



Seth  
Sustainability Report  
2022





SETH produced its first sustainability report in 2021, based on the five strategic pillars defined by the MTH Group, for the purpose of promoting sustainable development – Sustainable>22.

With this second report, the company seeks to continue engaging in the relevant activities carried out in 2022, while maintaining its commitment to the goals previously established. This report is organised by topics, in order to better describe how the company seeks to foster sustainable development in each strategic area.

In 2022, a year marked by a difficult conjuncture, the Management continues to believe that the policies described in this report are essential to ensuring the sustainable growth of SETH.

The Management

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## FIVE STRATEGIC PILLARS FOR SUSTAINABLE DEVELOPMENT

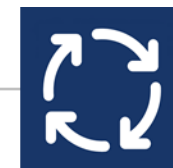
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**Sustainability**



**Innovation**



**Processes**



**Collaboration**



**Employees**



# Sustainability

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

- ⇒ **Social Sustainability:** we seek to foster [Local and Social Responsibility](#) and ensure the adequate [Training and Safety](#) of all employees and subcontractors.
- ⇒ **Environmental Sustainability:** we seek to reduce the impact of the company's activity on the [Environment](#), focusing particularly on reducing the carbon footprint and promoting a [Circular Economy](#).





## Social sustainability

### Local and social responsibility

#### Policies and goals

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

#### Initiatives

- Establishment of a protocol with “Um Pequeno Gesto uma Grande Ajuda” (UPG) (“A Small Gesture, a Big Help”), a Development NGO dedicated to the co-financing of the School Meals Programme at the Santa Luísa de Marillac (SLM) School, in Manjague, Chokwé, Mozambique. This organisation provides nutritious, hot meals to the entire school community, at no cost, thus helping to mitigate the effects of poverty and foster the academic performance of youngsters;
- Reuse of part of the wood waste generated at construction sites in Mozambique, which was delivered to local populations for personal use;
- Sponsorship of the Angra do Heroísmo Shotokan Karate-Do Club, in the Azores, for the purpose of supporting the careers of young athletes given the status of “Young Regional Talents” by the Azores Council for High-Performance Sports.





## Social sustainability

### Local and social responsibility

#### Monitoring – Indicators and results

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

- ⇒ Financial support provided by SETH;
- ⇒ Number of beneficiaries;
- ⇒ School attendance;
- ⇒ School attendance of female children and adolescents. As girls traditionally stay at home to prepare meals and carry out other domestic chores, we seek to ensure high school attendance by this group, such as to foster gender equality .



#### Results

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



## Social sustainability

### Training and Safety

#### Policies and goals

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



#### Initiatives

- Organisation of safety awareness sessions for SETH employees and subcontractor managers and workers;
- Ensuring the purchase and use of adequate machinery, tools, prevention means and personal and collective protective equipment, based on the type of works involved and the respective location;
- Investment in solutions aimed at minimising the need for activities entailing significant physical effort;
- Organisation of professional training sessions;
- Installation of a Training Centre at Vilanculos, in collaboration with local professional schools, in order to provide practical training in electrical installations and worksite safety;
- Sharing of information and knowledge:
  - ⇒ Let's talk about: online sessions available to all employees. Each week, a selected employee delivers a 15-minute presentation on a topic related to the company's activity;
  - ⇒ Yammer: the preferred service for internal communications concerning the works in course and SETH's activity in general;
  - ⇒ Toolbox Talk, also known as "safety talks": an essential training tool used to ensure the continuous development and improvement of safety behaviours.



## Social sustainability

### Training and Safety

#### Monitoring – Indicators and results

- Accident Frequency Index: Very Good (qualitative class);
- Professional and safety training indicators;
- Annual investment in personal protective equipment;
- Investment in equipment that reduces the risks associated with identified operations:
  - ⇒ Purchase of a vibration damper for pile driving, in order to reduce the risks of cable breaking and damages to the jib crane during pile-driving operations;
- Number of trainees and training hours at the Vilanculos Training Centre;
- Number of “Let’s talk about” sessions organised every year;
- Total training hours in Toolbox Talk.



