



Seth

Sustainability Report

2023



The year 2023 proved to be difficult given the losses incurred, both in terms of the negative performance of some works and the low revenue achieved. In this difficult and challenging context SETH and all its employees kept in mind the importance of sustainable development and the five strategic areas defined as priorities.

The level of performance in each strategic area was different for several reasons, including the allocation of fewer resources. We intend, however, that in 2024, the investment spent will allow us to develop with greater assertiveness and homogeneity the fulfillment of the policies and objectives defined for the different areas.

The structure of the report is maintained, highlighting the policies and activities developed in the various areas during the year 2023.

Compliance with the principle of Sustainability is a priority for Management and is part of the strategy defined for the present and future 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 categories:

- ⇒ **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 activity 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”), a Development NGO dedicated to the co-financing of the School Meals Programme at the Santa Luísa de Marillac (SLM) School, in Manjange, Chokwé, Mozambique. This organisation provides nutritious, hot meals to the entire school community, at no cost, thus helping to mitigate the effects of poverty and foster the academic performance of youngsters.
- Reuse of part of the wood waste generated at construction sites in Mozambique, which was delivered to local populations for personal use.





Social sustainability

Local and social responsibility

Monitoring – Indicators and results

All SLM School Meals programme indicators, as listed below, remained unchanged or improved:

- ⇒ 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 carry out other domestic chores, we seek to ensure high school attendance by this group, such as to foster gender equality .



Results

- In 2022, a total of 913 children and adolescents aged 7-18, including 461 female pupils, attended the SLM School (Santa Luisa de Marrilac School), in Manjangué, Mozambique, on a daily basis, having benefitted from the School Meals Programme;
- A total of 4,465 people, which include the children's family members, benefitted indirectly from the School Meals Programme;
- Donation of €15,000 given by SETH to the School Meals Programme in 2022 corresponded to 1/3 of the annual budget.



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 the needs and ensure the welfare of employees.



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;
- Training of workers in the assembly of lifelines
- Organisation of professional training sessions;
- Installation of a Training Centre at Vilanculos 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 activity;
 - ⇒ Viva Engage: the preferred service for internal communications concerning the works in course and SETH's activity in general.
 - ⇒ Toolbox Talk, also known as "safety talks": an essential training tool used to ensure the continuous development and improvement of safety behaviours.



Social sustainability

Training and Safety

Monitoring – Indicators and results

- Accident Frequency Index: Very Good (qualitative class);
- Professional and safety training indicators;
- Annual investment in personal protective equipment;
- Investment in equipment that reduces the risks associated with identified operations;
- Number of trainees and training hours at the Vilanculos Training Centre;
- Number of “Let’s talk about” sessions organised every year;
- Total training hours in Toolbox Talk.



Training course of rescue in height , Mozambique



Social sustainability

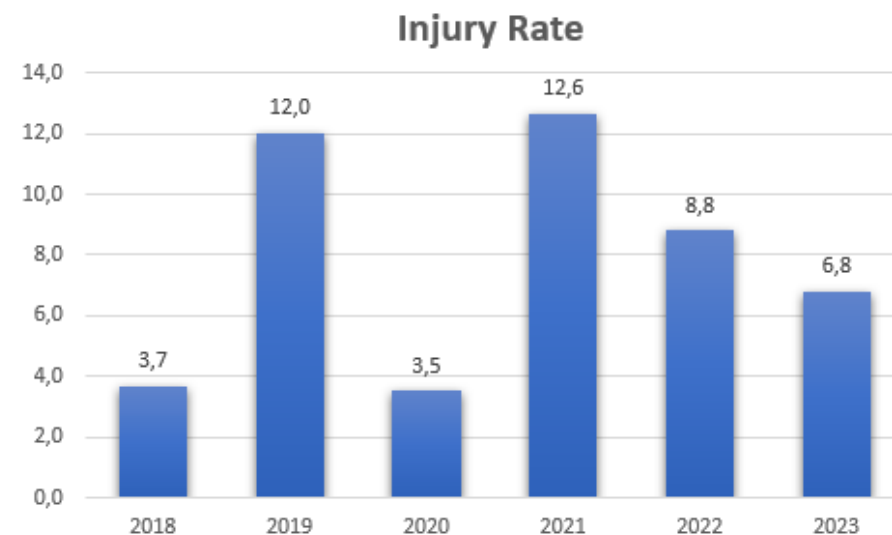
Training and Safety

Results

Training:

