

SUSTAINABILITY REPORT 2014

Buzzi Unicem is an international multiregional, “heavy-side” group, focused on cement, ready-mix concrete and aggregates.

The company’s dedicated management has a long-term view of the business and commitment towards a sustainable development, supported by high quality and environmentally friendly assets.

Buzzi Unicem pursues value creation through lasting, experienced know-how and operating efficiency.

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We present here the 2014 Sustainability Report, which describes the economic, social, and environmental performance of Buzzi Unicem, once again according to the guidelines of Global Reporting Initiative (GRI) ver. 3 A+.

In 2014 the commitment of our group to sustainability has become even stronger. We believe that sustainability issues will be increasingly important in the definition of our strategies and for this reason we have created a new international Committee (SSC, Sustainability Steering Committee) with the objective of monitoring, proposing and implementing initiatives to reduce environmental impacts and to improve the dialog with our stakeholders, especially with local communities.

The creation of such Committee is the most recent leg of a long journey and proves the commitment and the determination of our company to turn policies in concrete and effective initiatives. We have dedicated our message this year to initiatives that testify the commitment of our group to local communities.



We want to stress how the commitment of the group is not limited to the mere funding but translates into projects dedicated to the protection of the region and to the cultural and social development of the people who live near our plants.

In this edition of the report, we have provided more information on the monitoring of emissions and extended the scope of our accident report. We are also planning to confirm our participation in the Carbon Disclosure Project (CDP), an organization that gathers data on the management of climate change issues.

Even more than in past editions, with this Sustainability Report we want to re-affirm our firm commitment to operate in a sustainable manner, to mitigate our impact on the environment and to improve the dialog with our stakeholders.

Pietro Buzzi
Chief Executive

Michele Buzzi
Chief Executive

Our commitment to local communities

Germany
Wiesbaden



Dyckerhoff Villa Bambini



Las Tres T's

Mexico
Tepetzingo



Centro Sociale Luigi Buzzi

Italy
Robilante



Children in crisis



Sosnovy Bor

Ukraine
Volyn Cement
and Yugcement

Russia
Suchoi Log

“Doing business” today means to be able to promise a better future to the new generations, by acting in a responsible and sustainable manner, not only while we carry out our activities, but above all in our relationship with the environment and the local communities. To have a constant dialog with the people who live in the areas where we operate means to share the values of a common path of development.

Operating in countries that are different for culture and stage of development, we find ourselves taking part and executing a wide range of projects: from building and managing a community center in the mountains to helping new parents to take care of their children, to taking a direct role in helping children or to using sport as a tool to bring up upright and honest people, passing in this way the staff to those who will build the future.

Here is how.

Mexico Tepetzingo



Las Tres T's

It has been said that “ideas walk on people’s legs” (Nenni) but in Mexico, at Tepetzingo, good ideas run on soccer fields. For 15 years, Carlos Cesar Flores Ocaranza, a former professional soccer player who is today the Director of the Cementos Moctezuma Training Center, has chosen about 60 kids a year, between 13 and 17 years of age, for his soccer team. The team, called Las Tres T’s for the three towns bordering with the Tepetzingo plant (Tepetzingo, Tezoyuca, and Tetecalita), has become a show-piece among our activities on behalf of the local communities, with the company bearing the full cost of the initiative.

The mission of Ocaranza goes beyond fostering sport talent: he keeps on the team not only those who have “good feet” or work hard, but also those who get good grades at school and behave ethically, correctly and honestly.

The Las Tres T’s initiative is part of the program “Proceso academico deportivo integral orientado to the exito”, which aims at shaping the men of tomorrow, by motivating them through sport and making clear to them the importance of the principles of “disciplina, respeto, honestidad, trabajo en equipo y otros” (discipline, respect, honesty, teamwork, and other). Some talented youngsters from Las Tres T’s today play at the professional level, but even those who do not pursue a soccer career are left with the great lesson of Ocaranza who urges his kids to give their best in any context, whether sport, school, or work.

Germany Wiesbaden



Dyckerhoff Villa Bambini

In recent years, the lack of day nurseries in the town of Wiesbaden has become an important issue; since 2006, Dyckerhoff has therefore turned a period building into a nursery school and made it available, at no charge, to its employees and to parents living close to the town.

“Dyckerhoff Villa Bambini” is funded by contributions of the company, charitable contributions, and fees paid by the parents who take advantage of the service. The children, between 6 months and 3 years of age, are welcomed each morning by highly qualified staff and are reassured by the fact that mum and dad are next door. The nursery is open Monday to Friday and closes for only three weeks during the summer, to provide children, but above all parents, with an integrated and functional support to the management of their lives, on the workplace and outside.

Nursery personnel attend an innovative training program aimed at providing a stimulating environment for the independent growth of the child, through the development of self-awareness. Special care is given to the diet, the development of language skills, creativity, and music. The children are taught basic rules of personal hygiene, appropriate to the growth and development of their abilities. The nursery organizes trips to the countryside around Wiesbaden and cultural visits, such as those to the Natural History Museum in Magonza. Parents are actively involved at Villa Bambini and attend the school parties at Christmas, Easter, Carnival, as well as birthday parties, together with their children and the staff.



The children crisis

In Ukraine, the children crisis is real and is given a lot of thought at Volyn – Cement and Yugcement, the companies of the group that operate in the region. Both companies have therefore created programs of social assistance to minors.

In the town of Mizoch, there is a special school for children with speech difficulties: without the help of specialists, these kids would not be able to live a normal life. Volyn – Cement has chosen to give an opportunity to the kids of Mizoch, not only by bearing all the school's costs, but also by providing the concrete help of volunteers: at Christmas, for example, employees of the plant bring gifts to the children and attend the party of Saint Nicholas on December 19. The same concern for children is found at Yugcement, which takes care of the development and education of 30 children unwanted by their parents. The commitment of the company is shown by its concrete initiatives, from the installation of heating, necessary to cope with the harsh winters, to the organization of trips to the seaside, which benefit the health of the children. Since 2014 Yugcement has also been taking care of the Chudin family, whose eight-year old child Bohuslav suffers from cerebral palsy. The company believes in the UNESCO principle of inclusive education, which states that every child has the right to receive an education adequate to his cognitive abilities to accompany him in his intellectual growth and help him reach his potential. Bohuslav receives constant care and assistance and in one year has partly recovered his ability to walk and speak. Both Ukrainian companies devote time and resources to the protection of the children, to give them a real chance of a better future.

Italy Robilante



Centro Sociale Luigi Buzzi

For fifty years the people of Robilante and of the neighboring towns have been able to use a multi-functional structure that is much more than a simple “meeting place”. In the ‘60s the Robilante cement plant, under the leadership of Mr. Luigi Buzzi, opened the Centro Sociale Luigi Buzzi, a community and recreation center for the employees of what was then Presacimenti - F.lli Buzzi, for their families and for the people living in Robilante and in the neighboring towns. The community center supports itself and its different activities with the financial contribution of Buzzi Unicem S.p.A. and the pro bono activity of the Council, the Chairmen and the Members of the different Groups within the Center.

Today it counts 800 Members, in different membership categories, and it has its own facilities, which include a café/restaurant, a lodge for the Buzzi Unicem employees seconded to Robilante, a multi-functional space used as a gym and a theater, a soccer field in natural grass, a five-a-side soccer-tennis field in synthetic grass, an indoor tennis/boccie area, an archery field, as well as outdoor boccie areas and a wide green area with a children playground.

The activities of the center are divided into two broad categories: cultural and sport-related. With regard to cultural events, the center organizes theater shows and lectures with the participation of local writers and editors who introduce their work, or, sometimes, of experts who discuss interesting topics. Over the years, the Centro Sociale Luigi Buzzi has become an important reference point for the local community and is a great example of synergy between the company and the goodwill of good people.



Russia Suchoi Log

Sosnovy Bor

Concern for the health and safety of the employees is a key element of our corporate philosophy. In Russia, at Suchoi Log, health care is provided even after the period of employment at the cement plant: since 1988 we have provided free healthcare to our former employees, and in 2003 this program has been substantially upgraded. Retired workers have access to the Sosnovy Bor clinic, which provides a series of treatments aimed at preventing or curing many age-related diseases.

Former employees can receive treatment for minor ailments and make use of the many services provided by the facility, such as physiotherapy, hydro-therapy, stretching, or mud baths. At the facility, retirees can see specialists in neurology, cardiology, urology, gynecology, endocrinology, and ENT. All services provided comply with Russian health laws and represent an important factor for the quality of life of our retired workers.



Corporate sustainability

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|-----------------------------|----|
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The group at a glance

International presence



Europe

| | |
|------------------------------------|---|
| Italy | Buzzi Unicem, Unical, Cementi Moccia (50%), Laterlite (33%), Addiment Italy (50%) |
| Germany | Dyckerhoff, Deuna Zement, Dyckerhoff Beton |
| Luxembourg | Cimalux |
| Netherlands | Dyckerhoff Basal Nederland |
| Poland | Dyckerhoff Polska |
| Czech Republic and Slovakia | Cement Hranice, ZAPA beton |
| Ukraine | Volyn-Cement, YUGcement, Dyckerhoff Ukraina |
| Slovenia | Salonit Anhovo (25%) |

Asia

| | |
|---------------|--|
| Russia | Sukholozhskcement, Dyckerhoff Korkino Cement |
|---------------|--|

America

| | |
|---------------|---|
| USA | Buzzi Unicem USA, Alamo Cement, Kosmos Cement (25%) |
| Mexico | Corporación Moctezuma (50%) |

Africa

| | |
|----------------|---|
| Algeria | Société des Ciments de Hadjar Soud (35%) Société des Ciments de Sour El Ghozlane (35%) |
|----------------|---|

Operating structure

| | | ITA | GER | LUX | NLD | POL | CZE SVK | UKR | RUS | USA | MEX ¹ | TOTAL |
|----------------------------|-------------|------|-----|-----|-----|-----|---------|-----|-----|-----|------------------|-------|
| Cement plants | no. | 12 | 7 | 2 | - | 1 | 1 | 2 | 2 | 8 | 3 | 38 |
| of which grinding | no. | 4 | 2 | 1 | - | - | - | - | - | - | - | 7 |
| Cement production capacity | m tons/year | 10.0 | 7.2 | 1.4 | - | 1.6 | 1.1 | 3.0 | 4.7 | 9.8 | 6.3 | 45.1 |
| Ready-mix batch plants | no. | 128 | 122 | 3 | 14 | 28 | 80 | 5 | - | 78 | 45 | 503 |
| Aggregate quarries | no. | 10 | 3 | - | 1 | - | 10 | - | - | 4 | 3 | 31 |
| Deposits and terminals | no. | 2 | 3 | - | - | 1 | - | 2 | 1 | 33 | - | 42 |

ITA/Italy, GER/Germany, LUX/Luxembourg, NLD/Netherlands, POL/Poland, CZE/Czech Republic, SVK/Slovakia, UKR/Ukraine, RUS/Russia, USA/United States of America, MEX/Mexico.

¹ Figures at 100%.

Key Figures

| | | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 |
|-----------------------|---------------------|---------|---------|---------|---------|---------|---------|---------|
| Cement sales | t/000 | 32,093 | 25,548 | 26,570 | 28,218 | 27,263 | 23,852 | 24,156 |
| Concrete sales | m ³ /000 | 16,996 | 13,893 | 14,379 | 15,066 | 13,641 | 11,887 | 12,048 |
| Aggregate sales | t/000 | 12,280 | 10,031 | 10,651 | 9,708 | 8,642 | 7,869 | 7,558 |
| Sales revenues | € m | 3,520.2 | 2,671.8 | 2,648.4 | 2,787.4 | 2,813.4 | 2,510.1 | 2,506.4 |
| Capital expenditure | € m | 853.3 | 389.9 | 268.2 | 156.6 | 234.1 | 221.5 | 318.1 |
| Headcount at year end | no. | 11,845 | 11,269 | 11,316 | 10,956 | 10,837 | 9,938 | 10,117 |

The years from 2008 to 2012 include Mexico at 50%.

Sales revenue

(millions of euro)

| | |
|------|---------|
| 2008 | 3,520.2 |
| 2009 | 2,671.8 |
| 2010 | 2,648.4 |
| 2011 | 2,787.4 |
| 2012 | 2,813.4 |
| 2013 | 2,510.1 |
| 2014 | 2,506.4 |

The years from 2008 to 2012 include Mexico at 50%.

Capital expenditures

(millions of euro)

| | |
|------|-------|
| 2008 | 853.3 |
| 2009 | 389.9 |
| 2010 | 268.2 |
| 2011 | 156.6 |
| 2012 | 234.1 |
| 2013 | 221.5 |
| 2014 | 318.1 |

The years from 2008 to 2012 include Mexico at 50%.

