



# ACTIVITY REPORT 2020



# ABOUT THIS REPORT

This integrated 2020 Activity Report represents the first part of Sibelco's 2020 Annual Report. It should be read in conjunction with the 2020 Financial & Governance Report.

The integrated 2020 Activity Report explains who we are and what we do as well as the context in which we operate. It outlines our Sibelco 2025 strategy and the progress we have made towards achieving our goals. It is the second year Sibelco has presented detailed economic, environmental and social information in one integrated document. It outlines how we seek to contribute towards the achievement of the UN Sustainable Development Goals (SDGs) and explains Sibelco's objectives for 2025 and beyond. For more detailed information on Sibelco's sustainability approach please visit [www.sibelco.com/sustainability](http://www.sibelco.com/sustainability)

The 2020 Financial & Governance Report includes more detailed information including Sibelco's financial statements and governance report.

The reporting process and format has been inspired by SDG Compass – an initiative Developed by GRI, the UN Global Compact and the World Business Council for Sustainable Development (WBCSD). All data in the report was submitted to the Sibelco Board of Directors for approval in March 2020.

OUR

# PURPOSE

EVERYTHING WE DO IS GUIDED BY OUR PURPOSE:

*Material solutions advancing life*

We create materials that power progress. Our products help to build homes, cities and vehicles; to support the supply of electricity, food and clean water; to create new technologies like smartphones, low-energy lighting and solar panels.

We do this within a robust sustainability framework, always balancing economic performance with environmental stewardship and social responsibility.

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# SIBELCO 2025

Sibelco 2025 marks the beginning of a bold and exciting journey, incorporating a fresh vision and strategy which will drive our business forward and enable us to reach our full potential.

The new strategy builds on our global organisational framework and reconnects with our industrial heritage. It will bring more **focus** to what we do and how we do it.

We have introduced a new, more agile and responsive geographical structure which will enable us to build closer relationships with our customers and **win** in our key markets through critical competitive advantage.

Our sharper focus and increased competitiveness will serve as a platform for future **growth**, strengthening our position in Europe whilst gradually growing back into the rest of the world.

Sibelco 2025 sets out clear targets driven by our new vision and guided every day by a set of universal values (overleaf).

# OUR VISION

"WE WILL BECOME

- **THE GLOBAL LEADER** IN THE MINING, PROCESSING & SELLING OF SILICA SAND
- **A REGIONAL LEADER** IN CLAYS FOR CERAMICS, FELDSPATHIC MINERALS, OLIVINE AND GLASS RECYCLING

SUSTAINABILITY, INCLUDING A RELENTLESS FOCUS ON SAFETY & CO<sub>2</sub> EMISSIONS REDUCTION, IS A FUNDAMENTAL PART OF OUR VISION"

## OUR VALUES



### INTEGRITY

We are open and honest with each other and adhere to the highest ethical standards in the way we conduct business.



### RESPECT

We respect each other's differences and contributions. We respect our colleagues' right to return safe and healthy to their family each day. We respect the environment and carefully manage our impact wherever we operate.



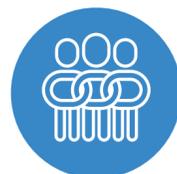
### OWNERSHIP

We make decisions as if it was our money, property, time or reputation at stake and we deliver on the promises we make.



### EXCELLENCE

We pursue continuous improvement in overall performance. We ensure that our operations, functions and processes work together to produce consistently high value outcomes for our customers and other stakeholders.



### TEAMWORK

We operate as one team with a common objective. We collaborate across operational, functional and geographical boundaries and make full use of our diverse knowledge, expertise and experience.

## OUR TARGETS

### OUR VISION SETS OUT SPECIFIC TARGETS

We will generate sector-leading returns from our superior geological deposits by deploying a consistent and repeatable model wherever we operate. As an intermediate checkpoint we have set the following targets for **2023**:



**REDUCE RECORDABLE INCIDENT RATE (RIR) TO 2.5**



**IMPROVE FREE OPERATING CASH FLOW (FOCF) TO €120M PER YEAR**



**IMPROVE RETURN ON CAPITAL EMPLOYED (ROCE) TO 11%**

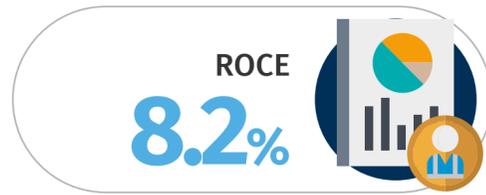


**REDUCE CO<sub>2</sub> EMISSIONS**  
(target to be set 2021)

# OUR BUSINESS AT A GLANCE

Founded in 1872, Sibelco has grown into a multinational business with operations in 31 countries and an extensive multi-mineral portfolio.

We work with customers worldwide across a broad range of sectors, delivering solutions that combine high-specification materials with dedicated technical support.



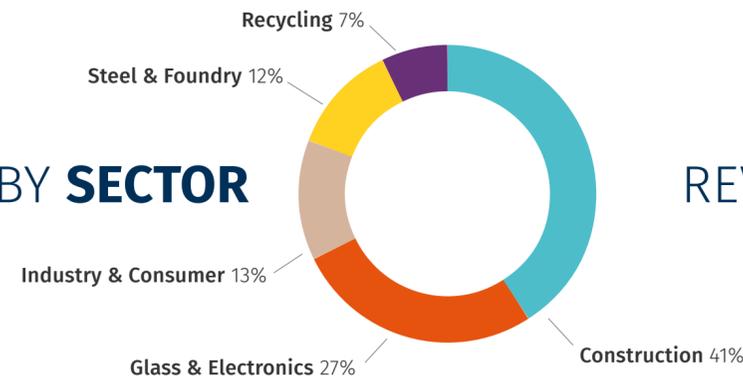
\* Europe 3,764 Americas 558 APAC 1,036

## MATERIAL SOLUTIONS

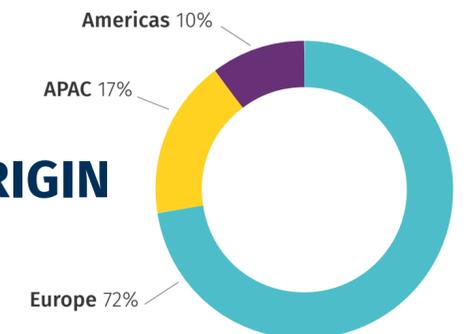
We offer a broad range of high-specification products, derived from a core group of minerals divided into five main categories:

- SILICA**
- CLAYS FOR CERAMICS**
- OLIVINE**
- FELDSPATHICS**
- RECYCLED GLASS**

## REVENUE BY SECTOR



## REVENUE BY ORIGIN



All data is for Sibelco excluding Covia. Data relating to employees, sites and technical centres is at 31 December 2020.

# MESSAGE FROM THE **CHAIRMAN & CEO**

Dear Shareholder,

2020 will go down as one of the most turbulent years in recent history with the COVID-19 pandemic causing medical and economic chaos in all continents from the beginning of March. Sibelco's core activities demonstrated resilience to the economic fallout of the pandemic and we would like to thank Sibelco's employees who have worked tirelessly in difficult circumstances to ensure the safe and continued operation of our plants and largely uninterrupted supplies to our customers. The positive feedback that we received in our annual customer survey is testimony to the efforts of our teams around the world.

**HILMAR RODE**  
CHIEF EXECUTIVE OFFICER

**BERT DE GRAEVE**  
CHAIRMAN OF THE BOARD

For Covia, the twin economic shocks brought about by the pandemic and the collapse in the oil price as well as the burden of high debt and onerous contracts related to railcar leases led to the company filing for Chapter 11 protection in June. Sibelco looked at various options as part of the lead-up to this process but decided to step away in the best interests of Sibelco and its shareholders. The result is that Sibelco is now a smaller but financially secure company and management's focus will be on returning the company to profitable growth over the coming years.

Excluding Covia, Sibelco's activities resisted the effects of the pandemic well and, after a challenging second quarter, revenues showed a sequential recovery through to the end of the year. EBITDA exhibited a similar trend, bouncing back by the fourth quarter to a similar level as the same period in 2019 on a like-for-like basis, i.e. excluding Covia and the divestments. While some of this resilience can be attributed to the diversity of the economic sectors we serve, our focus on rigorous cost management was a key factor in protecting profitability. Similarly, capital expenditures were kept in check while ensuring that Sibelco's main growth and operational excellence projects continued unimpeded. Cash flows remained positive and, together with the receipt of proceeds from the sale of the magnesia assets, ensured that Sibelco ended the year with a further improvement in its net financial position. The net result for Sibelco excluding Covia was EUR 126 million. The total net result Group share including Covia was EUR 78 million compared to a net loss (Group share) of EUR 672 million in 2019.

The year also marked the beginning of a new chapter in Sibelco's history with management moving to devise a new vision and strategy for Sibelco for the coming five years. Sibelco 2025 builds on the successful elements of its Vision 2020 predecessor while



## SIBELCO'S ACTIVITIES RESISTED THE EFFECTS OF THE PANDEMIC WELL

recognising the current challenges and opportunities for Sibelco to address. Sibelco 2025 brings added focus to our business by clearly defining our most important activities and bringing more clarity to where we will invest. It also provides a clear route to competitive advantage by getting even closer to our customers and further empowering our people. Ultimately the aim is to build a strong platform for growth and sustainable value creation; we have set out challenging but realistic goals in the areas of employee safety, free operating cash flow and return on capital employed. We will also set more ambitious targets in the area of carbon emission reductions and will be able to tell you more about this at the 2021 half-year results in August. You can read more about Sibelco 2025 on pages 5-6 of this report.

Sibelco had a strong sustainability performance in 2020. In safety we recorded a significant reduction in reportable incidents. In social aspects including gender diversity, talent retention, employee and community engagement we also made progress.

From an environmental perspective the improvements in water management and energy efficiency were in line with our 2025 roadmap.

We wish to recognise our shareholders' patience and collaboration during this difficult year, particularly their willingness to forego the interim dividend during a period of continued economic uncertainty. We believe that the Board of Directors' proposal of a gross annual dividend of EUR 106 per share for approval at the Annual General Meeting is a sign of confidence in the strength of the group and the potential to generate long term value.

At the time of writing, the world remains in the grip of the second wave of the COVID-19 pandemic. Although vaccination programmes are now underway in most countries, it is unclear when the major global economies will revert to a degree of normality. Despite this uncertain backdrop, Sibelco is well positioned. Our clear vision and strategy combined with an enviably strong financial position give us a solid foundation on which to build. Our challenge in the coming months and years will be to put these advantages to work and ensure that we create enduring value for our shareholders.

Finally, we would like to pay tribute to our Honorary Chairman, Mr Gaëtan Emsens, who passed away last year. As a member of the founding families, Gaëtan Emsens actively contributed to the development of the Sibelco Group for decades in the period of its most significant expansion. We and the Board of Directors wish to express our profound gratitude toward the Honorary Chairman for his lifelong commitment and support to the company and its stakeholders.



**BERT DE GRAEVE**  
CHAIRMAN OF THE BOARD



**HILMAR RODE**  
CHIEF EXECUTIVE OFFICER

# NAVIGATING COVID-19

WE ADAPTED QUICKLY TO ADDRESS THE CHALLENGES CREATED BY THE ONGOING CORONAVIRUS PANDEMIC.

