



SIBELCO

# ACTIVITY REPORT 2019



# ABOUT THIS REPORT

THIS INTEGRATED 2019 ACTIVITY REPORT REPRESENTS THE FIRST PART OF SIBELCO'S 2019 ANNUAL REPORT. IT SHOULD BE READ IN CONJUNCTION WITH THE 2019 FINANCIAL & GOVERNANCE REPORT.

The Integrated 2019 Activity Report explains who we are and what we do as well as the context in which we operate. It outlines our strategy and the progress we have made towards achieving our goals. It is the first time 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 our sustainability objectives for 2025 and beyond.

The 2019 Financial & Governance Report includes more detailed information including Sibelco's financial statements and governance report.

Unless stated otherwise, all financial information includes the full scope of Covia – a US listed entity in which Sibelco has a 65% stake. In contrast, the environmental, social and governance information in this document relates exclusively to Sibelco's operations not including Covia. Information pertaining to Covia's financial and sustainability performance can be consulted at [www.coviacorp.com](http://www.coviacorp.com)

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 December 2019.

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# 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.

# OUR VISION

OUR STRATEGY IS UNDERPINNED BY A CLEAR VISION: TO BE THE BEST GLOBAL MATERIAL SOLUTIONS COMPANY, MARKET DRIVEN, OPERATIONALLY EXCELLENT, WITH A COMPELLING CULTURE.



## BEST

Starting with safety and extending into all disciplines, we want to be the best in everything we do.



## GLOBAL

We look beyond geographic and functional boundaries to build value as one Sibelco.



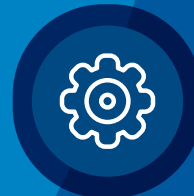
## MATERIAL SOLUTIONS

Through technology and innovation we're constantly exploring new functionalities for today and tomorrow.



## MARKET DRIVEN

Our strategy and organisational structure is guided by a clear focus on our markets and customer needs.



## OPERATIONALLY EXCELLENT

We're building consistent standards of excellence across our operations worldwide.



## COMPELLING CULTURE

People are the driving force behind our success and our culture is integral to our strategy.

# OUR BUSINESS AT A GLANCE

FOUNDED BACK IN 1872, WE'VE GROWN INTO A TRULY MULTINATIONAL BUSINESS WITH OPERATIONS IN 30 COUNTRIES AND AN EXTENSIVE MULTI-MINERAL PORTFOLIO.

WE WORK WITH CUSTOMERS WORLDWIDE ACROSS A BROAD RANGE OF INDUSTRIES, DELIVERING SOLUTIONS THAT COMBINE HIGH-SPECIFICATION MATERIALS WITH DEDICATED TECHNICAL SUPPORT.

PEOPLE  
**8,200**



REVENUE  
**€3.3BN**



COUNTRIES  
**30**



EBITDA  
**€554M**



TECHNICAL CENTRES  
**20**



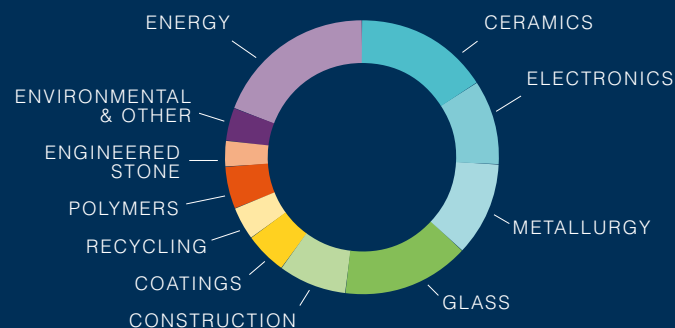
EBITDA % OF REVENUE  
**17%**



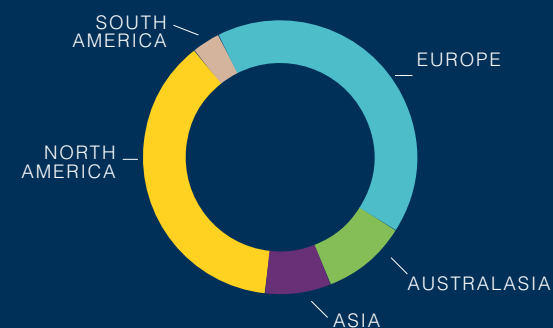
PRODUCTION SITES  
**163**



REVENUE BY SECTOR\*



REVENUE BY REGION\*



\* includes Covia at 65%



### MATERIAL SOLUTIONS

We develop solutions from a broad portfolio of minerals and other materials, the majority of which we mine and process from our own reserves around the world. We offer a diverse range of high-specification products, derived from a core group of materials:



SILICA



HIGH PURITY QUARTZ



SPECIALTY MINERALS



CLAYS



CALCIUM CARBONATE



FELDSPAR & NEPHELINE SYENITE



OLIVINE



MAGNESIA



MINERAL SANDS



RECYCLED MATERIALS

**INVESTMENT IN  
MACOGLASS WILL  
ENABLE US TO  
INCREASE CULLET  
PRODUCTION BY  
OVER 200,000  
TONNES PER YEAR**

# CIRCULAR ECONOMY

STRENGTHENING OUR LEADERSHIP IN GLASS RECYCLING

Sibelco is an established leader in glass recycling, each year combining expertise and technology to transform over one million tonnes of glass waste into high quality cullet\*. With EU-wide recycling targets for glass packaging set at 75% by 2025 and 85% by 2030, customer demand for cullet is growing fast.

To help meet demand, this year we completed the acquisition of glass recycling specialist, Macoglass, located close to Milan, Italy. The family-run business with its 50,000 m<sup>2</sup> plant has since been fully integrated within Sibelco's Business Line Recycling where our expertise will help to drive further efficiencies and growth.

Investment in Macoglass will enable us to increase cullet production by over 200,000 tonnes per year, helping our customers in Italy to meet the challenges faced in securing substantial volumes of high-quality cullet locally. It brings the total number of Sibelco glass recycling plants across Europe to nine. To further support customers in Italy, Sibelco acquired two additional glass recycling activities in the Bologna Region in early 2020.

Glass recycling is a prime example of the circular economy in action, helping manufacturers to close the loop and get more from their raw materials. It means that less waste goes to landfill, less primary raw materials are needed to make new glass, and less CO<sub>2</sub> emissions are generated during the manufacturing process. It makes perfect environmental and economic sense.

## VIDEO LINKS



CREATING AN INFINITE  
GLASS RECYCLING LOOP



HIGH 5 GLASS RECYCLING  
PLANT IN ANTWERP, BELGIUM

\* cullet is recycled glass suitable for remelting to make new glass

# MESSAGE FROM THE CHAIRMAN & CEO

## 2019 WAS A YEAR OF VARYING PERFORMANCE THROUGH OUR GROUP

2019 was a year of varying performance through our Group. On one hand, Sibelco's core activities and the industrial activities of Covia posted what should be seen as resilient results in the face of difficult conditions in many end markets. On the other hand, the energy activities of Covia faced substantial overcapacity and flat demand in the North American proppant industry and this had a significant impact on the financial contribution of Covia to Sibelco's results.

Our group consolidated revenue reached € 3.3 billion compared to € 3.5 billion in 2018. Our EBITDA reached € 554 million, 15% lower than in 2018. On a fully comparable basis, the decrease was higher due to various timing factors and accounting treatments. The total net result of the group was negatively impacted by € 1,389 million of non-recurring items. The main portion of these items were non-cash in nature and comprised impairments to assets at Covia triggered by the negative evolution of the energy market in North America. From a cash flow perspective, the picture was more encouraging with the Group generating a free cash flow before dividends of € 653 million, of which € 333 million was recurring free operating cash flow.



**“  
WE DELIVERED ON OUR  
PROMISE OF INCREASING  
SIBELCO'S FOCUS AND  
PREPARING FOR FUTURE  
GROWTH OPPORTUNITIES.”**

JEAN-LUC DELEERSNYDER (RIGHT) & BERT DE GRAEVE

## MESSAGE FROM THE CHAIRMAN & CEO

As many of you will have heard at various shareholder events during the year, Covia is navigating a very turbulent and changing energy market in the US. Covia's Board oversaw the appointment of a new leadership team to bring added urgency and agility to Covia's change programme and management undertook the sale of certain non-core assets – paying down a portion of the company's debt in the process – and accelerated the repositioning of the energy operations into the best cost-performing sites.

We delivered on our promise of increasing Sibelco's focus and preparing for future growth opportunities. We concluded the sale of Sibelco's lime and limestone assets to Graymont and Grupo Calidra in August and in early 2020 agreed the sale of the Australian magnesia operations to Refrastechnik. The proceeds from these sales, coupled with our strong operating cashflows, have ensured that Sibelco itself is in a strong, cash-positive position.

From a growth perspective, we made a number of smaller acquisitions during the year, including the purchase of Macoglass, one of the leading glass recycling companies in Italy. These have been supplemented in the early months of 2020 with further acquisitions in glass recycling in Italy and France and high-quality clays in Ukraine. Although value-enhancing acquisition opportunities remain scarce in today's markets, we have stepped up our screening efforts to identify businesses that would be a good fit with our material solutions approach. We will also be adopting a more aggressive approach to growth in non-European markets, particularly Asia.

In 2019 we also made further investments in Technology & Innovation and at the end of the year the Board of Directors approved the construction of a new Technology & Innovation hub in Maastricht. This decision signals a major vote of

confidence in Sibelco's ambitious plans for growth through innovation and our long-term future as a material solutions provider. We were also successful in attracting people to the company that further enhance our talent pool in technology, innovation and materials science.

Our health and safety performance was overshadowed by two tragic accidents that claimed the life of one of our contractors at the Robilante site in Italy and an employee at the Bukowno site in Poland. These fatal accidents eclipsed what was an otherwise improved safety performance. Sibelco, as a leading company in minerals, wants to match the safety performance of best in class industries and we should be encouraged that the various leading indicators that we track demonstrate that a strong safety culture is being embedded throughout the company. Our challenge will be to harness this positive development to generate tangible improvements in our safety performance.

We conducted our first group-wide employee survey in November 2019. More than 80% of Sibelco colleagues participated in the survey, demonstrating that throughout the company people were comfortable speaking up and having their voices heard. The overall engagement score for Sibelco employees showed that we perform better than the average for our peer group of industrial companies. In 2020 we will organise feedback sessions where colleagues can co-develop actions that build on positive aspects of their work environment or which address elements that they wish to change and improve.

In the area of sustainability, we have made big strides in bringing together the various initiatives and practices across the Group into one, consolidated and global approach. We conducted a thorough materiality analysis and have

determined the issues and topics that are most important to our stakeholders. These have been aligned with the United Nations Sustainable Development Goals (SDGs) and have resulted in the development of challenging objectives for 2025 which we are proud to present in this report. We were also delighted to be recognised during the year with a number of sustainability and environmental awards, for example in Thailand and The Netherlands.