Sales revenue by line of business

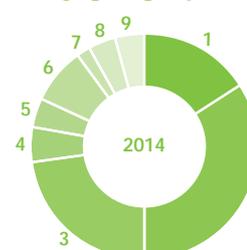
(in %)



| | | |
|---|-----------------------------------|----|
| 1 | Cement and clinker | 64 |
| 2 | Ready-mix concrete and aggregates | 35 |
| 3 | Related activities | 1 |

Sales revenue by geographic area

(in %)



| | | |
|---|-----------------------------|----|
| 1 | Italy | 16 |
| 2 | USA | 34 |
| 3 | Germany | 23 |
| 4 | Czech Republic and Slovakia | 5 |
| 5 | Poland | 4 |
| 6 | Russia | 8 |
| 7 | Netherlands | 2 |
| 8 | Luxembourg | 4 |
| 9 | Ukraine | 4 |

Cement plant locations

as at December 31, 2014

Europe and Africa



Caption

- Cement plants
- Grinding plants

America and Asia



Italy

12
plants

10.0
(million tons)
cement production
capacity

128
concrete
production
plants

10
aggregate quarries

2
deposits
and terminals

| | | 2014 | 2013 | var% 14/13 |
|-----------------------|---------------------|-------|-------|------------|
| Cement production | t/000 | 3,744 | 4,143 | -9.6% |
| Concrete sales | m ³ /000 | 2,539 | 2,521 | 0.7% |
| Aggregate sales | t/000 | 1,180 | 1,153 | 2.3% |
| Aggregate sales | € m | 391.5 | 431.6 | -9.3% |
| Capital expenditure | € m | 42.4 | 94.6 | -55.2% |
| Headcount at year end | no. | 1,488 | 1,677 | -11.3% |



Germany, Luxembourg and Netherlands

9
plants

8.6
(million tons)
cement production
capacity

139
concrete
production
plants

4
aggregate quarries

3
deposits
and terminals

| | | 2014 | 2013 | var% 14/13 |
|-----------------------|---------------------|-------|-------|------------|
| Cement production | t/000 | 6,212 | 6,016 | 3.3% |
| Concrete sales | m ³ /000 | 4,536 | 4,625 | -1.9% |
| Aggregate sales | t/000 | 2,854 | 3,210 | -11.1% |
| Aggregate sales | € m | 747.4 | 753.8 | -0.8% |
| Capital expenditure | € m | 150.0 | 41.2 | 263.6% |
| Headcount at year end | no. | 2,131 | 2,289 | -6.9% |



Poland

1
plant

1.6
(million tons)
cement production
capacity

28
concrete
production
plants

1
deposit
and terminal

| | | 2014 | 2013 | var% 14/13 |
|-----------------------|---------------------|-------|-------|------------|
| Cement production | t/000 | 1,080 | 1,327 | -18.6% |
| Concrete sales | m ³ /000 | 664 | 626 | 6.1% |
| Aggregate sales | € m | 89.0 | 101.0 | -11.9% |
| Capital expenditure | € m | 7.7 | 5.4 | 42.3% |
| Headcount at year end | no. | 371 | 374 | -0.8% |



Czech Republic and Slovakia

1
plant

1.1
(million tons)
cement production
capacity

80
concrete
production
plants

10
aggregate quarries

| | | 2014 | 2013 | var% 14/13 |
|-----------------------|---------------------|-------|-------|------------|
| Cement production | t/000 | 818 | 682 | 19.9% |
| Concrete sales | m ³ /000 | 1,574 | 1,544 | 2.0% |
| Aggregate sales | t/000 | 1,244 | 1,243 | 0.1% |
| Aggregate sales | € m | 133.6 | 131.8 | 1.4% |
| Capital expenditure | € m | 6.5 | 5.4 | 20.0% |
| Headcount at year end | no. | 784 | 803 | -2.4% |



Ukraine

2
plants

3.0
(million tons)
cement production
capacity

5
concrete
production
plants

2
deposits
and terminals

| | | 2014 | 2013 | var% 14/13 |
|-----------------------|---------------------|-------|-------|------------|
| Cement production | t/000 | 1,694 | 1,655 | 2.4% |
| Concrete sales | m ³ /000 | 150 | 206 | -27.5% |
| Aggregate sales | € m | 88.1 | 123.8 | -28.9% |
| Capital expenditure | € m | 8.1 | 7.8 | 3.5% |
| Headcount at year end | no. | 1,420 | 1,506 | -5.7% |



Russia

2
plants

4.7
(million tons)
cement production
capacity

1
deposit
and terminal

| | | 2014 | 2013 | var% 14/13 |
|-----------------------|-------|-------|-------|------------|
| Cement production | t/000 | 3,010 | 3,068 | -1.9% |
| Aggregate sales | € m | 209.9 | 248.6 | -15.6% |
| Capital expenditure | € m | 12.8 | 15.3 | -16.8% |
| Headcount at year end | no. | 1,611 | 1,015 | 58.7% |



United States of America

8

plants

9.8

(million tons)
cement production
capacity

78

concrete
production
plants

4

aggregate quarries

33

deposits
and terminals

| | | 2014 | 2013 | var% 14/13 |
|-----------------------|---------------------|---------|-------|------------|
| Cement production | t/000 | 7,598 | 6,961 | 9.2% |
| Concrete sales | m ³ /000 | 2,586 | 2,366 | 9.3% |
| Aggregate sales | t/000 | 2,280 | 2,263 | 0.8% |
| Aggregate sales | \$ m | 1,137.3 | 969.3 | 17.3% |
| Capital expenditure | \$ m | 120.4 | 68.6 | 75.5% |
| Headcount at year end | no. | 2,312 | 2,274 | 1.7% |



Mexico¹

3

plants

6.3

(million tons)
cement production
capacity

45

concrete
production
plants

3

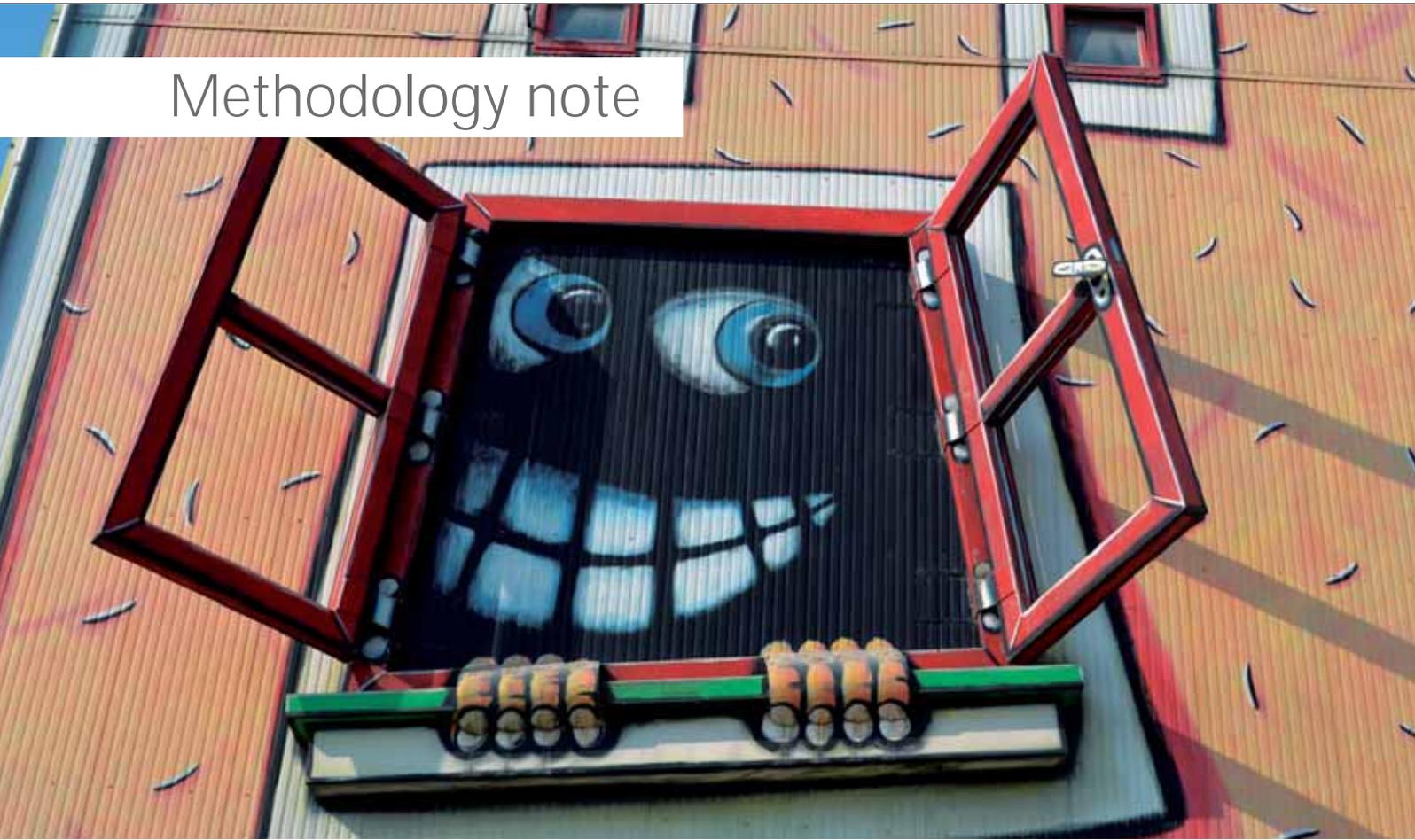
aggregate quarries

| | | 2014 | 2013 | var% 14/13 |
|-----------------------|---------------------|-------|-------|------------|
| Cement production | t/000 | 6,191 | 5,378 | 15.1% |
| Concrete sales | m ³ /000 | 1,804 | 1,889 | -4.5% |
| Aggregate sales | t/000 | 502 | 490 | 2.4% |
| Aggregate sales | \$ m | 693.3 | 620.9 | 11.7% |
| Capital expenditure | \$ m | 14.8 | 26.5 | -44.3% |
| Headcount at year end | no. | 1,105 | 1,156 | -4.4% |



¹ Figures at 100% - evaluation with the equity method.

Methodology note



The Buzzi Unicem group's 2014 Sustainability Report presents the social, environmental, and economic performance associated with the group's activities in the various countries where it operates. It follows the approach established during the last few years. The Report's content and publication schedule are in line with last year, to ensure continuity.

The structure in this edition of the Report is also in line with last year and focuses on the most important and significant events for the group to make comparison possible.

Specifically, the Report includes two sections: the first describing the process of corporate sustainability and how this is integrated in the business and the second focused on the economic, environmental and social performance of the group.

In-depth analysis on sustainability performances and initiatives in each single country was carried out, and we created also local versions of the Report that can be used more easily within each company of the group.

Therefore, the version in Italian includes an in-depth analysis on Italy while in the German version the

analysis focuses on Germany; the English-language version, on the contrary, does not include specific country-level analysis.

Details of sustainability performances and initiatives in the different countries the group operates will also be available on the group website.

This information will be also made available on the website of each company, translated in the local language.

Relevant Guidelines

The 2014 Sustainability Report of the Buzzi Unicem group has been prepared according to the Sustainability Reporting Guidelines of the Global Reporting Initiative (GRI) G3, at application level A+.

For the calculation of greenhouse gas emissions of the group's cement factories in Italy, Germany, Luxembourg, Poland and Czech Republic, which take part in the Emissions Trading System, we applied the criteria set by Regulation No. 601/2012 of the European Commission, which sets out guidelines for the monitoring and notification of greenhouse gas emissions pursuant to the directive 2003 / 87 / CE of the European Parliament and Council.

Reporting system

Data collection was supported by a structured process with facts and figures gathered through a reporting package sent by each region head in the Corporate Task Force (Buzzi Unicem SpA) to their direct contacts in the different countries.

Reporting process

Our 2014 Sustainability Report is the result of a structured process carried out by a task force set up at Corporate HQ level and including various functions representing a cross-section of all areas connected with the social, environmental, and economic reporting of the group.

Back in November 2014, with the official notification by the CEO to the whole group of the draft 2014 Sustainability Report, the task force identified the information structure to be used (the Sustainability Reporting Package) and the key country contacts to be involved in the data collection.

The reporting packages received by the individual heads of function in the Italian and foreign companies were then collected and consolidated by tasks force members, each for his respective area of competence.

Reporting scope

The facts and the figures in the Sustainability Report refer to all the companies included in Consolidated Accounts on a line-by-line basis, which have a significant social and / or environmental impact in the production of cement and concrete.

In addition:

- all data refer to the period between 01/1/2014 and 12/31/2014;
- quantitative environmental and social data were consolidated fully and not proportionally to the share of ownership;
- the economic data come from the Annual Financial Statements;
- the reporting perimeter of the Sustainability Report includes the subsidiary Corporación Montezuma, which is included in the Consolidated Financial Statements with the equity valuation method, a change from the previous method of consolidation.

The effect of this change resulted in an adjustment of economic data of 2013. The company was included as it is deemed to be significant in

terms of sustainability impact pursuant to the "Boundary Protocol" of GRI;

- the reporting perimeter of the Sustainability Report, for economic and social data concerning only the composition of personnel, includes the cement plant in Korkino, Russia, acquired in December 2014.

As the acquisition took place at the end of 2014, the impact of the cement plant is significant in terms of the composition of personnel and the economic data; the remaining social aspects (for example absences, remuneration, etc.) and the environmental aspects were not deemed to be significant;

- exceptions to the reporting boundary are reported in the individual relevant sections of the Sustainability Report.

Reporting principles

The reporting principles applied in the preparation of the 2014 Sustainability Report refer to the GRI guidelines mentioned above, and are listed below:

Inclusiveness, Materiality and Sustainability Context

For each type of Stakeholder we have identified the relationships established and initiatives for their engagement (see the Stakeholders section).

The document also describes the main social and environmental impact of the group on the stakeholders concerned. The information gathered has been organized by geographic region to match the group's multi-regional organization structure.

Completeness

See Reporting scope section.

Balance

Data is shown objectively and systematically, using an information structure that has been applied for years and steadily improved. The indicators used to show the results measure performance in the period regardless of whether there has been improvement or deterioration with respect to previous periods.

Comparability and clarity

In the Sustainability Report the analysis of the sustainability performance has three sections: economic, social, and environmental.

In each of them we describe the performance of

the individual countries where the group operates and compared, where significant, with group performance over the last five years (only social and environmental performance), the performances are also analyzed in the text, and any significant change is explained.

Tables and charts without comparative data refer to indicators whose comparison over a time span is not meaningful or to new indicators for which it was not possible to retrieve past data.

The application of the Global Reporting Initiative model also allows comparison with domestic and international organizations that use the same model. For the environmental data, we used performance indicators related to production, since these describe performance in a synthetic, uniform and comparable manner: the indicators for burning line are defined in terms of a ton of clinker produced, while, to ensure uniformity and comparability of data across different countries and years, the impact over the whole production cycle is defined in terms of a ton of equivalent cement.

We also included information on the concrete sector, which, with plants spread all around the world, certainly has a lower impact than the cement sector; this impact should anyway be analyzed in depth, with particular regard to issues related to the management of drainage and recycled waste.

Accuracy

Data has been checked by the various area managers of our Italian and international companies, who, in turn, coordinated the work of those involved at the factory level.

The sections: "Group Profile" and "Economic Performance" have been prepared using the same data used for the group's consolidated financial statements, which are prepared in compliance with International Financial Reporting Standards (IFRSS).

Timeliness

The publication schedule of the 2014 Sustainability Report is in line with that of the 2014 Consolidated Financial Statements; both documents are presented at the General Meeting of Shareholders.

Reliability

The Sustainability Report has been approved by the Board of Directors and presented for outside independent verification by PricewaterhouseCoopers

Advisory SpA. This is meant to verify compliance with the reporting principles specified in this chapter, including the final statement on the level of application of the GRI G3 guidelines.

Corporate governance system



The Corporate Governance system of the parent company Buzzi Unicem S. p. A. is in line with the recommendations made by CONSOB (the Italian securities & exchange commission) and with the principles set in the Italian Corporate Governance Code for listed companies and, more generally, with best practices found at the national and international level. Instruments of a voluntary nature, such as the Antitrust Code, are applied by group companies, including foreign companies. Instead the measures which refer to legal provisions conform to the provisions of the various legislative contexts.