As well as the threat to people's health, the COVID-19 pandemic created unprecedented challenges and uncertainty for businesses worldwide. At Sibelco, we moved swiftly to protect the safety of our people whilst at the same time implementing new measures to safeguard business continuity and mitigate the economic effects of the pandemic.

We adjusted our 2020 business priorities in line with conditions across our markets. This included the introduction of new objectives such as the formation of crisis response teams across the organisation and the setting of substantial cost saving targets to help offset lower revenues. To defend our cash position, we significantly reduced capex spend in 2020 whilst our shareholders agreed to reduced dividend payments.



A wide range of COVID safe working practices have been adopted throughout the business to protect the welfare of our people. Examples include the installation of plexiglass partitions in quarry vehicles to enable colleagues to travel together safely, temperature checks for employees and visitors in plants and offices, the replacement of communal water dispensers with individual bottles and the compulsory wearing of face masks where social distancing is not possible. Virtual meetings have become the norm for many parts of our business together with the introduction of training to support COVID safe working practices.

We are determined that Sibelco will emerge from the pandemic stronger through ongoing initiatives to support digital transformation, variable cost structures and agile operations.

## SUPPORTING OUR CUSTOMERS

We worked safely around the clock to mitigate any disruption to customer supplies during and after the lockdown period. The incredible efforts of our local teams were reflected in the results of our 2020 Net Promoter Score customer satisfaction survey in which approximately ninety per cent of respondents scored Sibelco's support during the pandemic as seven out of ten or higher.

## SUPPORTING OUR LOCAL COMMUNITIES

Sibelco sites stepped up to help neighbours in need during the pandemic. Many of our sites donated surplus personal protective equipment to local hospitals and nursing homes, ensuring that frontline care workers were equipped with face masks, face shields, goggles and overalls.

Our team in Belgium also donated laptops and computers to schoolchildren with limited access to digital resources, enabling them to continue studying as schools shut down. Colleagues in India distributed food parcels to people in the community whose livelihoods had been lost as a result of COVID-19 and provided hand sanitiser and masks to the local police.



VIRTUAL MEETINGS  
BECAME THE  
NORM FOR MANY  
PARTS OF OUR  
BUSINESS





# ECONOMIC PERFORMANCE

## 2020



## EXPLANATORY NOTE ON COVIA

The merger of Unimin and Fairmount Santrol and the creation of Covia in 2018 was intended to give Sibelco greater strategic flexibility in the inherently volatile US energy market. Structural changes to the proppant segment in the US accelerated in the second half of 2018 and through 2019. This was compounded in 2020 by the twin economic shocks brought about by the COVID-19 pandemic and the collapse in the oil price as well as the burden of high debt and onerous contracts related to railcar leases.

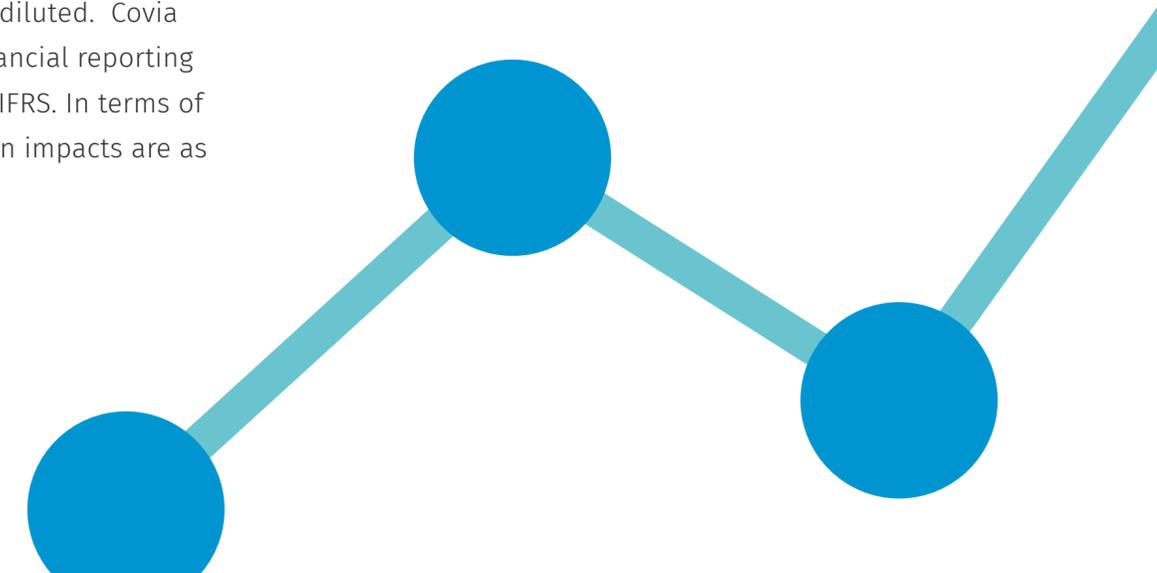
Despite the efforts of Covia's management to combat these effects, it became clear that more radical steps were necessary and the company elected to file for Chapter 11 protection in June. Sibelco looked at various options as part of the lead-up to this process but decided to step away in the best interests of Sibelco and its shareholders.

Covia exited the Chapter 11 process on 31 December 2020 and the resulting financial restructuring led to Sibelco's ownership being completely diluted. Covia was deconsolidated from Sibelco's financial reporting at the end of June in accordance with IFRS. In terms of the 2020 financial statements, the main impacts are as follows:

**Balance sheet:** all assets (EUR 1.9 billion), equity and debt (EUR 1.7 billion) of Covia was deconsolidated at 30 June.

**Income statement:** contains all P&L elements for Covia only for the first half of 2020 – being EUR 492 million revenue, EUR 50 million EBITDA and a net loss (share of the group) of EUR 48 million. Significant impairments on Covia had already been accounted for in 2019. The group income statement therefore contains a net gain from financial assets of EUR 35 million arising from the valuation impact of the derecognition of Covia assets as the overall loss of assets was more than offset by relief from liabilities and strengthened by a positive release from currency translations.

**Cash flow statement:** contains all cash elements relating to Covia for the first half of 2020, being a FOCF of EUR 27 million and a negative net free cash flow of EUR 15 million.



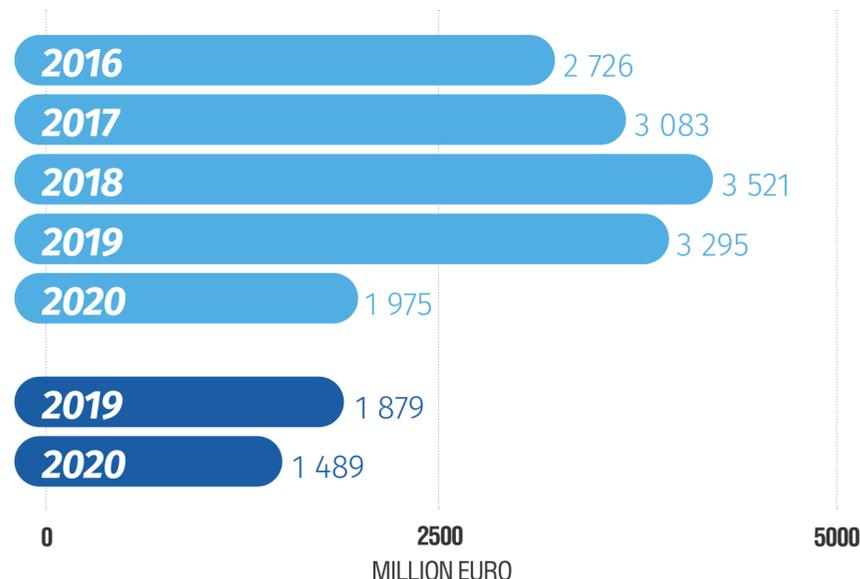
## GROUP RESULTS

For the purpose of the discussion of Sibelco's results below, we have focused on the performance excluding Covia and have added a short commentary on items pertaining to the full Group net consolidated results. Beyond the exit from Covia, Sibelco has undergone further changes to its portfolio of activities with several material divestments and closures. We are therefore providing pro-forma data on key metrics (revenue, EBITDA, FOCF and ROCE) for the continuing operations as this is the most relevant baseline for 2021 and beyond.

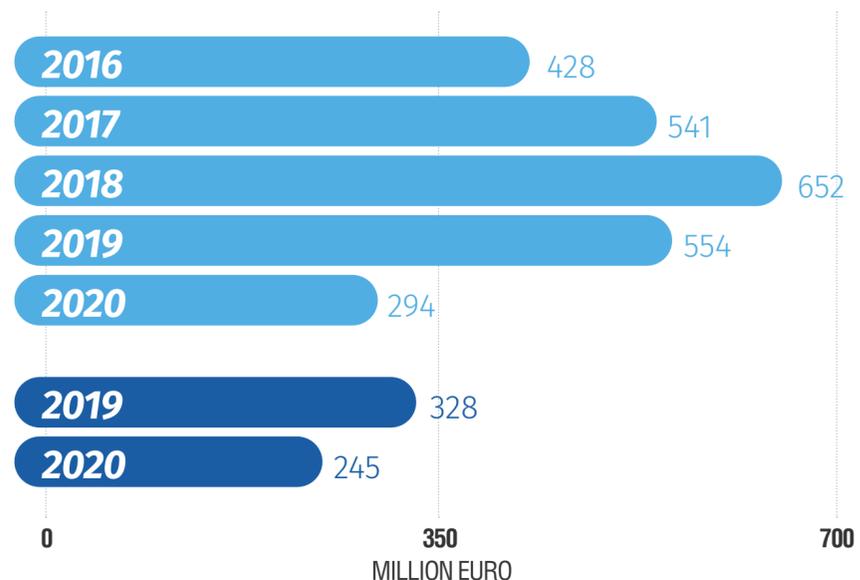
Revenues excluding Covia were down by 21% to EUR 1,489 million. This decrease was due to the impact of COVID-19 on the markets served by Sibelco's activities and also the reduced levels of revenues from those assets that were sold or closed from 2019-2020, notably lime and limestone, magnesia and mineral sands. At constant scope (i.e. excluding the impact of these divestments and closures) the reduction in revenue was 9% (from EUR 1,534 million to EUR 1,389 million). This reflected a steady recovery in the second half of the year from the significant impacts of the COVID-19 downturn felt in the second quarter. Sibelco's gross margin percentage remained stable as cost management measures kept track with the decrease in revenues.

EBITDA excluding Covia amounted to EUR 245 million compared to EUR 328 million in 2019, a reduction of 25%. At constant scope (i.e. excluding the impact of divestments and closures) the reduction in adjusted EBITDA was 16% (from EUR 245 million to EUR 205 million). The reduction in adjusted EBITDA was mitigated through cost reductions and other measures to safeguard profitability and cash generation. EBITDA for the continuing operations (i.e. excluding divested or closed activities) in the fourth quarter had recovered to similar levels as the corresponding period in 2019.

