

CREATING SOLUTIONS FOR 30 YEARS

SUSTAINABILITY
REPORT
2019



MARTIFER
GROUP



**CREATING
A BETTER
FUTURE**



STEP-BY-STEP



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WHO WE ARE AND WHAT WE DO

Creating a better future, step-by-step.

Martifer Group continues to be a leading company in the execution of major projects in the metallic constructions, naval industry and renewable energy sectors that integrates values and commitments with its employees, partners and clients in its culture.

We work daily to exceed our clients' expectations, meeting deadlines and presenting the best solutions for each project. To undertake this commitment, the motivation of our teams is to analyse each project critically and creatively, always oriented to the best solution. The personal and professional development of our employees is the way to reach the best solutions, surprising and surpassing all challenges with confidence and ambition.



We operate in three business areas:



METALLIC CONSTRUCTIONS

Martifer Metallic Constructions is a globally recognised player in the sector. It provides global and innovative engineering solutions in the segments of metallic constructions, aluminium and glass façades and oil & gas.

- Metallic Structures
- Aluminium and glass façades
- Oil & Gas



NAVAL INDUSTRY

With two shipyards in Portugal, with the capacity for the build, repair and retrofit medium and large-sized vessels, the naval area already has a portfolio of reference.

- Shipbuilding
- Ship repair
- Retrofit

RENEWABLES

Martifer Renewables is a renewable energy developer, especially in the development of wind farms and PV solar parks.

- Wind Energy
- Solar Energy
- O&M



Always with our eyes set on the future, we continue to be recognised as a distinctive brand, resulting from our capacity to implement, the courage to take on new challenges and the commitment to never give up acting following our culture, values and fundamental principles as a way of thinking and working, even in the most challenging situations.



SUSTAINABILITY MANAGEMENT

At Martifer, we continually invest in the promotion of sustainable development, focusing on three sustainability dimensions - Social, Environmental and Economic.

We view sustainability as a fundamental factor for the success of the business, having tried, year after year, to develop it in all its forms.

For us, sustainability is not only based on risk management and compliance with standards, but it is also the engine of several benefits, such as internal efficiency, cost reduction and business expansion.

With 30 years of existence, Martifer has become a Group with a business portfolio focused on three areas: metallic constructions, naval industry and renewable energy. It has transversal and clear objectives for corporate sustainability, which seek to ensure the development of the business in the long term in all aspects: economic-financial, social and environmental.

From its effort to improve the Group's financial situation in search of solutions to reduce the ecological footprint, Martifer Group continuously seeks greater sustainability, always guided by well-defined financial objectives and following the Ethics and Conduct Code.





OUR VALUES

- Rigour and commitment
- Humility and integrity
- Critical sense and nonconformity
- Common sense and clarity in communication
- Mutual help and solidarity
- Pride in the company and feeling of belonging
- Work capacity and innovative spirit

CORPORATE GOVERNANCE

Martifer Group's governance model is defined, compiled and disclosed in the Corporate Governance Report. Besides the Board of Directors, Martifer also relies on committees that allow it to comply with best practices and to support the Board of Directors in specific areas, such as the Remuneration Committee, the Ethics and Conduct Committee, the Corporate Governance Committee and the Risk Committee.

ETHICS AND CONDUCT CODE

The Ethics and Conduct Code is the document that contains the values that guide the performance of Martifer Group, as well as the ethical principles and norms of conduct to which the Group and its employees are subject and assume as intrinsically their own.



CORPORATE STRATEGY

Continuing what was defined in the strategic pillars for the 2018-2020 period (strengthening the organisational culture and consolidating the governance model, increase in operational efficiency, planning and productivity, and consolidating the financial readaptation trajectory), the Group seeks to ensure its long-term economic and financial sustainability.

QUALITY, SAFETY AND ENVIRONMENT POLICY

Martifer Group has been committed, since the beginning of its activity, to the safety of its employees, to the reduction of the impact of its activity in the environment and the quality of its products and services, having a defined and public Quality, Safety and Environment Policy regarding these crucial aspects of an industrial company.

Sustainability management within the Group is carried out by several departments in cooperation, both in the holding company and in the business areas, always based on the above stated five vectors. However, it is on the day-to-day activities that sustainability, in a more or less formal way, is carried out. From the completed projects to the daily management of each department, we aim for sustainability to be present in all of the Group's activities.

03

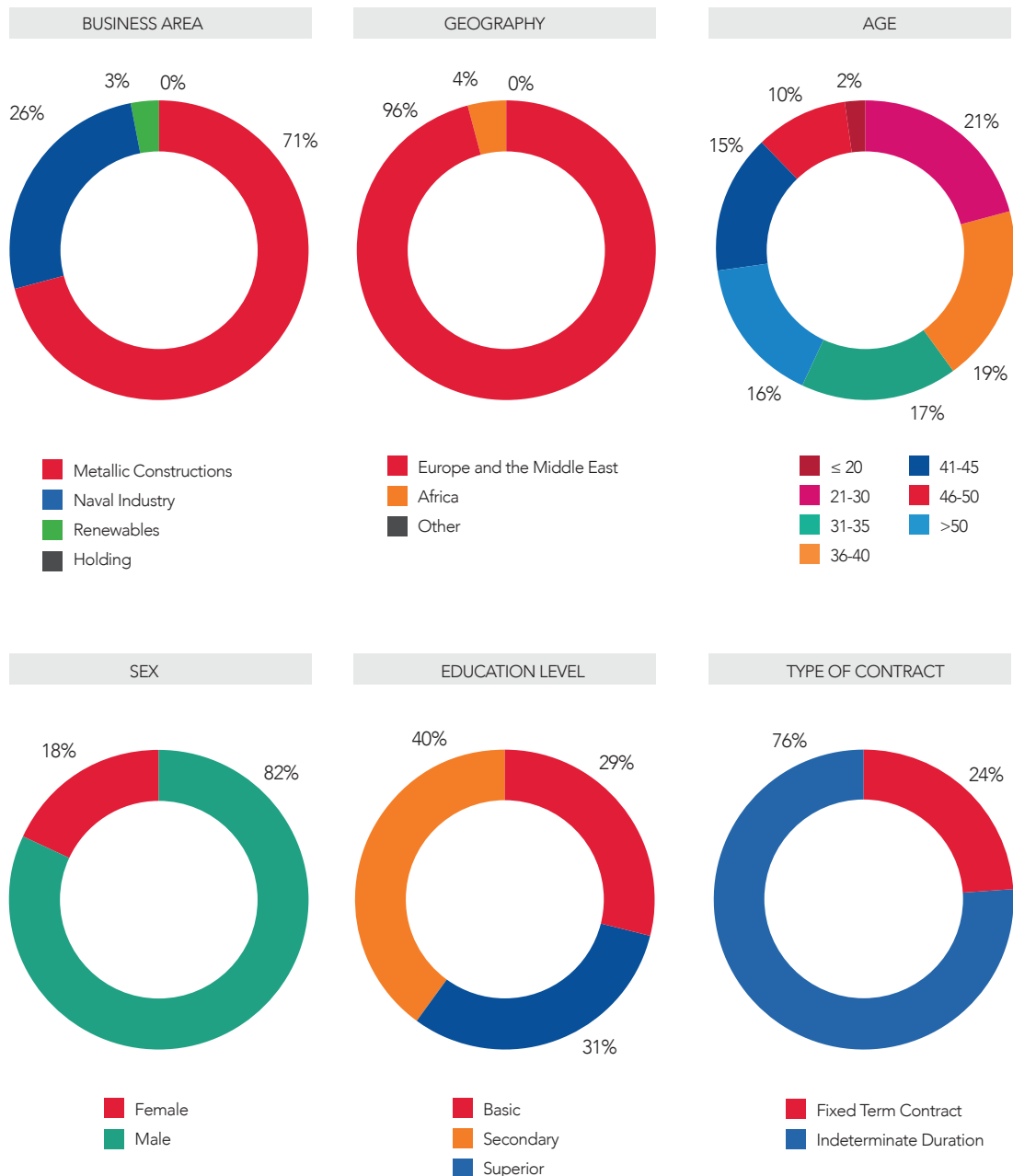
SOCIAL DIMENSION

EMPLOYEES AND WORK ENVIRONMENT

Our employees are MORE! At Martifer, we trust the work capacity of each employee we recruit, their desire to innovate, improve and contribute to the success of the company, wherever they are. This is why Martifer seeks to develop a safe workplace for its approximately 1,400 employees spread over several countries, placing at their disposal the right tools to carry out their work with excellent results, without compromising their well-being and their safety.

Characterisation of the Human Resources

DISTRIBUTION BY:



Support and benefits

Martifer Group seeks to provide various social benefits to its employees, for example, access to services or protocols with entities, contributing to the maintenance of their well-being and, consequently, for their personal and professional achievement.

The balance between the professional and personal life is a factor that over the past few years has increased corporate social responsibility, to promote the conciliation between both dimensions. In this sense, and with the awareness that it is essential to have happy employees doing what they like, Martifer Group incorporates this vital factor in its management policies and practices. Examples of this are the support and services described throughout this report.



COLLABORATOR ASSISTANCE DESK

Created more than ten years ago, the Collaborator Assistance Desk guarantees face-to-face assistance to the Group's employees in Oliveira de Frades. It provides information on the different Human Resources areas. Complementing the services available in the Internal Portal, in the multimedia kiosks and the e-mail support service, the Collaborator Assistance Desk is not only an advantage for employees but also a useful tool for internal communication.

At the Collaborator Assistance Desk, the management of several aspects of the relationship between the employee and the company is ensured, namely:

Attendance Management | absence (communication and delivery of support documents), holiday plan (information and consultation), time bank, supplementary work

Remuneration | delivery of payslips and individual income declarations, information and clarifications on salary processing

Personal Data | changes in personal data, document update, issuance of declarations for external entities

Expatriation | information and clarifications on expatriation processes, request and delivery of visas, information on international vaccination

Health Insurance | information about the policy conditions, subscription of the health insurance, delivery of health expenses for reimbursement

Recruitment | Internal recruitment (consultation and application), recommend a professional (delivery of curricula)

Academy of Competences | information on training actions, collection of training certificates, collection and delivery of books from/to the library

Social Services | service and support to employees

Work Accidents | information about the policy conditions, guidance and accompaniment of work accident situations, delivery of expenses for reimbursement

Access | request for a new password to access the internal portal for employees with no access to e-mail, issuance of employee cards and visitor cards

The Collaborator Assistance Desk also provides some useful services for employees, such as:

Nurse's Office | nursing, clinical analysis

Doctor's Office | extension of the Health Centre: curative medicine appointments, traveller's appointment

Bank Agency | information desk, bank operations (except deposits and withdrawals)

VACCINATION

Martifer offers its employees the possibility to take the flu shot every year. In 2019, around 113 employees received the vaccine.