In compliance with Italian legal requirements for listed companies, the parent company Buzzi Unicem SpA is organized with a Boards of Directors, a Board of Statutory Auditors, a Shareholders' Meeting and a Control and Risk Committee.

Boards of Directors

The Boards of Directors is the statutory managing body of the company invested with all powers with regards to the ordinary and extraordinary administration of the company. The Boards of Directors primarily carries out a management and control

function with respect to the general activities of the company and its subsidiaries, without prejudice to the functions attributed by law to the different legal entities of the group. Currently the B. of D. consists of three executives and ten not-executive directors, of which seven independent.

Board of Statutory Auditors

The Board of Statutory Auditors shall monitor compliance with laws and by-laws, as well as with the principles of sound management in the execution of corporate activities, and monitor the adequacy of the structure of the organization, the system of internal controls and the administrative/accounting system of the company. Currently the Board of Statutory Auditors includes three permanent auditors and two substitutes.

Control and Risk Committee

The Control and Risk Committee carries out the advisory and propositional functions defined by the Italian Corporate Governance Code. It has the task of supporting, with adequate investigative activity, the Board of Directors in its evaluations and deci-

sions concerning the Internal Control and Risk Management System, as well as those concerning the approval of the regular financial statements. Currently the Control and Risk Committee consists of three directors, most of which independent; it carries out the functions defined by the Corporate Governance Code.

Internal controls and risk management system

The System of Internal Controls and Risk Management is the set of rules, procedures and organization structures aimed at identifying, measuring, managing and monitoring the major business risks.

The Board of Directors holds ultimate responsibility for the Internal Controls and Risk Management System. The company has created an Internal Auditing function charged with checking the constant compliance of internal procedures, operational and administrative, with the objective of ensuring a prudent and efficient management and safeguarding corporate assets. The Board of Directors has appointed a Head of Internal Auditing, who does not report on a line basis to any of the managers, but directly to the Board of Directors. Internal Audit local functions were created within the subsidiaries. These units report on a line basis to the management of the subsidiaries but functionally answer to the Head of Internal Audit at Buzzi Unicem.

The Buzzi Unicem group has a **Risk Management** system managed by Internal Audit. The risk management system involves the Board of Directors, management and staff, to identify potential events that can impact the company, to bring the risks within certain limits, and therefore to ensure within reasonable limits that the company goals will be achieved. As part of the internal control system, our corporate risk management is implemented as a 6-monthly procedure of risk inventory taking, control and reporting, all based on a strategy for overall, known and accepted risk.

Ethics and Transparency

Given the need to ensure accurate and transparent conditions in the execution of the business and of corporate activities, to protect its reputation and image and those of its subsidiaries, shareholders, and employees, Buzzi Unicem SpA has decided to adopt an **Organization, Management, and Control Model** pursuant to Legislative Decree No.

231/2001. The Model was approved by the Board of Directors in March 2003 and since then it has been constantly updated to reflect the new types of possible felonies and to identify the related sensitive processes.

A key element of the Model is the **Code of Business Ethics**, a tool to raise the awareness of those who operate in the name and on behalf of the company so that they will behave, while performing their activities, in a correct and transparent manner, preventing the risk that crimes be committed. All the main Italian companies of the group have adopted their own Organization Model and Code of Business Ethics pursuant to Legislative Decree No. 231/2001. The parent company has also prepared a document, the **Code of Conduct**, a document setting out the standards of conduct to be applied by employees. The Board of Directors approved the Code and sent it to the employees of all companies of the Group, translated in eight different languages.

The Boards of Directors has also adopted:

- the “Procedures for Transactions with Related Parties”, aimed at ensuring substantial and procedural transparency and accuracy of transactions with related parties, pursuant to Consob Regulation no. 17221/2010 and subsequent amendments.
- the “Market Abuse and Privileged Information Manual”, aimed at gathering the procedures and practices followed by the group in regard to external disclosure of corporate documents and privileged information.
- the Internal Dealing Procedure, aimed at regulating operating procedures for compliance with notification obligations, in compliance with laws and regulations on the subject. Such obligations are incumbent on Relevant Persons with respect to the transactions carried out on the shares or other related instruments of listed companies that are part of the Buzzi Unicem group.
- the “Rules of Conduct for group Employees to Ensure Compliance with Antitrust Regulations”.

Stakeholders



Employees

The experience of its employees and the value added of their diversity are strengths for a group like Buzzi Unicem that operates in several countries, with different cultures, languages, and traditions. At the global level the group operates in three broad regions corresponding to Western Europe, Eastern Europe and America: the total number of employees was 11,222 at the end of 2014.

In 2014 the focus and the importance given to the “internal stakeholders” have brought about investments in several areas. Above all, we invested in preventive measures to ensure safety on the workplace, which has always had absolute priority at the global level, with the objective of avoiding dangerous situations as much as possible. In 2014 there was an improvement in almost all “accident indicators”. Specifically we note an improvement in the frequency indicator for the cement sector.

With regard to the professional development and welfare of employees, we note that compensation, incentives and training policies are managed in the different countries with the objective of enhance our employees.

Our focus on human resources makes it possible to reconcile work and family through arrangements that include part-time work and flexible hours.

Training continues to have an important role and is focused on health, safety and professional training issues.

There was a strong increase in training activities, both external and internal: total days of training provided in 2014 were in fact 7024 more than in 2013. The initiatives were focused especially on professional development and issues related to safety on the workplace.

Clients

Buzzi Unicem strives to increase the level of satisfaction of its clients, guaranteeing that every product and service offered meets the highest standards of excellence.

Buzzi Unicem’s customers may count on an extensive series of improvements undertaken to meet the highest standards of excellence.

Beyond after-sale assistance, as required of quality management systems certified under the standard

UNI EN ISO 9001: 2000, Buzzi Unicem provides a complete system of information and activities that goes beyond the standard customer support.

Activities include:

- data and updates
- technical assistance
- invitations to lab or factory testing
- assistance in case of dispute between clients and the end users of their services.

For any need arising from the use of the products – from procedures of use to performance testing, from complaints to legal disclosures – the customer can rely on our Technical Assistance Service, which provides the required support in the specified time frame.

Concurrently, the R & D department strives to identify the innovative solutions best suited to the requirements and the critical issues of an ever-changing market – on the basis of the suggestions obtained through the direct and constant contact between management and sales force.

Suppliers

We build a reciprocally supportive relationship with our suppliers, based on respect, trust and care. An affinity that can bring value and reciprocal advantages thanks to the synergy of our excellently managed operations and a highly effective supply chain.

In selecting suppliers, Buzzi Unicem looks for partners who can not only satisfy contractual requirements but also share its values.

The selection takes place by circulating and verifying the application of the Code of Business Ethics,

adopted by our parent company to make all internal and external stakeholders aware of the need to behave in a correct and transparent manner. Supplier selection takes place on the basis of the technical and economic competitiveness of bids, together with the reputation and soundness of the companies concerned.

Local communities and their environment

A significant share of resources has been invested by the company in initiatives on behalf of regions and communities close to its production sites.

This commitment has two objectives: to reduce the environmental impact and to create synergies with its stakeholders.

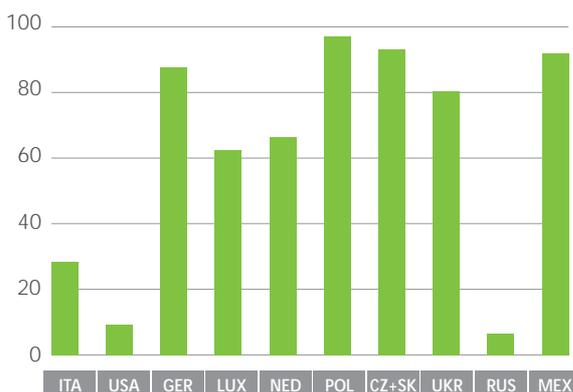
The company has always been committed to search for and adopt technical solutions that reduce the environmental impact while closely monitoring emissions.

The Buzzi Unicem group translates its commitment into action by encouraging managers at the different sites to use our wealth of global expertise and to be available to support all socially conscious initiatives with constructive and worthwhile objectives. The company, moreover, encourages the dialog with all stakeholders, such as institutions, opinion groups, trade unions, and the civil community and supports the life of the communities at its production sites with focused initiatives that allow the community to benefit from the presence of Buzzi Unicem in their area.

In-depth analysis and news on the relations between the group, the environment and the local communities can be found in the “Portland” section of the website www.buzziunicem.it

Ratio local/total spending 2014

(in %)



Shareholders

The performance of stock prices in 2014 was characterized by a bullish trend in the first months of the year, with a later correction, but with trading volumes and values noticeably higher.

Towards the end of the year, prices on the Italian stock exchange fell considerably.

The fall in stock prices was caused by an increase in the risk premium demanded by investors, whose effects were stronger than the positive contribution from cuts in long-term interest rates; the wait for a decision by the ECB on Quantitative Easing and the collapse of oil prices have increased uncertainty and accentuated volatility.

The price of Buzzi Unicem shares, towards the end of the year, suffered for the worsening of the economic outlook and for the strong depreciation of Russian currency.

With regard to operations, the year was characterized by very positive trends in the USA, especially in the sector of the commercial and residential construction.

In Germany, construction activity displayed a strong expansionary momentum at the beginning of the year, thanks to good weather conditions, then reverting to a more linear pace and closing the year with a slight increase. In Russia, activity was well supported, even if it fell back towards the end of the year, and in the Czech Republic we saw at last some recovery in construction activity levels. In Poland, despite an improving economic background, with growing investments, our sales were penalized by endogenous choices.

There was some concern about the Ukrainian market, with its complex and uncertain economic and political situation, but the level of activity of the western regions, overall, maintained a satisfactory trend. Lastly, there was no sign of recovery in Italy and investment in construction fell across all segments.

The stock market capitalization of Buzzi Unicem (ordinary and savings shares) at December 31, 2014 was below its level at the end of 2013 (-18.4%). Over the same period, the main index of the Milan Stock Exchange, the FTSE MIB, recorded a 0.2% increase.

Traded volumes increased by 41.0% on the year before. The average trade value for the year was €12.12 for ordinary shares (€11.76 in 2013) and €7.16 for savings shares (€6.14 in 2013). In the early months of 2015, the price of our shares recovered.

Price trend of Buzzi Unicem shares

(Base January 2008 = 100)



Trading in Buzzi Unicem shares

| | Ordinary shares | Savings shares | Ordinary shares | Savings shares |
|----------------------------|--------------------|-------------------|-----------------|----------------|
| Annual period of reference | number | number | € m | € m |
| Year 2008 | 217,560,057 | 31,688,570 | 3,194.2 | 321.5 |
| Year 2009 | 278,784,704 | 53,467,061 | 2,960.0 | 308.9 |
| Year 2010 | 365,608,536 | 31,748,299 | 3,277.7 | 171.9 |
| Year 2011 | 303,044,199 | 20,525,035 | 2,546.1 | 96.4 |
| Year 2012 | 254,566,236 | 16,188,731 | 2,115.5 | 65.5 |
| Year 2013 | 169,691,396 | 18,222,273 | 1,996.0 | 111.9 |
| Year 2014 | 239,192,676 | 31,296,705 | 2,899.9 | 224.5 |

Key per-share data

| (euro) | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 |
|-----------------------------------|-------|-------|-------|-------|-------|-------|-------|
| Basic earnings per ordinary share | 1.92 | 0.67 | -0.31 | 0.13 | -0.18 | -0.31 | 0.56 |
| Cash flow per share | 3.39 | 1.90 | 1.68 | 1.45 | 1.26 | 1.47 | 1.77 |
| Shareholders' equity per share | 12.14 | 12.16 | 12.48 | 12.44 | 11.79 | 10.98 | 11.33 |
| Price/earnings ratio | 6.0x | 16.8x | n/a | 51.9x | n/a | n/a | 18.8x |
| Price at year-end | | | | | | | |
| ordinary shares | 11.58 | 11.28 | 8.62 | 6.75 | 10.55 | 13.07 | 10.5 |
| savings shares | 6.57 | 7.24 | 5.36 | 3.37 | 5.16 | 7.04 | 6.4 |
| Dividend per share ¹ | | | | | | | |
| ordinary shares | 0.36 | 0.18 | - | 0.05 | 0.05 | 0.05 | 0.05 |
| savings shares | 0.38 | 0.20 | 0.03 | 0.05 | 0.10 | 0.05 | 0.05 |
| Yield | | | | | | | |
| ordinary shares | 3.1% | 1.6% | - | 0.7% | 0.5% | 0.4% | 0.5% |
| savings shares | 5.8% | 2.8% | 0.6% | 1.5% | 2.0% | 0.7% | 0.8% |

¹ 2014: proposed at the Annual General Meeting.

In 2014 institutional investors with more than 2% of shares decreased their holdings of share capital.

At the end of the period, 31.3% of ordinary share capital was held by foreign investors.