Indicators	2021	2022	2023
Training hours/working hours	0.45%	0.47%	0,57%
Training hours/employee	9.13	9.40	11,52
Number of employees receiving training	84.94%	98.82%	76,29%
Employees	352	339	297

Accident Frequency and Severity Indexes:





Social sustainability

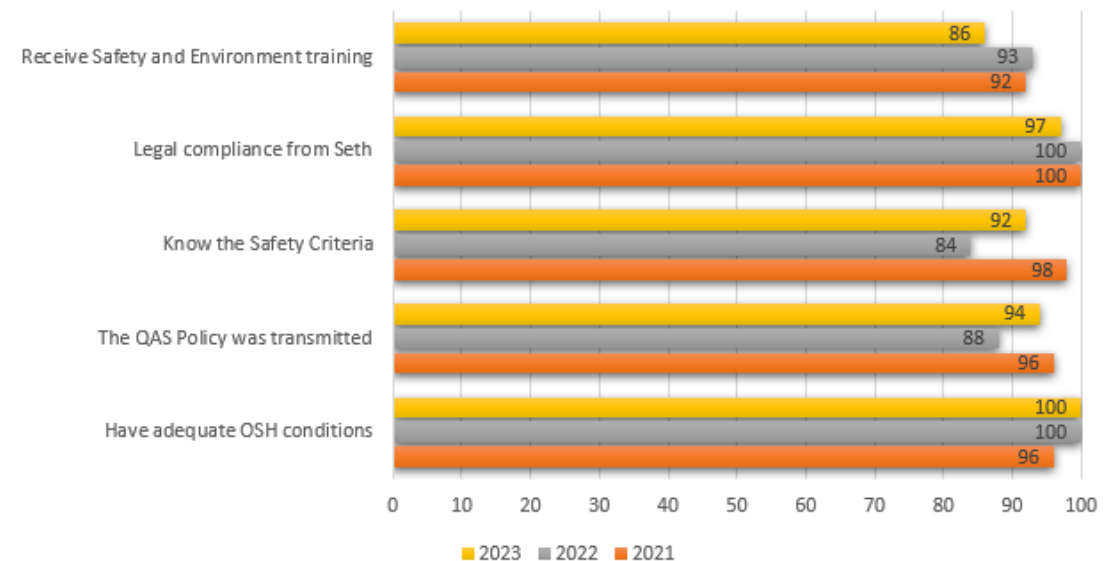
Training and Safety

Results

Degree of satisfaction of employees of subcontractors and external providers with regard to the company's safety conditions:

In 2023:

- Safety and Environmental training accounted for 87% (increase) of total Training hours;
- Increase in safety training per working hours: one hour of Safety training provided per 144 hours in 2023 (177 in 2022) working hours;
- Increase in 2,4 hours Safety training per employee over the year compared to 2022 (total 11,5 hours);
- 220 hours accounted for the ToolBox Talks
- In Mozambique, the first course of rescue in height was completed at the Vilanculos Training Centre involving 13 trainees.





Environmental sustainability

Policies and goals

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

- Reducing CO2 emissions (tonnes), through the use of more efficient, less polluting equipment;
- Reducing fossil fuel, electricity and water consumption;
- Reducing materials consumption, through the use of modular, prefabricated solutions proposed to clients;
- Mitigating the direct impact of SETH's activity on the environment.

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, for electricity generation;
- Installation of a buoy in the water tank, in order to maximise rainwater use at the Head Office;
- Participation in "SOS Cagarro" ("SOS Cory's shearwater"), a campaign organised as part of an Environmental Education and Nature and Biodiversity Conservation Programme developed by the Regional Government of the Azores;
- Replacement of spraying with trunk injection (endotherapy) in the preventive treatment of pine trees at the Central Yard.

Monitoring – Indicators and results

- 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;
- Number of Cory's shearwaters rescued, as recorded by the Regional Government of the Azores and published on the official page of the "SOS Cagarro" campaign;
- Number of pine trees treated at the Central Yard.