BIRTH KIT

Since January 2017, Martifer Group offers a "Birth Kit" to congratulate its employees on their babies. During the year 2019, 42 babies received this kit.

CANTEENS

The Group has canteens in its facilities, ensuring the access of its employees to varied and low-cost meals. The meals are subsidised by Martifer. Once a month, at the headquarters of the Group, the employees can try a "special option", a themed dish.

INSURANCE

Following Martifer Group's incentive policy, all the employees with an employment contract of indeterminate duration are entitled to health insurance that can be extended to their family members.

Expatriated employees, in addition to the extension of their work accident insurance, and according to the forecasted timespan of the expatriation period, can also benefit from health insurance and life insurance.

PREPAID CARD – Meal Card

Martifer Group gives its employees the possibility to subscribe a prepaid card for the payment of the meal allowance, since 2013. It is a "meal ticket card" that substitutes the traditional meal tickets in paper, and it can be used in most food sector establishments connected to the Visa and ATM network. The advantages result in significant savings for the employee and the company. Its use is practical, with no bureaucracy and completely safe.

MOVE MARTIFER GYM

Move Martifer Gym, located at the Group's headquarters in Oliveira de Frades, promotes an active lifestyle and healthy habits among employees and the surrounding community. In 2019, of the approximately 85 enrolled, 45 were collaborators. In addition to the various regular activities, Move Martifer Gym promotes open classes to teach new activities and carries out activities on particular dates. Nutrition appointments are also available, and it has a play area for children while the parents do exercise.

Main activities in 2019:

- MOVE - BTT & TRAIL
- Nutrition Workshop
- Obstacle Race (Police Challenge)

To promote local social development, cooperation protocols have been established with entities near the Group's industrial locations to develop and support local businesses and, at the same time, to find advantages for employees and their family members in the acquisition of goods and access to services. Besides the establishment of partnerships, activities have been organised to promote the entities and their approach to employees and their family members. The protocol conditions are regularly revised and updated, as well as the partnership promotion platform, to make it clearer and to ensure easy access to the partnership conditions.

Martifer currently has 60 cooperation protocols, with an average 20% price reduction in the areas of Culture and Leisure, Education, Beauty, Geriatrics/Gerontology, Health and Well-Being, Telecommunications and Transport.

LIBRARY OF THE ACADEMY OF COMPETENCES

To invest in Martifer's Human and Intellectual Capital, in 2011 the Library of the Academy of Competences was created to facilitate the access to knowledge that can boost personal and professional development, and to stimulate the taste for reading. The Library of the Academy of Competences currently has more than 750 publications available with contents in the areas of applied sciences, social sciences, law, economics, technology, literature, among others, that can be borrowed using the HR Solutions service.



Training and development

ACADEMY OF COMPETENCES

The constant changes in the environment of an organisation are a factor that requires adaptation, flexibility and continuous evolution. The update of employee skills and their commitment to the goals of the organisation are mechanisms that facilitate their integration and adaptation to the context in which the company operates.

Professional training presents itself in this context as a critical factor for the development of employee skills and, consequently, for the progress of the organisation. It is an essential instrument for the materialisation of the organisational strategy, through the promotion of better professional performance as well as personal development, contributing to adjust the individual projects to those of the organisation.

Martifer's Academy of Competences arises from the need to form and "create" its professionals, thereby responding to the Group's growth and innovation. In this sense, Martifer

has ensured continuous professional training to employees of all its companies to develop technical and personal skills related to its core activities.

Having a double scope of action, both in the hiring of external training and in the development of internal training projects, it is in this last aspect that the Academy of Competences has focused its activities. In this sense, for the development of training projects in areas where the Academy of Competencies has "installed internal capacity", in particular concerning the design and development of the solution, it uses the Centre of Internal Trainers, selecting technically and pedagogically qualified trainers, depending on an already defined internal profile.

The resort to external trainers and/or external entities appears in this context as an alternative only in situations where the necessary internal resources are not available or don't exist.

In 2019, 571 training actions were carried out, most of them (85%) being internal training, promoted by Martifer employees with recognised technical-pedagogical capacity.

2019 TRAINING ACTIONS	NO. OF ACTIONS	NO. TRAINEES
Total no. of Actions	571	%
Internal Training*	487	85%
External Training**	84	15%

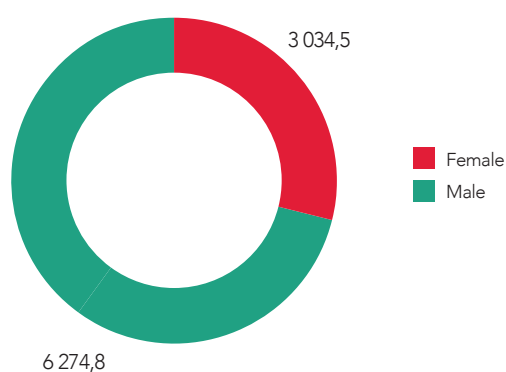
* Actions guaranteed by internal resources

** Actions with external trainers/ entities

TRAINING

The personal and professional development of our employees is the way to overcome expectations, surprising and surpassing all challenges with confidence and ambition. Our strength is the result of the valorisation of our people, through continuous training, a strategic pillar for the success of our projects. This is demonstrated by the volume of more than 9 thousand hours of training throughout the year 2019, in several areas, from the adequacy to the employee workplace, to the behavioural domain, as well as management, continuous improvement, innovation and technology.

TRAINING HOURS CARRIED OUT IN 2019, BY SEX



QUALITY OF THE TRAINING

The assessment of the training is based on the relation between who organises it and who benefits from it, through the gathering of information along the training process. It leads to the guarantee of the quality of the final product and the mobilisation of information among the participants in the training: company, trainees and trainers.

Therefore, to achieve continuous improvement, Martifer's training actions are assessed to evaluate the reaction of trainees and trainers, knowledge acquisition and the transfer of knowledge to the workplace.

The evaluation models adopted by the Academy of Competencies are based on different levels of intervention, which, like the instruments used for this purpose, are defined at the time of the characterisation of the action.

The assessment of the reaction to training aims to gather information regarding the acceptance of the content of the training, the trainer's performance, the evaluation of certain aspects of the training action and to receive suggestions for improvement.

The global result of the reaction to training in last year, excluding training provided by external entities, has shown the quality of the training actions developed by the Group.

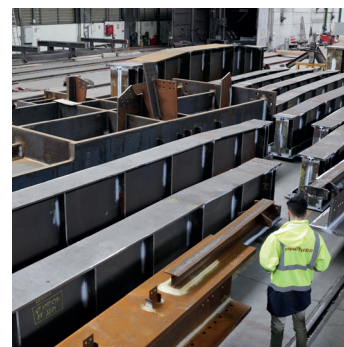
ASSESSMENT OF THE REACTION TO THE TRAINING	
Course	3
Trainer	4
Organisation	3
Trainees	4
Global evaluation of the training session	4

Insufficient (1) - Adequate (2) - Good (3) - Excellent (4)

The learning assessment aims to determine which skills or knowledge have been acquired or developed from the training. The instruments often used in the training actions promoted by the Academy of Competences are knowledge tests, written tests, or performance tests that require the demonstration of similar behaviours by the trainees, by carrying out practical exercises.

The assessment of behaviour to evaluate the learning results in a context of training and the transfer of learning to the work context is carried out by the Academy of Competences, according to the specific characteristics of the actions and the results to be achieved in each of them.

To prove the benefits of the training, it is essential to evaluate its effectiveness, that is, to determine whether the objectives that underlined the need have been achieved and the competence has been effectively installed, demonstrating, whenever possible, that the investment made has produced the desired effects. Therefore, and since the ultimate goal of the training is that its objectives are achieved so that it can constitute an effective added value for the company and its employees, the Academy of Competences defined as a rule, that all training actions are evaluated on their effectiveness (however, this rule does not apply to short-term information actions, unless their characterisation so indicates). Thus, the company can monitor what has been effective or not and implement corrective actions for training actions that have not been effective (for all or only for some of the trainees) to increasingly adapt the contents, teaching methods, etc to the reality of Martifer Group.



FEATURED TRAINING PROJECTS

Quality, Safety and Environment

Throughout 2019, the investment in the area of quality, safety and environment was consolidated through the development of several formative projects in the various companies of the Group. These projects aim to promote customer satisfaction, improve employee safety conditions and improve their environmental performance.

Martifer believes prevention is crucial to prevent accidents. It is necessary to know the risks, to define and adopt measures to control them, and to respect the use and maintenance rules set for each equipment.

The training actions that were held throughout the year, both internal and external, have sought to cover the totality and diversity of the employee needs. Therefore, regarding safety in the operation of equipment, the following training actions were held:

Training actions on safety in the operation of diverse equipment

TRAINING ACTION	NO. ACTIONS	NO. TRAINEES
Chef de Manœuvre - Elinguer	2	8
Formation Elingage	1	7
Montage et utilisation en Enchafaudages	1	2
Assembly, disassembly and maintenance of TORGAR work platforms	1	2
Safety in the assembly, disassembly and use of Catari scaffolding	1	6
Load lifting accessories	1	6
Safety in the operation of platforms and Telescopic Forklift – Update	1	9

An active effort was also made by the Occupational Health and Safety Technicians to strengthen the importance of these themes and to update knowledge regarding the legislation and procedures in force. Therefore, in this scope, the following training actions were held:

Awareness Raising | Quality, Safety and Environment

TRAINING ACTION	NO. ACTIONS	NO. TRAINEES
Specific Safety Procedure	14	88
On-site initial training	30	77
Safety at the Industrial Unit	6	16
Safety on-site	22	143
30 minutes of Safety	169	1.292
Environmental management on-site	2	27
Toolbox	94	142
Safety Operational Procedures	8	66
General Safety and Environment Rules	1	1

To ensure and allow 161 employees who started to work at Martifer in 2019 to get to know and to comply with the organisation's existing safety and environmental rules, around 76 "Safety for New Employees" training actions were carried out, promoted by the Academy of Competences and by the direction of Quality, Safety and Environment of the various Group companies.