### REVENUE

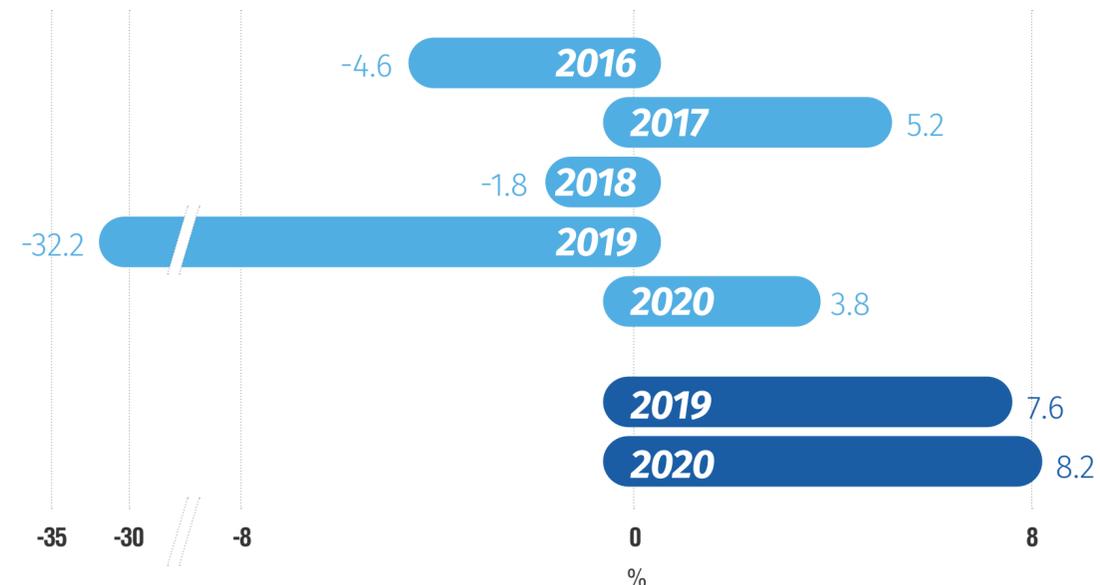


### EBITDA



■ SIBELCO GROUP ■ SIBELCO EXCL. COVIA

### ROCE



Return on capital employed (ROCE) was 8.2% for Sibelco excluding Covia. This compares to 7.6% in 2019. Underpinning the improvement was a rigorous focus on working capital management and a disciplined approach to capital expenditures. ROCE for the continuing operations was 5.6% compared to 6.0% in 2019. Working capital management measures included an intensified management of inventory levels at all Sibelco plants. The total effective tax rate for the group was 21.5% (18.2% for Sibelco excluding Covia and 15.8% for Covia).

The net result (Group share) for Sibelco excluding Covia was EUR 126 million. The total net result Group share including Covia was EUR 78 million compared to a net loss (Group share) of EUR 672 million in 2019. The net result was boosted by a result from financial assets of EUR 47 million arising from the valuation impact of the derecognition of Covia as well as the proceeds from the sale of the magnesia operations in Australia.

## COST MANAGEMENT

Sibelco stepped up its on-going cost management efforts in light of the new challenges linked to the COVID-19 pandemic. The measures introduced included an even stricter procurement focus on only products and services that were essential to business continuity. Overall fixed costs were managed down and SG&A expenditure was reduced by some EUR 9 million compared to 2019 at constant scope.

## CAPITAL EXPENDITURES & ACQUISITIONS

Capex at Sibelco's operations excluding Covia was EUR 106 million vs EUR 144 million in 2019. This decrease was due to a selective reduction in certain capex projects. Investments continued in Sibelco's main growth and operational excellence projects with the main expansion projects being the clay operations in the UK and feldspar activities in Turkey.

Sibelco further expanded its presence in the market for glass recycling in Europe. In February, Sibelco acquired the assets of two glass recycling activities, Emiliana Rottami and Emill, through bankruptcy auction in the Bologna region of Italy. Sibelco started the development of the 250kt brownfield San Cesario glass recycling plant at the location in the fourth quarter of 2020. These acquisitions complement Sibelco's existing Italian glass recycling plants in Musile and Antegnate.

In April, Sibelco created a joint venture with waste collection & logistics group Mineris Environnement for the collection and recycling of flat glass in France known as Recyverre. Recyverre, in turn acquired GIREV, one of France's leading recyclers of flat glass.

In May, Sibelco formally completed the acquisition of Ukrainian clay producers Euromineral LLC and Kurdyumovsky Plant PrJSC, located in the Donetsk region. Sibelco had reached an agreement to buy these activities at the end of 2019. This acquisition will augment Sibelco's sustainability profile, reserves and mining life in Ukrainian clay, an important raw material for worldwide production of porcelain tiles.

Sibelco's strategic partnership with Act&Sorb in materials for water filtration based on recycled medium-density fibre board (MDF) took another step forward as construction of the production facility in Genk, Belgium, started in September. Act&Sorb was awarded a EUR 2 million grant from the Flemish authorities for its further development and growth. When fully operational, the new facility will convert 50,000 tonnes of waste medium density fibreboard into 7,500 tonnes of activated carbon, saving 100,000 trees and generating 2 MWe of syngas in the process.

## CASH FLOW & FUNDING

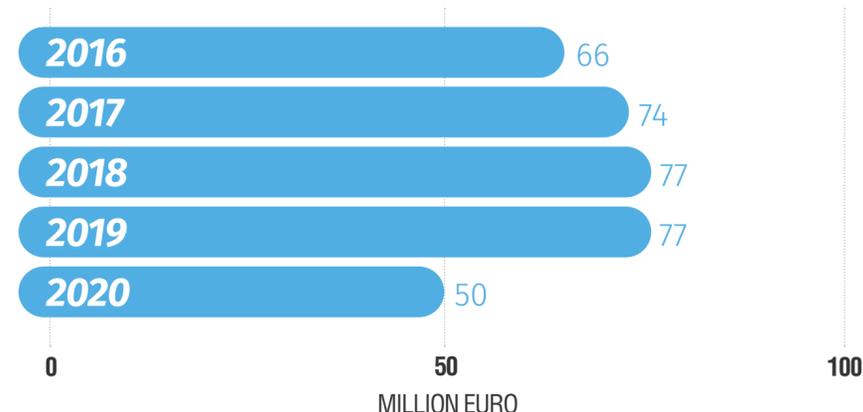
Free operating cash flow (FOCF) excluding Covia reached EUR 79 million compared to EUR 45 million in 2019. Working capital requirements were reduced steadily through the year, with the main contributor being a 20% reduction in inventories. FOCF for the continuing operations increased from EUR 11 million to EUR 49 million.

Taking into consideration the cash impact from divestments and acquisitions, the free cash flow before dividends amounted to EUR 137 million. Net free cash flow after dividends was EUR 106 million which, after adjustments for foreign exchange impacts and scope changes, saw Sibelco's net financial position improve to EUR 168 million at the end of 2020.

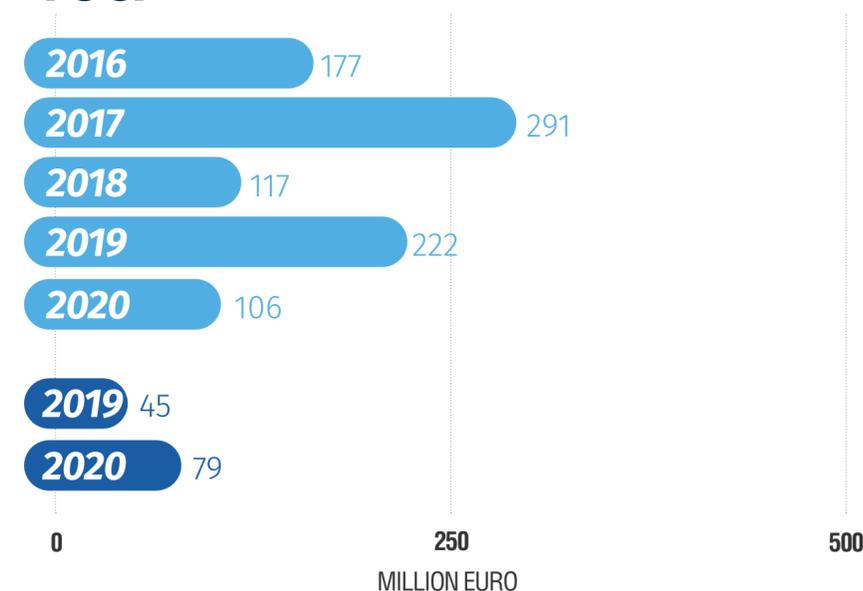
## DIVIDEND

The Board of Directors proposes a gross annual dividend of EUR 106.00 per share at the Annual General Meeting on 21 April 2021. During 2020 no interim dividend was distributed. Subject to shareholder approval, the gross amount of EUR 106.00 per share will be paid out as from 12 May, 2021.

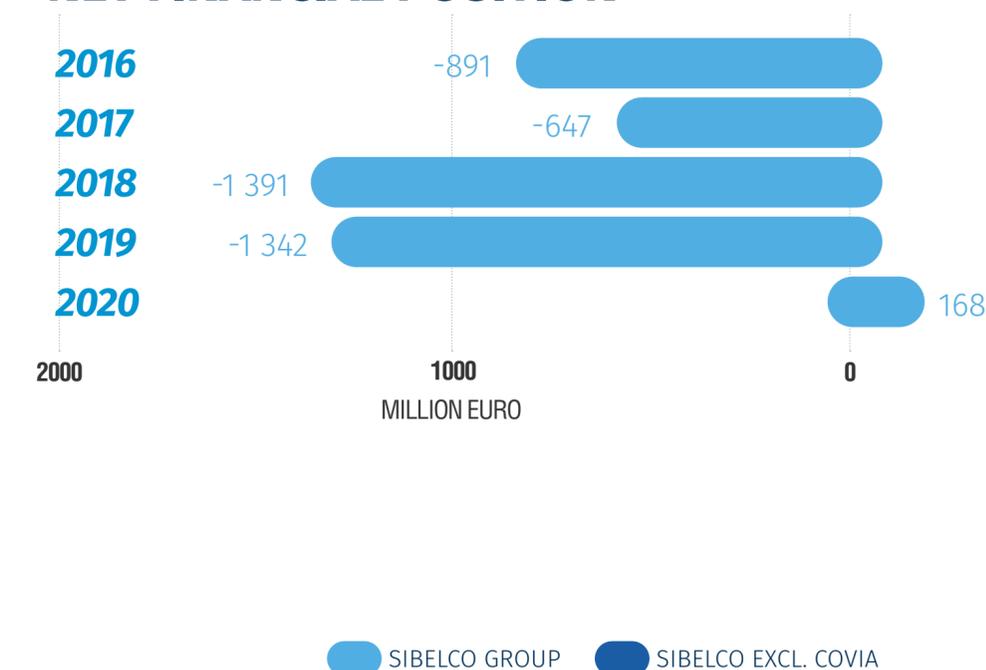
### DIVIDENDS



### FOCF



### NET FINANCIAL POSITION



## DISTRIBUTION OF ECONOMIC BENEFITS

Of Sibelco's total income, the most significant portion is used to extract and process minerals. After subtracting other costs and depreciation, the remaining economic benefits available for distribution stood at EUR 562 million. The biggest portion (EUR 410 million) was distributed to employees in the form of salaries and other benefits. The bulk of employee benefits were in the form of salaries, with the balance being in the form of national insurance contributions, pensions and other benefits. Interest payments to creditors amounted to EUR 58 million.