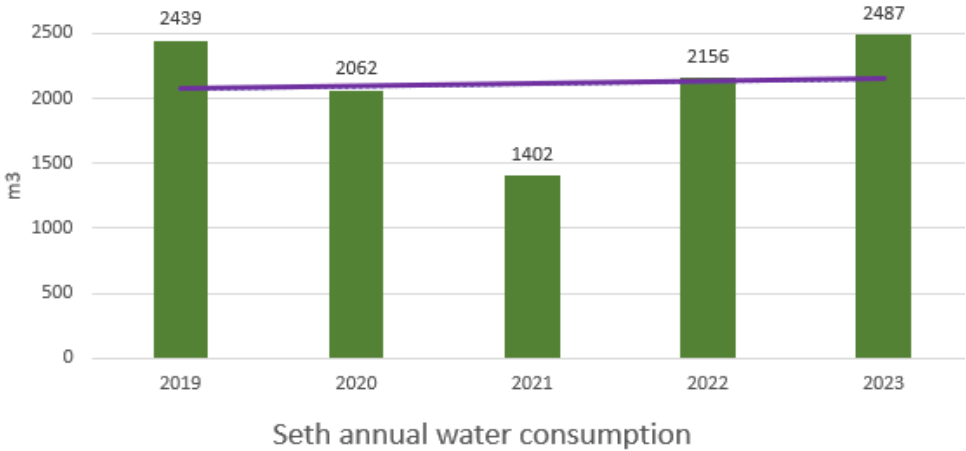


Environmental sustainability

Environment

Results

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



Annual water consumption per worker (m3)

2019	2020	2021	2022	2023	Variation (5 years)
35,35	23,70	15,75	31,25	35,03	↓ -0,9%



Environmental sustainability

Environment

Results

- Fuel consumption (in Portugal)

	2019		2020		2021		2022		2023			
	Fuel Consumption	CO2 Emission (Ton)	Fuel Consumption	CO2 Emission (Ton)	Fuel Consumption	CO2 Emission (Ton)	Fuel Consumption	CO2 Emission (Ton)	Fuel Consumption	CO2 Emission (Ton)	Variation in Fuel Consumption (5 years)	Variation in CO2 Emission (5 years)
Vehicles	80 035	214	65 664	175	76 228	199	82 592	209	88 563	221	↑ 10,65%	↑ 3,37%
Sites	54 799	146	16 883	451	25 735	69	22 263	59	31 094	83	↓ -43,26%	↓ -43,26%
Total	134 835	360	82 547	220	101 962	267	104 855	269	119 657	304	↓ -11,26%	↓ -15,58%
Per vehicle	1 703	5	1 527	4	1 556	4	1 795	5	1 925	5	↑ 13,06%	↑ 5,57%



Environmental sustainability

Environment

Results

- Electricity consumption

Annual Electricity Consumption

2019	2020	2021	2022	2023	
HQ +Main Yard	HQ +Main Yard	HQ +Main Yard	HQ +Main Yard	HQ +Main Yard	Variation (5years)
195 589	193 235	174 884	176 540	185 789	↓ -5,01%

Annual CO2 Emissions

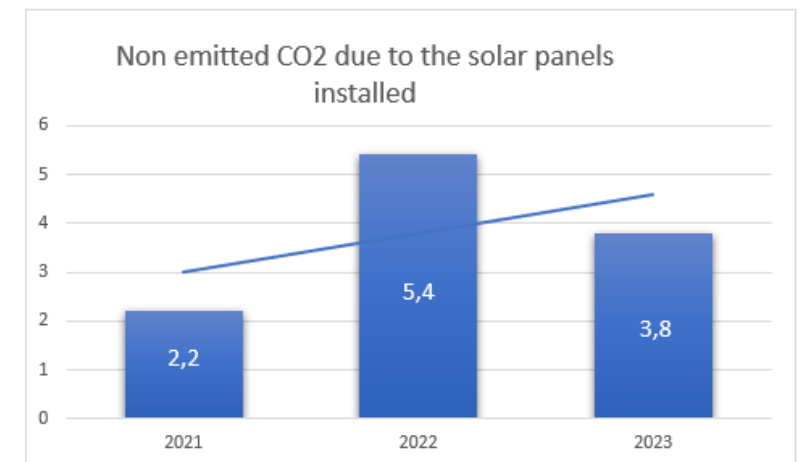
2019	2020	2021	2022	2023	
HQ +Main Yard	HQ +Main Yard	HQ +Main Yard	HQ +Main Yard	HQ +Main Yard	Variation (5years)
60 543	47 138	35 683	42 585	48 931	↓ -19,18%