Main Shareholders

at December 31, 2014

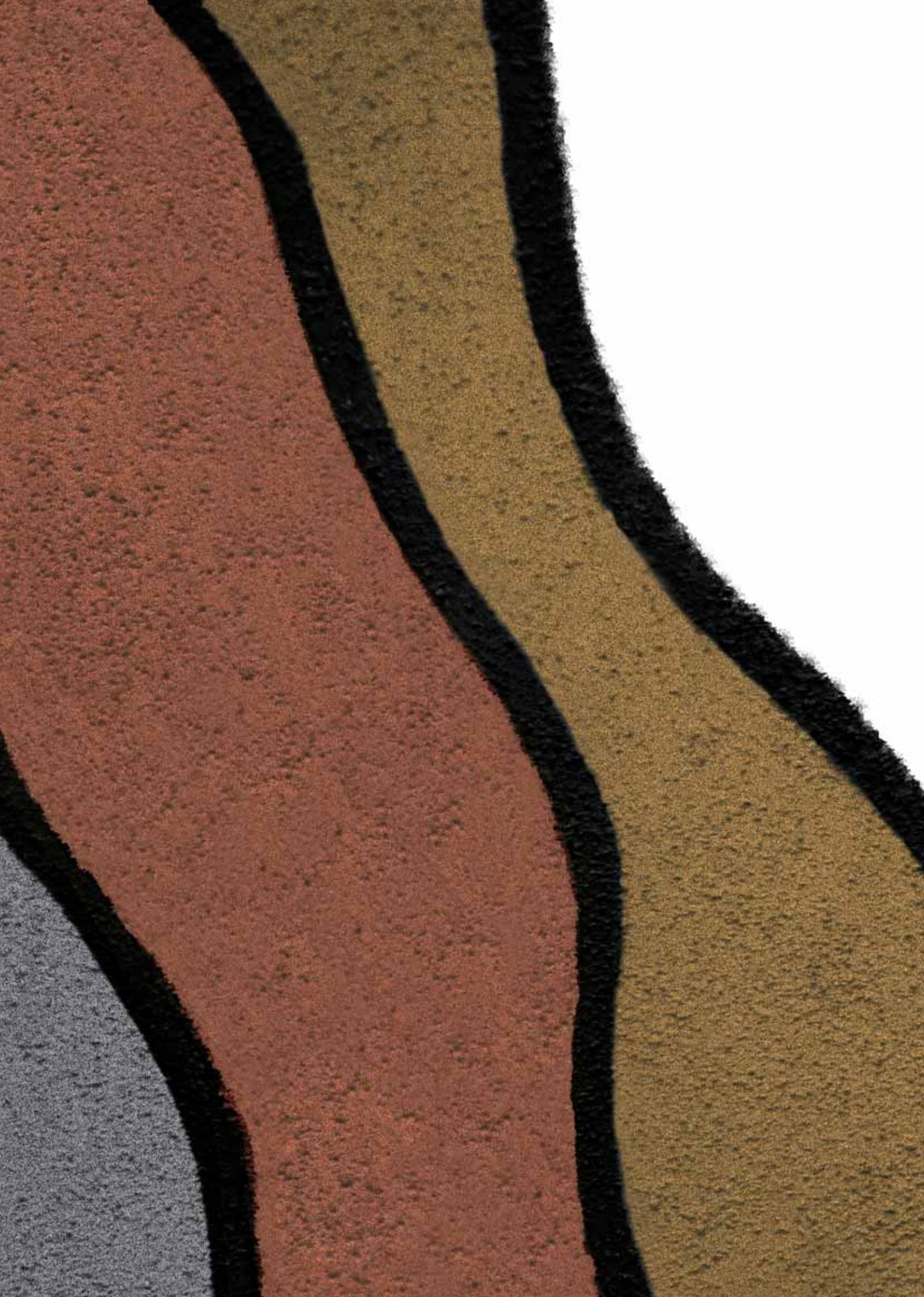
| | Ordinary shares | % of total capital | % of ordinary capital |
|----------------------------|-----------------|--------------------|-----------------------|
| Presa SpA (Buzzi Family) | 79,200,000 | 38.44 | 47.90 |
| Fimedi SpA (Buzzi Family) | 17,750,000 | 8.61 | 10.73 |
| Greenlight Capital Inc. | 3,488,000 | 1.69 | 2.11 |
| Assicurazioni Generali SpA | 3,311,890 | 1.61 | 2.00 |

To encourage frequent contact with retail shareholders, financial analysts and institutional investors, the group has created an Investor Relations office. The communication channels that often involve the top

management of the company are multiple: conference calls, meetings, regular presentations to the financial community, and roadshows at the main financial centers.

The main events of 2014 are listed below:

| | | |
|-----------|---|--------------------|
| March | Roadshow – Deutsche Bank | Brussels-The Hague |
| May | Roadshow - Exane BNP Paribas | Paris |
| May | Shareholders' Meeting | Casale Monferrato |
| May | Roadshow - Goldman Sachs | London |
| June | Unicredit Conference | Milan |
| September | Italian Conference - JP Morgan | Milan |
| October | Pan European Building Conference – BofA Merrill Lynch | London |
| November | Roadshow – Equita | Zurich |



Performance Indicators

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Lastly, there was no sign of recovery in Italy and investment in construction fell across all segments. The year 2014 was characterized by widely different operating conditions in the different markets where the company operates.

In Italy, the second recession from the beginning of the crisis is not yet over: even if domestic product in the last two quarters was only marginally down, economic activity was held back by another drop in investment, especially in the construction sector.

In the cement sector, several operators reduced production capacity in an attempt to adjust supply to changed demand conditions, but with demand decreasing further in the year in question, in many parts of the country it was still not possible to reach a sustainable level of capacity utilization.

In the countries of Central Europe, after a great start led by export growth and by investments in the construction sector, encouraged by an exceptionally mild winter, economic activity stagnated, going back to a more linear pace, especially in Germany.

More differentiated the trends in Eastern Europe: in Russia the economic and financial situation worsened quickly in the fourth quarter, but this did not have an immediate impact on the domestic demand for cement, which exceeded the record levels of 2013; in Ukraine our production remained steady, despite the recessionary economic climate and geopolitical instability; in the Czech Republic investment in construction resumed its growth, after a long period of stagnation, while in Poland, against some growth in investment, our sales of cement decreased because of sales decisions that produced undesired effects.

In the United States of America, the expansion of production was above expectations and the dynamics of growth in the construction sector strengthened especially in the residential and commercial construction segment.

The dynamics of volumes was rather positive in the United States of America and the Czech Republic, against a modest improvement in Central Europe and Ukraine, and no change in Russia. On the other hand, the level of activity in Italy continued to fall and there was a drop in Poland too, due to specific endogenous factors.

In the United States of America, volumes grew satisfactorily; a positive trend was observed also in Poland and in the Czech Republic; Germany and Italy did not show significant changes. The markets hit

harder were the Netherlands and Luxembourg.

Italy

During the year, construction investments were still falling (-3.5% in real terms) in all segments, excluding the renovation of residential property. More specifically, new residential buildings fell by 10.2%, non-residential private construction by 4.3% and public works by an estimated 5.1%.

Since 2008, the production level of new residential construction has fallen by more than 62%, and that of public works by 48%.

Renovations are supported by tax incentives, private non-residential construction was held back by the still unfavorable economic cycle and by the difficulties to access credits and public works continue to be penalized by constraints on the government budgetary position. Our sales of hydraulic binders and clinker, including those for export, recorded a decrease.

Export sales, which in 2013 had partially mitigated the decline in the domestic market, suffered from the difficulties due to oversupply in the Mediterranean area, which made this choice less sustainable. Selling prices posted a decline of 6.6%, partly due to the change in sales mix, with a higher portion of clinker. In the ready-mix concrete sector, volumes trend was more favorable (+0.7%), with prices however equally decreasing (-5.3%).

Germany

The acceleration of the first quarter was led by the growth in the construction sector, which benefited from an especially mild weather.

Domestic demand, supported by the good trend of labor income, modest interest rates, growing employment and low inflation, was supported by private consumption, while exports, despite some wobble, kept a good momentum. Trends for our cement deliveries were positive with respect to last year, with prices unchanged.

Exports and sales of white cement grew, while "oil well" binders were slightly down. Sales volumes for pre-mix concrete remained around their 2013 levels, with similar prices.

Luxembourg

Investments in the construction sector, after the drop of the previous years, have begun to recover. Such trend was reflected by domestic cement con-

sumption, which was on an upward trend.

Our cement and clinker sales, intercompany transfers and exports included, after a start to the year with deliveries favored by good weather conditions resumed a pace more in line with the previous year, with a decline in exports starting from the second quarter.

The year closed with volumes lower by 1.6% versus 2013 and marginally weaker average unit revenues. Ready-mix concrete output posted a decrease of 6.6% in a declining price environment.

The Netherlands

The recovery, even if a pick-up in the construction sector was detected and unemployment seemed to stabilize, remained anyway fragile and there are still downside risks and the possibility that the upturn may be delayed. With this background, investment in the construction sector remained weak.

Our ready-mix concrete volumes at 0.59 million cubic meters were remarkably lower than in the previous year (0.67 million cubic meters) with prices falling by 2.8%.

Poland

Investment in the construction sector showed some sign of recovery, and so did cement consumption. The introduction of a new price list in April penalized our cement shipments whose trend until then had been buoyant.

Thanks to the subsequent revision and although the demand slowdown in summer made the adjustment path for customers more complex, the last part of the year highlighted a promising recovery. Our production unit's cement deliveries declined by 17.6% compared with 2013, with an average price level in local currency slightly down (-1.3%).

Conversely ready-mix concrete volumes maintained a good trend (+6.1%), with prices down by 1.1%.

Czech Republic and Slovakia

Investment in construction, after three years of consecutive decreases, is growing again, and so is cement consumption.

The Slovakian economy grew by 2.4% in 2014, a noticeable improvement with respect to 2013 (+0.9%). Our cement sales volumes increased by 14.6% from 2013, while average prices in local currency showed an unfavorable trend (-2.9%). In the ready-mix concrete sector, which includes also

Slovakia operations, the trend showed signs of improvement with volumes up 2.0% and prices rather stable (-1.2%).

Ukraine

Geopolitical tensions and uncertainty on possible developments remain rather critical, but the country, with the help of international diplomacy, is trying to move towards normalization.

The most recent estimates about GDP shrinking indicate a decline of more than 7%, with losses of industrial activity in the conflict areas, growing unemployment, difficulties in fuel procurement, capital flowing abroad, high inflation and further serious loss of value of the local currency. Despite such climate of recession and the significant fall in the construction investments (-7.5%), the economy of the "western" regions, far from the military operations, has proved fairly resilient and the quantity of cement sold increased by 2.3%, with average prices in local currency also improving (+3.1%). The ready-mix concrete output, of little significance in absolute value, confirmed a negative trend with volumes showing an unfavorable variance of 27.5% and average prices in local currency lower by 1.4%.

Russia

Trends in the construction sector were negative, although domestic cement demand exceeded the record levels of 2013.

The slowdown in deliveries, occurred in the last months of the year, caused total cement sales to come in at the same level as in 2013 (-1.4% at constant scope), with average prices in local currency up 2.7%. The category of oil well cements, used by the extraction industry, posted an unfavorable variance equal to 10.2%.

Shipments benefited from the additional contribution of the new terminal in Omsk and moreover, starting from December, the full cycle plant in Korokino, acquired from Lafarge, entered the consolidation scope.

USA

The strong growth in construction investment concerned especially the commercial (+7.3%) and residential (+3.9%) segment, while public spending in infrastructure fell slightly (-2.0%).

Domestic consumption of cement increased for the fifth year in a row, to achieve 86.3 million tons

(+8.2%). Our hydraulic binder sales, thanks to the support coming from both the Midwestern regions and the South-West of the country, also considering a particularly favorable trend of oil well binders deliveries, closed the year up by 9.5%; also ready-mix concrete output, mainly located in the South-West, kept up with regional demand development (+9.3%). Selling prices trend in local currency continued to be positive for cement (+6.7%) and even more remarkably so for ready-mix concrete (+12.3%).

Mexico (valuation with equity method)

The cement sales of the associate Corporación Moctezuma showed a favorable and consistent trend for the whole 2014, with average prices in local currency a few points higher than the previous year. The ready-mix concrete output showed a slight decline, but prices reported a positive change, thanks to a new strategic positioning and the reduction of the number of active batch plants.

The value of the production was basically stable (-0.3%). The weakening of the revenues was substantial in Eastern Europe, mainly due to the unfavorable exchange rate effect, and in Italy, rather stable in Central Europe and in marked increase in the USA. The costs of production have benefited of favorable trends of energy prices.

The ability to generate gross added value (+4,4%) has increased and even more so for net added value (AV), in other words, for the wealth created on behalf of our stakeholders, which grew by 17.9%.

Added-Value Reclassified Income Statement

(millions of euro)

| | 2012 | 2013 | 2014 |
|--|--------------|--------------|----------------|
| Value of production | 2,628.2 | 2,601.5 | 2,592.7 |
| Intermediate production costs | -1,775.9 | -1,680.4 | -1,681.1 |
| Other income and expenses | 37.7 | 40.4 | 92.2 |
| Gross added value | 890.0 | 961.5 | 1,003.8 |
| Amortization/depreciation and impairment | -244.1 | -316.7 | -244.0 |
| Net added value | 645.9 | 644.7 | 759.8 |

The AV generated by our group's business activities increased by 17.9%.

Balance Sheet

(millions of euro)

| | 2012 | 2013 | 2014 |
|------------------------------------|----------------|----------------|----------------|
| Current assets | 1,531.4 | 1,377.4 | 1,244.3 |
| Non-current assets | 4,124.3 | 3,798.1 | 3,925.3 |
| Invested capital | 5,802.7 | 5,175.5 | 5,169.6 |
| Short-term debt | 784.0 | 603.9 | 534.0 |
| Long-term debt | 2,351.7 | 2,272.9 | 2,273.5 |
| Equity | 2,602.6 | 2,298.7 | 2,362.1 |
| Sources of invested capital | 5,738.3 | 5,175.5 | 5,169.6 |

The sustainability criteria by which the Balance Sheet and the Consolidated Income Statement are reclassified allow us to quantify and allocate the corresponding benefits to the different stakeholders of the group, according to their economic, social, and environmental characteristics.

Distribution of Net Added Value

(in %)

| | 2012 | 2013 | 2014 |
|--------------------------------------|------|------|------|
| Corporate System | -3 | -7 | 16 |
| Human Resources | 67 | 70 | 56 |
| Public Administration & Institutions | 13 | 14 | 11 |
| Shareholders | 0 | 0 | 0 |
| Providers of Funds | 17 | 16 | 12 |
| Community and environment | 7 | 7 | 5 |

The breakdown and YoY change of AV shows that the share going to the corporate system is back in positive territory.

The share of AV going to "Providers of Funds" was down, also due to the improvement in the debt position of the company, which remains well inside the limits set with that prudence that has always characterized our business policies.

Even if slightly down, the share of AV going to "Community and environment" is still substantial and shows the effort and commitment of the company in the social and environmental field.

The remuneration of ordinary and savings shares was unchanged.

The share of AV going to “Public Administration and Institutions” fell with respect to the previous year, when it had been affected by the revision and/or the missed realization of deferred tax assets from tax losses accrued in some jurisdictions.

In Italy, in the 2000 – 2014 period, we made productive investments for the development of underutilized regions (mainly Sicily, Sardinia and Puglia) totaling some €71 million, benefiting from incentives provided by the Economic Development Ministry under Italian Law 488 / 92 and from investment incentives recognized as tax credits, for a total of approximately €11 million.

These subsidized investments account for about 10% of the total investments made in Italy in the period and have all been completed. To date all incentives and benefits accrued have been credited to us. During the year we did not receive any new loan and / or investment subsidies in the other geographic areas included in the reporting boundary.

Lastly, the percentage share of AV going to “Human Resources” remained substantial.