The Group (including Covia until its deconsolidation on 29<sup>th</sup> June 2020) contributed to the different local authorities in the countries in which it operates, current taxes of EUR 13 million (excluding withholding taxes on Group dividend), employers' social security contributions of EUR 47 million (excluding employees' social security contribution and payroll taxes) and taxes to be considered as operating expenses of EUR 14 million. Subject to approval by shareholders at the AGM in April 2021, the total provisional dividend pay-out for shareholders will be EUR 50 million. Sibelco spent some EUR 1 million on community initiatives and charitable donations in 2020.



## TECHNOLOGY & INNOVATION

TECHNOLOGY & INNOVATION (T&I) SITS AT THE HEART OF SIBELCO'S DAY-TO-DAY BUSINESS AND SUPPORTS OUR STRATEGY FOR THE FUTURE.

We have a select number of priority T&I programmes supporting our Sibelco 2025 strategy and wider sustainability goals. Focused on a select number of materials and markets, the programmes leverage the knowledge and skills of our global technical network to support three key objectives: to help maximise Sibelco's current assets and resources, to ensure that we respond swiftly and effectively to market and regulatory changes, and to guide our longer-term growth.

In 2020 we continued to consolidate and optimise our T&I infrastructure, reducing the number of technical facilities worldwide from twenty-six to eleven. This rationalisation has enabled us to sharpen focus, enhance cross-functional working and improve knowhow exchange. In light of the COVID-19 pandemic and the launch of our Sibelco 2025 strategy, plans to build a new technology and innovation hub in Maastricht have been modified. The philosophy behind the project remains the same, however the new hub will now be integrated within the existing office facility at our Maastricht site to reduce costs and shorten the timeframe for completion.

We made good progress in our drive to recruit new talent to help extend T&I's competencies and capabilities. At the same time, we continued to develop our technical leaders of the future via the global Sibelco Innovation Development Programme.

We continued to feed our T&I pipeline through multiple channels, including our Innovation Portal – a rich source of new idea generation powered by a community of around 250 scientists, product specialists and technical experts. Throughout the year we expanded our open innovation activities, creating exciting new partnerships with several universities and research institutes.

T&I will play a central role in delivery of our Sibelco 2025 strategy, providing fundamental insights on materials and markets to help us focus, win and grow.

# BUSINESS REVIEW BY MARKET

## 2020



## CONSTRUCTION

The **general construction** market was hardest hit by COVID-19 in March, April and May. After this shutdown period however, the market bounced back relatively quickly and sales of most Sibelco materials in the final quarter of the year were on par with the same period in 2019.

The **sanitaryware** sector was badly affected by the COVID-19 pandemic with many factories forced to close for up to two months and most customers cutting output by half. The final quarter of the year saw a steady uplift in sales as customers slowly returned to pre-pandemic production levels.

We made good headway with our drive to expand the sale of UK sanitaryware clays beyond Europe, utilising larger shipping vessels to cost-effectively reach growing markets in South America. We gained a solid foothold in Mexico, now the world's third largest producer of sanitaryware, and plan further growth here next year whilst also targeting Columbia and Brazil as well as Asia.

The **structural ceramics** market (incorporating bricks and roof tiles) fared better than most industries during the pandemic enabling us to achieve strong sales in the key markets of Germany, Belgium, Netherlands and Russia.

**Tile** manufacturing was badly hit by COVID-19 lockdown restrictions in Italy, Spain and India, resulting in us losing the equivalent of one month's worth of sales in each country. Sales in **engineered stone** also fell as producers significantly reduced stock from March onwards.

Against this backdrop, our main focus was on the consolidation of assets whilst laying foundations for growth in 2021. In April we finalised the acquisition of Ukrainian clay producers Euromineral and Kurdyumovsky to further strengthen our position in the porcelain tile market. Good progress was made on construction of an additional processing plant at Çine (Turkey) which will help to boost production of a new double-floated feldspar product developed for the engineered stone market. Work also continued on a new clay blending platform in India which will be commissioned in the first quarter of 2021.

We improved our capability to supply Turkish feldspar and Ukrainian clays to tile and engineered stone customers in Italy and Spain through the opening of our new storage and processing facility at the port of Ravenna (Italy) in November, coupled with recent expansion at the Port of Castellon and extra processing capability in Utiel (Spain).



## GLASS & ELECTRONICS

Sales in the **float glass** sector suffered significantly as the COVID-19 pandemic forced the majority of customers in Western Europe to cease production between April and June. Whilst several furnaces closed permanently, we saw a recovery in sales from September onwards with the market back operating at around 80% pre-COVID levels by the end of the year.

**Container glass** felt the main impact of the pandemic during May, with most customers returning to around 90% of 2019 production levels by the end of the summer and 95% by the end of the year. Conditions in the luxury glass segment remained challenging, however we saw a strong performance in **beverage, food** and **pharmaceuticals**.

Sales of high purity quartz suffered as the **solar PV** sector ground to a virtual halt in the first half of the year due to lockdowns and the restriction of labour movement in China. We benefited from a strong recovery in the fourth quarter of the year as market conditions improved and we won a major new supply contract.

A severe contraction in global **automotive** production accounted for a slump in sales of silica flour and anorthosite, whilst supply of petalite to the **ceramic-glass** sector was hit significantly by low-priced lithium carbonate from China. Sales to the **display glass** sector were also down.

Sales to the **semi-conductor** sector were boosted as customers increased inventory levels to prevent supply interruption during the pandemic. Our performance in the **printed circuit board** and **epoxy moulding compound** segments was slightly down as a result of poor sales to China in the first half of the year as well as the impact of US dollar depreciation.

## INDUSTRIAL & CONSUMER

The **industrial paint** sector suffered during quarter two resulting in reduced demand for barium sulphate and feldspar. The second half of the year however saw a strong recovery.

**Decorative paint** was one of the few markets affected positively by the COVID-19 pandemic as lockdown restrictions saw people spend more time on home improvement projects. The resulting surge in paint sales at DIY stores worldwide saw increased demand for Sibelco's coatings materials, particularly calcium carbonate in Brazil and nepheline in Europe.



Sales in the **tableware** sector performed well thanks to a new product we have developed for black porcelain.

Whilst the global **polymers** market shrank by more than 10% against 2019 as a result of the pandemic, Sibelco sales fell by only half this amount. Sales of silicates to the **automotive** and **paper** sectors were badly hit, however our core polymers business held up well and actually grew slightly thanks to increased sales in the **plastic film, plastic pipes** and **medical glove** segments.

Sales of nepheline syenite for plastic film were adversely affected by increased competition from Turkey, however we offset reduced volumes in the **flame retardants** market through the acquisition of new customers.

Despite the impact of COVID-19 we managed to grow sales in Europe's **water filtration** market. We made good progress in the development of mineral-based solutions for pollutant removal and expanded our product range with several new materials.

Sales to Brazil's **personal care** segment performed well throughout the year and the negative impact of Brazil's currency slide was offset by the successful reorganisation of our local business and implementation of operational process improvements.

## STEEL, REFRACTORY & FOUNDRY

We saw a sharp drop in sales to the **steel** market as the pandemic led to the idling of blast furnaces throughout Europe and to a lesser extent India. When back up and running, many furnaces switched from traditional sinter feed materials to iron ore pellets, serving to temper a recovery in sales towards the end of the year.

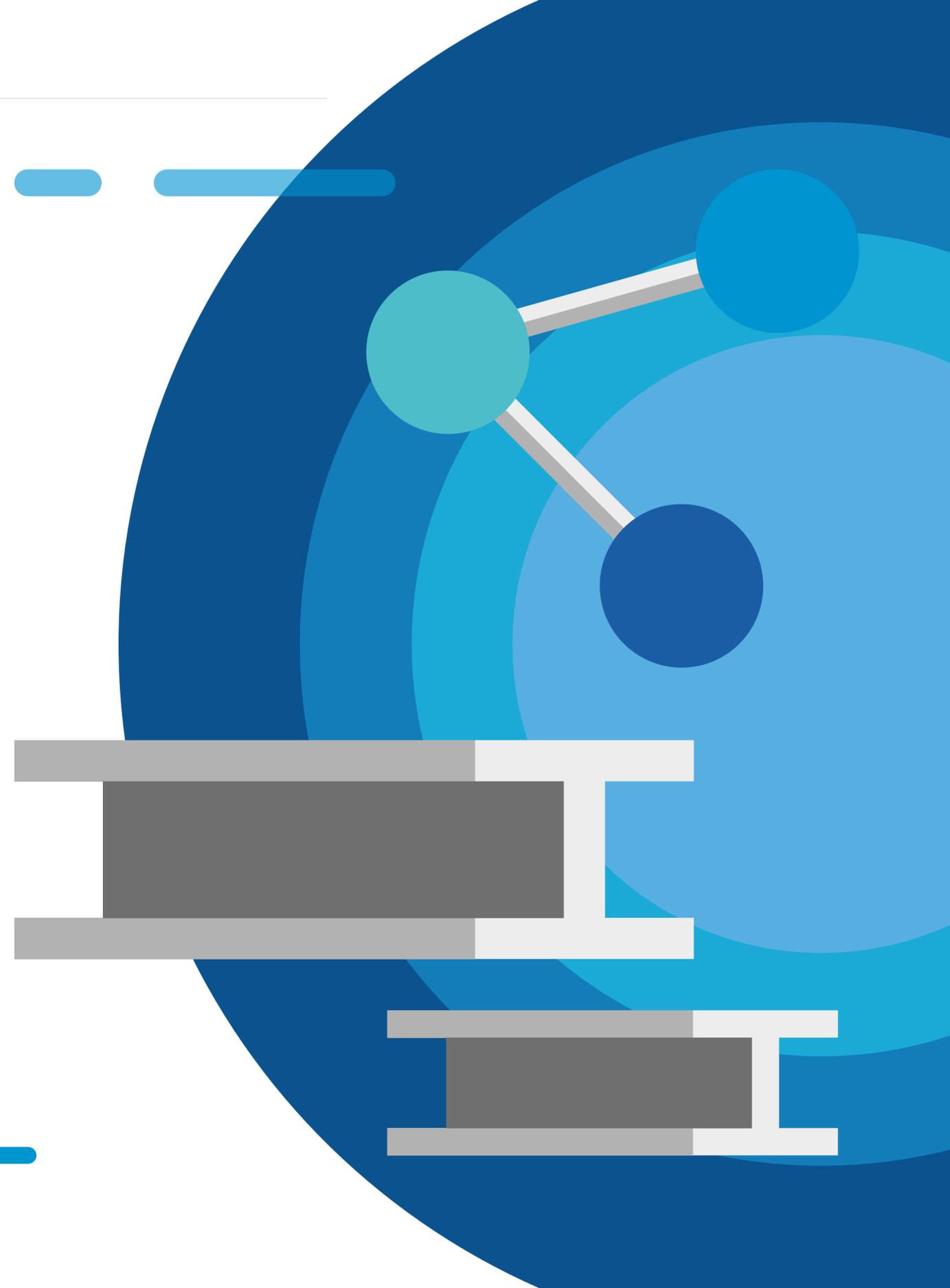
The **refractory** market tends to follow the same trends as steel, however sales to this sector were less affected by COVID-19.

Sales in **foundry** also dropped as a result of the pandemic, particularly in southern Europe where foundries depend heavily on car manufacturing. Sales in northern Europe suffered less impact as foundries here tend to focus more on commercial vehicles.

