.7298	78.8502	80.7273

(1) Rate on the Ciplan acquisition date.

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 amortization 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 amortized on a straight-line basis over their useful lives (generally not exceeding 15 years).

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 amortized on a straight-line basis over its respective useful life, starting at commissioning.

The main amortization periods are presented below depending on the assets category:

	Cement Assets	Concrete & Aggregates Assets
Civil engineering	15 to 30 years	15 years
Major installations	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 amortized 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 lease underlying asset is made available, as a right-of-use asset and a lease liability. The service component of the lease, and in particular the one related to transportation, is identified during the analysis and treated separately from the lease component. A contract is qualified as a lease as long as it gives to the lessee the right to control the use of an identified asset for a period of time in exchange for consideration.

The Group applies the following IFRS 16 exemptions which payments are not included in the lease liability and right to use measurement:

- payments related to short-term leases (below or equal to 12 months);
- payments related to leases of low value assets (less than USD 5 thousand or equivalent);
- payments related to the service component of the lease when it is identified 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 during the term of the lease.

The lease term is the non-cancellable contractual period plus, when 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 Group applied the ANC's indicative position on 3/6/9 commercial leases in France published on February 16, 2018 (which is likely to be reviewed in 2020 following the IFRS IC's recent conclusions as Indicated in note 1.1).

The rights of use related to leases initially include the lease liability, the initial direct costs, prepaid rents and any estimated costs of dismantling or restoring the assets provided in the contract, and exclude any service component. They are amortized 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 relating 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 as reasonably certain.

The discount rate used to calculate the right-of-use asset and the lease liability is based on the lease 's implicit interest rate or, failing that, the lessee's incremental borrowing rate at lease inception. This incremental borrowing rate takes into account several elements such as the currency and lease term, the lessee's economic context and its financial strength. 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 reassessed, with a corresponding right-of-use asset adjustment, if future lease payments are modified as a result of negotiation or when renewal or termination options are reassessed.

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.

The main leasing operations by the Group and the characteristics of the corresponding contracts are set out in note 6.

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 book values 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 cost 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 5 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.

Projected cash flows are discounted at the weighted average capital cost (WACC) before tax, in accordance with IAS 36 requirements. This calculation 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 intangible and tangible 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).

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 if 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 (wage inflation, mortality, employee turnover, etc.) 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 a use of resources without offset 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 whose maturities are longer than one year are discounted when the impact is significant. The effects of this discounting are recorded under net financial income.

1.19. Sales 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. Sales include transport and handling costs invoiced to customers.

The Group's sales are mainly goods and services forming a single performance obligation because the promise to supply the good or service 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, and certain charges relating to losses or claims.

1.21. Income tax

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 Group 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 Group Management, while complying with IFRS 8 disclosure requirements: operating and consolidated sales revenues, 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:

Added value: the value of production less the cost of goods and services purchased;

Gross operating income: added value 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.

Operating cash flow: net income before adjusting for non-cash items (mainly net depreciation, amortization and provisions expenses, deferred tax, gains or losses on asset disposals and changes in fair value).

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 sales 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, sales are 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

During this financial year, the Group's consolidated sales revenues grew across its three segments. There was as a very slight contraction in the Group's sales revenue at constant scope and exchange rates.

An analysis of trends by geographical region shows that the Group's activity improved significantly at constant consolidation scope and exchange rates in France, the United States, Kazakhstan and Italy.

In Europe (excluding France), the decline in activity in Switzerland was only partially offset by the improvement in Italy.

In India the strong contraction in volumes was only partially offset by a strong increase in selling prices in a context marked by national elections and an unpropitious financial environment.

In the Mediterranean region, business activity fell in Turkey for the financial year following the sharp devaluation in the Turkish lira in August 2018 and its impact on the macroeconomic and business segment environment. The Group's performance in Egypt deteriorated because of security constraints and a highly degraded competitive environment.

In West Africa, the increase in selling prices during the second six months of the year could not offset the fall in volumes due to production constraints in Senegal.

Lastly, the Group finalized the acquisition of Ciplan in Brazil in January 2019 in a macro-economic context which appears to be showing the first signs of improvement.

Exchange rate volatility and impact on the income statement

The Group's income statement for the 2019 financial year was significantly impacted by the increase of most foreign currencies against the euro, mainly the Indian rupee and the Swiss franc. This resulted in a positive exchange rate effect of € 30.8 million in the consolidated sales revenues and € 5.0 million in the EBITDA.

Consolidated shareholders' equity showed a negative translation adjustment in 2019 for a total net amount of € (7.2) million.

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 9 ready-mixed concrete plants and 5 quarries (including 2 aggregates quarries).

Ciplan's 2018 sales amounted to around € 140 million (around BRL 605 million), with more than 2 million tons of cement, over 1.9 million tons of aggregates sold and almost 420,000 cubic meters of concrete delivered. EBITDA was estimated to be around € 2 4 million in 2018 (around BRL104 million).

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.

Egypt

In spite of an operation launched more than one year, the Egyptian army has not yet succeeded in recovering total control of some parts of the Sinai. Nonetheless, commercial operations have resumed, and since October 2018 logistics flows have more or less returned to their prior situation.

However, these extraordinary events still had a significant impact on the subsidiary's business volumes in 2019, with the volumes sold only increasing by 1% compared to the previous year. They also occurred in a context where the cement industry has suffered from a lifeless market, which has also been disrupted by a cement player dependent on the State.

However, the Group believes, based on economic and operational indicators currently available, these events are not, at this stage, an indication of an enduring decrease in the asset value. Provided no further adverse geopolitical 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 from 2021. Renewed growth in cement consumption amid the upturn in Egypt's macroeconomic fortunes, with the replenishment of its currency reserves, a pick-up in foreign investment and tighter control of inflation 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 Sinai and the Gaza Strip.

To meet this challenge, the Group plans to invest in the production facility, which has been damaged by eight years in a difficult operating environment. To enable it to go ahead with investments to improve its productivity and control its costs, the Group launched an EGP680 million increase in share capital to strengthen the subsidiary's financial structure. The subscription period ended at the end of April 2018, and the increase in share capital was 95.5% subscribed, raising a total of EGP650 million. SCC held an Extraordinary General Meeting on June 25, 2018 to amend its by-laws and make arrangements to submit the finalized transaction for approval by the relevant authorities (EFSA, FATF and ADS). The funds provided by the shareholders will be released to the subsidiary, once these administrative approvals have been obtained, and the procedure for obtaining them is still in progress on the reporting date.

Group refinancing - *Schuldschein*

The Vicat Group successfully completed a € 290 million *Schuldscheindarlehen* 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 5-year, 7-year and 10-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 options allowing it to retain the initial 5-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.

Summary of significant events in 2018

Tax assessment in Senegal

A tax audit was launched in the 4th quarter of 2017 against Sococim Industries, a Senegalese subsidiary of the Group. A notification letter was issued in early February 2018 and received a favorable arbitration decision at the beginning of 2019.

Soparfi capital reduction

Further to the capital reduction of the Soparfi holding company, a shareholder in Vicat SA, carried out in November 2018, the Vicat Group's subsidiaries holding shares of Soparfi received a total payment of € 98 million.

The total capital gain, net of tax, of € 67 million recorded for this transaction was recognized in the 2018 Group's consolidated shareholders' equity.

NOTE 3 Goodwill

The change in the net goodwill is analyzed in the table below:

(in thousands of euros)	2019	2018
Opening	1,006,753	1,006,987
Acquisitions/Additions	232,841	2,139
Disposals/Decreases	(2,988)	(762)
Change in foreign exchange rates	(5,068)	(1,651)
Other movements	-	40
CLOSING	**1,231,538**	**1,006,753**

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.

Goodwill is distributed as follows by cash generating unit (CGU):

December 2019	Goodwill *(in thousands of euros)*	Discount rate 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	233,140	12.3	5.0		
West Africa Cement CGU	148,815	10.0 to 15.1	4.0 to 6.0		
France-Italy CGU	221,157	7.2	1.3		
Switzerland CGU	144,589	6.8	0.7		
Brazil CGU	206,192	13.1	3.5	(4,122)	
Other CGUs cumulated	277,645	8.4 to 19.3	3.0 to 11.5	(7,389)	(1,882)
TOTAL	**1,231,538**			**(11,511)**	**(1,882)**

The impairment tests carried out in 2019 and 2018 did not result in the recognition of any impairment of goodwill.

The tests on the sensitivity to a +1% variation in the discount rate conducted at the year-end, result in a recoverable value which is slightly below the net book value of three CGUs, with a comparable gap for each of them. The tests on the sensitivity to a variation of -1% of the growth rate to infinity result in a recoverable value to slightly below the net book value of a CGU.

Goodwill 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 9 ready-mixed concrete plants and 5 quarries (including 2 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 a strong growth outlook.

Over the period from January 21 to December 31, 2019, Ciplan contributed € 134.1 million to consolidated sales revenues, € 30.0 million to consolidated EBITDA and € 6.2 million to the Group Share of consolidated net income. The results for the period from January 1 to 21, 2019 are not material.

Acquisition-related expenses

The Group incurred acquisition-related expenses consisting of legal fees, due diligence costs and travel expenses, for an overall amount of € 2.2 million, recorded in "Goods and services purchased" in the consolidated income statement, including € 0.6 million for the 2019 financial year.

Identifiable assets acquired and liabilities assumed

The table below shows the amounts of assets acquired and liabilities assumed recognized at the acquisition date (in millions of euros):

Intangible & tangible assets	250
Inventories	26
Receivables	92
Cash and cash equivalent	3
Provisions	(53)
Financial debts	(75)
Deferred taxes	(74)
Other liabilities	(87)
TOTAL IDENTIFIABLE NET ASSETS ACQUIRED	**82**

Goodwill

The goodwill from the acquisition was calculated as follows (in millions of euros) using the partial goodwill method:

Total consideration transferred		299
■ Ciplan	295	
■ Brazilian holding & increase in capital expenses	4	
Fair value of identifiable net assets		82
GOODWILL		**217**

Goodwill mainly relates to the expected profitability of Ciplan, given the recovery prospects and strong growth potential of the Brazilian market, combined with high-performance production facilities underutilized in the current economic climate, plus leading know-how and technical expertise.

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, 2017	82,152	53,411	69,296	6,128	210,987
Acquisitions	110	1,569	2,028	4,617	8,324
Disposals		(662)			(662)
Changes in consolidation scope	60	19			79
Change in foreign exchange rates	(116)	182	776	166	1,008
Other movements	9	1,375	(269)	(173)	942
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 rates	(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**

Depreciation and impairment *(in thousands of euros)*	**Concessions, patents & similar rights**	**Software**	**Other intangible assets**	**Intangible assets in progress**	**Total**
AT DECEMBER 31, 2017	(22,482)	(33,442)	(37,104)	0	(93,028)
Increase	(1,789)	(5,093)	(3,195)		(10,077)
Decrease		598			598
Changes in consolidation scope		(19)			(19)
Change in foreign exchange rates	(31)	(171)	(100)		(302)
Other movements		466			466
AT DECEMBER 31, 2018	(24,302)	(37,661)	(40,399)	0	(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 rates	(456)	(251)	(708)		(1,415)
Other movements	(2,464)		4,557		2,093
AT DECEMBER 31, 2019	**(28,897)**	**(43,204)**	**(40,475)**	**0**	**(112,576)**
Net book value at December 31, 2018	57,913	18,233	31,432	10,738	118,316
NET BOOK VALUE AT DECEMBER 31, 2019	**102,786**	**19,230**	**48,652**	**16,378**	**187,046**

No development costs were capitalized in 2019 and 2018.

Research & development costs recognized as expenses in 2019 amounted to € 4.2 million (€ 4.2 million in 2018).

NOTE 5 Property, plant and equipment

Gross values *(in thousands of euros)*	**Lands & Buildings**	**Industrial equipment**	**Other property, plant and equipment**	**Fixed assets work-in-progress and advances/ down payments**	**Total**
AT DECEMBER 31, 2017	1,146,879	2,946,496	134,195	78,821	4,306,391
Acquisitions	11,843	38,204	8,833	120,634	179,514
Disposals	(5,678)	(18,479)	(7,305)		(31,462)
Changes in consolidation scope	36	1,483	893		2,412
Change in foreign exchange rates	(5,739)	(33,457)	1,097	226	(37,873)
Other movements	11,436	64,445	3,163	(77,962)	1,082
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 rates	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**

Depreciation and impairment *(in thousands of euros)*	Lands & Buildings	Industrial equipment	Other property, plant and equipment	Fixed assets work-in-progress and advances/ down payments	Total
AT DECEMBER 31, 2017	(518,269)	(1,850,759)	(99,579)	(25)	(2,468,632)
Increase	(33,632)	(124,911)	(8,378)		(166,921)
Decrease	1,475	17,037	6,814	19	25,345
Changes in consolidation scope	(3)	(909)	(534)		(1,446)
Change in foreign exchange rates	(2,760)	9,075	(764)	1	5,552
Other movements	1,980	(9,867)	(35)		(7,922)
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 rates	(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)**	**0**	**(2,794,550)**
Net book value at December 31, 2018	607,568	1,038,358	38,400	121,714	1,806,040
NET BOOK VALUE AT DECEMBER 31, 2019	**754,508**	**1,054,655**	**42,516**	**180,102**	**2,031,781**

Property, plant and equipment under construction amounted to € 161 million as at December 31, 2019 (€ 111 million as at December 31, 2018) and advances/down payments on property, plant and equipment represented € 19 million as at December 31, 2019 (€ 11 million as at December 31, 2018).

Contractual commitments to acquire tangible and intangible assets amounted to € 274 million as at December 31, 2019 (€ 59 million as at December 31, 2018).

The total amount of interest capitalized in 2019 was € 0.7 million at December 31, 2019 (€ 0.4 million in 2018), determined based on local interest rates ranging from 3.10% to 6.46%, depending on the country in question.

NOTE 6 Right of use relating to leases

Gross values *(in thousands of euros)*	Land	Buildings	Plant, machinery and equipment	Other property, plant and equipment	Total
AT JANUARY 1, 2018	62,258	62,655	133,329	59,794	318,036
Acquisitions	20,228	5,184	32,547	13,646	71,605
Disposals	(188)	(120)	(4,753)		(5,061)
Changes in consolidation scope					0
Change in foreign exchange rates	1,303	694	3,400	194	5,591
Other movements			(113)	(121)	(234)
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 rates	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**

Depreciation and impairment *(in thousands of euros)*	Land	Buildings	Plant, machinery and equipment	Other property, plant and equipment	Total
AT JANUARY 1, 2018	(16,543)	(29,064)	(48,197)	(23,507)	(117,311)
Acquisitions	(4,628)	(3,326)	(27,204)	(14,500)	(49,658)
Decrease	188	(191)	4,464		4,461
Changes in consolidation scope					0
Change in foreign exchange rates	(201)	(2,274)	(1,302)	(94)	(3,871)
Other movements			113	121	234
AT DECEMBER 31, 2018	(21,184)	(34,855)	(72,126)	(37,980)	(166,145)
Acquisitions	(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 rates	(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)**
Net book value at December 31, 2018	62,417	33,558	92,284	35,533	223,792
NET BOOK VALUE AT DECEMBER 31, 2019	**55,242**	**34,723**	**88,091**	**41,010**	**219,066**

Main leasing activities

As part of work performed at the end of December 2018 for the transition to IFRS 16, the Group identified more than 3,000 leases, of which more than 82% relate to vehicles (construction, road transportation and private cars), 10% to property (land and buildings), and the remainder to machinery and equipment, as well as computer and miscellaneous equipment.

Most of the leases in force at the transition date concern the Group's French entities and, to a lesser extent, the US, Swiss and Turkish companies. The other countries in which the Group operates have a non-material number of leases.

Property and transportation are accordingly the Group's two main leasing activities.

In fact, the Group leases land and buildings, mainly for its offices, concrete batching plants, quarries and warehouses. These leases, mostly concluded more than 10 years ago at the date of transition, were negotiated on an individual basis with very different terms and conditions. Their average term is approximately 20 years.

The Group also leases vehicles directly related to its operating activities, mainly transportation and construction vehicles.

Payments made for leases with a term of 12 months or less, or for those relating to low-value assets (value when new <$ 5 thousand or equivalent) and expenses related to variable lease payments that are not reliant on an rate and/or index are not material, and are not included in the measurement of lease liabilities.

An analysis of the maturities of the lease obligations is presented in note 16 "Net financial liabilities".

Due to the Group's decision to apply IFRS 16 on a full retrospective basis at the date of transition, the financial statements for the 2018 financial year provided for comparison purposes have been restated in accordance with IAS 8 "Accounting Policies, Changes in Accounting Estimates and Errors", in application of the new standard. Detailed impacts of the first application of IFRS 16 are provided in note 34.