Vilanculos Training Centre





## Social sustainability

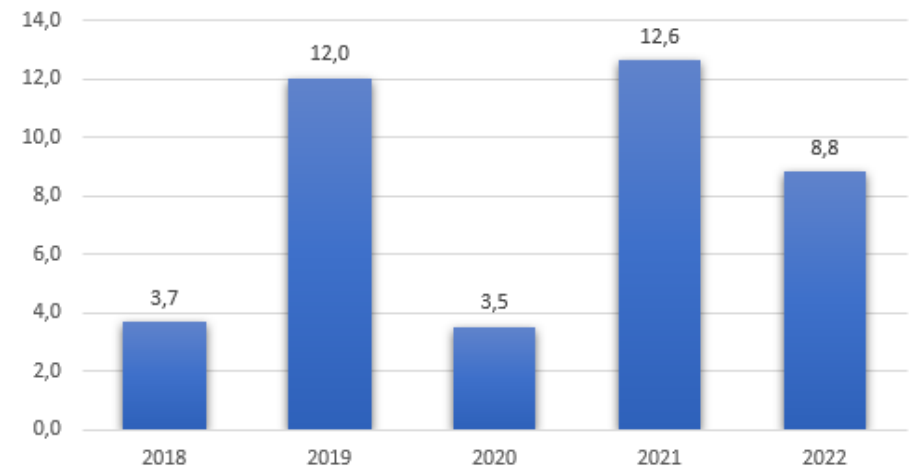
### Training and Safety

#### Results

##### Training:

Indicators	2020	2021	2022
Training hours/working hours	0.39%	0.45%	0.47%
Training hours/employee	7.5	9.13	9.40
Number of employees receiving training	89.09%	84.94%	98.82%
Employees	275	352	339

#### Accident Frequency and Severity Indexes



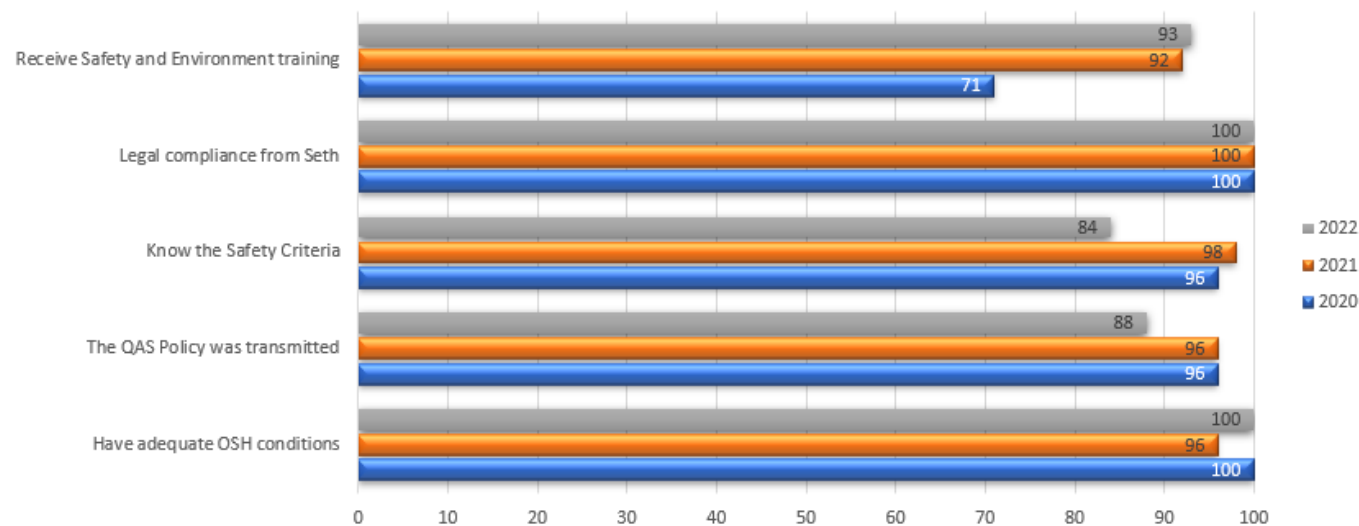


## Social sustainability

### Training and Safety

#### Results

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



In 2022:

- Safety and Environmental training accounted for 52% of total Training hours;
- One hour of Safety training was provided per 297 working hours;
- Total of 11.5 hours of Safety training per employee over the year (vs 6.7 hours in 2021);
- In Mozambique, first-aid training was provided to all team leaders, managers, supervisors and safety technicians;
- In Mozambique, the first course organised at the Vilanculos Training Centre (work on a low- and medium-voltage section, adapted to training purposes), involving 11 trainees, was completed.