Staff remuneration is mainly fixed. The company, however, has an incentive and loyalty-building plan for Italian managerial staff featuring payments in the form of savings shares depending on the achievement of objectives (MBO system). Savings shares are granted to beneficiaries either through reserved capital increases or through use of treasury shares.

The cost corresponding to the shares transferred – equal to their fair value on grant date – is included among staff costs.

Employee benefits go beyond direct remuneration during the employment relationship, carrying over into the post-employment period.

Such benefits primarily consist of pension plans, life insurance, healthcare plans and severance indemnities.

Support for employees’ welfare and health is therefore a hallmark of Buzzi Unicem’s corporate culture. It has tangible effects on the employees’ quality of life and enables us to attract and retain the most talented staff and to ensure long-lasting motivation

and professional satisfaction.

The way in which benefits are granted varies from country to country, depending on the legal, tax and economic conditions in each region where the group operates. Obligations refer both to current and retired employees.

The following table details our employee benefit obligations:

Obligation for benefits to employee

(thousands of euro)

| | 2014 | 2013 |
|-----------------------------|---------|---------|
| By category | | |
| Post-employment benefits | | |
| Pension plans | 314,843 | 263,827 |
| Healthcare plans | 93,242 | 85,808 |
| Employees severance pay | 22,805 | 23,243 |
| Other long-term benefits | 10,679 | 8,906 |
| | 441,569 | 381,784 |
| By geographic region | | |
| Italy | 23,781 | 24,295 |
| Central Europe | 282,049 | 242,020 |
| USA | 132,843 | 112,335 |
| Other countries | 2,896 | 3,134 |
| | 441,569 | 381,784 |

Defined-benefit plans set the amount of pension benefits earned, usually on the basis of one or more factors such as age, service years and salary.

They may be unfunded or wholly / partially funded by contributions paid by the company, and sometimes by the employees, to an entity or fund legally separate from the employer which in turn pays out the benefits to employees.

In Italy, severance indemnities to employees (TFR, or *Trattamento Fine Rapporto*) are considered equivalent to an unfunded defined-benefit plan.

The item reflects the residual obligations for the indemnity recognized in Italy to the employees until December 31 2006 for the companies with more than 50 employees, or over their working life for other companies. The liability is re-evaluated each

year, in compliance with labor law provisions in the country.

The indemnity is extinguished at the time of retirement; in special cases, a portion can be paid out in advance. The level of benefits paid depends on the hiring date, the length of service and the salary received.

In Germany and Luxembourg, the plans guarantee the payment of pensions, early pensions, annuities to surviving spouses, payments to orphans, and usually also benefits in case of permanent invalidity. The level of benefits paid depends on the hiring date, salaries and years of service. The obligation has a weighted average duration of 14 years.

All other pension plans in Germany and Luxembourg are funded only by accounting provisions.

The obligation related to health care costs in Germany is also unfunded and includes the commitment to refund 50% of the private insurance premiums to former employees, to their spouses and/or to the surviving spouse.

This health care plan was closed in 1993 and has a residual weighted average duration of about 7 years.

In the Netherlands, the obligations for pension or early pensions depend on salaries and on years of service and usually guarantee benefits also to the survivors. The plans are funded by contributions to an insurance policy; however the company retains some obligations. Conversely, pension plans in the USA are almost totally funded, whereas health plans are, by nature, unfunded.

The pension plans guarantee pensions and early pensions, benefits for survivors (spouse or children) and also benefits in case of permanent invalidity.

The benefits for the employees, or for their heirs, are set on the basis of salaries and years of service. For the workers, or for their heirs, the benefits are set on the basis of salaries, years of service, and a multiplier re-negotiated at regular intervals.

Most of the obligations are covered by an external pension fund.

The health care plans provide for the coverage of medical expenses not covered by the National Health Service or the payment of supplementary private insurance policies. The amounts refunded to the employees and, if substantial, to their spouses, depend on the years of service and do not include benefits for the survivors.

The group also grants its employees "Other long-term benefits", generally paid upon reaching a given length of service with the company. In this case, the carrying value of the liability on the balance sheet reflects the likelihood of the payment and its duration.

Such plans are unfunded and the corresponding obligation is calculated on an actuarial basis with the projected unit credit method. The actuarial profit and losses resulting from this liability are recognized in the income statement.

In the USA, a deferred compensation plan is provided for some employees.

The sums withheld are set aside in a trust and trust profits accumulate for the benefit of the participants. The corresponding assets and liabilities are recognized at fair value.

Environmental Performance



Environment and local economy: a commitment to stakeholders

Cement production has an impact on the environment because of the use of natural resources, the use of energy and water, the release of emissions into the atmosphere, water drainage, production and recycling of wastes.

Transport and packaging have also an impact so they are monitored. In this edition of the Sustainability Report, we publish for the first time data on mercury emissions, as well as data concerning health surveillance.

To ensure uniformity and comparability of environmental performance data across countries, we refer to a ton of clinker to assess the impacts of the kiln lines, and to a ton of 'cement equivalent' to assess the impacts of the rest of the production process.

Cement equivalent is the cement that could be produced in a plant using all the clinker produced, without taking into account transfers and changes in inventories, divided by the specific clinker/cement ratio resulting in the same plant.

To make possible a wider overview of the "environmental performance", we published the data for the whole group for the last 5 years and also the data for individual countries.

Natural resources

Raw materials are used to produce the so called 'raw meal', that then fed into the kiln becomes clinker, or may be also used together with clinker, to produce cement.

Natural raw materials mostly used are limestone and marl, which provide mainly calcium oxides, while clay, shale, and sand provide the other important oxides (silica, alumina and iron) according to specific proportions.

Also natural gypsum, as setting time regulator, and pozzolan are used.

Buzzi Unicem has long been committed to reduce its consumption of raw natural materials.

A relevant reduction of those has been achieved

by using alternative materials. They normally are by products or wastes coming from other industrial processes, like iron scraps, alumina powders, fly ash, incinerator slag, sludge, synthetic gypsum, and blast furnace slag.

These materials are fully compatible with the cement production process and, used in the right quantity, do not alter, or even improve, the characteristics of clinker and cement.

In 2014, we used 46,927,710 ton of raw materials, of which 43,195,982 ton natural raw materials and 3,731,728 ton alternative materials.

The rate of substitution of raw materials was basically in line with previous years (with a slight decrease, from 8.2% to 8.0%).

Most countries saw a slight increase in the substitution rate. Luxembourg (24.9%), the Czech Republic (15.2%), Poland (14.6%), Germany (13.1%) and Ukraine (11.1%) gave the best performance.

Energy resources

Cement production is characterized by high energy consumption and the energy costs represent about 40% of the total production costs. Energy requirements are mostly met by thermal energy, which is used to burn the clinker and to dry raw materials. Thermal energy represents on average about 90% of the total energy used.

For the decarbonation of the raw meal and then its completed burning (sintering), a temperature around 1400 °C is necessary.

The remaining 10% of the energy used is in form of electricity. This is mainly used to grind coal, raw meal and cements, and for clinker burning.

Energy consumptions depend on the type of technology of the kiln line (wet, semi-wet, dry) and on the continuity of production.

In 2014, once again, the industry crisis did not allow the optimal management of the kiln lines, which had to be stopped several times: as a result, the average specific energy consumption of the group again exceeded 4,000 MJ/t clinker. Some specific energy consumptions improved, however, in Italy, Germany, Mexico, and Russia.

The lowest energy consumption in the group, less than 3,400 MJ/t clinker, was recorded at the cement plants of Vernasca (ITA), Hranice (CZE), Chattanooga and Festus (USA), Tepetztingo, Cerritos and Apa-

zapan (MEX), with rotary kilns with precalciners.

In 2014, the thermal energy coming from alternative fuels was 19.3% of the total, thanks to the excellent results achieved in Poland and Germany (thermal substitution around 54%), in the Czech Republic (around 40%), in Luxembourg (around 30%) and in USA and Italy (around 15%). Particular high values were achieved in the cement plants in Geseke (70.0%), Cape Girardeau (61.4%), Gölheim (60.6%), Dyckerhoff Nowiny Polska (58.4%) and Deuna (57.0%).

Noteworthy also the results at the plants of Lenge- rich, Amöneburg, Barletta and Hranice, where thermal substitution rate were around 40%.

The main alternative fuels, which most influence the energy mix of the group, were plastics, municipal wastes (CDR), exhaust lubricants, biomass, and solvents.

The use of alternative fuels strongly reduces environmental impacts (lower quantities of wastes to disposal, lower consumption of natural resources, lower greenhouse gas emissions) and also production costs.

It is important to remark that in the clinker production process, differently from common incinerators, ashes resulting from combustion, are incorporated in the clinker matrix and become part of it; moreover, many studies on the life cycle of the product show that the environmental impact of co-incineration is definitely lower than that of incinerators and landfills, so that waste co-incineration in cement kilns can be considered as a BAT (Best Available Technology) for the sector.

As for the kind of waste used as alternative fuel, it is important to stress that co-incineration does not conflict with municipal separate wastes collection. Data show that the European countries with the best results in terms of separate collection have also the highest energy substitution rates.

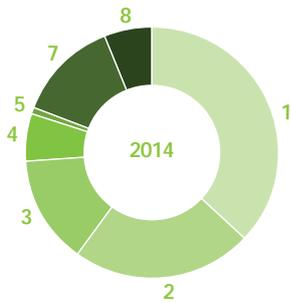
For many years the group has pursued a policy of increasing the use of alternative fuels, always in the respect of high standards of safety and quality of the product.

The allocation of new permits and the agreements with local communities have also contributed to increase the use of alternative fuels.

The charts show the energy mix used in the cement kilns in 2014.

Thermal contribution

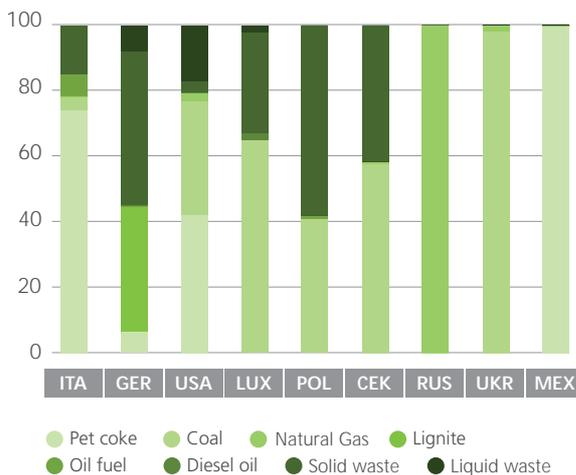
(in %)



| | | |
|---|-----------------|----|
| 1 | Pet coke | 37 |
| 2 | Coal | 23 |
| 3 | Natural Gas | 14 |
| 4 | Lignite | 6 |
| 5 | Oil fuel | 1 |
| 6 | Diesel oil | 0 |
| 7 | Solid waste | 13 |
| 8 | Rifiuti liquidi | 6 |

Thermal contribution: fuel by country

(in %)



Electricity consumption in 2014 was close to the levels of previous years, with only a minor improvement.

The average consumption for the group was 118 kWh/t of cement equivalent. Excellent results were obtained in Mexico, where electricity consumption in 2014 dropped to 84 kWh/t, and in the US, where in the last five years the consumption has fallen by about 13 kWh/t, to 145 kWh/t.

Water resources / drainage

The Buzzi Unicem group has long pursued a policy for water saving. The close monitoring of consumption, the implementation of new water recirculation circuits, the use of collected and processed rainwater, and the optimization of the industrial water circulating systems have made a constant and continuous decrease of the consumption possible.

Water is mainly used to treat the gases discharged from the kiln line, to decrease temperatures during grinding, to cool mechanical parts, to pre-treat mixes in wet-process kilns and to reduce dust. Consumption has fallen to 336 l/t cem eq. and the recycling of rainwater has increased up to 16%.

The monitoring of consumption, the optimization of distribution systems, the recycling and replenishment of water and the construction of systems to treat rainwater, by screening, sedimentation, and oil extraction, have made it possible to eliminate waste and to keep drainage to a minimum.

In cement plants, no drainage is generated from the industrial process; drainage is limited to rainwater and a small part of cooling water that is lost.

Thanks to the measures taken, from the analysis of drainage carried out according to the schedule set in the individual permits, it is possible to detect the sole presence of suspended solids and traces of hydrocarbons.

Germany, the US, and the Czech Republic stand out for the high percentage of water recovered.

Greenhouse gas

Clinker production requires the decarbonation of limestone. In this process, which takes place at about 900 °C, limestone separates into CaO and CO₂; this process is responsible for about 62% of total CO₂ emissions.

Carbon dioxide emissions are directly proportional to the production of clinker and although in recent years, with the application of the Kyoto protocol, the group has reduced its emissions, an increase in production necessarily results in higher greenhouse gas emissions.

To meet the CO₂ emission targets set by the Kyoto protocol, Buzzi Unicem has taken a series of measures:

- use of alternative fuels with high thermal value and high content of biomass (in 2014 the bio-

mass content of alternative fuels was on average 20%, with a reduction in CO₂ emissions of about 360.000 tons);

- optimization of the clinker content in the cement production and, where possible, its substitution with secondary cementitious materials (e.g. fly ash, slag and pozzolan);
- improvement of the energy efficiency of the kilns and upgrade or total replacement of old kilns with high specific consumptions.

The low production levels in 2014, due to the crisis of the sector, as well as the high clinker content required by US regulations, had a negative effect on the CO₂ indicator, which increased to 706 kg/t cem eq.

For the third year running, Buzzi Unicem took part in the Carbon Disclosure Project (CDP Italy). Buzzi Unicem was among the best companies for its involvement, obtaining the best score for emissions disclosure and placing first in the Materials sector, with a score of 98/100 for Disclosure and a B grade for environmental performance.

Atmospheric emissions

Besides the emissions described above, the clinker burning process produces other pollutants, such as nitrogen oxide (NO_x), sulfur dioxide (SO₂) and dust. Buzzi Unicem monitors these emissions by applying Best Available Techniques (BAT) and complies with strict national and regional standards on emission levels.

To comply with legal requirements, as well as to monitor the emissions into the atmosphere, continuous emission monitoring systems (SME) were installed.

With these systems, it is possible the on line monitoring of the pollutants released into the atmosphere, and to set up a reliable control system, so that the operators can immediately adjust the parameters of the plant to comply with environmental regulations if necessary.

Besides NO_x, SO₂, and dust, we also monitor hydrochloric acid (HCl), carbon monoxide (CO), total organic carbon, and ammonia (NH₃), as necessary.

