Seth
Sustainability Report
2021

The MTH Group has identified five strategic pillars for sustainable development – Sustainable>22 –, which were immediately adopted by SETH. Each of the areas considered includes a series of principles that should be observed within the scope of the company's daily activities and by all individuals involved, without losing focus on core business. Such principles should form a solid foundation for value creation and sustainable growth at SETH.

The aforementioned areas focus on the various stakeholders, namely shareholders, directors and employees, as well as clients, suppliers and other entities within the surrounding communities. Owing to the growing interconnection between businesses, individuals and the society itself, long-term corporate sustainability entails an adequate assessment of the respective impact, even if indirect, on the various economic and social players.

In this sense, the Management of SETH is committed to identifying the risks and opportunities involved, and assessing the impact of its operations, such as to allow the development of policies aligned with the company's sustainability strategy. The Management should thus foster the engagement of all shareholders, responsible persons and other stakeholders in the implementation of such policies and goals, as well as ensure the monitoring and measuring of all impacts across the value chain.

The first and foremost goal of SETH's Management is to create value for its shareholders. Nevertheless, this goal is to be pursued in a sustainable manner, based on a strong sense of responsibility and in accordance with the principles defined in the company's code of ethics, setting a course of action that should remain indissociable from the identity and operations of SETH.

The Management

FIVE STRATEGIC PILLARS FOR SUSTAINABLE DEVELOPMENT

Sustainability

Innovation

Processes

Collaboration

Employees

Sustainability

Albeit common to the remaining strategic pillars, sustainability has been set apart, owing to its relevance, and divided into two areas :

Social Sustainability: we seek to foster Local and Social Responsibility and ensure the adequate Training and Safety of all employees and subcontractors.

Environmental Sustainability: we seek to reduce the impact of the company's activities on the Environment, focusing particularly on reducing the carbon footprint and promoting a Circular Economy.

Social Sustainability

Local and social responsibility

Policies and goals

- Supporting the communities where SETH is present, in order to foster their development and welfare;
- Ensuring strict compliance with SETH's code of conduct, which establishes the principles of respect for social and economic players and the commitment to non-discrimination, whether based on gender, religion or race;
- Ensuring personal data protection within the scope of all of SETH's activities.

Initiatives

- Establishment of a protocol with "Um Pequeno Gesto uma Grande Ajuda" (UPG) (A Small Gesture, a Big Help), an NGO dedicated to co-financing the School Nutrition Programme at the Santa Luísa de Marillac (SLM) School, in Manjangue, Chokwé, Mozambique. This organisation provides free nutritious, hot meals to the entire school community, thus helping to minimise the effects of poverty and foster the academic performance of youngsters;
- Sponsoring of the SETH Sail project, which seeks to publicise and promote sailing across the entire territory, run by the Portuguese Access Class Association (APCA) (NGOPD – Non-Governmental Organisation for Persons with Disabilities).

Social Sustainability

Local and social responsibility

Monitoring – Indicators and measurement

Maintaining or improving SLM School Nutrition Programme indicators:

⇒ Financial support provided by SETH;

⇒ Number of beneficiaries;

⇒ School attendance;

⇒ School attendance of female children and adolescents. As girls traditionally stay at home to prepare meals and perform other domestic chores, we seek to ensure high school attendance by this group, such as to foster gender equality.

Results

- As the SLM School was forced to close in 2020 due to the pandemic, the 931 meals provided each day were replaced with Covid-19 emergency hampers (food and hygiene products), which were delivered to the families of the school's pupils;
- In 2021, 987 children and adolescents aged 7-18, including 451 female learners, attended the SLM School daily, having benefitted from the School Nutrition Programme;
- The number of indirect beneficiaries of the School Nutrition Programme, which include the family members of learners, reached 4485 individuals;
- Materials were donated for the construction of a canteen at the São Vicente de Paulo (Chokwe) Nursery School, which seats all 70 learners;
- €15,000 were donated to the School Nutrition Programme in 2021, which has accounted for 40% of the annual budget in recent years;
- Implementation of the Seeds (Sementes) pilot-project, which seeks to promote better access to food, in a self-sustainable manner, through the handing of corn seeds to 27 children and youngsters who attend or have attended the SLM School.