## Environmental sustainability

### Policies and goals

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

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

### Initiatives

- Replacement of diesel vehicles with electric or hybrid (gas and petrol) vehicles;
- Replacement of conventional lights with LED lights;
- Installation of solar panels on the roof of the Central Yard, for electricity generation;
- Installation of a buoy in the water tank, in order to maximise rainwater use at the Head Office;
- Participation in "SOS Cagarro" ("SOS Cory's shearwater"), a campaign organised as part of an Environmental Education and Nature and Biodiversity Conservation Programme developed by the Regional Government of the Azores;
- Presentation of a proposal to a client concerning a protective net for waste fall;
- Replacement of spraying with trunk injection (endotherapy) in the preventive treatment of pine trees at the Central Yard.

### Monitoring – Indicators and results

- Annual water consumption and variation over the last three years;
- Annual CO2 emissions (tonnes) and variation in emissions associated with fuel consumption over the last three years;
- Annual CO2 emissions (tonnes) and variation in emissions associated with electricity consumption over the last three years;
- Variation in CO2 emissions (tonnes) associated with electricity consumption following the installation of solar panels;
- Number of Cory's shearwaters rescued, as recorded by the Regional Government of the Azores and published on the official page of the "SOS Cagarro" campaign;
- Quantity of waste caught by the protective net;
- Number of pine trees treated at the Central Yard.

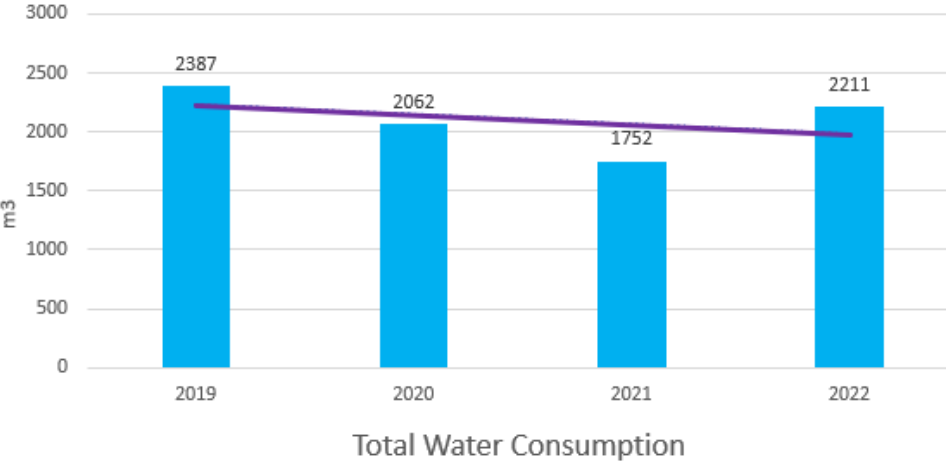


# Environmental sustainability


## Environment

### Results

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



Annual water consumption per worker (m3)

2019	2020	2021	2022	Variation (4 years)
34,59	23,70	19,69	32,04	 -7,37%





## Environmental sustainability

### Environment

#### Results

- Fuel consumption (in Portugal)