All parameters monitored can be assessed in real time by external notified bodies or institutions in charge to make controls, which are given online access.

Pollutants monitored on line in the plants are also regularly checked by external independent notified bodies which make their own measures by means of certified laboratories; notified bodies can also carry out their own sampling. The analysis considers not only the emissions from kiln lines, but also the emission from all the points of the cement plants that are submitted to specific permits and regional or national regulations.

The values from inspections in our European plants are recorded and published also on the European register of emissions (E-PRTR), as requested by the European Union.

Cement production necessarily generates dust, during grinding, burning, transport and handling.

The adoption of BAT for dust abatement systems, in particular the replacement of the electrostatic precipitators with bags filters, has made possible to achieve concentrations of less than 20 mg/ Ncm.

BAT also include the recycling of collected dust within the production process, always ensuring the quality of the product.

Dust emissions again improved in 2014, with the indicator falling by almost one third (from 167 to 118 g/t clinker). This improvement is due in particular to significant investments at the Ukrainian cement plants, where the indicator was cut by half last year, even if it remains higher in comparison to the average value at Group level.

Significant investments are planned to make further improvement possible. Italy and Germany again reported the lowest levels with less than 10 g/t clinker, followed by the Czech Republic and Poland with less than 20 g/t clinker.

Nitrogen oxide emissions are a direct consequence of the high temperatures necessary for clinker burning and are generated by oxygen of combustion mixing with nitrogen in the fuels, at 1400 °C.

To guarantee compliance with current regulations NO_x emissions are reduced, both with new-generation burners with low production of oxides (Low-NO_x) as well as with SNCR abatement systems. The SNCR systems reduce NO_x concentrations exploiting a chemical reaction with ammonia or urea solutions.

In 2014 there was a slight worsening in the indicator, which went from 1794 to 1831 g/t clinker. Germany, Czech Republic and Poland were able to keep the indicator below 1000 g/t clinker also by a high

use of alternative fuels with low nitrogen content. Equally positive results were obtained at Cape Girardeau and Barletta.

The emissions of sulfur dioxide (SO₂) are also directly correlated to the content of sulfur both in fuels and in raw materials used in the raw mix preparation.

The kiln environment, strongly basic, and the relative long time the material stays in those conditions guarantees in any case very low concentrations.

In case of high SO₂ emissions because of the high content of sulfur in raw materials or the plant technology, appropriate emission abatement systems of sulfur dioxide are used: these systems are able to eliminate up to 80% of SO₂ emissions and a part of the hydrochloric acid emissions.

With data covering about 84% of production, last year the indicator was equal to 248 g/t, slightly worse than in 2013.

In 2014, for the first time, we recorded mercury (Hg) emissions: 36 mg/t clinker (data cover about 64% of clinker production because this control is not mandatory in all countries).

Waste

Since years, in all the cement plants of our Group, wastes are sorting and differentiating.

Anyway, clinker production generates very few wastes; the only ones come from paper, plastic or wood packaging of raw materials and cement bags filling. Wastes are also produced by ordinary or extraordinary maintenance, lab activities, and occasional demolitions.

In order to guarantee compliance with the technical standards, during clinker burning is necessary to collect the so-called Cement Kiln Dust (CKD).

This dust contains excess sulfur and chlorine that could alter the characteristics of the cement.

Usually CKD are reintroduced, in a strictly controlled way, in the production process, or reused in other industrial processes.

In the US, this reuse is not allowed and therefore the CKD must be managed as a waste, which brings the corresponding indicator to about 16 kg/t against the 4.6 kg/t of the group.

In 2014, the indicator worsened: it was 4.6 kg/t against 3.6 kg/t in 2013. The percentage of wastes

recycled also worsened falling to 28%.

Considering the capacity of cement plants to recycle different types of waste, both as material and as fuel, also in 2014 the balance between recycling and production was clearly positive with more than 4,600,000 tons recycled against 140,000 tons produced.

Spillage

Thanks also to the systems for treatment and recycling of rainwater, it is always possible to ensure a high level of safety in case of spills or losses as these are collected and appropriately managed.

Containment basins have been created to avoid spillages from stocks of hazardous substances contaminate and/or pollute the surroundings.

In 2014 we had any relevant loss or spill cases.

Packaging

The packaging materials used in the cement production is minimal, as only approximately 20% of cement is sold in bags.

Cement is typically packaged in bags that are placed on a wooden pallet and held down by a polyethylene film.

While the bags and the polyethylene are obviously disposable, the wooden pallet is returned and reused. If the pallet is returned damaged, it is usually repaired.

Transport

In 2014 there were no substantial changes in transport patterns.

The indicators used to assess the incidence of transport, by truck, by rail and by sea, changed only marginally. For cement, dispatched by truck and by rail increased while shipping by sea decreased as a result of lower exports; for raw materials, it was the other way around, with a larger incidence of shipping by sea.

Investment and expenditure

Despite the strong crisis affecting the sector, the Buzzi Unicem group has never stopped investing in environmental protection and workplace health and safety and also in 2014 investment increased with respect to the previous year.

In 2014 investment increased from 27 million euros to over 33 million euros; also current expenditure on

environmental and safety issues increased, from 35 to 41 million euros.

Such a significant increase in expenditure and investment on environmental and safety issues is a clear sign of the commitment of the group to these issues, as proved also from their incidence on the corresponding total amounts.

A good portion of investment, about 20 million euros, was focused on reducing emissions, while more than 12 million were spent on testing and monitoring of environmental impacts and safety issues.

Concrete

Plants for ready-mix concrete have a limited environmental impact.

The main impact of concrete production is on emissions into the atmosphere, drainage, noise production, use of water resources, and waste recycling. The last two aspects are certainly the most relevant.

To monitor water resources and manage them in the best possible way, concrete plants have:

- optimized the recycling of water from the production process by using closed circuits that make it possible to completely eliminate industrial drainage and as a result decrease the use of water pumped from wells or from superficial flows of water.

These circuits are installed at 353 concrete plants. The countries most engaged on this front are Italy and the Netherlands, where all plants have such a water recycling systems.

- increased the recycling of water used to wash equipment for concrete transportation and casting (mixer, truck-mixer, pumps, chutes) through a mechanical treatment which separates the aggregates from water.

With such a systems it is possible to reduce the wastes production and to achieve about 3% savings on pumping water and fresh aggregates consumption, increased the systems for recycling and treating of rainwater through screening, sedimentation, and oil extraction equipment.

By using fly ashes to partially replace cement in concrete mixes, it is possible to reduce the consumption of natural resources and the production of industrial wastes, which otherwise would be sent to landfills.

In more than one half of concrete plants those kind of wastes are normally used.

In 2014 the specific consumption of fly ash in a cubic meter of concrete was 35 kg/cm with a slight increase with respect to the previous years.

Intrinsic characteristics of concrete such as high thermal mass, resistance to fire, durability and re-carbonation (i.e. the capability to adsorb CO₂ from air) allow a reduction of the main environmental impacts during the working life and after.

Product

In the last ten years, new and modern approaches to quantify the main environmental impacts of each product and service category have been developed for each single stage of production, use, and end life, in other words over the whole life cycle of the product.

Among the tools for the analysis of industrial systems, the so-called Life Cycle Assessment (LCA) has taken a major role and is increasingly used at the national and international level.

The results of the analysis on the life cycle of the product are then published in the Environmental Product Declaration (EPD), a modern environmental communication tool used to disclose environmental impacts, providing data as objective, verifiable, and comparable as possible.

Buzzi Unicem has given special attention to the quantification of the environmental impact of the product. For several years, in fact, Buzzi Unicem has carried out life cycle analysis on all cements produced in its cement plants in Italy, as well as in other countries that have started showing interest for this aspect.

Thanks to the cements study, the company is able to carry out the life cycle analysis of any cement, specific to any plant, using verified and certified data.

In this way, it is possible to make available to design engineers data measured and validated by a third party both for the recycled content of the cements and for all other environmental aspects, first of all the emissions of greenhouse gas generated over the life cycle of the product (Carbon Footprint).

International protocols, such as LEED, have also focused on environmental product statements, gran-

ting additional points in the case of EPD product. Recent European directives have also alerted all industry operators to the existence of a rapidly expanding market for “virtuous” products and have provided the public sector with a practical tool for the application of the Green Public Procurement criteria to competitions in the construction sector.

In 2014 the cement plants at Barletta and Guidonia obtained the certification pursuant to OHSAS standard 18001:2008. The renewal of certifications previously granted requires a series of tests, carried out both by internal staff and/or consultants, and by certification bodies, confirming Buzzi Unicem increasing commitment to these issues, despite the deep crisis of the industry.

Environmental, health and safety management systems

| | | EN ISO 14001 System of management environmental | OHSAS 18001 System of management health and safety | EPD Declaration environmental of product | ISO 50001 System of management of energy |
|------------|----------------|--|---|---|---|
| Italy | Augusta | • | • | • | |
| | Barletta | • | • | • | |
| | Guidonia | • | • | • | |
| | Manfredonia | | | • | |
| | Riva del Garda | | | • | |
| | Robilante | • | • | • | |
| | Settimello | | | • | |
| | Siniscola | • | • | • | |
| | Sorbolo | • | | • | |
| | Travesio | | | • | |
| | Trino | • | | • | |
| Vernasca | • | • | • | | |
| Germany | Amöneburg | • | • | * ○ | • |
| | Deuna | • | • | * ○ | • |
| | Geseke | • | • | * ○ | • |
| | Göllheim | • | • | * ○ | • |
| | Lengerich | • | • | * ○ | • |
| | Neuss | • | • | * ○ | • |
| | Neuwied | • | • | * ○ | • |
| Mexico | Tepetzingo | • | • | | |
| Czech Rep. | Hranice | • | • | | |
| Poland | Noviny | • | • | | |
| Luxembourg | Rumelange | • | | | |

* Environmental Product Declaration by VDZ (German Cement Association).
This document refers to the standard cement produced in 2010 in Germany. Data shown are based on the information gathered by 51 out of 57 German producers including Dyckerhoff..

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out both by internal staff and/or consultants, and by certification bodies, confirming Buzzi Unicem increasing commitment to these issues, despite the deep crisis of the industry.

Environmental Performance: Summary table

BUZZI UNICEM

| 2010 | 2011 | 2012 | 2013 | 2014 | | |
|--------------------------|-------|-------|-------|-------|--|------------------|
| 79.8% | 79.7% | 79.6% | 79.9% | 80.4% | Clinker/cement ratio | % |
| Energy | | | | | | |
| 18.4 | 17.6 | 18.5 | 19.1 | 19.3% | Thermal substitution | % |
| 3.981 | 4.007 | 4.022 | 3.979 | 4.009 | Specific burning line consumption | GJ / t clk |
| 120 | 118 | 116 | 119 | 118 | Specific electricity consumption | kWh / t cem. eq. |
| Raw materials | | | | | | |
| 6.3 | 7.5 | 7.8 | 8.2% | 8.0% | Raw materials other than natural | % |
| Emissions | | | | | | |
| 178 | 145 | 199 | 167 | 118 | Dust | g / t clk |
| 1,831 | 1,743 | 1,998 | 1,794 | 1,831 | NO _x | g / t clk |
| 268 | 297 | 558 | 232 | 248 | SO ₂ (*) | g / t clk |
| 686 | 697 | 688 | 689 | 706 | CO ₂ direct | kg / t cem. eq. |
| 19 | 18 | 25 | 27 | 36 | Mercury | mg/t clk |
| Waste generation | | | | | | |
| 2,709 | 2,683 | 3,652 | 3,672 | 4,572 | Waste produced | g / t cem. eq. |
| 40 | 31 | 30 | 29 | 28 | Recycled | % |
| Water consumption | | | | | | |
| 355 | 362 | 345 | 334 | 336 | Water consumption | l / t cem. eq. |
| 16 | 14 | 16 | 15 | 16 | of which from rainfall | % |
| Transport | | | | | | |
| 79 | 74 | 65 | 67 | 68 | inbound – truck | km/t cem. eq. |
| 127 | 186 | 176 | 140 | 131 | inbound – train | km/t cem. eq. |
| 261 | 259 | 220 | 191 | 209 | inbound – ship | km/t cem. eq. |
| 327 | 386 | 383 | 353 | 443 | outbound – truck | km/t cem. eq. |
| 164 | 184 | 188 | 207 | 223 | outbound – train | km/t cem. eq. |
| 184 | 176 | 202 | 289 | 240 | outbound – ship | km/t cem. eq. |
| 18 | 19 | 21 | 21 | 19 | Environmental certifications UNI EN ISO 14001 or equiv. | number |
| 15 | 15 | 16 | 16 | 16 | Safety certifications OHSAS 18001 or equiv. | number |
| 1 | 1 | 13 | 13 | 12 | EPD (Environmental Products Declaration) | number |

(*) We carried out a restatement of the indicator with respect to what reported in the 2013 Sustainability Report.

| | ITA | GER | USA | LUX | POL | CEK | RUS | UKR | MEX |
|--|-------|-------|--------|-------|-------|-------|-------|-------|-------|
| | 74.5 | 70.9 | 92.4 | 68.6 | 71.2 | 77.7 | 88.5 | 81.5 | 76.5 |
| | 15.1 | 54.9 | 20.4 | 33.0 | 58.4 | 41.8 | 0.0 | 0.1 | 0.1 |
| | 3,634 | 3,941 | 4,160 | 3,673 | 3,945 | 3,377 | 4,801 | 5,746 | 3,284 |
| | 106 | 115 | 145 | 113 | 114 | 124 | 136 | 134 | 84 |
| | 4.8 | 13.1 | 7.9 | 24.9 | 14.6 | 15.2 | 5.9 | 11.1 | 0.5 |
| | 8 | 8 | 46 | 76 | 18 | 17 | 378 | 847 | 58 |
| | 1,336 | 745 | 1,919 | 1,159 | 973 | 912 | 1,237 | 2,649 | 3,302 |
| | 25 | 28 | 529 | 3 | 542 | 21 | - | - | 172 |
| | 623 | 603 | 883 | 557 | 594 | 583 | 715 | 888 | 635 |
| | 6 | 30 | 55 | 8 | 57 | 13 | - | - | - |
| | 1,189 | 712 | 16,336 | 585 | 560 | 254 | 1,354 | 1,383 | 194 |
| | 90 | 86 | 19 | 87 | 98 | 52 | 99 | 100 | 90 |
| | 279 | 208 | 320 | 63 | 304 | 57 | 621 | 1525 | 127 |
| | 3 | 39 | 48 | 0 | 0 | 67 | 0 | 0 | 0 |
| | 99 | 72 | 71 | 95 | 49 | 36 | 12 | 6 | 85 |
| | 14 | 24 | 59 | 18 | 11 | 29 | 108 | 1,605 | 46 |
| | 523 | 101 | 145 | 1,700 | 0 | 0 | 0 | 0 | 135 |
| | 227 | 289 | 30 | 409 | 45 | 257 | 177 | 41 | 1,538 |
| | 6 | 163 | 158 | 21 | 5 | 48 | 1,006 | 351 | 171 |
| | 44 | 871 | 263 | 0 | 0 | 0 | 0 | 0 | 113 |

Social Performance



In this section of the Sustainability report we describe issues related to Buzzi Unicem workforce, and we show the most significant indicators at group level as well as some prominent trends for the 2010 – 2014 period.

