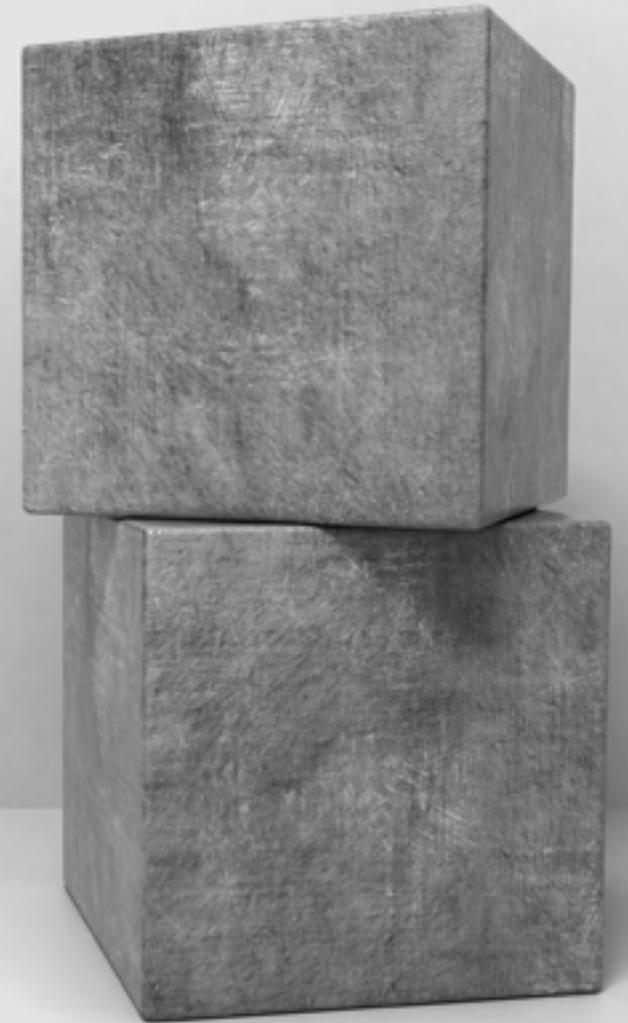


HEIDELBERGCEMENT

MATERIALS TO BUILD A SOLID FUTURE

HeidelbergCement Romania

Sustainability report 2020



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welcome message



Dr. Florian Aldea
President -
General Manager
HeidelbergCement
Romania

Dear friends,

The year 2020 was unprecedented in recent history, a year that marked the beginning of the Covid-19 pandemic and thus faced us with the challenges arising from the health crisis. At the same time, however, 2020 taught us a lesson that we can apply long into the future and showed us that together we are more united and stronger.

Throughout the year, our main concern has been the safety and health of our employees, suppliers and customers, therefore, from the onset of the pandemic in Romania, we acted quickly by introducing measures to prevent the spread of the virus, in line with the recommendations of the public health authorities.

At the same time, we also focused on the areas most in need of support during this period: the health system, the education system, and vulnerable people in local communities. We supported the medical system by donating fully equipped medical

containers, intensive care beds and other equipment to help front-line staff. We have been in constant communication with representatives of local communities, particularly schools, to identify the most urgent needs they face and the supplies they need. Through the Edu2023 project,

We have also supported people in need and contributed financially to volunteers' efforts to ensure the home delivery of essential food packages for the elderly.

This year has shown us, more than ever, that we need firm action and shared commitment to face any challenge, and I would like to take this opportunity to thank the more than 1,100 employees of the company for their hard work and understanding throughout this period.

Although an atypical year that generated many challenges that no one could have anticipated, we nevertheless remained connected to our long-term mission: to contribute to the sustainable development of Romanian society through sustainable building materials.

2020 was also the year when we announced our new HeidelbergCement Group-wide strategy, Beyond 2020, which reinforces our commitment to sustainability and defines our financial, digital and environmental targets by 2025. At the same time, we have defined clear action plans, measures and priorities that will help us achieve these targets. As one of the world's leading building materials manufacturers, we want to pioneer the transition to a more sustainable and equitable world. That is why we are committed to accelerating our progress in reducing CO₂ emissions by undertaking ambitious short, medium and long term CO₂ reduction targets, with the ultimate goal of carbon neutral concrete production by 2050. We are aware that sustainable development

requires a healthy community, therefore we have continued to invest in projects to develop the areas in which we operate and have supported over 40 local projects that will generate long-term benefits and bring value to the people in local communities. We know that our long-term success depends on the sustainability of our business model, expressed through ethics, responsibility, environmental protection investment, care for our employees, and the active involvement of everyone around us: our neighbours, suppliers and business partners, our employees, and our customers. As we continue to evolve, we are committed to making a difference through innovation, best practices and adopting the highest standards in the industry. We firmly believe that we have the experience, skills, and strength to meet new challenges and help rebuild the future in a sustainable way. In the following pages you will find more about our economic, social, and environmental commitments, achievements and progress this year.

We want to pioneer the transition to a more sustainable and equitable world. That is why we are committed to accelerating our progress in reducing CO₂ emissions by undertaking ambitious short, medium and long term CO₂ reduction targets, with the ultimate goal of carbon neutral concrete production by 2050.

we helped students in local communities around our cement plants by providing them with internet-connected tablets to continue the online educational process, and by providing them with protective masks and disinfectants.

about the report

This is the seventh sustainability report of HeidelbergCement Romania.

The report presents the non-financial performance indicators related to our activity in 2020 (01.01.2020-31.12.2020) and was prepared in accordance with the requirements of Directive 2014/95/EU and the Order of the Ministry of Public Finance no. 3456/2018.

The report was prepared following the methodology described by the Global Reporting Initiatives (GRI) Standards and meets the requirements of the Core option. The report includes information presenting the economic, social, and environmental performance of HeidelbergCement Romania S.A. ("HeidelbergCement Romania"). For a better understanding of the context in which we operate, where relevant, information on the operations of the HeidelbergCement Group was also included.

The material topics underlying the reporting process were determined following a materiality process carried out during June-August 2021.

The information presented in this report has not been subject to external verification.

Throughout the reporting process, the HeidelbergCement Romania team was supported by The CSR Agency consultants.

For questions, suggestions, or notifications regarding this report, you can contact us at:

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stronger together:
responsibility
in times of crisis



March 2020 brought us all to a situation that very few could have anticipated. The outbreak of the coronavirus pandemic in Romania brought the main challenges we faced throughout this year, both each of us, on a personal level, as well as the entire business environment. Throughout this period, we had to make quick decisions and adapt to the changing daily context, all the while trying to continue our activity in a novel way.

Thus, our main concern during this time was to continue our activity, while maintaining the health and safety of all our colleagues, as well as of our customers, suppliers, and partners. We took all the safety measures internally, while also supporting the local communities to help mitigate the extremely large impact that the spread of COVID-19 has had on key areas such as health, education, and the Romanian economy.

To reduce the risks, during this period, we took several specific measures based on the recommendations of the public health authorities. Thus, the first measures taken were:

- canceling business trips in and out of the country
- developing instructions on how to act for colleagues returning from risk countries or areas or who come into contact with persons in such situations; instructions on how to act if you come into contact with COVID-19-positive persons; also, the entire team was informed about these aspects, but also about the hygienic-sanitary rules and distancing norms
- cancelling meetings with more than three persons, for a duration of more than 15 minutes; avoiding in person meetings and using remote communication
- encouraging work from home, where possible
- prioritizing the procurement of masks, gloves, disinfectants, and other necessary supplies for all workplaces
- regular disinfection in all premises by specialized companies
- reducing the number of people working on the same shift or changing working hours
- developing instructions on the access of third-party workers or trucks and own/ third-party machinery on the premises
- preparing instructions with reference to the current situation, so that all staff are trained and know the measures to be considered
- developing preemptive emergency plan for all operations, in the event of temporary shutdown of the activity, and setting out actions and steps to be followed
- support from the human resources department for all colleagues, on to / from work commute
- additional disinfection of outdoor spaces
- distribution of additional protective masks, to be worn both during working hours and commute

At the same time, we also focused on the areas that needed support the most during this period: the medical system, the education system and the vulnerable people who were unable to travel.

Thus, in March 2020, we joined the common efforts to support the hospitals, as well as doctors and nurses in the counties of Neamt, Hunedoara and Dâmbovița, where our cement plants operate. In partnership with the Volunteer for Life Association, we offered the Neamt County Hospital four equipped, furnished, and disinfected medical containers, so that patient screening is done outside the actual perimeter of the hospital. We supported the Emergency Fund initiated by the Association for Community Relations with the amount of €124,000, used to purchase six intensive care beds and a vital function monitor for the Targoviste County Hospital, and a high-performance device, which detects 18 viruses and 4 bacteria for the Deva County Emergency Hospital. We also supported the efforts of the Pucioasa City Hall in the fight against COVID-19 with a financial contribution of €5,000 and two medical containers for the ER and psychiatric ward of the Pucioasa City Hospital, used for patient screening. In addition, at the request of the Neamt County Hospital, three more medical containers and an access ramp were installed, so that COVID-positive patients are transported to therapy units using separated and dedicated circuits.

To facilitate children's access to online classes, within the **Edu2023** project we offered 272 internet-connected tablets to students of the "Mihai Viteazul" Secondary School Pucioasa, Secondary School no. 4 Pucioasa, "Diaconu Coresi" Secondary School Fieni (Dâmbovița County) and schools in Baita, Soimus (Hunedoara County), Bicaz and Tasca (Neamt County). The beneficiaries were students whose families could not afford to purchase the necessary technology and were selected following social inquiries carried out by school leaders.

At the same time, at the start of the new school year in September, following consultation with local representatives during Elder's Council, one of the most urgent needs identified was the students' sanitary protection during school attendance. Thus, we supported the schools in the project by providing 150,000 masks and 300 liters of professional disinfectants. The supplies, intended to support compliance with measures to prevent and combat the spread of the virus, were manufactured in Romania, in Zalau (masks) and Cluj-Napoca (disinfectants).

We supported those in need, contributing €5,000 to the **Cumpărături la ușa ta** project, a Geeks for Democracy Association initiative, which entailed home delivery of staple food packages for the elderly or mobility-impaired people. The funding was used to set up a call center, provide sanitary protection materials for food-delivery volunteers, and organize the first logistics center.

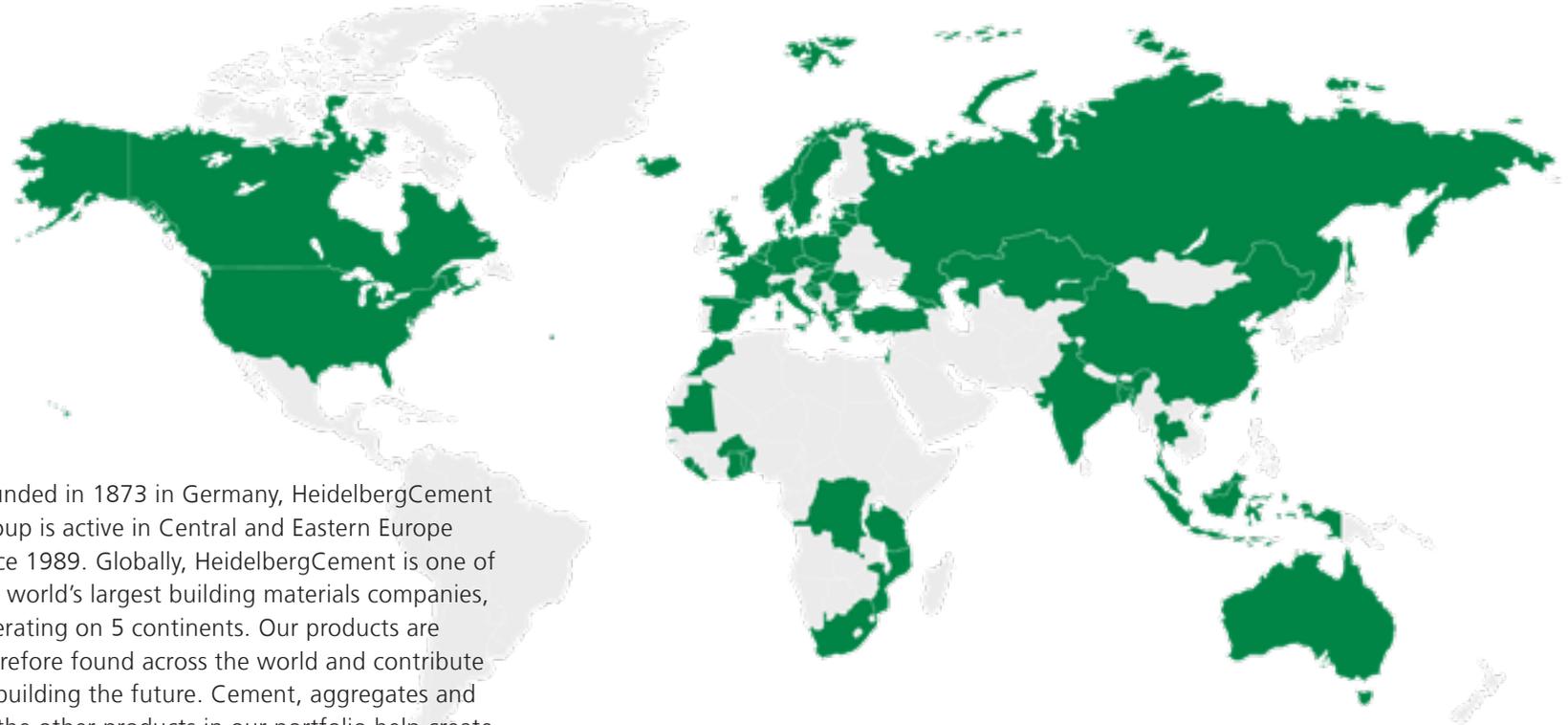
Although this unprecedented crisis is far from over and its effects cannot yet be fully measured, we ended 2020 confident that we will continue to make the best decisions, based on our belief that **we are stronger together**.





about the company

HeidelbergCement Group



Founded in 1873 in Germany, HeidelbergCement Group is active in Central and Eastern Europe since 1989. Globally, HeidelbergCement is one of the world's largest building materials companies, operating on 5 continents. Our products are therefore found across the world and contribute to building the future. Cement, aggregates and all the other products in our portfolio help create homes, buildings and the infrastructure necessary to meet the needs of our ever-changing and ever-evolving society.

Environmental responsibility is at the heart of all the actions we take at HeidelbergCement. The company aims to be an industry leader on the road to carbon neutrality. HeidelbergCement means long-term profitability through operational excellence, commitment, and openness to change, but also close partnerships with our customers and our stakeholders.

Global cement production of **184** million tons

Aggregate resources of **19.2** billion tons

53,000
employees working in

3,000
production units in

50
countries on

5
continents

For almost
150
 years, the building materials and solutions provided by HeidelbergCement have been contributing to the progress of the world.

Group Services	North America	Africa and the East Mediterranean Basin	Southern and Western Europe	Northern and Eastern Europe, Central Asia	Asia and the Pacific
Global trade activities, especially cement and clinker	Canada United States of America	Benin Burkina Faso Democratic Republic of the Congo Gambia Ghana Liberia Mauritania Morocco Mozambique Sierra Leone South Africa Tanzania Togo Israel Palestine Turkey	Belgium France Germany Italy The Netherlands Spain United Kingdom	Albania Bosnia and Herzegovina Bulgaria Croatia Czech Republic, Denmark Estonia Georgia Greece Hungary Iceland Kazakhstan Latvia Lithuania Norway Poland Romania Russia Sweden Slovakia	Bangladesh Brunei China India Indonesia Malaysia Singapore Thailand Australia

HeidelbergCement Romania

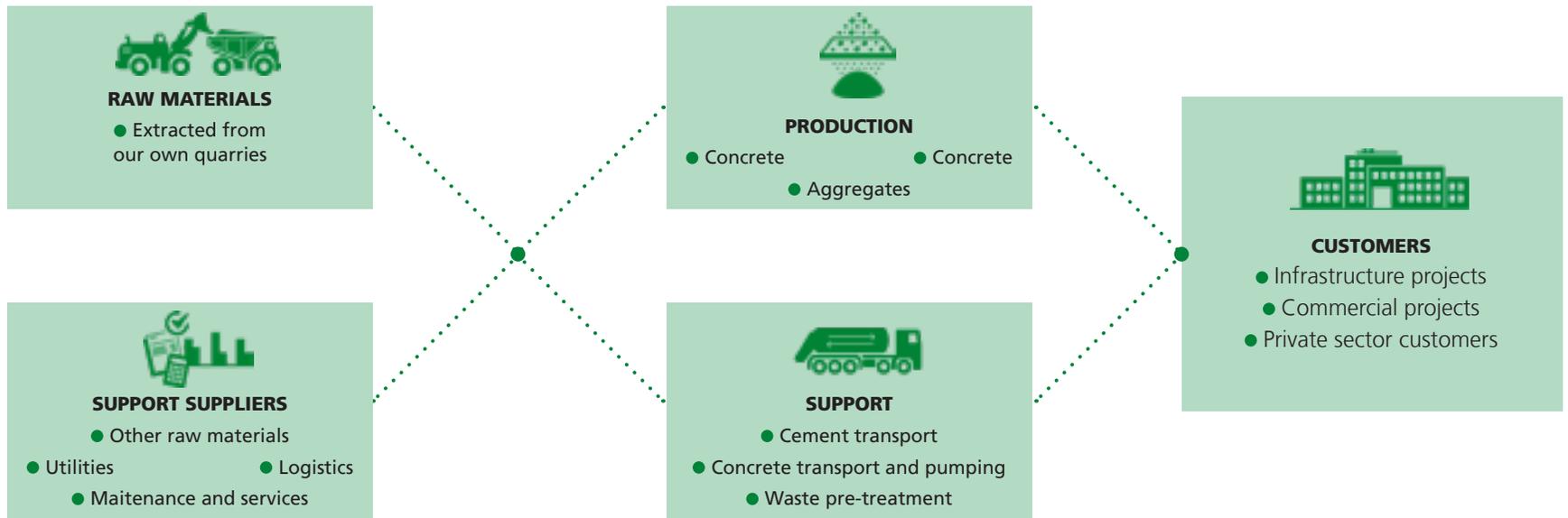
We are present in Romania for over 22 years, and alongside our partners we contribute to the long-term economic growth of the country: directly - through the products we offer - and indirectly, through the long-term projects we develop in the communities where we operate.