NOTE 7 Investment properties

(in thousands of euros)	Gross value	Depreciation & Impairment	Net book value
AT DECEMBER 31, 2017	40,028	(23,788)	16,240
Acquisitions/Additions	291	(892)	(601)
Disposals/Decreases	(221)	30	(191)
Change in foreign exchange rates	430	(149)	281
Changes in consolidation scope and other	5	(243)	(238)
AT DECEMBER 31, 2018	40,533	(25,042)	15,491
Acquisitions/Additions	271	(933)	(662)
Disposals/Decreases	(242)	184	(58)
Change in foreign exchange rates	441	(159)	282
Changes in consolidation scope and other	75	(3)	72
AT DECEMBER 31, 2019	**41,078**	**(25,953)**	**15,125**
Fair value of investment properties at December 31, 2018			77,444
FAIR VALUE OF INVESTMENT PROPERTIES AT DECEMBER 31, 2019			**77,761**

Rental income from investment properties amounted to € 4.3 million at December 31, 2019 and € 4.3 million at December 31, 2018.

NOTE 8 Investments in associated companies

Change in investments in associated companies *(in thousands of euros)*	2019	2018
AT JANUARY 1	53,044	40,696
Earnings from associated companies	5,094	3,737
Dividends received from investments in associated companies	(1,486)	(2,492)
Changes in consolidation scope [(1)]	25,861	6,345
Change in foreign exchange rates and other	2,699	4,758
AT DECEMBER 31	**85,212**	**53,044**

(1) Change mainly associated with interests taken in Turkey, Brazil and France (see note 33).

6

NOTE 9 Receivables and other non current assets

(in thousands of euros)	Gross value	Impairment	Net book value
AT DECEMBER 31, 2017	**78,878**	**(1,321)**	**77,557**
Acquisitions/Additions	23,733	(470)	23,263
Disposals/Decreases	(3,498)		(3,498)
Changes in consolidation scope	(468)		(468)
Change in foreign exchange rates	2,377	(35)	2,342
Changes of other items in other comprehensive income	14,747		14,747
Others	38,889	(1)	38,888
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 rates	(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**
including:			
■ investments in subsidiaries & affiliates companies (see note 17)	23,583	(878)	22,705
■ receivable from subsidiaries and affiliates	541	(21)	520
■ loans and receivables [(1)]	195,513	(1,510)	194,003
■ employee benefit plan assets (see note 14)	5,810		5,810
■ financial instrument (see note 16)	13,104		13,104
AT DECEMBER 31, 2019	**238,551**	**(2,409)**	**236,142**

(1) *Ciplan:*
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 (€ 66 million) for the same amount as provisions for indemnifying claims (see note 15).

Bharathi Cement:
On December 31, 2019, 35 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 initially) on a bank account held by Bharathi Cement. A second precautionary seizure of INR 1,530 million (approximately € 19 million initially) 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).

NOTE 10 Inventories and work in progress

(in thousands of euros)	December 31, 2019			December 31, 2018		
	Gross	Provisions	Net	Gross	Provisions	Net
Raw materials and consumables	302,524	(26,750)	275,774	284,229	(23,177)	261,052
Work-in-progress, finished goods and goods for resale	131,990	(6,213)	125,777	130,995	(6,914)	124,081
TOTAL	**434,514**	**(32,963)**	**401,551**	**415,224**	**(30,091)**	**385,133**

Surplus greenhouse gas emission quotas are recorded under inventories at a zero value (corresponding to 4,757 thousand tonnes at year-end 2019 and 4,467 thousand tonnes at year-end 2018).

NOTE 11 Receivables

(in thousands of euros)	Trade and other receivables	Provisions Trade and other receivables	Trade and other receivables Net	Other Receivables tax	Receivables Payroll -related	Other Receivables (1)	Provisions other receivables	Total Other Receivables Net
AT DECEMBER 31, 2017	429,098	(21,006)	408,092	57,975	3,439	116,268	(3,431)	174,251
Increase		(9,001)	(9,001)				(24)	(24)
Reversal of provisions used		5,125	5,125				696	696
Change in foreign exchange rates	(11,433)	602	(10,831)	(1,744)	67	727	112	(838)
Changes in consolidation scope	1,400		1,400	4	2	4,729		4,735
Other movements	12,298	2	12,300	793	534	(37,402)		(36,075)
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 rates	(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**
of which past due as at December 31, 2019:								
▪ less than 3 months	58,914	(3,011)	55,903	2,472	1,878	9,350	0	13,700
▪ more than 3 months	34,348	(18,979)	15,369	13,217	1,387	16,291	(214)	30,681
of which not past due as at December 31, 2019:								
▪ less than 1 year	347,704	(3,865)	343,839	33,853	793	84,327	0	118,973
▪ more than 1 year	3,025	(1,568)	1,457	22,498	100	9,302	(2,478)	29,422

(1) Including on December 31, 2019 a total of € 16.5 million 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.
On December 31, 2018, a receivable of nearly € 35 million against one of the Group's Indian companies, Bharathi Cement, was restated in "other non-current assets" (see note 9).

6

NOTE 12 Cash and cash equivalents

(in thousands of euros)	December 31, 2019	December 31, 2018
Cash	171,841	141,291
Marketable securities and term deposits <3 months	226,673	173,342
CASH AND CASH EQUIVALENTS	**398,514**	**314,633**

Cash deposits include, at December 31, 2019, € 36 million (€ 31 million at the end of 2018) 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 (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 652,682 treasury shares as at December 31, 2019 (674,391 as at December 31, 2018) acquired under the share buy-back 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 2019 in respect of 2018 amounted to € 1.50 per share, amounted to a total of € 67,350 thousand, equal to € 1.50 per share paid in 2018 in respect of 2017 and amounted to a total of € 67,350 thousand. The dividend proposed by the Board of Directors to the Ordinary General Meeting for 2019 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, 2019, the liquidity account is composed of 30,823 Vicat shares and € 1,624 thousand in cash.

In October 2019, Vicat and Natixis entered into an agreement under which it instructed Natixis to buy back a maximum of 40,000 shares, on Vicat's behalf, as part of its share buyback program. As at December 31, 2019, 35,481 Vicat shares had been repurchased for € 1,363 thousand in total.

NOTE 14 Employee benefits

(in thousands of euros)	December 31, 2019	December 31, 2018
Pension plans and termination benefits (TB)	65,309	57,753
Other benefits	75,926	60,591
Total pension and other post-employment benefit provisions	**141,235**	**118,344**
Plan assets (note 9)	(5,810)	(7,221)
NET LIABILITY	**135,425**	**111,123**

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.

Net liability recognized in the balance sheet

(in thousands of euros)	December 31, 2019			December 31, 2018		
	Pension plans and TB	Other benefits	Total	Pension plans and TB	Other benefits	Total
Present value of funded liabilities	505,838	75,926	581,764	445,752	59,780	505,532
Fair value of plan assets	(446,339)		(446,339)	(400,913)		(400,913)
Net liability before asset limit	**59,499**	**75,926**	**135,425**	**44,839**	**59,780**	**104,619**
Limit on recognition of plan assets (asset ceiling)			0	6,504		6,504
NET LIABILITY	**59,499**	**75,926**	**135,425**	**51,343**	**59,780**	**111,123**

Analysis of net annual expense

(in thousands of euros)	2019			2018		
	Pension plans and TB	Other benefits	Total	Pension plans and TB	Other benefits	Total
Current service costs	(11,857)	(1,877)	(13,734)	(11,751)	(1,286)	(13,037)
Financial cost	(7,826)	(2,796)	(10,622)	(5,845)	(2,113)	(7,958)
Interest income on assets	5,859		5,859	4,157		4,157
Recognized past service costs	(906)	(129)	(1,035)	122		122
Curtailments and settlements			0	(94)		(94)
TOTAL CHARGE WITH INCOME STATEMENT IMPACT	(14,730)	(4,802)	(19,532)	(13,411)	(3,399)	(16,810)
Actuarial gains and losses on plan assets	36,404		36,404	(13,508)		(13,508)
Experience adjustments	(234)	(1,041)	(1,275)	(2,430)	1,200	(1,230)
Adjustments related to demographic assumptions	7,859	434	8,293	521	(8,091)	(7,570)
Adjustments related to financial assumptions	(50,856)	(10,023)	(60,879)	20,710	7,888	28,598
TOTAL CHARGE WITH IMPACT ON OTHER COMPREHENSIVE INCOME	(6,827)	(10,630)	(17,457)	5,293	997	6,290
TOTAL CHARGE FOR THE YEAR	**(21,557)**	**(15,432)**	**(36,989)**	**(8,118)**	**(2,402)**	**(10,520)**

Change in financial assets used to fund the plans

(in thousands of euros)	2019			2018		
	Pension plans and TB	Other benefits	Total	Pension plans and TB	Other benefits	Total
FAIR VALUE OF ASSETS AT JANUARY 1	400,913	0	400,913	396,639	0	396,639
Interest income on assets	5,665		5,665	4,157		4,157
Contributions paid in	15,777		15,777	14,722		14,722
Translation differences	15,055		15,055	15,248		15,248
Benefits paid	(20,815)		(20,815)	(16,833)		(16,833)
Changes in consolidation scope and other			0	756		756
Actuarial gains (losses)	29,744		29,744	(13,776)		(13,776)
FAIR VALUE OF ASSETS AT DECEMBER 31	**446,339**	**0**	**446,339**	**400,913**	**0**	**400,913**

Analysis of plan assets by type and country at December 31, 2019

Breakdown of plan assets	France	Switzerland	United States	India	Total
Cash and cash equivalents		2.6%	1.1%		2.4%
Equity instruments		27.3%	41.4%		28.7%
Debt instruments		27.2%	30.7%		27.5%
Real estate assets		26.3%			23.4%
Assets held by insurers	100.0%	3.9%		100.0%	3.7%
Other		12.7%	26.8%		14.3%
TOTAL	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**
PLAN ASSETS *(in thousands of euros)*	**143**	**396,541**	**48,615**	**1,040**	**446,339**

Change in net liability

	2019			2018		
(in thousands of euros)	Pension plans and TB	Other benefits	Total	Pension plans and TB	Other benefits	Total
NET LIABILITY AT JANUARY 1	51,343	59,780	111,123	53,680	56,597	110,277
Charge for the year	21,557	15,432	36,989	8,118	2,402	10,520
Contributions paid in	(10,005)		(10,005)	(9,232)		(9,232)
Translation differences	7	1,098	1,105	(286)	2,699	2,413
Benefits paid by employer	(2,559)	(2,179)	(4,738)	(1,213)	(1,920)	(3,133)
Changes in consolidation scope	166		166	291		291
Other	(1,010)	1,795	785	(15)	2	(13)
NET LIABILITY AT DECEMBER 31	**59,499**	**75,926**	**135,425**	**51,343**	**59,780**	**111,123**

Principal actuarial assumptions	France	Europe (excluding France)	United States	Turkey and India	West Africa & the Middle East
Discount rate					
2019	0.5%	0.15% to 0.5%	3.5%	6.8% to 13.2%	4.5% to 14.0%
2018	1.5%	1.1% to 1.5%	4.5%	8.4% to 17.2%	4.5% to 13.0%
Rate of increase in medical costs					
2019			7.1% to 4.5%		
2018			7.0% 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 2019 corresponding to a variation of +/-50 basis points in the discount rate is € (37.2) million and € 42.2 million, respectively.

The sensitivity of the defined benefit obligation at the end of 2019 corresponding to a change of +/-1% in the rate of increase of medical costs is € 1.2 million and € (0.9) million, respectively.

Average duration of benefits

The average duration of benefits under all plans within the Group is 14 years.

It is expected that € 15.8 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, 2017	47,592	1,543	25,459	4,847	79,440
Increase	4,150	173	6,279	1,718	12,320
Reversal of provisions used	(3,246)	(778)	(7,291)	(1,598)	(12,913)
Reversal of unused provisions			(490)		(490)
Change in foreign exchange rates	1,127	46	369	102	1,644
Changes in consolidation scope		43	137		180
Other movements	(5)		(1)	186	180
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 rates	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**
of which less than one year	*0*	*0*	*7,363*	*3,273*	*10,635*
of which more than one year	*51,420*	*565*	*84,227*	*4,032*	*140,243*

Impact (net of expenses incurred) in the 2019 income statement *(in thousands of euros)*	Additional expense	Reversals unused
Operating income	11,987	(42)
Non-operating income	22,932	

(1) At December 31, 2019, other risks included:
- *the provisions recognized in Ciplan's (Brazil) financial statements for a total amount of € 66 million (€ 53 million at the acquisition date) 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 (€ 61.9 million),*
  - *industrial relations and labor tribunal disputes following the departure of former employees (€ 2.7 million),*
  - *civil litigation involving fines and claims challenged by the company (€ 0.8 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 (€ 66 million) for the same amount as provisions for indemnifying claims (note 9);
- *an amount of € 11.6 million (€ 10.6 million as at December 31, 2018) mainly corresponding to the estimated amount of the deductible at year-end relating to claims in the United States in the context of work-related accidents and which will be expensed by the Group;*
- *the remaining amount of other provisions amounting to € 14 million as at December 31, 2019 (€ 12.4 million as at December 31, 2018) corresponds to the sum of other provisions that, taken individually, are not material.*

NOTE 16 Net financial debts and put options

Financial liabilities as at December 31, 2019 break down as follows:

(in thousands of euros)	December 31, 2019	December 31, 2018 restated
Financial debts at more than one year	1,102,263	875,594
Put options at more than one year	7,506	4,119
Lease liabilities at more than one year	178,398	195,751
Debts and put options at more than one year	**1,288,167**	**1,075,464**
Financial instrument assets at more than one year - see note 9 - (1)	(13,105)	(25,537)
TOTAL FINANCIAL DEBTS NET OF FINANCIAL INSTRUMENT ASSETS AT MORE THAN ONE YEAR	**1,275,062**	**1,049,927**
Financial debts at less than one year	391,594	152,813
Put options at less than one year	0	0
Lease liabilities at less than one year	59,864	47,797
Debts and put options at less than one year	**451,458**	**200,610**
Financial instrument assets at less than one year (1)	(30,072)	0
TOTAL FINANCIAL DEBTS NET OF FINANCIAL INSTRUMENT ASSETS AT LESS THAN ONE YEAR	**421,386**	**200,610**
Total financial debts net of financial instrument assets (1)	1,688,942	1,246,418
Total put options	7,506	4,119
TOTAL FINANCIAL LIABILITIES NET OF FINANCIAL INSTRUMENT ASSETS	**1,696,448**	**1,250,537**

(1) As at December 31, 2019, financial instrument assets (€ 43.2 million) are presented either under non-current assets (see note 9), if their maturity is more than 1 year (€ 13.1 million) or under other receivables, if their maturity is less than one year (€ 30.1 million). They totaled € 25.5 million as at December 31, 2018.

The change, by type of net financial debts and put options, breaks down as follows:

(in thousands of euros)	Financial debts and put options >1 year	Financial instruments assets >1 year	Lease liabilities >1 year	Financial debts and put options <1 year	Financial instruments assets <1 year	Lease liabilities <1 year	Total
AS AT DECEMBER 31, 2017 RESTATED	**928,403**	**(10,790)**	**166,779**	**138,499**	**(232)**	**46,350**	**1,269,009**
Issues	93,380		67,297	20,712		5,941	187,330
Repayments	(155,560)		(3,083)	(17,213)		(47,133)	(222,989)
Change in foreign exchange rate	1,615		3,670	(126)		533	5,692
Changes in consolidation scope							0
Other movements (1)	11,875	(14,747)	(38,912)	10,941	232	42,106	11,495
AS AT DECEMBER 31, 2018 RESTATED	**879,713**	**(25,537)**	**195,751**	**152,813**	**0**	**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**

(1) Mainly reclassifications to less than 1 year of debt dated more than 1 year last year, and changes in bank overdrafts.

16.1. Financial debts

Analysis of financial liabilities by category and maturity

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 DEBTS	**1,688,942**	**421,386**	**57,211**	**139,207**	**32,083**	**217,989**	**821,066**
of which commercial paper	*550,000*						*550,000*

Financial liabilities at less than one year mainly comprise VICAT's USPP maturity in France, bilateral credit lines relating to Sococim Industries in Senegal, IFRS 16 debts and bank overdrafts.