We would like to thank our shareholders for their involvement and support during 2019. The market challenges facing Covia's energy business have been at the forefront of our shareholder dialogue through the year. Covia's Board will keep monitoring the market and assessing any opportunities to strengthen Covia's position and create shareholder value. We would also like to recognise Sibelco's employees – who have remained engaged and committed during a period of significant organisational change – and our valued customers whom we are proud to serve.

Although there are plenty of uncertainties in today's global economy, not least of which are the impact of the COVID-19 pandemic and oil price collapse, Sibelco has a strong platform from which to secure growth opportunities and to further enhance its reputation as the leading material solutions provider for its customers.

  
**BERT DE GRAEVE**  
CHAIRMAN OF THE BOARD

  
**JEAN-LUC DELEERSNYDER**  
CHIEF EXECUTIVE OFFICER

# DEFINING SIBELCO'S SUSTAINABILITY PRIORITIES

## DEFINING OUR PRIORITIES

All strategies require choices - what to focus on and where to channel resources. Sibelco operates in a complex environment with multiple stakeholders across all regions and a range of risks and opportunities. To enable us to define the most important issues and topics to focus on, we conducted a thorough materiality analysis.

## MATERIALITY ANALYSIS

Our materiality process started in October 2018 when a group of 50 senior managers met in Madrid and discussed the main economic, social and environmental risks and opportunities facing the company. We then conducted desk research on a selection of 10 industry peers in the minerals sector as well as our 5 largest customers by revenue to determine which themes were most important to them. This was all done while taking into consideration global developments such as the Paris Climate Agreement of 2015, the work of the UN International Resource Panel, particularly its 2019 Global Resources Outlook, and the EU's Green New Deal. The next step was to use these insights as part of 28 interviews with stakeholders, Board members and Sibelco employees with the goal of distilling the top 10 areas we should be focusing on as part of our integrated sustainability strategy. These topics were validated by the Board of Directors in December 2019.

## THE TOP 10 TOPICS & ASSOCIATED 2025 TARGETS\*

### 1 SAFETY & HEALTH

- ⊕ Our ultimate target is zero harm. Therefore we aim at a RIR < 3 by 2025, to position us among the best in class

### 2 COMMUNITY ENGAGEMENT

- ⊕ 100% of sites with approved community engagement plan in place

### 3 ATTRACTIVE EMPLOYER INCLUSIVENESS & DIVERSITY

- ⊕ Achieve a min 30:70 gender balance for executive leadership and 25:75 gender balance for total workforce
- ⊕ Improvement on employee engagement score of 77 (2019)

### 4 HUMAN RIGHTS & BUSINESS ETHICS

- ⊕ 100% adherence to Code of Sustainable Conduct

### 5 WATER MANAGEMENT

- ⊕ 50% of sites applying BATNEEC principles on water usage

### 6 CLIMATE & ENERGY

- ⊕ reduce CO<sub>2</sub> emissions by 2% per year
- ⊕ improve energy efficiency by 2% per year
- ⊕ 20% share of onsite renewables
- ⊕ 30% share of green energy purchased

### 7 CLOSURE PLANNING & REHABILITATION

- ⊕ 100% of sites with Sibelco-standard closure plan

### 8 ACCESS TO RESOURCES

- ⊕ at least 80% of our own-mine business by gross margin with 25 years of property life

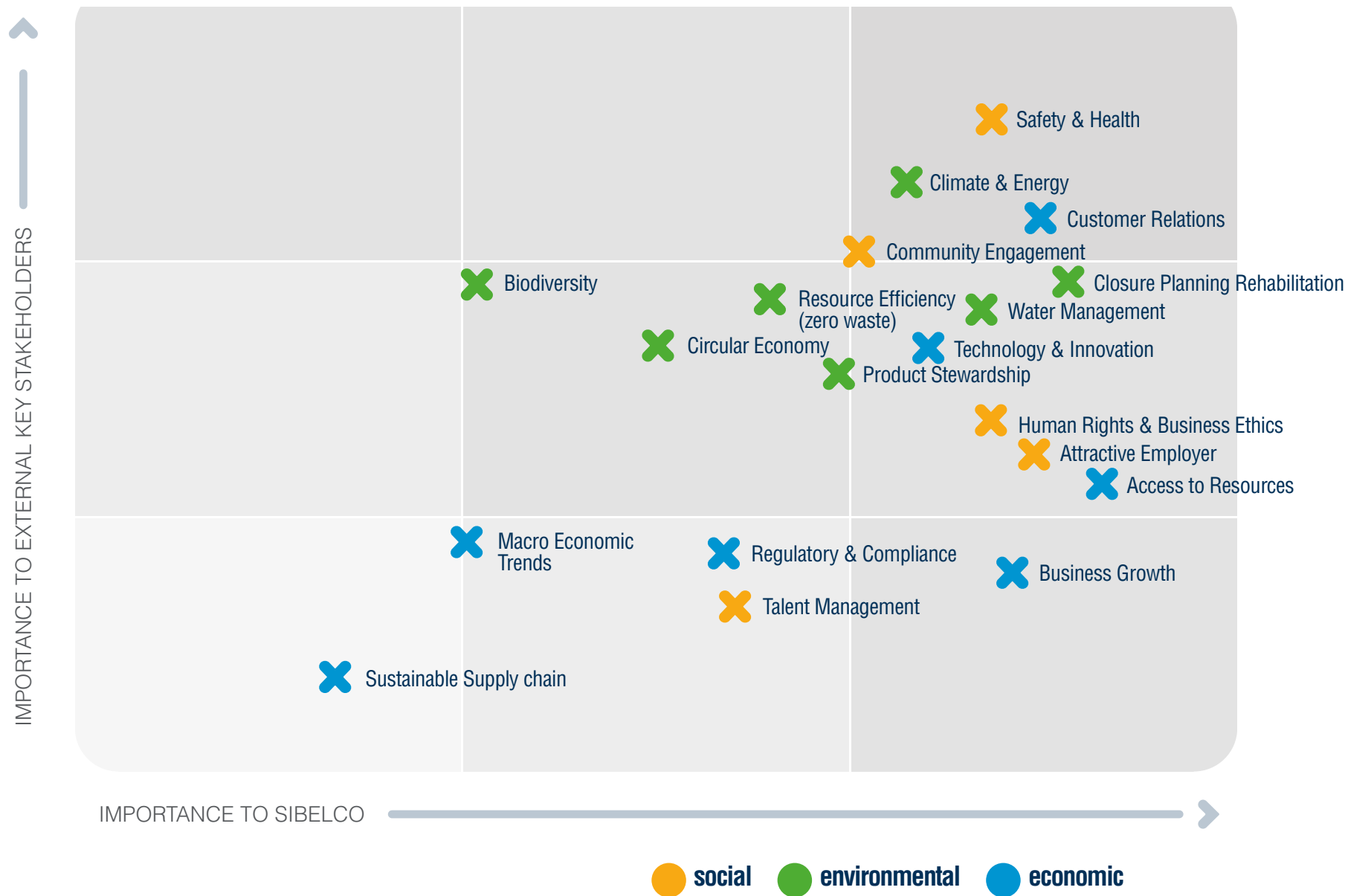
### 9 TECHNOLOGY & INNOVATION

- ⊕ One new product commercialised per year from innovation pipeline

### 10 CUSTOMER RELATIONS

- ⊕ 5% annual improvement on Net Promoter Score

MATERIALITY ASSESSMENT 2019 MATRIX RESULTS





## THE GLOBAL GOALS

### HOW SIBELCO SUPPORTS THE GLOBAL SUSTAINABILITY GOALS

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:



#### SDG 3.

##### Ensure healthy lives and promote well-being for all

Sibelco's contribution is primarily operational. Our environmental management approach seeks to limit our impact on water and soil. Our efforts in the area of occupational health target a reduction in occupational exposure to dust.



#### SDG 5.

##### Achieve gender equality and empower all women and girls

Through our Code of Sustainable Conduct and specific diversity initiatives, Sibelco promotes diversity and inclusion in the workplace. We have specific targets for 2025 to increase female representation in the workforce and in leadership positions.



#### SDG 6.

##### Ensure availability and sustainable management of water and sanitation for all

Sibelco's products such as clays, kaolin and sands are used in the development and production of ceramics for sanitaryware while calibrated sands and other materials are used in systems for water purification and desalination. From an operational perspective, we focus on sustainable water management and have a 2025 goal for deploying best available technologies in our operations.



#### SDG 7.

##### Ensure access to affordable, reliable, sustainable and modern energy for all

Sibelco is a leading producer of high purity quartz used in the production of solar grade silicon for PV. From an operational perspective we aim to double our use of on-site renewable energy and proportion of purchased green energy. We also aim to improve our energy efficiency by 2% a year on average by 2025.

## 8 DECENT WORK AND ECONOMIC GROWTH



### SDG 8.

#### Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all

Sibelco's strategy is to develop as a material solutions provider and to achieve growth while reducing our environmental impact. Our Code of Sustainable Conduct forms the foundation of our Sibelco health and safety policy and improvement initiatives. Our overall target is to achieve a zero-accident work environment.

## 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE



### SDG 9.

#### Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation

Sibelco's strategy is to develop as a material solution provider. Innovation is central to this strategy. In 2019 150 people were employed in technology and innovation and the company operated 20 technology centres. Sibelco also decided to develop a technology and innovation hub in Maastricht (NL) to be commissioned in 2021.

## 11 SUSTAINABLE CITIES AND COMMUNITIES



### SDG 11.

#### Make cities and human settlements inclusive, safe, resilient and sustainable

Sibelco produces materials that enhance safety and energy efficiency in buildings. These include ATH for flame retardants, nepheline syenite products for cool roof coatings, materials used in heat-reflective glass etc.

## 12 RESPONSIBLE CONSUMPTION AND PRODUCTION



### SDG 12.

#### Ensure sustainable consumption and production patterns

Sibelco has been developing new businesses that serve the circular economy. The most obvious example is the glass recycling activity where Sibelco is now Europe's leading glass recycler. Sibelco also recycles materials such as residues from fibre glass production and in 2019 increased its investment in a start-up for recycling medium density fibre board.

## 13 CLIMATE ACTION



### SDG 13.

#### Take urgent action to combat climate change and its impacts

Sibelco is targeting an average annual reduction in CO<sub>2</sub> emissions of 2% between 2018 and 2030. This is aligned with the aims of The Paris Agreement and the European Green Deal.

## 15 LIFE ON LAND



### SDG 15.

#### Protect, restore and promote sustainable use of terrestrial ecosystems...reverse land degradation and halt biodiversity loss

Sibelco ensures that environmental considerations are a full part of its quarry management and closure planning; an eco-system services model is used to ascertain the best land-use for rehabilitated quarries. Adequate resources are provisioned to fund quarry closure and Sibelco has specific targets to balance active quarrying with rehabilitated land and to ensure that all sites implement closure plans according to a Sibelco standard.

## 16 PEACE, JUSTICE AND STRONG INSTITUTIONS



### SDG 16.

#### Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels

Through its Code of Sustainable Conduct and Supplier Code of Conduct, Sibelco strives to ensure business ethics are upheld in all its activities.