The investment in the promotion of a safety culture and the compliance with procedures, in Martifer Construções, was further evidenced by the increase in the hourly load of awareness actions aimed at improving the work conditions of the employees of the industrial units in Oliveira de Frades and, consequently, reducing the number of accidents. These actions previously designated as "15 Minutes of Safety" have become "30 Minutes of Safety," translating their hourly load in another 15 minutes.

Over the year, 169 actions were carried out, involving all employees who carry out functions in the Production Direction. The continuity of these bimonthly actions for each sector carried out by the Safety Technicians aims to respond to the needs and questions of the employees.

With a focus on product quality and in order to update the knowledge of the Safety Technicians and Quality Controllers, a need and a compelling requirement, some training projects were also developed, among which the following stand out:

Training | Product Quality

TRAINING ACTION	NO. ACTIONS	NO. TRAINEES
SGS and SGA Audits (OHSAS 18001:2007, ISO14001:2015, ISO19011:2012)	1	1
Uncertainties in Calibrations and Tests	1	1
Metrology II - Internal Calibrations	1	1
Penetrating Liquids* – level 1 and 2	1	1
Training for MT and UT exams	1	5
ISO 19011:2018 and ISO 45001:2018	1	8
Magnetoscopy* - level 2	1	1

* Conventional non-destructive test that allows the detection of surface and sub-surface discontinuities in ferromagnetic materials.

The new General Data Protection Regulation (GDPR)

Continuing what had been already developed in 2018 and included in an internal consulting project, information/ clarification sessions focused on the General Data Protection Regulation (GDPR) were held throughout the year 2019.

The purpose of these sessions, among others, was to present the new regulatory requirements for the protection of individuals regarding the processing of their personal data. Systematising:

Training | The new General Data Protection Regulation

TRAINING ACTION	NO. ACTIONS	NO. TRAINEES
GDPR - General Data Protection Regulation	4	46

Foreign Languages

Taking into account the large number of projects in countries whose main languages are French and English, the Academy of Competences in collaboration with several directions from Martifer Construções and West Sea developed several French and English Language courses between May and December, on-site. In all, around 400 hours of training by external certified training entities were dedicated to foreign languages.

The English language courses included 76 employees of the companies Martifer Construções and West Sea, totalling around 280 hours of professional training, in 8 training courses.

Training | English Language

TRAINING ACTION	NO. ACTIONS	NO. TRAINEES
English Language Course A1+1 (MTC)	1	15
English Language Course A2 (MTC)	1	14
English Language Course B1 (MTC)	1	14
English Language Course B1+1 (MTC)	1	16
English Language Course A1.1 (WS)	1	4
English Language Course A2.1 (WS)	1	2
English Language Course A2.3 (WS)	1	7
English Language Course B2.4 (WS)	1	4

Training | French Language

TRAINING ACTION	NO. ACTIONS	NO. TRAINEES
French language course Starter Level (A1+1)	2	26
French language course Pre-intermediate level (A2)	1	15
French language course Intermediate and Advanced Level (B1+B2)	1	15

Value Selling and Financial Leaders

In 2019, the Academy of Competences maintained the goal of alignment with the Group's strategic objectives for the three-year period 2018-2020.

The focus on improving business profitability and operating margin for sustainable growth has led to the need to work on the negotiation skill with our clients. In this sense, the Academy of Competences and the Porto Business School promoted the Value Selling course. This training involved 29 employees of the companies Martifer Construções, Martifer Renewables and West Sea, belonging to several functional areas, who within the scope of their functions intervene in one of the phases of preparation, or conduct or close negotiation processes.

Also, in cooperation with the Porto Business School, the Financial Leaders – Finance for Non-Financial Managers course was organised. This training involved 24 employees of various Group companies, part of several functional areas, without academic training in finance, but who, within the scope of their functions, need to develop basic skills in the financial area. This programme provided practical, applied and objective contact with those skills, so that the management decisions reach the value creation objectives as much as possible.

Industrial Production

In what regards industrial training, training aimed at technical areas is included, and it occupies a special importance in the activity of Martifer Group. For the Project, Commercial, Technical and Production directions, the Academy of Competences in collaboration with other external entities developed several training actions whose objectives are directly related to greater knowledge in innovative methods and techniques in several areas and which, as a result, will increase the performance of the various job functions. Among the training actions mentioned above are:

Training | Industrial Production

TRAINING ACTION	NO. ACTIONS	NO. TRAINEES
Structural Glass Design: Key aspects	1	3
Hilti: Cast-in anchor channels + software "Profis Anchor"	1	20
Hilti Solution: Life Safety and Passive Fire Protection	1	12
Design of structures subject to Fire	1	1
SunGuard Guidelines	1	16
Seismic scaling of metallic structures	1	2
JANSEN seminar - CE marking applied to EN 16034	1	5
Technical Seminar - Safety Systems	2	3
Formación en Acústica en la Envolvente	1	25

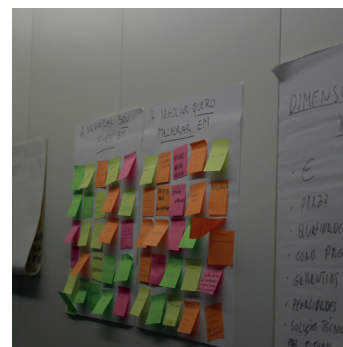
Financial, Accounting and Tax

For employees in the Financial, Accounting, Management Planning and Control, and Consolidation and Reporting areas, to update knowledge concerning legal requirements, some relevant projects were developed. These include the participation in the "Training of eventual OCC (0119; 0419; 0519)", "Paperless Invoices and Digital Archive – the new Invoicing Rules", "IFRS and IFRS Leases" and "2018 IRC Model 22 Statement", in a total of 6 training actions.

Information Technologies

Taking into account the central role that information systems have in Martifer Group's employees' daily routine, namely regarding the use of specific software and technical applications, a constant competence update is needed. In this sense, the training projects "Candy Integrated System – Introduction", "SAP FICO – Finance (Fi) and Control (CO)", "SolidWorks V. 2'19", "Introduction to Geographic Information Systems with QGIS", "SAP FICO REFRESH", "SAP MM" and "Hyperion

Financial Management Business User – introduction” were developed throughout 2019. In a total of 13 training actions, 69 trainees were involved.



Dialogue and Organisational Climate

With a very diverse set of employees, Martifer Group tries to communicate clearly and interact daily with employees, counting on the diversity of means and adapting messages to the various target audiences in the company. Martifer considers this essential for the maintenance of a healthy organisational climate and the performance of its teams.

It also relies on MOVE – Associação para Colaboradores Martifer (Martifer Employees Association) which organises initiatives that promote a spirit of unity within and between teams, contributing to the maintenance of a healthy organisational climate.

INTERNAL COMMUNICATION

The Group has tried throughout the years to maintain its communication channels with employees in a continuous, consistent and effective manner so that it can deliver messages to all those who work at the company. To do this, it uses the following media:

Martifer TV

Martifer TV is available in eight spots in canteens, receptions and social areas, and it is an effective media during work breaks. It transmits information on projects and various types of events, communicates awareness information and alerts for employees.

Inet

iNet is Martifer Group's internal portal, developed in 2012 with the goal of gathering, in one platform, all of the Group's companies and in this way ensure information access and sharing to every employee. iNet is an asset due to the interactivity between employees, departments and companies, allowing to organise, make available and share documents in a quick, simple and intuitive manner.

Newsletters Internas

Electronic newsletters are regularly sent to the internal audience, with the goal of communicating quicker, redirecting the employee to the tasks and published articles. The newsletter "Martifer on Friday" includes that week's news and is sent to all Group employees.

Multimedia Kiosks

The multimedia kiosks are the interactive information spots whose main goal is to inform employees who do not have computer access, making available, not only the access to the Canteen Integrated Management System but also other features:

Administrative Management | in the kiosks it is possible to perform some operations, such as consultation and subscription of electronic salary receipts, the subscription of the meal card, consultation of the annual income statement, among others

Organisational Development | in these spots, it is also possible to check internal recruitment opportunities

Academy of Competences | the Academy of Competences' online service allows access to an application dedicated to training: consultation and registration in training actions, printing certificates, consultation of training plans, among other features

On the wall

Martifer's social areas and canteens are also information places, not only due to Martifer TV but also by the display of posters on several themes.

Social Areas | Improvement and Information Centres

The Social areas are a physical space created in every industrial unit, located in the areas where employees take their breaks. They are communication spaces for several departments, with highlight to matters related to Human Resources and with Quality, Safety and Environment.

Expatriation Manuals

In the development of an international career, people encounter in the destination country contexts, values, standards and life strategies different from those they know. With the objective of promoting access to a set of relevant information and at the same time contribute to the integration process of the employees expatriated to new countries, the Human Resources Department provides manuals that include useful information about the destination country.

RECRUITMENT, RECEPTION AND INTEGRATION

Recruitment, reception and integration are crucial factors for the company's social climate, ensuring the employees are integrated in their new job in the best possible way since day 1 and with all the resources they need to carry out their tasks.

RECRUITMENT

Martifer Group, through its Human Resources team, analyses the recruitment needs that were identified by the internal departments and according to the functional profile, discloses the internal and/or external job post using different methods and sources of recruitment.

Internal Recruitment

Martifer Group encourages internal recruitment whenever it is appropriate. Like in external recruitment, job vacancies are published in several internal communication media, with the job description and the needed skills, so that all the interested employees can apply to these opportunities.

External recruitment

Martifer Group uses external recruitment to identify candidates in the market with a profile to fill the existing job post, and the management of these processes is assured by Martifer's Human Resources Direction.

Career opportunities are disclosed in various internal and external media, with a description of the role profile and required skills.

Martifer uses its website, Professional Employment institutions, the Institute of Employment and Professional Training, business associations and various educational institutions (secondary, professional, higher education) for the external disclosure of career opportunities.

Participation in Employment Fairs

During the year 2019, to attract talent, Martifer Group developed a series of initiatives involving external entities, such as student associations and universities.

The participation in employment fairs promoted by educational institutions is a way of materialising existing partnerships and a way of making the Group's career opportunities known.

The company participated in 5 employment fairs of universities considered strategic for the business. In these events, it was also possible to hold some workshops/ conferences, presenting in a more personalised way the work done at the company.