## RECYCLING

Sales of **recycled glass** (cullet) continued to grow in 2020, largely through the expansion of production capacity in Italy at our Musile, Venice and Antegnate plants. Sales in Belgium and France were consistent with the previous year, reaffirming the now-firmly established role of cullet in sustainable glass manufacturing.

Production capacity in Italy will be further expanded in 2021 through a brownfield construction project at San Cesario, Modena.





THE FACILITY HAS  
ALREADY PRODUCED  
OVER 100,000 TONNES  
OF SANBLEND®

## CASE STUDY

# STRENGTHENING OUR LEADERSHIP IN SANITARYWARE

OUR NEW SANBLEND® FACILITY WILL HELP TO MEET GROWING GLOBAL DEMAND FOR HIGH QUALITY MATERIALS

After a challenging construction schedule, our new SANBLEND® processing plant in Devon, UK, was officially inaugurated on schedule in October. The facility has already produced over 100,000 tonnes of SANBLEND®, a premium-quality ball clay exported to sanitaryware manufacturers around the world.

The new plant had to be built within the existing processing facility with no disruption to clay production. With the added logistical complications posed by the COVID-19 pandemic, this created an extremely challenging project.

Incorporating state-of-the-art equipment, the SANBLEND® plant enables efficient production of higher quality materials with less waste, also using substantially less energy thanks to the combined heat and power plant incorporated within its design.

Ball clay (or plastic clay) is a core component in sanitaryware manufacturing, providing plasticity, workability and strength. Production of SANBLEND® began in the 1970s using materials drawn from Devon's Bovey Basin, a geologically unique deposit famous for its high-quality ball clay. The SANBLEND® range has been continuously refined over the years and remains a flagship product in Sibelco's ceramics portfolio.

As the rate of urbanisation quickens, annual sanitaryware production is forecast to grow from 350 million pieces in 2015 to 579 million pieces by 2020. This sharp upturn demands high quality materials such as SANBLEND® to help manufacturers improve both product quality and production yields.

## CASE STUDY

# EXPLORING NEW POSSIBILITIES FOR GLASS

SIBELCO'S COLLABORATION WITH CELSIAN WILL HELP CUSTOMERS TO MEET CRITICAL CHALLENGES FACING THE GLASS INDUSTRY

Sibelco has joined forces with CelSian, a Netherlands-based specialist business that helps glass manufacturers worldwide to improve production process efficiency. Through the partnership, both companies are sharing technical expertise and resources, leveraging experience and knowhow around raw materials and glass melting processes to deliver enhanced services for customers.

The glass industry faces one of the toughest decarbonisation challenges of any industry. The high temperatures required in the melting process and the existence of process emissions in melting furnaces present significant technological challenges. This challenge requires innovation, not only in production technology but also in the composition and morphology of materials used in the production process.

Sibelco's relationship with CelSian goes back a number of years and the new agreement takes our cooperation to another level. The partnership is enabling us to offer enhanced support to customers seeking innovative solutions to address key industry challenges, such as reducing energy consumption and CO<sub>2</sub> emissions, and improving production efficiency.

Having worked on around a third of the world's glass furnaces, CelSian's expertise helps manufacturers to optimise glass properties and deliver savings through reduced energy costs and increased furnace lifespans. CelSian has also provided training to more than 1,500 glass specialists in the Netherlands, UK and USA.



THE GLASS INDUSTRY  
FACES ONE OF  
THE TOUGHEST  
DECARBONISATION  
CHALLENGES OF ANY  
INDUSTRY

# SOCIAL & ENVIRONMENTAL PERFORMANCE

2020

# A SAFE & HEALTHY WORKPLACE

NOTHING COMES BEFORE THE SAFETY AND WELLBEING OF OUR PEOPLE, OUR CONTRACTORS AND VISITORS TO OUR SITES.

Creating and maintaining a safe and healthy workplace will always be our number one priority. In 2020 we exceeded our target of a 25% reduction in reportable incidents (RIR) against the previous year, achieving a reduction of 35%. This positive outcome resulted from a continued focus on the elimination of fatality risks alongside increased efforts to prevent smaller slip, trip and fall injuries through a global housekeeping campaign (see case study overleaf).

“WE HAVE ALL THE SAFETY & HEALTH TOOLS AVAILABLE AND THANKS TO THE ACTIONS WE ARE TAKING AT OUR SITES EVERY DAY, WE ARE IMPROVING.”

**WUI POH YONG** | VP Operations Apac

IN 2020 WE ACHIEVED A 35% REDUCTION IN REPORTABLE INCIDENTS



OUR **GOING FOR ZERO** SAFETY AND HEALTH STRATEGY IS BUILT AROUND THREE PILLARS:



## SAFE PLANTS

We made further investment in traffic safety and guarding at many of our plants throughout the year, helping to address two key safety risk areas.



## SAFE SYSTEMS

Our site teams continued to develop Standard Operating Procedures to support safe working practices, whilst a common Last Minute Risk Assessment methodology was introduced to support the proactive management of risk at Sibelco sites worldwide.



## SAFE BEHAVIOURS

In line with COVID social distancing procedures, we continued to roll out our Safety Starts with Me training programme for managers, supervisors and frontline workers with additional, more intensive training for key personnel. The programme equips participants with skills and tools to identify and demonstrate safe behaviours, empowering people to speak up whenever they feel something is unsafe.

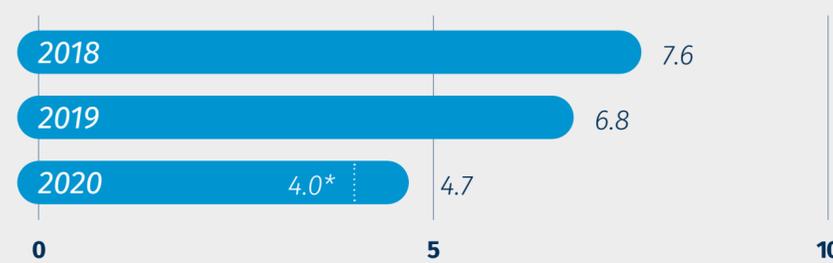
Following a fatal accident in 2019, management of our contractors was a key focus area this year. A special project was set up to establish a clear set of safety and health rules for all Sibelco contractors. The impact of the initiative, which involved Sibelco experts from health & safety, procurement, legal and operations, is reflected in a decreasing severity rate of contractor incidents.

The creation of healthy workplaces is a key part of our strategy and over the course of the year our No Dust program ensured that 27 job functions are now safely under dust exposure limits thanks to refined installations, safer working methods and training. We also shared our learnings and dust expertise with customers to ensure that Sibelco products are always handled and processed safely.

# THIS YEAR'S KEY SAFETY & HEALTH ACHIEVEMENTS

- +** ZERO fatalities
- +** 25% improvement in RIR
- +** elimination of 27 dust-exposed activities
- +** 30% reduction in slips, trips and falls through global housekeeping campaign
- +** IMPROVED contractor management
- +** SAFETY BEHAVIOUR TRAINING for site managers, supervisors and frontline employees
- +** GLOBAL IMPLEMENTATION of common Last Minute Risk Assessment methodology

### REPORTABLE INCIDENT RATE



### RIR INCIDENTS

**<2.5**

TARGET

“OUR FOCUS ON SAFE BEHAVIOURS, PERSEVERANCE AND CONSISTENT FOLLOW-UP IS STARTING TO PAY OFF.”

**SURESH DEENADAYALAN** | Operations Manager India

\*4.0 is calculated in line with the International Council on Mining & Metals (ICMM) definition, the standard which Sibelco will adopt as from 2021 to enable direct comparison with industry peers



SLIPS, TRIPS  
AND FALLS  
SUBSEQUENTLY  
FELL BY 30%  
OVER THE  
COURSE OF 2020

## CASE STUDY

# KEEPING WORKPLACES CLEAN & TIDY

OUR GLOBAL HOUSEKEEPING CAMPAIGN DROVE A 30% REDUCTION IN SLIPS, TRIPS AND FALLS.

Slips, trips and falls are one of the most common causes of injury in the workplace and can also lead to more serious accidents with lost time. This fact is reflected in Sibelco's Reportable Incident Rate which is driven mainly by a high number of small incidents.

To tackle this problem, we made clean sites and offices the focus of our 2020 safety campaign, giving all of our people the opportunity to create safer workplaces through good housekeeping practices.

The campaign kicked off in January with sites undertaking a general clean-up in accordance

with the 5S framework<sup>1</sup> which forms part of the Lean methodology. Each site and office then identified an area of housekeeping improvement upon which the local team focused for the remainder of the year.

Slips, trips and falls subsequently fell by 30% over the course of 2020 (from 14 incidents in 2019 to 8 this year). As well as reducing incidents, the housekeeping campaign helped to instil a sense of workplace pride amongst our teams. A clean site is now a condition of sites operating, helping us to make further ground in our journey to zero accidents.

“THE FOCUS ON IMPROVING OUR HOUSEKEEPING CONTRIBUTED TO FEWER INCIDENTS. IT GAVE OUR PEOPLE THE POSSIBILITY TO TAKE OWNERSHIP AND TAKE PRIDE IN OUR ORGANISATION.”

**BART VAN HERCK** | Area Operations Manager Central Europe

<sup>1</sup> 5S: Sort, Set in Order, Shine, Standardise, Systemise

# CLIMATE & ENERGY

THE BIGGEST CHALLENGE OF OUR AGE IS REDUCING CO<sub>2</sub> CONCENTRATIONS IN THE ATMOSPHERE TO LIMIT THE EXTENT OF GLOBAL WARMING.

The Paris Climate Agreement of 2015 set the goal of limiting global temperature rise to below 2°C. Although the global minerals industry accounts for less than 0.5% of total CO<sub>2</sub> emissions, all industries have a role to play in achieving the targeted reductions.

In early 2020 we set ourselves the goal of reducing absolute CO<sub>2</sub> emissions and improving energy efficiency in line with the EU's Green Deal targets for 2030. Our initial objectives were to reduce CO<sub>2</sub> emissions and improve energy efficiency by an average of 2%

a year by 2025, based on the levels of 2019. In recognition of the severity of the climate crisis, and as part of our reflections for the Sibelco 2025 strategy, we decided in early 2021 to take a more ambitious approach. We will develop a new emissions roadmap for Sibelco in the first half of 2021 which will be presented to shareholders in August.

AS PART OF OUR REFLECTIONS FOR THE SIBELCO 2025 STRATEGY WE DECIDED TO TAKE A MORE AMBITIOUS APPROACH AND WILL DEVELOP A NEW EMISSIONS ROADMAP FOR SIBELCO IN THE FIRST HALF OF 2021

# FLANDERS' FIRST FLOATING SOLAR PARK OPENS AT SIBELCO

OVER 17,000 FLOATING SOLAR PANELS WILL GENERATE GREEN ELECTRICITY EQUIVALENT TO THE ANNUAL CONSUMPTION OF 2,000 HOMES.

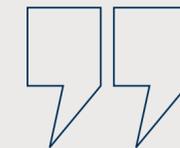
The first floating solar park in Belgium's Flanders region was officially opened on 8th September as Flemish Minister of Energy, Zuhail Demir, helped install the last of 17,250 solar panels to mark completion of the groundbreaking project located at our Schansheide silica sand quarry. The installation further demonstrates Sibelco's commitment to generating environmental value as we progress towards our 2025 sustainability targets.