## 17 PARTNERSHIPS FOR THE GOALS

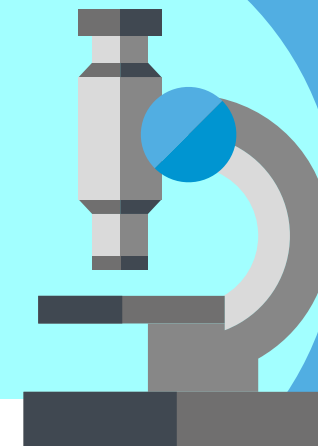


### SDG 17.

#### Strengthen the means of implementation and revitalize the global partnership for sustainable development.

Through our partnerships with customers, our communities, innovation partners and other stakeholders we seek solutions that solve economic, social and environmental challenges.

# SUSTAINABILITY OUR MODEL



## SOCIAL

## ENVIRONMENTAL

## ECONOMIC

### SUSTAINABILITY APPROACH

- Human Resources
- Community Engagement
- Operational Excellence

- Environmental Impacts
- Operational Excellence

- Long Term Growth Strategy

### SUSTAINABILITY PERFORMANCE

- Employee Health & Safety
- Inclusiveness & Diversity
- Community Engagement

- CO<sub>2</sub> Emissions & Energy Efficiency
- Water Use & Impact
- Closure Planning & Rehabilitation
- Land Use
- Biodiversity
- Waste & Pollution

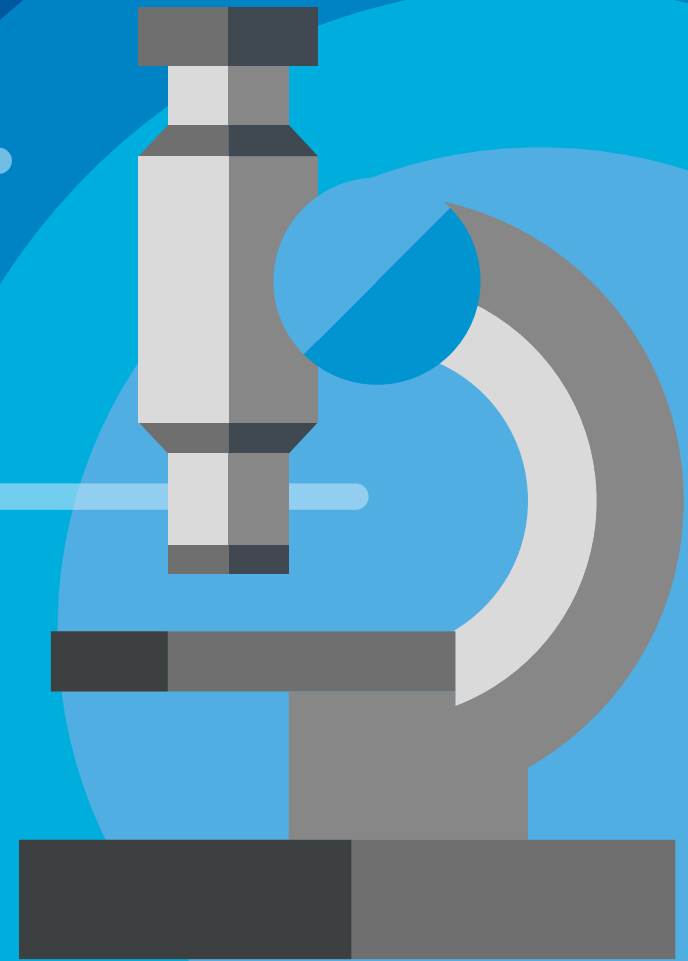
- Financial Performance & Growth
- Technology & Innovation
- Reserve Life
- Customer Relations
- Commercial Excellence



## GOVERNANCE, RISK MANAGEMENT & BUSINESS ETHICS

# CREATING ECONOMIC VALUE

OUR STRATEGY IS BUILT AROUND LONG-TERM BUSINESS GROWTH AND ECONOMIC PERFORMANCE, EMBRACING TECHNOLOGY AND INNOVATION TO DRIVE OPERATIONAL EFFICIENCY, CREATE NEW SOLUTIONS FOR OUR MARKETS AND DELIVER OUTSTANDING CUSTOMER EXPERIENCE.



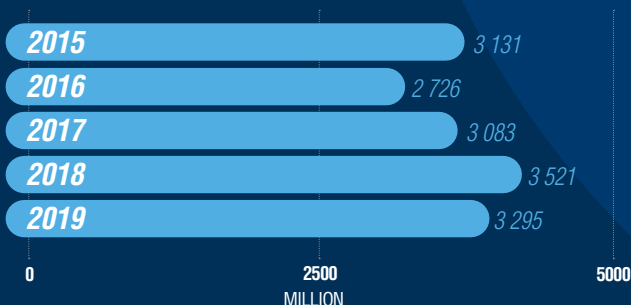
# ECONOMIC PERFORMANCE

## GROUP RESULTS<sup>1</sup>

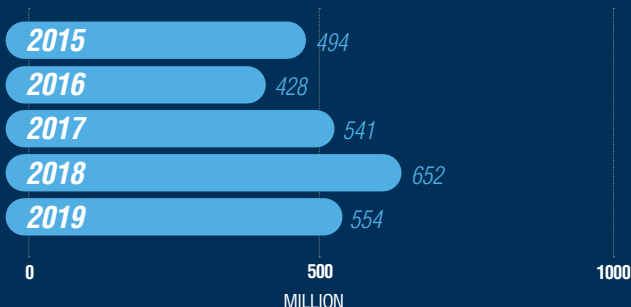
Revenues at Sibelco (excluding Covia) were largely stable between 2018 and 2019 while EBITDA was down 2% to EUR 328 million. This reflected the more challenging economic environment, particularly in Europe, the impact of the US-China trade dispute on the sales of high purity quartz and the sale of the lime & limestone activities during the year.

At Covia, reported revenues were down by 9% and EBITDA down 29% to EUR 226 million. The entirety of this shortfall was linked to the Energy segment at Covia. The Industrial segment produced a resilient performance with revenues and profitability largely stable compared with 2018.

### REVENUE



### EBITDA



<sup>1</sup> Several events and accounting changes need to be considered to allow a like for like comparison between 2019 and 2018 reported figures.

Since 2019 we adopt IFRS 16 relating to the accounting treatment of lease assets and liabilities. This positively impacted 2019 EBITDA by EUR 121 million compared to last year but adds liabilities to the balance sheet in 2019 (EUR 422 million). The largest impact is related to Covia's rail car fleet.

Moreover, since the merger transaction between Unimin and Fairmount occurred on 1st June 2018, last year's reported figures for Sibelco Group included only seven months of former Fairmount Santrol activities and financial contribution compared to a full year in 2019. The EBITDA impact thereof was approximately EUR 108 million.

Finally, the sale of Sibelco's lime & limestone activities and Covia's sale of its lime and railroad activities were finalised in the third quarter and there is therefore some resulting impact on the comparability of the results of 2019 versus those of 2018.

### NON-RECURRING ITEMS

Total non-recurring expenses at EBIT level amounted to EUR 1,397 million. The majority of this amount (EUR 1,337 million) was the result of impairments to assets, restructuring and optimisation expenses at Covia. The significant impairment charge was primarily triggered by the worsened results and outlook of the frac sand business in Covia. The magnitude of the impairment, which mainly relates to Northern White Sand assets and (excess) railcars, can be explained by the step up in fair value at the time of the merger transaction and the fact that leased railcars are accounted for on balance sheet for the first time in 2019.

The remaining non-recurring items (EUR 60 million) occurred at Sibelco level and were related primarily to restructuring costs, transaction costs associated to the divested businesses and an increase in provisions.

The net impact of non-recurring items for the Group was EUR 1,111 million, of which EUR 738 million share of the group.



### CAPITAL EXPENDITURES & ACQUISITIONS

Capex was EUR 212 million vs EUR 358 million in 2018. This decrease was due to a significantly lower level of capex at Covia. Sibelco's own capital expenditures for growth initiatives increased, with the main expansion projects being the clay operations in the UK and feldspar activities in Turkey.

During 2019, Sibelco expanded its presence in the market for glass recycling by acquiring Italian glass recycling company Macoglass.



### TAXATION

The Group recorded a total non-cash tax income of EUR 153 million. This was driven by reversals of deferred taxes (EUR 192 million) mainly resulting from the impairments at Covia level, offset by a current tax expense of EUR 39 million.

Total taxes paid by Sibelco during the year including operating taxes etc amounted to EUR 111 million. The Group has contributed to the different local authorities in

all the countries in which it operates, current cash taxes of €29 million (excl. withholding taxes on Group dividend), employers' social security contribution of €61 million (excluding employees' social security contribution and payroll taxes) and taxes to be considered as operating expenses of €21 million (excl. VAT, duties...).

## CASHFLOW & FUNDING

Free Cash Flow before dividend was EUR 654 million. Free Operating Cash Flow (FOCF) was EUR 238 million, being EUR 104 million better than last year. Recurring FOCF was EUR 333 million.

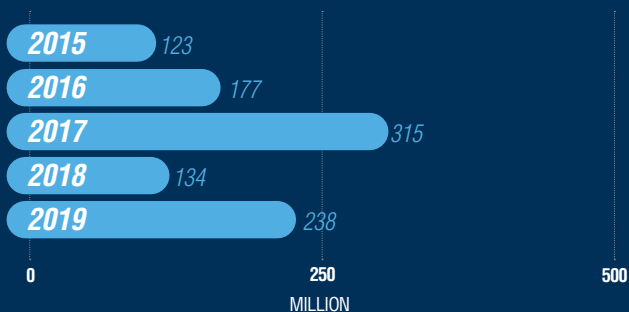
Total net financial debt stood at EUR 1 342 million at 31 December, compared to EUR 1 391 million at the end of 2018. As a result of the new IFRS lease standard, we needed to record EUR 422 million of lease liabilities on the balance sheet. Adjusting for leasing, 2018 net debt would have been EUR 1 813 million, so we achieved a like for like decrease in net debt of EUR 472 million. This decrease was due to the positive operating cashflow and the proceeds of the sale of Sibelco's lime and limestone business, Covia's sale of Calera and Winchester & Western Railroad offset by the interest payments and dividend payments of the year.

Covia reduced its net debt from EUR 1 662 million (including lease liabilities) to EUR 1 420 million during the year, largely through the sale of railroad and lime assets for EUR 210 million. Covia repurchased a portion of debt towards year end at a substantial discount to par and entered into arrangements to further improve its financial flexibility. These included securing a USD 75 million revolving credit facility and restructuring the Company's railcar purchase obligations.