- Industrial Management and Mechanical Engineering Days – Polytechnic Institute of Viseu
- IACES - III Civil Engineering Days – Faculty of Engineering of the University of Porto
- FEUP Career Fair 2019 – Faculty of Engineering of the University of Porto
- BEST - Engineering Week – University of Coimbra
- University 5.0 – University of Aveiro

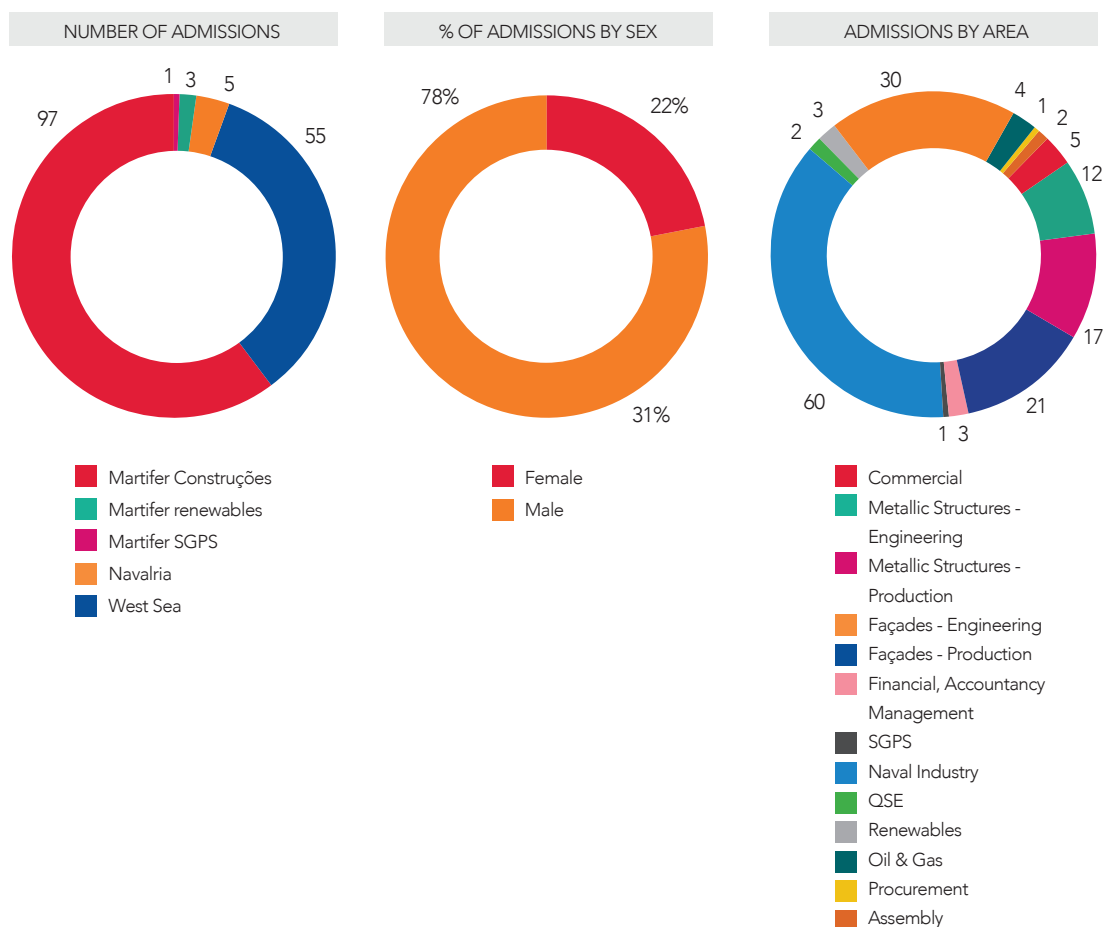
In addition, with the objective of reaching a more diverse audience, the Human Resources Direction was also present at the Employment Fair at the shopping centre Palácio do Gelo in Viseu.

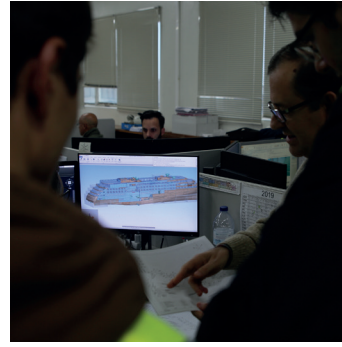
I Recommend

Today, networking is a crucial tool in the recruitment and selection of professionals and in a Group as diversified as Martifer, employees know people from different fields that may contribute positively to the Group. Therefore, the initiative “I Recommend” was created to motivate employees to recommend competent professionals to participate in Martifer’s recruitment processes.

Martifer Group Data 2019

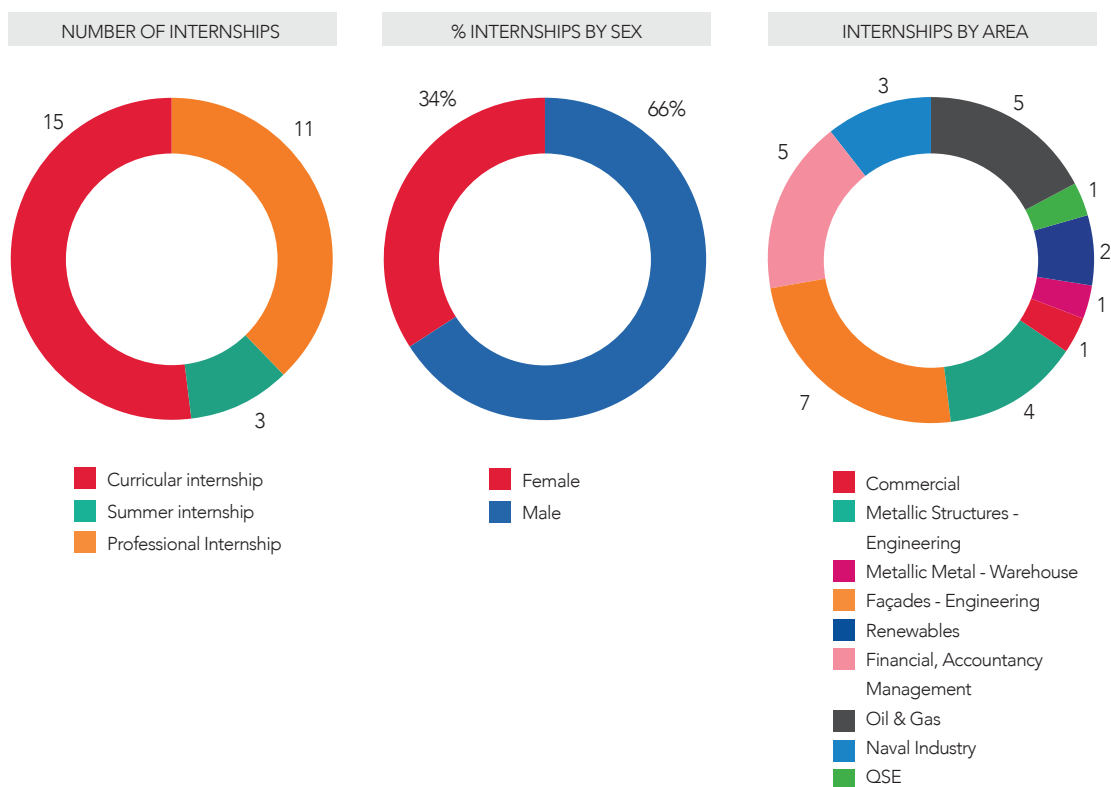
Martifer Group in Portugal admitted 161 employees throughout 2019 in various companies and areas, with different contractual situations: fixed-term, indeterminate duration or without term.





INTERNSHIP PROGRAMMES

Martifer Group promoted 29 traineeships in different areas to provide young people with an opportunity to approach active life.



Internship programme – Dare yourself

Reinforcing Martifer's long history of empowering young graduates in the labour market, 2019 is also marked by the first edition of the "Dare yourself!" internship programme.

The "Dare yourself!" is Martifer Group's annual internship programme, which aims to integrate new graduates and finalist students, with the objective of promoting their inclusion in the labour market, through practical experience in the work context. Altogether, more than 100 applications of students interested in joining the Group were received.

The trainees, after their admission, counted on an integration programme, specially designed to make them aware of the various directions of Martifer Construções and West Sea and the day-to-day work at these companies.

Summer internships

To provide young people with an opportunity to approach active life, during their academic course, Martifer Group designed 11 summer traineeships in different areas.

For a few weeks, these young people were able to learn about some functions within the company and develop various activities within the Engineering and Finance areas.

Curricular internships

Martifer Group has always maintained a partnership with various national and foreign educational institutions, which is materialised in participations in employment fairs and events and in the promotion of curricular internships.

The activities developed by the trainees are aligned with a structured internship plan between Martifer, the teaching institution and the trainee himself/ herself.

Reception and Integration of New Employees

The integration process has a direct impact on the motivation and organisational commitment; therefore, the Group seeks to ensure the accompaniment of this process, through an integration plan adapted to the specific aspects of each company, of each position and each employee. It specifies and directs their action in direct articulation with their immediate superiors, diagnosing needs and planning solutions.

The main goal of the reception plans is to ensure support to employees in the first months, having their personal and professional well-being in mind; therefore, besides the integration at the workplace, we seek to support and answer the queries of the new employees (e.g. house searching, best transport solution from home to work, among others).

RECEPTION TRAINING – COMMUNICATING SINCE DAY 1

Martifer Group seeks to communicate clearly with its employees, since their first contact with the company. In the integration process, all employees participate in reception training, where they get to know Martifer in more detail.

In this training, the internal dynamics, the main procedures and Martifer's day to day are presented. Reception Training is also essential to raise awareness to the Quality, Safety and Environment rules, fundamental for the integration in the Group.

Visits to the factories

Since 2016 and every six months a visit to factories in Oliveira de Frades is organised. This visit, in groups of up to 15 people, is guided by the ones responsible for each factory who explain how it works. Employees take much interest in this initiative. This way, they learn about the production process and become aware of the ongoing projects.

All of the new employees, integrated in the semester before each visit, regardless of the area to which they belong, are invited to participate, also within the scope of their integration process.

MOVE - Martifer Employee Association

MOVE aims to promote initiatives directed to and indicated by Martifer's employees.

With defined goals in the promotion of activities for employees and their families, as well as social responsibility. MOVE operates in four distinct areas:

- Health and well-being
- Social and environmental responsibility
- Sports and adventure
- Culture and leisure

• Health and well-being

In the area of Health and Well-being, MOVE counts on MOVE Martifer Gym as its main ally, referred to in the chapter "Support and Benefits", which the Association supports in the promotion of health and a healthy lifestyle.