Social Sustainability

Training and Safety

Policies and goals

- Increased training in Occupational Safety;
- Ability to retain talent through continuous employee qualification, training and professional development, such as to meet employee needs and ensure their welfare.

Initiatives

- Organisation of safety awareness sessions for SETH employees and subcontractor managers and workers;
- Ensuring the purchase and use of adequate machinery, tools, prevention means and personal and collective protective equipment, based on the type of works involved and the respective location;
- Investment in solutions aimed at minimising the need for activities entailing significant physical effort;
- Organisation of professional training sessions;
- Installation of a Training Centre at Vilanculos, in collaboration with local professional schools, in order to provide practical training in electrical installations and worksite safety;
- Sharing of information and knowledge:
  - ⇒ “Let’s talk about”: online sessions available to all employees. Each week, a selected employee delivers a 15-minute presentation on a topic related to the company’s activities;
  - ⇒ Yammer: service selected for internal communications concerning the works in course and SETH’s activities in general, as well as sharing of solutions, resolution of problems and discussion of technical issues by all employees.

Social Sustainability

Training and Safety

Monitoring – Indicators and measurement

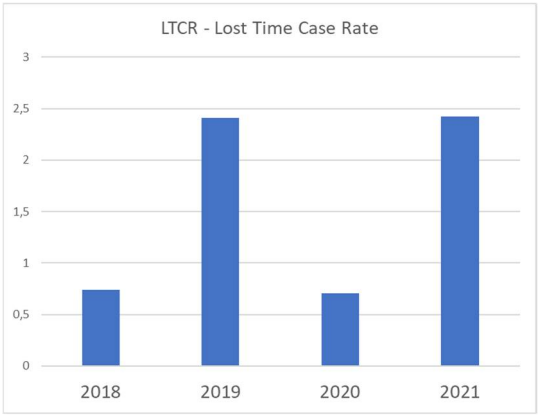
- OSHA LTCR (OSHA Lost Time Case Rate) <4 = Good;
- OSHA DART(OSHA Days Away/Restricted or Job Transfer Rate) <4 = Good;
- Professional and safety training indicators;
- Annual investment in personal protective equipment;
- Investment in equipment that reduces the risk associated with identified operations:

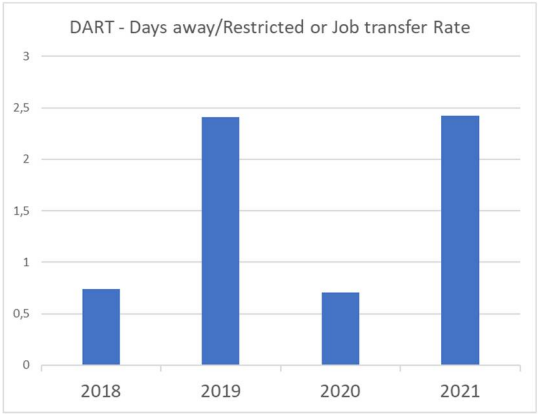
  ⇒ Purchase of a vibration damper for pile driving, in order to reduce the risks of cable breaking and damages to the jib crane during pile-driving operations;

- Number of trainees and training hours at the Vilanculos Training Centre;
- Number of “Let’s talk about” sessions organised every year.

Results

OSHA rates:





Safety – Risk reduction from Significant to Intermediate (cable breaking and damages to the jib crane) in pile-driving operations, see Purchase of a vibration damper for pile driving.