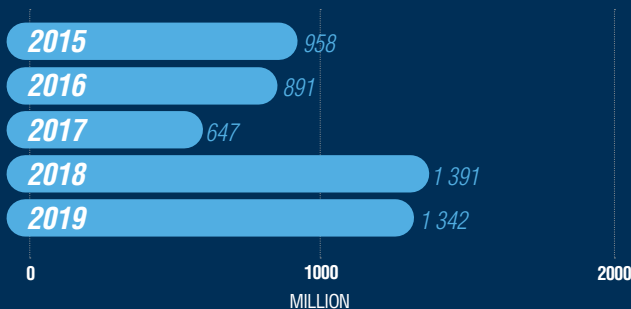
Sibelco (excl. Covia) further improved its own balance sheet and by the end of the year was in a net cash position of EUR 78 million compared to a net debt of EUR 151 million in 2018 (including lease liabilities).

As a consequence of the decrease in EBITDA the pro-forma consolidated net debt to EBITDA ratio (excluding leasing) increased to 2.42.

### FOCF



### TOTAL NET DEBT



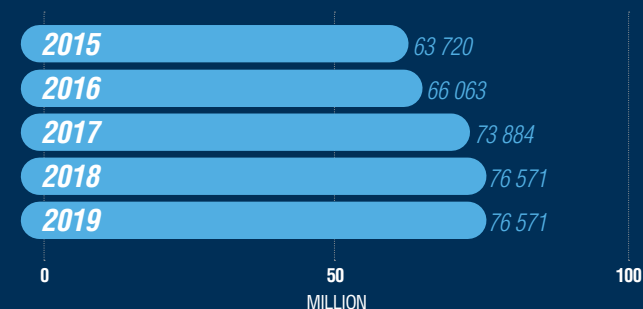
## NET RESULT

The consolidated net result is impacted by the significant impairment charge, primarily triggered by the worsened results and outlook of the frac sand business in Covia. The magnitude of the impairment, which mainly relates to Northern White Sand assets and (excess) railcars, can be explained by the step up in fair value at the time of the merger transaction in 2018 and the fact that leased railcars are accounted for on the balance sheet since 2019. As a result, the Group recorded a non-recurring loss of EUR 1,397 million (EUR 1,111 million after tax) which was driven primarily by the impairment of assets and restructuring provisions at Covia.

## DIVIDEND

The Board of Directors proposes a stable gross annual dividend of EUR 162.86 per share at the Annual General Meeting on 22 April 2020. Taking into account the interim dividend of EUR 62.86 per share paid out on October 15, 2019 and subject to shareholder approval, a gross amount of EUR 100.00 per share will be paid out as from 29 April, 2020.

### DIVIDENDS



## DISTRIBUTION OF ECONOMIC BENEFITS

Of Sibelco's total income, the most significant portion is used to extract and process minerals (ie mainly paid to suppliers). After subtracting certain other costs and depreciation, the remaining economic benefits available for distribution stood at EUR 889 million. The biggest portion (EUR 645 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 to creditors amounted to EUR 66 million, while cash taxes to the governments and authorities in the places where we operate, totalled EUR 111 million. Subject to approval by shareholders at the AGM in April 2020, the total provisional dividend pay-out for shareholders will be EUR 77 million. Of this figure a portion was already paid out in 2019 in the form of an interim dividend, and the remainder will be paid out in 2020. Sibelco spent over EUR 1 million on community initiatives and charitable donations in 2019.



## TECHNOLOGY & INNOVATION

Technology & Innovation (T&I) is a primary driver behind Sibelco's transformation from a leading industrial minerals supplier to a leading provider of material solutions. 2019 saw further integration and optimisation of our newly redeveloped global T&I function, built around three innovation domains: Process Technology, Advanced Materials and New Business Models.

All Business Lines made good progress throughout the year in the execution of the T&I roadmaps established collaboratively over the course of 2018. Development and deployment of these robust, market-driven T&I roadmaps is now enabling us to focus effort and resources on a select number of priority projects.

As well as initiatives generated through the Business Line roadmaps, we continued to feed our T&I pipeline through multiple channels including our Innovation Portal, T&I scouting and open innovation with a range of external partners. We have established several Key Performance Indicators for T&I through which to measure the pipeline process' effectiveness in transforming raw ideas into projects then commercial solutions.

In December, Sibelco's Board of Directors approved plans for a new technology and innovation hub to be built in Maastricht, Netherlands. Its creation will complement our existing global network of technical centres.

The centre will be built alongside our existing plant in Maastricht. It will be home to new colleagues from multiple disciplines, inspiring daily interaction and cross-functional collaboration within creative workspaces, state-of-the-art laboratories and pilot plant facilities. These modern, inspiring surroundings will make the centre an ideal setting to which to invite and work with customers and external partners, helping Sibelco to accelerate and benefit from open innovation with the outside world.

Maastricht represents a prominent, central location for Sibelco's innovation centre. Sitting at the southern tip of the Netherlands next to Belgium and Germany, the international city is close to top universities and research institutes and enjoys excellent local and global transport links. Construction on this exciting project is scheduled to begin in Q2 of 2020 with completion scheduled in 2021.



# BUILD ENVIRONMENT

A STEADY OVERALL PERFORMANCE IN TOUGH MARKET CONDITIONS

Revenue for Build Environment was €792 million, down 4% compared to 2018. The largest contributing factor in this was a significant slowdown in tile production, particularly in Italy, Spain and the Middle East. This saw revenue for **Business Line Tiles, Engobes & Engineered Stone** fall 7% on the previous year.

Sibelco's exit from mineral sands (a key component in glaze manufacturing) also contributed to the decrease in sales into tiles as customers sought alternative arrangements. Economic conditions in Turkey were also a factor as the devaluation of the lira saw a fall in demand for premium Sibelco brands such as Maxum®, Quantum® and DBY™ in favour of cheaper local materials.

Despite variable conditions in the engineered stone market, our performance in this segment remained broadly stable.

Sales for **Business Line Sanitaryware & Structural Ceramics** held steady against 2018 despite the ongoing contraction of



2019 REVENUE  
**€792 MILLION**

sanitaryware manufacturing in Western Europe. As with the tile market, devaluation of the lira also led to less demand in Turkey for our premium sanitaryware products such as SanBlend®.

We continued to grow sales in India and elsewhere in Asia and we were delighted to secure our first shipment to Mexico as a key target country for future growth. Work began on a €9m project to increase production of SanBlend® refined clays and other materials at our Kingsteignton site in Devon, UK. The project includes a new ring roller mill which will be fully operational in 2020, helping us to increase output and meet global demand for high-quality material solutions for sanitaryware.

**Business Line Metallurgy** increased sales 2% against 2018. We achieved this increase despite tough conditions in Europe, where China further increased steel imports across the region in response to additional tariffs on its products in the US. Sales in the foundry sector remained steady.

**Business Line Optimized Materials** sales fell 4% against the previous year. Part of this decline was as a result of the completion of Nord Stream 2, a major infrastructure project to supply natural gas from Russia to Europe through more than 2,400km of pipes under the Baltic Sea. Sibelco had been involved in the project for several years, supplying over half a million tonnes of Olidense™ high-density aggregate as a coating which stabilises and protects the pipes.

### CASE STUDY

# CLEAN ENERGY FOR HOMES & INDUSTRY

## POWERING THE GROWTH IN BIOENERGY

A recent report by the International Energy Agency identified bioenergy as the world's fastest-growing renewable energy source, playing a vital role in building a more secure and sustainable energy system.

Bioenergy refers to electricity and gas generated from organic matter, known as biomass. This includes plants, wood, agricultural and food waste, and even sewage. Whilst burning biomass does create carbon dioxide, it releases the same amount of carbon that the organic matter absorbed while it grew. So unlike fossil fuels, bioenergy maintains the carbon balance of the atmosphere.

Biomass is burned on a commercial scale in fluidised bed boilers, the smooth running of which is key in maximising energy output. A central factor in the efficiency of the boiler is the 'bed material' which supports the fluidisation process and maximises combustion.

To support the growth in bioenergy, Sibelco has developed a range of high-performance bed materials. This includes Greenflow™, an olivine-based solution which helps to improve heat transfer and control temperatures within the boiler. As a magnesium iron silicate, Greenflow™ has a high resistance to alkaline fuel sources and therefore enables boiler operators to reduce the impact of common reaction problems such as agglomeration, fouling and corrosion.

Greenflow™ and other products in our range significantly increase the overall efficiency of the bioenergy production process, helping operators worldwide to generate increasing amounts of clean energy.

# WATER & ENVIRONMENTAL SOLUTIONS

A SOLID PERFORMANCE FUELLED BY FURTHER GROWTH IN GLASS RECYCLING

Revenue for Water & Environmental Solutions increased 4% against 2018 to €112 million as Sibelco secured further expansion in the European glass recycling market.

**Business Line Recycling** revenue exceeded €98 million, 4% above the previous year, as a result of additional sales in cullet (recycled glass) in Italy. This growth was realised largely through Sibelco's acquisition of Macoglass (see page 8) in combination with additional capacity at our plant in Musile, Venice, both of which enabled us to strengthen our ability to serve our customers' needs.

Sales from our other glass recycling plants across France and Belgium were consistent with 2018, reaffirming the established role of cullet in sustainable glass manufacturing. Work to further improve production capacity at our Musile plant is scheduled for 2020.



2019 REVENUE  
**€112 MILLION**

CASE STUDY

# CLEAN WATER & SANITATION

## REDUCING PHARMACEUTICAL POLLUTION

Conditions in the abrasives market remained challenging throughout the year with low demand in both the oil & gas and shipbuilding sectors.

After substantial growth in 2018, sales revenue for **Business Line Filtration & Reactants** flattened out in 2019. This was mainly due to challenging conditions in France, currently Sibelco's biggest filtration market. However, this was largely offset by increased sales in Asia where our performance exceeded expectations.

We made good progress in extending our filtration portfolio with new material solutions to tackle specific pollutants. This included Sibelco entering into an exciting strategic partnership with a start-up business offering an innovative solution for water filtration based on recycled waste wood, thereby helping to contribute to the circular economy.

Experts are increasingly concerned about chemicals from prescription drugs and over-the-counter medications that end up in water sources. A number of recent studies identified trace concentrations of pharmaceuticals in wastewater and various water supplies, including drinking water.

The problem arises because our bodies only metabolise a fraction of the medicines we swallow – most of it is flushed down the lavatory. Standard sewage and wastewater treatment processes only remove around 70% of these medicines with the remainder discharged into surface water. This poses potential issues for the environment and for drinking water supplies.

As part of a project sponsored by The Netherlands Government, Sibelco played a lead role in the development of an innovative new solution that uses surface-treated sand

to remove pharmaceuticals from wastewater. Known as CatchAmed™, the sand absorbs any unused medicine within the lavatory system. It is then easily removed at the treatment stage further down the line because of the sand's weight.

With the concept proven and a patent application filed, the next stage is to bring CatchAmed™ to market in collaboration with a select group of industry partners.

As demand for clean water increases across the globe, innovative solutions such as CatchAmed™, together with other products in our range of water filtration materials, will make an important contribution to the supply of the world's most precious commodity.