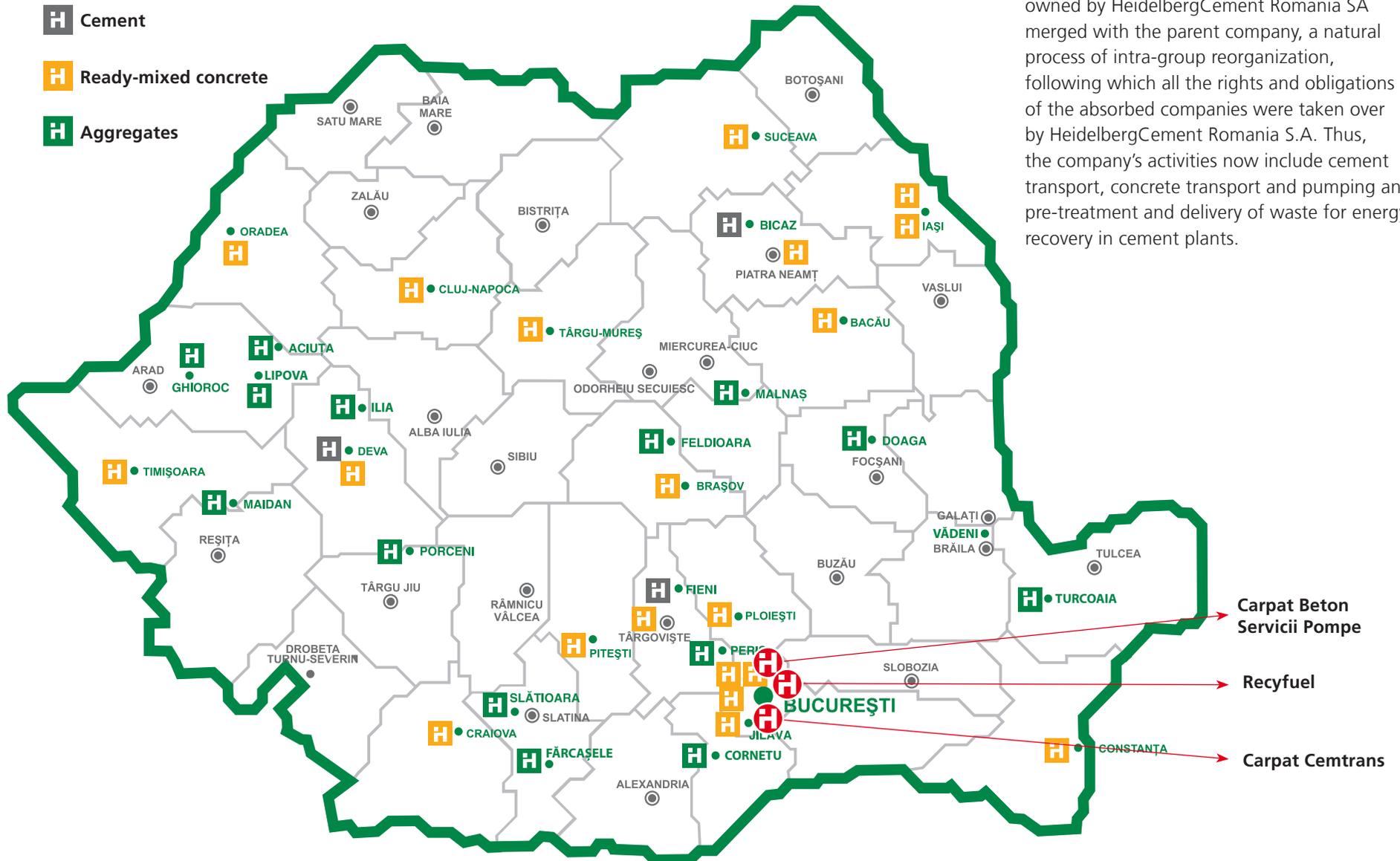
In Romania, as of December 31st, 2020, our activity was carried out in three cement plants located in Tasca, Fieni and Chiscadaga, 21 readymixed concrete plants, 7 quarries and 5 ballast pits. We produce and sell cement and various types of concrete (high strength, for road construction, hydrotechnical and general-purpose works), as well as quarry and gravel aggregates.

Carpat Cemtrans, Carpat Beton Services Pumps and Recyfuel become part of HeidelbergCement Romania.

You can read more about the company's products [here](#).

Value chain



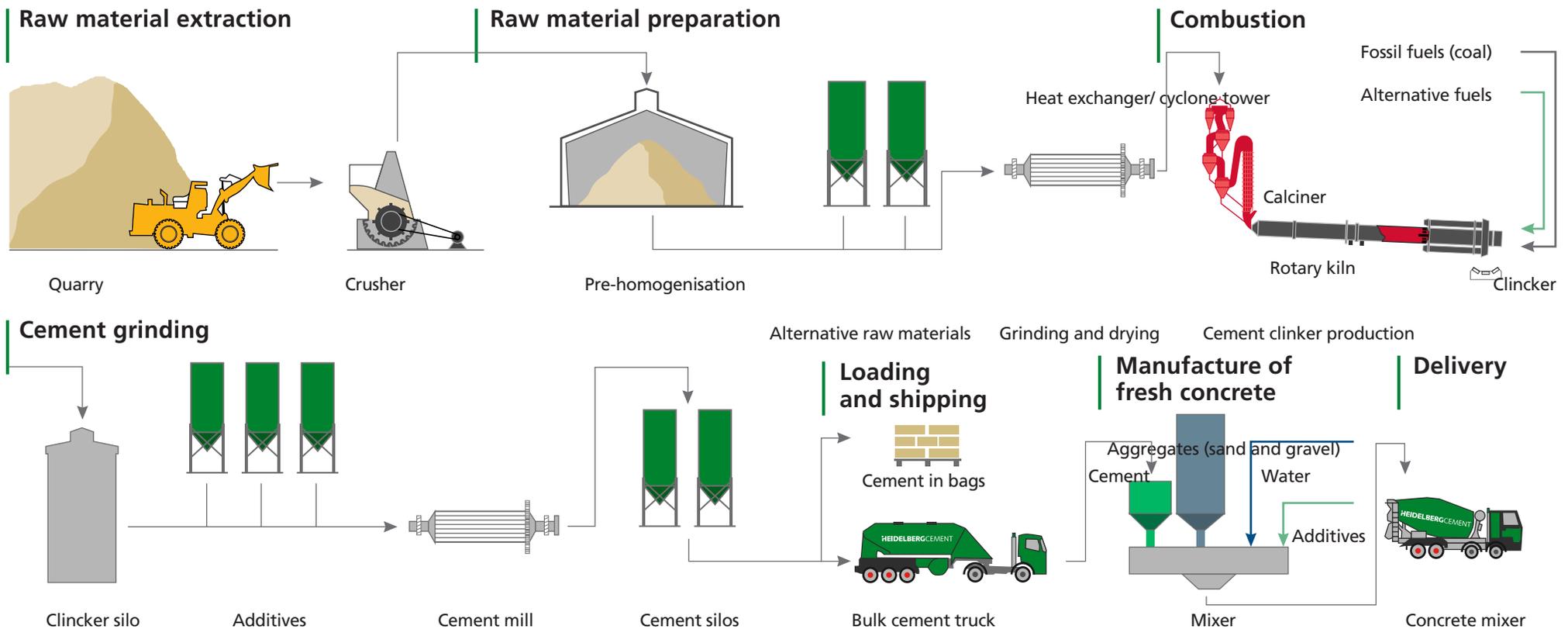


In 2020 Carpat Cemtrans SRL, Carpat Beton Servicii Pompe SRL and Recyfuel SRL, companies owned by HeidelbergCement Romania SA merged with the parent company, a natural process of intra-group reorganization, following which all the rights and obligations of the absorbed companies were taken over by HeidelbergCement Romania S.A. Thus, the company's activities now include cement transport, concrete transport and pumping and pre-treatment and delivery of waste for energy recovery in cement plants.

From limestone to concrete

Raw materials for cement production (limestone, clay, and marl) are extracted from quarries at regional level. They are crushed to the size of road gravel, then mixed and homogenized in the cement plant. After adding other components (sand and pyrite), the raw crushed stone is ground into a fine, dry flour. This raw flour is then burned in a rotary kiln at a temperature of 1,450°C, which triggers the chemical transformation resulting in cement clinker. Alternative fuels and raw materials such as used tyres, used plastic or biomass are used in the kiln combustion process.

The cooled clinker is temporarily stored in silos and then ground to obtain cement, along with additives such as gypsum and admixtures. The finished material is loaded in bulk into silo trucks, trains, or barges. A small part is packed in bags. Cement is generally transported directly to construction sites or concrete stations, where it is mixed with aggregates (sand and gravel) in a ratio of 1:4 and water to obtain fresh concrete. Special additives give concrete certain properties, such as very fast or slow hardening. The finished concrete mixture is delivered using concrete mixers.



Our achievements in 2020

ENVIRONMENT

33.4%

alternative fuels rate

11.4%

decrease in Scope 2 emission intensity
in cement production

1.3%

decrease in energy
intensity

59%

or

5,267

tons of the
total waste
generated
from our
operations
was
recycled*

**excluding the approximately 181 thousand tons of tailings, an extractive waste resulting from the discovery of the deposit and various rocks unsuitable for production*

OUR TEAM

1,146

employees

average number of training hours

865

men

(75.5%)

281

women

(24.5%)

men

36

women

45

OUR COMMUNITIES

> **788**

million lei spent
with local suppliers

> **93.7%**

of suppliers are local

> **5.6**

million lei invested
in community projects

environmental assessment for

280

suppliers

€ **145,000**

the value of donations made by the company in the context of COVID-19

Economic performance

In 2020, the total value of taxes paid to the state amounts to approximately

EUR

48

million (including corporate income tax, payroll taxes, VAT, local taxes, royalties, etc.).

We want to continue our growth, in the long run, at a sustained pace, which will at the same time generate a positive impact in the Romanian economy. We are aware that achieving the business objectives we set is only possible if we generate added value for the communities in which we operate. Thus, our social and environmental objectives are integrated alongside the economic objectives, in the company's business strategy and, at the same time, in the remuneration system of the management team. We want our customers to benefit from a sustainable partnership, characterized by performance and integrity, beyond the quality of the products.

Since 1998, the year that marks the launch of the HeidelbergCement Group's operations in Romania, the total investments on the local market amount to approximately EUR 550 million, including acquisition costs. The total environmental investments for the update of the three divisions – cement, concrete, and aggregates amount to a total value of over EUR 57.4 million. Investment has always been our priority, both for business growth and in support of sustainable development.

Since 1998, HeidelbergCement Romania has contributed over EUR 540 million to the state budget.

	2019	2020
BALANCE SHEET INDICATORS		
FIXED ASSETS - TOTAL	567,979,536	562,185,413
CURRENT ASSETS - TOTAL, of which	940,855,660	1,198,149,544
INVENTORIES (raw materials, materials, work in progress, semi-finished products, finished products, goods, etc.)	189,517,608	217,609,917
CLAIMS	742,410,158	971,018,179
CASH AND BANK ACCOUNTS	3,078,976	3,108,120
ACCRUED EXPENSES	2,015,324	3,069,096
LIABILITIES	197,151,792	244,822,827
DEFERRED REVENUE	27,839,832	25,722,882
PROVISIONS	59,122,489	73,530,901
CAPITAL - TOTAL, of which	1,226,736,407	1,419,327,443
SUBSCRIBED PAID-IN SHARE CAPITAL	283,556,000	283,410,400
PROFIT AND LOSS ACCOUNT INDICATORS		
NET TURNOVER	1,194,638,962	1,330,355,677
TOTAL REVENUE	1,208,403,609	1,554,882,529
TOTAL EXPENSES	913,833,187	1,034,308,914
GROSS PROFIT OR LOSS		
PROFIT	294,570,422	520,573,615
LOSS	0	0
NET PROFIT OR LOSS (FINANCIAL YEAR)		
PROFIT	245,282,881	444,836,664
LOSS	0	0



The information disclosed is not as detailed as required by the standard as it represents confidential information, and its disclosure could generate a competitive disadvantage.

Corporate governance

We made a firm commitment to responsible corporate governance practices. Internal policies and procedures are developed in such a way as to pursue and lead to strict compliance with the legislative regulations in force, both nationally and internationally, and at the same time to the adoption of the highest standards of responsible social and environmental practices.

Executive management

The company is managed by a General Manager, who is at the same time Chairman of the Board of Directors.

The Board of Directors meets once every two months and has two other members.

Name	Position	Nationality
Dr. Florian Aldea	Chairman–General Manager	Romanian
Ernest Jelito	Non-executive administrator	Czech
Christian Mikli	Non-executive administrator	German

The role of the Board of Directors is supported by the Executive Committee (EXCOM) that meets monthly.

Name	Position	Nationality
Dr. Mihaela Trăistaru	RMC Director	Romanian
Claudiu Orbeci	Aggregates Director	Romanian
Sorin Trifa	Financial Director	Romanian
Simona Radu	Human Resources Director	Romanian
Cristian Voinițchi	Technical Director – Cement Division / Fieni Cement Plant Director	Romanian
Adrian Greavu	Sales Direct – Cement Division	Romanian
Dr. Manole Popa	Legal Director	Romanian
Florentin Ghica	Purchasing Director	Romanian
Gabriel Rotaru	Chiscadaga Cement Plant Director	Romanian
Marius Lupa	Tasca Cement Plant Director	Romanian
Bogdan Arnăutu	ESG and Communication Manager	Romanian

Ownership

HeidelbergCement Romania S.A. is a member of the German Group Heidelberg Cement AG (100% ownership).

Ethics and responsibility

The company is committed to operating in accordance with local and international laws and regulations, including strict adherence to the principles, standards and guidelines of international bodies, such as the Organisation for Economic Co-operation and Development (OECD), the United Nations (UN) and the International Labour Organization, with regard to human rights, working conditions, anticorruption, social and environmental aspects, compliance with competition law, but also approaching business relations with honesty, transparency, integrity, and professionalism.

At the same time, HeidelbergCement Grup is a signatory of the United Nations Global Compact, thus making a commitment to follow and integrate in all its activities the 10 principles that define the corporate social responsibility of a company regarding respecting human rights, labor standards, environmental protection, and the prevention of corruption acts.

By assuming the 10 principles, the company has made a commitment to:

Human Rights

- Principle 1:** support and respect the protection of internationally proclaimed human rights; and
- Principle 2:** make sure that they are not complicit in human rights abuses.

Labour

- Principle 3:** uphold the freedom of association and the effective recognition of the right to collective bargaining;
- Principle 4:** uphold the elimination of all forms of forced and compulsory labour;
- Principle 5:** uphold the effective abolition of child labour; and
- Principle 6:** uphold the elimination of discrimination in respect of employment and occupation.

Environment

- Principle 7:** support a precautionary approach to environmental challenges;
- Principle 8:** undertake initiatives to promote greater environmental responsibility; and
- Principle 9:** encourage the development and diffusion of environmentally friendly technologies.

Anti-Corruption

- Principle 10:** work against corruption in all its forms, including extortion and bribery.

Anti-Corruption

The company has zero tolerance for acts or behaviors that could lead to corruption incidents. All our relationships with suppliers, customers and authorities are based on fairness, transparency and compliance with applicable laws and regulations.

The organization's operations have been assessed in terms of corruption risks in 2018. The areas with potential corruption risk were the Sales and Purchasing departments, as well as the process of obtaining permits and authorizations. In 2020, when developing the new Code of Professional Conduct, a Compliance Risk Assessment was conducted, focusing on the legal area.

At company level, the anti-corruption policy, and the behaviour we expect from all our employees are described in the company's Internal Regulation Guide. In addition, all employees must know and comply with the provisions of the Anti-Corruption Guide, published and permanently available on the company's intranet. Any violation or practice that does not comply with the provisions of the Anti-Corruption Guide, updated in 2020, must be reported immediately to the direct manager, the compliance officer, the Legal Department, the manager of another relevant department / unit or by using the complaints and grievances SpeakUp phone line. The reporting channel is also available for our business partners, should they consider that an employee has not acted properly.

During the reporting period,

72

employees were trained on topics related to corruption prevention.

In 2020, there were no registered employees complaints through the reporting channels.

All employees whose activity may result in acts of corruption are regularly informed and trained regarding the Anti-Corruption Guide. All training activities are carried out through internal and external training programs, specialised internal meetings or e-learning modules. The intervals between training sessions do not exceed two years. All employees in Romania (with an e-mail address) were informed on the company's policies and procedures regarding anti-corruption via e-mail.



In 2020:

- there were no confirmed incidents of corruption involving the company's employees, leading to their dismissal or disciplinary action
- there were no confirmed incidents of corruption leading to termination of contractual relations with business partners
- there were no legal actions against the company or its employees relating acts of corruption.

Conflict of interest

According to the Internal Regulation Guide, conflict of interest is defined as a situation or circumstance in which the personal interest, direct or indirect, of an employee (family, professional or of any other nature) influences or may influence the performance of their duties impartially and objectively.

Thus, all our employees are required to know and comply with the provisions of the Policy on the management and avoidance of conflicts of interest, published on the Company's intranet, and to:

- (a) request support from representatives of the Human Resources Department, where further clarification is required;
- (b) immediately communicate any potential situation of conflict of interest;
- (c) seek the company's support to eliminate its own involvement surrounding decision-making in which their objectivity may be affected by personal interests or relationships;
- d) maintain impartial relationships with customers and suppliers and act only in the best interests of the company;
- (e) not be employed or hold a management or other function with suppliers, customers, or competitors;
- (f) not use their position within the company for personal benefit;
- g) not carry out collateral activities during working hours or use the company's asset for personal interest (information, equipment, materials, cars, machinery, software, etc.);
- (h) avoid engaging in actions from which they may obtain an unfair benefit due to the information obtained as a result of the activity they carry out;
- (i) not seek to obtain or accept any unfair benefit (including loans or guarantees for personal obligations) that are not accessible to the general public and could influence the way in which the duties or responsibilities of the service are carried out;

- j) not accept gifts from partners of the company unless they have a financial value of less than €50. The exception does not apply if gifts are made frequently;
- (k) maintain impartial relations with the company's employees in the performance of their duties;
- l) not recruit members of their family into the coordinated structure.



In 2020, there were no registered referrals or complaints on the company's channels regarding conflict of interests.

Compliance with competition law

We adhere to the principles and rules of free and fair competition, which exclude anti-competitive behaviour and the abuse of a dominant market position. Thus, we want and must comply with competition law. In particular, we do not talk to competing companies or in industry-wide organization meetings about prices, volumes, market shares, commercial strategies, customers, sources of supply and other similar competitively sensitive topics, unless this is necessary and strictly limited to projects authorized and approved in advance by competition law experts.

HeidelbergCement Romania has a strict policy regarding compliance with the competition law, and the company does not in any way tolerate the violation of this legislation by its employees or business partners. We support honest competition in the market and act on this belief. The company's pro-competitive mission is based on the fundamental premise of the legislation in force, according to which competition produces the best products and services at the lowest prices, encourages efficiency and innovation and strengthens the economy as a whole. Competition restrictions have a negative impact across the entire value chain, from consumers to employees and suppliers.

A compliance program is implemented throughout the company, and our employees are trained annually to strictly comply with the competition policy. At the same time, we expect our business partners to share and respect our commitment to integrity and compliance with competition law. As part of the compliance program, we train our employees on competition rules and guide them so as to avoid any restrictive agreements or practices of competition in their activities and in contacts with competitors. The programme also defines the measures to be taken when the company's employees discover that an agreement or practice in which HeidelbergCement Romania takes part may violate the competition rules.

Any employee who knowingly violates, disposes of, or allows a subordinate to violate the law or the organisation's policy on competition is subject to disciplinary action. It is strictly forbidden to take part in agreements or cartels with competitors on joint pricing, participation in rigged tenders or offers,

imposition of restrictions or production quotas, division of markets by assigning customers or suppliers or any other situation which would jeopardise free competition. In addition, for clarity and a coherent businesswide approach, the Competition Guide has been developed and communicated to all employees.

Employees are required to:

- (a) know and comply with the provisions of the Competition Guide;
- (b) attend training sessions organised by the company;
- (c) refrain from any action that would violate competition law or the rules of the Competition Guide;
- (d) seek the opinion of the Legal Department whenever they are not sure whether a particular conduct is compliant with competition law or the provisions of the Guide;
- (e) report hierarchically any suspicious event or conduct.

In 2020, there were no registered legal actions against the company (pending or concluded) regarding incidents of violation of competition or antitrust law.

In October 2018, the Competition Council initiated an investigation regarding a possible anti-competitive agreement between Holcim Romania, CRH Romania and HeidelbergCement Romania, achieved by dividing the market of cement production and marketing in Romania, in regard of market shares and / or products offered on the market, limiting or controlling the production, marketing, technical development or investments correlated with the possible coordination of pricing policy practiced by companies involved. The company fully cooperated with representatives of the Competition Council during the investigation. At the time of publication of the report, this investigation is still ongoing.

During the reporting period,

56

employees were trained on competition law topics.

During the reporting period,
501
employees were trained on compliance topics.

Socio-economic compliance

Compliance is one of the most important factors that ensure the company's success both locally and globally. The Code of Professional Conduct is the reference document in the field of compliance – a handbook that defines the values, principles, and rules of professional conduct that HeidelbergCement employees around the world, regardless of hierarchy, must adhere to and apply in their work.

Within HeidelbergCement Romania, the responsibility for compliance and adoption of legally and ethically correct conduct lies with the General Manager, who has appointed a Compliance Officer. The Compliance Officer is responsible for the development, implementation, and continuous monitoring of the organisation's compliance activity. The Compliance Officer reports directly to the General Manager and to the Group's Compliance Department.

In addition, a Compliance Committee composed of the General Manager, the Legal Director, the Human Resources Manager, and the Compliance Officer operates within the company. The Committee meets once a year and examines the following topics:

- The main aspects of compliance within HeidelbergCement Romania;
- Annual report on compliance incidents and how they were resolved;
- Actions, measures, policies to be implemented or developed to ensure continuous compliance improvement.



In 2020, the company did not receive fines or non-financial sanctions for non-compliance with social and economic law and/ or regulations.

In 2020, there were no registered complaints from third parties or control bodies regarding violation of personal data protection regulations. In addition, the company has not registered personal data leakage, loss, or theft.