	2019		2020		2021		2022			
	Fuel Consumption	CO2 Emission (Ton)	Fuel Consumption	CO2 Emission (Ton)	Fuel Consumption	CO2 Emission (Ton)	Fuel Consumption	CO2 Emission (Ton)	Variation in Fuel Consumption (4 years)	Variation in CO2 Emission (4 years)
Vehicles	80 035,47	213,69	65 664,48	174,87	76 227,54	198,64	82 591,96	209,18	↑ 3,19%	↓ -2,11%
Sites	54 799,48	146,31	16 882,82	450,77	25 734,72	68,71	22 263,43	59,44	↓ -59,37%	↓ -59,37%
Toral	134 834,95	360,01	82 547,30	220,40	101 962,26	267,36	104 855,39	268,62	↓ -22,23%	↓ -25,38%
Per vehicle	1 702,9	4,55	1 527,08	4,07	1 555,66	4,05	1 795,48	4,55	↑ 5,44%	↓ 0,01%



## Environmental sustainability

### Environment

#### Results

- Electricity consumption

#### Annual electricity consumption

2019	2020	2021	2022	
HQ + Main Yard	HQ + Main Yard	HQ + Main Yard	HQ + Main Yard	Variation (4 years)
195 589	193 235	174 884	176 540	↓ -9,74%

#### Annual CO2 Emission

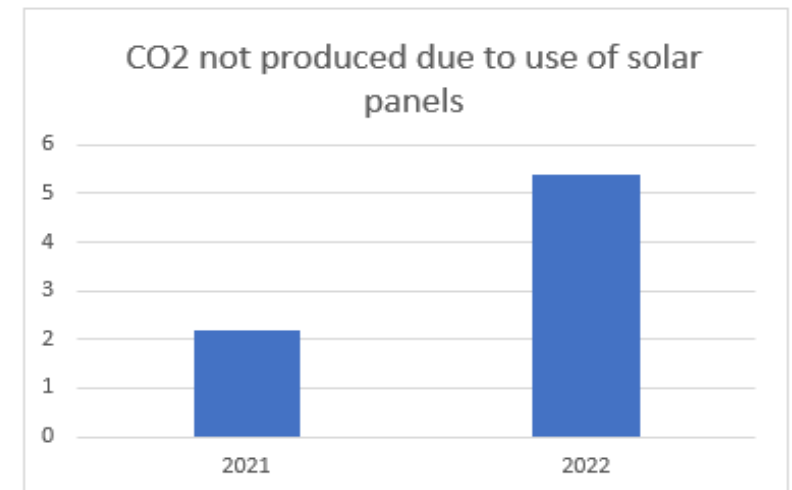
2019	2020	2021	2022	
HQ + Main Yard	HQ + Main Yard	HQ + Main Yard	HQ + Main Yard	Variation (4 years)
60 543	47 138	35 683	42 585	↓ -29,66%

#### Annual Electricity Consumption per worker

2019	2020	2021	2022	
kwh per worker	kwh per worker	kwh per worker	kwh per worker	Variation (4 years)
2835	2221	1965	2559	↓ -9,75%

### SOLAR PANELS AT THE CENTRAL YARD

- Autonomy from the electricity network: 22%;
- Self-consumption rate (power consumed/power sold to the electricity network): 68%;
- CO2 emissions decreased by a total of 7.6 tonnes since the Installation of the Solar Panels, in May 2021.







## Environmental sustainability

### Environment

#### Results

- Other initiatives undertaken in 2022
  - ⇒ In 2022, three Cory's shearwaters found at SETH construction sites were rescued;
  - ⇒ A propylene net with total area of 1,774.08 m<sup>2</sup> was installed over the quay, at the Tanquisado works, in order to prevent the falling of materials (concrete) into the River Sado;
  - ⇒ Preventive treatment against the processionary was applied to 14 pine trees at the Central Yard.