TIPS FOR HEALTH AND WELL-BEING

Since 2016, in coordination with the occupational physician, articles with essential issues for the promotion of employee health have been published and posted. In 2019, 7 articles were published, including themes such as the Zika virus, tobacco, work under the sun, cardiovascular diseases, among others.

BLOOD DONATIONS

Biannually, Martifer organises blood donations and bone marrow donor enrolment campaigns in partnership with Instituto Português do Sangue e da Transplantação de Coimbra (Portuguese Institute for Blood and Transplants in Coimbra). The Group's employees have always participated significantly in these actions, and in 2019, around 108 participants were registered in the two actions.

WORLD DAY OF CANCER

Martifer joined the Portuguese League Against Cancer to promote the 2019 World Cancer Day campaign. In coordination with volunteers from Oliveira de Frades and the Coimbra region, awareness materials were disclosed in the various internal platforms.

WORKSHOPS: HEALTHY MEALS

In October, as part of the World Food Day, Martifer promoted two workshops on healthy recipes that sensitised employees to the use of healthier ingredients and alternatives. One of the workshops focused on vegan cuisine, and the other was a menu for families with children at home. With the participation of 20 people in each workshop, the workshops ended in the tasting and lunch for all of the participants.

• Social and environmental responsibility

MOVE is also responsible for Martifer Group's social responsibility area, having promoted several initiatives in this area in 2019 (see chapter "Citizenship/ Social Responsibility").

As an association for employees, MOVE seeks to involve the Group's employees in the activities it carries out. A Solidarity Forum was created in iNet, in which all the employees can suggest support to initiatives and promote responsibility and social solidarity campaigns.

Through this platform, any employee of the Group can:

1. Get to know, support and actively participate in solidarity campaigns/ initiatives;
2. Vote on the campaigns/ solidarity initiatives that they would like to see supported;
3. Suggest the promotion of solidarity campaigns/ initiatives.

According to the goals of each campaign/ initiative, the publications in this tool are divided in five categories: culture, local and community development, sports, education and health.

• Sports and Adventure

The Association aims to encourage its employees to participate in activities with other employees and with their families.

Periodically, it offers tickets to football matches of the main Portuguese and European competitions to employees and their family members, from among the employees who choose to participate in the raffle.

• Culture and Leisure

In the area of promotion of Culture and Leisure, MOVE seeks to encourage employees to participate in cultural activities.



WEEKEND SUGGESTIONS

Weekend suggestions are published weekly and compile cultural events in the regions where Martifer has facilities. Some of the events have special conditions for Martifer employees. To promote culture, these suggestions also focus on reconciling professional and personal life.

PHOTO INITIATION WORKSHOP

Held in October, the photography initiation workshop was promoted by 4 colleagues who work for Martifer Construções and Izertis, a service provider. With the duration of four and a half face-to-face sessions + 8 hours of project follow-up, the workshop brought together 7 participants. An exhibition of the work will be held in 2020 at Martifer's headquarters.

"CHRISTMAS M'S" CONTEST

Since 2016, Martifer Group promotes, for Christmas, a contest for employees' children to reward the best artists and to decorate the Christmas tree at the Group's head office. In 2019, Martifer's Christmas tree was decorated with 91 "M's", which challenged the imagination of the little ones. After the vote, the best "M's" were chosen, and prizes were awarded to the artists. All participants received a solidarity-related symbolic prize.

This competition has also stimulated the relationship and interest of the little ones for Martifer Group, where their parents work daily.

TICKET RAFFLE

To celebrate the World Children's Day, the Group organised in 2019 the raffle of tickets to participate in two shows, the Panda Festival and the Musical Madagascar, adequate to the different age groups of children, allowing employees and their children the opportunity to spend a day of fun, memorable for the younger ones. Around 130 children participated, and 20 tickets were offered to 5 families.

29 YEARS MARTIFER - "BEFORE 30..."

What to do before turning 30 was the motto of the internal communication in Martifer Group. A proposal for individual and team reflection on the objectives to be achieved in the year before Martifer's 30th anniversary. The communication initiative was multiplied on several platforms, disseminating testimonies from several employees with the main focus on our mission and vision.

In addition to the usual initiative of offering hot drinks at the Group's facilities, at lunchtime, the employees were able to take with them a dessert that referred to Martifer's values.

WEST SEA – EMPLOYEE GET-TOGETHERS

In March, Mário Ferreira and Carlos Martins, on behalf of Mystic Cruises and West Sea respectively, as a way to thank the efforts of all those working in the project of the first polar vessel, the World Explorer, promoted a get-together at the shipyard for the employees.

Entering the shipyard, it was possible to hear the background music, and the smoke indicated a tasty snack; a small gesture to renew energies to complete this project, satisfying all of the client's requirements.

In October, West Sea also promoted a Castanyada (a popular Portuguese feast to celebrate the chestnut) at its canteen.

Health, Hygiene and Safety at Work

The safety of all its employees is absolutely strategic in Martifer Group. Based on its Management Policy, actions are continually implemented and designed to prevent accidents at work.

The 3C's

- Give Competences
- Create Conditions
- Demand Conduct

Martifer Group's safety policy is based on the three C's. The main goal is the involvement and the accountability of all the employees in the several hierarchical levels of the organisation. Martifer gives the competences through continuous and regular training and provides the necessary safety conditions so it can demand safe conduct from its employees.

ACCIDENTS

In practice, the fundamental objective of the culture of the 3 C's is the reduction of accidents at work and, consequently, their associated severity.

Due to various initiatives within Martifer Group over the years, there has been a consistent reduction in the number of accidents.

At the end of the year 2015, the frequency rate (1) of accidents at work at Martifer was 47, having decreased to 46 in the year 2016 and decreased once again, this time more sharply, to 37 in the year of 2017, which remained unaltered in the years 2018 and 2019.

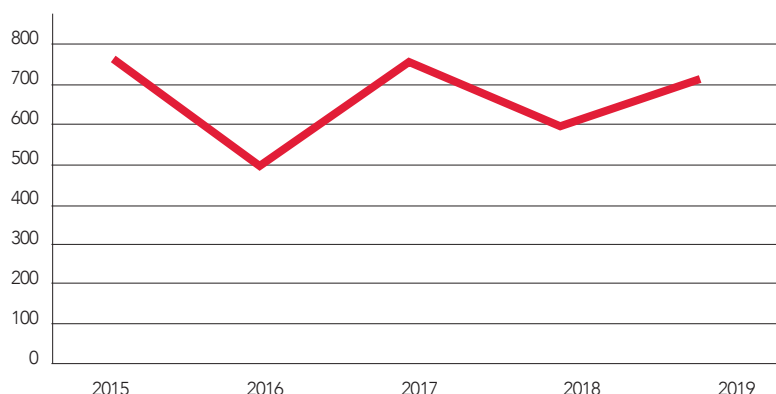
Accidents | Frequency Rate (FR)



(1) Frequency Rate (FR) No. of accidents at work, for every 1 million hours actually worked.

Despite the consistent decrease in the frequency of accidents at work over the last few years, the severity rate(2) has experienced some oscillations, and it increased in the year 2019 compared to the year 2018. However, it is below the figures for 2017.

Accidents | Severity Rate (SR)



(2) Severity Rate (SR): Number of days lost, for every 1 million hours actually worked.

The decrease trend in the frequency of work accidents reflects the effort developed by the Group's companies to create better working conditions for their employees, through technical and organisational actions that decrease the probability of the occurrence of accidents.

CITIZENSHIP

Social Responsibility

Martifer Group believes that, more than a supplier of products and services, a company is also an employability and social responsibility agent in its geographical area. Therefore, it supports causes it considers relevant for society in general while supporting local institutions to develop their solidarity work.

BLOOD AND BONE MARROW DONATIONS

Biannually, Martifer organises blood donations and bone marrow donor enrolment campaigns in partnership with Instituto Português do Sangue e da Transplantação de Coimbra (Portuguese Institute for Blood and Transplants in Coimbra). The Group's employees have always participated significantly in these actions, and in 2019, around 108 participants were registered in the two actions.

DONATIONS

Within the Group's social responsibility and following criteria of proximity and relationship with the institutions, in 2019, Martifer supported some solidarity institutions.

GENDER EQUALITY

In 2019, Martifer celebrated two dates publishing informative material on the various internal communication platforms. In March, International Women's Day – focusing on domestic violence, and in November, the "16 days of activism against rape." These awareness-raising initiatives intend to involve all employees in the promotion of gender equality by informing and promoting actions of solidarity and accusation.

COLLECT PLASTIC CAPS FOR THE "LIGA DOS PEQUENINOS" (League for the Little Ones)

The plastic caps gathered by the Liga dos Pequenininhos (League for the Little Ones) allows the purchase of equipment to support children with special needs at the Pediatric Hospital of Coimbra. Martifer, with the help of all its employees, has been collecting caps for this entity since 2016.



SOLIDARITY FORUM

Martifer discloses several important national initiatives so that its employees can actively participate in solidarity activities. In 2019, we highlight "Help Mozambique", "Portugal calls you", and "Let us all fight air pollution", in addition to the gender equality initiatives already mentioned.

WEST SEA'S WASTE BECOMES FURNITURE FOR THE 2nd and 3rd CYCLE OF BASIC EDUCATION SCHOOL DR. PEDRO BARBOSA

West Sea and the 2nd and 3rd Cycle of Basic Education School Dr. Pedro Barbosa joined a project that aimed at reusing and recycling waste to transform one of the school's recreation rooms. The Quality, Safety and Environment team and the responsible teacher selected some waste that is common at the shipyard, and the students gave it a new life. The final result was presented at the inauguration of the recreation room, and West Sea participated in it, finding out the new life of its waste.

WEST SEA OPENED THE SHIPYARD'S DOORS TO THE COMMUNITY

On 12 October, West Sea, within the Port of Viana do Castelo Day, opened its doors to the community and received around 400 visitors of all ages. The visits were guided by shipyard employees who showed the facilities and the vessels that were being built and repaired.

COOL KIDS – RED NOSE AND GENDER EQUALITY

A Christmas contest is held every year for the Group's employees' children. In 2019, Martifer's M's Contest, which decorated the Christmas tree at the head office building, had 91 participants and all of them helped the cause 'Operation Red Nose'. This activity entitled all the participants to a Red Nose gift that reverted as a donation to the institution in the amount of 651 euros. The contest invites all employees to vote on the best M, and the first 2 places are awarded recreational and educational activities. The 3rd place received a storybook that promotes gender equality between children and parents.