Human rights

Respect for human rights is one of the guiding principles of our activity, applied in the relationship with our employees, as well as with our business partners.

HeidelbergCement complies with the legislation in force, and at group level we adhered to the principles included in international standards such as:

- Universal Declaration of Human Rights
- The eight core labour standards of the International Labour Organisation (ILO)
- OECD Guidelines for Multinational Companies
- UN Guiding Principles on Business and Human Rights

In employee relations, our respect for human rights is expressed in the Code of Conduct on the principles of social responsibility, a staple document in our contractual relations. To ensure that our partners share our values, we evaluate suppliers against various criteria, including social responsibility. The working conditions of our employees are in accordance with the fundamental working standards recognized at international level and with the laws in force of the countries in which we operate. Respect for the ILO's core labour standards is mandatory for our company.

To assess whether international social and labour standards are being met within the HeidelbergCement Group, we have implemented a three-component monitoring system, which includes:

- an active dialogue with employee representatives;
- direct line of referrals (SpeakUp!) where all employees can report, anonymously and confidentially, violations of social and labor standards;
- regular reporting of the General Compliance Report at Group level and the Compliance Incident Report, to verify/ensure compliance with our own obligations in our daily work. The results are presented to the Audit Committee of the Supervisory Board.

We are aware that we have a special responsibility towards the communities in which we operate as a actor in the building materials industry. Our plants, quarries and gravel pits are, in most cases, in the immediate vicinity of

inhabited areas. For this reason, a ongoing dialogue with local authorities and NGOs is essential for our operations. The communication is supported by the company's Communication Department in each country. We use a full range of information and dialogue media, from guides and information letters to regular meetings with stakeholders. In addition, at company level an officer is appointed to receive complaints or referrals, which are then checked internally. Complaints can also be reported anonymously through the direct complaints line, accessible to anyone.

At the same time, we inform our suppliers on the standards we expect of them and raise awareness on sustainability issues. In case of high-risk potential or if the suppliers do not meet or only partially meet our standards, as well as in the selection process of new suppliers, we make a field visit and agree on the necessary corrective measures, if necessary.

Personal data protection

Personal data are collected, stored, and processed by the company in accordance with the provisions of EU Regulation 2016/679 of the European Parliament and of the Council of 27/04/2016 and repealing of Directive 95/46/EC. The organization's policy on the protection of personal data, as well as all the information for our partners are available on the company's website, in the **Data Protection** section or by mail at the company's headquarters or at the e-mail address rpd@heidelbergcement.ro.

Risk management

HeidelbergCement's risk policy is anchored in the business strategy that targets the company's economic sustainable growth. The activities carried out in various areas are subject to a variety of risks and the risk management processes help identify them in the early stages, assess and mitigate them systematically. We believe that if these risks are consistent with the ethical and legal principles of our work and are offset by the opportunities they present, they are acceptable.

Within the HeidelbergCement Group, the operational management in each country and the Group's central departments are directly responsible for verifying and observing opportunities at an early stage. Risk identification, understanding, and systematic evaluation and reduction are the responsibility of the Board of Directors and a key task for all managers in the company, regardless of the department they manage.

The Board of Directors has the obligation to create and supervise an internal risk management system. The Board of Directors, together with the Audit Committee, regularly assesses the efficiency of the risk management system, developed based on financial resources, operational planning and strategy created by the Board of Directors.

Risk management process

To optimise risk management, a program describing the entire risk management process is used within the Group. It provides an overview of the entire structure of the company and helps assign responsibilities at local level. Due to standardised assessment plans, risks are recorded and can be analysed over time, together with the proposed measures. Thus, the data can be consolidated on time, flexibly analysed, and described using standardised risk reporting methods.

Risk identification and assessment

The risk identification process is carried out regularly by country-level management and those responsible at global level. The operational planning cycle is used as the base period for probability forecasts. In addition to quantifying the risks over a twelve - month period, new risks and risks already known with medium or long-term potential must be reported. The impact generated on several key parameters – operations, net profit, cash flow – is used as a reference to assess potential damage.

There are also risks that have no direct financial impact but can affect the company's reputation or strategy. If the risk cannot be calculated directly, the damage is assessed using qualitative criteria, for example: risks that may pose a threat to the Group's existence.

Regular risk identification is followed-up by ad hoc risk reporting in the event of serious risks or sudden damage. These may occur mainly due to political events, changes in financial markets or natural disasters.

The analysis results are presented quarterly to the Board of Directors, ensuring continuous and structured risk monitoring. Regular management meetings provide a platform where the Board of Directors can discuss with responsible managers and thus plan appropriate measures to manage the risks.

In addition, there is an Internal Audit Department at Group level, which evaluates risk management to increase risk awareness. As part of the internal audit, in accordance with legal requirements, the auditor also evaluates the risk management system to determine whether the system can identify problems that threaten the Group's existence at an early stage. The Board of Directors also regularly informs the Supervisory Board and the Audit Committee of the risksituation.

More information about the Risk Management System and the integrated group-wide approach can be read in the HeidelbergCement Annual Report on pages 65-78. The report is available [here](#), in english.

Specific local risks and opportunities

Locally, according to internal procedures, risks and opportunities are identified in accordance with the standards and regulations that the company complies with. These are detailed in the *Risk and Opportunity Identification Sheets for the organisation's context, compliance requirements, needs and expectations of relevant workers and stakeholders*. Each sheet includes information on determinants/ process, identified

risk, probability, impact, risk level, risk treatment actions, opportunities, and monitoring. Each identified risk is assessed from two perspectives: probability (scale 1 to 6) and impact (scale 1 to 5). The risk level is determined by multiplying the probability factor with the impact factor.

Risk level calculation grid, according to SR EN ISO 9001:201 5, SR EN ISO 14001:2015, SA 8000:2014, SR ISO 45001:2018

very common (<1 month)	6	6	12	18	24	30
common (1-6 months)	5	5	10	15	20	25
uncommon (6 month-1 year)	4	4	8	12	16	20
rare (1-2 years)	3	3	6	9	12	15
very rare (2-3 years)	2	2	4	6	8	10
extremely rare (>3 years)	1	1	2	3	4	5
		1	2	3	4	5
				IMPACT		
		insignificant (negligible impact)	minor (can only have an impact within the organisation)	moderate (impact that may affect the quality of the products/ services; VLE overruns; injuries; penalties)	major (major financial or image losses; pollution accidents that can affect neighbourhoods; disability; occupational diseases)	critical (activity may stop; death)

Risks with a level greater than or equal to 10 are addressed in Action Plans to address risks and opportunities in the context of organisation.

Action plan according to SA 8000:2014

No.	Identified risk	Risk level	Actions to minimize risk
1	2	3	4
1.	Omission to develop/update of instructions when changes are made in the activities carried out	12	<ul style="list-style-type: none"> Keep records of OHS instructions Ensure an effective communication process regarding changes in the activities carried out and periodic analysis and updating of OHS instructions
2.	Non-compliance by suppliers/subcontractors with social responsibility provisions	12	<ul style="list-style-type: none"> Communication to suppliers/subcontractors of the code of conduct regarding the principles of social responsibility Training of contracted employees prior and during work Periodic monitoring of suppliers (checks, audits)

No.	Opportunity	Actions to capitalize on the opportunity
1	2	3
1.	Improving process performance	<ul style="list-style-type: none"> Ensure open dialogue between the parties (employer and workers) to improve working conditions Awareness of social responsibility principles for employees and contractors Alignment of management system documentation for processes integration of companies acquired by fusion

Action plan according to SR ISO 45001:2018

No.	Identified risk	Risk level	Actions to minimize risk
1	2	3	4
EXTERNAL FACTORS			
1.	Negative impact on the health and safety of workers affecting the organisation's activity in the event of force majeure (fires, wars, explosions, major technical failures/accidents, government or other authority restrictions, pandemic, epidemic)	10	Establish actions to mitigate, as far as possible, the negative impact on the health and safety of workers and the organisation's processes
2.	Contractors' non-compliance with contractual OHS obligations	16	<ul style="list-style-type: none"> Training and awareness of contractor workers Monitor contractors' activity by carrying out OHS verification and controls Evaluation of contractors' OHS performance
3.	The occurrence of emergency situations in the vicinity of the workplace, which are not under the control of the organisation and may cause occupational accidents or illness	12	Identify potential emergency situations, considering both the organisation's locations and neighbourhoods and thus establishing appropriate management and treatment plans
INTERNAL FACTORS			
4.	Deficiencies in hazard identification and work-related risk assessment	16	Periodic analysis of work-related hazards and risks by assessment teams
5.	Introducing additional hazards and risks by contractors. Outsourced processes with an impact on the OHS management system of the organization or other stakeholders	12	<ul style="list-style-type: none"> Define OHS criteria in the selection and evaluation of contractors Monitor contractors' compliance with provision of OHS contracts, conventions, and protocols Training and awareness of contracting workers when entering the site and during their activity Identify and assess risks and opportunities for outsourced processes
6.	Inadequate analysis and management of OHS incidents/ non-compliances	12	<ul style="list-style-type: none"> Analysis of incidents/non-compliances and their causes by functions operating in areas where they have been identified Effectiveness assessment of the actions taken

No.	Opportunities	Actions to capitalize on the opportunity
1	2	3
EXTERNAL FACTORS		
1.	Improve the company's image	Actions to promote OHS performance by organising events dedicated to occupational health and safety (e.g., OHS week)
INTERNAL FACTORS		
2.	Increase the performance of the OHS management system by workers' contribution to the growth of a healthy and safe job environment	Provide mechanisms for employee participation and consultation Analyze the needs and expectations of workers and consideration of the relevant ones
3.	Increase safety in the workplace by defining and clearly delimiting the responsibilities	Clearly defined responsibilities in job descriptions and communication to workers Maintain documented information on assuming responsibilities (signing of job descriptions by workers)
4.	Increase OHS management system performance by workers' contribution to create a safe and healthy workplace, including the investigation of incidents	Provide mechanisms for employee participation and consultation in the investigation of incidents
5.	Minimize risk level of occupational injury and illness	Periodic analysis of OHS hazards and risks and identification of new hazards due to changes in processes/activities/equipment Compliance with OHS controls hierarchy
6.	Avoid sanctions from authorities and regulators	Compliance with applicable OHS legal requirements Assessment of compliance with applicable legal requirements
7.	Increase productivity and safety in the workplace using trained and competent personnel	Provide training programs
8.	Minimise the negative impact of changes on the OHS management system	Plan change management actions
9.	Take prompt action and limit losses in the event of real emergencies	Identify possible emergency situations Plan and conduct emergency situations simulation exercises
10.	Take prompt action and limit losses in the event of incidents	Inform workers of incident alerts in the HC Group
11.	Improve the performance of the company's processes	Alignment of management system documentation for processes integration of companies acquired by fusion

Action plan according to SR EN ISO 14001:2015

No.	Identified risk	Risk level	Actions to minimize risk
1	2	3	4
EXTERNAL FACTORS			
1.	The implementation of new EU Regulatory Directives	12	Adapt OHS documents to new requirements Define measures to comply with the requirements
2.	Failure to comply with the requirements of national law and applicable EU Directives in the field of environmental protection	12	
3.	Occurrence of a situation of force majeure affecting the activity of the organisation (fires, wars, explosions, malfunctions/ major technical accidents, government or other authority restrictions, pandemic, epidemic)	10	Define actions to mitigate, as far as possible, the negative impact on the environment and on the processes of the organisation Limitation of activity and preservation of equipment Use online communication platforms
4.	Complaints from neighbourhoods/local community	16	Meet compliance requirements Effective and transparent communication with local neighbourhoods/community on relevant environmental issues to identify their needs and expectations Effective handling of allegations/complaints
5.	Difficulties in procuring/using alternative sources of materials/fuel	12	Identify multiple sources/types of alternative materials/fuel Conduct studies/tests before use in current production
6.	Mismanagement of waste generated by external suppliers operating on the organisation's sites	10	Training and awareness of suppliers' employees Monitor supplier activity
7.	Negative advertisement, articles that affect the company's image	20	Use of the "right to reply" Organize activities to ensure transparent communication with authorities, local communities, and the media (including social media) to promote a fair image of the organisation Review the management of compliance requirements for processes of merged companies Unitary approach to environmental issues including processes of merged companies
8.	Restrictions arising from activity in protected areas (e.g., Natura 2000)	12	Biodiversity promotion/monitoring actions in protected areas Compliance with the provisions of the Biodiversity Management Plan
9.	Disruption/ interruption of the organisation's activity by neighbourhoods	12	Ongoing communication to identify the needs and expectations of neighboring communities

No.	Identified risk	Risk level	Actions to minimize risk
1	2	3	4
INTERNAL FACTORS			
10.	Low level competence of contracted employees performing work that may affect environmental performance	16	Define contractual clauses relating to the staff capability and providing evidence Monitor and evaluate contractor's activity
11.	Insufficient preparation to respond to potential emergency situations identified	12	ElDevelop/update emergency plans and response capacity for identified emergency situations Involvement of own and contracted staff in PSU testing Personnel training
12.	Obtaining incorrect values from the environmental performance measurement/monitoring process	12	Laboratory accreditation checks/ equipment certificates checks Conduct additional measurements with other verification tools and by a third party
13.	Misidentification of complaint causes or implementing inappropriate corrective actions	12	Systematic, complete, and documented analysis of the causes and consequences of the complaint Implement appropriate and effective measures by responsible functions
14.	Lack of qualified staff in the labor market	12	Identify personnel needs and provide resources for their proactive training Development of replacement/succession plans Implementation of vocational qualification programs (e.g., apprenticeship, training)
15.	Use of technologies/equipment that may affect environmental performance	12	Identification of technical solutions for upgrading/replacing existing equipment to increase environmental performance

No	Opportunities	Actions to capitalize on the opportunity
1	2	3
EXTERNAL FACTORS		
1.	Use of alternative fuels	Increase rate of alternative fuel use
2.	Improve the company's image	Actions to promote environmental performance through active participation in international competitions, symposiums, workshops Control of environmental aspects and compliance requirements, including for processes of merged companies
INTERNAL FACTORS		
3.	Increased OHS performance	Conduct internal and external audits

Action plan according to SR EN ISO 9001:2015

No.	Identified risk	Risk level	Actions to minimize risk
1	2	3	4
EXTERNAL FACTORS			
1.	Negative impact in the market due to customer dissatisfaction	12	Permanent communication with customers to identify their needs and expectations (customer visits/workshops) Effective handling of customer complaints/allegations Actions to raise employee awareness on the importance of increasing customer satisfaction
2.	Negative advertisements, articles that affect the company's image	16	Use of the 'right to reply', publication of explanatory and detailed articles Organize activities to ensure transparent communication with authorities, local communities, and media (including social media) to promote a fair picture of the organisation
3.	Disruption/interruption of the organization's activity by neighbourhoods/local community	10	Permanent communication to identify the needs and expectations of neighbourhoods/local community (Elders' Council, obtaining/revising authorisations/agreements) Transparent communication with stakeholders to promote a fair picture of the organisation Effective handling of complaints/allegations
INTERNAL FACTORS			
4.	Lack of qualified staff in the labor market	12	Identify personnel needs and provide resources for their proactive training Elaboration of succession replacement plans Implementation of vocational qualification programs (e.g., apprenticeship, training)
5.	Failure to achieve the organization's economic objectives	12	Appropriate cost management Achieve performance indicators in Operating PLaN (volumes, price, etc.)
6.	Use of high-cost technologies/equipment affecting productivity	12	Identify technical solutions for upgrading/replacing existing equipment to increase productivity
7.	Staff fluctuation	12	Increase employee satisfaction and motivation Employees understanding of the concept of belonging to the organizational culture

No.	Opportunity	Actions to capitalize on the opportunity
1	2	3
EXTERNAL FACTORS		
1.	Diversification of the range of products/services	Marketing analysis to identify future market needs
2.	Establish contractual relationships with customers in various market segments	Continuous knowledge and evaluation of market segments
3.	Identify new suppliers/alternative electricity sources	Market analysis
4.	Identify alternative thermic energy sources	Market analysis and communication with authorities
5.	Improve the performance of the organization's processes and ensuring effective communication with customers	Integrating the process of transporting products to customers in the organization's processes
6.	Improve the company's image by providing objective evidence	Product promotion through active participation in symposia, exhibitions Provide objective evidence to media and local community when negative advertising occurs
7.	Use of alternative resources	Market analysis
INTERNAL FACTORS		
8.	Improve the organization's process performance	Alignment of management systems documentation to integrate merged companies processes
9.	Increase SMC performance	Conduct internal and external audits

Awards and affiliations

At both Group and local level, we are members of various associations, which represent us in relation to the political environment, the economic environment and the general public. At group level we are part of:

econsense

A network of companies operating internationally with a common goal: to actively shape the transition to a more sustainable economy and society. The German network of companies is a partner and expert forum for dialogue with the government, the scientific community, the media, and society.

Global Cement and Concrete Association

To strengthen the power of innovation and sustainable development globally, HeidelbergCement, along with eight other international companies in the building materials sector, founded the Global Cement and Concrete Association – the world's first such association. One of the most important objectives of the association is to show how construction challenges – for example, in terms of climate change – can be addressed with concrete.

World Green Building Council

Actively engaged since 2019, at global level, the HeidelbergCement Group officially became a partner of the European Regional Network of the World Green Building Council in 2020. The organization's goal is to develop certification systems for sustainable construction with its partners so that the design, construction, and operation of future buildings would be more sustainable.

Foundation 2°

HeidelbergCement reaffirms its commitments to climate protection by joining the Foundation 2° (Stiftung 2°) support group. The group represents a network of entrepreneurs advocating for a progressive climate policy. Together, the HeidelbergCement group aims to develop cross-sectoral approaches with the aim of making climate protection a sustainable and successful business model.

50 Sustainability Climate Leaders –

Sustainability, a competition we can win

The 50 Climate Leaders Project is the response of the international business community's response to demonstrate its desire, leadership, and willingness to take effective action in the fight against climate change. HeidelbergCement joined the initiative, making a commitment through the Group's CEO, Dr. Dominik von Achten, that The world can count on HeidelbergCement. The claim is supported by the targets the company has set for 2030 (see Chapter Beyond 2020), aligned with the Sustainable Development Goals, and by the commitment that by 2050, the cement produced in the company's plants will be carbon neutral. More about our path to this ambitious goal can be found [here](#).

Evaluation results in 2020

CDP

In 2020, the HeidelbergCement Group maintained its previous year's position in the CDP's A List – Climate Change. The global non-profit environmental organization CDP (Carbon Disclosure Project) once again recognized HeidelbergCement as one of the companies leading the process of reducing emissions and climate risks. The company also received a A-evaluation for Water Safety and B for Supplier Consultation.

ISS-oekom (Institutional Shareholder Services group of companies)

In June 2019, HeidelbergCement was evaluated with a C+ score, in the assessment carried out by ISS-oekom, a leading provider of corporate governance and responsible investment solutions.

MSCI ESG

HeidelbergCement Group maintained its AA (industry leader) rating, since 2018, in its assessment of ESG (environmental, social, governance) factors, an analysis by MSCI, which aims to measure the long-term resilience of a company, in the face of relevant financial risks caused by environmental, social and governance factors.

Sustainalytics

HeidelbergCement scored 28.8 points in Sustainalytics' environmental, social and governance risk assessment, ranking 25th out of 122 companies in the building materials sector.

Local affiliations

Locally, HeidelbergCement Romania is a part of:

- Employers in the cement and other construction mineral products industry in Romania (**CIROM**);
- Employer's Association of Mineral Aggregates Producers (**PPAM**);
- Romanian Standardization Association (**ASRO**);
- **GS1 Romania**;
- Foreign Investors Council (**FIC**);
- Romanian-German Chamber of Industry and Commerce (**AHK**),
- Romanian-American Chamber of Commerce (**AmCham**);
- Bucharest Chamber of Commerce and Industry (**CCIB**);
- The Federation of Romanian Transport Operators (**FORT**) – HeidelbergCement Romania S.A. acquires the membership on April 1, 2020 as a result of the merger process between Carpat Cemtrans S.R.L. and HeidelbergCement Romania S.A. Prior to this date Carpat Cemtrans S.R.L. was a member of this organization.