December 31, 2018 restated *(in thousands of euros)*	Total	2019	2020	2021	2022	2023	More than 5 years
Bank borrowings and financial liabilities	924,379	83,894	238,367	5,552	102,156	5,185	489,225
Of which financial instrument assets	*(25,537)*		*(19,275)*		*(6,262)*		
Of which financial instrument liabilities	*1,564*	*303*	*721*			*540*	
Miscellaneous borrowings and financial liabilities	13,478	3,906	1,490	4,026	174	268	3,614
Lease liabilities	243,548	47,797	51,846	33,505	27,122	14,056	69,222
Current bank lines and overdrafts	65,013	65,013					
FINANCIAL DEBTS	**1,246,618**	**200,610**	**291,703**	**43,083**	**129,452**	**19,509**	**562,061**
of which commercial paper	*489,000*						*489,000*

Analysis of borrowings and financial debts by currency and interest rate

By currency (net of currency swaps)

(in thousands of euros)	December 31, 2019	December 31, 2018 restated
Euro	1,105,500	789,561
US dollar	71,945	79,375
Turkish new lira	10,966	14,830
CFA Franc	115,419	86,581
Swiss franc	238,578	204,754
Mauritanian ouguiya	8,159	13,314
Egyptian pound	47,022	31,959
Indian rupee	27,986	25,970
Kazakh Tengue	103	74
Brazilian real	63,264	-
TOTAL	**1,688,942**	**1,246,418**

By interest rate

(in thousands of euros)	December 31, 2019	December 31 restated
Fixed rate	858,512	665,995
Floating rate	830,430	580,423
TOTAL	**1,688,942**	**1,246,418**

The average interest rate on the Group's gross indebtedness at December 31, 2019 is 3.36%. Without taking into account the application of IFRS 16, it would be 3.16% compared with 2.77% as at December 31, 2018.

Average debt maturity at December 31, 2019 is 4.3 years. Without taking into account the application of IFRS 16, it would be 4.1 compared to 3.5 at the end of 2018.

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 € 7.5 million at more than one year as at December 31, 2019 (€ 4.1 million as at December 31, 2018). This liability corresponds to the present value of the exercise price of the option granted to the International Finance Corporation.

NOTE 17 Financial instruments

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, 2019:

(in millions of euros)	US dollar (USD)	EUR	Swiss franc (CHF)
Assets	20	56	221
Liabilities and contracted commitments	(376)	(81)	(44)
Net position before risk management	**(356)**	**(24)**	**177**
Hedging instruments	370	0	(220)
Net position after risk management	**14**	**(24)**	**(43)**

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, € 0.42 million (including € 0.40 million for the Kazakhstan loan).

Moreover the principal and interest due on loans originally issued by the Group in US dollars (US$ 350 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 5, 7 and 10 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 earnings 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	(9,539)	(4,087)
Impact of a change of -100 bps in the interest rate	4,009	65

(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, 2019, the Group had € 440 million in unutilized confirmed lines of credit that were not allocated to the hedging of liquidity risk on commercial paper (€ 468 million as at December 31, 2018).

The Group also has a € 550 million commercial paper issue program. At December 31, 2019, 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, 2019.

Some medium-term or long-term loan agreements contain specific covenants especially as regards 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 (49.71%) and leverage (2.45) 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, 2019, the Group is compliant with all ratios required by covenants included in financing agreements.

For the purposes of calculating these covenants, gearing and leverage are calculated excluding IFRS 16 and total of 40.36% and 2.28.

Analysis of the portfolio of derivatives as at December 31, 2019:

				Current maturity		
(in thousands of currencies)	Nominal value *(currency)*	Nominal value *(euro)*	Market value *(euro)*	<1 year *(euro)*	1 - 5 years *(euro)*	+5 years *(euro)*
CASH FLOW HEDGES (a)						
Composite instruments						
■ Cross Currency Swap $ fixed/€ fixed	$ 350,000	311,554	42,572 (1)	29,467	13,105	
OTHER DERIVATIVES						
Interest rate instruments						
■ Euro Caps	€ 714,500	714,500	(2,000)	(309)	(1,325)	(366)
FOREIGN EXCHANGE INSTRUMENTS (a)						
Hedging for foreign exchange risk on intra-group loans						
■ Forward Sales CHF	CHF 220,000	202,690	605			
TOTAL			**41,177**			

(1) The difference between the value of the liability at the hedged rate and at amortized cost comes to € 47.4 million.

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 IFRS7, 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, 2019:

(in millions of euros)	December 31, 2019	
Level 1: instruments quoted on an active market	0.0	
Level 2: valuation based on observable market information	41.2	see above
Level 3: valuation based on non-observable market information	22.7	Note 9

NOTE 18 Other liabilities

(in thousands of euros)	December 31, 2019	December 31, 2019 restated
Payroll liabilities	72,648	67,709
Tax liabilities	49,783	38,181
Other liabilities and accruals	118,884	116,234
TOTAL	**241,315**	**222,124**

NOTE 19 Sales revenues

(in thousands of euros)	2019	2018
Sales of goods	2,379,686	2,241,714
Sales of services	360,307	340,751
SALES REVENUES	**2,739,993**	**2,582,465**

Change in sales revenues on a like-for-like basis

(in thousands of euros)	Dec. 31, 2019	Changes in consolidation scope	Change in foreign exchange rates	Dec. 31, 2019 Constant scope and exchange rates	Dec. 31, 2018
Sales revenues	2,739,993	147,846	30,786	2,561,361	2,582,465

NOTE 20 Personnel costs and workforce

(in thousands of euros)	2019	2018
Wages and salaries	345,338	313,787
Payroll taxes	125,048	110,756
Employee profit sharing (French companies)	5,010	4,420
PERSONNEL COSTS	**475,396**	**428,963**
Average number of employees of the consolidated companies	9,858	8,684

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)	2019	2018 restated
Net charges to amortization/ depreciation of fixed assets	(201,525)	(177,862)
Net charges to depreciation of lease right-of-use assets	(57,575)	(51,981)
Net provisions expenses	1,207	(728)
Net charges to other assets depreciation	(1,595)	(6,688)
NET CHARGES TO OPERATING DEPRECIATION, AMORTIZATION AND PROVISIONS	**(259,488)**	**(237,259)**
Other net charges to non-operating depreciation, amortization and provisions (1)	(19,206)	1,184
NET DEPRECIATION, AMORTIZATION AND PROVISIONS	**(278,694)**	**(236,075)**

(1) Including at December 31, 2019 an additional provision in Ciplan's accounts of € 16.3 million for indemnifiable disputes provisioned for the 2019 financial year and relating to the period before Vicat's acquisition, and for which Ciplan received a firm and irrevocable guarantee from its Brazilian partners (note 9). The corresponding guarantee income has been recognized as of December 31, 2019 (note 22).

NOTE 22 Other income and expenses

(in thousands of euros)	2019	2018
Net income from disposal of assets	4,115	8,636
Income from investments properties	4,279	4,266
Others (1)	28,324	30,203
Other operating income (expense)	**36,718**	**43,105**
Other non-operating income and expenses (2)	**13,622**	**(7,407)**
TOTAL	**50,340**	**35,698**

(1) Including on December 31, 2019 a total of € 11.8 million corresponding to a tax credit for a sales tax (PIS COFIN) contested by our Brazilian subsidiary which obtained a favorable final judgment in the courts in the second half of 2019. Including at December 31, 2018, € 10.9 million corresponding to an indemnity granted to our American subsidiary, National Cement Company, under a transactional settlement in relation to a business loss prejudice prior to 2018. This indemnity is being paid over 4 years, and the first payment was made at the start of July 2018.

(2) Including, on December 31, 2019 guarantee income, recognized by Ciplan, of € 16.3 million corresponding to indemnifiable disputes provisioned in 2019 for the period before the acquisition by Vicat (note 9 and 21).

NOTE 23 Financial income

(in thousands of euros)	2019	2018 restated
Interest income from financing and cash management activities	27,395	20,781
Interest expense from financing and cash management activities	(49,778)	(41,368)
Interest expense from lease liabilities	(10,984)	(8,772)
Cost of net borrowings and financial liabilities	**(33,367)**	**(29,359)**
Dividends	1,269	2,202
Foreign exchange gains	10,732	17,336
Fair value adjustments to financial assets and liabilities	22	-
Write-back of impairment of financial assets	6	464
Net expense from disposal of financial assets	524	-
Other income	24	22
Other financial income	**12,577**	**20,024**
Foreign exchange losses	(10,661)	(12,789)
Fair value adjustments to financial assets and liabilities	-	(353)
Impairment on financial assets	(1,722)	(677)
Net expense from disposal of financial assets	-	(54)
Discounting expenses	(4,883)	(4,835)
Other expenses	-	
Other financial expenses	**(17,266)**	**(18,708)**
NET FINANCIAL INCOME (EXPENSE)	**(38,056)**	**(28,043)**

NOTE 24 Income tax

Analysis of income tax expense:

(in thousands of euros)	2019	2018 restated
Current taxes	(62,377)	(61,147)
Deferred taxes	(5,852)	(4,720)
TOTAL	**(68,229)**	**(65,867)**

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)	2019	2018 Restated
Net earnings from consolidated companies	154,773	154,926
Income tax	68,229	65,867
Profit (loss) before tax	223,002	220,793
Theoretical tax rate	34.4%	34.4%
Theoretical income tax expense at the parent company rate	**(76,780)**	**(76,019)**
Reconciliation:		
Differences between French and foreign tax rates (1)	13,419	13,220
Transactions taxed at specific rates	29	(4,233)
Changes in tax rates	5,276	(204)
Permanent differences	(7,886)	(1,063)
Tax credits	505	-
Others	(2,792)	2,432
EFFECTIVE TAX EXPENSE	**(68,229)**	**(65,867)**

(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)	December 31, 2019	December 31, 2018 restated	December 31, 2019	December 31, 2018 restated
DEFERRED TAX AT JANUARY 1	**93,393**	**98,603**	**181,392**	**182,291**
Expense/income for the year	(15,722)	1,692	(9,870)	6,413
Deferred tax recognized in other comprehensive income	3,024	(1,003)	1,552	807
Changes in consolidation scope	761		74,491	148
Reclassification	6,175	(8,693)	6,175	(8,693)
Translation and other changes	2,307	2,794	(546)	426
DEFERRED TAX AT DECEMBER 31	**89,938**	**93,393**	**253,194**	**181,392**

Analysis of net deferred tax (expense)/income by principal category of timing difference

(in thousands of euros)	2019	2018 restated
Net assets and right of use	5,300	(3,193)
Financial instruments	(1,983)	(90)
Pensions and other post-employment benefits	5,269	(415)
Accelerated depreciation, regulated provisions and other provisions	8,621	2,395
Other timing differences, tax loss carry-forwards and miscellaneous	(21,587)	(5,228)
NET DEFERRED TAX INCOME/(EXPENSE)	**(4,380)**	**(6,531)**
■ recognized in consolidated net income	*(5,852)*	*(4,720)*
■ recognized in other comprehensive income	*1,472*	*(1,811)*

Source of deferred tax assets and liabilities

(in thousands of euros)	December 31, 2019	December 31, 2018 restated
Net assets and right of use	201,426	154,434
Financial instruments	15,575	(4,030)
Pensions and other post-employment benefits	(35,209)	(29,521)
Accelerated depreciation, regulated provisions and other provisions	10,005	29,654
Other timing differences, tax loss carry-forwards and miscellaneous	(28,541)	(62,538)
Net deferred tax liabilities	**163,256**	**87,999**
Deferred tax assets [(1)]	(89,938)	(93,393)
Deferred tax liabilities	253,194	181,392
NET BALANCE	**163,256**	**87,999**

(1) Deferred tax assets are mainly originate from the tax losses carried forward by subsidiaries based in the United States and India where the limitation period extends from 2028 to 2037 and 2022 to 2024 respectively for the time-limited portion, with the balance usable indefinitely (36 million of deferred tax assets from tax losses carried forward are therefore usable indefinitely). Based on the subsidiaries' operational forecasts, tax losses carried forward which are subject to a time limitation should be used within a period of 3 to 5 years.

Deferred tax assets not recognized in the financial statements

Deferred tax assets not recognized in the financial statements as at December 31, 2019, owing either to their planned imputation during the exemption periods enjoyed by the entities concerned or to the probability of their not being recovered, amounted to € 9.8 million (€ 8.2 million as at December 31, 2018).

Tax assessment in Senegal

A tax audit was launched in the 4th quarter of 2017 against Sococim Industries, a Senegalese subsidiary of the Group. A notification letter was issued in early February 2018 and a favorable arbitrage has been issued at the beginning of 2019 with no material impact on the Group's tax expense.

NOTE 25 Segment information

a) Information by geographical segment

Information relating to geographical areas is presented according to the geographical location of the entities concerned.

December 31, 2019 *(in thousands of euros except number of employees)*	France	Europe (outside France)	Americas	Asia	Mediterranean	Africa	Total
Income statement							
Operating sales revenues	1,008,475	401,410	588,862	374,628	171,313	219,801	2,764,489
Inter-country eliminations	(21,320)	(508)	0	(49)	0	(2,619)	(24,496)
Consolidated net sales revenues	987,155	400,902	588,862	374,579	171,313	217,182	2,739,993
EBITDA (*cf.* 1.23)	182,422	96,464	115,435	88,678	(4,169)	47,301	526,131
EBIT (*cf.* 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 intangible and tangible 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

December 31, 2018 restated (including IFRS 16) *(in thousands of euros except number of employees)*	France	Europe (outside France)	Americas	Asia	Mediterranean	Africa	Total
Income statement							
Operating sales revenues	966,562	390,596	404,263	399,097	203,638	237,088	2,601,244
Inter-country eliminations	(16,606)	(420)	0	(49)	0	(1,704)	(18,779)
Consolidated net sales revenues	949,956	390,176	404,263	399,048	203,638	235,384	2,582,465
EBITDA (*cf.* 1.23)	175,335	95,952	83,447	76,591	15,752	45,241	492,318
EBIT (*cf.* 1.23)	93,630	60,986	45,950	42,207	(2,526)	14,812	255,059
Balance sheet							
Total non-current assets	781,288	598,397	513,831	791,397	322,162	462,586	3,469,661
Net capital employed (1)	788,205	565,373	438,051	801,442	332,447	496,268	3,421,786
Other information							
Acquisitions of intangible and tangible assets	87,848	43,186	44,157	37,692	12,351	34,541	259,775
Net depreciation and amortization charges	(80,261)	(34,829)	(37,992)	(32,311)	(16,703)	(27,751)	(229,847)
Average number of employees	2,845	1,091	1,155	1,247	1,494	852	8,684

(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, 2019 *(in thousands of euros)*	**Cement**	**Concrete & Aggregates**	**Other Products and Services**	**Total**
Income statement				
Operating sales revenues	1,571,132	1,096,614	431,370	3,099,116
Inter-segment eliminations	(251,664)	(21,049)	(86,410)	(359,123)
Consolidated net sales revenues	1,319,468	1,075,565	344,960	2,739,993
EBITDA (*cf.* 1.23)	373,129	129,868	23,134	526,131
EBIT (*cf.* 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

December 31, 2018 restated (including IFRS 16) *(in thousands of euros)*	**Cement**	**Concrete & Aggregates**	**Other Products and Services**	**Total**
Income statement				
Operating sales revenues	1,485,748	1,010,167	431,793	2,927,708
Inter-segment eliminations	(233,538)	(19,932)	(91,773)	(345,243)
Consolidated net sales revenues	1,252,210	990,235	340,020	2,582,465
EBITDA (*cf.* 1.23)	344,973	123,776	23,569	492,318
EBIT (*cf.* 1.23)	203,796	44,753	6,510	255,059
Balance sheet				
Net capital employed (1)	2,388,760	886,005	147,021	3,421,786

(1) Net capital employed corresponds to the sum of non-current assets, assets and liabilities held for sale, and working capitalrequirement, 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 sales revenues.

NOTE 26 Net cash flows generated from operating activities

Net cash flows from operating activities conducted by the Group in 2019 totaled € 382 million, i.e. an equivalent figure to 2018.

This stability in cash flows generated by operating activities between 2018 and 2019 is the result of an increase in operating cash flows of € 37 million which was offset by a deterioration of the same amount in the change in working capital requirement.

The components of the working capital requirement (WCR) by category are as follows:

(in thousands of euros)	WCR at Dec. 31, 2017	Change in WCR 2018	Others Changes (1)	WCR at Dec. 31, 2018	Change in WCR 2019	Others Changes (1)	WCR at Dec. 31, 2019
Inventories	351,303	39,491	(5,661)	385,133	(11,418)	27,836	401,551
Other WCR components	40,967	(34,097)	(4,134)	2,736	54,207	(65,513)	(8,570)
WCR	**392,270**	**5,394**	**(9,795)**	**387,869**	**42,789**	**(37,677)**	**392,981**

(1) Consolidation scope and miscellaneous.

NOTE 27 Net cash flows from investing activities

Net cash flows from investing activities conducted by the Group in 2019 were € (577) million, compared with € (213) million in 2018.

Acquisitions of intangible and tangible assets

These reflect outflows for industrial investments (€ 237 million in 2019 and € 180 million in 2018) mainly corresponding, in 2019 and 2018, to investments made in France, the United States, Senegal, Switzerland, and India.