# COATINGS, POLYMERS & CHEMICAL SOLUTIONS

TOUGH CONDITIONS IN THE CHEMICALS SECTOR OFFSET GROWTH IN POLYMERS

**Business Line Coatings** achieved a slight upturn in sales, with global demand for paint broadly in line with predictions. The year saw further consolidation of the paint market as major manufacturers sought further growth through acquisition. This trend towards consolidation is leading the largest players to increasingly standardise raw material supplies, creating a highly dynamic market for Sibelco.

We saw increased competition in barytes, particularly from Turkey where producers took full advantage of local currency rates to offer cheaper products. This led to lower demand for our Portaryte™ range. Our Unispar™ range of feldspar materials also saw aggressive price competition from Turkey and China.

Measures to improve operational efficiency at our plant in Jarinu, Brazil, helped us to achieve an increase in sales of materials in the South American coatings market. Closure of our Changshu plant in China had a negative impact on sales



2019 REVENUE  
**€213 MILLION**

in Asia, however sales in North America grew 3%, in line with GDP.

**Business Line Polymers revenue** grew 6% with a strong performance across all regions. We achieved 13% growth in the flame retardants sector thanks to increased sales of solutions such as Portaflame™ and Securoc™ in Europe, and other materials in the Middle East and Africa.

Our ESD (engineered silicates dispersion) facility in Malaysia ran at full capacity throughout 2019, almost doubling production against the previous year to enable us to increase our presence in the rubber gloves market. Further extension of the ESD plant in 2020 will support further growth in this sector.

Sibelco's overall performance in polymers was adversely affected by increased competition in barytes in the plastic pipes market, and also in nepheline syenite and cristobalite within the plastic film market. However, we made good progress with several ongoing technology and innovation projects which will help to further strengthen our global position.

Revenue for **Business Line Chemicals** fell sharply in 2018, down 16% compared to 2017. This was the result of continued decline in demand for spherical silica in Asia, coupled with a downturn in both the paper and silicates sectors in Europe.

The overall fall in revenue came despite a very strong performance in mineral sands. Conditions in the printed circuit board / copper clad laminate sector stabilised after a first quarter downturn, and this market is now gearing up for expansion in line with growth in 5G wireless technology and electric vehicles.

### CASE STUDY



# URBANISATION

## SUPPORTING ENERGY EFFICIENT HOMES AND BUILDINGS

Air conditioning systems are a key driver behind growing global demand for electricity. Experts predict that energy demand from air conditioners will triple by 2050\*, requiring new electricity capacity equivalent to the combined capacity of the United States, the EU and Japan today.

To reduce the need for air conditioning, a growing number of buildings are benefiting from the addition of heat-reflective coatings to their roof surfaces. Applied to new and existing rooftops as a paint, these 'cool roof coatings' can significantly reduce a building's interior and roof surface temperatures.

To reduce the frequency of application (and therefore cost) cool roof coatings need to be long-lasting, which is exactly what Sibelco's Minex® achieves. Minex® is a nepheline syenite-based solution which is added to cool roof coatings to improve durability and colour retention in the toughest conditions, whilst at the same time enhancing solar reflectance.

Minex® outperformed a whole range of alternative materials in a five-year field study conducted in the heat of Arizona, USA. Its durability helps to make cool roof coatings more sustainable with fewer applications needed and enhanced overall effectiveness.

As the pace of urbanisation intensifies and construction increases, buildings must be as energy efficient as possible. We're proud that Minex® is playing a part.

\* source: International Energy Agency – The Future of Cooling Report

# GLASS SOLUTIONS

A STEADY OVERALL PERFORMANCE

Glass Solutions revenue was stable against 2018 being EUR 462 million as market dynamics varied between sectors and countries.

Revenue for **Business Line Container Glass** was broadly consistent with 2018. Increased sales in Russia and Turkey were offset by a 7% fall in volumes in Italy as a result of lower customer demand and an increase in utilisation of cullet (recycled glass) within the manufacturing process.

The year saw further investment across the sector as the majority of manufacturers continue to upgrade or build new furnaces to meet anticipated market growth of between 2 and 5%, mainly driven by consumers switching to glass in favour of plastic bottles. We continued to collaborate with key customers on several development projects and began exploring the use of new materials within the tableware sector.



2019 REVENUE  
**€462 MILLION**

**Business Line High Purity Glass** suffered the most significant drop in revenue, down 7% against 2018. This was driven by a slow-down in the semiconductor segment and the ongoing US-China trade war. China's import tariffs on our IOTA® high purity quartz from the US rose from 1% to 16% over the course of the year. We had to absorb much of this cost in order to maintain Sibelco's market share in China's solar photovoltaic market.

**Business Line Float Glass** revenue was roughly in line with 2018. Lower sales in the UK and Germany were partially offset by increased business in Italy, particularly towards the end of the year. We saw a general softening of the market as a result of the slowdown in car manufacturing in Western Europe, a trend which is expected to continue in 2020.

**Business Line Fiber & Specialty Glass** saw a 3% dip in revenue as the declining automotive market suppressed silica flour sales in the fiber glass segment. This was offset to some extent by a strong performance in petalite sales to the specialty glass sector.

The year's best performance came from **Business Line Display Glass**, recording a 25% growth in sales. This was achieved mainly through increased business with existing key customers, further boosted by a shift in demand in the US towards display panel materials from Taiwan in favour of supplies from China.

CASE STUDY



# GREENER GLASS

SIBELCO'S MATRIX® HELPS MANUFACTURERS TO REDUCE ENERGY CONSUMPTION

As the glass industry looks for new ways to reduce its environmental footprint, Sibelco's Matrix® helps manufacturers to bring down energy consumption.

Matrix® harnesses the natural properties of nepheline syenite, a mineral noted for its low-iron content and high chemical stability. Mined and processed from our unique deposit in Norway, Matrix® is used within the glass batch to promote faster melting at lower temperatures whilst at the same time decreasing viscosity. Its addition therefore helps to reduce overall energy consumption.

Thanks to a naturally high alumina content, Matrix® can deliver the same results as alternative products but using between 20-30% less volume of material. This means a lower transport and storage footprint.

As well as energy saving benefits, Matrix® increases the chemical resistance and stability of the finished glass. And when colour control is critical, the physical and chemical properties of Matrix® ensure clearer glass without the need for additives or decolourisers.

# COVIA

TOUGH CONDITIONS IN THE ENERGY SECTOR CONTINUED

30

SIBELCO ACTIVITY REPORT 2019

The market for frac sand in the US changed markedly through the year with overall demand levels falling and customer preference switching to in-basin supplies at the expense of higher quality Northern White sands. The situation deteriorated towards the end of the year with customer budget exhaustion and seasonality. Full year revenues were EUR 1 426 million or 9% lower than last year even with only 7 months of Fairmount activities, reflecting both a drop in volume and lower contribution per tonne of material sold. These negative effects were confined to the Energy segment with volumes and pricing in the Industrial segment proving resilient through the year.

EBITDA for Covia reached EUR 226 million or 29% lower than 2018.



2019 REVENUE  
**€1 426 MILLION**

Covia implemented a company-wide business optimisation programme to deliver a lower cost structure, support improved Industrial profitability, strengthen the balance sheet and create a more resilient and profitable Energy business. This programme included the idling of 15 million tonnes of capacity, the closure or idling of 16 terminals, the reduction of the railcar fleet and the commissioning of 8 million tonnes of local, in-basin capacity.

Covia's US GAAP disclosures and other financial reporting can be accessed via [www.ir.coviacorp.com](http://www.ir.coviacorp.com)



CASE STUDY

# AN INNOVATIVE SOLUTION FOR SAFER WORKPLACES

COVIA'S DST™ REDUCES WORKERS' POTENTIAL EXPOSURE TO SILICA DUST

When used in industrial processes, silica sand can sometimes generate silica dust. To minimise workers' exposure, a growing number of companies are turning to Covia's innovative new DST™ line of products, a dust-suppression technology applied to sand, which minimises airborne particles generated during the product's use.

DST™ has been developed to help customers comply with stricter US Occupational Safety and Health Administration (OSHA) standards. It provides protection at all points of exposure throughout the supply chain. Field trials have shown that DST™ can significantly reduce worker exposure to respirable dust.

Covia's DST™ dust-suppression technology is currently gaining momentum in other sectors that use silica sand in the manufacturing process. Industry-leading companies that

produce building products, roofing, glass and construction materials have confirmed the technology's dust suppression integrity with multiple in-plant trials. These production trials match Covia's internal R&D air quality simulations.

DST™ technology began as a collaboration with a customer who asked Covia to create a treated sand to use as an engineering control aligned with stricter OSHA silica dust regulations. Its growing success demonstrates Covia's focus on technology and innovation and a strong commitment to worker health and safety.

# CREATING SOCIAL VALUE

WE STRIVE TO CREATE A WORKPLACE IN WHICH NOBODY GETS HURT, SUPPORTED BY A COMPELLING CULTURE OF DIVERSITY AND INCLUSIVITY. WE VALUE OUR SOCIAL LICENSE TO OPERATE, PLAYING A POSITIVE ROLE WITHIN OUR NEIGHBOURING COMMUNITIES BY BUILDING POSITIVE RELATIONSHIPS WITH ALL STAKEHOLDERS.





# A SAFE & HEALTHY WORKPLACE

NOTHING IS MORE IMPORTANT THAN THE SAFETY AND HEALTH OF OUR EMPLOYEES, VISITORS AND CONTRACTORS.

## A SAFE & HEALTHY WORKPLACE

Safety is a continuous journey, and despite making good progress across many areas in 2019, our achievements were tragically overshadowed by two fatal accidents. These involved a traffic-related incident in Poland and another involving stockpile safety in Italy. We responded immediately to each accident with a global safety stand down. All site personnel were instructed to stop work, informed about the circumstances of each incident, and asked to assess risks in relation to their own site and take immediate action where necessary. Additional capital was made available to quickly implement any safety improvements identified as a result of the stand downs.

Our Going for Zero strategy sits at the heart of our approach to safety, built around 3 pillars: safe plants, safe systems and safe behaviours. Together, these ensure that we always put safety and health ahead of production.

### IN 2019 WE ACHIEVED SEVERAL LANDMARKS:

**23%** IMPROVEMENT IN OUR RECORDABLE INCIDENT RATE\*

**20%** REDUCTION IN HAND INJURIES AS A RESULT OF OUR NEW GLOVES POLICY

ELIMINATION OF **28** DUST-EXPOSED ACTIVITIES THROUGH OUR AWARD-WINNING NO DUST PROGRAMME

CREATION OF **943** SAFE OPERATING PROCEDURES FOR CRITICAL ACTIVITIES GLOBALLY

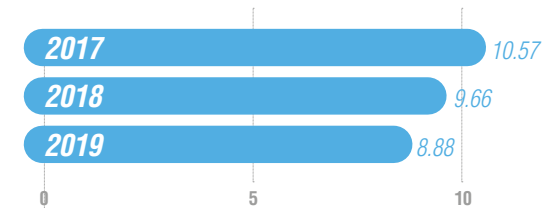
Over the course of this year, all sites took part in our Safe Operating Procedures (SOP) Project. Through collaboration between our Operations and Health & Safety teams, each site developed or reviewed at least five SOPs for critical activities, resulting in the creation of 943 SOPs worldwide.