CSR Index 2020 – HeidelbergCement

HeidelbergCement Romania received Gold Level Recognition within the Romania CSR Index 2020, registering a score of 95 points out of 100, for its performance on sustainability governance, the economic, environmental, and social impact and for the transparency of the information presented in the Sustainability Report 2019. The study is conducted by The Azores Sustainability & CSR Services and includes a complex analysis that involves the evaluation of 64 indicators from 10 categories. Detailed information about the evaluation methodology can be found [here](#).





beyond 2020

Fast Track Targets: our commitments to a better future

ANGAJAMENLE NOASTRE PENTRU SUSTENABILITATE



Sustainability is an integral part of HeidelbergCement's philosophy and will remain at the heart of our strategy going forward. Our Sustainability Commitments 2030 define the key topics and principles of our sustainability strategy for the next 10 years. These are complemented by our commitment to include carbon-neutral concrete in our product portfolio by 2050 at the latest.

The pillars of these commitments are:

- We drive economic performance and innovation
- We ensure compliance and encourage transparency
- We achieve excellence in occupational health and safety
- We support the transition to circular economy
- We are a good neighbour to our communities
- We reduce our environmental impact

Domain	2030 target	2020 status		Progress
1. Economic power and innovation	100% of our sites to use quality management systems (ISO 9001)	Cement	100%	Target achieved
		Ready-mix	100%	Target achieved
		Aggregates	100%	Target achieved
	100% of our sites to use environmental management systems (ISO 14001)	Cement	100%	Target achieved
		Ready-mix	100%	Target achieved
		Aggregates	100%	Target achieved
	100% of our sites to use Occupational Health&Safety management systems (ISO 45001)	Cement	100%	Target achieved
		Ready-mix	100%	Target achieved
		Aggregates	100%	Target achieved
	100% of our sites to use energy management systems	Cement	100%	Target achieved
		Ready-mix	100%	Target achieved
		Aggregates	100%	Target achieved
		100% - percentage of managers whose MBOs include 2030 Commitments related target(s)	100%	

Domain	2030 target	2020 status		Progress
2. Excellence in occupational health and safety	Reduce the number of work-related accidents (LTI*) to 0 (annual target)	Cement	0	Target achieved
		Ready-mix	0	Target achieved
		Aggregates	0	Target achieved
	Reduce the number of fatalities to 0 (annual target)	Cement	0	Target achieved
		Ready-mix	0	Target achieved
		Aggregates	0	Target achieved
	Implement Cardinal Rules** at 100% of our sites	100%		Target achieved
	Implement Occupational Health & Safety Master Plans at all our sites	100%		Target achieved

*Lost time injury (LTI) - incident leading to disability or absence of an employee from work.

**Cardinal Rules are a set of occupational health and safety rules that all our employees and contractors must comply within the workplace.

Domain	2030 target	2020 status		Progress
3. Reduce environmental impact: emissions, water, biodiversity)	To reduce NOx and SOx emissions by 40% and dust emissions from industrial kilns by 80%, compared to 2008	NOx	28,53%	In progress
		SOx	56,67%	Target achieved
		Dust	28,63%	In progress
	100% of all plant kilns to be equipped with continuous measurement devices for NOx, SOx, and PM	100% (4 out of 4 kilns)		Target achieved
	(At least annual) Spot measurements for total organic carbon (TOC) emissions, persistent metals, and organic pollutants (POP) at 100% of our kilns	50% (2 out of 4 kilns)		In progress
	100% of our sites to have water efficiency monitoring systems in place	Cement	100%	Target achieved
		Ready-mix	100%	Target achieved
		Aggregates	66.67% (8 out of 12)	In progress
	100% of our sites to comply with the provisions of the World Business Council for Sustainable Development - WASH Pledge	Cement	100%	Target achieved
		Ready-mix	100%	Target achieved
		Aggregates	100%	Target achieved
	To have after-use-plans for 100% of our extraction sites	100%		Target achieved
	To have a Biodiversity Management Plan for 100% of our extraction sites located in proximity (=1 km) to legally protected Nature Conservation Areas	Cement: 66.67% (2 out of 3) Aggregates: 42.86% (3 out of 7)		In progress

Domain	2030 target	2020 status	Progress
4. Circular economy	Increase the rate of recycled materials or by-products used in the production process (secondary materials used in clinker production - clay, limestone, etc.; materials from other industrial processes and cement production - supplementary cementitious materials like fly ash, slag, etc.; materials used in the production of aggregates - e.g., crushed concrete from demolition and concrete production)	9.21% (out of 10.1% Annual target)	In progress

Domain	2030 target	2020 status	Progress
5. A good neighbor	At least 1,500 paid hours to be spent by our employees working on community projects	Implementation of internal procedures for monitoring the number of employee volunteering hours	In progress
	Community engagement plans for 100% of key sites (cement plants) <i>(Key sites = with major impact on the local environment due to high production rates or local political importance)</i>	100% (3 out of 3 cement plants) For all three plants there are implemented stakeholder engagement projects, in the form of meetings that take place twice a year with representatives of the local communities of Fieni, Chiscadaga and Tasca	Target achieved
	Implement community development programs (=programs that help improve the education level and the quality of life and living conditions in the surrounding communities)	5 implemented program (Edu2023 Happy kids, sustainable communities, Apprenticeship program, START for a solid career, Dental Life Social, Verde-n față)	Target achieved
	Support for communities through donations and sponsorships	5,617,506 lei – total value of community investment in 2020	Target achieved

Domain	2030 target	2020 status	Progress
6. Compliance and transparency	100% of relevant employees (according to the internal risk assessment on job categories) to participate in compliance training sessions (annual target)	100% (501 out of 501)	Target achieved
	Membership in relevant industry associations and organizations	HeidelbergCement Romania is part of 9 local business organisations or associations	Target achieved
	20% of Top and Senior Management positions to be occupied by women	10% (2 out of 20)	In progress

Fast Track Targets (FTT)

Fast Track Targets were launched in 2020. They are based on the initial objectives, part of the 2030 Sustainability Commitments, as well as on the latest social and environmental aspects. The targets are grouped into six major categories: Governance, CO₂ Emissions, Water, Product, Land Use and Social Responsibility. Most of the targets reinforce the specific objectives of the 2030 Sustainability Commitments by setting new targets for their achievement and improving the measures taken. A new category has been added, which promotes a more sustainability-oriented product portfolio. However, the 2030 targets, which were set in 2017, are still valid and must be achieved by 2030 at the latest.

Fast track targets include 21 new or updated objectives, such as:

- **Governance:** a common IT platform will be developed, where all relevant information will be posted, processed, and stored by the end of 2021 at the latest.
- **CO₂ emissions:** to reduce greenhouse gas emissions from the supply and transport processes of our finished products, we engage with all our partners along the value chain.
- **Water:** All sites will have a comprehensive digital water consumption recording system, geared towards efficient consumption, and will follow a standardised water consumption reporting procedure by 2023/2025.
- **Product:** The HeidelbergCement Group will report revenue from concrete delivery for sustainable applications by 2024 at the latest.
- **Land use:** operations located within 1 km of a high biodiversity value area must implement a biodiversity management plan by 2025.
- **Social responsibility:** All sites will implement a Community Engagement Plan (CEP) by 2023, which includes tools and strategies for constant interaction with the most important stakeholders in local communities.

Beyond 2020 Strategy

The strategy that the Group launched this year is designed to underpin its sustainability commitments and aims to deliver economic performance with sustainable shareholder value. Through this strategy the Group has defined its financial, digital, and environmental targets up to 2025 setting clear priorities for how it will achieve its goals. The strategy is structured along two axes:

1. Simplify and improve – socio-economic coordinate:

● Business excellence –

Improving commercial and operational performance

We aim to achieve this by prioritizing return on invested capital (ROIC) and margin over sales growth. We aim to provide shareholders with attractive returns by including a progressive dividend policy and buyback options. We maintain strict capital discipline by investing primarily in improving our properties, production facilities, equipment and the returns derived from them. We want the large purchases to be co-financed by divestiture.

● Portfolio management - Shifting portfolio focus to core markets

● People and organisations - Streamlining business and organisational processes

2. Innovation

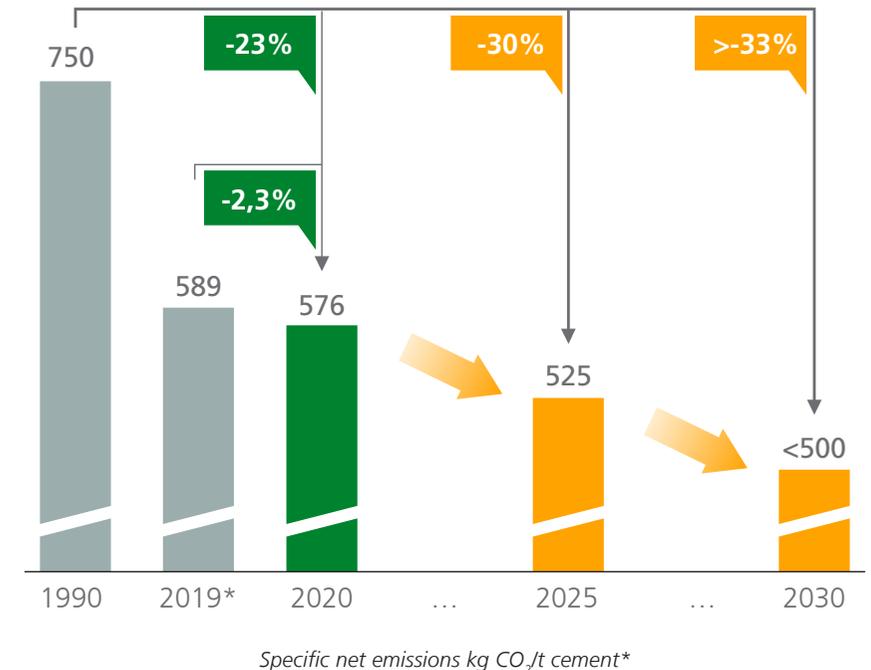
● Sustainability

We aim to be at the forefront of the path to carbon neutrality, pioneering the building materials industry.

● Digitisation

We want it to take business excellence to the next level.

The Beyond 2020 strategy includes clear growth and innovation targets. In sustainability we are accelerating our progress in reducing CO₂ emissions by committing to a CO₂ value of 525 kg/t cement by 2025 (30% reduction from 1990) and 500 kg CO₂/ t cement by 2030 (33% reduction from 1990), aiming for emissions neutrality in 2050.



How we aim to achieve carbon neutrality in 2050:

- increase the use of alternative fuels
- improve energy efficiency
- optimise kilns systems and reduce clinker rates
- promote carbon capture, use and storage projects
- progress towards the circular economy and innovative product development

*cement = clinker and mineral additives production

Materiality analysis

Given the events of the last decade, sustainable development is no longer a mere concept attached to the company's business strategy, but an imperative that must be integrated into day-to-day operations to ensure long-term market presence. Transparency and accountability for the economic, social, and environmental impacts our activities generate are at the heart of our efforts to develop sustainably. Therefore, since 2010, we have reported the main measures and actions we have implemented to ensure the sustainable growth of the company, as well as the objectives we have set.

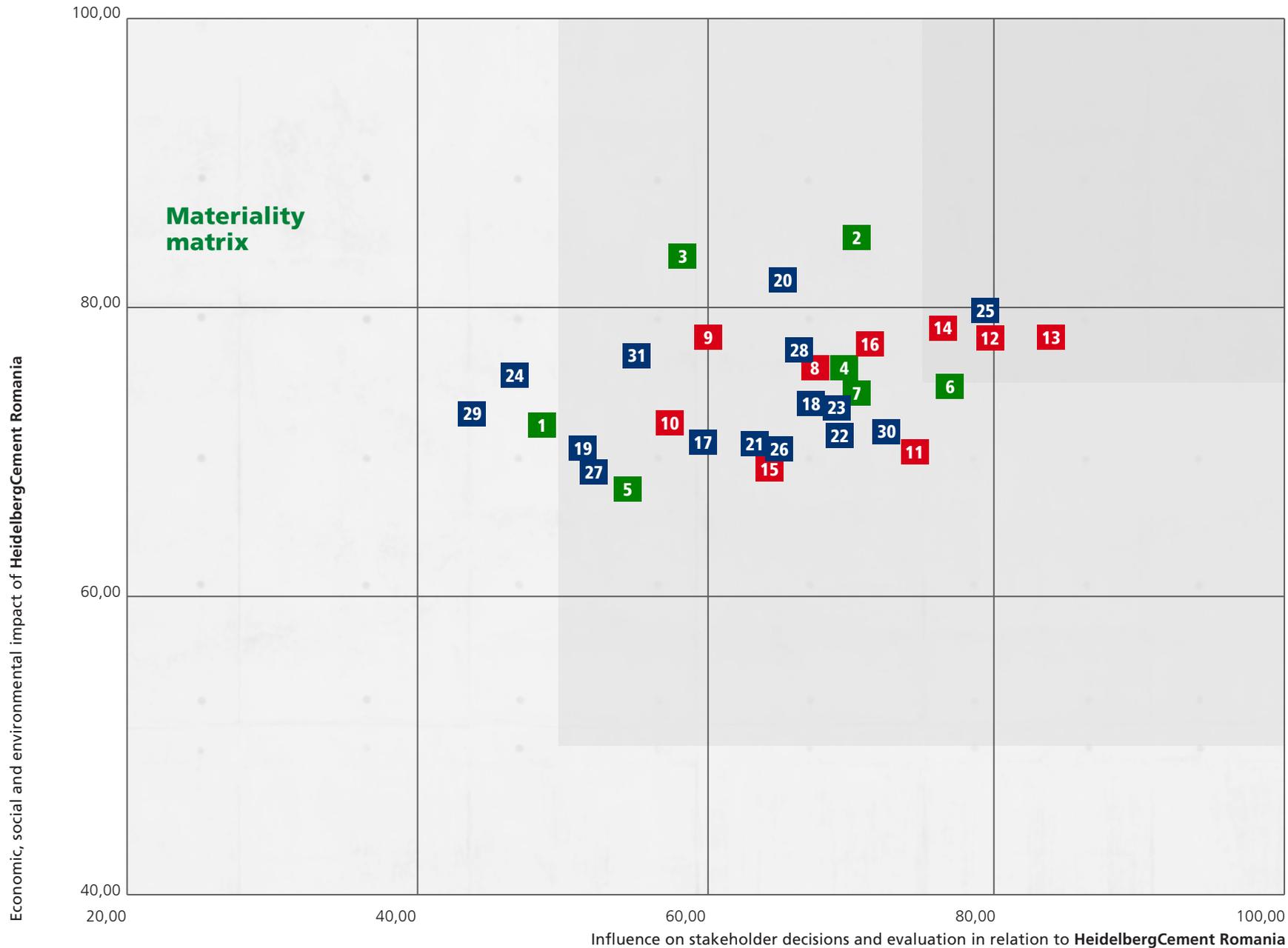
The materiality analysis is at the heart of the sustainability report, a process that can take place annually or biennially, depending on the sustainability context and legislative developments.

This analysis entails identifying the sustainability topics where the company has a positive or negative, direct, or indirect economic, social, or environmental impact and which at the same time influence stakeholders' decisions and relationship with our company. In practice, these processes are carried out through two online questionnaires, sent to all stakeholder categories - identifying the topics that influence them, and to specialists and management - assessing the economic, social, and environmental impact.

The latest survey was conducted in June-August 2021 and involved consulting with specialists and managers within HeidelbergCement Romania S.A. and all stakeholders categories ("interested parties"), previously identified by the team responsible for sustainability reporting within the company, through online questionnaires distributed via email, hosted by the Survey Monkey platform. The stakeholder categories consulted were employees, suppliers, customers, non-governmental organisations, local and central authorities, media, local communities, business partners, academic communities, and industry associations.

Each member of the team sent the questionnaire to the stakeholders they normally communicate with via digital channels. Stakeholders were asked to rate the given topics according to how much their decisions and relationship with HeidelbergCement Romania S.A. are influenced by the way the company manages each topic. Experts and members of the management team assessed each topic according to the extent of the economic, social, and environmental impact resulting from the company's activity on each of the listed topics.

The next step in the materiality analysis was the collection and analysis of the responses to the two questionnaires. For each of the topics evaluated, two scores were thus obtained, representative of the two dimensions: impact and influence, represented graphically in the materiality matrix below.



Economic topics

- 1 Corporate governance
- 2 Anti-corruption
- 3 Anti-competitive behaviour
- 4 Indirect economic impacts
- 5 Purchasing practices
- 6 Risk management
- 7 Circular economy

Environmental topics

- 8 Materials
- 9 Energy
- 10 Water consumption
- 11 Biodiversity
- 12 Greenhouse gas emissions
- 13 Waste
- 14 Environmental compliance
- 15 Supplier environmental assessment
- 16 Environmental innovation investment

Social topics

- 17 Community investment
- 18 Training and education
- 19 Labour – management relations
- 20 Occupational health and safety
- 21 Employment
- 22 Diversity and equal opportunity
- 23 Non-discrimination
- 24 Marketing and labeling
- 25 Human rights
- 26 Stakeholder and local communities engagement
- 27 Supplier social assessment
- 28 Socio-economic compliance
- 29 Freedom of association and collective bargaining
- 30 Innovation
- 31 Personal data protection

No.	Material topic	Boundaries	
		Direct impact*	Indirect impact**
Environmental topics			
1	Waste	✓	-
2	Emissions	✓	✓
3	Environmental compliance	✓	-
4	Environmental innovation investment	✓	✓
5	Biodiversity	✓	-
6	Materials	✓	-
7	Energy	✓	✓
8	Supplier environmental assessment	✓	✓
9	Water consumption	✓	✓
Teme economice			
10	Anti-corruption	✓	✓
11	Risk management	✓	-
12	Circular economy	✓	✓
13	Indirect economic impacts	✓	✓
14	Anti-competitive behaviour	✓	✓
15	Purchasing practices	✓	✓
16	Corporate governance	✓	-
Teme sociale			
17	Human rights	✓	✓
18	Occupational health and safety	✓	-
19	Innovation	✓	-
20	Socio-economic compliance	✓	✓
21	Non-discrimination	✓	-
22	Training and education	✓	-
23	Diversity and equal opportunity	✓	✓
24	Stakeholder and local community engagement	✓	✓
25	Employment	✓	-
26	Personal data protection	✓	✓
27	Community investment	✓	✓
28	Labour – management relations	✓	-
29	Marketing and labeling	✓	✓
30	Supplier social assessment	✓	-
31	Freedom of association and collective bargaining	✓	-

*Direct impact refers to the impact generated from company activities.