The park will generate 7 gigawatt hours of electricity per year, 80 per cent of which will be used to power our Dessel sand processing plant. Together with the site's three existing giant wind turbines, this means that over half of the energy consumed by our Dessel operation will be from renewable sources.

The new solar park is a collaboration between Sibelco, leading Limburg investment company LRM, renewable energy experts Group Machiels, and energy supplier EDF Luminus. The ambitious project was conceived in 2017 with construction work beginning in March 2020. Work on the scheme progressed swiftly and safely, despite the logistical challenges presented by COVID-19.

Flemish Energy Minister, Zuhail Demir said: "The solar panels are conveniently located with no new space taken up. The Flemish Government wants to give full support to such projects. The park will also carry out measurements and share its results with the Flemish Energy Agency."

"Initiatives such as these help the province to achieve its climate neutrality objectives," added Cathy Berx, Governor of Antwerp. "This floating solar park makes optimal and multifunctional use of the possibilities that lakes like this offer for nature, but also for the generation of renewable and sustainable energy. Its added value and importance cannot be overestimated."



OVER HALF OF THE ENERGY CONSUMED BY OUR DESSEL OPERATION WILL BE FROM RENEWABLE SOURCES

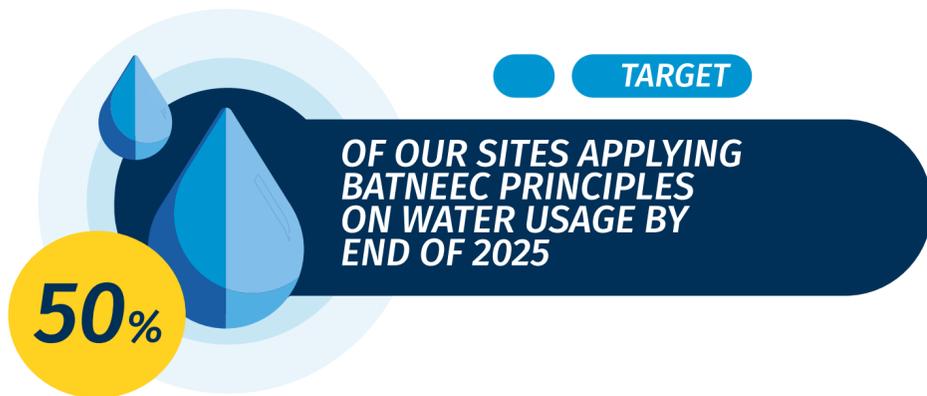


## WATER MANAGEMENT

We have identified water management as one of our top ten priorities and each of our sites is expected to proactively manage its impact on local water sources.

Whilst rainfall levels and other environmental conditions vary significantly between our operations

worldwide, we are working to develop a common set of standards and best practices. By the end of 2020, 41.5% of our sites had BATNEEC\* principles implemented within their water management programmes, up from 38% in 2019.



## COMMUNITY

We strive to play a positive role within the communities close to our operations. Our local teams develop community engagement plans at our operational sites and in 2019 we introduced an internal standard to ensure a consistent approach globally.

By the end of the year, 28% of all Sibelco sites had formalised community plans in place which meet or exceed our internal standard. Our objective is that 100% of sites have such plans in place by 2025.



## CLOSURE PLANNING & REHABILITATION

Whilst a quarry is active, we aim to balance the amount of disturbed and rehabilitated land at all times. When mining ceases, we strive to leave a positive legacy.

In line with our 2025 Target, 100% of our sites already have formal closure plans in place.

These plans cover the full lifecycle of the quarry, ensuring that all legislative and operational requirements are met, and that adequate resources are in place for final rehabilitation.



\* BATNEEC: best available technology not entailing excessive costs e.g. closed water system, maximum water reuse and minimal volume of water in the process

## ATTRACTING & RETAINING TALENT

We aim to embed a consistent culture that helps Sibelco attract, engage and retain the best people. To support this, we have set specific goals around diversity, retention and engagement.

Our current diversity focus is on gender. In 2020, we increased the proportion of female employees to 21% of the total workforce (target: 25% by 2025) while the percentage of female senior managers in the executive leadership team also increased slightly to 18% (target: 30% by 2025).

In terms of retention, our level of voluntary employee turnover fell to 5.4% compared to 7.5% in 2019 (target: consistently below 7%). Throughout the year, our teams developed action plans to help us improve on our 2019 employee engagement score of 77. We will continue to deploy these plans in 2021 in advance of our next people survey in 2022.





## CASE STUDY

# INSPIRING TOMORROW'S ENGINEERS

AN EDUCATIONAL INITIATIVE IN PORTUGAL INTRODUCES CHILDREN TO ENGINEERING AND THE IMPORTANT ROLE OF MINERALS IN EVERYDAY LIFE.

Over the past two years, the Sibelco team at Rio Maior (PT) have provided over one hundred local school children with a fun introduction to engineering and science via a series of visits to our quarry with a range of hands-on activities.

The initiative, known as Engineer for a Day, has helped students aged 10-11 to learn all about the mineral extraction process and how Sibelco's products are used in everyday life. Participants spent time in the laboratory to understand how minerals behave in different applications and also visited the site's treatment basins to see how water quality is maintained and levels conserved.

Using Sibelco sand, the children then worked together to create a water filter in a practical application of problem-solving through science and engineering.

The Engineer for a Day initiative is one of several educational events organised by the Rio Maior team. Each year, students are invited to visit the site to plant a tree and create nesting sites for birds. Local pupils are also invited to design a poster which captures Sibelco's commitment to the environment and local conservation, with the best entries receiving a prize.

CASE STUDY

# EMBEDDING DIVERSITY & INCLUSION INTO OUR DAILY BUSINESS

THE NEW DIVERSITY AND INCLUSION COUNCIL AND THE FORMATION OF THE SIBELCO WOMEN'S NETWORK ILLUSTRATES OUR COMMITMENT TO BUILD ON THE PROGRESS ALREADY MADE THROUGH THE INTRODUCTION OF DIVERSITY TARGETS.

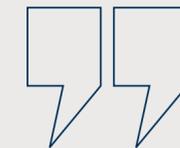
Diversity brings strength to an organisation, but only when supported by a fully inclusive environment where everyone feels able to contribute and achieve their full potential. At Sibelco, we are making good progress against the gender diversity targets we have set ourselves (see p28) however we are determined to ensure that diversity and inclusivity go beyond numbers and become firmly embedded within our culture. To ensure this happens, we have established a new Diversity & Inclusion Council to develop and implement our approach.

One of the Council's first initiatives was the creation of the Sibelco Women's Network, bringing colleagues together from different countries and functions to share 'ideas, dreams, plans and possibilities.' The Network's online presence, the Women's Platform, has already attracted over 170 members who are actively exchanging information and inspiration through questions and posts.

Members of the Sibelco Women's Network have been instrumental in formulating the company's plans for International Women's Day and beyond, starting with a series of interviews in which female colleagues share their thoughts and insights on diversity and reflect on their own careers with Sibelco.

Whilst gender diversity has been Sibelco's primary focus to date, addressing other areas of diversity and inclusivity is increasingly coming into focus. In Italy, for example, our team entered into a collaboration with Coopwork, a non-profit social cooperative dedicated to finding employment opportunities for people with disabilities.

Initiatives such as these help ensure that diversity and inclusion at Sibelco goes beyond mere legal compliance. We are already seeing the benefits that a diverse and inclusive workplace is bringing to our organisation and our Sibelco 2025 strategy.



WE ARE MAKING GOOD PROGRESS AGAINST THE GENDER DIVERSITY TARGETS WE HAVE SET OURSELVES



2016-2020

# KEY FIGURES

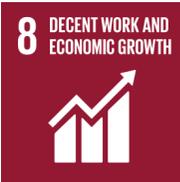
<i>In million euro</i>	2016	2017	2018	Sibelco Group Excluding Covia	Covia	2019*	Sibelco Group Excluding Covia	Covia	2020*
<b>CONSOLIDATED RESULTS</b>									
Revenue	2,726	3,083	3,521	1,879	1,426	3,295	1,489	492	1,976
EBITDA	428	541	652	328	226	554	245	50	294
EBITDA % of Revenue	15.7%	17.6%	18.5%	17.5%	15.9%	16.8%	16.4%	10.1%	14.9%
EBIT	-153	157	-68	118	-1,388	-1,270	126	-34	92
Adjusted EBIT	145	283	329	178	-51	127	122	-18	105
Net Result (Share of the Group)	-247	96	-126	75	-746	-672	126	-48	78
<b>CASH FLOWS</b>									
Free operating cash flow	183	291	117	45	177	222	79	27	106
Acquisitions / disposals of subsidiaries, businesses and land & reserves	15	24	-523	252	212	464	68	2	69
<b>FUNDING (AT YEAR END)</b>									
Net cash / (debt)	-891	-647	-1,391	78	-1,420	-1,342	168	0	168
Net cash / (debt) EBITDA Ratio	-2.08	-1.19	-1.84	0.25	-6.27	-2.42	0.69	0.00	0.69
Shareholders' equity	1,644	1,480	1,787	1,077	21	1,098	1,047	0	1,047
<b>DATA / SHARE</b>									
Earnings per share	-568.2	220.2	-289.8			-1,544.8			184.0
Dividend (gross)	140.5	157.1	162.9			142.9			106.0
Total shares	470,170	470,170	470,170			470,170			470,170
Own shares	34,994	35,164	35,314			35,314			35,314
<b>RETURN ON CAPITAL EMPLOYED</b>									
ROCE (EBIT / Average capital employed)	(4.6%)	5.2%	(1.8%)	7.6%	(57.5%)	(32.2%)	8.2%	(3.7%)	3.8%
Adjusted ROCE (Adjusted EBIT / Average capital employed)	4.4%	9.4%	8.9%	11.5%	(2.1%)	3.2%	8.0%	(1.9%)	4.3%
Capital employed at year end	3,172	2,857	4,518	1,542	1,830	3,372	1,531		1,531
Average capital employed	3,309	3,014	3,688	1,551	2,413	3,945	1,536	915	2,451

\* The Group figures also include intercompany eliminations between Covia and Sibelco Excluding Covia.