Our global No Dust programme remained on target with the elimination of 28 exposed job functions. The programme is supported by a specially created Centre of Competence for Occupational Health, with dust experts supporting our sites using the very latest monitoring technology and measurement software. Dust reduction remains a key focus area and we were pleased with the progress made in 2019.

We achieved a 23% reduction in our Reportable Incident Rate\*, helped by a focus on ergonomics via a global campaign. Subsequent analysis shows a decline in more serious incidents that result in lost time and modified duty, clearly indicating our sites and ways of working are becoming safer.

Roll-out of our Going for Zero programme continued with a further 18 workshops delivered throughout the year. All of our executive leaders cast their safety leadership shadows by performing at least 3 safety commitments such as visiting sites to undertake a safety walk, completing a safety share or participating in a specific Health & Safety initiative.

## REPORTABLE INCIDENT RATE \*\*



\* Sibelco excluding divested operations

\*\* from 2017 Sibelco has been using Reportable Incident Rate, a KPI which is more broadly used in the industry and which includes medical treatment incidents as well as lost time and modified duty incidents

# KEEPING HANDS SAFE IN THE WORKPLACE

THE INTRODUCTION OF A NEW GLOVES POLICY SAW A 20% REDUCTION IN HAND INJURIES

Our hands are exposed to a range of potential dangers in the workplace every day. These include abrasion, extreme temperatures, cuts and punctures, impact, vibration and hazardous substances. It is therefore vital that our employees, contractors and visitors are always properly protected by wearing specialist gloves.

In 2018, hand injuries accounted for 13% of all injuries in Sibelco. Analysis showed that 6% of these injuries could have been prevented or reduced in severity if the correct gloves had been worn. A strict global gloves policy was therefore introduced as part of a new Group Standard for Personal Protective Equipment.

Since the policy's introduction, the number of hand injuries fell by 20% over the course of 2019. This is a really positive result, but we will continue to work towards zero accidents with ongoing training and communication across all of our sites.

“SINCE THE POLICY'S INTRODUCTION, THE NUMBER OF HAND INJURIES FELL BY 20% OVER THE COURSE OF 2019.”

HAND INJURIES 20%

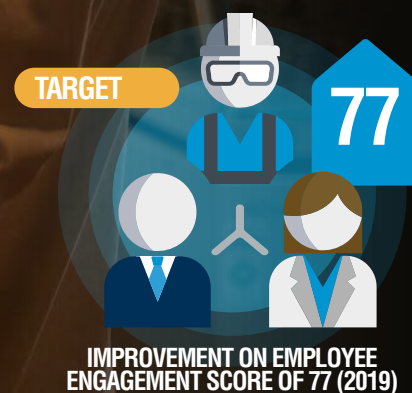
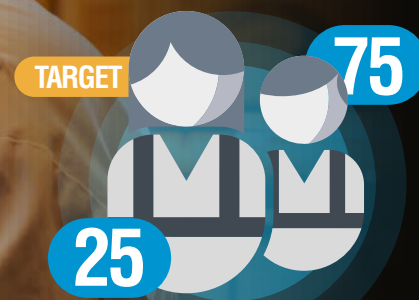
# ATTRACTING & RETAINING TALENT

PEOPLE ARE ESSENTIAL TO SIBELCO'S SUCCESS AND OUR CULTURE IS INTEGRAL TO OUR STRATEGY -

We aim to embed a consistent culture that helps Sibelco attract, engage and retain the best people. At the core of our culture are the four key behaviours that we expect all colleagues to embrace at Sibelco – Speak Up, Explore Opportunities, Build Positive Relationships, Deliver on Promise.

We have set ourselves specific goals to track our progress in being considered an attractive employer. These cover three themes – diversity, retention and engagement.

Our current diversity focus is on gender. Companies in the natural resources sector have typically struggled to attract and retain female employees and leaders. At Sibelco we have implemented a hiring processes



Sibelco's Glass Lab in Dessel, Belgium

#### CASE STUDY



## COLLEAGUES HAVING THEIR SAY

### A GLOBAL EMPLOYEE SURVEY IN 2019 GAVE COLLEAGUES A FORMAL CHANNEL TO SPEAK UP

At Sibelco, all colleagues are encouraged to speak up and share their views. Sibelco conducted a global survey in 2019 to gauge the levels of employee engagement and satisfaction. Over 81% of our global workforce completed the survey. This is an excellent response rate for a global survey, and it provided a picture of what works well and areas where colleagues would like Sibelco to improve.

The overall level of employee engagement score of 77% was higher than the benchmark for companies in the natural resources and manufacturing sectors. Compared to these companies, the strengths of Sibelco include a strong safety culture and very good levels of trust, cooperation and

respect. Areas that were identified as requiring improvement included the speed of decision making and further improvements to internal communication.

A global program to explain the results at country and function level and to define improvement actions will take place in 2020.

that aims to encourage the recruitment of female candidates and we have a target of increasing the proportion of female employees from 20% to 25% by 2025. We have also implemented an objective to double the proportion of female leaders in our executive leadership team (the top 50 leaders in Sibelco) from 15% to 30% over the same time span.

In the area of employee engagement our ambition is to ensure further improvement on our employee engagement score as measured in our 2019 people survey. This survey – which you can read more about in the case study opposite – showed an employee engagement level of 77%. We will conduct our next people survey in 2021 to track our progress.

You can find out more about our attractive employer approach in our **Code of Sustainable Conduct**.

#### VIDEO LINKS



SIBELCO GLASS LAB

<sup>1</sup> For details on the methodology please visit [www.sibelco.com/sustainability](http://www.sibelco.com/sustainability)

# COMMUNITY

WE VALUE OUR SOCIAL LICENCE TO OPERATE AND STRIVE TO PLAY A POSITIVE ROLE WITHIN THE COMMUNITIES CLOSE TO OUR ACTIVITIES.

Our aim is always to be 'the neighbour of choice', continuously minimising any impact caused by our operations whilst at the same time maximising our contribution through proactive support for local community projects.

This involves building mutually beneficial relationships with a range of local stakeholders, ensuring that everyone's interests are fairly represented. These relationships are built on trust, which can only be gained through continuous open and honest dialogue, and by us delivering on our promises.

We develop community engagement plants at all our operational sites and in 2019 we introduced an internal standard to ensure a consistent approach globally. Our objective is that 100% of our sites have community plans in place which meet or exceed this standard by 2025.

Closure planning, a process which begins before mining even starts, involves input from multiple stakeholders. This ensures that our land rehabilitation plans provide positive benefits for the environment and for our neighbours through the creation of new recreational facilities and landscaped vistas.

TARGET



100%

OF SITES WITH APPROVED  
COMMUNITY ENGAGEMENT PLAN  
IN PLACE

“  
OUR AIM IS  
ALWAYS TO BE  
‘THE NEIGHBOUR  
OF CHOICE’,  
CONTINUOUSLY  
MINIMISING ANY  
IMPACT CAUSED BY  
OUR OPERATIONS

A new 1.5km path through a former Sibelco sand quarry at Maasmechelen, Belgium, specially designed to ensure full access for everyone, including wheelchair users.

# LEAVING A POSITIVE LEGACY AFTER 60 YEARS OF MINING

CHELFORD SILICA SAND QUARRY IS A PRIME EXAMPLE OF OUR STRONG COMMITMENT TO THE ENVIRONMENT AND OUR NEIGHBOURS

For more than half a century, Sibelco's Chelford quarry has operated in the heart of rural Cheshire, England. The site produces high-quality silica sand, predominantly for the glass industry.

Mining at Chelford will draw to a close in 2020 and a multi-million-pound land restoration programme is already well underway. This includes the creation of three new wildlife-friendly lakes, one of which sits adjacent to the home of the site's closest neighbours, Mr and Mrs Roberts, who have lived next door to the quarry for 30 years.

We recently invited Mr and Mrs Roberts to the site to take part in a special ceremony to mark a new chapter in Chelford's history. The couple turned off a set of pumps to allow water to start filling a former excavation area. The new lake will sit at the edge of Mr and Mrs Roberts' garden, providing the couple with stunning views and endless hours watching wildlife.

Mr Roberts said: "When we moved here we didn't know there would be quarrying next to our property. But we've always been kept informed and really did never have a problem. There was never an unsightly mess, the site was as clean and tidy as was possible."

"Sibelco have been wonderful, that's why we stayed here. We never had any doubts as to what the place would look like, and now at long last we'll see some water. The view will be incredible, we're delighted."

CASE STUDY

“SIBELCO HAVE BEEN WONDERFUL, THAT'S WHY WE STAYED HERE. WE NEVER HAD ANY DOUBTS AS TO WHAT THE PLACE WOULD LOOK LIKE



Mr Roberts (right) chats with Sibelco Chelford Quarry Manager, Glynn Roberts, in front of the newly formed wildlife lake

# CREATING ENVIRONMENTAL VALUE

WE STRIVE TO MINIMISE THE ENVIRONMENTAL IMPACT OF OUR ACTIVITIES, INVESTING IN NEW WAYS TO REDUCE EMISSIONS, INCREASE ENERGY EFFICIENCY AND IMPROVE WATER MANAGEMENT. WE ENSURE THAT ALL LAND WE DISTURB IS RESTORED IN LINE WITH LOCAL SOCIAL, ENVIRONMENTAL AND ECONOMIC NEEDS.



# RESOURCE PLANNING

OUR CUSTOMERS DEPEND ON US TO PROVIDE AN UNINTERRUPTED, LONG-TERM SUPPLY OF HIGH-QUALITY MATERIALS.

That's why we are always looking to the future, working continuously to identify and secure access to strategically located mineral deposits worldwide.

Our goal is to maintain a minimum of 25 years of property life for at least 80% of our own mine business by gross margin. We report against this target annually to the Sibelco Board using the PERC\* reporting standard.

It takes many years to secure access to new mining areas. Permitting can only be achieved through proactive land management, rigorous environmental impact assessment and continuous stakeholder engagement throughout the planning process.

\* Pan-European Reserves & Resources Reporting Committee



# CLOSURE PLANNING & REHABILITATION

BEFORE MINING BEGINS, WE ARE ALREADY PLANNING AHEAD TO ENSURE THAT ALL LAND DISTURBED BY OUR ACTIVITIES IS PROACTIVELY MANAGED AND RESTORED, BOTH DURING THE OPERATIONAL PHASE OF QUARRYING AND WHEN MINERAL EXTRACTION ENDS.

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. The majority of our sites have formal closure plans in place. These 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.

We recently developed a unique Ecosystem Services Tool which helps us to evaluate multiple restoration scenarios and identify the best option in terms of local social, environmental and economic benefits.

Key to successful land rehabilitation is constructive and continuous dialogue with local communities, authorities, environmental groups and NGOs. Such stakeholder dialogue is an essential part of our licence to operate, helping to ensure that all Sibelco sites leave a positive legacy.