**Indirect impact refers to the impact that arises as a result of relationships with partners, customers, suppliers.

Stakeholder engagement

Category	Communication channel	Topic	How we engage
Employees	<ul style="list-style-type: none"> Internal magazine Intranet Meetings Regular information Internal communication campaigns SpeakUp line 	Anti-corruption, Anti-competitive behaviour, Circular economy, Environmental compliance, Emissions, Energy, Occupational health and safety, Human rights, Socio-economic compliance	<ul style="list-style-type: none"> Promoting volunteer actions HeidelbergCement Romania apprenticeship program Start for a SOLID career Career development plan Performance driven competitions
Authorities	<ul style="list-style-type: none"> Annual financial report Regular specific reports (e.g., environmental report) Sustainability report 	Indirect economic impacts, Risk management, Circular economy, Waste, Environmental compliance, Emissions, Human rights, Training and education, Innovation, Personal data protection, Non-discrimination, Community investments	<ul style="list-style-type: none"> Strict compliance with legislation in force Taxes and duties Supporting infrastructure projects through material donations Participation in platforms for projects of common interest Contribution to the development of local communities (investments in education, infrastructure, sports, health)
Suppliers	<ul style="list-style-type: none"> Meetings E-mail Annual financial report Sustainability report 	Purchasing practices, Anti-corruption, Anti-competitive behaviour, Waste, Environmental compliance, Environmental and social supplier assessment, Occupational health and safety, Personal data protection, Human rights	<ul style="list-style-type: none"> Supporting local suppliers Long-term partnerships
Customers	<ul style="list-style-type: none"> E-mail Social media Meetings Website 	Anti-corruption, Circular economy, Risk management, Anti-competitive behaviour, Purchasing practices, Indirect economic impacts, Waste, Emissions, Materiale, Human rights, Marketing and labeling, Occupational health and safety, Non-discrimination, Training and education	<ul style="list-style-type: none"> Expanding the product portfolio Certification of our products and plants Publication of product user manuals on the company website Publication of design guides on the company website Supporting the Construction Academy platform (Concrete and Masonry Mortar sections)
Media	<ul style="list-style-type: none"> E-mail Press releases Interviews 	Indirect economic impacts, Risk management, Circular economy, Anti-corruption, Purchasing practices, Anti-competitive behaviour, Environmental compliance, Biodiversity, Environmental innovation investments, Environmental and social supplier assessment, Waste, Emissions	<ul style="list-style-type: none"> The Community Advisory Panel "Sfatul Bătrânilor" (online in 2020) Press conferences
NGO's	<ul style="list-style-type: none"> E-mail Events Sustainability report 	Anti-corruption, Indirect economic impacts, Circular economy, Waste, Environmental compliance, Emissions, Community investments, Supplier social assessment, Innovation	<ul style="list-style-type: none"> Partnerships in projects of common interest to members of local communities Involvement through allocation of human or financial resources Donations and sponsorships
Local communities	<ul style="list-style-type: none"> Events Social media Regular direct consultation Sustainability report 	Risk management, Indirect economic impacts, Purchasing practices, Environmental innovation investments, Supplier social and environmental assessment, Biodiversity, Materials, Environmental compliance, Socio-economic compliance, Stakeholder and local community engagement, Employment, Human rights, Diversity and equal opportunities, Non-discrimination, Training and education, Community investments, Innovation	<ul style="list-style-type: none"> Consultations with representatives of local communities ("Sfatul Bătrânilor") Financial or material support for local development projects Financial support for students and local hospital during the pandemic Investments to reduce environmental impact



environment

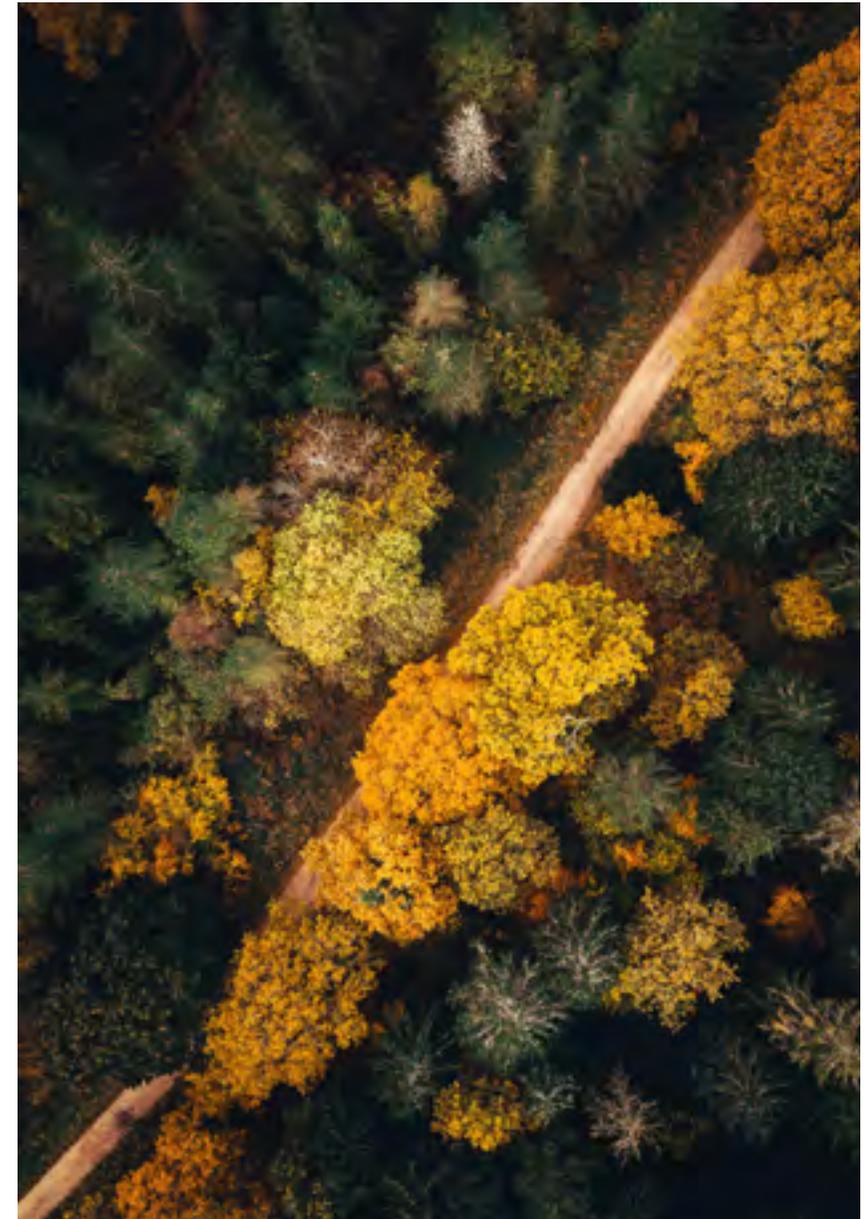


Environmental protection is a fundamental principle in the company’s operations. HeidelbergCement Romania’s local activities are carried out in strict compliance with national environmental regulations, the requirements of which are expressed in the Integrated Environmental Authorisation issued for each of the company’s sites (**Fieni**, **Tasca** and **Chiscadaga**).

Beyond compliance with the relevant regulations, concrete approaches and activities are aligned with the 2030 Sustainability Commitments declared at Group level. A key direction in this document concerns environmental protection – emissions, water, land use.

The targets proposed as a result of the commitments have been improved and accelerated (Fast Track Targets) and their implementation is tracked at country level through the FTT Baseline and Target Setting platform which particularly targets progress in water reduction and reporting, the WASH Pledge (access to clean water, sanitation and hygiene), biodiversity management, used land renaturation and engaging local communities in these efforts.

Environmental impact in cement production		
Quarries	Clinker production	Grinding
<ul style="list-style-type: none"> ● noise ● vibration ● impact on the landscape ● consumption of raw materials (limestone, clay, gypsum) 	<ul style="list-style-type: none"> ● dust ● gases: NO_x, SO₂, CO₂, micro-pollutant ● noise ● energy consumption (fuel, electricity) 	<ul style="list-style-type: none"> ● dust ● noise ● electricity consumption



Materials and waste

Cement production involves the use of significant quantities of raw materials. That is why we focus on their efficient use, in a responsible way, using as many alternative fuels and materials as possible in our production processes.

The cement production process starts in quarries with the excavation of limestone and clay. These are crushed, transported to the factory by conveyor belt systems and/or rail and then finely ground together with other raw materials containing iron and/or silica. Each of these components is carefully dosed and analysed to comply with the flour preparation recipe, which is then fed into the kiln to make clinker.

The raw flour, heated in the rotary kiln to a temperature of up to 1,450°C, is transformed by sudden cooling into a new, crystalline, granular-looking material called Portland clinker, which is an intermediate - but essential - product in cement production.

Grinding the clinker, together with well-controlled, very fine dosages of gypsum and manufacturing additives (slag, limestone, etc.) produces the final product - cement - which is stored in silos and delivered to customers in bags or in bulk in specialised trucks.

To reduce the amount of natural raw materials used in the clinker production and cement grinding processes, we use alternative raw materials based on waste or by-products from other industries, strictly ensuring that the final product fully complies with the requirements of the European product standard SR EN 197-1:2011.

Concrete is a building material obtained by curing a homogeneous and well-defined mixture of cement, a mixture of aggregates (sand, gravel, chippings, etc.), water and additives. The final characteristics of concrete are developed by hydrating the cement. Concrete is produced by vigorous mixing of the components in specialised stations or, for smaller applications, in small on-site mixers. In concrete production, the proportion of raw materials (cement, aggregates, water, and admixtures), as well as their homogeneous mixing are always particularly important.

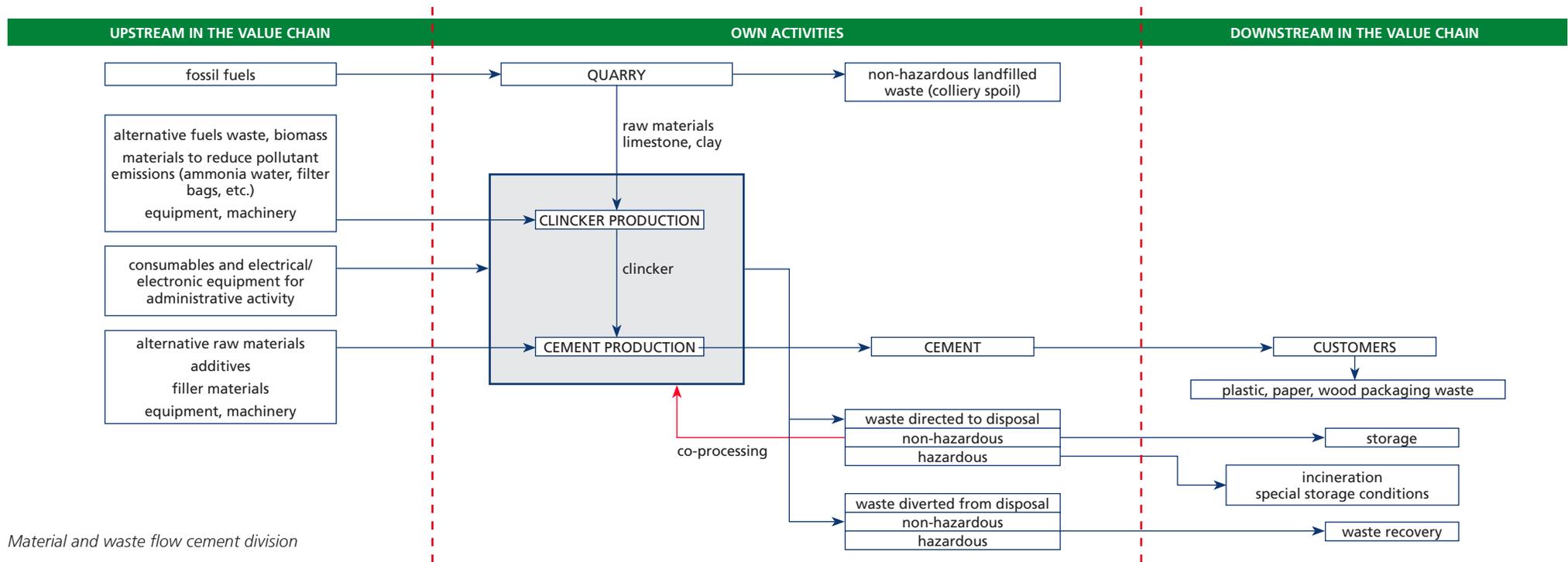
Natural and crushed **aggregates** are produced by extraction from the mountains, by drilling and blasting operations (in the case of quarries) or by extraction from river courses or lakes by absorbent dredges (in the case of ballast pits). After extraction, the raw rock resulting from blasting (in the case of quarries) and the ballast (in the case of ballast pits) is transported by conveyor belt or by trucks to the processing station at each operation site. There, finished products, i.e. various granulometric sorting, are obtained by crushing, sorting and, where appropriate, even washing. These are stored in paddocks and delivered to the beneficiary according to orders.

Materials used in operations: cement, ready-mix concrete and aggregates divisions

Materials used in operations (t)	2020	2019	2018
Raw materials (fuels, limestone, marl, clay, gypsum)	5,325,839	4,907,877	4,110,175
Other materials (including refractory bricks and concrete and other grinding materials)	2,802	2,374	1,967
Packaging materials	3,721	3,614	3,446
Alternative raw materials (includes pyrite ash, foundry sand, blast furnace slag)	376,075	509,171	406,891
Cement	110,211	126,776	163,482
Aggregates	603,633,94	687,703	868,165,34

Waste

Waste from operations: Cement Division



Material and waste flow cement division

During 2020, 188,068.57 tonnes of waste was generated from cement production, up by 13% compared to the previous year. Of the total waste generated, 94.09 tons was hazardous waste managed in accordance with current legislative regulations.

Waste diverted from disposal 2020			
Where it occurs →	Onsite	Offsite	Total
Hazardous waste			
Preparation for reuse	0	0	0
Recycling (downcycling, upcycling, composting, anaerobic digestion)	1.09	0	1.09
Other recovery operations (repurposing, refurbishment)	0	0	0
TOTAL	1.09	0	1.09
Non-hazardous waste			
Preparation for reuse	0	0	0
Recycling (downcycling, upcycling, composting, anaerobic digestion)	3,140.15	2,127	5,267.15
Other recovery operations (repurposing, refurbishment)	0	0	0
TOTAL	3,140.15	0	5,267.15

Waste directed to disposal 2020			
Where it occurs →	Onsite	Offsite	Total
Hazardous waste			
Incineration (with energy recovery)	26.96	0	26.96
Incineration (without energy recovery)	0	0	0
Depozitare	66.04	0	66.04
TOTAL	93	0	93
Non-hazardous waste			
Incineration (with energy recovery)	365.49	0	365.49
Incineration (without energy recovery)	0	0	0
Landfilling	184,468.84	0	184,468.84
TOTAL	184,34.33	0	184,834.33

Waste disposal (treatment) method *	2020 (t)		2019 (t)		2018 (t)	
	Total amount of hazardous waste	Total amount of non-hazardous waste	Total amount of hazardous waste	Total amount of non-hazardous waste	Total amount of hazardous waste	Total amount of non-hazardous waste
Reuse	0	0	0	0	0	2.12
Recycle	1.09	3,140.15	0.384	3,390.15**	0.071	3,860.86
Storage	66.04	184,468.841	79.965***	163,013.36****	161.24	262,080.49
Co-processing	26.96	365.49	0	38.08*****	0	38.91
Total waste	94.09	187,974.48	80.349	166,441.58	161.311	265,982.37

*waste generated on cement plants sites; its disposal and recovery was carried out by authorised companies, except for 180,978 t of tailings (extractive waste consisting of the discovery of the deposit and various rocks unsuitable for production) generated in the Deva limestone quarry (Baita Craciunesti) and deposited in the specially designed landfill at the quarry.

** includes packaging materials, used refractory materials, ferrous metals, metal turnings, demolition waste

*** asbestos-cement plates resulting from the renovation of certain buildings on the company's sites

**** colliery spoil stored in stockpiles in a limestone quarry near a cement factory, used refractory materials, laboratory solutions, mixed municipal waste

*****textile materials (bag filter), plastic, paper (e.g. from cement bags damaged during transport, conveyor belts - rubber)

Type of waste

Waste generated on-site and recycled (t)	2020 (t)	2019 (t)	2018 (t)
Packaging materials (wood)*	455.92	29.4	273.59
Aluminium	0	2.16	0.44
Lighting fixtures (classified as hazardous waste)	0,08	0.304	0.071
Demolition waste	1,659.62	1,900.4	1,802.18
Discarded electrical equipment 16 02 14	0.04	4.3	3.16
Batteries (classified as hazardous waste)	0.93	0	0
Discarded electrical and electronic equipment 20 01 36	0.69	0	0
Discarded hazardous electrical and electronic equipment 20 01 35*	0.08	0	0
Used refractory materials 16 11 06	15.33	60,145	3.4
Ferrous metals 17 04 05	970.68	1,099.17	1,727.366
Ferrous metals 19 12 02	12.92	0	0
Metal tailings 12 01 01	22.18	26.57	21.2
Copper, bronze, brass 17 04 01	0	0.0046	2.52
Cement-based composite wastes 10 13 11 (laboratory wastes)	2.77	0	0

*packaging materials reclaimed on-site and recovered with the help of a third party (damaged wooden pallets on cement plants sites, which were scrapped and then recovered by Egger S.A., a company whose main activity is the production of wooden semi-finished products).

Waste from product packaging

Packaging placed on the national market (t)	2020
Plastic	354
Paper	2,250
Wood	1,117
Total quantities placed on the national market in 2020	3,721

In 2020, at the Cement Division level, we placed approximately 3,721 tons of packaging on the national market. The recovery target set by [Law 249/2015](#), of 60% was achieved through organisations implementing extended producer responsibility (OIREP).

Although, according to the legislation in force, organisations implementing extended producer responsibility are accountable for the way packaging waste reported by operators is recovered, HeidelbergCement Romania carries out yearly selection campaigns of the organisations with which it will collaborate in the following year. Among the selection criteria established, particular attention is paid to the awareness-raising activities on correct waste management carried out by OIREP in the past, the existence of sustainability reports, the visibility and impact created at national level in this field.

In part, the recovery objective was also achieved on an individual basis by recycling wood packaging waste (pallets that have reached their maximum reuse cycle) through a company that provides recycling services for this type of material.

Materials recycled after end of life (t)	2020
Packaging waste recovered through OIREP	2,127
Wood reclaimed on-site and recovered by a third party	455.92

Waste from operations: RMC Division

Waste (t)	Total amount of waste		
	2020	2019	2018
Non-hazardous waste	718.2	917.6	1,146.6
of which recycled	123.0	Data was not collected in this format in 2018 and 2019.	
of which reused *	297.4		
of which disposed	238.9		
Hazardous waste	0.3		

*reused internally or returned to supplier for reuse



Waste from operations: Aggregates Division

Waste disposal method	2020		2019		2018	
	Total amount of hazardous waste	Total amount of non-hazardous waste	Total amount of hazardous waste	Total amount of non-hazardous waste	Total amount of hazardous waste	Total amount of non-hazardous waste
Storage	-	42,025	-	214,924.82	-	76,308.60
Recovery R 12	2.09	58	2,155	96.52	2,479	61.71
Recovery R 1	0	2.76	-	5.98	-	2.11
Disposal D5	0	3.01	-	-	-	-
Total waste	2.09	42,088.77	2,155	215,027.32	2,479	76,372.41

Circular economy

At HeidelbergCement we are committed to moving towards a circular economy because we understand the negative impacts arising from the increasing pressure on natural resources and the growing amounts of waste generated from production activities.

Waste recycling is our primary waste management strategy. However, there is waste from other industries (e.g. tyres, biomass sources, sewage sludge) and various municipal waste that currently cannot be recycled in an economically-feasible manner. This type of waste can be used as alternative fuel in our kilns. Thus, in the clinker and cement production, we energetically recover waste through co-processing.

Energy recovery (co-processing) of waste in the cement industry is a safe process where more than 100 types of waste are optimally converted into alternative fuel. Co-processing waste in cement plants is one of the most efficient solutions for protecting natural resources and managing existing waste properly, turning it into an alternative resource for the cement production process. Introduced more than 15 years ago in Romania, based on European legislation which recommends it as a superior method of waste treatment compared to its incineration or disposal by landfilling, co-processing ensures the recycling of the mineral content and the recovery of the energy content of waste.

Using waste as alternative fuel in the cement industry thus solves a double problem: it reduces greenhouse gas emissions and helps recover waste from other industries and activities.

The use of waste in the production process in HeidelbergCement Romania's three cement plants complies with applicable national and European Union legislation, as well as with strict standards imposed by the HeidelbergCement Group. Thus:

- we do not use alternative fuels if they could have a negative impact on human health, the environment, or the local community;
- we only use waste and alternative fuels with well-known origins, that strictly meet our acceptance criteria, available on request;
- we do not use waste as alternative fuels if there are more environmentally friendly recovery solutions;
- we do not use alternative fuels if the emissions resulting from their combustion are higher than the emissions from the combustion of traditional fuels;
- before being used in our kilns, all waste undergoes rigorous testing for its physico-chemical characteristics. Full analyses are mandatory when beginning to use each new type of waste and along the way, as an average sample, on certain quantities;
- the co-incineration activity is strictly regulated by the permits issued by the competent authorities. Dust emissions are continuously monitored.

Total fuel consumption from renewable sources (biofuel, biomass, etc.)

Type	2020	2019
Alternative fuel rate	33.35%	34.6%
Biomass (percentage of total heat consumption in kilns)	8.53%	8.4%

Although the rate (percentage) of alternative fuel consumed in 2020 is lower than the previous year's rate, the amount of alternative fuels used in 2020 was about 4.6% higher.

Energy consumption

The cement industry is based on energy-intensive processes. Reducing energy consumption is key to achieving carbon reduction targets. Our solutions include energy efficiency measures in processes and the use of alternative fuels through waste-to-energy co-processing.