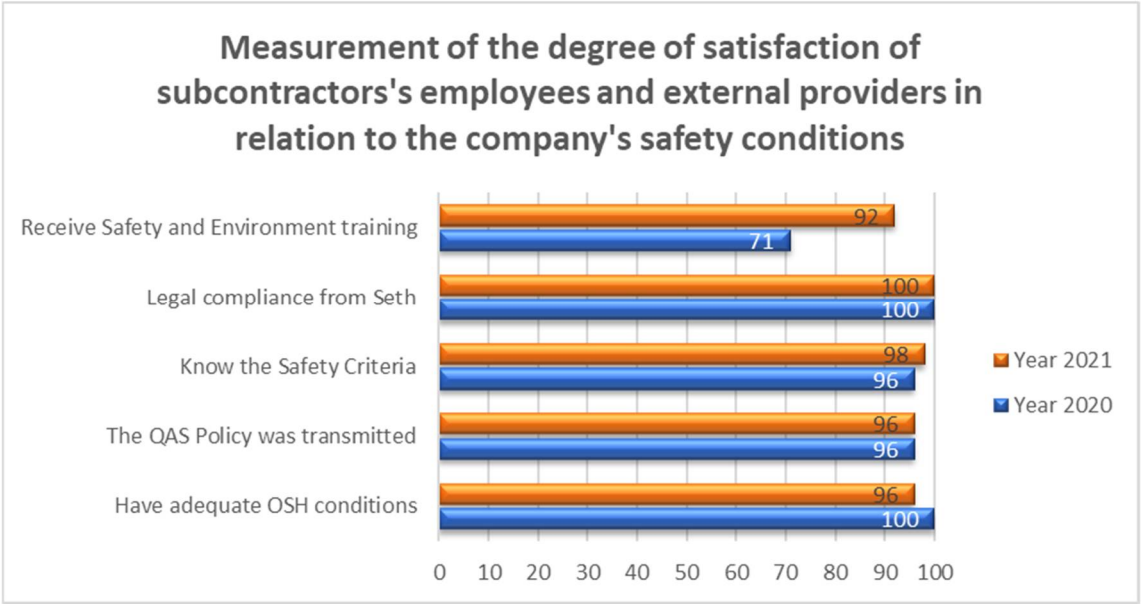
Social Sustainability

Training and Safety

Results

Total training:

Indicators	2019	2020	2021
Training/working hours	0,73%	0,39%	0,45%
Training hours/employee	13,56	7,50	9,13
Number of employees receiving training	69,92%	89,09%	84,94%
Number of employees	246	275	352



IN 2001:

- Safety training accounted for 73% of total Training hours;
- One hour of safety training per 297 working hours;
- 6.7 hours of Safety training per employee over the year.

Environmental Sustainability

Environment

Policies and goals

Monitoring of continuous technological development in the environmental sector and application to SETH's activities, as best as possible, including the following goals:

- Reduction of CO2 emissions (tonnes) by using more efficient, less polluting equipment;
- Reduction of fossil fuel, electricity and water consumption;
- Reduction of materials consumption through the use of modular, prefabricated solutions.

Initiatives

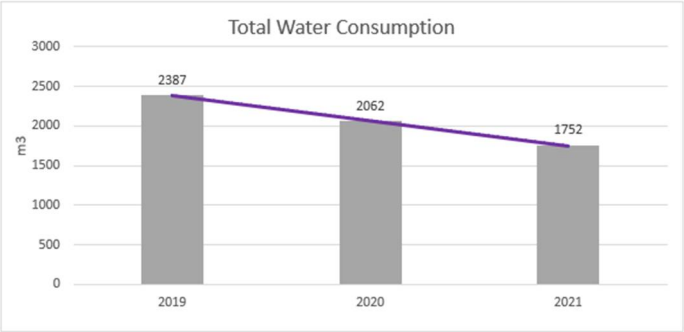
- Replacement of diesel vehicles with electric or hybrid (gas and petrol) vehicles;
- Replacement of conventional lights with LED lights;
- Installation of solar panels on the roof of the Central Yard;
- Installation of a buoy in the water tank, in order to maximise use of rainwater at the Head Office.

Monitoring – Indicators and measurement

- Annual water consumption and variation over the last three years;
- Annual CO2 emissions (tonnes) and variation in emissions associated with fuel consumption over the last three years;
- Annual CO2 emissions (tonnes) and variation in emissions associated with electricity consumption over the last three years;
- Variation in CO2 emissions (tonnes) associated with electricity consumption following the installation of solar panels at the Central Yard.