Annual Electricity Consumption per Worker

2019	2020	2021	2022	2023	
HQ +Main Yard	HQ +Main Yard	HQ +Main Yard	HQ +Main Yard	HQ +Main Yard	Variation (5years)
2 835	2 221	1 965	2 559	2 617	↓ -7,70%

SOLAR PANELS AT THE CENTRAL YARD

- Autonomy from the electricity network: 21%;
- Self-consumption rate (power consumed/power sold to the electricity network): 70%;
- CO2 emissions decreased by a total of 11.4 tonnes since the Installation of the Solar Panels, in May 2021.





Environmental sustainability

Environment

Results

- Other initiatives undertaken in 2023
 - ⇒ Three Cory's shearwaters, a protected species that nests in the Azores found at SETH construction sites were rescued;
 - ⇒ Preventive treatment against the processionary was applied to 14 pine trees at the Central Yard.
 - ⇒ Implementation of "Hora A – Water and Environment" with the Azores team which consists of informal environmental awareness actions.



Cory's shearwaters found at SETH construction sites, Lajes Field



Environmental sustainability

Circular Economy

Policies and goals

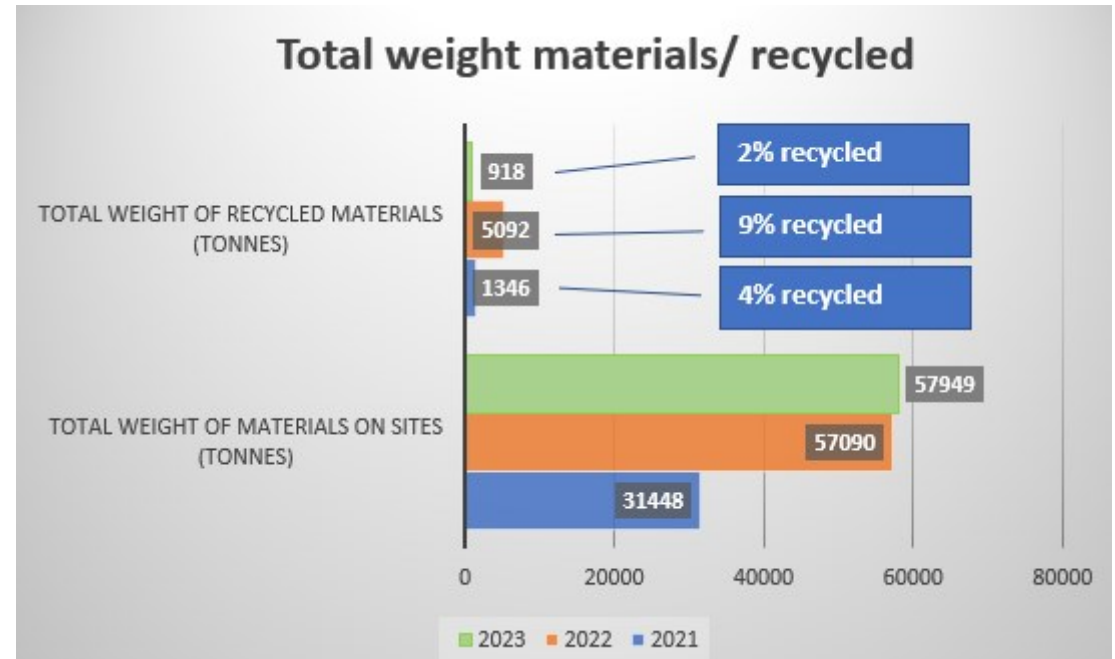
- Increase in waste collection and reuse, favouring its use in construction works.

Initiatives

- Reducing materials consumption, through the use of modular, prefabricated solutions;
- Use of existing soils and rocks as raw materials in construction works.

Monitoring – Indicators and results

- % decrease in concrete and steel waste;
- Quantity (tonnes) of waste used in construction works;
- % waste collected for reuse
- Use of existing, non-contaminated soils and rocks in construction works.