Acquisition/disposal of shares in consolidated companies

Operations for the acquisition/disposal of consolidated companies carried out in 2019 resulted in a total outflow of € (323) million (total outflow of € (23) million in 2018).

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).

The main disbursements made by the Group in 2018 were to acquire the minority interests of a Senegalese subsidiary and to invest in a joint venture to exploit a parcel of land in France.

NOTE 28 Analysis of net cash balances

	December 31, 2019	December 31, 2018
(in thousands of euros)	Net	Net
Cash and cash equivalents (see note 12)	398,514	314,633
Bank overdrafts	(69,840)	(52,665)
NET CASH BALANCES	**328,674**	**261,968**

NOTE 29 Compensation of executive directors

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 2019 was as follows: G. Sidos: € 1,047,697 and D. Petetin: € 401,610.

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 (€ 3,966 thousand in 2019 and € 2,647 thousand in 2018, and € 2,465 thousand in 2017) were posted as provisions in the financial statements, in the same manner as all of the Group's postemployment benefits at the end of 2019 (note 1.15.).

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 for the periods presented 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 2019 and 2018 is as follows, broken down by type and by related party:

	December 31, 2019				December 31, 2018			
(in thousands of euros)	Sales	Purchases	Receivables	Debts	Sales	Purchases	Receivables	Debts
Affiliated companies	5,678	2,880	3,754	3,553	1,765	2,452	1,546	2,250
Other related parties	76	1,246	0	270	70	1,274	0	311
TOTAL	**5,754**	**4,126**	**3,754**	**3,823**	**1,835**	**3,726**	**1,546**	**2,561**

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 2019 are as follows:

	KPMG Audit		Wolff & associes		Other	
December 2019 *(in thousands of euros)*	Amount (excl. tax)	%	Amount (excl. tax)	%	Amount (excl. tax)	%
AUDIT						
Certification of individual and consolidated financial statements	1,163	42%	438	16%	1,147	42%
▪ VICAT SA	362	60%	238	40%		0%
▪ Controlled entities	801	37%	200	9%	1,147	53%
SUB-TOTAL, AUDIT FEES	1,163	42%	438	16%	1,147	42%
OTHER SERVICES						
Legal, tax, employment and other matters	52	100%		0%		0%
SUB-TOTAL, OTHER SERVICES	52	100%	0	0%	0	0%
TOTAL	**1,215**	**43%**	**438**	**16%**	**1,147**	**41%**

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, 2019

Fully consolidated: France

COMPANY	COUNTRY	CITY	December 31, 2019 % interest	December 31, 2018 % interest
VICAT	FRANCE	PARIS LA DEFENSE	-	-
AGENCY BULK CHARTERING VICAT	FRANCE	NANTES	49.99	-
ANNECY BETON CARRIERES	FRANCE	CRAN GEVRIER	49.98	49.98
LES ATELIERS DU GRANIER	FRANCE	PONTCHARRA	99.98	99.98
BETON CONTROLE COTE D'AZUR	FRANCE	NICE	99.97	99.97
BETON VICAT	FRANCE	L'ISLE D'ABEAU	99.98	99.98
BETON TRAVAUX	FRANCE	L'ISLE D'ABEAU	99.98	99.98
CARRIERE DE BELLECOMBES	FRANCE	BELLECOMBE EN BAUGES	49.97	49.95
CENTRE D'ETUDE DES MATERIAUX	FRANCE	FILLINGES	79.98	-
DELTA POMPAGE	FRANCE	CHAMBERY	99.98	99.98
GRANULATS VICAT	FRANCE	L'ISLE D'ABEAU	99.98	99.98
PARFICIM	FRANCE	PARIS LA DEFENSE	100.00	100.00
SATMA	FRANCE	L'ISLE D'ABEAU	100.00	100.00
SATM	FRANCE	CHAMBERY	99.98	99.98
SIGMA BETON	FRANCE	L'ISLE D'ABEAU	99.98	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, 2019 % interest	December 31, 2018 % interest
CIPLAN	BRAZIL	BRASILIA	66.07	-
SINAI 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 & MATERIAUX DU MALI	MALI	BAMAKO	94.90	94.90
GECAMINES	SENEGAL	THIES	100.00	100.00

COMPANY	COUNTRY	CITY	December 31, 2019	December 31, 2018
			% interest	
POSTOUDIOKOUL	SENEGAL	RUFISQUE (DAKAR)	100.00	100.00
SOCOCIM INDUSTRIES	SENEGAL	RUFISQUE (DAKAR)	99.90	99.90
SODEVIT	SENEGAL	BANDIA	100.00	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 (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)	78.67	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
STEINBRUCH VORBERG AG	SWITZERLAND	BIEL (BERN)	-	60.00
VIGIER BETON JURA SA	SWITZERLAND	BELPRAHON (BERN)	82.59	81.42
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)	91.76	90.47
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
BASTAS BASKENT CIMENTO	TURKEY	ANKARA	91.60	91.58
BASTAS HAZIR BETON	TURKEY	ANKARA	91.60	91.58
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, 2019 % interest	December 31, 2018 % interest
CARRIERES BRESSE BOURGOGNE	FRANCE	EPERVANS	33.27	33.27
DRAGAGES ET CARRIERES	FRANCE	EPERVANS	49.98	49.98
SABLIERES DU CENTRE	FRANCE	LES MARTRES D'ARTIERE	49.99	49.99
SCI ABBE CALES	FRANCE	CHAMBERY	69.98	69.98
EST LYONNAIS GRANULATS	FRANCE	DIJON	33.33	-

Equity method: Rest of the world

COMPANY	COUNTRY	CITY	December 31, 2019 % interest	December 31, 2018 % interest
HYDROELECTRA	SWITZERLAND	AU (ST. GALLEN)	50.00	50.00
SILO TRANSPORT AG	SWITZERLAND	BERN (BERN)	50.00	50.00
SINAÏ WHITE CEMENT	EGYPT	CAIRO	14.27	14.27
PLANALTO	BRAZIL	BRASILIA	32.38	-
BIKILTAS ENERJI PETROL MADENCILIK INSAAT AS	TURKEY	SELCUKLU/KONYA	50.00	-

NOTE 34 IFRS 16 Impacts

This note summarizes the main impacts of the first application of IFRS 16 on shareholders' equity as at January 1, 2018 and on the 2018 annual consolidated financial statements.

34.1. Consolidated statement of financial position: from published to restated

Consolidated statement of financial position

(in thousands of euros)	01/01/2018 restated	Impacts IFRS 16	1/1/2018 published	12/31/2018 restated	Impacts IFRS 16	12/31/2018 published
ASSETS						
Non current assets						
Goodwill	1,006,987		1,006,987	1,006,753		1,006,753
Other intangible assets	117,959		117,959	118,316		118,316
Rights of use relating to leases	200,725	200,725	-	223,792	223,792	-
Property, plant and equipment	1,837,759		1,837,759	1,806,040		1,806,040
Investment properties	16,240		16,240	15,491		15,491
Investments in associated companies	40,696		40,696	53,044		53,044
Deferred tax assets	98,603	2,970	95,633	93,394	3,848	89,546
Receivables and other non-current financial assets	77,557		77,557	152,831		152,831
TOTAL NON-CURRENT ASSETS	3,396,526	203,695	3,192,831	3,469,661	227,640	3,242,021
Current assets						
Inventories and work-in-progress	351,303		351,303	385,133		385,133
Trade and other accounts	408,092		408,092	407,085		407,085
Current tax assets	45,001		45,001	42,215		42,215
Other receivables	174,251		174,251	142,745	(59)	142,804
Cash and cash equivalents	265,364		265,364	314,633		314,633
TOTAL CURRENT ASSETS	1,244,011	0	1,244,011	1,291,811	(59)	1,291,870
TOTAL ASSETS	**4,640,537**	**203,695**	**4,436,842**	**4,761,472**	**227,581**	**4,533,891**
LIABILITIES						
Shareholders' equity						
Share capital	179,600		179,600	179,600		179,600
Additional paid in capital	11,207		11,207	11,207		11,207
Consolidated reserves	1,976,285	(9,028)	1,985,313	2,068,460	(11,671)	2,080,131
Shareholders' equity	**2,167,092**	**(9,028)**	**2,176,120**	**2,259,267**	**(11,671)**	**2,270,938**
Minority interests	**233,369**	**(73)**	**233,442**	**221,474**	**(26)**	**221,500**
TOTAL SHAREHOLDERS' EQUITY AND MINORITY INTERESTS	2,400,461	(9,101)	2,409,562	2,480,741	(11,697)	2,492,438
Non-current liabilities						
Provisions for pensions and other post employment benefit	115,084		115,084	118,344		118,344
Other provisions	70,703		70,703	70,757		70,757
Financial debts and put options	928,403		928,403	879,713	(2,631)	882,344
Lease liabilities	166,596	166,596	-	195,751	195,751	-
Deferred tax liabilities	182,291	(150)	182,441	181,392	(210)	181,602
Other non-current liabilities	1,398		1,398	5,410	135	5,275
TOTAL NON-CURRENT LIABILITIES	1,464,475	166,446	1,298,029	1,451,367	193,045	1,258,322
Current liabilities						
Provisions	8,738		8,738	9,604		9,604
Financial debts and put options at less than one year	138,499		138,499	152,813	(748)	153,561
Lease liabilities at less than one year	46,350	46,350	-	47,797	47,797	-
Trade and other accounts payable	328,450		328,450	358,753	(441)	359,194
Current taxes payable	41,188		41,188	38,273		38,273
Other liabilities	212,376		212,376	222,124	(375)	222,499
TOTAL CURRENT LIABILITIES	775,601	46,350	729,251	829,364	46,233	783,131
TOTAL LIABILITIES	2,240,076	212,796	2,027,280	2,280,731	239,278	2,041,453
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	**4,640,537**	**203,695**	**4,436,842**	**4,761,472**	**227,581**	**4,533,891**

34.2. Consolidated income statement: from published to restated

Consolidated income statement

(in thousands of euros)	2018 restated	Impacts IFRS 16	2018 published
Sales revenues	**2,582,465**		**2,582,465**
Goods and services purchased	(1,644,858)	57,802	(1,702,660)
Added value	**937,607**	**57,802**	**879,805**
Personnel costs	(428,963)		(428,963)
Taxes	(59,431)		(59,431)
Gross Operating Income	**449,213**	**57,802**	**391,411**
Depreciation, amortization and provisions	(236,075)	(51,981)	(184,094)
Other operating income (expense)	35,698		35,698
Operating income (expense)	**248,836**	**5,821**	**243,015**
Cost of net financial debt	(29,359)	(8,772)	(20,587)
Other financial income	20,024		20,024
Other financial expenses	(18,708)		(18,708)
Net financial income (expense)	**(28,043)**	**(8,772)**	**(19,271)**
Earnings from associated companies	3,737		3,737
Profit (loss) before tax	**224,530**	**(2,951)**	**227,481**
Income tax	(65,867)	790	(66,657)
Consolidated net income	**158,663**	**(2,161)**	**160,824**
Portion attributable to minority interests	9,781	52	9,729
Portion attributable to the Group	**148,882**	**(2,213)**	**151,095**
EBITDA	**492,318**	**57,802**	**434,516**
EBIT	**255,059**	**5,821**	**249,238**
Cash flow from operations	**387,476**	**49,034**	**338,442**
EARNINGS PER SHARE *(in euros)*			
Basic and diluted Group share of net earnings per share	3.32	(0.05)	3.37

34.3. Consolidated statement of comprehensive income: from published to restated

Consolidated statement of comprehensive income

(in thousands of euros)	2018 restated	Impacts IFRS 16	2018 published
Consolidated net income	**158,663**	**(2,161)**	**160,824**
Other comprehensive income			
Items not recycled to profit or loss:			
Remeasurement of the net defined benefit liability	(6,289)		6,289
Tax on non-recycled items	(1,613)		(1,613)
Items recycled to profit or loss:			
Translation differences	(61,365)	(437)	(60,928)
Cash flow hedge instruments	759		759
Tax on recycled items	(197)		(197)
Other comprehensive income (after tax)	**(56,127)**	**(437)**	**(55,690)**
TOTAL COMPREHENSIVE INCOME	**102,536**	**(2,598)**	**105,134**
Portion attributable to minority interests	(2,454)	46	(2,500)
Portion attributable to the Group	**104,990**	**(2,644)**	**107,634**

34.4. Consolidated statement of cash flow: from published to restated

Consolidated statement of cash flow

(in thousands of euros)	2018 restated	Impacts IFRS 16	2018 published
CASH FLOWS FROM OPERATING ACTIVITIES			
Consolidated net income	**158,663**	**(2,161)**	**160,824**
Earnings from associated companies	(3,737)		(3,737)
Dividends received from associated companies	2,492		2,492
Elimination of non cash and non-operating items:	**0**		
■ Depreciation, amortization and provisions	233,671	51,981	181,690
■ Deferred tax	4,720	(790)	5,510
■ Net (gain) loss from disposal of assets	(8,582)		(8,582)
■ Unrealized fair value gains and losses	353		353
■ Other	(108)		(108)
Cash flows from operating activities	**387,472**	**49,030**	**338,442**
Change in working capital requirement	(5,394)		(5,394)
Net cash flows from operating activities	**382,078**	**49,030**	**333,048**
CASH FLOWS FROM INVESTING ACTIVITIES			
Outflows linked to acquisitions of non-current assets:			
■ tangible and intangible assets	(180,224)		(180,224)
■ financial investments	(28,469)		(28,469)
Inflows linked to disposals of non-current assets:			
■ tangible and intangible assets	14,049		14,049
■ financial investments	3,939		3,939
Impact of changes in consolidation scope	(22,686)		(22,686)
Net cash flows from investing activities	**(213,391)**	**0**	**(213,391)**
CASH FLOWS FROM FINANCING ACTIVITIES			
Dividends paids	(72,976)		(72,976)
Increases in share capital	0		
Proceeds from borrowings	114,838		114,838
Repayments of borrowings	(226,824)	(49,030)	(177,794)
Repayments of lease liabilities	0		0
Acquisitions of treasury shares	(927)		(927)
Disposals or allocations of treasury shares	**68,876**		68,876
Net cash flows from financing activities	(117,013)	**(49,030)**	**(67,983)**
Impact of changes in foreign exchange rates	**(9,766)**		(9,766)
Change in cash position	41,908	**0**	**41,908**
Net cash and cash equivalents - opening balance	220,058		220,058
Net cash and cash equivalents - closing balance	261,969		261,969

6

34.5. Consolidated statement of changes in consolidated equity: from published to restated

Statement of changes in consolidated shareholders' equity

(in thousands of euros)	capital	Additional paid-in capital	Treasury shares	Consolidated reserves	Translation reserves	Shareholders' equity	Minority interests	Total Shareholders' equity
AT JANUARY 1, 2018 PUBLISHED	179,600	11,207	(60,714)	2,406,371	(360,344)	2,176,120	233,442	2,409,562
Restatements IFRS 16 1/01/2018				(9,028)		(9,028)	(72)	(9,100)
AT JANUARY 1, 2018 RESTATED	179,600	11,207	(60,714)	2,397,343	(360,344)	2,167,092	233,370	2,400,462
Consolidated net income				151,095		151,095	9,729	160,824
IFRS 16 restatements of total comprehensive income				(2,212)		(2,212)	51	(2,161)
Other comprehensive income				(3,888)	(39,573)	(43,461)	(12,229)	(55,690)
Restatements IFRS 16 on the other comprehensive income					(431)	(431)	(5)	(436)
Total comprehensive income				**147,207**	**(39,573)**	**107,634**	**(2,500)**	**105,134**
Restatements IFRS 16 on the total comprehensive income				(2,212)	(431)	(2,643)	46	(2,597)
Total comprehensive income restated				**144,995**	**(40,004)**	**104,991**	**(2,454)**	**102,537**
Dividends paid				(66,180)		(66,180)	(6,765)	(72,945)
Net change in treasury shares			4,570	(3,397)		1,173		1,173
Changes in consolidation scope and additional acquisitions				(10,880)		(10,880)	(4,806)	(15,686)
Other changes				63,071		63,071	2,129	65,200
AT DECEMBER 31, 2018 PUBLISHED	**179,600**	**11,207**	**(56,144)**	**2,536,192**	**(399,917)**	**2,270,938**	**221,500**	**2,492,438**
IFRS 16 restatements 12/31/2018				(11,240)	(431)	(11,671)	(26)	(11,697)
AT DECEMBER 31, 2018 RESTATED	**179,600**	**11,207**	**(56,144)**	**2,524,952**	**(400,348)**	**2,259,267**	**221,474**	**2,480,741**

6.1.3. Statutory auditors' report on the consolidated financial statements

This is a translation into English of the statutory auditors' report on the consolidated financial statements of the Company issued in French and it is provided solely for the convenience of English speaking users.