The issues described below are those considered essential for the purposes of social reporting, keeping in mind that the current multi-regional organizational structure and the articulated nature of the company does not allow for a single HR policy across the whole group. For this reason, specific issues are treated more in-depth in the sections produced at the country level, leaving to the following pages the objective of describing the key aspects and data at group level.

Working conditions and employment data

At the end of 2014, the Buzzi Unicem group employed a total of 11,222 people, 128 more than at the end of 2013.

It must be noted that this increase is essentially due to the acquisition of Uralcement (596 employees); in all other countries, with the exception of the US, the trend was still towards a decrease in staff levels,

because of reorganization (Germany and Ukraine), or because of the continuation of the crisis in the construction sector (Italy and the Netherlands).

The countries with the greater number of employees are: USA (2312), Germany (1763), Russia (1611), Italy (1488), and Ukraine (1420). At the global level, the three broad regions in which the group operates are Western Europe, Eastern Europe, and America, each employing approximately one third of total staff.

The main categories of contract are open-ended contracts (about 97% of the total for the group) and full time contracts (about 98%). Regarding the so-called “negative” turnover rate, given by total terminations to total workforce at the end of the year, the indicator increased in 2014, to 14.76%, from 13.21% in 2013.

In other words, the indicator went back to 2009 values, and a further increase is expected, even if less

marked (additional information can be found in the section “Social performance: charts and tables”, at the end of this chapter).

Work-Life Balance

The Buzzi Unicem group makes reconciling work and family possible by providing an organizational structure compatible with flexible hours and part-time work. The latter is an option chosen above all in Europe and at our headquarters and in administrative offices, especially by female staff. Telecommuting is another option that allows workers to achieve a better balance between private life and work. Benefits granted to full-time employees are extended to part-time workers, usually proportionally to the hours they work with respect to their full-time colleagues.

A successful example of work-life balance can be seen at Wiesbaden, in Germany. At this site many opportunities are made available to help employees achieve work-life balance. In particular a corporate nursery school is made available so that young couples with children can get to work easily and quickly, while remaining “close” to their children.

Workplace Diversity

Buzzi Unicem activity is carried out in countries and on continents that differ for culture, history, and ethnicity.

This global presence draws attention on the specificities at the local level, especially, but not only, in terms of “minorities” of foreign workers. The “management of diversity” takes into account also groups of workers that are small, in number and in percentage. This is the case for the so-called gender diversity: women represent in the group about 15% of the total number of employees, a relatively low value due to the distinctive characteristics of the industry. Note that there was anyway a positive development, a 1% increase with respect to the 2013 figure.

At group level, there are no specific policies to actively promote minorities, but “diversity” is considered a value both for the company and for the staff themselves, even if the heterogeneity of our companies, operating in different countries, does not allow us to draw a unified picture.

The specific local situation can be very different: in some countries foreign workers are rare (for example Eastern Europe and Mexico), while in others they

are found in large numbers (for example, the United States of America and Luxembourg).

Note that, only in the United States of America, “minorities” are specifically accounted for as required by local laws. The figure in the table “Breakdown of 2014 group employees by category, gender, age” (in the next section “Social Performance: Charts and Tables”), showing 127 + 568 employees, therefore refers only to the US companies.

Staff Incentive Programs

Compensation policies and incentive systems are part of staff development and are managed at country level, with the objective of making the best use of human capital. Usually the companies of the group do not give free shares but provide incentives and productivity bonuses based on corporate performance, which can be different for the management. Occasionally, a bonus is given to individual employees as acknowledgment of extraordinary achievements, for innovative proposals and for the commitment shown in special projects that have produced an improvement in performance.

We also often organize festivities to celebrate the commitment of our employees and also the achievement of certain milestones in terms of fidelity and seniority.

Collective bargaining

Collective bargaining is widespread in Europe and in the cement sector, but almost absent from the concrete sector, especially in the Czech Republic and Slovakia. In the United States of America, collective bargaining is frequent and well-established in Buzzi Unicem USA, but totally absent in Alamo. It is therefore difficult to define at group level the coverage of collective bargaining for the employees, as we operate in radically different geographic areas, sometimes in different business segments (cement and concrete) or with separate companies (as, for example, in the United States of America).

In the countries in which Buzzi Unicem operates, it is in fact possible to find situations at the two opposite ends of the spectrum. In some countries there is total coverage (Italy and Ukraine), in others there is none (Slovakia and the United States of America, for the companies Alamo and Dorsett Brothers). In most geographic areas, most employees are covered.

In 2014, the percentage of employees covered by collective bargaining grew by 1% with respect to

2013, going from 72.44% to 73.31%. The index has gone back to the levels of 2009 (73.67%) after falling to a minimum (just above 71%) in 2012; this was essentially due to the return of collective bargaining at the Buzzi Unicem USA companies, which had significantly decreased in the years of the recession.

2014 has seen the continuation of the work of the European Corporate Committee (CAE), the body representing all European Union workers, with consulting and informational functions.

The CAE meets in plenary session once a year and in 2014 the Buzzi Unicem headquarters in Casale Monferrato were chosen as location. The two sessions of the select committee were instead held in Wiesbaden and Rome.

Staff participation

Group operations in geographic areas with different cultural and social traditions, such as different traditions of union representation and work agreements regulation, require different approaches to increase staff participation in the corporate decision process. In Italy there are unified union representations (RSU) whose dialog with the company has always been honest and constructive. In Germany and in the Czech Republic, corporate law requires a third of the Supervisory Board to represent the employees. In general employees are represented in each country as provided for by local legislation, sometimes with differences from one region to the other.

Besides the provisions of local legislation, the involvement of employees can take different forms at the different production sites.

For example, in the Netherlands, the workforce is represented by "company councils", which participate in the decision process and in some cases even have a right to veto.

Training and Prevention Programs on Health and Safety in the Workplace

The group constantly promotes initiatives aimed at reducing to a minimum the risk factors typical of its industrial activities.

As safety is a complex and articulated issue, group companies have to meet very different requirements, according to the country they are located in.

Problems and issues are dealt with by management, H&S specialists, and employees, knowing that Buzzi Unicem gives absolute priority to workplace safety.

For this reason the companies continue to organize programs and innovative initiatives that, involving the staff, contribute to the constant improvement of H&S conditions. For 2014 we will mention, in particular, the program "Corporate Integration Management" carried out by Dyckerhoff, after consultation with the workers' representatives.

The program's objective is to improve the physical and psychological wellbeing of employees by preventive actions against events that, although not traumatic, are negative and statistically relevant, such as the possibility of losing one's job, of seeing one's competencies becoming obsolete, and the negative health consequences.

Training and Professional Development

Training has always been a priority for the whole group and is focused in increasing personal skills and advance careers. Training is adapted locally to take into account the needs of the company and the potential of the employees. In general, the HR functions in the individual countries organize training programs on topics of general interest, such as safety on the workplace, environment protection, cement and concrete technology, project management, linguistic training, office automation, and management systems.

In 2014, the group provided 54,482 days of training, of which 27,900 external training (provided by third parties with respect to the organization) and 26,582 of internal training (provided by internal staff), showing a continuing commitment to training even in countries where the company performance was not satisfactory.

With respect to the previous year, the total number of training days provided increased substantially (7,024 days more).

The country that offered the highest number of training days was Mexico with 5648 days more than in 2013, an increase due to training programs carried out jointly with colleges (training institutes), a BSc degree program and a pilot language program. After Mexico, Ukraine, with 1120 additional training days, due essentially to the special training programs on safety and professional development carried out by Dyckerhoff, and by Buzzi Unicem USA, with 1769 additional training days.

Also in this case, there was an increase in workplace

safety training, which recently has been object of increasing investments. In 2014, Buzzi Unicem USA continued to offer the "Tuition Reimbursement Program". It is a program to reimburse employees for the cost of external training: last year, five employees obtained academic and professional credit thanks to this initiative.

Human rights

Buzzi Unicem is committed to comply with national legislation in all the countries where it operates. The group operates in countries that have ratified the fundamental OIL/ILO (International Labor Organization) conventions abolishing forced labor and under-age labor and have integrated them into the respective domestic legislation. Buzzi Unicem operates in countries that are not considered at risk as far as human rights are concerned.

In countries where Buzzi Unicem operates, compliance with domestic legislation is deemed to be effective to ensure full respect of human rights. Making sure that there is no discrimination or under-age labor is one of the group's obligations.

Therefore all management and all staff managing human resources have been fully informed on and trained in, compliance with relevant local legislation on issues of work quality. Employees have also received our Code of Conduct and understand the underlying arguments and the common values on which our business is based.

Human Rights Protection Clauses in Material Investments

The persisting of the global economic crisis continued to slow down globally those strategic investments that were not yet at an advanced stage.

In 2014, as in previous years, no clause for the protection of human rights was included in contracts for supplies or for equity holdings.

The company, in fact, operates almost exclusively in countries not considered specifically at risk in this respect, most of which have already signed the relevant UN and ILO human rights convention.

Human Rights Violation Screening for Suppliers and Contractors

Suppliers and contractors are chosen among those who share the corporate values of our group: their selection is carried out mainly by disseminating and monitoring the application of our Code of Ethics,

adopted by the parent company to make all stakeholders aware of the need to behave in a correct and transparent manner. As the group operates in countries that have already signed the main UN and ILO conventions concerning human rights, national legislation already takes care of human rights violations.

Discrimination Incidents

No episodes of discrimination were reported in 2014 in the countries in which the group operates, except for the United States of America where three new cases of discrimination were opened and are still being settled.

Individual Freedoms

The other issues that fall under protection of human rights are freedom of trade union association and collective bargaining and utilization of child and forced labor. In the Buzzi Unicem group there is no risk of this kind of discrimination.

Regarding freedom of association, the high rate of collective bargaining coverage in the group testifies to the absence of risks of this kind.

Moreover, surveys at all group units identified no danger of minors being exposed to hazardous activities, nor any real and concrete risk of forced labor.

Occupational Health and Safety

In 2014 one employee of Volyn-Cement in Ukraine and one of Corporación Moctezuma in Mexico lost their lives in workplace accidents. We remember fondly our colleagues and stand by their families.

In 2014 we monitored, in addition to workplace accidents, the data on the health surveillance carried out on Buzzi Unicem workers, according to national laws and regulations.

We calculated the percentage of employees who received regular medical examinations as well as the percentage with special requirements or limitations (e.g. reduced exposure to noise, limitations concerning manual handling of loads, etc...).

In 2014 about 62% of the employees were under health surveillance. Also in this case there were differences among countries, mainly due to different workplace health regulations.

The HSA management system for Buzzi Unicem internal and external workers starts from the analysis

of injuries, accidents and, narrow misses: their causes are identified and effective preventive measures are adopted to prevent them or at any rate reduce their frequency.

This systemic approach has been one of the key reasons of the steady decline over the years of injury indicators for the group and has significantly helped to foster sensitivity and awareness on the issues of work safety and hygiene across the organization.

The analysis of accident statistic indicators is the basis on which we define priorities and schedule prevention and protection initiatives. The ultimate objective is to reduce potential risks and support the commitment of the company to make its own production activity increasingly safe.

The frequency index for the cement sector, that is, the ratio of the number of injuries to hours worked, was equal to 3.82, confirming the constant decrease in the number of accidents and in the indexes.

The indicator fell by 27% with respect to 2013, more than halved over the last five years.

The total number of injuries requiring work absence fell from 63 to 43. The severity index has fallen further to 0.11, with a 37% decrease with respect to 2013.

The indicator is about one third of what it was in 2010, which proves that not only was the number of accidents lower, but the accidents were also less serious. The number of accidents in the concrete sector was slightly up with respect to 2013, with the frequency index rising from 19.3 to 21.5.

The accident indicators for the concrete sector are strongly affected by the scope of recording. In fact, there have always been many workplace accidents during shipping of the finished product and in some countries this is carried out by external personnel.

In 2014 there were two fatal accidents, one in Ukraine in the cement segment and one in Mexico in the concrete segment. Therefore the Fatality Rate, which is the ratio of the number of fatal accidents to the number of employees, was equal respectively to 1.61 and 2.7.

Activities on behalf of Local Communities

The Buzzi Unicem group takes part in initiatives on behalf of local communities in every country where it has a significant presence.

Charity initiatives

In the Czech Republic, Cement Hranice has organized each year, for more than fifty years, a charity event attended by employees, government representatives, and representatives of important local companies. The event is a fundraiser for the Association "Charity Hranice", which helps sick, disabled, and homeless people.

In Russia, in the fall of 2014, at Suchoi Log, we organized the "Helping Hand" charity event to collect funds for the disabled children of the town. In Ukraine Volyn Cement has been supporting for many years the "Casa della Cultura", a cultural center that hosts educational and creative programs for children (dance, singing, painting, etc.).

The employees of Buzzi Unicem USA participate each year in different initiatives (collection funds, collection food) on behalf of the local communities. As in previous years, the plants of Cape Girardeau, Festus, Stockertown and Pryor, in America, and those of Apazapan, Cerritos and Tepetzingo, in Mexico, held a "Health Fair", an event where all participants were able to receive free medical care.

Donations

In 2014, donations – in cash or cement – were made to religious organization, sport associations, cultural and social associations, schools, non-profits, and local organizations, in every country where the group operates.

In Italy Buzzi Unicem supports two non-profit organizations, A.S.P.H.I., which promotes the integration of the disabled at school and at work, and ANFASS, which campaigns for intellectually and/or emotionally disabled people.

The plant of Yug-cement paid for the Internet connection of a local school allowing students to make use of this technology in their education.

Dyckerhoff Ukraine supports the "Medodar" Foundation that helps sick children from poor families and supports families who were involved in the nuclear disaster of Chernobyl.