Environmental sustainability

Circular Economy

Results

- Reuse of waste on site and non generated waste through prefabricated solutions:

In 2023, the weight of waste reuse compared to the total in all SETH’s activities was 81%



Site	% of mitigated concrete and steel waste
Transtejo	Not generated waste: • Steel: 0.34 tonnes • Concrete: 1.74 tonnes
	Zero waste as compared in the usual solution: • Steel: 7% waste • Concrete: 5% waste

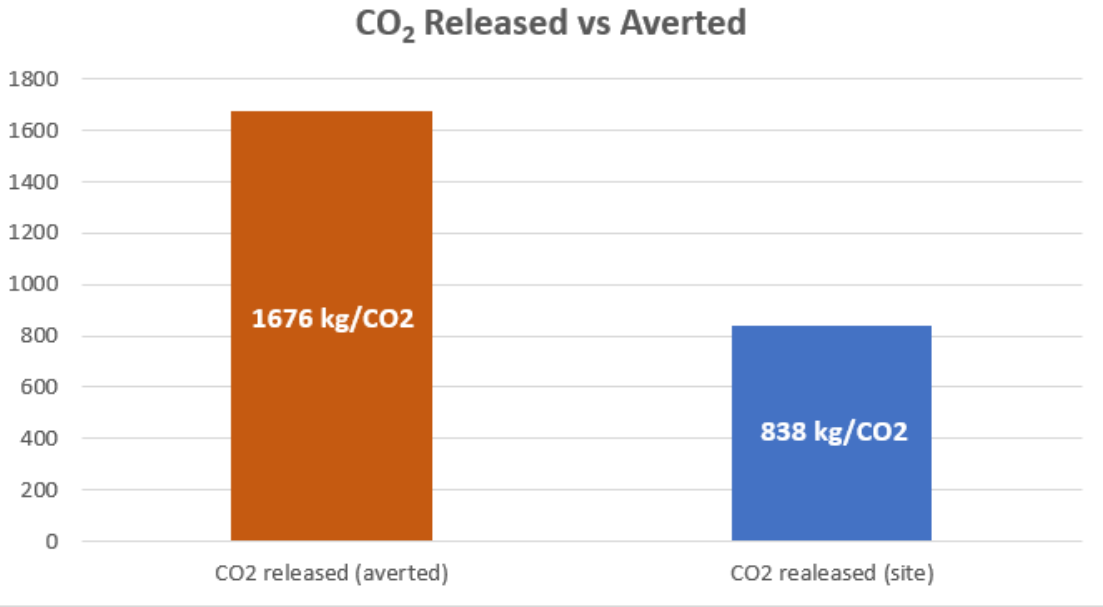


Environmental sustainability

Circular Economy

Results

- Reuse of stone materials and rockfill, removed from existing material and replaced on site;
- The reuse of rockfill recovered during the dredging and then replaced on the slope had an impact on CO2 reduction of around 50% of fuel as well as CO2 release.





Environmental sustainability

In May 2023, SETH was distinguished by Ageas Seguros with the award of an Honorable Mention of the Innovation in Prevention Award 2022, in the environment category.

This award aims to identify projects that promote the existence of environmental policy(s) and the implementation of measures aligned with sustainability indicators which aim to reduce environmental impact and efficient management of resources.

SETH's application in the environment category of the award focused on the production of precast concrete carried out in a controlled environment which were applied in several contracts, which allows:

- ⇒ The efficient use of materials;
- ⇒ The reduction of waste;
- ⇒ The most economical and least polluting manufacturing process.





Innovation

Policies and goals

- Identification, monitoring and/or purchase of innovative technologies available on the market, as deemed adequate to the size and activity of SETH;
- Continuous updating of technical and scientific knowledge;
- Application of technical solutions, namely offsite construction processes, and adoption of **circular economy principles**.

Initiatives

- Member of the Portuguese Construction Technology Platform (PTPC), which promotes research, development and innovation initiatives and projects in 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.

Monitoring – Indicators and results

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

Results

- Co-authored technical presentation on the execution of piles in the maritime environment at the 18th National Congress of Geotechnics (SPG) and at the 11th Conference on Coastal and Port Engineering (PIANC), which was also published in a North American technical journal.
- Use of offsite construction through the prefabrication of concrete staves for the Sines project.
- Shorter execution times and lower costs, as well as decreased waste generation, due to the application of new construction solutions.