This statutory auditors' report includes information required by European regulation and French law, such as information about the appointment of the statutory auditors or verification of the management report and other documents provided to shareholders.

This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

For the year ended December 31, 2019

To the general meeting of shareholders of Vicat S.A.,

Opinion

In compliance with the engagement entrusted to us by your annual general meeting, we have audited the accompanying consolidated financial statements of Vicat S.A for the year ended 31 December 2019.

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 as at 31 December 2019 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 1st January 2019 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 or in the French Code of ethics (code de déontologie) for statutory auditors.

Emphasis of Matter

We draw attention to the following matter described in Note "1.1 Statement of compliance" to the consolidated financial statements relating to the standars that must applied for periods beginning January 1, 2019 and in particular the first implementation as of January 1, 2019 of the IFRS 16 "Leases" and its impacts that are disclosed in Note 34 " First application of IFRS 16", and the changes made in the segment presentation that are disclosed in Note 25. Our opinion is not modified in respect of this matter.

Justification of Assessments - Key Audit Matters

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 assets and property, plant and equipment have net book values at 31 December 2019 of 1,232 M€, 187 M€ and 2,032 M€, 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 – Others 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 valor 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 CGU's, 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 availabilty, 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 89.9 M€ at 31 December 2019. This balance mainly includes deferred tax assets on tax losses carried forward related to the US-based entity National Cement Company including its tax-integrated subsidiaries and the Indian-based entity Kalburgi Cement.

As mentionned in note 1.20, 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:

- Review 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 each 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 tax profit forecasts with the Long Term Plan;
- analyzing the deferral periods of deficits under the tax legislation in force in India and the United States;
- 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 the United States and 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 procedings in India against one of the group's partner in Bharati Cement.

As indicated in note 1.17, the group books a provison each time a defined risk is likely to occur 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 35 M€ as at 31 December 2019 (34 M€ as at 31 December 2018) ; the second precautionary seizure amounting to 21 M€ 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 can not 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 subsidiries, and have performed a critical review of the Group estimates in relation with the documentation analysed, the external attorneys legal documentation, and the information provided on the main ongoing proceedings and their potential financial incidence, as commnicated 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;
- excercised our professional judgment to assess, in particular, the positions held by the Management within risk assessment ranges and the validity of the evolution over the time of such positions.

First application of IFRS 16 standard

Description of the risk identified

As indicated in the Note 1.1. of the consolidated financial statements, the group has applied the new standard related to the lease agreements as of January 1, 2019. The Group has adopted the full restrospective approach at the transition date and has accounted the impacts in the equity as of January 1, 2018. Following this new standard, they have applied a single lessee accounting model for all their lease agreements, recognizing a righ-of-use asset and a lease liability.

Following this new standard, a contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchanges for consideration. The services component of the lease, and in particular the one related to transportation, was identified during the analysis and treated separately from the lease component, when it is identifiable and measurable.

The Group has adopted the practical expedient which allow to keep the IAS 17 and IFRIC 4 analyses for the definition of a lease

The group applied the full retrospective method and recognized a right of use asset in balance sheet at contract inception and over the lease term, in counterpart of a lease liability corresponding to the present value of future payments related to these contracts, taking into account for each contract, the lease term, the payments and the incremental borrowing rate.

We have considered the first application of this new lease standard as a key matter given the high volume of data collected, the significance of the lease liability and right-of-use asset amount in the balance sheet, the challenges to collect the historical data since the contract inception and, the importance of management's estimation and judgment to identify the lease component in service agreements, the lease term and to determine the lease’s implicit interest rate or, failing that, the lessee’s incremental borrowing rate.

Our responses to the risk

- We made inquiries of management of the Finance, Real estate, IT and Purchase departments of the group and/or the significant components to assess if the process for identifying and collecting all contracts that are, or contains, leases;
- We considered the accounting analysis related the accounting methodology and process of the group to identify a lease component in the service contracts and appreciated their compliance with the accounting standards and our understanding of the group’s contracts;
- We have performed the following procedures to test the completeness of the leases:
  - We received the questionnaires and instructions prepared by the group and sent to their components and we considered if the process is sufficiently robust to identify all lease contract and collect their relevant data for the recognition of the lease liability and the right-of-use asset,
  - We compared this population to the list of leases recognized in prior period financial statements as finance or disclosed as operating leases in accordance with the previous standards;
- We reconciled the lease operating expenses accounted in the general ledger with the lease rents as collected in the lease database; the lease database is a key element for us to ensure about the completeness of the lease population;
- We have performed the following procedures to test the accuracy of the lease liability and right-of-use asset that have been recognized:
  - Based on statistical methods and/or specific quantitative or qualitative criteria, we have selected a sample of lease contracts and performed the following:
  - We assessed for each lease that the calculation of the ROU asset and lease liability considering the contract specificities complied with the accounting principles,
  - We reconciled the information collected in the lease database for the recognition of the lease liability and the right-of-use asset to the contract obtained and considering any amendments, relevant documentation and the historical information since the contract inception,
  - For the lease term, we reconciled it to the terms of the contract, examined management’s estimate of the lessee’s options to extend or terminate the lease provided in the contract and evaluating its appropriateness,
  - For the incremental borrowing rate, we assessed the appropriateness of the methodology of the calculation applied and its compliance with the accounting principles,
  - We recalculated the present value of the lease liability and the right-of-use asset and agree it the opening balance as of January 1, 2018 for the selected lease and reconciled to the calculation of lease tool;
  - We agreed that the consolidated impacts accounted in the financial statements with the sum of the impacts included in the reporting of each components.

  These procedures have been performed at the transition date of the first application as of January 1, 2018;
- We examined that the information related to the impacts of the first application of the new standard, the accounting policies and the main management’s judgment, and disclosed in the notes is accurate and appropriate.

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

Appointment of the Statutory Auditors

We were appointed as statutory auditors of Vicat S.A. 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, 2019, KPMG Audit and Wolff & Associés S.A.S. were in the 37th year and 12th 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 consolidated 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 and 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

French original signed on/by

Paris La Défense, 12 February 2020

KPMG Audit

A division of KPMG S.A.

Philippe Grandclerc

Partner

Chamalières, 12 February 2020

Wolff & Associés S.A.S.

Grégory Wolff

Partner

6.2. Individual financial statements at December 31, 2019

6.2.1. Individual financial statements at December 31, 2019

Income statement

(in thousands of euros)	2019	2018
Net sales revenues	**432,887**	**424,863**
Production for the year	434,736	423,578
Consumption for the year	(255,180)	(243,745)
Added value	**179,555**	**179,833**
Personnel costs	(72,390)	(70,636)
Taxes	(17,424)	(16,752)
Charges transferred and subsidies	445	1,371
Gross operating income	**90,186**	**93,816**
Other income and expenses	3,425	2,958
Net depreciation, amortization and provisions	(24,470)	(27,121)
Operating income (expense)	**69,141**	**69,653**
Financial income and expenses	51,726	61,249
Profit and loss before non operating income (expense)	**120,867**	**130,902**
Exceptional income and expenses	3,164	8,255
Employee profit-sharing	(2,697)	(2,650)
Income tax	(16,381)	(11,662)
Net income for the year	**104,953**	**124,845**
Operating cash flow	**130,145**	**153,866**

Balance sheet at December 31, 2019

(in thousands of euros)	2019	2018
ASSETS		
Intangible and tangible fixed assets		
Intangible assets		
Gross value	50,322	49,544
Depreciation and impairment	(30,104)	(30,252)
Net value	**20,218**	**19,292**
Tangible assets		
Gross value	909,760	898,486
Depreciation and impairment	(685,844)	(670,467)
Net value	**223,915**	**228,019**
Financial investments		
Securities	2,158,413	1,864,940
Loans and other	25,056	27,462
Total financial assets	**2,183,470**	**1,892,402**
Total non-current assets	**2,427,603**	**2,139,713**
Current assets		
Inventories	79,638	82,051
Trade and other receivables	685,190	580,211
Short-term financial investments	2,796	3,681
Cash	371	1,579
Prepaid expenses	1,080	984
Total current assets	**769,075**	**668,506**
Expenses to be allocated	2,190	2,040
Translation difference - assets		
TOTAL ASSETS	**3,198,867**	**2,810,259**

LIABILITIES		
Shareholders' equity		
Share capital	179,600	179,600
Reserves, additional paid in capital and provisions	1,224,932	1,182,663
Revaluation adjustment	10,975	10,985
Retained earnings	240,915	231,172
Net income	104,953	124,845
Total shareholders' equity	**1,761,375**	**1,729,265**
Provisions		
For liabilities (risks)	256	1,483
For liabilities (charges)	43,531	41,984
Total provisions for risks and charges	**43,787**	**43,467**
Debts		
Borrowings	1,142,585	754,866
Short-term bank borrowings and bank overdrafts	6,803	1,788
Trade and other payables	244,317	280,873
Deferred income		
Total debts	**1,393,705**	**1,037,527**
Translation difference - liabilities		
TOTAL LIABILITIES	**3,198,867**	**2,810,259**

6.2.2 Notes to the 2019 individual financial statements

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 fiscal year to the next;
- independence of fiscal 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 fiscal year.

Research & development costs are entered as expenses.

1.2. Tangible assets

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 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 affiliated 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

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.

The Vicat Group successfully completed a € 290 million *Schuldscheindarlehen* 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 5-year, 7-year and 10-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.

Vicat activated the option allowing it to retain the initial 5-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 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	398,859
PAPER	34,028
TOTAL	**432,887**

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	49,545	5,614	7,565	2,728	50,322
Land and improvements	73,365	405	671	(2,249)	70,850
Buildings and improvements	185,460	468	2,255	290	183,963
Plant, machinery and equipment	610,893	5,795	1,036	5,895	621,547
Other tangible assets	13,448	309	14	142	13,885
Tangible assets in progress	14,758	10,017	0	(6,806)	17,969
Advances and prepayments	563	984	0	0	1,547
TOTALS	**948,032**	**23,592**	**11,541**	**0**	**960,082**

Historically, the costs connected with cement quarry operating licenses were classed under land and improvements. Since these exclusively comprise expenses incurred for studies and preparing the application, they have been reclassified to intangible assets in the amount of € 2,249 thousand.

The main changes in tangible and intangible assets are related to:

- mining and excavation rights for the Landos quarry for € 700 thousand;
- implementation of the SAP system for VPI for € 571 thousand;
- the Group's financial reporting project for € 522 thousand;
- renovation of the Lepol grate for the Xeuilley kiln for € 1,191 thousand;
- renovation of the Peille kiln casing for the € 645 thousand;
- safety and security works before restarting the Combes quarry for € 562 thousand;
- CSR debottlenecking, phase 2, for € 631 thousand;
- replacing the Montalieu 63 KVA transformer for € 545 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	30,253	2,397	2,546		30,104
Land and improvements	13,296	560	3,070		10,786
Buildings and improvements	142,813	3,940	2,197		144,556
Plant, machinery and equipment	502,160	16,364	1,033		517,491
Other tangible assets	11,835	826	12		12,649
TOTALS	**700,357**	**24,087**	**8,858**		**715,586**

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 € 4,178 thousand. These include € 2,717 thousand for internal costs (depreciation, staff and operating costs) and € 1,461 thousand for work commissioned to external organizations.

5.1.2. Tangible assets

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 € 297,957 thousand, mainly as a result of:

- changes in investments in associated companies (primarily the Ciplan acquisition) 298,463;
- changes in other financial investments (506);
- changes in loans 0.

TOTAL **297,957**

Under the liquidity agreement with ODDO, the following amounts were recognized in the liquidity account at year-end:

- 30,823 treasury shares representing a net value of € 1,244 thousand;
- € 1,624 thousand in cash.

Under this agreement, 155,874 shares were purchased during the year for € 6,402 thousand and 160,509 shares were sold for € 6,618 thousand.

In October 2019, Vicat and Natixis made an agreement under which it instructed Natixis to buy back a maximum of 40,000 shares on Vicat's behalf as part of the share buyback program. As at December 31, 2019, 35,481 Vicat shares had been repurchased for € 1,363 thousand in total.

At December 31, 2019, financial investments included 580,823 treasury shares. An additional 71,859 treasury shares were classified as short-term financial investments.

Loans and other gross financial investments amounted to € 50,793 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: 36.58%;
- Employee shareholders* 1.31%;
- Parfininco 29.86%;
- Soparfi 26.45%;
- Family 4.34%;
- Vicat 1.45%.

* *Pursuant to article L. 225-102 of the French Commercial Code.*

5.2.2. Change in shareholders' equity

(in thousands of euros)	2019	2018
Shareholders' equity at beginning of year	1,729,265	1,678,114
Shareholders' equity at end of year	1,761,375	1,729,265
Change	32,110	51,151
Analysis of changes		
Net income for the year	104,953	124,845
Dividend payments (1)	(66,434)	(66,177)
Revaluation adjustment	(11)	(22)
Regulated provisions	(6,398)	(7,495)
TOTAL	**32,110**	**51,151**

(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	2,531	114	897	1,748
Special tax depreciation	73,787	3,296	8,910	68,173
Special revaluation provision	2,361	0	1	2,360
TOTAL	**78,679**	**3,410**	**9,808**	**72,281**

Maturities are as follows:

(in thousands of euros)	Amount	Reversal at 1 year or less	Reversal at more than 1 year
Price increase provision	1,748	32	1,716
Special tax depreciation	68,173	0	68,173
Special revaluation provision	2,360	0	2,360
TOTAL	**72,281**	**32**	**72,249**

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	5,225	374	257	0	5,342
Provisions for disputes	324	127	19	176	256
Other provisions for risks and charges	37,918	1,430	0	1,159	38,189
TOTAL	**43,467**	**1,931**	**276**	**1,335**	**43,787**

The unused write-back for € 1,159 thousand relates to reclassification of deposits and guarantees in provision for impairment.

Provisions amounted to € 44 million and covered:

- forecast costs under the French quarry restoration obligation of € 5.3 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 € 38.2 million for tax to be repaid to subsidiaries under the Group tax consolidation plan. The amount increased € 1.4 million on 2018.

5.4. Financial debts

During 2019, medium and long-term financial debt, current bank facilities and other bank borrowings rose by € 392.7 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)	1,142,315	176,605	273,210	692,500
Miscellaneous borrowings and financial liabilities	270	0	0	270
Short-term bank borrowings and bank overdrafts	6,803	6,803		
TOTAL	**1,149,388**	**183,408**	**273,210**	**692,770**
(1) Of which commercial paper	*550,000*			*550,000*

5.4.2. Other information

At December 31, 2019 the Company had € 205 million in unused confirmed lines of credit that were not allocated to the hedging of liquidity risk on commercial paper (€ 301 million at December 31, 2018).

The Company also has a program for issuing commercial paper amounting to € 550 million. At December 31, 2019, 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.

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 (€ 750 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, 2019.

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, 2019, these lines matched the short term notes they covered, at € 550 million.

5.4.4. Financial instruments

As at December 31, 2019, derivative instruments not settled were as follows:

Type *(in thousands of currency units)*	Nominal value (currency)	Nominal value (euros)	Fair value (euros)
CHF forward sales	CHF 220,000	202,690	605
Interest rate caps	EUR 714,500	714,500	(2,000)
Cross Currency Swaps	USD 350,000	311,554	42,572 (1)

(1) At the same time, debt increased by € 47,449 thousand.

6

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	110	173	76	34	403	686
Total amount of invoices, inc. VAT	1,451,345	3,156,870	1,164,413	242,109	1,404,163	5,967,555
Percentage of total sales for the year, inc. VAT	0.28%	0.62%	0.23%	0.05%	0.28%	1.2%
(B) : Invoices not included in (A) relating to contested or unrecognized liabilities and receivables						
Number of invoices not included			64			
Total amount of invoices not included, inc. VAT			5,450,935			
(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 € 6,378,254 debt at December 31, 2019.

TOTAL	**1 to 30 days**	**31 to 60 days**	**61 to 90 days**	**Over 90 days**
6,378,054	121,001	121,001	121,000	6,015,052

	Article D. 4411.1: invoices received and unpaid at year-end that are past due					
SUPPLIERS	**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	51	135	51	30	122	338
Total amount of invoices, inc. VAT	161,450	1,157,300	319,583	57,034	(126,627)	1,407,290
Percentage of total purchases for the year, inc. VAT	0.05%	0.38%	0.10%	0.02%	(0.04%)	0.46%
(B) : Invoices not included in (A) relating to contested or unrecognized liabilities and receivables						
Number of invoices not included			38			
Total amount of invoices not included, inc. VAT			156,366			

5.7. Other balance sheet and income statement information

5.7.1. Inventories and work-in-progress

	12/31/2019			12/31/2018		
(in thousands of euros)	Gross	Provisions	Net	Gross	Provisions	Net
Raw materials and consumables	64,037	9,114	54,923	65,142	8,308	56,834
Work-in-progress, finished goods and goods for resale	24,715		24,715	25,216		25,216
TOTAL	**88,752**	**9,114**	**79,638**	**90,358**	**8,308**	**82,050**

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 3,215 thousand tons at the end of 2019.