Installation of a propylene net



## Environmental sustainability

### Circular Economy

#### Policies and goals

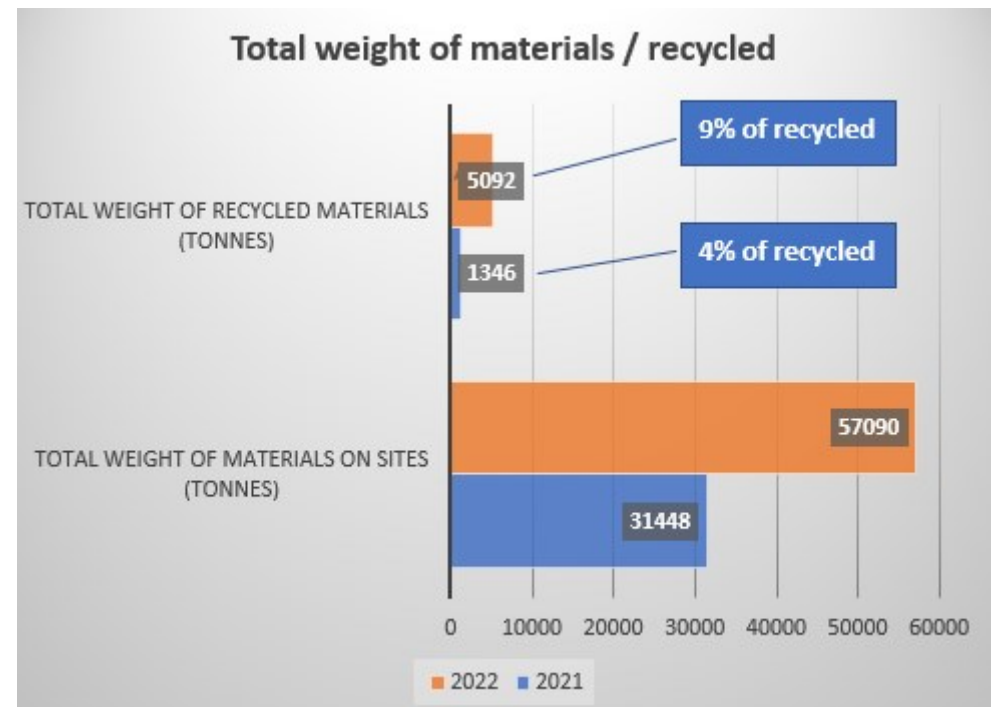
- Increase in waste collection and reuse, favouring its use in construction works.

#### Initiatives

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

#### Monitoring – Indicators and results

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





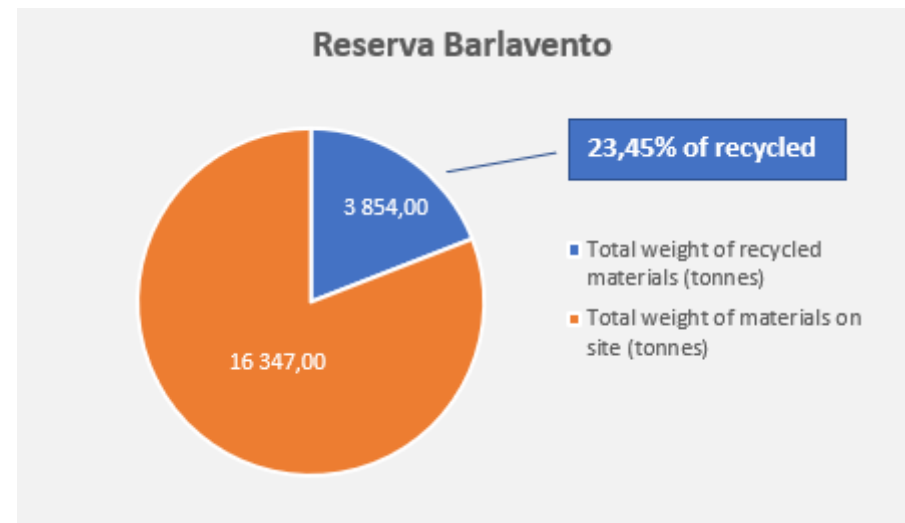
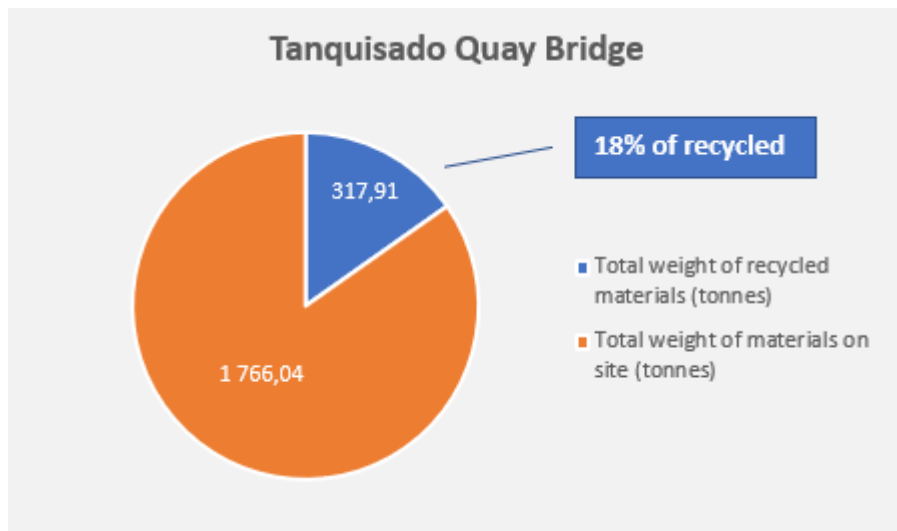