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;
- Digital transformation – new corporate culture allied to the new digital technologies;
- 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 by using Cloud-based tools;
- Implementation of a digital document sharing system for production equipment;
- Investment in made-to-measure software, in order to ensure the integration of the invoice approval service and the ERP used by SETH;
- Use of software to produce reports and dashboards.

Monitoring – Indicators and results

- Smaller number of hours required to process digital employee clocking-in data, compared with the previous process;
- Elimination of tasks across the company;
- Investment in digital technologies;
- Reduction of effort and time in obtaining KPI's compared to the existing process.

Results

- Ongoing digital transformation projects in the Geotechnical Engineering Projects Department, the Human Resources Department and the Central Yard, at different progress stages;
- The digital employee clocking-in system is still at the testing stage; implementation is expected to start in the 1st quarter of 2024;
- Implementation of a single record of Training by the Human Resources and Quality, Environment and Safety Departments;
- Reduction of time in the obtention of KPI's;
- Faster delivery of production equipment information.



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 leads to new opportunities;
- Potential decrease in contractual disputes and reduction/elimination of unplanned works, by building and maintaining lasting, loyalty-based relationships with key business partners, suppliers and subcontractors, such as to ensure the adequate operation of the value chain in SETH's core business areas.

Initiatives

- Collaborative contracting through the identification of the best solutions, in collaboration with clients, and establishment of contractual relationships based on open-book solutions and risk and profit sharing;
- Establishment of long-term partnerships with companies that complement or fill existing skills gaps in non-core business areas;
- Availability to seek national and international financial partners, such as to offer financial solutions to clients and facilitate project feasibility.



Monitoring – Indicators and results

- Number of projects or studies developed in collaboration with potential clients;
- Number of contracts awarded through collaboration;
- Contacts with credit agencies at the request of a potential client.

Results

- Contracts on the Costa Terra Project in Melides were previously developed in collaboration with the client, as well as the Curoca dam project in Angola.



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;
- In Mozambique, implementation of an Occupational Medicine service and awareness actions in the field of public health;
- 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 activity;
 - ⇒ **Viva Engage:** the preferred service for internal communications concerning the works in course and SETH's activity in general;
 - ⇒ **Toolbox Talk**, also known as "safety talks": an essential training tool used to ensure the continuous development and improvement of safety behaviours.



Employees

6Monitoring – Indicators and results

- Performance Assessment System – assessment by supervisors and colleagues, as well as self-assessment;
- Number of employees in Mozambique benefitting from the Occupational Medicine service (not legally required in Mozambique);
- Indicators of attendance and participation in social events, forums and other activities organised by the company;

Results

- In 2023, Viva Engage social network used internally suffered a significant reduction in publications, which resulted in a strong reduction in interactions between employees.



	2022	2023	Variation
Posted	499	243	-51%
Read	72869	42577	-42%
Liked	4215	2226	-47%



Employees

Results

- The performance assessment system was reformulated, but assessments will be resumed in 2024;
- All of SETH's employees in Mozambique benefit from the Occupational Medicine Programme;
- Awareness raising actions dedicated to HIV and sexually transmitted diseases were organised for the company's employees in Mozambique which 67 workers participated;
- Six workers participated in the lifeline assembly training;
- In 2023, there were no Let's Talk about sessions. They will resume in 2024;
- In Portugal, two actions were carried out to raise awareness of healthy practices and habits.

SETH without STRESS – All employees working at the Central Yard enjoyed a therapeutic, relaxing moment at work, in the form of a body massage, having also received guidance on how to maintain good posture and manage physical effort on a daily basis.





On the 1st of October, the Carbon Border Adjustment Mechanism (CBAM) came into force, applied to goods imported into the customs territory of the European Union and to some sectors of the economy, such as the Construction sector, whose greatest impact will be on cement, iron and steel and aluminium. This mechanism, created with the purpose of supporting the reduction of greenhouse gas emissions worldwide will make it mandatory for companies to pay carbon emissions from 2026. Another EU measure that will certainly have important and challenging repercussions for the Construction Sector.

In today's world, marked by constant, rapid change, flexibility may very well 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.