# SDG INDEX

THE UNITED NATIONS' SUSTAINABLE DEVELOPMENT GOALS (SDGS) FORM A UNIVERSAL BLUEPRINT FOR ACHIEVING A BETTER AND MORE SUSTAINABLE FUTURE FOR ALL BY 2030. SIBELCO CONTRIBUTES TO TWELVE OF THE SEVENTEEN SDGS. THIS INDEX PROVIDES A QUICK REFERENCE TO PLACES IN THIS DOCUMENT THAT DEMONSTRATE SIBELCO'S SDG CONTRIBUTION. YOU CAN FIND MORE DETAILS AT [WWW.SIBELCO.COM/SDGS/](http://WWW.SIBELCO.COM/SDGS/)

	UN SUSTAINABLE DEVELOPMENT GOAL	SIBELCO CONTRIBUTION	2025 SIBELCO TARGET	PAGE REFERENCE
	3.9 substantially reduce the number of deaths and illnesses from hazardous chemicals and air, water and soil pollution	Operational efforts to reducing impact on water / soil. H&S efforts to reduce occupational exposure to dust & contribution to industry efforts in this area	-	23
	5.5 Ensure women's full and effective participation and equal opportunities for leadership at all decision making in political, economic and public life	Sibelco diversity policy and initiatives	Yes: Achieve a min 30:70 gender balance for executive leadership and 25:75 gender balance for total workforce	9; 28-30
	6.2 Achieve access to adequate and equitable sanitation and hygiene for all	Development and production of materials used in ceramics for sanitaryware	-	17
	6.3 By 2030 improve water quality by reducing pollution, eliminating dumping, minimizing the release of hazardous chemicals and materials, halving the proportion of untreated wastewater and substantially increasing recycling and safe use globally	Water management at operational level and sites deploying BATNEEC principle on water usage	Yes: 50% of sites applying BATNEEC principles on water usage	9; 27
	6.4 By 2030 substantially increase water use efficiency across sectors... and address water scarcity	Development and production of materials for water purification / desalination; Water management at operational level	Yes: as above	9; 19; 27

UN SUSTAINABLE DEVELOPMENT GOAL	SIBELCO CONTRIBUTION	2025 SIBELCO TARGET	PAGE REFERENCE
6.6 By 2030 protect and restore water-related ecosystems	Rehabilitation of Sibelco operations using the ecosystem services model	-	see <a href="http://www.sibelco.com/sustainability">www.sibelco.com/sustainability</a>
6.a Expand international co-operation and capacity building support to developing countries in water and sanitation related activities and programmes including water harvesting, desalination, water efficiency, wastewater treatment	Development production of materials for water purification / desalination.	-	19
 7.3 By 2030, double the global rate of improvement in energy efficiency	Improvement in the energy efficiency of Sibelco operations	Yes: Energy efficiency targets to be revised in 2021 as part of Sibelco 2025 carbon emission strategy	6; 9; 25-26
 8.2 Achieve higher levels of productivity through diversification, technological upgrading and innovation,	Sibelco's strategy is to develop as a material solution provider. Innovation efforts are central to this evolution.	Yes: One new product commercialised per year from innovation pipeline	17
8.8 Protect labour rights and promote safe and secure working environments for all workers	Code of Sustainable Conduct; Sibelco health and safety policy and improvement initiatives.	Yes: Our ultimate target is zero harm. Therefore, we aim at an RIR of <2.5 by 2023 as an intermediate target to position us among the best in class. 'No Dust' program to ensure that employees work safely under dust exposure limits thanks to refined installations, safer working methods and training.	9; 22-24

	UN SUSTAINABLE DEVELOPMENT GOAL	SIBELCO CONTRIBUTION	2025 SIBELCO TARGET	PAGE REFERENCE
	9.4 By 2030 upgrade infrastructure and retrofit industries to make them sustainable, with increased focus on resource-use efficiency and greater adoption of clean and environmentally sound technologies and industrial processes.	See 8.2 above; Sibelco capex investments	Yes: One new product commercialised per year from innovation pipeline	9; 15-21
	9.5 Enhance scientific research, upgrade technological capabilities of industrial sectors...encouraging innovation and by 2030 significantly increasing the number of research & development workers per 1 million people	Innovation is central to our Sibelco 2025 strategy. In 2020 150 people were employed in technology and innovation and the company operated 11 technology centres.	Yes: as above	16; 21
	11.1 By 2030 ensure access for all to adequate, safe and affordable housing	Development and production of materials such as ATH for flame retardants, nepheline syenite products for cool roof coatings, materials used in heat-reflective glass etc...	-	16-21
	12.2 By 2030, achieve the sustainable management and efficient use of natural resources	Development of new business models, particularly those that support the circular economy and which allow customers to improve efficiency of their operations;	-	3; 5-7; 18
	12.4 By 2020, achieve the environmentally sound management of chemicals and all wastes throughout their life cycles...and significantly reduce their release to air, water, soil in order to minimize their adverse impacts on human health and the environment	See 3.9, 6.3, 12.2	-	16-19; 22-25; 27
	12.6 Encourage companies, especially large and transnational companies, to adopt sustainable practices and to integrate sustainability information into their reporting cycle	See this Report	-	All

	UN SUSTAINABLE DEVELOPMENT GOAL	SIBELCO CONTRIBUTION	2025 SIBELCO TARGET	PAGE REFERENCE
	13. Take urgent action to combat climate change and its impacts	Sibelco targets to reduce CO <sub>2</sub> emissions from its operations in line with the aims of The Paris Agreement and the European Green Deal	New targets to be deployed in 2021	6; 9; 25-26
	15.1 By 2020, ensure the conservation, restoration and sustainable use of terrestrial and inland freshwater ecosystems and their services	Responsible management and rehabilitation of Sibelco sites / quarries and the contribution this makes from a biodiversity and ecological perspective. Ensuring adequate resources to fund closure plans and incorporating the ecosystem services model in rehabilitation projects	Yes: 100% of sites with Sibelco-standard closure plan	27
	15.5 Take urgent action to reduce the degradation of natural habitats, halt the loss of biodiversity...		Yes: as above	27
	15.a Mobilize and significantly increase financial resources from all sources to conserve and sustainably use biodiversity and ecosystems		Yes: as above	See also Financial & Governance Report page 72-73
	16.5 Substantially reduce corruption and bribery in all their forms	Deployment of the Sibelco Code of Sustainable Conduct to all Sibelco employees	Yes: 100% of employees to adhere to Code of Sustainable Conduct	
	17.7 encourage and promote effective public, public-private and civil society partnerships, building on the experience and resourcing strategies of partnerships.	Through our partnerships with customers, our communities, innovation partners, and other stakeholders we seek solutions that solve economic, social and environmental challenges.	Yes: 100% of sites with approved community engagement plan in place	27

# EXECUTIVE COMMITTEE

THE BOARD HAS DELEGATED ITS MANAGEMENT AND OPERATIONAL POWERS TO THE EXECUTIVE COMMITTEE (EXCO).



## HILMAR RODE

1967, Germany  
Chief Executive Officer

Mr. Rode joined Sibelco in September 2020 as group CEO. Mr. Rode has over 30 years of experience in the global mining, materials, chemicals and industrial gases industries. He began his career in process development and research engineering before joining Anglo American, where he worked for 12 years in leadership positions in its industrial diamonds, base metals and paper divisions in South Africa, United Kingdom and Austria. He joined Glencore in 2007 as CEO of its zinc division in Bolivia, returning in 2019 to the copper division to work on operational strategy, technical services, projects and capital management. Between 2015 and 2019 Mr. Rode was successively president of BHP's Minera Escondida Ltda. in Chile and then Chief Executive Officer of zinc producer Nyrstar. Mr. Rode holds a Bachelor's degree in Chemical Engineering from the University of Stellenbosch, South Africa, a Master's in Environmental Engineering and a Doctorate in Chemical Engineering from State University, Buffalo, New York, and a Certificate in the Advanced Management Program from Harvard Business School.



## KURT DECAT

1965, Belgium  
Chief Financial Officer

Mr. Decat joined Sibelco in 2015 as Chief Financial Officer. Prior to joining Sibelco, Mr. Decat served for 13 years as the Chief Finance Officer and as a Director of Taminco Corporation, a global specialty chemical company. Earlier in his career, Mr. Decat held a number of finance, procurement and audit positions at Coopers Lybrand, FedEx Corporation, Minit Group, Domo International and Corus Aluminium. Mr. Decat holds a Master's degree in Commercial Engineering and an MBA from Catholic University of Leuven.



## ILSE KENIS

1976, Belgium  
Chief Strategy & Business Development Officer

Ms. Kenis joined Sibelco in 2012 in a strategic development role. She became director of strategic development in 2014 and occupied global businesses and strategic marketing leadership roles before taking up Business Unit leadership for Water & Environmental Solutions. She was appointed to her current position on the Executive Committee in 2020. Prior to joining Sibelco, Ms. Kenis was a Knowledge Expert in the metals and mining practice of McKinsey & Company and occupied academic roles in Germany and Belgium. She holds a Ph.D in Geology from the Catholic University of Leuven (KUL) and is a trained business coach.



## KARINE PARENT

1967, France

**Chief Human Resources Officer**

Ms. Parent joined Sibelco in 2020 as Group CHRO. She worked with Huntsman Corporation from 1999 to 2020, holding Human Resources leadership roles in France, Belgium, Switzerland, Singapore and the USA. During her extensive human resources career Ms. Parent has led large global HR teams and worked on significant projects including post-merger integrations, financial turnarounds and global culture and capability transformations. Ms. Parent has a Master's degree in Business Law with a specialization in HR from the University of Lille II in France.



## JOHN VAN PUT

1962, Netherlands

**Executive Vice President Operations Europe / Chief Industrial Officer**

Mr. Van Put joined Sibelco in 2014 and was appointed to the Executive Committee in 2015 as CEO of Sibelco Europe. Between 2016 and 2019, Mr. Van Put served as Sibelco's Chief Commercial Officer before taking up his current responsibilities in 2020. Prior to joining Sibelco, Mr. van Put was a member of the Executive Board of materials company H.C. Starck with specific responsibility for Advanced Materials and Ceramic Powders. He started his career at Umicore in 1991, serving first in Research & Development and then in various operational leadership positions until 2008. Mr. Van Put has a Ph.D in Applied Sciences and a Master's in Mining Engineering from Delft University of Technology.

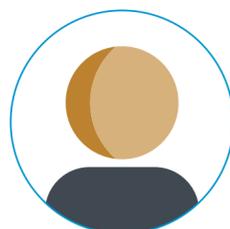


## OLIVIER LAMBRECHTS

1980, Belgium

**Executive Vice President International**

Mr. Lambrechts joined Sibelco in 2015 and served as Executive Vice President, Corporate Development until 2019, when he was appointed to the Executive Committee. Prior to joining Sibelco, from 2008 until 2015, Mr. Lambrechts was an Associate Principal at McKinsey & Company, where he served global industrial companies on topics including strategy, organization, M&A and large-scale transformations. From 2003 until 2007, he served as Ph.D. Researcher at K.U. Leuven, where he received a Ph.D. in Applied Economics in 2007. In addition to his Ph.D., Mr. Lambrechts has a Master's degree in Business Engineering.



**Executive Vice President Commercial Europe / Chief Commercial Officer**

Role being filled ad interim by Ilse Kenis



## LISA BROWN

1978, United Kingdom

**Chief Legal Officer**

Ms. Brown joined Sibelco in 2021 as Chief Legal Officer and Compliance Officer. Prior to this, Ms. Brown was Chief Legal Officer, Company Secretary, member of the senior leadership team and responsible for business development and intellectual property at WABCO. Ms. Brown started her career in London, UK, working in private law firms specialising in Intellectual Property and at SSL International, a global consumer healthcare company. Ms. Brown undertook her legal studies at the University of Derby and Nottingham Law School and qualified as a Chartered Intellectual Property Attorney in 2003.

# BOARD OF DIRECTORS

THE BOARD OF DIRECTORS IS THE SUPERVISORY CORPORATE BODY WITHIN THE SIBELCO GROUP. THE BOARD CONSISTS AT PRESENT OF 13 NON-EXECUTIVE DIRECTORS. THE BOARD IS ASSISTED BY AN AUDIT COMMITTEE AND A REMUNERATION & NOMINATION COMMITTEE.