Energy reduction/ Year	2020		
	Energy reduced [MWh]	Investments to ensure reduction [EURO]	The initiative that led to used energy reduction
Fuel	52	706	Replace heat source with high efficiency ones
Electricity	11,620	5,043,429	Variable speed mechanical drive Efficient lighting High efficiency electric motor replacements Reactive energy compensation Technological flow optimisation Interior distribution network
Thermal energy	32,944	18,510,046	Residual heat recovery WHPG

Energy intensity

Increased energy efficiency in operations is reflected in a 1.3% decrease in energy intensity, compared to the previous year.

$$\text{Energy intensity 2020} = \frac{\text{Total energy consumption 2020}}{\text{Total annual production value 2020}} = \frac{272429 \text{ toe}}{267,652.533} = 0.2016 \text{ toe/ thousands lei}$$

$$\text{Energy intensity 2019} = \frac{\text{Total energy consumption 2019}}{\text{Total annual production value 2019}} = \frac{259,427 \text{ toe}}{1,267,652.533} = 0.2047 \text{ toe/ thousands lei}$$

$$\text{Energy intensity 2018} = \frac{\text{Total energy consumption 2018}}{\text{Total annual production value 2018}} = \frac{212,854 \text{ toe}}{1,020,744.813} = 0.2085 \text{ toe/ thousands lei}$$

1 toe = 11.63 MWh



The information is not disclosed as detailed as required by the standard as it represents confidential company information and disclosure could put the company at a competitive disadvantage.

Air quality

GHG emissions

Tackling climate change has been at the heart of our sustainability strategy for many years. With our emission reduction targets for 2025/2030 and our commitment to a carbon-neutral concrete by 2050 at the latest, we are in line with the Paris Agreement. This has been recognised by the renowned Science-Based Target Initiative (SBTi). Our strategy is implemented across the Group in more than 50 countries.

HeidelbergCement is the first cement company with SBTi-approved emission reduction targets. To achieve a more demanding target to reduce carbon emissions to less than 525 kg/tonne of cement-based material (30% reduction compared to 1990) by 2025, we are starting with rigorous monitoring of Scope 1 and 2 emissions.

To monitor Scope 1 CO₂ emissions, a GHG emissions monitoring plan is prepared annually for each installation, which complies with the provisions of [Commission Regulation \(EU\) No 601/2012](#) on monitoring and reporting of GHG emissions pursuant to [Directive 2003/87/EC](#) of the European Parliament and of the Council. The monitoring activity is carried out based on the plan approved by the competent authority and at the end of each year a Monitoring Report is prepared for each installation and validated by an accredited independent verifier.

To determine the necessary parameters (lower calorific value, emission factors, loss on ignition, chemical composition, etc.) for the Scope 1 emission calculation, the company collaborates with RENAR accredited laboratories.

Thus, Scope 1 emissions come from the decarbonation of raw materials used to produce grey cement clinker, the co-processing of conventional and alternative fuels and from the consumption of natural gas at on-site installations (flour mills, slag dryers, mini thermal power plants).

Scope 2 includes greenhouse gas emissions resulting from the consumption of electricity required to produce cement.

About 60% of direct CO₂ emissions are generated from the decarbonation of raw materials and about 40% from the co-processing of fuels. The emission reduction is expressed considering the production of cement with additives (thus reducing the clinker content) and the use of alternative fuels (alternative fuels have a lower emission factor than conventional fuels and certain types of fuels also contain biomass, which is considered to be CO₂ neutral when combusted).

Emission reduction (t CO ₂ eq)	
Year	Reduction (t)
2020	602,738
2019	588,518
2018	498,031

Progressive emission reduction is on our agenda every year. To achieve this goal, we have implemented solutions such as:

- continue to identify and test alternative raw materials, alternative fuel, and alternative additive materials in the production of grey cement clinker
- producing admixed cements
- using alternative fuels, including those with biomass content



GHG emissions intensity reduction (tons CO ₂ eq/ton production) compared to previous year		2020 vs. 2019	2019 vs. 2018
Scope 1 related to clinker production		-0.17%	- 0.37%
Scope 2 related to cement production	Market based	-11.40%	- 0.64%
	Location based	-18.41%	- 0.67%

Energy label (g/kWh)	2020	2019	2018
Market-based	298.89	341.47	343.46
Location-based	213.37	264.69	289.85



The information is not disclosed as detailed as required by the standard as it represents confidential company information and disclosure could put the company at a competitive disadvantage.

Other emissions

In accordance with current legislation and the provisions of the integrated environmental permits of the three cement plants, we have regularly monitored emissions since 2007.

Continuous monitoring is carried out by monitoring systems installed, checked, and maintained by a specialised company, which holds all the accreditations required by current legislation.

Since 2019, the quality of our continuous monitoring systems has been validated by an accredited third-party body through the QAL2 (Quality Assurance Level 2) procedure.

All air emissions resulting from operations at the company's three cement plants are within the limits imposed by the authorities, in accordance with each plant's integrated environmental permit, as follows:

Plant	NO _x (mg/Nm ³)		SO ₂ (mg/Nm ³)		Dust (mg/Nm ³)			
	Average annual concentration	Maximum authorised emission limit value	Average annual concentration	Maximum authorised emission limit value	Average annual concentration (kiln)	Maximum authorised emission limit value	Average annual concentration (cooler)	Maximum authorised emission limit value
Fieni	362.74	500	1.05	400	1.51	30	9.48	20
Chiscadaga	354.14	500	42.25	400	9.59	30	6.84	20
Tasca	470.49	500	30.86	400	1.25	30	6.79	30

You can read more about the environmental performance at each of HeidelbergCement Romania's plants in the overview of the annual environmental report for 2020, available for each plant on the company's website.

[Fieni Cement Factory - Overview of the annual environmental report](#)

[Chiscadaga Cement Factory - Overview of the annual environmental report](#)

[Tasca Cement Factory - Overview of the annual environmental report](#)

Air emissions	2020	2019	2018
NO _x t	2,548,24	2,066.56	1,901.16
SO _x t	19314	201.73	110.45
Persistent organic pollutants (POP) g	0.57	0.16	0.16
Volatile organic compounds (VOC) t	80.42	100.67	66.37
Particles (PM) t	40.66	23.84	79.38

Emissions from the Concrete and Aggregates Divisions are not included in the calculation.

Water consumption

Reducing water consumption and managing water resources wisely in our operations is an important aspect of our environmental protection strategy. At group level, water resources are among the Fast Track Targets in the 2030 Sustainability Commitment. For each HeidelbergCement site with high water stress, an action plan and a deadline have been established.

The management of water resources is carried out, for each individual site, in accordance with the water management permits issued by the respective basin administrations.

Cement division

The water used in the cement division is primarily industrial water and secondarily drinking and sanitary water. Industrial water is used in the following production processes:

- cooling of kiln exhaust gases
- cement grinding
- in the clinker cooler
- cooling cement production equipment
- cleaning of roads and industrial platforms
- maintenance of green spaces
- hydrant network

To reduce the amount of water in production, cooling water is reused. It is collected and pumped to one or more cooling towers and then reintroduced into the production process in a closed recirculation system.

Water is drawn from available sources depending on the circumstances of each site.

Water source	Industrial water	Sanitation water (domestic)	Drinking water
Tasca plant	underground extraction, pumping from drilled wells and storage in the water tower	underground extraction, pumping from drilled wells, treatment for human consumption and storage in water tower	underground extraction, pumping from drilled wells, treatment for human consumption and storage in water tower; additional bottled water
Bicaz-Chei limestone quarry	extraction from the Bicaz River, used at the equipment washing ramp	-	bottled water supplied by private operator
Chiscadaga Plant	extraction from the Mures river, treatment, storage in the water tower	underground extraction, pumping from drilled wells	bottled water supplied by private operator
Craciunesti clay and limestone quarries	underground extraction, used in crusher cooling	underground extraction	bottled water supplied by private operator
Chiscadaga clay quarry	-	underground extraction	bottled water supplied by private operator
Calanul Mic gypsum quarry	-	municipal network	bottled water supplied by private operator
Fieni plant	extraction from the Ialomita river, decantation, storage in the water tower	municipal network	bottled water supplied by private operator
Lespezi limestone quarry	underground extraction - Poiana Sarpelui spring	underground extraction - Poiana Sarpelui spring	bottled water supplied by private operator

Water (mc)	2020 volume	2019 volume	2018 volume
Total volume of water used	1,959,556	2,141,954	1,833,589
Total volume of water recycled	4,023,645	3,764,143	3,473,427

Water source	2020	2019	2018
Surface waters, including water from wetlands, rivers, lakes (mc)	1,212,568	1,409,449.06	1,017,324.59
Groundwater (mc)	724,428	705,963	782,962
Municipal water supply or other public or private water utilities (mc)	22,560	26,542	33,302

* Note: Of the surface water volume, part is consumed at the old cement plant in Bicaz and used by third-party companies operating on the site, as follows: 2020: 161,718 m³, 2019: 389,959 m³, 2018: 164,013 m³.

Effluents

The water resulting from operations is either discharged directly into rivers or into retention ponds and then discharged. Before discharge, the water undergoes a mechanical treatment stage. At the same time, samples are taken and analyses are carried out in accordance with the environmental permit (exactly at the outfall discharge point) to determine the water quality and quantity parameters.

Discharged water quality is monitored by accredited external laboratories at time periods specified by the permits held.

The wastewater quality indicators monitored are: pH, total suspended matter, organic solvent extractables, residue filtered at 105°C, sulphates, chlorides, total chromium, copper, zinc, nickel, petroleum products, calcium, magnesium, total iron, aluminium, mercury and lead respectively.

Waste water discharge	Industrial water	Domestic and rainwater wastewater
Tasca plant	discharge into the Bicaz River after the water has been collected, decanted and treated (for domestic water in the decanter) and into the on-site retention basin	
Chiscadaga plant	direct discharge into a tributary of the Mures River	discharge into a tributary of the Mures River after treatment (in the case of household waste water)
Fieni plant	discharge into the lalomcioara stream after water is previously collected and decanted into decanters	household wastewater discharged into the city network, rainwater discharged into the lalomcioara stream, with pre-treatment in a precipitation collector with oil separator
Lespezi quarry	no discharge, 70% of the water used for industrial purposes is recirculated, the rest is loss through evaporation and splashing of crushed stone	household wastewater treated in own treatment plant and subsequently discharged into the lalomita river

Water spills	2020 volume	2019 volume	Type	Water quality
from the three cement plants	299,408	322,256	planned	the monitored quality parameters are within the limits required by the Water Management Authorisations

RMC Division

Water (mc)	2020 volume	2019 volume	2018 volume
Total volume of water used	77,388	32,478	124,857
Total volume of water recycled	12,133.03	12,176	20,328.53

Water source (mc)	2020
Groundwater (mc)	41,539
Municipal water supply or other public or private water utilities (mc)	35,849

Aggregates Division

Water (mc)	2020 volume	2019 volume	2018 volume
Total volume of water used	1,446,313	1,404,567	1,408,407

Biodiversity



Bicaz Chei quarry

The quarries and ballast pits from which we extract raw materials are valuable habitats for a variety of animals and plant species, including, depending on the area, rare species. That is why, both during and after the completion of extraction procedures, the mining areas are restored and landscaped according to plans developed by specialists and restored to their natural state or prepared for agricultural or forestry use.

We extract valuable deposits only if they can be exploited in an environmentally and economically sound manner. Before making any decision to develop a new quarry or expand an existing one, the company first carries out an extensive approval process in accordance with the relevant laws and regulations.

In our Fast Track Targets resulting from the 2030 Sustainability Commitments, we set deadlines for the management of extraction sites, limestone, clay, and aggregate quarries. In 2020, 96% of our quarries (23 out of 24*) complied with the HeidelbergCement Group Rehabilitation Standard. This requires plans with well-defined targets and a timetable for reintegrating the quarry into the surrounding landscape. Even if a quarry is still in operation, we rehabilitate those areas that are no longer in use.

Of all extraction sites located within 1km of a protected area, 50% (5 out of 10) have a biodiversity management plan in place.

An environmental impact assessment is carried out for each area before mining operations begin. An important part of this stage is dialogue with interested stakeholder groups such as environmental authorities, nature conservation organisations and local communities.



Black mountain goats in the Lespezi quarry area

During the extraction period, we encourage all forms of biodiversity promotion and conservation through appropriate biodiversity management measures (such as Biodiversity Management Plans), well-planned extraction operations that continue to create dynamism in the landscape and take into account the breeding season of the area's wildlife, and through appropriate training programs for quarry staff. All our sites are operated in strict compliance with relevant local and international environmental legislation.

**it concerns the Feldioara quarry, which is not active, as it does not perform technological operations, and is currently being authorized.*

Operations in protected areas	Site 1	Site 2	Site 3
Geographical location	Bicaz Chei, Neamt county	Baita Craciunesti, Hunedoara county	Lespezi – Dobresti, Moroieni commune, Dambovita county
Position from the protected area (in the area, adjacent to the area or containing parts of the protected area) or from the high biodiversity value area outside protected areas	at the border of Cheile Bicazului - Hasmas National Park ROSCI0027	at the border of the Magurile Baitei protected area ROSCI0110	at the border of the Bucegi Natural Park ROSCI0013 - part of the limestone transport route by conveyor belts is on the grounds of the Park
Operation type (administrative headquarters, manufacturing or production facility or quarry)	Extraction quarry	Extraction quarry	Extraction quarry
Size of operational site in km ² (or other unit as appropriate)	40 ha	25 ha	57 ha
Biodiversity value characterised by the characteristics of the protected area or high biodiversity value area outside the protected areas (terrestrial, freshwater or marine ecosystem)	The quarry has a Biodiversity Management Plan, in addition the biodiversity in and around the quarry has been investigated through several projects in the Quarry Life competition.	Biodiversity in and around the quarry has been investigated in several projects in the Quarry Life competition	The quarry has a Biodiversity Management Plan, in addition the biodiversity in and around the quarry has been investigated through several projects in the Quarry Life competition.
Biodiversity value characterised by protected area status (e.g. IUCN categories for protected area management, Ramsar Convention, national legislation)	national legislation	national legislation	national legislation

Operations in protected areas	Site 1	Site 2	Site 3	Site 4	Site 5
Geographical location	southwest	south	east	centre	east
Position from the protected area (in the area, adjacent to the area or containing parts of the protected area) or from the high biodiversity value area outside protected areas	in a protected area	in a protected area	in a protected area	in a protected area	in a protected area
Operation type (administrative headquarters, manufacturing or production facility or quarry)	Quarry	Ballast pit	Quarry	Quarry	Ballast pit
Size of operational site in km ² (or other unit as appropriate)	0.17	0.736	0.22	0.06	1.69
Biodiversity value characterised by the characteristics of the protected area or high biodiversity value area outside the protected areas (terrestrial, freshwater or marine ecosystem)	ROSCI0129	ROSPA0106	ROSPA0040/ROSCI0012 ROSPA0073	ROSPA0082	ROSPA0071/ROSCI0162
Biodiversity value characterised by protected area status (e.g. IUCN categories for protected area management, Ramsar Convention, national legislation)	national legislation	national legislation	national legislation	national legislation	national legislation



our team

Working environment

1,013
permanent
employees

We promote an attractive and cooperative work environment at HeidelbergCement where all employees feel respected and valued. We acknowledge that our employees are one of our most valuable resources.

In 2020, the HeidelbergCement Romania team consisted of 1,146 employees, of which 865 were men and 281 women.

The number of employees increased compared to the previous year due to the merger of Carpat Cemtrans, Beton Servicii Pompe and Recyfuel by HeidelbergCement Romania.

133
temporary
employees



Employees by contract type and division

Employees by contract type	2020													
	Bucharest		Tasca		Chiscadaga		Fieni		Aggregates		RMC		Carpat Cemtrans, Recyfuel	
	Men	Women	Men	Women	Men	Women	Men	Women	Men	Women	Men	Women	Men	Women
Permanent	23	36	148	51	137	46	195	51	79	17	103	35	77	15
Temporary	5	0	8	7	23	9	6	3	21	1	26	4	14	6
Total	28	36	156	58	160	55	201	54	100	18	129	39	91	21

1,142full-time
employees**4**part-time
employees

Employees by working hours and division

Working hours	2020																				
	Bucharest			Tasca			Chiscadaga			Fieni			Aggregates			RMC			Carpat Cemtrans, Recyfuel		
	Men	Women	Total	Men	Women	Total	Men	Women	Total	Men	Women	Total	Men	Women	Total	Men	Women	Total	Men	Women	Total
Full Time	28	35	63	156	58	214	160	55	215	201	54	255	97	18	115	129	39	168	91	21	112
Part Time	0	1	1	0	0	0	0	0	0	0	0	0	3	0	3	0	0	0	0	0	0
Total	28	36	64	156	58	214	160	55	215	201	54	255	100	18	118	129	39	168	91	21	112

Employees in administrative offices	2020	
	No.	%
	121	11%



Staff turnover

Category	2020			
	New employees		Employees who left	
Gender	No.	Rate	No.	Rate
Women	15	1.31	10	0.87
Men	48	4.19	51	4.45
Total	63	5.5	61	5.3
Age				
<30	9	0.78	2	0.17
30-50	44	4.62	19	1.66
>50	10	0.87	40	3.49
Total	63	5.5	61	5.3
Location				
Bucharest Headquarters	5	0.44	4	0.35
Tasca	10	0.87	6	0.52
Chiscadaga	10	0.87	14	1.22
Fieni	18	1.57	15	1.31
Aggregates	12	1.05	12	1.05
RMC	8	0.7	10	0.87
Total	63	5.5	61	5.3

HeidelbergCement collaborates with third-party companies for certain activities carried out on company sites as follows:

Cement Division (cement plants)

- operational activities - repair and production work, e.g., filter/electrofilter dedusting, technological cleaning or conveyor belt supervision, raw material silo blasting, internal handling with heavy machinery, mechanical repairs
- other activities - e.g., security services, administrative cleaning, PSI

Share of services provided by third party staff: approx. 50-53% in 2020.

Aggregates Division

Third-party activities in 2020:

- drilling-blasting in quarries – 100%
- internal transport in quarries – 100%
- loading production material from fronts to quarries – 100%
- security services – 100%
- aggregate loading for deliveries – 50%

RMC Division

Third-party support services/activities in 2020:

- third party transport - 48%
- metrological services/checks (equipment/weighing scale stations), facility supervision and technical inspection officer, thermal power plants - 100%
- maintenance - spare parts replacement in sewage treatment plant by specialised companies - 10%
- OH&S, ES services - 100%
- cleaning services administrative building - 100%
- security services – 100%

Collective bargaining agreement and employee representation

All employees of the Company benefit from the provisions of the Collective Bargaining Agreement. It regulates issues such as the rights and obligations of employees and the employer, and includes, among other things, issues relating to the notice period, consultation, and negotiation provisions.

At the same time, the Collective Bargaining Agreement also stipulates the minimum number of weeks' notice given to employees and their representatives before the implementation of significant operational changes that could substantially affect them, which is 30 days.

The Collective Bargaining Agreement also stipulates that the employer offers professional programs agreed with the representative trade union in the case of collective redundancies. 100% of the company's employees are covered by the provisions of the Collective Bargaining Agreement.

Employees in trade unions

Number	2020
Bicaz	118
Fieni	171
Deva	140
RMC and Aggregates	29
Support services	9

Diversity and equal opportunities

In 2020, there were no incidents of discrimination or human rights violations.

At Heidelberg Cement Romania the right to work is not restricted in any way for any employee and all employees are given equal opportunities.

Any form of direct or indirect discrimination based on age, gender, nationality, religion, physical or mental disability, ethnicity, political choice, sexual orientation, or any other personal characteristics considered as disadvantageous by law is strictly prohibited.

As of 2018, we are signatories to the **Diversity Charter**, a set of guiding principles that we have voluntarily undertaken to promote diversity and inclusion in the workplace.

Employees by gender, age and position in the company

Category	2020							
	Men				Women			
	<30	30-50	>50	Total	<30	30-50	>50	Total
Senior Management	0	12	6	18	0	1	2	3
Middle Management	1	24	20	45	0	2	6	8
White collar	22	113	89	224	12	87	72	171
Blue collar	36	278	264	578	4	38	57	99
Total	59	427	379	865	16	128	137	281

Employees with disabilities

Employees with disabilities	2020	
	Men	Women
Blue collar	1	0
White collar	1	0
Total	2	0

Employee benefits

The benefits we offer our employees are designed to reward them for their professionalism and commitment in performing their duties and at the same time motivate and contribute to their performance.