Our rehabilitation projects have won multiple awards over the years for various aspects of our work. This year our site in

Geertruidentberg (Netherlands) received the Green Feather award for the team's ongoing focus on biodiversity, health and safety, and long-term legacy planning. In Thailand, our Sopprab and Banglen plants were both awarded the Green Mining Award from the Department of Primary Industries and Mines.



“

WHILST A QUARRY IS ACTIVE, WE AIM TO BALANCE THE AMOUNT OF DISTURBED AND REHABILITATED LAND AT ALL TIMES.



A recently rehabilitated area of land at our site in Surrey, England.

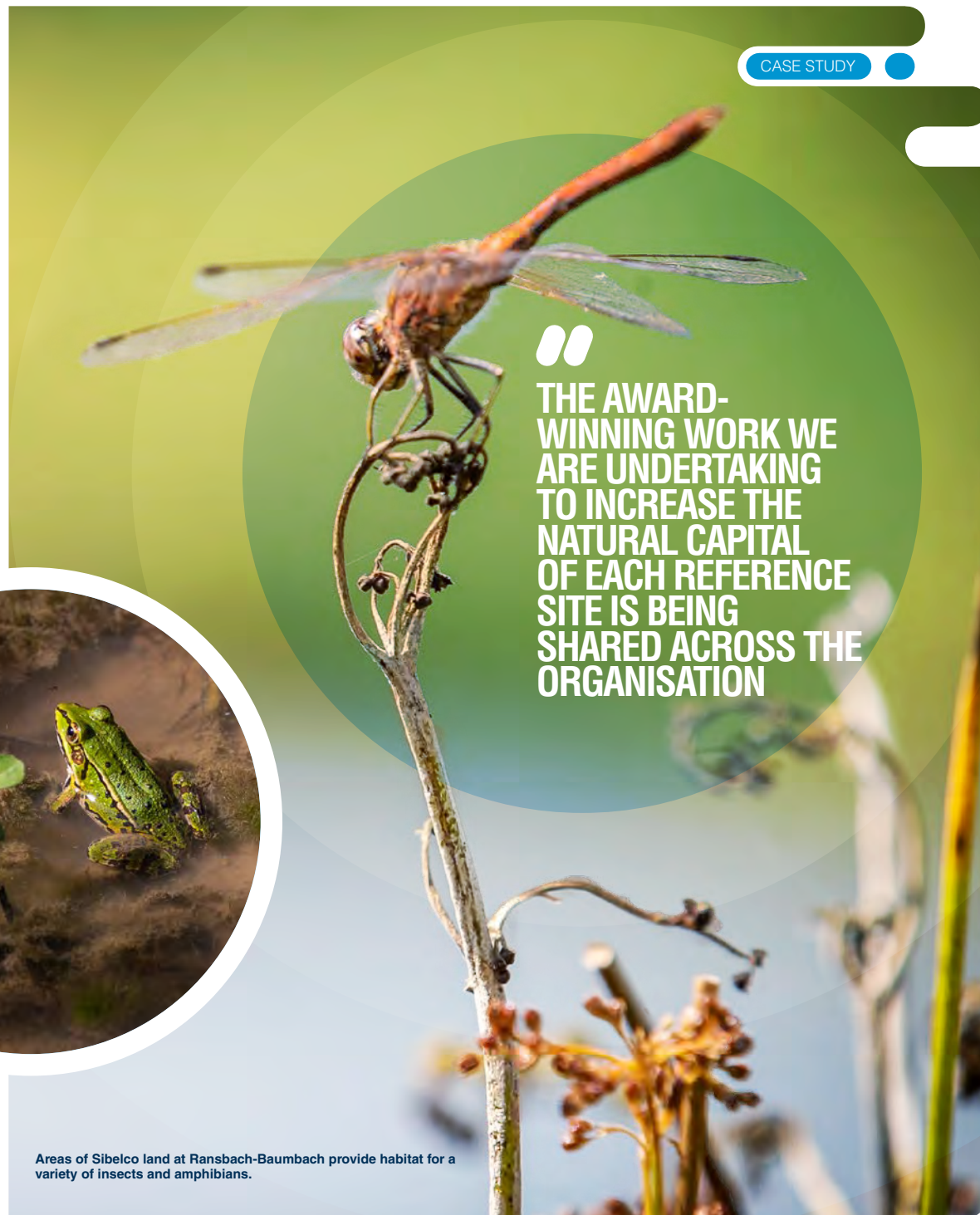
# SUPPORTING BIODIVERSITY

WE STRIVE TO ENSURE THAT OUR MINING ACTIVITIES PROVIDE POSITIVE OUTCOMES FOR THE ENVIRONMENT WITH NET GAINS FOR NATURE AND BIODIVERSITY.

Responsible mining offers unique opportunities to support wildlife, often attracting rare and pioneer species to the temporary and permanent landscapes created during and after operations.

As part of our biodiversity strategy we have established a number of reference sites across Europe. The award-winning work we are undertaking to increase the natural capital of each reference site is being shared across the organisation, inspiring all of our sites to follow and adopt the same best practices in environmental leadership.

Students at Hasselt University in Belgium use our reference sites for environmental research projects. This year students visited our site in Baskarp, Sweden, to conduct a field study to help improve the site's biodiversity.



CASE STUDY

“THE AWARD-WINNING WORK WE ARE UNDERTAKING TO INCREASE THE NATURAL CAPITAL OF EACH REFERENCE SITE IS BEING SHARED ACROSS THE ORGANISATION

Areas of Sibelco land at Ransbach-Baumbach provide habitat for a variety of insects and amphibians.

# NORTH STRADBROKE ISLAND - DELIVERING ON PROMISE

SAND MINING HAS PLAYED AN IMPORTANT ROLE ON NORTH STRADBROKE ISLAND FOR DECADES, BUT ACTIVE OPERATIONS HAVE NOW ENDED.

Through a new agreement signed on 12 December 2019, Sibelco has committed to work collaboratively with the island's traditional custodians, the Quandamooka people, to rehabilitate and surrender over 9,000 hectares of land disturbed by mining. This ambitious project will help to transition the local economy from its reliance on sand mining to a new future as a globally recognised cultural and eco-tourism destination.

The plan will be carried out progressively over several years, meaning Sibelco will continue to invest in the local economy and community for some time to come through our rehabilitation activities. Working together with the Quandamooka Yoolooburrabee Aboriginal Corporation (as representatives of the Quandamooka people) and the Queensland Government, we have established a practical and achievable transition schedule that prioritises land which already meets required rehabilitation standards and is ready for transition. This approach has seen fast progress, with over 2,200 hectares of mining lease already surrendered and

transitioned thanks to close collaboration between the parties.

The signing of the agreement was marked with a special ceremony on North Stradbroke Island, during which the Queensland State Premier and Deputy Premier praised the open and collaborative approach behind the project, adding that they hope this will become a blueprint for all mining rehabilitation projects in Queensland in the future.

## VIDEO LINKS



### NORTH STRADBROKE ISLAND REHABILITATION PROJECT

CASE STUDY

SIBELCO WILL  
CONTINUE TO  
INVEST  
IN THE LOCAL  
ECONOMY AND  
COMMUNITY FOR  
SOME TIME



Tom Cutbush (Sibelco) and Cameron Costello (Quandamooka Yoolooburrabee Aboriginal Corporation) sign the agreement, watched by Deputy Premier of Queensland, Jackie Trad

# CARBON EMISSIONS & ENERGY EFFICIENCY

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.

We have set ourselves the goal of reducing absolute CO<sub>2</sub> emissions (scope 1 & scope 2) and improving energy efficiency in line with the EU's Green Deal targets for 2030. These EU targets imply a 50% reduction in CO<sub>2</sub> emissions and 27% improvement in energy efficiency compared to the levels of 1990. Our mid-term objectives to enable Sibelco to reach these goals are to reduce CO<sub>2</sub> emissions and improve energy efficiency by an average of 2% a year by 2025,

TARGET

2%

REDUCTION IN CO<sub>2</sub> EMISSIONS PER YEAR

TARGET

2%

IMPROVEMENT IN ENERGY EFFICIENCY PER YEAR

TARGET

20%

SHARE OF ONSITE RENEWABLES

TARGET

30%

SHARE OF GREEN ENERGY PURCHASED

Wind turbines at our site in Dessel, Belgium



CASE STUDY


# LEADING THE CHARGE FOR CLEAN ENERGY

## THE GREEN TEAM CO-ORDINATES THE MOVE TOWARDS RENEWABLES AS A SOURCE OF ELECTRICITY FOR SIBELCO'S OPERATIONS

Sibelco has brought together expertise in energy, operations and sustainability into the Green Team, a cross-functional initiative launched in 2019 that aims to increase the sourcing of green energy and the use of on-site renewables at Sibelco. The team's first goal is to increase the share of on-site generation of renewable energy from 11% to 20% by 2025 and the amount of purchased green power from 15% to 30%.

The team ensures that everyone works in an aligned way across Sibelco and that we set achievable and challenging goals. Collaboration is key, particularly in the way our teams manage partnerships, co-investments with energy providers and our own investments. Sibelco's site management works closely with the communities in which they operate to explain the benefits of wind and solar power generation.

While the initial focus is on Sibelco's European operations, the team's role is global. Colleagues in all sites are encouraged to consider how a renewables project could bring added value both from an environmental and financial perspective. Sibelco's operations in the UK serve as the benchmark as all of Sibelco's electricity there comes from green sources!

In the picture: Sibelco's Maasmechelen site is a pioneer in on-site renewables at Sibelco with 1 MWp of solar energy generation capacity installed via 5,760 panels. Take a quick tour of our Maasmechelen site via this [SHORT VIDEO](#) .

based on the levels of 2019<sup>1</sup>. Our initial focus will be on our European operations, which account for approximately 70% of our total emission load and energy consumption.

The main ways we will reduce the direct emissions from our production process (scope 1) will be through adapting our fuel mix and improving energy efficiency. For the latter we will build on the work already being done in operational excellence (Bright Site Programme).

The second way to reduce emissions is to adapt the source of electricity being used by our operations (scope 2). With this in mind, we have set ourselves the target of sourcing 30% of our electricity from green sources by 2025, compared to 15% in 2019. We also have the ambition to increase the use of on-site renewable energy to power our own operations and have set a target that 20% of our consumption should come from such sources in 2025 compared to 11% in 2019 (see case study opposite).

In 2020 we launched a pilot study to develop a better understanding of our scope 3 emissions – particularly the transport of materials to our customers. We will disclose more about the findings of this study in due course.