MARTIFER AND CMM IN PARTNERSHIP FOR THE ORGANISATION OF THE STRUCTURAL GLASS COURSE

Martifer took part in the training course "Structural Glass Design: Key aspects", organised by CMM – Portuguese Steelwork Association, in Coimbra, from 17 to 19 January 2019. This training course was for civil engineering students, civil engineers and construction technicians.

Ethics and Conduct

The Ethics and Conduct Code is the document that contains the values that guide the performance of Martifer Group, as well as the ethical principles and norms of conduct to which the Group and its employees are subject and assume as intrinsically their own.

This Code applies to all Martifer employees no matter their bond or hierarchical position, as well as to all Martifer subsidiaries. In this Code, "employees" means all members of the statutory governing bodies of Martifer, consultants, managing directors and all other employees no matter the kind of bond, as well as all the entities or individuals that received representation powers for any Martifer company.

The Ethics and Conduct Committee's (ECC) mission is to create, implement, accompany and control the compliance with the Group's ethics and conduct standards. Any professional situation that may raise doubts regarding compliance with the guidelines of the Ethics and Conduct Code may be referred to the ECC.

Anonymity is guaranteed in relation to any communication made with the ECC, and the contact is made through the e-mail address comissaoeticaeconduta@martifer.com.

MISSION, VISION AND VALUES

Mission and Vision

To create Value with products and services designed and executed by motivated employees and partners, to overcome client expectations, respecting safety rules and social responsibility.

To be a recognised brand in the markets and businesses where it operates in, for its competence, its innovation and engineering, ensuring the best solutions to its clients.

Values

Rigour and commitment

Rigour in processes, rigour in complying with rules and rigour in relations with partners and clients. Commitment to ensure technical competence in all the activities we carry out.

Humility and integrity

We believe that relations are built having as a base humility, respect and integrity, whether they are relations with partners and employees, or with the environment.

Critical sense and nonconformity

In the search to always reach the best solution for each project, we are characterised by a strong critical and non-conformist sense. We always demand more and better.

Common sense and clarity in communication

It is not possible not to communicate. Therefore, communication must be made simply and clearly so that the message is consistent and perfectly understood by the receiver.

Mutual help and solidarity

Human beings evolve through the development of skills, abilities and attitudes that make more sense in a group, in an attitude of mutual assistance and solidarity.

Pride in the company and feeling of belonging

Belonging and contributing to the success of the company makes employees feel more integrated, results-oriented and motivated, certain that the results lead them to more significant professional achievement.

Work capacity and innovative spirit

We want to grow; we want to do well and improve every day. We seek to innovate, and we have the ambition of going further, for our clients and for us.

COMMUNICATION AND TRANSPARENCY

Communication and transparency are the key pillars of any company, especially of listed companies. Martifer seeks to give to all its stakeholders the access to the company's most relevant information, most simply and directly.

Therefore, it has several communication tools that allow it to communicate not only with clients, suppliers and investors but also with society in general.

Institutional Communication Tools

Martifer Group has a team dedicated to the development of the Group's corporate communication. The communication department seeks to respond to the requests of the various national and international stakeholders and media. It is through its communication instruments that the Group communicates.

ONLINE PRESENCE

Online presence is one of the best forms of non-face-to-face communication. Martifer Group is present online, not only through its website but also in selected social networks, according to the company's characteristics.

Websites

In 2019, the Group had four websites, which had a total of more than 120 thousand visitors from various countries.

www.martifer.com is the Group's corporate website, and it also hosts the Martifer Metallic Constructions website. Here, besides corporate information, the visitors can check the latest news, catalogues, publications, as well as relevant information in the Investor Relations area. In the area concerning Martifer Metallic Constructions, we highlight the portfolio of the business area. It is available in two languages – Portuguese and English.

www.martifer.fr is the Group's website directed to French-language markets. Here, in addition to institutional information, visitors can see the latest news, the main indicators, catalogues, publications, as well as the metallic constructions portfolio.

www.west-sea.pt is West Sea's website. Available in four languages (Portuguese, English, Spanish and French), it presents the Group's shipyard in Viana do Castelo, from the equipment to the location, as well as the Quality Policy and the portfolio and ongoing projects at the shipyard.

www.navalria.pt is Navalria's website, the Group's shipyard in Aveiro. Besides general information about the shipyard, visitors can learn more about some of the vessels that have been at its docks, both for repair and construction. It is available in Portuguese, English and French.

Social Networks

Martifer is present in LinkedIn®, Facebook® and YouTube®.

In LinkedIn®, the Group's most used social network, Martifer seeks to disclose not only information about the company but also to take advantage of the more professional nature of this network, through the release of job offers and other corporate information. At the end of 2019, the Group's LinkedIn page had about 28 thousand followers, and Martifer Metallic Constructions's page had nearly 8 thousand followers.

On Facebook®, the Group posts, from time to time, the most relevant information about its projects. At the end of 2019, it had more than 4,900 followers.

In YouTube®, the Group shares both corporate and press videos.

It is through the social networks that the Group seeks a closer relationship with its stakeholders. More than giving an opinion, social networks allow Martifer to contact its followers, through their comments, messages and “likes”, which are analysed by the company.

MNEWS

MNews is the Group’s corporate magazine that annually presents a summary of the Group’s activities. MNews is published in a digital format in Portuguese and English on the Group’s website and subsequently shared on social networks and distributed in the corporate newsletter.

CATALOGUES

Catalogues are one of the best communication tools for commercial relations with clients and future clients. These materials are an excellent way to present the company and are vital commercial support, showing the portfolio and the proven ability over almost 30 years of activity.

Communication with Investors and Shareholders

Listed on NYSE Euronext Lisbon since 2007, Martifer seeks to maintain efficient communication with the capital market, with investors and with shareholders.

RELEASES

The Investor Relations releases are a way to communicate with the entire market at the same time, granting simultaneous access to the most relevant information about the company’s activity, shareholder structure or corporate governance.

In 2019, Martifer issued 6 releases to the market, material information and other releases.

REGULAR REPORTING

In the periodical financial information, issued every semester, Martifer also seeks to contextualise this information with other relevant data, such as the semester’s leading events and the Group’s strategy and future prospects. Besides the Annual Report, the Corporate Governance Report and the Sustainability Report, Martifer also issues each semester an earnings release, which is a summary of the main information included in the Annual Report.

INVESTOR RELATIONS

Martifer believes that communication with its stakeholders is essential to the development of its activities.

With the Group’s growth and internationalisation strategy, it is crucial for the company to be visible, and for its information to be quickly accessed by its shareholders and future investors.

The Investor Relations & Communication Office guarantees the on-time disclosure of all information relating to the Group and is available to answer any of the shareholders and investors’ queries.

Investor Relations Office

Martifer Group's Investor Relations representative is Pedro Nuno Cardoso Abreu Moreira.

Contact:

investor.relations@martifer.pt

T.: +351 232 767 700

F.: +351 232 767 750

Visits and Corporate Events

Martifer believes that companies must be open to those who want to know more about the company and visit its facilities, both for educational or corporate reasons.

Technical field trips, with the presence of professionals in the area, are an asset for students who visit Martifer since they get to contact the real demands of the job they are learning about, a crucial factor to enter the labour market.

During 2019, Martifer Group was visited by around 400 students and teachers of national and international education institutions, providing students with an insight into the professional world, helping them to become better professionals in the future while seeking closer contact with potential future collaborators.

In addition to the study visits, the Group companies received in 2019 several clients who showed interest in knowing the industrial reality and following the various test stages of the projects. The Group also welcomed several entities and personalities at corporate events, following the signature of relevant contracts or the commemoration of key company dates.

We highlight, in February 2019, the christening of the vessel of the Portuguese Republic, the NRP Setúbal, built at West Sea's shipyard in Viana do Castelo. The ceremony was attended by the Minister of National Defence and the Chief of Staff of the Navy. Also at West Sea in May, 19 Ambassadors from European Union countries visited the shipyard. They had the opportunity to get to know more about the company, its ongoing projects and business growth opportunities.



ENVIRONMENTAL DIMENSION

Martifer Group has a Quality, Safety and Environment Management System, based on a Management Policy which has as main objectives to ensure the quality of all its products, the safety of its employees and the improvement of its environmental performance.

QUALITY, SAFETY AND ENVIRONMENT MANAGEMENT SYSTEM

In its policy, Martifer Group undertakes the commitment of improving client, shareholder, employee and the general society's satisfaction.

In sum, Martifer "wishes" that its Policy is understood by all employees as: "Do it well the first time, in safety and respecting the environment."

Therefore, Martifer Group has always had a strategy oriented towards the satisfaction of its clients, and the conscience that we can only attend, with quality, the needs of our clients, with committed and motivated employees.

For the application of this strategy, the Group believes that the implementation of management systems in several areas plays an important role. These allow the systematisation of practices and methods that need to work regardless of the people who do them.

The Group's first certification was issued in 1997, with the certification of the quality management system in Martifer Construções Metalomecânicas, according to NP EN ISO 9002.

With the implementation of integrated management systems, Martifer Group has obtained as main results:

- Recognition of the work practices by an external entity, which allows the recognition by our clients;
- Increase in the satisfaction and motivation of employees;
- Increase in productivity;
- Decrease in failure costs;
- Decrease in accidents;
- Decrease in costs from the consumption of resources;
- Prevention and reduction of pollution.

Quality, Safety and Environment Certifications

Currently, Martifer Group has the following certifications:

1. Martifer – Construções Metalomecânicas, S.A. (Portugal):

- ISO 9001 | Quality Management Systems (certifying entity: Portuguese Certification Association - APCER);
- OHSAS 18001/NP 4397 | Occupational Health and Safety Management Systems (APCER);
- ISO 14001 | Environmental Management Systems (APCER);

- EN 1090-1 | Manufacturing Production Control (TÜV Rheinland);
- EN 1090-2 | Welding (TÜV Rheinland);
- ISO 3834-2 | Certification of Welding Inspection (TÜV Rheinland).

2. Martifer Romania RO SRL (Romania):

- ISO 9001 (TÜV Rheinland);
- OHSAS 18001/NP 4397 (TÜV Rheinland);
- ISO 14001 (TÜV Rheinland);
- EN 1090-1 (TÜV Rheinland);
- ISO 3834- 2 | (TÜV Rheinland).

3. WestSea – Estaleiros Navais Unipessoal, Lda.

- ISO 9001 (Bureau Veritas);
- OHSAS 18001/NP 4397 (Bureau Veritas).
- ISO 14001 (Bureau Veritas) – Certification obtained during 2019, which was an objective that had been communicated.