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
Long term investments	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	641
Financial income excluding dividends	6,204

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	3,218
Trade payables and related accounts	34,805
Tax and employee-related payables	20,826
Other liabilities	755
TOTAL	**59,604**

5.7.4. Prepaid expenses

Prepaid expenses *(in thousands of euros)*	Amount
Operating expenses	1,080
Financial expenses	
TOTAL	**1,080**

5.7.5. Short-term financial investments

Short-term financial investments consist of 71,859 Vicat shares held for allocation to employees under compulsory and discretionary profit-sharing schemes and arbitraging for a net value of € 2,796 thousand. This valuation was on the basis of the average share price in December 2019 of € 39.65.

5.7.6. Net financial income (expense)

Net financial income included a net reversal of provisions for impairment of treasury shares amounting to € 1,366 thousand (compared with an increase of € 13,058 thousand in 2018).

5.7.7. Auditors' fees

Fees paid to statutory auditors and recognized in the financial statements of Vicat SA for 2019 break down by type as follows:

(in thousands of euros)	KPMG	Wolff & associés
Certification of the financial statements	362,000	238,000
Services other than the certification of the financial statements		
TOTAL FEES	**362,000**	**238,000**

6

NOTE 6 Breakdown of corporate income tax and surcharges

Profit and loss line items *(in thousands of euros)*	Profit (loss) before tax	Corporation tax	Social security contributions	Consolidated net income after tax
Profit and loss before non operating income (expense)	120,867	(16,299)	(597)	103,971
Extraordinary net income (and employee profit-sharing)	468	536	(21)	983
Income	121,335	(15,763)	(618)	104,954

NOTE 7 Impact of special tax evaluations

Headings *(in thousands of euros)*	Additional expense	Reversals	Amounts
Net income for the year			104,954
Income taxes [(1)]			15,763
Social security contributions			618
Profit (loss) before tax			**121,335**
Change in special tax depreciation of assets	3,296	(8,910)	(5,614)
Change in the special revaluation provision	0	0	0
Change in price increase provision	114	(897)	(783)
SUBTOTAL	3,410	(9,807)	(6,397)
Net income excluding special tax valuations (before income tax)			**114,938**

(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 2019, this saving came out at € 1.19 million.

The expenses covered by articles 223 *quater* and 39.4 of the French General Tax Code (CGI) amounted to € 142 thousand for 2019.

NOTE 8 Deferred tax

Headings *(in thousands of euros)*	Amount
Tax owed on:	
■ price increase provisions	600
■ special tax depreciation	23,404
Total increases	**24,004**
Prepaid tax on temporarily non-deductible expenses of which employee profit-sharing: 926	1,160
Total tax relief	**1,160**
Net deferred tax	**22,844**

NOTE 9 Off-balance sheet commitments

Commitments given *(in thousands of euros)*	Amount
Pension commitments [(1)]	23,487
Deposits and guarantees [(2)]	31,197
TOTAL	**54,684**

(1) Including € 12,346 thousand relating to the supplementary pension plan for Company officers and executives under article 39 of the French General Tax Code.
(2) Including € 22,228 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 € 7,506 thousand as at December 31, 2019.

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: 1.50%;
- wage inflation: 3.50%;
- inflation rate: 1.75%.

NOTE 10 Compensation and workforce

Compensation of executive directors *(in thousands of euros)*	**Amount**
Compensation allocated to:	
■ directors	352
■ executive management	2,525

Workforce	**Average**	**At 12/31/2019**
Management	269	285
Supervisors, technicians, administrative employees	408	415
Blue-collar staff	230	222
TOTAL COMPANY	**907**	**922**
Of which Paper Division	*167*	*165*

Subsidiaries and investments in associated companies

Subsidiaries & affiliates whose gross value exceeds 1% of Vicat's capital

Company or group of companies 2019 *(in thousands of currency units: EUR, USD, CFAF)*	Share 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 Sales revenues ex.	VAT for the financial year ended	Profit or loss (-) for the last financial year	Dividends received by Vicat during the year	Remarks
				gross	net						
1) Subsidiaries *(at least 50% of the capital held by the Company)*											
Béton Travaux 38081 L'Isle d'Abeau Cedex	27,997	285,720	99.97	88,884	88,884	100,729		276	53,096	6,998	
National Cement Company [1] Los Angeles USA	280,520	155,942	97.85	229,581	229,581			590,541	32,388	0	
Ciplan [2] Brazil	436,922	95,001	66.07	298,679	298,679	0		637,856	41,654		
Parficim 92095 Paris La Défense	70,288	1,558,266	100.00	1,423,624	1,423,624	186,759			56,410	62,029	
Satma 38081 L'Isle d'Abeau Cedex	3,841	5,272	100.00	7,613	7,613			18,822	834	1,801	
Cap Vracs 13270 Fos-sur-Mer	20,540	18,659	100.00	53,404	53,404	242		4,675	2,797		
Sodicapei 34560 Villeveyrac	169	337	58.47	10,990	6,023			1,685	(162)		
2) investments in associated companies *(10 to 50% of the capital held by the Company)*											
Société des Ciments d'Abidjan [3] Cote d'Ivoire	2,000,000	39,514,334	17.14	1,596	1,596			71,867,030	2,726,643	460	2018 figures
Other subsidiaries and affiliates											
French subsidiaries (total)				2,299	2,239	273				59	
Foreign subsidiaries (total)				47,074	46,788	26,036					
TOTAL				**2,163,686**	**2,158,433**	**314,039**				**71,347**	

(1 Figures presented in USD.
(2) Figures presented in BRL.
(3) Figures presented in CFAF.

6

Securities in the portfolio at December 31, 2019

(in thousands of euros)	
1. Affiliates whose market value is greater than or equal to € 16,000	
4,393,023 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 Gypes Demaurienne	104
760 shares Bioval	31
571 shares Sigma	29
	1,586,705
2. Affiliates whose market value is less than € 16,000	**50**
3. Investments in foreign companies	**576,931 (2)**
	2,163,686
(1) of which increase following revaluation	*1,308*
(2) of which increase following revaluation	*429*

6.2.3. Statutory auditor's report on the financial statements

31 December 2019

To the general meeting of shareholders of Vicat S.A

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 31 December 2019.

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 31 December 2019 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 rules applicable to us, for the period from 1st January 2019 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 or in the French Code of ethics (Code de déontologie) for statutory auditors.

Justification of assessments – Key audit matters

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 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

Key audit matter

Investments in Group companies as at 31 December 2019 amount to € 2,158 millions and represent one of the most significant items of the balance sheet. As mentioned in Note 1, they are recognized at the purchase price 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 assesments undelying the valuation of the related entities and the absence of conjonctural 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 a cash flow forecast and an operating forecast cash flows for the various entities, which have been prepared by operationnal management and assess their consistency with the forecast used in the last stratagic plan for each entity, prepared by management 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 get a better understanding of previous forecasted realization,
  - 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 theses investments in the light of analysies 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.225-37-3 and L.225-37-4 of the French Commercial Code (Code de commerce).

Concerning the information given in accordance with the requirements of Article L.225-37-3 of the French Commercial Code (Code de commerce) relating to remunerations and benefits received by the members of the Board of Directors and of the Supervisory Board 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.

Report on other legal and regulatory requirements

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, 2019, KPMG Audit and Wolff & Associés S.A.S. were in the 37th year and 12th 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 and 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

French original signed on/by

Paris La Défense, on the February 12, 2020

KPMG Audit

Département de KPMG S.A.

Philippe Grandclerc

Partner

Chamalières, le 12 février 2020

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 fiscal 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 (approximately € 13 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 (approximately € 21 million) was made in 2016 in the context of the charges regarding the mining concession. It was transferred by the Enforcement Directorate into one of its bank accounts under the Company's name. 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 (€ 66 million) for the same amount as provisions for indemnifying claims (see notes 9 and 15 in the notes to the consolidated financial statements).

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.

Dredge in operation at the Saint-Jean-le-Vieux quarry in Ain (France)

GENERAL MEETING

7

7.1. Agenda for the Combined General Meeting of April 3, 2020

7.1.1. Submitted to the Ordinary General Meeting

- Management report of the Board of Directors;
- Board of Directors' report on corporate governance;
- General report of the statutory auditors on the individual financial statements for the financial year ended December 31, 2019;
- Report of the statutory auditors on the consolidated financial statements for the financial year ended December 31, 2019;
- 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, 2019;
- Approval of the consolidated financial statements for the year ended December 31, 2019;
- Appropriation of earnings for the year ended December 31, 2019 and dividend;
- Discharge given to the directors for the performance of their duties;
- Approval of the regulated agreements specified in article L. 225-38 *et seq*. of the French Commercial Code;
- Authorization to be granted to the Board of Directors to buy or sell the Company's own shares;
- Reappointment of Jacques Le Mercier as director;
- Reappointment of Sophie Fegueux as director;
- Approval of the remuneration policy for the Company's officers – *ex ante* vote;
- Approval of the information given in the corporate governance report, pursuant to article L. 225-37-3 of the French Commercial Code – *ex post* vote;
- Approval of the remuneration policy for the Company's officers – *ex post* vote;
- Approval of directors' remuneration;
- Reappointment of KPMG Audit as incumbent statutory auditors;
- Recording the expiry of the term of appointment of Exponens Conseil et Expertise as alternate statutory auditors.

7.1.2. Submitted to the Extraordinary General Meeting

- Updating the by-laws in line with the applicable legal provisions;
- Various amendments to simplify the by-laws;
- Powers to complete legal formalities;
- Miscellaneous questions.

7.2. Draft resolutions for the Combined General Meeting of April 3, 2020

7.2.1. Resolution within the remit of the Ordinary General Meeting

First resolution *(Approval of the individual financial statements and operations for the year ended December 31, 2019)*

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, 2019, 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 € 104,953,433.

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, 2019)*

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, 2019, 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 € 159,870 thousand and Group share of net income of € 148,821 thousand.

Third resolution *(Appropriation of earnings for the year ended December 31, 2019 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 2019 financial year	€ 104,953,433
■ retained earnings carried forward	€ 240,914,682
TOTAL	**€ 345,868,115**
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	€ 38,518,115
■ retained earnings	€ 240,000,000

and accordingly fixes the dividend to be distributed for the 2019 financial year at the gross amount of € 1.50 per share (excluding levies).

This dividend shall be detached on April 20, 2020 and released for payment on April 22, 2020.

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%.

The Ordinary General Meeting acknowledges that the dividends paid out per share, in the three previous financial years were as follows:

	2016	2017	2018
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 General Meeting provides full and unconditional discharge to the members of the Board of Directors for the performance of their duties during the 2019 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 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. 225-209 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 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 buyback program at € 383,770,100, which corresponds to a maximum of 3,837,701 shares with a nominal value of € 4 each at December 31, 2019.

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 11, 2019 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 Jacques Le Mercier as director)*

The Ordinary General Meeting resolves to reappoint Jacques Le Mercier as director for a three-year term expiring at the end of the Ordinary General Meeting to be held in 2023 to approve the financial statements for 2022.

Eighth resolution *(Reappointment of Sophie Fegueux as director)*

The Ordinary General Meeting resolves to reappoint Sophie Fegueux as director for a three-year term expiring at the end of the Ordinary General Meeting to be held in 2023 to approve the financial statements for 2022.

Ninth 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. 225-37-2 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.

Tenth resolution *(Approval of the information given in the corporate governance report, pursuant to article L. 225-37-3 of the French Commercial Code – ex post vote)*

The Ordinary General Meeting, having read the corporate governance report prepared by the Board of Directors, approves the information in the report, pursuant to the provisions of article L. 225-37-3 of the French Commercial Code.

Eleventh resolution *(Ex post approval of elements of remuneration paid or allocated in respect of the financial year ended December 31, 2019 to Guy Sidos, Chairman and Chief Executive Officer).*

The Ordinary General Meeting deliberating in accordance with the provisions of article L. 225-100(III) 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, 2019 to Guy Sidos, Chairman and Chief Executive Officer, in relation to his corporate role;
- 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, 2019, will be paid to him.

Twelfth resolution *(Ex post approval of elements of remuneration paid or allocated in respect of the financial year ended December 31, 2019 to Didier Petetin, Chief Operating Officer).*

The Ordinary General Meeting deliberating in accordance with the provisions of article L. 225-100(III) 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, 2019 to Didier Petetin, Chief Operating Officer, in relation to his corporate role;
- consequently, notes that the elements of variable and exceptional remuneration allocated to Didier Petetin, Chief Operating Officer for the financial year ended December 31, 2019, will be paid to him.

Thirteenth resolution *(Directors' remuneration)*

The Ordinary General Meeting, having reviewed the Board of Directors' report provided for by article L. 225-37-2 of the French Commercial Code, resolves to allocate € 434,000 to the directors in fixed annual compensation for their role as of January 1, 2020 and until the meeting decides otherwise.

The meeting notes that this sum shall be divided between the directors according to the conditions in the said article L. 225-37-2 of the French Commercial Code.

Fourteenth resolution *(Reappointment of KPMG Audit as incumbent statutory auditors)*

The Ordinary General Meeting, having reviewed the Board of Directors' report and noting that KPMG Audit's engagement as incumbent statutory auditors expires at the end of this meeting, resolves, pursuant to the provisions of article L. 823-3-1 of the French Commercial Code, to renew their appointment as incumbent statutory auditors for a period of six (6) financial years, or until the end of the Ordinary General Meeting to be convened to approve the financial statements for the financial year ending December 31, 2025.

Fifteenth resolution *(Recording the expiry of the term of the appointment of Exponens Conseil et Expertise as alternate statutory auditors)*

The Ordinary General Meeting, having read the Board of Directors' report and noting that the engagement of Exponens Conseil et Expertise as alternate statutory auditors expires at the end of this meeting, resolves, in accordance with the provisions of article L. 823-1 of the French Commercial Code, not to reappoint the firm and not to replace it.

7.2.2. Resolution within the remit of the Extraordinary General Meeting

Sixteenth resolution *(Updating the by-laws in line with the applicable legal provisions)*

The Extraordinary General Meeting, having reviewed the Board of Directors' report, resolves to update the Company's by-laws in line with the applicable legal provisions and to amend the following stipulations:

- Article 7 – Form of shares

Cancels and replaces the previous wording of II of the said article. The other stipulations are unchanged.

"II. In accordance with the applicable legal provisions and 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."

- Article 10 – Payment of shares

Cancels and replaces the previous wording of paragraph two of said article 10. The first paragraph remains unchanged:

"Subscribers and shareholders shall be informed about calls for funds at least 15 days before the date set for each payment by a notice published in a legal gazette of the location of the registered office or by individual registered letter."

- Article 15 – Composition of the Board of Directors

Cancels and replaces the previous wording of article 15.

"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."

- Article 16 – Term of office of directors – Age limit – Reappointment – Co-option – Employee director

Cancels and replaces the previous wording of 5) and 6) of the said article 16. The other stipulations are unchanged.

"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."

- Article 17 – Chair and secretariat of the Board of Directors

Cancels and replaces the previous wording of the third and fourth paragraphs of said article 17. The other stipulations are unchanged:

"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."

- Article 18 – Meeting – Convening notices– Deliberations – Attendance register

Cancels and replaces the previous wording of the first and second paragraphs of said article 18. The other stipulations are unchanged.

"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."

- Article 20 – Remuneration of the Board of Directors

Cancels and replaces the previous wording of said article 20.

"The Board of Directors receives as remuneration 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.

How this remuneration is distributed between the members is decided by the Board of Directors in accordance with applicable law."

- Article 25 – Attendance and representation at meetings

Cancels and replaces the previous wording of the first paragraph of said article 25.

"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 an accredited financial intermediary, at least two business days prior to midnight Paris time on the date of the meeting."

Seventeenth resolution *(Amendment to article 18 of the by-laws concerning the option to consult the Board of Directors in writing)*

The Extraordinary General Meeting resolves, in accordance with the option provided in article L. 225-82 of the French Commercial Code as amended by Law No. 2019-744 of July 19, 2019, to give the members of the Board of Directors the option to make decisions within their remit and restrictively listed by the regulation by written consultation. It therefore resolves to amend as follows article 18 of the by-laws "Meeting – Convening notices – Deliberations – Attendance register":

The following paragraph is added at the end of said article 18. The other stipulations are unchanged.