Results

- Water consumption at the Central Yard and Head Office (In Portugal):



Annual Water Consumption

2019	2020	2021	
m3	m3	m3	Variation (3 anos)
2387	2062	1752	-26,60%

Annual Water Consumption per Worker

2019	2020	2021	
m3	m3	m3	Variation (3 anos)
35	24	20	-43,10%

Environmental Sustainability

Environment

Results

- Fuel consumption (In Portugal)

	2019		2020		2021			
	Fuel Consumption	CO2 Emission (Ton)	Fuel Consumption	CO2 Emission (Ton)	Fuel Consumption	CO2 Emission (Ton)	Variation in Fuel Consumption (3 years)	Variation in CO2 Emission (Ton)
Vehicles	80 035	214	65 664	175	76 228	199	-4,8%	-7,0%
Sites	54 799	146	16 883	451	25 735	69	-53,0%	-53,0%
Total	134 835	360	82 547	220	101 962	267	-24,4%	-25,7%
Per vehicle	1 703	5	1 527	4	1 556	4	-8,6%	-10,8%

- Electricity consumption (In Portugal)

Annual Electricity Consumption

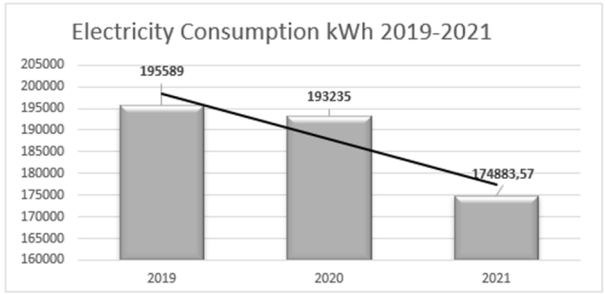
2019	2020	2021	
HQ +Main Yard	HQ +Main Yard	HQ +Main Yard	Variation (3 years)
195 589	193 235	174 884	-10,59%

Annual CO2 Emissions

2019	2020	2021	
HQ +Main Yard	HQ +Main Yard	HQ +Main Yard	Variation (3 years)
60 543	47 138	35 683	-41,06%

Annual Electricity Consumption per Worker

2019	2020	2021	
kwh per worker	kwh per worker	kwh per worker	Variation (3 years)
2 835	2 221	1 965	-30,69%



SOLAR PANELS AT THE CENTRAL YARD

- Autonomy from the electricity network: 32%;
- Self-consumption rate (power consumed/power sold to the electricity network): 64%;
- Reduction in CO2 emissions: 2.2 tones.

(DATA PERTAINING TO THE FIRST 8 MONTHS
FOLLOWING SOLAR PANEL INSTALLATION IN 2021)

Environmental Sustainability

Circular Economy

Policies and goals

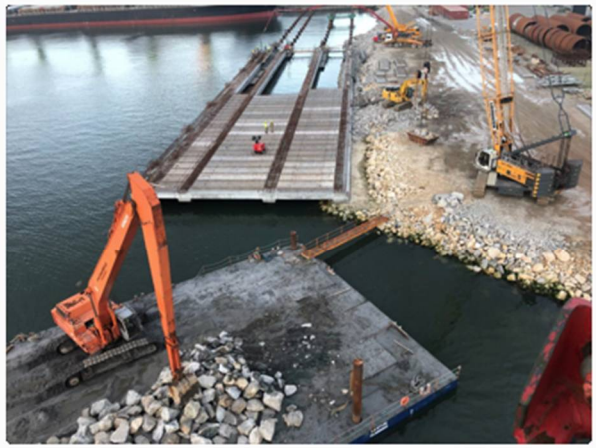
Increase in waste collection and reuse, favouring its use in construction works.

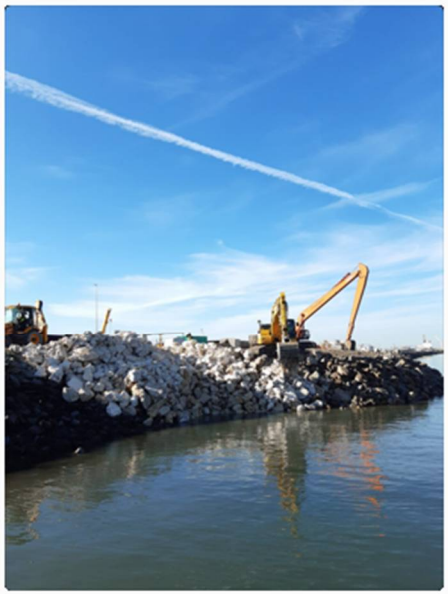
Initiatives

Reduction in materials consumption through the use of modular, prefabricated solutions.