## Environmental sustainability

### Circular Economy

#### Results

- Total recycled materials used in construction works:



- ◇ In 2022, steel was the most commonly used material, with the highest recycling rate: recycled materials account for 68% of its composition.
- ◇ The recycled materials rate in a construction project primarily involving steel and concrete is lower than 10%.
- ◇ The percentage of recycled materials in concrete stood at a mere 3.6% (cement), as the remaining components (water, sand and gravel), which are heavily represented, do not include recycled materials.



## Environmental sustainability

### Circular Economy

#### Results

- Waste reused and waste not generated:

Works	Waste reused / Waste not generated
Tanquisado Quay Bridge	Waste not generated: Steel: 0.73 tonnes
	0% waste compared with 7.5% steel waste with a conventional solution
Tank Alto Santa Catarina	Waste not generated: Steel: 16.45 tonnes and 2.65 tonnes of Concrete
	0% waste compared with 7% steel waste and 2.5% concrete waste with a conventional solution
Alto do Cotão	Waste not generated: Steel: 14.75 tonnes and 75.83 tonnes of Concrete
	Waste not generated: Steel: 14.75 tonnes and 75.83 tonnes of Concrete

**Note:** In the construction of the Alto do Cotão Tank, the observed decrease in steel and concrete waste was due to the client's decision to accept the almost exclusive use of the prefabricated solutions proposed by SETH.

The construction of the 5000m<sup>3</sup> water tank would have generated considerable amounts of waste if conventional techniques had been used, namely formwork and the use of concrete and steel.



# Innovation

## Policies and goals

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

## Initiatives

- Member of the Portuguese Construction Technology Platform (PTPC), which promotes research, development and innovation initiatives and projects in the engineering and construction sector;
- Member of the Association for Training and Development in Civil Engineering and Architecture (FUNDEC), which fosters partnerships between universities and companies, for the purpose of enhancing SETH's R&D capabilities;
- Heritage Time Capsule Project – International Society of Soil Mechanics & Geotechnical Engineering – creation of a historical information platform dedicated to noteworthy historical projects in the areas of geotechnical engineering and soil mechanics, in order to convey knowledge to the new generations of technicians and drive the resolution of current problems;
- Participation in the review of the EN12063 Standard - Execution of special geotechnical work - Sheet pile walls, combined pile walls, high modulus walls, mostly known as "Sheet Pile Walls" standard.

## Monitoring – Indicators and results

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

## Results

- Participation in the Heritage Time Capsule project, where the projects proposed by the Portuguese Geotechnical Engineering Society Committee led to the selection of three 20th-century projects, namely a bridge foundation project and two maritime construction projects, as global innovation benchmarks in soil and geotechnical engineering;
- Presentation of the Cabinda ferry terminal construction works at a joint seminar organised by the University of Aveiro (UA) / ArcelorMittal Sheet Piling, named "Sheet Piling in Maritime and Port Engineering", at the University of Aveiro;
- Shorter execution times and lower costs, as well as decreased waste generation, due to the application of new construction solutions;
- Appointment of Seth represented by Villy Petersen as CEN Working Group 19 expert for review of EN12063 standard and co-author of the final version.