"Decisions within the remit of the Board of Directors, restrictively listed by the law, can be taken by consulting the directors in writing."

Eighteenth resolution *(Amendment of article 11 of the by-laws "Failure to pay up shares")*

The Extraordinary General Meeting resolves, on a proposal of the Board of Directors, to adjust the interest rate that may be charged due to failure to pay up the share capital to the legal rate plus 2%, and to amend article 11 "Failure to pay up shares" of the by-laws as follows.

Cancels and replaces the previous wording of said article 11.

"Any delay in paying the amounts due on the non-paid-up portion of shares shall automatically, and without the need for any formal procedure whatsoever, incur interest at the annual legal rate plus an annual 2% per day from the due date, without prejudice to any personal action that the Company may take against the defaulting shareholder and the enforcement measures provided by law."

Nineteenth resolution *(Various amendments to simplify the by-laws)*

The Extraordinary General Meeting resolves, on a proposal of the Board of Directors, to simplify the wording of articles 14 "Issues" and 21 "General Management" of the by-laws and to replace the references to the provisions of the French Commercial Code with general references to the law.

As a result, it resolves to amend articles 14 "Issues" and 21 "General Management" of the by-laws as follows:

- Article 14 – Issues

Cancels and replaces the previous wording of said article 14.

"The Extraordinary General Meeting has sole competence to decide on the issue, buy-back and conversion of preference shares in light of a special report of the statutory auditors. It can delegate this authority under the conditions set by law."

- Article 21 – General Management

Cancels and replaces the previous wording of subparagraph one of the first paragraph "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."

Twentieth resolution *(Elimination of the first dividend)*

The Extraordinary General Meeting resolves, on a proposal of the Board of Directors, to simply withdraw entitlement to the first dividend calculated on the paid up and unredeemed amount of shares.

Accordingly, it resolves to simply delete the stipulations of the third paragraph of article 32.2 "Award and distribution of dividends" of the by-laws.

Twenty-first resolution *(Amendment of article 26 "Voting rights" of the by-laws)*

The Extraordinary General Meeting resolves, on a proposal of the Board of Directors, to amend article 26 "Voting rights" to insert the provisions of article L. 225-124 of the French Commercial Code relating to the retention of double voting rights in the event of a transfer following a merger or spin-off of a shareholder company, and to specify how the vote is exercised in the event the ownership right to a share is stripped.

Accordingly, it resolves to add wording as follows at the end of the fifth and last paragraphs of said article 26:

"The same is true in the event of a transfer following the merger or spin-off of a shareholder company."

"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."

The other stipulations of said article 26 are unchanged.

Twenty-second resolution *(Powers)*

The Extraordinary 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.

"Oxygène", Vicat's first environmentally-responsible truck mixer (France)

ADDITIONAL INFORMATION

8

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 the 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 shareholders and of financial analysts, it does so with the utmost respect for principles of fairness and transparency. The Company's press releases and consolidated financial statements are available on the Company's website (www.vicat.com). Regulated information is submitted to the *Autorité des marchés financiers* (French financial regulator). Registration Documents are available on the *Autorité des marchés financiers*' website (www.amf-france.org). Copies may be obtained from the Company's registered office: Tour Manhattan, 6 place de l'Iris, 92095 Paris La Défense, 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 2019, the Company maintained its continued commitment to communication by facilitating contacts among investors, financial analysts and the Company. During 2019, Vicat Group organized 12 roadshows in Europe and North America, took part in 7 investor conferences organized by banks specializing in intermediation, and organized 2 production site visits.

8.1.2. Documents available to the public

All of the Company's latest financial news, including the 2019 and 2020 financial calendar, all disclosure documents published by the Company, and share price information are always available in the "Investors" section of the Vicat website (www.vicat.com).

Legal documents may be consulted at the Company's registered office: Tour Manhattan, 6 place de l'Iris, 92095 Paris-La Défense, 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. In 2019, upon the publication of its annual and half-year results, and in connection with its General Meeting (notice of meeting), Vicat Group also published financial notices in *Les Echos* and *Investir*. 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

Fax: +33 1 58 86 87 88

E-mail: relations.investisseurs@vicat.fr

8.2. Information on the Universal Registration Document

8.2.1. General note

Vicat, a French *Société Anonyme* (Public Company), with a share capital of € 179,600,000, whose registered office is Tour Manhattan, 6 place de l'Iris, 92095 Paris-La Défense, registered with the Trade and Companies Register of Nanterre under 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 2019 Universal 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.
- the consolidated financial statements for the financial year ended December 31, 2017, prepared in accordance with IFRS, and the statutory auditors' report thereon set out on page 217 of the 2017 Registration Document, submitted to the *Autorité des marchés financiers* on March 2, 2018 under number D.18.0094, in addition to the information taken from the 2017 management report included on pages 45 to 59 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

"Having taken all reasonable measures to this end, I declare that the information contained in this Universal Registration Document is, to my knowledge, in keeping with the facts, and leaves out nothing that might impact 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 the cross-reference table included 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.

The statutory auditors have given me their letter of consent, in which they confirm having verified the information regarding the financial position and the financial statements provided in this Universal Registration Document, as well as having read this Universal Registration Document in its entirety.

The consolidated financial statements presented in this Universal Registration Document were covered by the statutory auditors' report appearing in section 6.1.3 of this Universal Registration Document."

March 2, 2020

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, 2019.

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 year ended December 31, 2024.

8.3.2. Alternate statutory auditors

Constantin Associés

185 avenue Charles de Gaulle, 92200 Neuilly-sur-Seine

Represented by Jean-Paul Séguret.

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.

Exponens Conseil et Expertise

11 avenue d'Eprémesnil, 78401 Chatou

Represented by Frédéric Lafay.

Member of the Regional Company of Auditors of Versailles.

First appointed on: Combined General Meeting called to approve the financial statements for the financial year ended December 31, 2007.

Appointment expires at the close of the Ordinary General Meeting called to approve the financial statements for the financial year ended December 31, 2019.

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, 2019:

Country	Number of companies
France	49
Europe (excluding France)	34
Americas	20
Asia	6
Mediterranean	20
Africa	9
TOTAL	**138**

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 Tour Manhattan, 6 place de l'Iris, 92095 Paris La Défense, registered in the Trade and Companies Register of Nanterre under number 304828379. 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, 2019, 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 Nanterre under number 070503198. 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, 2019, 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, 2019, 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 acts 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, 2019, 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 Vienna under number 309918464. 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, 2019, 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 Vienna under number 768200255. 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, 2019, Béton Travaux held 87.24% of the share capital of Granulats Vicat, BCCA held 3.59% and Béton Vicat held 9.16%.

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 814723441. 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, 2019, 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 Vienna under number 655780559. The corporate purpose of VPI is to manufacture and install all covering, sealant and insulating products and articles and all additives etc. as well as any operations as an agent or brokerage connected with these products or this work.

As at December 31, 2019, Béton Travaux held 100% of VPI's share capital.

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, 2019, 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 Ankara Caddesi No. 195, 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 (IMBK).

As at December 31, 2019, Parficim held 81.88% of Konya's share capital and Konya Cimento Ticaret held 1.46%. The remaining shares, representing 16.66% of the share capital, are held by approximately 2,500 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, 2019, 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 HXOF 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, 2019, 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 29A Sama Tower, Ring Road Katameya, 11439 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, 2019, 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, 2019, 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, 2019, 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, 2019, 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, 2019, 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 Brazilian law Public company with a share capital of BRR 1,323,854,577, 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 the number 31 454 087/0001 - . Vigier Holding’s purpose is to act as a holding company.

As at December 31, 2019, the Company held 99.9% of Vicat Latin America’s share capital.

Ciplan

Incorporated on December 2, 1969, Ciplan (Cimento do Planalto) is a Brazilian law company, with a share capital of BRR 436,921,812.40, whose registered office is located 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, 2019, the Company (*via* 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

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.

Headings of the financial report, the management report and the report on corporate governance	Universal Registration Document	Page(s)
Annual financial report		
Declaration of the person responsible	8.2.3.	241
Individual financial statements	6.2.	213
Statutory auditors' report on the individual financial statements	6.2.3.	225
Consolidated financial statements	6.1.	160
Statutory auditors' report on the consolidated financial statements	6.1.3.	207
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 143
■ 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 3.4.	136 and 81
■ Description of the main risks and uncertainties	2.1.	43
■ 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.	36
■ Main characteristics of the internal control and risk management procedures regarding the preparation and treatment of accounting and financial information	2.5.	49
■ 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	47
■ Statement of Extra-Financial Performance:		53
■ Information relating to research & development activities	1.9.	40
■ Information on employee-related issues	3.1.3. and 3.2.2.	58 and 65
■ Information on share buy-back programs	4.2.7.	91
■ Company share ownership	4.3.	93
■ Information on the crossing of shareholding thresholds and distribution of share capital	4.3.5.	94
■ Trends and objectives	5.5.	156
■ Employee shareholding	4.3.1. and 6.2.2.	93 and 219
■ Details of the compensation and benefits for Corporate Officers	4.7.	113
■ Dividends distributed in the last three years	4.3.7.	98
■ Term of office and functions performed by each of the Company's executive officers	4.6.1.	99
■ Summary of transactions conducted by the management on the Company's stock	4.8.	119
■ Expenses written back pursuant to article 39.4 (surplus depreciation)	6.2.2.	215
■ Customers' and Suppliers' payment time	6.2. Note 5.6.	220
■ Statutory auditors' fees	6.2. Note 5.7.7.	221
Report on corporate governance		
■ Term of office and functions performed by each of the Company's executive officers	4.6.	99
■ Summary of transactions conducted by the management on the Company's stock	4.11.	128
■ Delegation of powers	4.6.	99
■ Details of the compensation and benefits for Corporate Officers	4.7.	113
■ Company report on gender equality (article 225-37-1 of the French Commercial Code)	4.13.	129
■ Company share ownership	4.3.	93
■ Reference to the Corporate Governance code	4.5.	99
■ 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 3.5.2. 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	3.1.3.1. and 3.2.2.	58 and 65
2	Recruitment and lay-offs	3.1.3.1.	58
3	Remuneration and pattern of change	3.1.3.1.	58
4	Organization of working hours	3.3.1.1.	73
5	Absenteeism	3.3.1.1.	73
6	Procedures for informing and consulting employees and negotiating with them	3.3.1.1.	73
7	Review of collective agreements	3.3.1.1.	73
8	Health and safety conditions at work	3.3.1.2.	74
9	Agreements signed with unions or staff representatives concerning workplace health and safety	3.3.1.2.	74
10	Frequency and severity of workplace accidents and occupational illnesses	3.3.1.2.	74
11	Training policy	3.1.3.2.	62
12	Total number of hours of training	3.1.3.2.	62
13	Measures to promote gender equality	3.2.2.1.	66
14	Measures to promote the employment and integration of the disabled	3.2.2.1.	66
15	Policy on the elimination of discrimination	3.2.2.1.	66
16	Freedom of association and the right to collective bargaining	3.3.1.1.	73
17	Elimination of discrimination in respect of employment and occupation	3.2.2.1.	66
18	Elimination of all forms of forced or compulsory labor	3.3.1.1.	73
19	Effective abolition of child labor	3.3.1.1.	73

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	3.3.2.1.	76
21	Training and information provided to employees with regard to the environment	3.1.3.2.	62
22	Resources devoted to the prevention of environmental risks and pollution	3.3.2.1.	77
23	The amount allocated to provisions and guarantees in respect of environmental risks	3.3.2.1.	77
24	Prevention, reduction or clean-up measures: Air/Soil/Water	3.3.2.2.	77
25	Measures to prevent, recycle and eliminate waste products	3.3.2.1.	77
26	Consideration of noise pollution and all other forms of pollution specific to an activity	3.3.2.1.	77
27	Water consumption and supply in accordance with local constraints	3.3.3.2.	80
28	Consumption of raw materials and measures taken to improve the efficiency of their use	3.2.1.1.	63
29	Energy consumption and measures taken to improve energy efficiency and use of renewable energy sources	3.3.3.2.	80
30	Land use	3.3.2.1.	77
31	Significant items of greenhouse gas emissions generated by the Company's activity	3.3.3.2.	80
32	Measures taken to adapt to the consequences of climate change	3.3.3.1.	80
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	36
34	Measures taken to preserve or increase biodiversity	3.3.3.2.	80

Societal information

No	Information required by article R. 225-105 of the French Commercial Code	Corresponding sections of the Universal Registration Document	Page(s)
35	Impact of the Company's activity in terms of employment and local development	3.2.1.2.	65
36	Impact of the Company's activity on neighboring or local populations	3.2.1.2.	65
37	Relations and terms of dialog with Company stakeholders	3.2.3.2.	72
38	Partnership or charity actions	3.2.2.2.	70
39	Consideration of social and environmental issues in the procurement policy	3.2.3.2.	72
40	Consideration of their social and environmental responsibility in relations with suppliers and their subcontractors	3.2.3.2.	72
41	Actions taken to prevent corruption	3.2.3.1.	71
42	Measures taken in favor of consumer health and safety	3.1.1.1.	57
43	Other actions taken in favor of human rights	3.2.3.1.	71

GLOSSARY

Additive	All products incorporated into concrete that are not cements, aggregates, adjuvants, mixing water or additives (for example fibers, color pigments, etc.).
Adjuvant	Chemical product incorporated in low doses (less than 5% of the mass of cement) in concrete or mortar in order to modify some of its properties. It is incorporated either before or during blending, or during the mixing operation.
Agglomerate ore product	Fragment, usually of rock, used as an aggregate in concrete or mortar. The term aggregate is more appropriate. See “Aggregate”.
Aggregate	Component of concrete. All mineral fragments known, depending on the grain size in the range 0 to 125 mm (the dimension is the length on the side of the square mesh of the sieve through which the grain can pass): fillers, fine sands, sands or fine gravels. A distinction is made between natural aggregates resulting from loose or solid rock when not subjected to any treatment other than mechanical, and artificial aggregates created by the thermal or mechanical transformation of rocks or ores. Natural aggregates can be rolled, have a round shape of alluvial origin or a crushed, angular shape produced from quarry rock. The type of the links between the aggregates and the cement paste strongly influences the strength of the concrete.
Alternative fuel	Combustible by-product or waste product used as a fuel to produce heat as a replacement for a “premium” fuel (fuel oil, coal, petroleum coke). Also known as a “secondary fuel”.
Bagging machine	Automated bagging system. In a cement factory, its capacity can reach 5,000 bags/hour. The rotating unit has a number of nozzles (8 to 16) and is fed with empty bags by arms or by projection from one or two peripheral stations. The central silo feeds the nozzles mounted on the weighing scales. The bags are automatically removed during rotation and placed on a conveyor belt that feeds the palletization equipment.
Binder	Material able to pass – under certain conditions (in the presence of mixing water in the case of hydraulic binders) – from a plastic state to a solid state; it is thus used to combine inert materials. Component of concrete which, following the setting process ensures cohesion of the aggregates.
Calcination	Conversion of a limestone into lime by firing at high temperature.
CEM	This designation applies to cements complying with European standard EN 197-1. “CEM” cements consist of various materials and are of statistically homogeneous composition.
CEM I	This designation applies pursuant to standard EN 197-1 to cement of the “Portland Cement” type, i.e. a cement comprising at least 95% clinker. Certain CEM I cements are recognized as resistant to sulfates, under EC labeling, since standard NF EN 197-1: 2012 entered into force on 07/01/2013. There are three separate categories: ■ CEM I SR0: cement where the clinker’s C3A content = 0% ■ CEM I SR3: cement where the clinker’s C3A content ≤ 3% ■ CEM I SR5: cement of which the clinker’s C3A content ≤ 5%
CEM II	This designation applies pursuant to standard NF EN 197-1 to cements, the most common types of which are “Portland composite cement” (the letter “M” is then added to the designation), “Portland limestone cement” (the letter “L” is then added to the designation), “Portland slag cement” (the letter “S” is then added to the designation) and “Portland silica fume cement” (the letter “D” is then added to the designation). A CEM II cement has a clinker content ranging: either from 80 to 94%; this cement is then designated “CEM II/A”; or from 65 to 79%; this cement is then designated “CEM II/B”.
CEM III	This designation applies pursuant to standard NF EN 197-1 to “Blast furnace cement” comprising blast furnace clinker and slag in the following possible combinations: ■ 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 are recognized as resistant to sulfates, at the level of EC labeling, since standard NF EN 197-1: 2012 entered into force on 07/01/2013. They are labeled CEM III/B-SR or CEM III/C-SR.
CEM IV	Refers to “Pozzolana cement”.
CEM V	Refers to “composite cement”.