<sup>1</sup> The total CO<sub>2</sub> emissions for 2019 baseline were 371 kt (scope 1 & 2). Energy consumption for 2019 amounted to 1,427 GWh or 43 KWh per tonne of product sold. For more details on the methodology please visit [www.sibelco.com/sustainability](http://www.sibelco.com/sustainability)

# WATER MANAGEMENT

AS THE WORLD'S FRESHWATER RESOURCES CONTINUE TO DWINDLE, WATER SCARCITY HAS BECOME ONE OF THE BIGGEST CHALLENGES OF OUR TIME. IT IS PREDICTED THAT HALF OF THE GLOBAL POPULATION WILL LIVE IN WATER SCARCE AREAS BY 2050.

Effective water management is essential for sustainable development, and whilst the minerals sector only accounts for a fraction of the world's water stress\*, mining operations can have a big impact locally. Water is essential in mineral extraction and processing with supplies often obtained directly from groundwater, streams, rivers and lakes before being safely discharged back into the environment. It is essential that this cycle is carefully and continuously monitored and controlled.

At Sibelco, we have identified water management as one of our top ten priorities. Each of our sites is expected to 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. Our target is for 50% of our sites to have BATNEEC\*\* principles implemented within their water management programmes by 2025, as compared to 38% in 2019.

Locally and globally, we are looking at ways to maximise water conservation through investment in new infrastructure and technology, the development of closed-circuit systems and the introduction of new recycling methods.



\* [www.resourcepanel.org/reports/global-resources-outlook](http://www.resourcepanel.org/reports/global-resources-outlook)

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

**“**  
**AT SIBELCO, WE HAVE IDENTIFIED WATER MANAGEMENT AS ONE OF OUR TOP TEN PRIORITIES**



Monitoring water levels at Maasmechelen, Belgium

# KEY FIGURES 2015-2019

# KEY FIGURES 2015-2019

## CONSOLIDATED RESULTS (KEUR)

	2015	2016	2017	2018	2019
Revenue	3 130 984	2 725 702	3 083 004	3 521 130	3 295 130
EBITDA	494 065	428 146	541 429	651 687	554,463
EBITDA % of Revenue	15.78%	15.71%	17.56%	18.50%	16.83%
Recurring EBIT	234 995	145 000	282 690	328 878	127 148
EBIT	(35 448)	(152 675)	157 449	(67 522)	(1 269 598)
Net result (share of the Group)	(83 981)	(247 189)	95 818	(126 079)	(671 754)
Recurring net result	119 663	33 075	212 544	173 456	9 824

## CASH FLOWS (KEUR)

Free operating cash flow	123 401	176 904	314 896	134 225	238 143
Recurring free operating cash flow	344 654	299 194	409 004	436 607	333 162

# KEY FIGURES 2015-2019

## FUNDING<sub>at year end (KEUR)</sub>

Net debt	957 749	891 174	646 620	1 390 721	1 341 773
Net debt EBITDA ratio	1.93	2.08	1.19	1.84	2.42
Shareholder's equity	1 925 128	1 643 723	1 479 538	1 787 130	1 097 952

## DATA / SHARE<sub>(EUR)</sub>



Earnings per share	(192.85)	(567.99)	220.18	(289.83)	(1 544.77)
Dividend (gross)	135.53	140.51	157.14	162.86	162.86
Total shares	470 170	470 170	470 170	470 170	470 170
Own shares	34 944	34 994	34 994	35 164	35 314


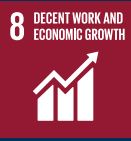

Pay-out ratio excluding own shares	-	-	71.40%	-	-
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<b>Total Gross dividend</b>	63 719 789	66 063 025	73 883 857	76 570 542	76 570 542
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<b>Total Gross dividend excluding own shares</b>	58 984 004	61 146 060	68 384 819	70 843 853	70 819 406
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# SDG INDEX

	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	No	33, 34, 47
	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	36
	6.2 Achieve access to adequate and equitable sanitation and hygiene for all	Development and production of materials used in ceramics for sanitaryware	No	22
	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	47
	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	22, 42, 47

	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	No	42
	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.	No	22
	7.3 By 2030, double the global rate of improvement in energy efficiency	Improvement in the energy efficiency of Sibelco operations	Yes: improve energy efficiency by 2% per year	45, 46
	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	21, 36
	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 a RIR < 3 by 2025, to position us among the best in class	33, 34, 35 View COSC
	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	19 View Bright Site Programme Report

	UN SUSTAINABLE DEVELOPMENT GOAL	SIBELCO CONTRIBUTION	2025 SIBELCO TARGET	PAGE REFERENCE
	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	Sibelco's strategy is to develop as a material solution provider. Innovation is central to this strategy. In 2019 150 people were employed in technology and innovation and the company operated 20 technology centres. Sibelco also decided to develop a technology and innovation hub in Maastricht (NL) to be commissioned in 2021.	Yes: as above	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...	No	27
	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;	No	8, 21, 24, 25,
	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	No	
	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	No	8, 24, 25

	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	Yes: • reduce CO <sub>2</sub> emissions by 2% per year • improve energy efficiency by 2% per year • 20% share of onsite renewables • 30% share of green energy purchased	45, 46
	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	40, 41, 42, 44
	15.5 Take urgent action to reduce the degradation of natural habitats, halt the loss of biodiversity...		Yes: as above	42, 43
	15.a Mobilize and significantly increase financial resources from all sources to conserve and sustainably use biodiversity and ecosystems		Yes: as above	See p66 Financial Report (Note 28 Provisions)
	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	View COSC



UN SUSTAINABLE  
DEVELOPMENT GOAL

17.7 encourage and promote effective public, public-private and civil society partnerships, building on the experience and resourcing strategies of partnerships.

SIBELCO  
CONTRIBUTION

Through our partnerships with customers, our communities, innovation partners, and other stakeholders we seek solutions that solve economic, social and environmental challenges.

2025 SIBELCO  
TARGET

Yes: 100% of sites with approved community engagement plan in place

PAGE  
REFERENCE

38, 39  
[View COSC](#)



# EXECUTIVE COMMITTEE

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



## JEAN-LUC DELEERSNYDER

1961, BELGIAN  
CHIEF EXECUTIVE OFFICER

Mr. Deleersnyder has been Chief Executive Officer of Sibelco since 2014. Mr. Deleersnyder joined Sibelco in April 2006 and served as CEO Europe and Group Chief Operating Officer prior to his appointment as the Chief Executive Officer in 2014. Prior to joining Sibelco, from 1996 to 2006, he was Executive Vice President of Umicore, a global materials technology company. He started his career at McKinsey & Co., where he worked from 1988 to 1996. Mr. Deleersnyder received a Master's degree in Electro-mechanical Engineering and a Ph.D. in Operations Management, both from University of Ghent (Belgium). Mr. Deleersnyder serves on the Board of Directors of Covia Holdings Corporation.



## LAURENCE BOENS

1959, BELGIAN  
CHIEF LEGAL OFFICER  
& COMPANY SECRETARY

Mrs. Boens joined Sibelco in 1990 as in-house Legal Counsel and became member of the Sibelco Executive Committee in 2006. Prior to joining Sibelco, Mrs. Boens was a private practice lawyer at the Antwerp Bar for nine years. She holds a Master's degree in Law from the University of Ghent.



## KURT DECAT

1965, BELGIAN

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. Mr. Decat serves on the Board of Directors of Covia Holdings Corporation.



## ILSE KENIS

1976, BELGIAN

EXECUTIVE VICE PRESIDENT GLASS & PERFORMANCE MATERIALS

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.



## PHIL DIBLEY

1967, AUSTRALIA

CHIEF HUMAN RESOURCES OFFICER

Mr. Dibley joined Sibelco in 2001 as Executive General Manager for Human Resources in Australia and Asia. He was appointed as Chief Human Resources Officer in 2014. Prior to joining Sibelco, Mr. Dibley occupied positions in human resource management and operations management in the petrochemical industry. Mr. Dibley holds a Bachelor's degree in Business from the University of Sydney and post-graduate qualifications in management from INSEAD and the University of New South Wales. Mr. Dibley attends all Exco meetings as a permanent invitee.



## JOHN VAN PUT

1962, DUTCH

CHIEF OPERATING 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, BELGIAN

EXECUTIVE VICE PRESIDENT BUILD ENVIRONMENT & ELECTRONICS

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. In addition to his role at Sibelco, Mr. Lambrechts serves on the Board of Directors of Covia Holdings Corporation.

# BOARD OF DIRECTORS

THE BOARD OF DIRECTORS IS THE SUPERVISORY CORPORATE BODY WITHIN THE SIBELCO GROUP. THE BOARD CONSISTS AT PRESENT OF 14 NON-EXECUTIVE DIRECTORS. THE BOARD IS ASSISTED BY AN AUDIT COMMITTEE AND A REMUNERATION & NOMINATION COMMITTEE.



**BERT DE GRAEVE**

BELGIUM, 1955

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**

BELGIUM, 1969

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.



## MICHEL DELLOYE

BELGIUM, 1956

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.



## JACQUES ESENS

BELGIUM, 1963

MEMBER OF THE AUDIT COMMITTEE

Mr. Jacques Emsens was elected as a Member of the Board of SCR-Sibelco in 2010. Mr. Emsens started his career at Sibelco in 1988 and has subsequently been employed in various plants and divisions of the Group to familiarize himself with all aspects of the business. He was involved in the successful reorganization of some of the European subsidiaries, in various M&A projects across Europe, and in the creation of a Sibelco Shipping company. In 2005,

he became Managing Director of Sibelco Benelux. As of 2010, Mr. Emsens became member of the executive management team of Sibelco in Europe in the role of Director of Strategic Partnerships. He was also a member of the Planning Committee to provide input on the strategic direction of the Group. Mr. Emsens exercises his current mandate as a permanent representative of Stalusa bvba.



## PASCAL ESENS

BELGIUM, 1982

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.



## WALTER ESENS

BELGIUM, 1958

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.



## HANS-JOSEF GREHL

GERMANY, 1960

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

GERMANY, 1965

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 Hirschbach, 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

FRANCE, 1962

CHAIRMAN OF THE NOMINATION AND  
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

LUXEMBOURG, 1972

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

BELGIUM, 1970

MEMBER OF THE NOMINATION AND  
REMUNERATION 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 an MSc Business Administration of the Catholic University of Louvain-la-Neuve.



## MICHEL VERHAEGHE DE NAEYER

BELGIUM, 1966

MEMBER OF THE AUDIT 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 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.



## STEFAN BORGAS

GERMANY, 1964

Mr. Borgas (1964) grew-up in Germany and France and followed his business studies in Saarbrücken (D) and St. Gallen (CH). He spent 14 years with BASF in the plastic materials and life science businesses. He lived and worked in various professional and leadership roles in USA, Germany, Ireland and China. In 2004 he became CEO of Swiss-based Lonza Group which was transformed into a focused life science company during his tenure. From 2012-2016 he was CEO of Israel Chemicals based in Tel-Aviv, Israel's largest industrial group. Since 2016 he is CEO of RHI Magnesita based in Vienna building the global leader in refractories. His experience includes non-executive board mandates at Syngenta, work in management and professional associations and with start-up companies. He joined the Sibelco Board in 2019.



## SVEIN RICHARD BRANDTZÆG

NORWAY, 1957

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.