Monitoring – Indicators and measurement

- % reduction in concrete and steel waste;
- Quantity (tonnes) of waste reused in construction works;



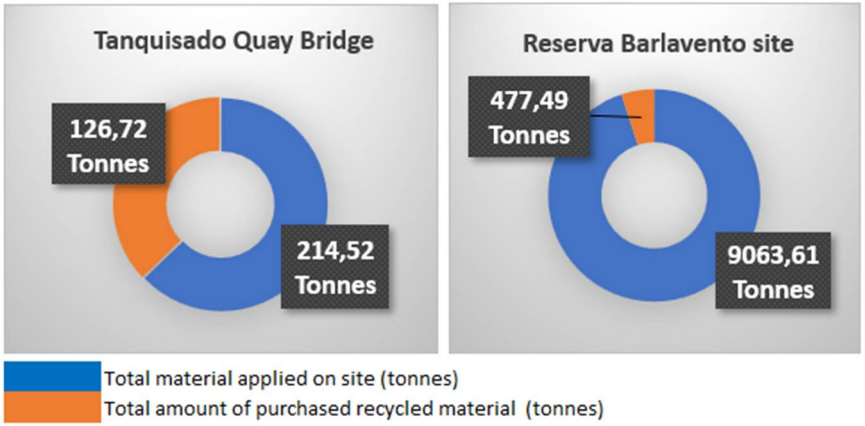


Environmental Sustainability

Circular Economy

Results

- Total recycled materials incorporated in the SETH's works:



◊ In 2021, Steel was the most commonly used material, with the highest recycling rate: 80% of recycled materials in its composition.

◊ The recycled materials rate in a construction project involving primarily the use of steel and concrete is lower than 10%.

◊ The percentage of recycled materials in Concrete only reached 17% (cement), as the remaining components (water, sand and gravel), which are heavily represented, do not include recycled material.

- Waste reused and Waste not generated:

Works	Waste reused / Waste not generated
Tanquisado Quay Bridge	Waste not generated: Concrete: 0.870 tonnes Steel: 0.129 tonnes
	0% waste compared with 7.5% steel waste and 2.5% concrete waste with the usual solution
Alto Santa Catarina Tank	100 tonnes of concrete waste from demolition reused to reinforce the operations chamber (cyclopean concrete)
	2.8% of waste generated in works reused
Aveiro Port Quay	11.9 tonnes of old rockfill used in the new rockfill
	2.9% of waste generated in works reused
Total Works	**2.49 % of waste generated by the company reused in works**

Innovation

Policies and goals

- Identification, monitoring and/or purchase of innovative technologies available on the market, as deemed adequate to the size and activities of SETH;
- Continuous updating of technical and scientific knowledge;
- Sharing and application of information to technical solutions.

Monitoring – Indicators and measurement

- Participation in technical events;
- Number of presentations in technical congresses;
- Number of technical articles concerning innovative processes in the technical and production areas.

Initiatives

- Member of the Portuguese Construction Technology Platform (PTPC), which promotes initiatives and projects in the areas of research, development and innovation within the engineering and construction sector;
- Member of the Association for Training and Development in Civil Engineering and Architecture (FUNDEC), which fosters partnerships between universities and companies, for the purpose of enhancing SETH's R&D capabilities .

Results

- Participation in the Technical Session Cycle organised by the Portuguese Geotechnical Society in March 2021 for the purpose of encouraging the discussion of geotechnical topics considered relevant to the technical and scientific communities and promoting the application of innovative processes in construction works;
- Organisation of the online event "Expert talk" in May 2021, promoted by FUNDEC, where three construction managers from SETH delivered a presentation entitled "Construction of Duques d'Alba and Draining Platform in Bissau, Guinea-Bissau – Works at the Alto Bandim Oil Terminal".

Processes

Policies and goals

- Identification and implementation of new processes, or replacement of old processes, across the value chain, in order to increase efficiency and added value;
- Continuous access and sharing of information, without compromising the information Security System, such as to anticipate activity disruption risks.