The benefits granted to employees, which are intended to ensure their retention within the company, are set out in the Collective Bargaining Agreement:

- 28 days of annual leave (vs. 20 days provided for in the Labour Code)
- meal vouchers
- paid days off for special family events
- company-paid allowances for special family events
- seniority bonuses
- retirement bonuses
- private health insurance
- expenses settlement for holiday and/or treatment services
- gifts and bonuses for employees' minor children (June 1st, Christmas)
- gift for employees(women) on Women's Day
- Company Day gift for all employees

The benefits also extend to the opportunity for professional growth. Our recruitment and selection policy for vacancies or new positions, as well as the succession plan for certain categories of key positions, stipulate that the first recruitment source is internal (employees whose professional profile matches the requirements of the vacancy).



The company organises annual competitions to stimulate professional performance and strengthen the team, with prizes consisting of financial and non-financial bonuses:

- trades and OH&S competition (organised at Company level and later at CIROM level - the Employers' Association of the Cement and Other Mineral Construction Products Industry in Romania), a traditional event in the cement industry;
- the innovation competition - implemented in 2013;
- football championship - the first edition took place in 2017.

Benefits by contract type	Full-Time		Part-Time		Temporary	
	< 1 an	> 1 an	< 1 an	> 1 an	< 1 an	> 1 an
Meal vouchers	✓	✓	✓	✓	✓	✓
Expenses settlement for holiday and/or treatment services	–	✓	–	✓		✓
Transport to/from work	✓	✓	✓	✓	✓	✓
Support for special events (marriage, death etc)	✓	✓	✓	✓	✓	✓
Compensatory wages	–	✓ over 3 years	–	✓ over 3 years	–	–
Seniority bonuses (awarded to employees with more than 25 years in the company)	–	✓	–	✓	–	–
Retirement bonuses	–	✓	–	✓		
Private health insurance	–	✓	–	✓		✓
Gifts and bonuses for employees' minor children (June 1st, Christmas)	✓	✓	✓	✓	✓	✓
Women's Day gift	✓	✓	✓	✓	✓	✓
Company day gift	✓	✓	✓	✓	✓	✓

Parental leave	2020	
	Men	Women
Number of days (total)	0	923
No. of employees who were entitled to parental leave	0	5
No. of employees who took parental leave	0	5
No. of employees who returned to work at the end of parental leave	0	2
No. of employees who returned to work after parental leave and were still employed 12 months later	0	2
Return rate	0	40%

Training and education

HeidelbergCement develops annual training and education programs for its employees, to acquire and increase skills in line with the challenges of the business.

The employee training and professional development policy is implemented through the annual training plan, based on the operational training procedure.

It is developed considering, on the one hand, the training and development needs identified following the annual employee performance evaluation and, on the other hand, the need for continuous improvement of skills related to industry-specific equipment, facilities, systems.

The planning and decision-making process for organising training programs also considers other aspects, such as legislative requirements related to certification or periodic authorisation required for certain jobs in cement plants or sites, activity-specific qualifications, first aid courses or advanced training in certain areas (OS&H, GDPR, etc.).

Regular compliance with applicable laws and regulations training is an important requirement of the HeidelbergCement Group. We therefore periodically provide these courses for the relevant employee categories.

The training programs focus on 3 main types of competencies:

- personal skills and competences (e.g., English language skills, sales and negotiation skills, customer communication skills, presentation skills, time management, etc.).
- management skills (e.g., decision making, problem solving, team development, change management, project management, etc.)
- professional skills and technical competences (e.g., maintenance of cement plant equipment, hydraulics, pneumatics, automation, specific laboratory chemical determinations, laboratory analysis for alternative fuels, etc.).

Organised trainings can be provided both by external partners and internally and can be carried out both face to face, in the classroom, and online, through a platform accessible to employees.

The year 2020, characterised almost entirely by the pandemic, has brought a change in the way courses are delivered. We have moved some of our courses online, using both Microsoft Teams, our in-house communication platform, and other interactive course delivery platforms made available to us by the course providers we have partnered with.

The quality of the training and the satisfaction of the participants in the programs are evaluated after each training session, assessing both the quality of the content and the course material, as well as the competence and availability of the lecturer/trainer.

A set of KPIs for this activity is periodically monitored to track the achievement of annual training objectives and implement additional actions and measures where necessary.

Average training hours

Women
45
hours

Men
36
hours

Average number of training hours per year per employee by category	2020	
	Men	Women
Senior management	40	32
Middle management	52	61
White collar	46	38
Blue collar	6	48
Total	36	45

Training examples offered to employees (in h)	2020
Laboratory quality assurance	96
Chemical determinations of flour and cements	160
Eplan course	96
Forklift operator qualification course	600
Lifters - authorization	400
E-group crane operators' authorisation extension	168
Cement Kiln Refractories Course	80
Cement online course (VDZ)	840
Safety Leadership	616
Risk management	576
Competition law for sales course	112
Compliance basics	4.008
Preventing Corruption	576
Competition Law	448
GDPR course	4.040
Cyber Security Awareness	4.000
Presentation skills	272
Problem management and decision making	384
Internal and external communication	592
Formal and informal mentoring	192
Total	18.256

Professional development programs

In addition to the courses and trainings on various topics, HeidelbergCement also provides development programs that span several months and give participants the opportunity to develop gradually, building step by step through practice, consolidation, transfer into practice, improvement, and continuous feedback.

The Management Academy aims to develop and strengthen management skills, communication, motivation, and new topics according to business and market developments.

The third edition of the Management Academy development program began in February 2019 and is designed to bring together colleagues from multiple departments and divisions in a setting that is tailored to build the skills essential to a manager's development. In total, 27 colleagues from the Cement, Aggregates, Alternative Fuels operations and Finance, Procurement and Investment departments completed 7 interactive course modules designed to provide participants with hands-on applications, role plays, presentations, case studies, individual and group activities, business simulations, video examples and facilitated discussions.

The learning journey ended in August 2020 with the last module, on Recruitment and Selection, and the online presentation of the projects the teams completed during the program.

The Apprenticeship School aims to develop internal competencies within HeidelbergCement and ensure business continuity in cement plants. Apprentices are trained for trades such as Maintenance and repair electrician, mechanical locksmith for universal maintenance and repair or industry specific trades such as Flow operator Control room operator for cement plant.

The program lasts 24 months and involves employment in HeidelbergCement plants under an apprenticeship contract. At the end of the program, participants will take a graduation exam, following which they will receive a professional qualification certificate recognised at national and European level.

The school is now in its third year and in 2020 all 16 apprentices have graduated and all have received job offers from HeidelbergCement, 15 for the qualification of Cement Plant Flow Operator and one for Cement Flow Technician.

Start pentru o carieră BETON continued in 2020

In 2020, HeidelbergCement continued the initiative started in 2019 to bring technical high school students from the communities where our cement plants are located, as well as from neighbouring communities, closer to the organisation and to make us better known among them. We have thus continued Start pentru o carieră BETON (Start for a SOLID career), a project to strengthen our employer brand and attract the right candidates to become future specialists in the company.

The project targets senior high school students and consists of selecting 25 young people from each county where we operate, offering them an intensive two-day non-formal education course in cement factories and facilitating their access to the selection processes for the Apprenticeship School.

The Leaders Foundation, an organization whose mission is to train and support young people to become bold and responsible leaders by running growth programs tailored to each developmental level, was a reliable partner in 2020.

The 2020 edition of the project was atypical and challenging, but we were able to rally and adapt to the circumstances with online interactions and virtual tours replacing classroom sessions and factory visits. Launch events took place in late February and early March. Representatives of teachers and students from the selected partner high schools met at the cement factories in Tasca and Chiscadaga, accompanied by general school inspectors, vocational and technical education inspectors and representatives of the town halls hosting the partner high schools. In Fieni, the launch took place online, following the same format, attended by teachers and student representatives from the partner high schools.

Thus, Start pentru o carieră BETON caravan took place virtually in each of the partner high schools:

- "Dragomir Hurmuzescu" Technical Energetic College, Deva, "Transilvania" Technical College, Deva, Technical College of Railway Transport, Simeria, "Silviu Dragomir" High School, Ilia.
- "Aurel Rainu" Technological High School, Fieni, Pucioasa Technological High School, "Nicolae Titulescu" National High School, Pucioasa, "Voievodul Mircea" High School, Targoviste, "Constantin Brancoveanu" Technological High School, Targoviste, "Nicolae Cioranescu" Technological High School, Targoviste
- "Carol I" High School, Bicz, "Gheorghe Cartianu" Technical College, Piatra Neamt, Transport Technical College, Piatra Neamt, Forestry Technical College, Piatra Neamt

Teachers and school representatives were very supportive in this endeavour, facilitating students' information on the details of the project.

This year, the project introduced two new elements through workshops. The first workshop, an internal one, was held in Tasca and Chiscadaga, for our colleagues who interact directly with Generation Z, aiming to inform them about the Start pentru o carieră BETON project, but also to bring up a topical issue - how to better communicate and work with the new generation. The exercises carried out were impactful, highlighting the link between values, beliefs, attitude, behaviour, and outcome, but also the idea that empathy and trying to understand the inner world of the other can change communication for the better.

The second workshop was focused on teachers and took place in all three locations. Starting with a very simple game, teachers not only became aware of aspects of their own communication and how they can improve it but were also given the tool and methodology to run such communication workshops with their students. The workshop was very inspiring and highly appreciated by the teachers, who felt that this project also benefited them professionally.

Performance evaluation

Performance evaluation is carried out for all Company personnel, regardless of position, in accordance with the HeidelbergCement Group Leadership Principles incorporating the fundamental principle of development through evaluation and feedback in ensuring the success of the Company. The employee evaluation system is stipulated in the Collective Bargaining Agreement.

Based on the results of the annual performance assessment, as well as the conclusions of the development dialogue, development needs are identified and subsequently included in the Annual Training Plan. The evaluation also contributes to the implementation of the succession plan, which identifies employees who can take over managerial or specialist positions in key positions. To develop the professional and personal competencies needed to fill such a position, specific training and development programs are implemented for those employees.

There are 3 groups of employees subject to evaluation:

- A.** management personnel, functional and production departments, heads of teams or shifts, and all personnel of the RMC Division
- B.** TESA executive staff
- C.** workers

Performance evaluation and career development plan	Men		Women	
	Nr.	%	Nr.	%
Senior management	18	100%	3	100%
Middle management	45	100%	8	100%
White collar	224	100%	171	100%
Blue collar	578	100%	99	100%
Total	865	100%	281	100%

For Group A employees, achievement of the objectives set out in the Performance Agreement is assessed according to the rating scale described in the Performance Agreement.

Positions in the first group are, for the most part, registered in a centralised database called HR Globe - a Group-wide HR service portal, which provides automated data processing for the following HR processes:

- assessment of performance and potential
- development dialogue
- setting and evaluating personal goals

In the HR Globe system, staff evaluation is carried out on 3 equally important dimensions:

- objective assessment (achievement of personal objectives set by the Performance Agreement)
- evaluation of daily work (results achieved)
- assessment of competences (demonstrated behaviours)

For the other staff categories (B and C), the evaluation is based on the performance criteria identified for each group and the personal objectives, according to the Performance Evaluation form.

During performance and potential evaluation meetings, each employee agrees with his/her supervisor on personal development objectives.

Evaluation is based on the following criteria:

- professional competencies
- employee commitment to company policies and regulations, environmental protection and occupational health and safety rules
- attitude towards work and behaviour in line with company values.

Occupational health and safety

Ensuring a safe working environment for our employees, with minimal risk of accidents, injuries or occupational diseases is a fundamental principle of our business, and prevention is our primary strategy.

Our firm commitment to occupational health and safety is expressed on several performance levels at HeidelbergCement Romania.

Firstly, we strictly comply with specific national legislation and the minimum health and safety requirements stipulated therein. In addition, we comply with the Occupational Health and Safety (OHS) policy adopted at Group level, as well as the local policy developed in accordance with the requirements of ISO 45001:2018.

Furthermore, at Group level, OHS has a special status as one of the goals of the 2030 Sustainability Commitments is to achieve excellence in occupational health and safety with **"ZERO fatal work accidents"** and **"Zero work-related accidents with temporary disability"** targets.



Group Occupational Health and Safety (OHS) Policy

The focus of this policy is to develop a positive Health and Safety culture and stipulates the company's obligation to:

- comply with all local, regional, and national rules, legislation, and guidelines to which the company subscribes
- manage OHS subjects using appropriate management systems
- regularly report and analyze data related to OHS
- continually improve the OHS performance regarding risk assessment and the development of prevention and protection plans, in order to aim for improved OHS conditions at workplaces
- provide instructions and guidance on the handling of our products in accordance with applicable law.

At HeidelbergCement Romania level, direct management is responsible for monitoring compliance with the national and international legislative framework and the rules and guidelines set out in the Group's OHS policy. All company locations have designated at least one local OHS consultant.

Several Occupational Health and Safety Committees (OHS Committees) operate within the organization, at the headquarters level, and at the level of each cement plant. Each committee is composed of employer and employee representatives, in accordance with legal requirements.

The number of workers' representatives is equal to the number consisting of the employer's legal representative and the employer's representatives.

Workers' representatives with specific occupational health and safety responsibilities are elected by and among the workers in the unit for a two-year term.

The members of the occupational health and safety committee are appointed by a written decision of its chairman and the composition of the committee is communicated to all workers. The Occupational Health and Safety Committee operates under its own rules of procedure.

The role of the Occupational Health and Safety Committee is to plan, participate in and carry out actions aimed at improving occupational health and safety in the workplace and to monitor their implementation.

In addition, the company-wide Collective Labour Agreement concluded between the employer's representatives and the employees represented by trade unions includes an occupational health and safety section. The collective labour agreement stipulates mandatory trade union consultation when drafting the Prevention and Protection Plan. The company's internal rules, prepared following consultation with the trade union, also cover occupational health and safety topics.

Recording and reporting of accidents and accident statistics is carried out in accordance with legal requirements and internal rules. There is also an internal procedure that sets out the methodology for communication, investigating/researching, analyzing, recording, recording, and reporting incidents (including accidents at work).

At the same time, the process of investigating incidents and events related to the work process is a complex and transparent one, carried out by an independent team of professionals, appointed by decision of the General Manager and aiming in particular at identifying the factual situation and the circumstances in which the incident/event occurred, detecting and eliminating the causes, establishing corrective and preventive actions.

partnerships
for the future

Our suppliers

93.7%

of
HeidelbergCement
Romania's
suppliers are local.

The impact of our operations occurs not only at company level, but also indirectly throughout the supply chain. That is why we strive to share best sustainability practices with our suppliers.

We want our relationships with suppliers to be long-term, based on responsibility and transparency, so that together we can have a real positive impact on Romanian society as a whole. The collaboration and expectations of our suppliers are detailed in our Code of Conduct for Suppliers, which includes elements based on SA 8000 (Social Accountability), ISO 14001 (International Standard for Environmental Management) and the principles of the World Labour Organisation. At local level, procurement responsibility lies with the Purchasing Department, which coordinates tendering, negotiation, selection and contracting of suppliers.

If a supplier does not comply with the Code of Conduct or does not correct its identified breaches, this may lead to the termination of the contractual relationship. In 2020, there were no such cases.

In 2020, the total expenditure with suppliers amounted to more than 905 million lei. Of the total expenditure, 87% went to local suppliers.

Year	Local suppliers expenditure	Other suppliers expenditure	Total
2020	788,803,800	116,587,194	905,390,994
2019	807,049,843	97,711,177	904,761,020
2018	647,181,225	83,479,660	730,660,885

Year	Local suppliers	Other suppliers	Total
2020	2,673	178	2,851
2019	1,765	161	1,926
2018	1,700	148	1,848

We want suppliers to consider us as a role model therefore we are taking steps to support their alignment with the social and environmental standards we require of them. The supplier assessment process is outlined in the Internal assessment, selection, monitoring and reassessment procedure.

In addition to aspects such as price, quality of products/services and delivery time, supplier evaluation and selection criteria include documents issued following evaluation, products/services compliance (CE certificates, CE marks, performance declarations, quality certificates, guarantee certificates, safety data sheets, approvals, analysis reports/test reports, type approvals, certifications - including for service providers' personnel), the management systems applied by suppliers (quality, environment, OHS), the supplier's performance regarding occupational health and safety, quality and environment.

The evaluation and monitoring of suppliers' quality/OHS management systems in place is carried out using evaluation questionnaires submitted for completion by purchasing departments at the request of the management systems department. Evaluation and monitoring is carried out annually and when new suppliers are introduced.

Year	Number of suppliers assessed for environmental impacts	Number of suppliers identified as having potential negative environmental impacts	Number of suppliers with which improvements were agreed upon	Percentage of suppliers with which relationships were terminated
2020	280	0	0	0%
2019	253	0	0	0%
2018	251	0	0	0%

Community projects

In addition to the activities we carry out and the contribution we bring to the Romanian economy, we want our presence in Romania to bring a plus for the communities that host our activity. Thus, in addition to the openness and dialogue that we constantly maintain with representatives of the local communities, it is our responsibility to contribute to the development of the areas where we are present, working with our non-governmental partners to address the main problems and needs identified in the community.

Thus, our community investments and the projects we implement are based on three key priority areas, as described in the HeidelbergCement Corporate Citizenship Policy:

Environmental protection - our operations rely on the use of natural resources and quarrying also has an impact on the environment. That is why we focus on reducing the impact of mining, production and distribution operations, and work with our partners to conserve and protect the environment, focusing on climate and biodiversity actions. We invest in specific sustainable land management projects in the vicinity of our sites, which contribute to positive environmental change and increase local community well-being and awareness. We support organisations and projects that improve people's knowledge of ecology and increase their awareness of natural diversity at our sites.

Construction, architecture, infrastructure - Building materials and construction services contribute to the well-being of society and improve people' quality of life. When called upon to help, we do our part in building construction and infrastructure development that benefits society, providing



our partners with products, expertise, time, and financial support. We also support architectural concepts that incorporate innovative elements and encourage dialogue in the construction industry.

In 2020 the total value of the community investment budget was

5,617,506

lei, for more than

40

projects supported, alongside

30

community partners.

Education and local community development - Sustainable development is based on creativity and innovation, and all this is not possible without quality education. That is why we engage in educational partnerships and projects that help improve opportunities and young people's access to professional development programs. We also support cultural initiatives that benefit the general public, as well as programs that have the greatest positive impact on local communities.

The total value of community investments was 14,277,304 lei, of which 5,617,506 lei were granted to funding community projects and 8,659,798 lei represented local taxes. We donated over 200,000 lei worth of building materials to local communities for infrastructure projects and repairs. We support projects, organisations, and initiatives:

- at our sites, provided they fall within one of the areas of interest defined by our policy
- that are in line with HeidelbergCement's Code of Business Conduct and other compliance standards, Guiding Principles, and sustainable development strategy
- that create long-term benefits and value for society and are highly visible within society
- that comply with legal regulations
- that are oriented towards longer-term activities and impact.

The company does not support or sponsor political causes or candidates.



Community investment strategy in line with local community needs

We want to be a good neighbour to the people living near our plants, which is why we have been engaging in annual local community consultation projects since 2011. Called the Elders' Council, the consultations are generally held every two years and are designed to maintain an open line of dialogue enabling joint solutions to the problems and needs expressed during the discussions.

The special context of 2020 limited the Elders' Council to a single edition, aimed mainly at identifying the urgent needs of the health and education systems in the neighbouring communities. Thus, during 10 online meetings with representatives of educational units, school inspectorates and hospitals in the area, we discussed the main challenges they were facing at that time and the supplies needed to address them.