Cement	Hydraulic binder, *i.e.* a fine powder which, when mixed with water, forms a paste which sets and then hardens following reaction with the water. After hardening, this paste retains its strength and stability even under water.
Cement type	Means of classification standardized according to the nature of the cement components. There are five types. See “CEM I”, “CEM II”, “CEM III”, “CEM IV” and “CEM V”. This classification is associated with its regular strength class: 52.5; 42.5; 32.5, as well as its short-term strength class: R; N; L.
Clay	compact and impermeable sediment, becoming plastic, malleable, and more or less thixotropic in the presence of water. It has different physicochemical characteristics depending on its smoothness. Composed of silicoaluminates, clay is present in the raw materials for manufacturing cements and hydraulic lime. It is present to a greater or lesser extent in marls. See “Marl”.
clinker for natural quick-setting cement	The clinker for natural quick-setting cement results exclusively from the moderate-temperature firing (1,000°C to 1,200°C) of regular bedded argillaceous limestone, extracted from uniform rock strata.
clinkerization	Conversion of raw materials (limestone, silica, alumina and iron oxide) into clinker, occurring at a temperature of 1,450°C for a Portland clinker.
Concrete	Building material produced from a mixture of cement, aggregates and water, possibly supplemented by adjuvants, admixtures and additives. This mixture, made on the building site or in a factory, is in the plastic state. It is able to take the shape of the mold and then hardens gradually to eventually form a monolith. Depending on the formulation, use and surface treatment, it can vary considerably in performance and appearance.
Concrete batching plant	Stationary equipment for the industrial production of ready-mixed concrete.
Cooler	Unit located at exit from a clinker kiln intended to cool clinker at 1,400°C to an ambient temperature. Grid coolers and perforated plate coolers are the most common types; traditional coolers consist of a series of mobile rows of plates that push the clinker towards the discharge point (arranged in a bed of material from 60 to 90 cm in thickness). Air blown upwards through the plates provides cooling: at the output from the clinker bed, some of the hottest air (secondary air) goes back up into the kiln to feed combustion. Excess air is discharged at the back of the unit. In modern coolers, all the plates are fixed. They are protected from the hot clinker by a bed of cold clinker. The clinker is moved towards the discharge point by various “rake” or “walking floor” devices.
Crushed aggregate	Aggregate produced by crushing rocks.
Crusher	Crushing machine, used especially in a quarry. Crushers operate with jaws (with reciprocating motion, nut-cracker principle), with hammers for softer or more mobile materials or by grinding between inverted vertical cones (fine gravels).
Crushing	Breaking rocks into small pieces by grinding or pounding.
Decarbonation	Reaction releasing the CO_2 contained in the limestone raw materials under the action of heat (850 to 950°C). The remaining lime (CaO) then combines with silicates and aluminates to form the clinker. This reaction absorbs a great deal of heat and constitutes the main heat consumption of the kiln.
Energy recovery	Introduction into the production process of by-products, waste or fuels otherwise of no use, in order to use the calorific content for the production of heat. These products replace, in whole or in part, primary fuels such as coal, fuel or gas. Their use makes it possible to save primary energy resources in energy and prevent them from being consumed and causing pollution when discharged into the natural environment. For example, in a cement works, tires or waste solvents are used as fuel for the kiln.
Fine gravel	Aggregate having a diameter between 1 and 63 mm.
Fly ash	By-product of the combustion of coal in power stations used as a source of silica and alumina in the manufacture of clinker, or to replace part of this in the manufacture of Portland composite cement.
Formulation	Operation consisting of defining the proportions – by weight rather than volume – of various components of a concrete, in order to meet the desired strength and appearance requirements.
Fresh concrete	Concrete as it exists in the phase after mixing and before setting, in other words, in a plastic state which allows its transportation and installation. The workability of a concrete is assessed during this phase of its manufacture, by subjecting a sample to a slump test on the Abrams cone.
Granulometry	a) Measurement of the granularity of an aggregate, *i.e.* of the range of particle sizes it contains, by passage through a series of square mesh sieves of standardized dimensions. b) Granulometry or granulometric analysis: the measurement of the proportion of the various granular sizes of the grains of a powder, sand or aggregate.
Greenfield	A greenfield plant construction project is a project where the Group undertakes the construction of a cement works on a site where there was no previous cement business. After checking the existence and accessibility of reserves of natural resources of sufficient quality and quantity for cement manufacture, the project generally involves designing and establishing the various components of the industrial and commercial process. A brownfield project, on the other hand, is one where there was already a cement business on the site.

Grinding	Reduction to powder or very fine particles. Grinding can be performed by pounding (minerals), by crushing (dyes, cement) or by crumbling (refuse). In a cement factory, the grinding plants generally comprise a grinding mill, a separator that returns oversize particles to the mill and a ventilation and dust extraction system.
Gypsum	Natural calcium sulfate or a by-product from industries manufacturing phosphoric acid or citric acid. It is added to cement as a setting regulator.
Handleability	Condition defining the ability of a mortar or a concrete to be transported, handled and used; it is characterized by the consistency and the plasticity of material.
Heat balance	Expression of the heat exchange between a closed environment and the outside. More specifically for cement kilns, the heat balance evaluates the heat inputs and compares these with the requirements of physicochemical processes and heat losses.
Homogenization	Operation carried out in cement works to obtain a homogeneous mixture of the components of the raw meal before firing. It can be carried out discontinuously by batch or in a continuous process. Mechanical and/or pneumatic mixing means may be used.
Hopper	Bulk materials (sand, aggregates, cement) storage unit in the shape of a truncated cone made from steel or concrete. At the bottom of a hopper is a system for discharging the material by gravity.
HPC	Abbreviation for “high-performance concrete”. The formulation of this concrete makes it particularly compact and therefore of low porosity. Its mechanical strength is in excess of 50 MPa and it has much higher durability than standard concretes.
Hydration (of cements)	Chemical phenomenon by which cement fixes mixing water and triggers the processes of setting and then hardening. This reaction is accompanied by a release of heat, the amount of which depends on the type of cement.
Lime	Binder obtained by the calcination of more or less siliceous limestone. A distinction is made between air 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 primarily calcium carbonate (CaCO3). Calcite is the most stable and most common crystalline form. Dolomites constitute a separate class: they are mixed carbonates (calcium and magnesium). Limestone is one of the basic components of clinker; it contributes the lime necessary for the formation of silicates and aluminates. The magnesia content of the limestone used must be no more than a few percent in order to prevent the formation of non-combined magnesia on firing and likely to cause expansion of the concrete in the medium or long term.
Marl	Natural mixture of clay and limestone in various proportions. If the amount of limestone is less than 10%, the marl is known as argillaceous. Marl with higher proportions is referred to as marly limestone. It is generally characterized by its carbonate content (lime and magnesia in a lesser proportion). It is one of the raw materials essential for the manufacture of cement; it provides the argillaceous fraction rich in iron and aluminosilicates.
Material recovery	Introduction into the production process of by-products or waste products in order to use their chemical properties. These products replace in whole or in part products extracted from quarries. Their use makes it possible to save natural mineral resources and prevent them from being consumed and causing pollution when discharged into the natural environment. For example, in a cement works, foundry sands are incorporated into the raw material to provide silica in place of natural sand and synthetic gypsums (inter alia from the desulfurization of fumes from heat generator unit$_s$) and are used to replace, completely or partially, natural gypsum or anhydrite in cement to control the setting time.
Meal feed	Name given to the cement kiln raw material after grinding (the size of the grains corresponds to that of flour).
Mixer truck	Vehicle used to transport fresh concrete from the production location to the construction site. Also known as a transit mixer truck or truck mixer.
Mortar	Mix of cement, sand and water, possibly supplemented by adjuvants and admixtures. It differs from concrete in that it does not contain fine gravels. Prepared on the building site – starting from pre-dosed dry industrial mortar or by proportioning and mixing all the components – or delivered to the site from a batching plant, mortars are used for joints, coatings, screeds and for various sealing, reshaping and filling purposes.
Natural quick-setting cement	Quick-setting cement comprised of the clinker for natural quick-setting cement only, grounded, and not requiring a setting regulator.
Plaster	Surface coating (approximately 2 cm for traditional coatings) comprising a cement mortar and/or hydraulic lime, intended to cover a wall, in order to homogenize its surface and waterproof it. A distinction is made between traditional plasters (which require three layers), double-layer plasters and single-layer plasters (based on industrial mortars and applied in two passes).
Portland cement	CEM I, CEM II, CEM III, CEM IV, CEM V-type cements, manufactured from Portland clinker and a setting regulator, and other components. Cement complying with standard NF EN 197-1.
Portland clinker	Basic component of a Portland cement, comprising four major mineral elements: limestone, silica, alumina and iron oxide. It is obtained by firing at a high temperature in a cement kiln (1,450°C).

Pozzolana	Product of volcanic origin composed of silica, alumina and iron oxide which, in the form of fine powder, is suitable for combining with lime to form stable compounds with hydraulic properties (hardening under water). By extension refers to natural or artificial materials having the same property. Pozzolanas are components of certain types of cement.
Precalcination	System enabling combustion to be started before entry into the kiln and thus reducing the quantity of energy required in the kiln.
Precalciner	Combustion chamber at the base of the preheater tower, fed with all fuel types and hot air for combustion (750 to 900°°C) coming from the cooling of the clinker. The precalcinator can contribute up to 55% of the heat necessary for satisfactory operation of the kiln. See "Preheater".
Precast concrete products	Production of construction components away from their final site, in a factory or at a nearby location. Many concrete structural components can be prefabricated: posts, beams, load-bearing or insulation panels, façade panels, cladding, as well as standardized elements blocks, joists, shuttering slabs, honeycomb slabs, tiles, components of roadway or drainage systems, drainage systems or street furniture.
Preheater	Tower comprising a succession of cyclone stages. At each stage, the cooler meal from the stage above is heated on contact with the warmer gas coming from the stage below. The gas/meal mixture is then decanted into the cyclone. The heated meal then drops down to the stage below to be further heated. The cooled gases go up to the stage above to continue heating the meal. At the bottom of the preheater, the meal enters the rotary kiln. Preheaters can also include a precalcinator.
Prehomogenization	Process carried out in a cement factory to obtain a premix of crushed raw materials before grinding. It can be carried out discontinuously by batch (constitution of a heap during a few days while a second one is used) or continuously in circular workshops (simultaneous eccentric rotation and discharge on the heap and one in use).
Pumping	Process of conveying the concrete from a feed hopper to the pouring site via tubes. It can carry the concrete to horizontal distances of up to 400 m (or even 1.5 km) and vertical distances of 100 m (or even 300 m).
Quarry	Materials extraction site subject to the provisions governing "Installations Classées pour la Protection de l'environnement" (sites subject to environmental protection regulations). These sites are generally open-air, except for the Chartreuse underground quarries where stone fired to make quick-setting cement is extracted. Quarries produce the natural raw materials required to make cement or for the production of aggregates used in ready-mixed concrete or earthworks. Quarries are generally worked by blasting in the case of solid rock seams. Loose and alluvial materials, in or out of water, are extracted by machine. Quarries are operated under strict environmental controls in compliance with a prefectural order implementing an administrative instruction based on a large number of studies, including an impact assessment. As far as possible, reinstatement agreed with the local authority and local community is part of the operation and is carried out as the faces advance.
Raw material	Name given to the raw material processed in the cement kiln.
Raw mill	Grinding plant. In a cement works, this may be a ball mill, roller mill or vertical mill.
Ready-mixed concrete	Concrete made in a plant remote from the construction site or on the site, mixed in a stationary mixer, delivered by the manufacturer to the user in a fresh state and ready to use.
Roller aggregate	Aggregate of alluvial origin made up of round-shaped grains.
Sand	Aggregate of diameter < 6.3 mm.
Screed	Thin layer of cement mortar (3 to 5 cm) poured on to a concrete floor in order to render it flat.
Setting	Start of the development of the strength of the concrete, mortar or the cement paste. It is assessed by the setting test (NF P 15-431, NF EN 196-3).
Setting regulator	Cement component intended to slow down the hydration reactions. Gypsum and calcium sulfate are most commonly used.
Setting time	The setting time for cements is determined by observing the penetration of a needle into a cement paste of standardized consistency ("standard" paste) up to a specified depth (NF EN 196-3). The device, known as "Vicat apparatus", makes it possible to measure the interval between the start of water/cement contact and the start of setting (penetration of the Vicat needle up to 4 mm from the bottom), as well as the end of setting (virtually no penetration).
Silica fume	Silica fume is a by-product of the production of silicon and its alloys. It is obtained by condensation of SiO gas or by oxidation of Si metal on the surface of the electrometallurgy furnaces, the fumes of which are collected and filtered. This microsilica is generally condensed in order to facilitate storage and handling. Silica fume appears as spherical elementary amorphous silica balls (SiO2) of a diameter between 0.1 and 0.5 µm. Their silica content varies from 70 to 98% depending on the manufacturing plant and the alloy produced. In concretes, silica fume acts according to two mechanisms: ■ by a granular effect related to the shape and the extreme fineness of the powder; ■ by pozzolanic reaction due to the high amorphous silica content.

Silo	High-capacity tank, generally cylindrical, intended for dry materials (sands, cements, etc.). Made of steel or concrete, loaded from above and unloaded from below, it is equipped with various types of extraction devices. See “Hopper”.
Slag	By-product of the manufacture of cast iron from metal industry blast furnaces. It has hydraulic characteristics similar to that of clinker, and is, therefore, used as a component of certain cements.
Standard	Document specifying a set of technical or other specifications, drafted in collaboration with the parties concerned (representatives of manufacturers, users, consumers, authorities, and specialist organizations such as the CSTB). Standards require ministerial decrees to make them mandatory. There are various types: test, performance, safety and terminology standards. An ISO standard is a standard drafted and/or adopted by the International Standardization Organization. An EN standard is a standard adopted by the European Committee for Standardization. A referenced standard NF EN ISO + No. reproduces in full the European standard, which in turn reproduces the international standard with the same number.
Strength of a concrete	All behavioral characteristics under compression, traction and bending stresses. In France, the strength of concrete structures is conventionally checked 28 days after their installation. In the United States, the period is 56 days.
Sulfoaluminous clinker	Basic component of a sulfoaluminous cement, comprised 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 around 1,300°C.
Therm (th)	Unit of heat energy. 1 therm = 1,000 kilocalories = 1,000,000 calories. This unit is replaced by the energy unit, the joule (J): 1 thermie = 4.1855 MJ (4,185,500 J). The specific consumption of the cement kiln is measured: in therms per tonne of clinker (old units); or in gigajoules per tonne of clinker (new units). Example: a kiln consumes 850 therms per tonne of clinker, which is the equivalent of 3,558 megajoules per tonne produced.
Truck mixer	See “Mixer truck”.
Ultra-High-Performance Fiber-Reinforced concrete (UHPC)	The addition of metallic fibers increases this concrete’s tensile capacity under bending and shear stress. Differing from high-performance concrete (HPC) through its ability to avoid the use of traditional steel reinforcement, compressive strength greater than 130 MPa, and direct tensile strength greater than 10 MPa.
X-ray diffraction (analysis)	This technique is used to determine the mineral composition of cement, clinker or raw meal. It allows for rapid and very precise controls at various stages of the cement manufacturing process. For this analysis, which takes only a few minutes, samples in the form of pressed powder pellets or diluted in a glass bead medium are exposed to an X-ray beam. The beam emitted by a powerful X-ray tube interacts with the sample, provoking the dispersion of the beam in a range of directions. The analysis of the resulting X-ray diffraction pattern – or “diffractogram” – allows for the determination of the minerals contained in the sample and their concentrations.
X-ray fluorescence (analysis)	This technique is used to determine the chemical composition of cement or raw meal. It allows for rapid and very precise controls at various stages of the cement manufacturing process. For this analysis, which takes only a few minutes, samples in the form of pressed powder pellets or diluted in a glass bead medium are exposed to an X-ray beam. The beam emitted by a powerful X-ray tube excites the elements contained in the sample. When using X-ray fluorescence, the excited atoms in turn emit X-rays along a spectrum of wavelengths characteristic of the types of atoms present in the sample. By measuring their intensity, the concentration of each chemical element can be obtained.

Designed & published by LABRADOR INFORMATION DESIGN +33 (0)1 53 06 30 80

This document is printed in compliance with ISO 14001. 2004 for an environment management system.

A French société anonyme with a share capital of € 179,600,000
Registered office:
Tour Manhattan - 6 place de l’Iris - 92095 Paris-La Défense Cedex - France
Tel. : +33 (0)1 58 86 86 86 - Fax: +33 (0)1 58 86 87 87
Registered with the Trade and Companies Register of Nanterre
under the number 057 505 539

Copies of the Universal registration document
are available free of charge from Vicat,
as well as on the Vicat websites (**www.vicat.com**)
and on the Autorité des marchés financiers (AMF),
French market regulator website (www.amf.france.org)