Initiatives

- Development of a digital employee clocking-in system and simplification of the management approval process;
- Teamwork facilitation through Cloud tools;
- Organisation of weekly “Let’s talk about” sessions;
- Sharing of technical or general information through Yammer;
- More streamlined and complete monthly financial reporting for individual projects;
- Implementation of a digital circuit for accounting documents;
- Implementation of a sharing system for digital documentation pertaining to production equipment.

Monitoring – Indicators and measurement

- Variation in the number of hours required to process digital employee clocking-in data, compared with the previous process;
- Variation in the number of hours dedicated to the processing, circulation and archiving of accounting documents, compared with the previous process;
- Elimination of tasks.

Results

- Elimination of tasks, as well as a reduction of over 50% in the time usually dedicated to the entire digital accounting document Circuit;
- No data are available for the digital employee clocking-in system, as the final testing stage is currently in course;
- Deployment of the sharing system for digital documentation pertaining to equipment scheduled to take place in March 22.

Collaboration

Policies and goals

- Identification of the best solutions for clients, whether expressly requested by the latter or at the initiative of SETH, in order to increase customer loyalty and win new contracts. Building confidence with clients is key to benefiting from new opportunities;
- Potential decrease in contractual disputes and reduction/elimination of unforeseen works.

Initiatives

- Collaborative contracting through the identification of the best solutions, in collaboration with clientes;
- Availability to seek national and international financial partners, such as to offer financial solutions to clients and facilitate project feasibility.

Monitoring – Indicators and measurement

- Number of projects or studies developed in collaboration with potential clientes;
- Number of contracts awarded through collaboration;
- Contacts with Danish credit agency EKF at the request of clients.

Results

- Project studies were conducted for 2 clients in 2021, whose outcomes are yet unknown;
- In the last 2 years, SETH signed 3 new contracts, previously developed in collaboration with the clients involved.

Employees

Policies and goals

- Ensuring employee satisfaction, a key success factor for any business;
- Ensuring adequate working conditions, namely regarding remuneration, commuting, safety and training, focusing on integration and mobility;
- Promoting professional recognition and development;
- Encouraging employee engagement and strengthening SETH's identity, such as to enhance the personal and professional well-being of all team members (Enjoying being a part of SETH).

Initiatives

- Implementation of the performance assessment system;
- Continuous investment in uniforms and personal equipment;
- Training courses for professional development;
- Internal discussion and interaction events (sharing of knowledge between employees);
- Sharing of information and knowledge:

  ⇒ "**Let's talk about":** online sessions available to all employees. Each week, a selected employee delivers a 15-minute presentation on a topic related to the company's activities;

  ⇒ **Yammer:** service selected for internal communications concerning the works in course and SETH's activities in general, as well as sharing of solutions, resolution of problems and discussion of technical issues by all employees.

Employees

Monitoring – Indicators and measurement

- Performance Assessment System – assessment by supervisors and colleagues, as well as self-assessment;
- Indicators of attendance and participation in social events, forums and other activities organised by the company.

Results

- The performance assessment system, implemented in 2021, is still at the initial stage. Therefore, results are not yet available;
- SETH without STRESS – social events that include workshops and other forms of entertainment at the end of the working day, at the head office and yard, in order to promote team spirit and encourage camaraderie between employees.

These events were not organised in 2021 due to the restrictions imposed by the pandemic, but will be resumed in 2022