Our projects

Edu2023 Happy children, sustainable communities

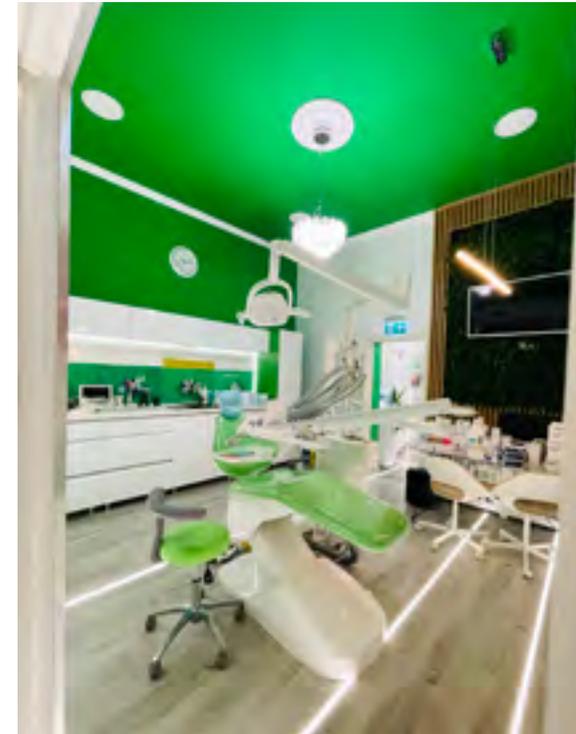
The “Step by Step Centre for Education and Professional Development” Association is one of the partners developing educational programs with HeidelbergCement Romania’s financial support of over 1,600,000 lei in 2020.

The “Edu2023 Happy children, sustainable communities” project, carried out in 11 localities in 3 counties - Hunedoara (Soimus, Baita, Chiscadaga, Hartagani, Boholt, Paulis, Balata), Dambovita (Fieni, Pucioasa) and Neamt (Tasca, Bicaz) aims to improve the educational environment by developing educational and learning material packages for the kindergartens and schools included in the project.

The project reaches 2000 children, 159 teachers from 23 kindergartens and schools and supports almost 3000 parents with training materials. The project will enhance the professional skills of pre-school and primary school teachers through continuous training and sharing expertise and will increase educational quality in groups and classes by providing technical assistance and mentoring.

Support of Viitorul Soimus Sports Club Association

Viitorul Şoimuş Sports Club is one of our traditional community partners in Hunedoara and we support their activity year after year. In 2020 HeidelbergCement has once again invested in the development of local sports by funding the construction of a sports centre which includes infrastructure and synthetic turf, fencing of the sports centre and a night-time installation. Our contribution amounted to 800,000 lei.



Dental Life Social

The dental and maxillofacial surgery office in the Dental Life Social clinic in Tasca, in the space provided by the Tasca Town Hall inside the cultural centre, is the result of our contribution of almost 300,000 lei in 2020 and the partnership with the local authorities.

More than four thousand vulnerable children and young people from the communes of Tasca, Bicazul Ardelean and Bicaz Chei in Neamt county will benefit from free dental services at the clinic. The clinic will be equipped with state-of-the-art equipment and will provide the youngsters with consultations, extractions, scaling, root canals, prophylaxis treatments and much more.

The project is initiated by the “Volunteer for Life” Association, which will also manage the practice.

“Verde-n față” Project

“Verde-n față”, a pilot project funded in 2020, was launched in April 2021 by MaiMultVerde Association, in partnership with Bloc Zero Association, with the support of HeidelbergCement Romania. The project’s initiators aim to build a solid and sustainable framework for environmental education in a manner adapted to the needs of the new generation of digital natives through documentary film.

Documentary film, thanks to its informative potential, is a highly useful educational tool, under-exploited in the context of formal education in Romania. In a world where exposure to audio-visual products from an early age is ubiquitous, documentary film can be a source of information and a complex learning tool, capable of arousing and keeping students’ attention alive in relation to a given subject and creating empathy, as well as an object of study in itself, given the need for audio-visual education today.

28 teachers from Dambovita, Hunedoara and Neamt counties, from the communities where HeidelbergCement operates, have enrolled in the first activity of the project - the intensive training consisting of 3 modules: Using environmental film in the classroom, Principles of environmental education and Developing complementary documentary activities.



Key program activities include:

- intensive training for teachers to help them address environmental and ecological topics and effectively use the proposed educational materials in the classroom;
- screenings of environmental documentaries for students during class hours;
- an interdisciplinary creative camp where 24 teenagers will learn to artistically document various aspects of environmental concerns in their communities;
- a comic book illustrated by professional cartoonists, based on stories collected by the teenagers during the program.

MaiMultVerde Association (www.maimultverde.ro) is an environmental non-governmental organisation whose mission is to build a new culture of environmental responsibility and volunteering in Romania.

GRI content index

GRI Standard	Description	Sustainable Development Goal	Page(s) number(s), URL and/or direct answers	Omissions
GRI 101: Foundation 2016				
General disclosures				
GRI 102: General disclosures 2016	Organizational Profile			
	102-1 Name of the organization		5	
	102-2 Activities, brands, products, and services		10, 12, 14, 50	
	102-3 Location of headquarters		5	
	102-4 Location of operations		11-13	
	102-5 Ownership and legal form		19	
	102-6 Markets served		11-12	
	102-7 Scale of the organization		10, 12, 16, 18, 65	
	102-8 Information on employees and other workers	 8.5  10.3	65-67	
	102-9 Supply chain		12, 51, 78-79	
	102-10 Significant changes to the organization and its supply chain		13	
	102-11 Precautionary Principle or approach		26-34	
	102-12 External initiatives		20, 25, 40, 49, 57, 68	
	102-13 Membership of associations	 17.3	35-36	

GRI Standard	Description	Sustainable Development Goal	Page(s) number(s), URL and/or direct answers	Omissions
GRI 102: General disclosures 2016	Strategy			
	102-14 Statement from senior decision-maker		3	
	102-15 Key impact, risks, and opportunities		26-34, 39-43	
	Ethics and Integrity			
	102-16 Values, principles, standards, and norms of behavior	 16.3	20-21, 25, 39, 68, 74-75, 78	
	102-17 Mechanisms for advice and concerns about ethics	 16.3	21, 25, 47	
	Governance			
	102-18 Governance structure		19	
	102-22 Composition of the highest governance body and its committees	 5.5	19	
		 16.7		
	Stakeholder Engagement			
	102-40 List of stakeholder groups		44, 47	
102-41 Collective bargaining agreements	 8.8	67, 74		
102-42 Identifying and selecting stakeholders		44, 47		
102-43 Approach to stakeholder engagement		47		
102-44 Key topics and concerns raised		44-46		

GRI Standard	Description	Sustainable Development Goal	Page(s) number(s), URL and/or direct answers	Omissions
GRI 102: General disclosures 2016	Reporting Practice			
	102-45 Entities included in the consolidated financial statements		5	
	102-46 Defining report content and topic Boundaries		44, 46	
	102-47 List of material topics		45-46	
	102-48 Restatements of information		13, 65	
	102-49 Changes in reporting		There were no changes.	
	102-50 Reporting period	 12.6	5	
	102-51 Date of most recent report	 12.6	Published in 2020 for 2019.	
	102-52 Reporting cycle	 12.6	Annual	
	102-53 Contact point for questions regarding the report		5	
	102-54 Claims of reporting in accordance with the GRI Standards	 12.6	5	
102-55 GRI content index		85-113		
102-56 External assurance		The report has not been externally verified.		

GRI Standard	Description	Sustainable Development Goal	Page(s) number(s), URL and/or direct answers	Omissions
Material Topics				
ENVIRONMENTAL PROTECTION				
Materials				
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary		46, 50-51	
	103-2 The management approach and its components		39, 41, 43, 49	
	103-3 Evaluation of the management approach		41, 51	
GRI 301: Materials 2016	301-1 Materials used by weight or volume		51	
Energy				
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary		46	
	103-2 The management approach and its components		41, 43, 49, 56	
	103-3 Evaluation of the management approach		55, 56	
GRI 302: Energy 2016	302-1 Energy consumption within the organization	 7.2, 7.3	15, 55, 56	
		 8.4		
		 12.2		
		 13.1		

GRI Standard	Description	Sustainable Development Goal	Page(s) number(s), URL and/or direct answers	Omissions
GRI 302: Energy 2016	302-3 Energy intensity	 7.3	15, 56	
		 8.4		
		 12.2		
		 13.1		
	302-4 Reduction of energy consumption	 7.3	56	
		 8.4		
		 12.2		
		 13.1		

GRI Standard	Description	Sustainable Development Goal	Page(s) number(s), URL and/or direct answers	Omissions
Water and Effluents				
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary		46	
	103-2 The management approach and its components		40, 42, 49, 60	
	103-3 Evaluation of the management approach		40, 42, 61	
GRI 303: Water and Effluents 2018	303-1 Interactions with water as a shared resource	 6.3, 6.4, 6.A  12.4	42, 60, 61	
	303-2 Management of water discharge-related impacts	 6.3	42, 60, 61	
	303-3 Water withdrawal	 6.4	60, 61	
	303-4 Water discharge	 6.3	61	
	303-5 Water consumption 83	 6.4	60, 61	

GRI Standard	Description	Sustainable Development Goal	Page(s) number(s), URL and/or direct answers	Omissions
Biodiversity				
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary		46	
	103-2 The management approach and its components		40, 42, 49, 62	
	103-3 Evaluation of the management approach		40	
GRI 304: Biodiversity 2016	304-1 Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	 6.6	62-63	
		 14.2		
		 15.1, 15.5		

GRI Standard	Description	Sustainable Development Goal	Page(s) number(s), URL and/or direct answers	Omissions
Emissions				
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary		46	
	103-2 The management approach and its components		40, 42-43, 49, 57	
	103-3 Evaluation of the management approach		40, 57, 59	
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	 3.9	58	
		 12.4		
		 13.1		
		 14.3		
		 15.2		

GRI Standard	Description	Sustainable Development Goal	Page(s) number(s), URL and/or direct answers	Omissions
GRI 305: Emissions 2016	305-2 Energy indirect (Scope 2) GHG emissions	 3.9	58	
		 12.4		
		 13.1		
		 14.3		
		 15.2		
	305-4 GHG emissions intensity	 13.1	15, 58	
 14.3				
 15.2				

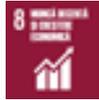
GRI Standard	Description	Sustainable Development Goal	Page(s) number(s), URL and/or direct answers	Omissions
GRI 305: Emissions 2016	305-5 Reduction of GHG emissions	 13.1	58	
		 14.3		
		 15.2		
	305-7 Nitrogen oxides (NOX), sulphur oxides (SOX), and other significant air emissions	 3.9	59	
		 12.4		
		 14.3		
		 15.2		

GRI Standard	Description	Sustainable Development Goal	Page(s) number(s), URL and/or direct answers	Omissions
Waste				
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary		46, 51	
	103-2 The management approach and its components		41, 49, 53, 55	
	103-3 Evaluation of the management approach		41	
GRI 306: Waste 2020	306-1 Waste generation and significant waste related impacts	 3.9	51, 55	
		 6.4, 6.6		
		 12.4		
		 14.1		
	306-2 Management of significant waste-related impacts	 6.3	53-55	
		 12.4, 12.5		
 3.9				

GRI Standard	Description	Sustainable Development Goal	Page(s) number(s), URL and/or direct answers	Omissions
GRI 306: Waste 2020	306-3 Waste generated	 3.9	51-54	
		 6.6		
		 12.4, 12.5		
		 14.1		
		 15.1		
	306-4 Waste diverted from disposal	 12.4	15, 51-54	

GRI Standard	Description	Sustainable Development Goal	Page(s) number(s), URL and/or direct answers	Omissions
GRI 306: Waste 2020	306-5 Waste directed to disposal	 6.6	51-54	
		 14.2		
		 15.1, 15.5		
		 3.9		

GRI Standard	Description	Sustainable Development Goal	Page(s) number(s), URL and/or direct answers	Omissions
Environmental Compliance				
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary		46	
	103-2 The management approach and its components		31, 39, 49, 60	
	103-3 Evaluation of the management approach		41, 57, 59-61	
GRI 307: Environmental Compliance 2016	307-1 Non-compliance with environmental	 16.3	There were no incidents of non-compliance.	
Supplier Environmental Assessment				
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary		46	
	103-2 The management approach and its components		79	
	103-3 Evaluation of the management approach		79	
GRI 308: Supplier Environmental Assessment 2016	308-1 New suppliers that were screened using environmental criteria		17, 79	
Environmental Innovation Investment				
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary		46	
	103-2 The management approach and its components		39, 43	
	103-3 Evaluation of the management approach		39	

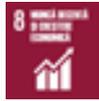
GRI Standard	Description	Sustainable Development Goal	Page(s) number(s), URL and/or direct answers	Omissions
ECONOMIC TOPICS				
Economic Performance				
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary		46	
	103-2 The management approach and its components		39, 43	
	103-3 Evaluation of the management approach		39	
GRI 201: Economic Performance 2016	201-1 Directly economic value generated and distributed	 8.1, 8.2	18	The information disclosed is not as detailed as required by the standard as it represents confidential information, and its disclosure could generate a competitive disadvantage.
	201-2 Financial implications and other risks and opportunities due to climate change	 9.1, 9.4, 9.5	33, 34, 55	

GRI Standard	Description	Sustainable Development Goal	Page(s) number(s), URL and/or direct answers	Omissions
Market Presence				
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary			
	103-2 The management approach and its components			
	103-3 Evaluation of the management approach			
GRI 202:Market Presence 2016	202-1 Ratios of standard entry level wage by gender compared to local minimum wage	 1.2	62	
		 5.1	39	
		 8.5	19	
	202-2 Proportion of senior management hired from the local community	 8.5	19	

GRI Standard	Description	Sustainable Development Goal	Page(s) number(s), URL and/or direct answers	Omissions
Indirect Economic Impacts				
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary		46	
	103-2 The management approach and its components		39, 80-81	
	103-3 Evaluation of the management approach		17, 41, 81	
GRI 203 :Indirect Economic Impacts 2016	203-1 Infrastructure investments and services supported	 5.4	8, 81-83	
		 9.1, 9.4		
		 11.2		
	203-2 Significant indirect economic impacts	 1.2, 1.4	8, 82	
		 3.8		
		 8.2, 8.3, 8.5		

GRI Standard	Description	Sustainable Development Goal	Page(s) number(s), URL and/or direct answers	Omissions
Procurement Practices				
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary		46	
	103-2 The management approach and its components		78-79	
	103-3 Evaluation of the management approach		79	
GRI 204: Procurement Practices 2016	204-1 Proportion of spending on local suppliers	 8.3	17, 78	
Anti-corruption				
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary		46	
	103-2 The management approach and its components		20-21	
	103-3 Evaluation of the management approach		21	
GRI 205: Anti-corruption 2016	205-1 Operations assessed for risks related to corruption	 16.5	21	
	205-2 Communication and training about anti-corruption policies and procedures	 16.5	21	

GRI Standard	Description	Sustainable Development Goal	Page(s) number(s), URL and/or direct answers	Omissions
Anti-competitive Behavior				
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary		46	
	103-2 The management approach and its components		23	
	103-3 Evaluation of the management approach		23	
GRI 206: Anti-competitive Behavior 2016	206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	 16.3	23	
Risk Management				
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary		46	
	103-2 The management approach and its components		26-34	
	103-3 Evaluation of the management approach		26-27	
Circular Economy				
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary		46	
	103-2 The management approach and its components		39, 55	
	103-3 Evaluation of the management approach		41, 55	

GRI Standard	Description	Sustainable Development Goal	Page(s) number(s), URL and/or direct answers	Omissions
SOCIAL TOPICS				
Human Rights Assessment				
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary		46	
	103-2 The management approach and its components		20, 25	
	103-3 Evaluation of the management approach		25	
GRI 412: Human Rights Assessment 2016	412-2 Employee training on human rights policies or procedures		21, 72	
Occupational Health and Safety				
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary		46	
	103-2 The management approach and its components		39, 75-76	
	103-3 Evaluation of the management approach		40, 76	
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	 8.8	29, 76	
	403-2 Hazard identification, risk assessment, and incident investigation	 8.8	29	
	403-3 Occupational health services	 8.8	76	

GRI Standard	Description	Sustainable Development Goal	Page(s) number(s), URL and/or direct answers	Omissions
GRI 403: Occupational Health and Safety 2018	403-4 Worker participation, consultation, and communication on occupational health and safety	 8.8	76	
		 16.7		
	403-9 Work-related injuries	 3.9, 3.9	75	
		 8.8  16.1		

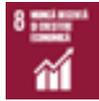
GRI Standard	Description	Sustainable Development Goal	Page(s) number(s), URL and/or direct answers	Omissions
Socioeconomic Compliance				
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary		46	
	103-2 The management approach and its components		31, 39	
	103-3 Evaluation of the management approach		41	
GRI 419: Socioeconomic Compliance 2016	419-1 Non-compliance with laws and regulations in the social and economic area	 16.3	24	
Innovation				
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary		46	
	103-2 The management approach and its components		39, 43	
	103-3 Evaluation of the management approach		39	
Non-discrimination				
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary		46	
	103-2 The management approach and its components		20, 68	
	103-3 Evaluation of the management approach		68	
GRI 406 Non-discrimination	406-1 Incidents of discrimination and corrective actions taken	 5.1	68	
		 8.8		

GRI Standard	Description	Sustainable Development Goal	Page(s) number(s), URL and/or direct answers	Omissions
Training and Education				
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary		46	
	103-2 The management approach and its components		71-73	
	103-3 Evaluation of the management approach		74	
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	 4.3, 4.4, 4.5	16, 72	
		 5.1		
		 8.2, 8.5		
		 10.3		

GRI Standard	Description	Sustainable Development Goal	Page(s) number(s), URL and/or direct answers	Omissions
GRI 404: Training and Education 2016	404-2 Programs for upgrading employee skills and transition assistance programs	 8.2	72-73	
	404-3 Percentage of employees receiving regular performance and career development reviews	 5.1	74	
		 8.5		
		 10.3		
Diversity and Equal Opportunity				
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary		46	
	103-2 The management approach and its components		68	
	103-3 Evaluation of the management approach		68	
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	 5.1, 5.5	68	
		 8.5		

GRI Standard	Description	Sustainable Development Goal	Page(s) number(s), URL and/or direct answers	Omissions
Stakeholder and Local Communities Engagement				
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary		46	
	103-2 The management approach and its components		39, 47, 81	
	103-3 Evaluation of the management approach		47	
Customer Privacy				
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary		46	
	103-2 The management approach and its components		25	
	103-3 Evaluation of the management approach		25	
GRI 418:Customer Privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	 16.3, 16.10	25	
Community Investment				
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary		46	
	103-2 The management approach and its components		39, 80-81	
	103-3 Evaluation of the management approach		41	
GRI 413: Local Communities 2016	413-1 Operations with local community engagement, impact assessments, and development programs	 4.4	17, 81-83	
		 11.2		
		 17.17		

GRI Standard	Description	Sustainable Development Goal	Page(s) number(s), URL and/or direct answers	Omissions
Labor/Management Relations				
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary		46	
	103-2 The management approach and its components		67	
	103-3 Evaluation of the management approach		67	
GRI 402: Labor/Management Relations 2016	402-1 Minimum notice periods regarding operational changes	 8.8	67	
Marketing and Labeling				
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary		46	
	103-2 The management approach and its components		39	
	103-3 Evaluation of the management approach		39	
GRI 417: Marketing and Labeling 2016	417-2 Incidents of non-compliance concerning product and service information and labeling	 16.3	There were no incidents.	
	417-3 Incidents of non-compliance concerning marketing communications	 16.3	There were no incidents.	

GRI Standard	Description	Sustainable Development Goal	Page(s) number(s), URL and/or direct answers	Omissions
Workplace / Human Resource Management				
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary		46	
	103-2 The management approach and its components		39, 65, 68	
	103-3 Evaluation of the management approach		41, 66, 74	
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	 5.1	66	
		 8.5, 8.6		
		 10.3		
GRI 401: Employment 2016	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	 3.2	69-70	
		 5.4		
		 8.5		

GRI Standard	Description	Sustainable Development Goal	Page(s) number(s), URL and/or direct answers	Omissions
GRI 401: Employment 2016	401-3 Parental leave	 5.1, 5.4	70	
		 8.5		
Supplier Social Assessment				
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary		46	
	103-2 The management approach and its components		78-79	
	103-3 Evaluation of the management approach		79	
GRI 414: Supplier Social Assessment 2016	414-2 Negative social impacts in the supply chain and actions taken	 5.2		
		 8.8		
		 16.1		

GRI Standard	Description	Sustainable Development Goal	Page(s) number(s), URL and/or direct answers	Omissions
Freedom of Association and Collective Bargaining				
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary		46	
	103-2 The management approach and its components		67	
	103-3 Evaluation of the management approach		67	
GRI 407: Freedom of Association and Collective Bargaining 2016	407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	 8.8	67, 78	