For the year 2020, the companies that are certified in the area of safety at work have the objective of migrating their management systems to the new regulatory framework, ISO 45001.

Management Policy

Martifer Group is committed to improving the satisfaction of its clients, shareholders and employees and to establish sustained relations with stakeholders, with the objective of asserting itself by its technological capacity, innovation and social responsibility. It aims to differentiate itself from other competitors, leading each client, employees and society, due to their satisfaction, to recommend our products and services.

In this regard, it undertakes:

- The constant concern to identify and correspond to the current and future requirements and expectations of its clients;
- To promote an integrated vision of its clients, employees and suppliers and ensure compliance with contractual requirements;
- To promote the development of people through awareness-raising and training;
- To promote the consultation and participation of all employees and all those working on behalf of the company on the objectives assumed by the organisation;
- To ensure compliance with the requirements of the Standards ISO 9001, ISO 45001, ISO 14001 and of EN 1090-1 and associated standards;
- To promote continuous improvement of process performance and effectiveness of the management system, contributing to reduced failures and increased productivity;
- To comply with legal and regulatory requirements applicable to products, services and activities;
- To promote continuous improvement of the occupational health and safety conditions,

identifying hazards and assessing and controlling the risks associated to the activities, preventing the occurrence of accidents and providing greater comfort in the work execution, through information and the availability of protective equipment, to minimise exposure to risk factors that cannot be eliminated;

- To promote continuous improvement of the environmental performance through the identification and evaluation of environmental aspects associated with the products or services that the company controls or can influence to minimise or eliminate the resulting environmental impacts, preventing pollution;
- To promote ethical behaviour, respect for human rights and respect for fundamental labour rights;
- To implement operational practices aimed at preventing corruption in all its operations.
- To promote social responsibility in local communities where its companies operate to contribute towards the progress and well-being of those communities.

ENVIRONMENTAL RESPONSIBILITY

The continuous improvement of the environmental performance of Martifer Group is ensured through the identification and control of environmental aspects, associated with its products, activities and services, with the aim of eliminating or minimising the environmental impacts resulting from them, namely those that are identified and assessed such as significant environmental aspects.

As a result of this evaluation, the most significant environmental aspects resulting from the activities developed by Martifer Group are energy consumption, air emissions and waste production.

Energy and energy efficiency

Car traffic accounts for approximately 25% of the global carbon emissions that contribute to global warming and the resulting climate change.

In this sense, within the framework of Martifer Group's Management Policy, which has as one of its pillars the reduction of the environmental impact resulting from its activity, a Policy for the purchase, rental and use of vehicles was drafted and approved.

POLICY FOR THE PURCHASE, RENTAL AND USE OF VEHICLES

When purchasing and renting vehicles:

- In the purchase of vehicles (acquisition or hire), preference should be given to electric or hybrid vehicles;
- If it is not possible to purchase an electric or a hybrid vehicle, then diesel vehicles should be given preference over vehicles that run on petrol;
- An assessment should be made based on CO₂ emissions and other hazardous pollutants, such as NO_x or other carcinogenic substances. In practice, vehicle performance should be assessed in two areas: emissions and energy efficiency.
- Preference should be given to lighter vehicles since they are usually associated with lower fuel consumption;
- The noise level emitted by vehicles should also be assessed, and vehicles with lower noise emission levels should be preferred;

- Depending on the criteria mentioned above, always consider vehicles with lower environmental impact as determinants in performance criterion.

Use of vehicles:

- Drive in the highest possible gear. In cars that run on petrol, the gear must be changed to the following one at 2,500 rpm, while in a diesel-driven vehicle the gear must be changed at 2,000 rpm;
- Driving should be maintained at a constant and moderate speed, avoiding harsh braking and many changes in gear;
- Moderate the use of air conditioning. From 80 km/h it is preferable to switch on the air conditioning than to drive with the window open, as this is also an increase in consumption at higher speeds.
- Eliminate, whenever possible, unnecessary weight in the vehicle. The weight of the load in the vehicle is also a major factor in the increase in consumption;
- Tire pressure should also be checked at some intervals so that it is always within the optimum values for each type of tire.

In addition to the energy consumption associated with its vehicle fleet, in all of the Martifer Group companies, energy consumption is a significant environmental aspect, namely in the companies with industrial facilities. Therefore, this is one of the issues with the highest incidence of actions aimed at reducing the consumption, promoting the energy efficiency of its facilities and, consequently, reducing CO2 emissions into the atmosphere.

Currently, the largest energy consumers of Martifer Group are the industrial units located in Oliveira de Frades, dedicated to the production of metallic structures, namely the OF2 plant and the West Sea shipyard located in Viana do Castelo, dedicated to the construction of vessels.

In this sense, and to improve energy efficiency and, consequently, the environmental performance of the Group, the implementation of Plans for the Rationalisation of Energy Consumption (PREC) are being implemented in the facilities.

For the factory OF2, a reduction of 4% of the specific energy consumption is intended, which means a decrease of 39 TEPs/year, which at the end of the implementation of the PREC implies a decrease in approximately 300 TEPs.

To achieve these goals, the actions to be implemented, which are ongoing, among others are:

- Replacement of less efficient lighting systems by LED technology;
- Control and reduction of compressed air leaks;
- Adjustment of the combustion of the burners of the painting booths.
- Improve the energy efficiency of machinery and equipment.



Air Emissions

Air emissions, especially those resulting from the painting process of metallic structures in several industrial units of the Group, are also another significant environmental aspect that results from Martifer's activity.

Therefore, in the past few years, several initiatives have been adopted to minimise the environmental impacts associated with these emissions, namely:

- Reorganisation of the painting areas with the adaptation of the exhaust systems and associated treatments to reduce air emissions and their hazardousness;
- Operational awareness sessions to minimise the diffuse emissions associated with the process of handling and use of paints;
- Progressive replacement, and whenever possible depending on client specifications, of solvent-borne paints (with large quantities of volatile organic compounds) for waterborne paints;
- Diluent recovery, through a distillation process of the "dirty" diluent, allowing its reuse and, consequently, a lower consumption of "new" diluent.

Waste

The production of waste is also an environmental aspect that is considered significant, namely the production of some hazardous waste, which results from the painting and maintenance activities.

In this aspect, the behaviour of employees has a significant impact on improving the environmental performance of the Group, so several training actions are continuously developed to raise awareness for the correct management of the produced waste.

To raise awareness, but also to hold every employee accountable for adequate waste treatment, enhancing its recovery, Martifer instilled a culture based on the 3 Rs in those actions.

THE 3 Rs

Responsibility – Define rules

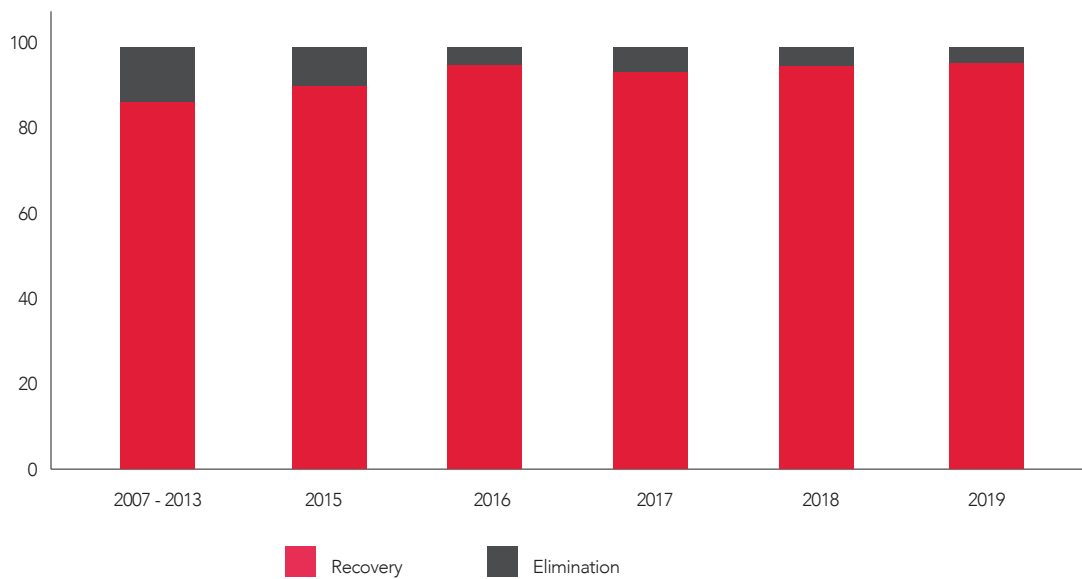
Respect – Follow the defined rules

Recycling – Separate the produced waste

Rules were defined for the reuse and separation of the produced waste, making every employee accountable for their compliance to increase the amount of waste that can be recycled, through its correct separation and routing to authorised waste treatment operators.

In the following chart, we present the percentage of waste routed for recovery (R operations) and for elimination (D operations) from 2007 to 2019, showing a trend towards an increase in the percentage of waste recovered compared to waste being routed for elimination.

Waste Routing (%)



As can be seen in the previous chart, over the years, there is a clear tendency to increase the amount of waste sent for recovery and a reduction in the percentage of waste sent for elimination.

This increase in the recovered waste indicates the effort developed by Martifer not only in the reduction of produced waste but also in the search for “partners” in waste management and treatment that provide environmentally more correct and adequate treatment for the waste produced by the Group.