## BERT DE GRAEVE

1955, Belgium  
Chairman of the Board

Mr. De Graeve holds Master degrees in Law and Tax Management. After starting his career in audit with Arthur Andersen, Mr. De Graeve moved into industry where he held various key positions in Belgian flagship companies, in Belgium and abroad: CEO with Shanghai Bell, CEO of the Flemish broadcasting company VRT and CEO and Chairman of Bekaert NV. Mr. De Graeve was elected as a Member of the Board at Sibelco in 2015, assuming the chairmanship in 2016. Mr. De Graeve is also Chairman of Telenet NV and independent director of UCB NV and Euroclear Holding. Mr. De Graeve exercises his mandate as a permanent representative of IDw Consult bvba.



## FRANCE DE SADELEER

1969, Belgium

Mrs. de Sadeleer was elected Member of the Board of Sibelco in 2015. She led a multi-disciplinary team in the field of conflict solving at Université Libre de Bruxelles. Mrs. de Sadeleer obtained a master degree in Family Sciences and Psychology at Université Catholique de Louvain (1994) and a master degree in Classical Singing at the Royal Conservatory in Mons (2011). Furthermore, she complemented these degrees with several programs in the field of business, family business (Guberna), tax, leadership training and conflict solving (Demoucelle). She is also a Member of the investment committee of Phitrust Partenaires and Phitrust Europe, two Impact investment funds. She is a member of the Family council Board of Aliaxis and Etex.



## MICHEL DELLOYE

1956, Belgium  
Chairman of the Audit Committee

Mr. Delloye joined the Sibelco Board in 2016. He holds a Law degree from the University of Louvain and started his career in the audit and tax department of Deloitte Haskins & Sells. He joined Groupe Bruxelles Lambert in 1984 of which he became CFO in 1986, President of the Lambert Brussels Capital Corporation (1988 New York) and General Manager at Groupe Bruxelles Lambert (1990), Managing Director of RTL Group, a leading TV and Radio Group in Europe (1992) and President and CEO of the Central European Media Enterprise (1998, London). Since 2000, he is primarily active as a private equity investor/entrepreneur, holding several independent director positions in leading family-controlled companies. Mr. Delloye also serves in a small number of non-profit initiatives. Mr. Delloye exercises his mandate as a permanent representative of Cytifinance SA.



## PASCAL ESENS

1982, Belgium  
Member of the Audit Committee

Mr. Pascal Emsens was elected as a Member of the Board of Sibelco in 2017. Mr. Emsens is a Managing Director within the Renewable and Sustainable Energy Fund at the Carlyle Group. Prior to joining Carlyle, Mr. Emsens was Chief Executive Officer of REDECO (Renewable Development Company), which is the renewable investment arm of AtlasInvest, and also Portfolio Manager of AtlasInvest. Mr. Emsens led all the renewable investments and portfolio management at AtlasInvest. He joined AtlasInvest in 2013 and is a conventional and renewable energy sector specialist with more than 12 years of experience in the industry. Prior joining AtlasInvest, Mr. Emsens was responsible for the West African Market at EXMAR, as a Senior

Commercial Manager Offshore. He is a Board Member at Emergya Wind Technologies, Bluemerang Capital, ETEX Group and former member of the Boards of Lexo Energy and New Southern Energy. Mr. Emsens has a BA from Lancaster University, England.



## HANS-JOSEF GREHL

1960, Germany

Mr. Grehl holds a degree in mechanical engineering from the University of Applied Science in Cologne, Germany. He spent more than 30 years with the Bayer Group, where he has held various specialist and leadership positions in consultancy, procurement and logistics. He worked and lived in Germany, Italy, Thailand and Singapore. During his time in Asia he was involved in the planning and construction of the Asian plants with a focus on China, where an integrated site was built in Caojing. Currently he is heading the procurement function of Covestro, the former polymers division of Bayer, in Germany. Mr. Grehl was elected a Sibelco Board Member in 2011.



## CHRISTOPH GROSSPETER

1965, Germany

Mr. Grosspeter is currently Managing Director of Grosspeter BeteiligungsGmbH (since 2006) and of MTS Meditel Service GmbH (since 2010). He holds a master degree in computer science of the European Business School and followed an MBA program at INSEAD, Fontainebleau.

Mr. Grosspeter has held various positions in industrial minerals companies. He was assistant to the Financial Director with Luzenac Group in Paris (1994) and financial analyst with Unimin Corporation (1995). After two years as an Associate with Mercer Management Consulting (1997-1998) he joined Amberger Kaolinwerke in Hirschau, Germany as Head of Business Development in 1999. One year later, in 2000, he became Sales Director within the same company as well as Managing Director of SLS Baustoffe GmbH. Mr. Grosspeter was elected to the Sibelco Board in 2011.



## JEAN-PIERRE LABROUE

1962, France

**Chairman of the Nomination & Remuneration Committee**

Mr. Labroue holds post graduate law degrees from the University of Paris X Nanterre, completed the ESSEC-IMD business school program and obtained a LL.M. degree from Widener University, Delaware Law School. He began his career in 1988 with Jeantet & Associés law firm in Paris. In 1989, he joined Rhône-Poulenc Chimie's legal department where he became involved in M&A. In 1993, he moved to the American Rhône-Poulenc Rorer's headquarters in Collegeville, PA. Back in France in 1996 he took the position of Vice President & General Counsel, Europe and International of Rhône-Poulenc Rorer. In 1999, he was appointed Vice President, General Counsel and Corporate Secretary of Aventis Pharma SA. In 2004, he joined Rhodia to take the position of Group General Counsel & Corporate Secretary, first supervising the Legal function and later also Mergers & Acquisitions and Public Affairs. He was Group General Counsel of Solvay and Head of Legal and Compliance in between 2012 and 2016. Mr. Jean-Pierre Labroue was appointed to the Board of SCR-Sibelco in December 2017. He exercises his current mandate as a permanent representative of Calavon Finance SAS.



## JEAN-MARC UEBERECKEN

1972, Luxembourg

Mr. Ueberecken is the managing partner of Arendt & Medernach. He is a corporate law and mergers & acquisitions partner by trade, with wide experience in the provision of advice to multinational corporations, major commercial companies and ambitious domestic entrepreneurs in connection with mergers and acquisitions, complex multi-jurisdictional corporate restructurings, change of control transactions including tender and exchange offers, joint ventures, as well as voluntary or forced liquidations. Mr. Ueberecken has been a lecturer at the Law Faculty of the University of Luxembourg in several legal disciplines from 2000 to 2013. He has been a member of the Luxembourg Bar since 1998 and was a member of the Brussels Bar from 2000 to 2008. Jean-Marc Ueberecken holds a Master's degree in law (Licence en droit) from the Université Catholique de Louvain (Belgium), as well as a Master of Laws degree (LL.M.) in banking and finance law from King's College London (U.K.).



## EVRAARD VAN ZUYLEN VAN NYEVELT

1970, Belgium

**Member of the Audit Committee**

Mr. van Zuylen started his career as a production and project engineer before joining the Boston Consulting Group as a management consultant. Since 2000 he founded and sold two SaaS companies, one in online supply chain solutions and one in intellectual property litigation data services. He was elected member of the SCR-Sibelco board in 2008. Mr. van Zuylen holds an MBA degree from the University of Chicago Booth School of Business, an MSc Civil Engineering in Mechanics and a Business Administration Diploma from the Catholic University of Louvain-la-Neuve. He exercises his current mandate as a permanent representative of Zuyfin SRL.



## WALTER ESENS

1958, Belgium

**Member of the Nomination & Remuneration Committee**

Mr. Walter Emsens specializes in the security and surveillance sector. He holds director positions in VAG Security Systems as well as in several other Belgian companies, a.o. as a member of the Board of Etex Group and Eternit. Mr. Walter Emsens was elected member of the Sibelco Board in 2005 and is appointed member of the Remuneration and Nomination Committee. He holds a degree in Commercial and Financial Sciences from the Institut Catholique des Hautes Etudes Commerciales in Brussels.



## MICHEL VERHAEGHE DE NAEYER

1966, Belgium

**Member of the Nomination & Remuneration Committee**

Mr. Verhaeghe is currently Executive Director of Soverin SA and Strudelimmo SA. He holds a BA in Applied Economics from Louvain University and took part in the Young Managers programme of INSEAD. During the 1990s, he held a number of finance and business positions within Sibelco companies in USA, Netherlands and UK in order to become acquainted with the minerals business. In 2011, he was elected a Board member of SCR-Sibelco and joined the Audit Committee. He also serves in the Boards of a number of foundations. M. Verhaeghe is also a member of the Family council Board of Etex and Aliaxis and exercises his current mandate as a permanent representative of Soverin SA.



## SVEIN RICHARD BRANDTZÆG

1957, Norway

Mr. Brandtzæg was CEO of the global aluminium company Norsk Hydro ASA, between 2009 and 2019. A scientist with a Ph.D in inorganic chemistry from the Norwegian University of Science and Technology (NTNU), Dr. Brandtzæg's long career in Hydro revolved around R&D, technology development, innovation and operational improvements, with numerous leadership positions throughout the company and across the globe. Dr. Brandtzæg utilizes his extensive knowledge and experience in several board positions, including as chairperson of the board of NTNU and construction and civil engineering group Veidekke. Dr. Brandtzæg was elected as a Sibelco Board Member in 2019.



## JEAN-LOUIS DE CARTIER DE MARCHIENNE

1962, Belgium

Jean-Louis de Cartier de Marchienne ventured into various projects as an independent business owner between 1984 and 1991. He was the founder of several Belgium-based agricultural enterprises, with subsidiaries in the Netherlands and Hungary. In 1992, he joined the Board of Directors of printing and publishing company Brepols, based in Turnhout, Belgium. A few years later, in 1995, he was appointed chairman of the Board of Directors of Brepols Group and all its subsidiaries. 1993 marked the arrival of Jean-Louis at Etex, when he joined the building materials group's Board of Directors. In the years that followed, Jean-Louis joined the Board of several Etex companies. In 1998, he became Managing Director of Cartamundi, a Turnhout-based world-leader in the production of playing cards. Today, Jean-Louis is chairman of Brepols Group and its subsidiaries, Cartamundi, and Etex. He is a director for Promat

International and FBNet, the Belgian branch of the international Family Business Network (FBN). Mr. de Cartier joined the Sibelco Board in 2020 and exercises his current mandate as a permanent representative of ASSaPP NV.



## STEFAN BORGAS

1964, Germany

Mr Borgas stepped down as a director during the course of 2020.



## LAURENCE BOENS

1959, Belgium

**Corporate Secretary**

Ms. Boens is Sibelco's governance specialist and assists and advises the Board, the Chair of the Board, the Chairs of the Board Committees, and all Board members in exercising their duties. She provides advice on best practice governance policies and the alignment between strategy, governance, legislation and policies.

## MR GAËTAN ESENS

Mr. Gaëtan Emsens passed away on 30 October 2020. As a member of the founding families, Gaëtan Emsens actively contributed to the development of the Sibelco Group for decades in the period of its most significant expansion. The Board wishes to express its profound gratitude toward the Honorary Chairman for his lifelong commitment and support to the company and its stakeholders.



SCR-SIBELCO N.V.  
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