# Processes

## Policies and goals

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

## Initiatives

- Development of a digital employee clocking-in system and simplification of the management approval process;
- Teamwork facilitation by using Cloud-based tools;
- Implementation of a digital document sharing system for production equipment;
- Investment in made-to-measure software, in order to ensure the integration of the invoice approval service and the ERP used by SETH;
- Implementation of a new organisational process in the Cashflow area.

## Monitoring – Indicators and results

- Smaller number of hours required to process digital employee clocking-in data, compared with the previous process;
- Elimination of tasks across the company;
- Investment in digital technologies.

## Results

- Elimination of tasks in the Cashflow/Accounts Department, which allowed for a decrease in working hours of over 50%;
- Ongoing digital transformation projects in the Geotechnical Engineering Projects Department, the Human Resources Department and the Central Yard, at different progress stages;
- The digital employee clocking-in system is still at the testing stage; implementation is expected to start in the 4th quarter of 2023;
- Faster delivery of production equipment information.





# Collaboration

## Policies and goals

- Identification of the best solutions for clients, whether expressly requested by the latter or at the initiative of SETH, in order to increase customer loyalty and win new contracts. Building confidence with clients leads to new opportunities;
- Potential decrease in contractual disputes and reduction/elimination of unplanned works, by building and maintaining lasting, loyalty-based relationships with key business partners, suppliers and subcontractors, such as to ensure the adequate operation of the value chain in SETH's core business areas.

## Initiatives

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



## Monitoring – Indicators and results

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

## Results

- In 2022, the company signed 3 new contracts, previously developed in collaboration with the clients involved;
- Contacts were established with two export credit agencies over the previous year.



# Employees

## Policies and goals

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



## Initiatives

- Implementation of the performance assessment system;
- In Mozambique, implementation of an Occupational Medicine service and awareness actions in the field of public health;
- Continuous investment in uniforms and personal equipment; Training courses for professional development;
- Internal discussion and interaction events (sharing of knowledge between employees);
- Sharing of information and knowledge:
  - ⇒ **Let's talk about:** online sessions available to all employees. Each week, a selected employee delivers a 15-minute presentation on a topic related to the company's activity;
  - ⇒ **Yammer:** the preferred service for internal communications concerning the works in course and SETH's activity in general;
  - ⇒ **Toolbox Talk**, also known as "safety talks": an essential training tool used to ensure the continuous development and improvement of safety behaviours.



## Employees

### Monitoring – Indicators and results

- Performance Assessment System – assessment by supervisors and colleagues, as well as self-assessment;
- Number of employees in Mozambique benefitting from the Occupational Medicine service (not legally required in Mozambique);
- Indicators of attendance and participation in social events, forums and other activities organised by the company;
- Participation in the compilation of Toolbox Talk conversations dedicated to the topic “One Face, One Theme”, which aimed to encourage a solid commitment to safety values.



Compilation of “One Face, One Theme” Toolbox Talk conversations

### Results

Posted	Read	Liked
499	72 869	4 215

## Yammer

High adherence: **+25%** of publications and readings in the 2nd half of 2022 compared to the same period



## Employees

### Results

- The performance assessment system was reformulated, but assessments will be resumed in 2023;
- All of SETH's employees in Mozambique benefit from the Occupational Medicine Programme;
- Awareness raising actions dedicated to HIV and sexually transmitted diseases were organised for the company's employees in Mozambique;
- Ten employees participated in the compilation of "One Face, One Theme" Toolbox Talk conversations.

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

### Let's Talk About

5 Sessions in 2022

THEMES	NO. OF SESSIONS
HR	1
Finance	2
Production	1
Safety	1





The year 2022 was marked by the implementation of the Taxonomy rules approved by the EU, which continually and increasingly impacted several activity sectors, including Construction.

Taxonomy rules are expected to be implemented at a faster pace in the coming years, which will lead to a more noticeable impact on business activity. SETH will remain attentive to the evolution of this new reality, foreseen as irreversible.

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

**This is our commitment.**