05

ECONOMIC DIMENSION

ECONOMIC AND FINANCIAL PERSPECTIVE

2019 Annual Results

HIGHLIGHTS - 2019 RESULTS

- Operating Income of 266.9 M€, of which 138.1 M€ in Metallic Constructions, 97.5 M€ in the Naval Industry and 33.4 M€ in Renewables
- Turnover generated outside Portugal and exports amount to 77% of the total Turnover of the Group
- Improvement in operational performance with EBITDA reaching 28.9 M€ (12.2% margin on Turnover), compared to 15.2 M€ registered in the same period the year before. The operational performance benefited in part from the one-off impact of the sale of photovoltaic parks in Spain
- Gross Value Added amounted to approximately 55 M€, approximately 23% of the Turnover, which represents a substantial increase in productivity
- Net Result attributable to the Group of 23.5 M€, enhanced by the positive impact of the sale of assets in Renewables
- The comparable Gross Debt decreased from 65 M€ compared to December 2018 to 154 M€ (141 M€ excluding financial leasings which due to the adoption of IFRS 16 in 2019 integrated the lease liabilities item). The comparable Net Debt was reduced in 67 M€ to 119 M€
- Order Book of 562 M€ in Metallic Constructions and in the Naval Industry, the most robust in the last 6 years

KEY FINANCIAL INDICATORS

M€	DEC-19	DEC-18	VAR.%
Revenues	266,9	216,4	23%
EBITDA	28,9	15,2	89%
EBITDA Margin	12,2%	7,6%	4,6 pp
Amortisation and depreciation	-8,5	-8,8	3%
Provisions and impairment losses	-2,1	1,3	n.m.
EBIT	18,3	7,7	>100%
EBIT Margin	7,7%	3,9%	3,9 pp
Financial result	4,2	-4,5	n.m.
Result before tax	22,4	3,3	>100%
Tax	-1,0	-1,7	40%
Net income for the period	21,4	1,6	>100%
Attributable to non-controlling interests	-2,1	0,3	n.m.
Attributable to the Group	23,5	1,3	>100%
Earnings per share	0,241	0,013	>100%

In 2019, the total operating income was 266.9 million Euros (216.4 million Euros in 2018), 52% of which is in the Metallic Constructions segment, 37% in the Naval Industry segment and 13% in the Renewables segment. "Others" refers to intersegment transactions.

Operating Revenues of the Metallic Constructions segment amounted to 138.1 million euros, registering an increase of 13.5 million euros due to increased activity. The Naval industry segment presents a value of 97.5 million euros in 2019 (a growth of 19% compared to 2018) which results from the strong growth of the activity of this segment in the last few years. In the Renewables segment, they amount to 33.4 million euros in 2019, and result from the sale of solar parks in Spain as well as from the activities of the parks in operation.

DEBT AND FINANCIAL POSITION

M€	DEC-19	DEC-18	VAR.%
Fixed assets (including Goodwill and right-to-use assets)	97,1	123,4	-21%
Other non-current assets	46,4	56,6	-18%
Inventories and Current receivables	109,1	106,4	3%
Cash and cash equivalents	35,0	33,4	5%
Total Assets	287,6	319,7	-10%
Equity	7,6	-13,9	n.m.
Non-controlling interests	-39,0	-35,9	-9%
Total Equity	-31,4	-49,7	37%
Debt and Liabilities of non-current leases	158,8	210,1	-24%
Other non-current liabilities	24,2	31,8	-24%
Debt and Liabilities of current leases	5,9	8,9	-34%
Other current liabilities	130,1	118,6	10%
Total Liabilities	319,0	369,4	-14%

During 2019, the decreasing trend of the net debt was maintained, in line with the goals set in Martifer Group's Strategic Plan. Thus, on 31 December 2019, the consolidated Net Debt reached 106 million euros, reflecting an 80 million euro reduction when compared with the previous year.

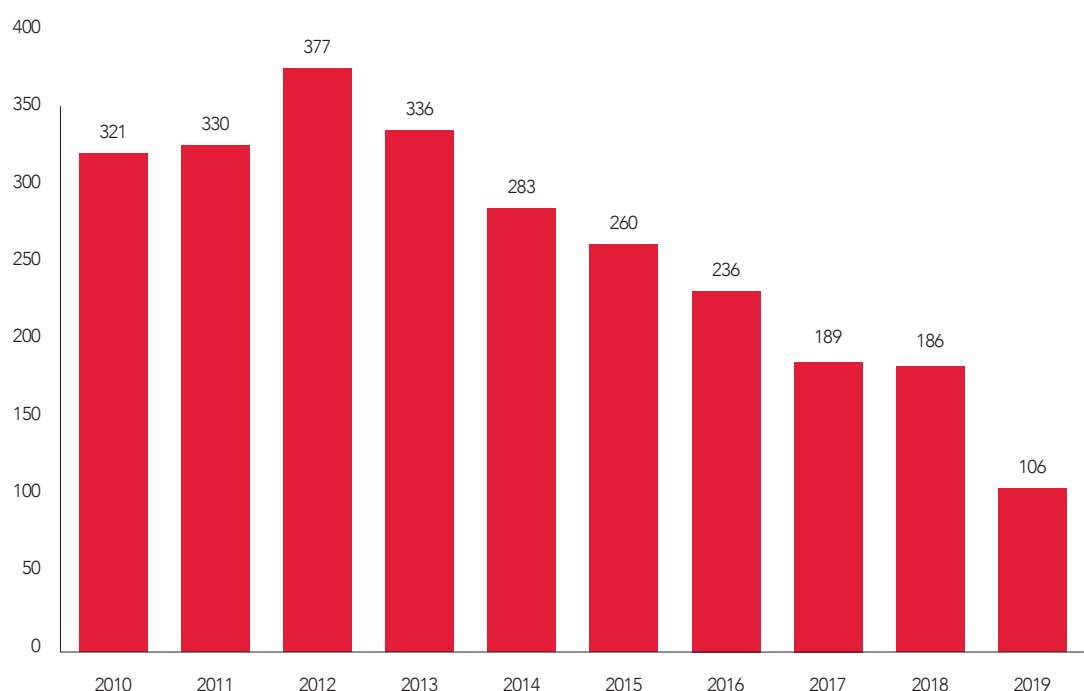
M€	CONSTRUÇÃO METÁLICA	NAVAL INDUSTRY	RENEWABLES	HOLDING	MARTIFER CONSOLIDADO
Net Debt 2019	67	-5	-2	47	106
Net Debt 2018	87	-7	22	84	186

This 43% reduction in the net debt value results to a great extent from the implementation of the Group's non-core asset divestiture plan, in line with the restructuring plan executed with the financing entities which has completed its fifth year of implementation.

This reduction is primarily the result of:

- the fulfilment of the Group's bank debt service for the period under consideration (3.4 million euros);
- debt repayments in accordance with the Group's non-core asset divestiture plan;
- disregard of the debt previously classified as Financial Leasings (12.8 million euros) which, by virtue of the adoption of IFRS 16 in 2019, became part of the item 'Lease liabilities'.

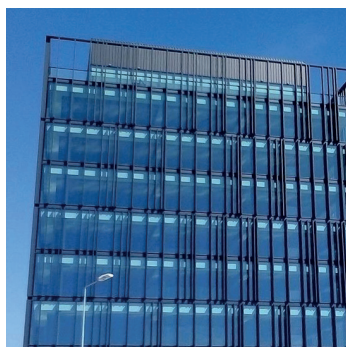
DECREASE TREND OF THE NET DEBT (M€)



Note 1: Until 2018, Net Debt = Borrowings + Financial Leases (+/-) Derivatives - Cash and Cash Equivalents

Note 2: As of 2019, Net debt = Loans (+/-) Derivatives - Availabilities and Equivalents

In 2020, the Group will maintain its debt reduction strategy, continuing the premises defined in its Strategic Plan, namely focusing on the execution of the non-core asset disposal plan.



Future Prospects

The year 2019 clearly confirmed the positive trajectory with the new cycle in the Group, which began the previous year with the implementation of a new governance model, more independent from the reference shareholders and with the definition of the strategic plan 2018-2020.

2020 was expected to be the year of consolidation of this path, with an even more ambitious budget and to clearly benefit from a strategy that is proving to be the most correct for the Group. Suddenly the world was affected by the COVID-19 pandemic, whose effects on the economy only compare to the years of World War II.

Of course, this disruptive effect on companies needs to be considered in their present performance or deserves intense monitoring and adjustment at all times.

However, the strength of the strategy that has been implemented since 2018, which is based on 3 fundamental pillars, namely:

- Reinforcement of the organisational culture and consolidation of the governance model;
- Increased operational efficiency, planning and productivity in particular in Metallic Constructions, consolidation in the Naval Industry and reinforcement of the sustainable growth strategy in Renewables, and
- Consolidation of the financial stabilisation trajectory.

It enables us to look at this period with greater tranquillity and the necessary discernment to make the most assertive decisions and thus to escape this crisis even more strengthened.

From the outset, the Group's financial consolidation, with the substantial and systematic debt reduction and, as a result, the associated financial costs, helps us to have the capacity to be more resilient, in the worst moments, such as those we are now living.

On the other hand, the concrete and structured measures to increase our productivity – with the results achieved in the per capita Gross Value Added (VAB) indicator showing this success, when compared to the national average and previous years in the Group – namely in constant actions of organising our teams, of simplifying and having the majority of our work electronic, in a clear commitment to training people and of an even more rigorous technical-commercial positioning, focused and adapted to the countries and business segments, allowing us to have the necessary competitiveness to satisfy our clients, who already recognise our industrial and technical skills.

We will continue to look at all the opportunities that may strengthen the Group's export profile, enhancing the industrial capacity in Portugal to the external markets where Martifer is present; in Oil & Gas and O&M we will follow the trajectory of increasing their weight in the Group's Turnover and of a clear balance with the core activity of metallic structures in Angola and Mozambique.

In the Renewables segment, both through asset rotation and the exploration of opportunities in wind and solar projects, we will continue to boost the success that was achieved in 2019, namely in the auctions that we won in Poland for wind and solar energy, which amount to 50 MW.

The Naval area, which has in the 2020 budget and for the first time in the history of the Group, a weight of almost 50% of Turnover, will remain one of the big flags of this trajectory and where we expect the Group's largest investments to occur in the following years, in order to consolidate our diversification strategy.

We will continue to do justice to this Group's DNA, to boost the search for new areas and to be alert to new opportunities, having defined the Energy sector as an area to pursue in the near future, because we want to continue to be part of the companies that see climate and environmental change and the resulting challenges as a huge opportunity.

The year 2020 will undoubtedly bring new and great challenges, but, above all, it will be the year in which all of us, taking advantage of the good energy of Martifer's 30th anniversary, will have to know how to establish new objectives to design a new path: the 2021- 2023 Plan. This new path, which should be coherent with the previous one, will only be travelled successfully if the Group is able to reach the finish line in 2020 in a solid, consistent and structured way.



Oliveira de Frades, 21 April 2020

The Board of Directors,

Carlos Manuel Marques Martins
(President)

Arnaldo José Nunes da Costa Figueiredo
(Vice President)

Jorge Alberto Marques Martins
(Vice President)

Pedro Miguel Rodrigues Duarte
(Board Member)

Pedro Nuno Cardoso Abreu Moreira
(Board Member)

Maria Sílvia da Fonseca Vasconcelos da Mota
(Board Member)

Vítor Manuel Álvares Escária
(Board Member)

Mariana França Gouveia
(Board Member)

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