Let's Talk About

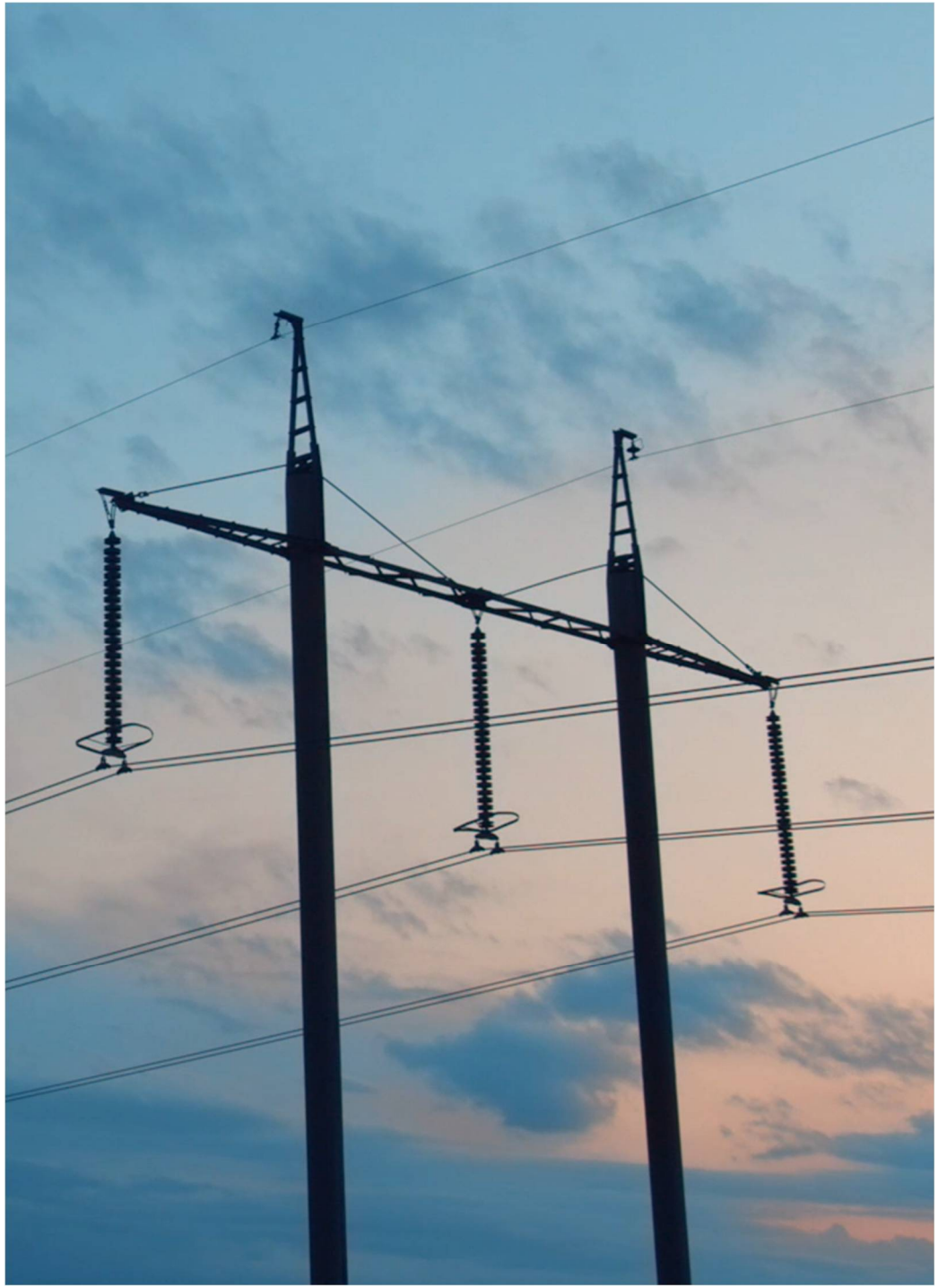
11 Sessions in 2021

SUBJECTS	No. SESSIONS
HR	2
IT	1
Finance	2
Production	4
Safety	2

Yammer

Use of Yammer in the 2nd half of 2021

MONTH	POSTED	READ
July	28	3242
August	23	3088
September	28	3318
October	37	3635
November	40	4645
December	44	5460
TOTAL	**200**	**23388**



EU Taxonomy

A new regime came into effect in the European Union on 1 January 2022 for the purpose of promoting Sustainable Investment. Named EU Taxonomy, this regime will have a significant impact on access to financing in certain economic sectors, namely Construction. The Taxonomy Regulation determines which economic sectors and activities qualify as environmentally sustainable, based on compliance with the environmental goals specified, namely a substantial contribution to climate change mitigation and a substantial contribution to climate change adaptation, amongst others. Although SETH is not currently included in the applicability scope of this regulation, we will remain attentive to their impact on the intended organisations and the Economy in general, in order to anticipate the eventual need to adjust our operations and ensure compliance with this regulation.

In today's world, marked by constant, rapid change, flexibility might be key to ensuring immediate success. However, only by implementing and consolidating adequate policies in the strategic areas defined in this report will we be able to ensure a truly sustainable future.

This is our commitment.