Buzzi Unicem USA supports several charities, the most important being "United Way". It also supports "American Heart Association" and "American Cancer Society". As in previous years, Alamo Cement sponsored the "Alamo Annual Golf Tournament", a fundraising event for charities and non-profit organizations based in Southern Texas.

Around 147 people took part in the event and

\$5.032 was raised for the “Special Olympics of South Texas Charity” and \$5.032 for the “Casey Wells Scholarship Fund”, a fund providing college scholarships for high school students.

Group Support for Artistic and Cultural Initiatives

Consulta per Torino

Buzzi Unicem is a member of the “Consulta per la promozione dei beni artistici e culturali di Torino”, the Organization for the promotion of the artistic and cultural heritage of Turin.

This Organization, established in 1987, promotes and improves the accessibility of the artistic and cultural heritage of Turin.

The members, thirty-three companies and organizations, all donate each year an equal amount for projects focused on the town of Turin.

In twenty-seven years of activity, more than 20 million euros have been spent and more than 50 initiatives of restoration and promotion have been carried out on the major monuments and museums of the town, working with heritage protection institutions and bodies. Among the most significant initiatives in 2014 the exhibition “Dipinti e disegni of the Grande Officina di Gaudenzio Ferrari” (Paintings and Drawings from the workshop of Gaudenzio Ferrari) at the Accademia Albertina, the restoration of the Anticappella and Cappella of Sant’Umberto at the Palazzina di Caccia in Stupinigi and the creation of a new exhibition area inside the Biblioteca Reale (Royal Library).

Cement in the identity of Monferrato Casalese

Buzzi Unicem supports the “Cemento nell’identità del Monferrato Casalese”, a non-profit cultural association for the study, protection, and promotion of the heritage of the local binders industry (cement and lime).

The Association was set up in 2006 with the objective of encouraging the cooperation of individuals, companies, towns, and universities on a common project of great historical and cultural content, related to the promotion of the region.

In the second half of 2013 and in 2014, the Association carried out a series of activities focused on the region and in line with the European directive on the conservation and promotion of industrial herita-

ge, which show the increasing interest of the community in disused industrial sites, places that, with new roles and functions, strengthen the residents’ sense of belonging, keep memories alive and pass them on to future generations, and provide tourist attractions.

The project on which the Association has focused its efforts is called “Cement Industrial Archeology Park” and consists in the creation of a decentralized museum spread on an area of about 400 Km² on the Po River, involved in all activities related to cement production, from marl extraction in underground quarries, to the shipping by cable car or “industrial rail”, to grinding and production at the different plants.

Buzzi Unicem Historical Archive

The Historical Archive of Buzzi Unicem, open in 2002, contains thousands of folders, documents, designs, photos, and volumes about the history of the companies that produce lime, cement and similar products and that have become part of the Buzzi Unicem group. The documents cover, not uniformly, a time period of about 100 years.

It is not only the visiting card of an important company, but above all a cross-section of the social history of the Monferrato area, of the technological evolution of a product, and of the impact of a complex industrial process on the local communities.

It is therefore an item of substantial historical interest recognized and protected by the Soprintendenza Regionale ai Beni archivistici [Superintendent of Archival Heritage].

Related to the Historical Archive, the “Technology Park” consists of a series of disused machines from the cement plants of the group, arranged in an exhibition itinerary within the public park around the offices of Buzzi Unicem SpA, a series of objects/installations that embody the history of the company and of the industrial activities that have characterized the region for more than a century, the core of the future “Industrial Archeology Park of Cement”.

Group Support for Medical and Scientific Research

The Buzzi Unicem Foundation

The Buzzi Unicem Foundation was established in 2003 in Casale Monferrato by Buzzi Unicem SpA

with the mission of promoting and sustaining initiatives to improve the diagnosis and therapy of Pleural Mesothelioma, an aggressive type of malignant cancer caused by environmental and work-related exposure to asbestos.

This serious pathology represents an alarming social phenomenon in the Casale Monferrato region, where asbestos-containing material used to be produced.

To fulfill its statutory obligations, the Foundation finances the research projects of Universities, Research centers, and Health authorities on:

- applied research into prevention systems;
- direct work on patients aimed to early diagnosis and treatment.

The Foundation cooperates with the public sector, channeling funds to projects which encourage the sharing of ideas, experience, and suitable resources to facilitate the routes that lead to the right clinical solutions, an ideally-placed connection point between science and patients.

The scientific Committee of the Foundation, which includes doctors and researchers specialized in pulmonary diseases, professional diseases, and oncology, from different medical institutes and universities of Northern Italy, sets priorities and monitor progress.

The Buzzi Unicem Foundation is included in the Italian register of non-profit organizations and receives about 1,000 donations each year.

Group Support for Sport Initiatives

Each year a team of Dyckerhoff employees takes part in the “JP Morgan Corporate Challenge” in Frankfurt, one of the most important running events in the world.

Dyckerhoff Polska contributed to the organization of a running event in the town of Nowiny and a team of employees took part.

Cement Hranice supports a youth handball team, both by providing funds and by making available a covered field owned by the company. This team, one of the best in the whole Czech Republic, has been carrying the name of the company for more than 50 years, helping young people to use their free time in training activities.

The plant of Sukholozhskcement, in Russia, hosted

the corporate Olympic Games for the fifth consecutive year: about 500 employees took part, together with several hundreds of other people. The event was made unforgettable by the arrival in Suchoi Log of the Olympic torch which was used to light the corporate brazier.

In Slovakia, Zapa Beton took part in the 2014 “Building Industry Football Challenge”.

The plant of Tepetzingo supports a youth soccer team, Las Tres T's, with young people from local communities.

Group Support for the Environment

In the US, each year, the company organizes a collection of used tires at its plants: these are used as fuel to produce energy for the kiln. There have also been collections of computers, toner cartridges, cell phones, paper, aluminum cans, and batteries. The Festus plant has begun an environmental management program on 1300 hectares of land owned by the company.

The program has the objective of protecting the community, preserving wildlife habitat and protecting and improving natural resources within the forest.

The Pryor plant has converted an area of 18 acres containing different habitats (prairie, forest, waterways) into an open-air classroom for students of the local schools. This allows the schools to hold classes in close contact with nature and wildlife.

In October 2014, the Chattanooga plant took part in the 26th edition of the “Annual Tennessee River Rescue”, which mobilizes the community to clean the banks of the Tennessee River and its tributaries. The employees of the Cape Girardeau and Festus plants similarly worked with local organizations to clean the banks of the Missouri River.

Group Support for Dialog with Local Communities

In every country where Buzzi Unicem operates, the company gives a lot of importance to relations with the communities near its plants, where its employees live with their families. Therefore, it has always made an effort to maintain a dialog, for example, by involving people in the significant anniversaries and events of the company and opening the doors of its plants to visitors, above all to local schools.

In September, Dyckerhoff celebrated its 150° anniversary; employees and their families were invited

to celebrate, together with former colleagues, neighbors and friends of the plants. During the celebrations, carried out at four cement plants, visitors had the opportunity to learn about the history of Dyckerhoff and Buzzi Unicem and about the production of cement and concrete.

With the advice of an artist, participants were also able to express their creativity decorating a water tank with colored stickers. This was done for charity: to place an image, in fact, it was necessary to make a donation. The sum collected, doubled by Dyckerhoff, will be donated to a charity operating in the area of each cement plant.

In Czech Republic, for the 60th anniversary of Cement Hranice, the company organized guided tours of the plant.

Every year, Cement Hranice organizes the "Family Day", a day of recreation and fun for the employees and their families.

Many of the initiatives carried out in 2014 were addressed to local schools with the objective of spreading the knowledge of the activities of the company and of its plants.

At the German plants, workshops about concrete production were organized for middle and upper school students. The workshops included one and a half day of practical work and another half day of guided tour of the plant.

Cimalux participates each year, with guided tours of the plant, in an initiative led by the Ministry of Labor, the purpose of which is to introduce female students from local schools to companies that are not usually considered a source of employment for women.

In Czech Republic, Cement Hranice invited the students of a local school to carry out practical training at the plant.

In the US, the Maryneal plant organized guided tours to the plant and the quarry for elementary schoolchildren to learn about the cement production process.

Transparency of Business Conduct

Buzzi Unicem believes that ethics is fundamental to its business activity and that full respect of the law adds value to the company. Both strategic activities and daily operations must always be based on ethical principles and on high-level legal provisions.

For this reason, the company has adopted the Code of Ethics, which lays down the principles to which

all employees of the group must abide as they face and overcome challenges to ethics and legality in their daily activities.

This document, translated into 8 languages, was sent to all employees of the group.

The managers of the subsidiaries were made aware of the importance for their employees of abiding to the Code, as an essential part of the contractual obligations, the commitment and the duties of the employees of the Buzzi Unicem group. The Internal Audit function is charged with assessing compliance with the Code of Ethics and, to this purpose, every year it prepares and carries out a Group Audit Plan. The Audit Plan covers all countries in which the group operates and plans assessment activities according to the level of risk of the different regions. Unscheduled audits may also be carried out at the plants/systems and Headquarters, as a result either of management reports or of whistle blowing. In fact, in every country where the group operates, every reports received is assessed and analyzed by the local Internal Audit function. Special attention is given to the issues of corruption, antitrust regulations and conflict of interest, for which specific procedures were defined and compliance with which is assessed at regular intervals.

Training on Ethics and Transparency Issues

In 2014, at the end of the training program begun in 2012, there was an assessment of the actual knowledge of antitrust issues by the Buzzi Unicem sales force. The assessment was carried out on 45 employees.

In the US, Buzzi Unicem USA organized a training course on antitrust issues which was attended by 68 employees. Alamo too dealt with these issues and organized a training course, attended by 69 employees, between managers and salespeople, on "Basic Principles of U.S. Antitrust Law" and "Basic Antitrust and Trade Regulation Statutes". Specific training was also provided and relevant guidance material distributed, on the way to identify violations and prevent illegal activities.

In Mexico, 120 employees attended a training class on corruption issues.

Corruption

No instances of corruption were reported in the context of the activities of the group in 2014.

Position and participation in public politics and lobbies

In Italy, Buzzi Unicem SpA is an active member of AITEC, the Italian Cement Producer Association, ATECAP, the Italian Concrete Producer Association, and Cembureau, the European Cement Association, based in Brussels. AITEC defends, at the national and supranational level, the technical and economic interests of the cement industry. AITEC promotes and spreads the awareness of the technology potential of cement and of the aesthetic and practical qualities of the product in its different applications. To this purpose, the association collects, selects and publishes the most interesting analyses and case studies, to make better known both the traditional applications and the possible innovative uses of cement.

ATECAP provides assistance to member companies in all fields where requirements of technical, regulatory and market nature are identified.

Cembureau represents the cement industry in front of the European Parliament and other EU institutions. Through this association, we have been able to present our point of view on the evolution of EU legislation on environmental, energy, product standards, and sustainability issues.

In Germany, in the cement sector, Dyckerhoff is a member of the "Cement Manufacturers Association" (VDZ), which is in turn a member of Cembureau. In the concrete sector Dyckerhoff is instead a member of the "Union of Concrete Producers" and of the Chamber of Commerce. In Luxembourg, Cimalux actively supports Fedil, the "Luxembourg Business Federation", and Cembureau. Cimalux is also a founding member of the "National Council for Sustainable Construction", with the objective of promoting a more sustainable development of the construction sector.

In Poland, Dyckerhoff Polska is active in several associations such as the "Polish Cement Association", the "Polish Association of Ready Mixed Concrete Producers", and the "Polish German Chamber of Commerce & Industry".

In the Czech Republic, Zapa Beton is a member of the "Cement Manufacturers Association" and Cembureau.

In the United States of America, Buzzi Unicem USA is a member of the "Portland Cement Association" (PCA), which campaigns for a fair implementation of policies and legislation aimed at reducing greenhou-

se gas emissions. Buzzi Unicem USA is represented on several PCA committees, such as the "Transportation and Infrastructure Committee", whose aim is to develop a common approach to infrastructure and transportation issues.

Buzzi Unicem USA is also an active member of the "Research and Education Foundation", which has the objective of improving the quality and the sustainability of the concrete sector.

Alamo Cement is a member of the "Alamo Area Council of Government", a forum for the discussion of issues at the local, state, and nation level, with the objective of making suggestions to the competent authorities, in particular on environmental issues.

The company participates actively also in the South Central Texas Cement and Lime Manufacturers group, which includes four cement producers and one lime producer. At the state level, Alamo Cement is involved in the "Texas Association of Business", which deals with environment, human resources, and legislation issues. It is also a member of the "Texas Cement Producers Group" and the "Portland Cement Association".

In Mexico, Moctezuma is a member of the "Camera Nacional del Cemento".

Sanctions

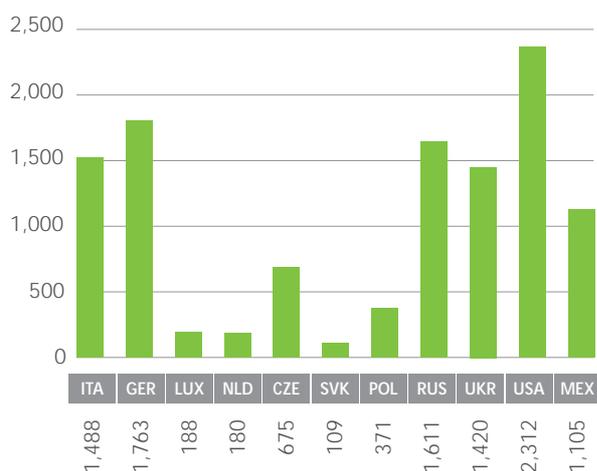
In Italy, in 2014, we began to pay a fine of about seven million euros resulting from antitrust proceedings against Unical, found guilty in 2004 of concluding an anti-competitive agreement. The amount paid in 2014 was about 1,189,000 euros.

Moreover, about 50,000 euros were paid for the failure to comply with laws and regulations and for administrative irregularities.

In the US, 75,292 dollars were paid for violations of workplace safety regulations and 20,704 dollars for failing to comply with tax laws and payment schedules. A 2,640 dollar fine was paid for irregularities in the data concerning 2013 emissions.

Social Performance: Charts and Tables

Breakdown of 2014 staff by geographic distribution



TOTAL GROUP 11,222

Turnover rate of 2014 staff by geographic distribution



GROUP 14.76%

2010-2014: total group employees by contract type

| | 2010 | 2011 | 2012 | 2013 | 2014 |
|----------------------|---------------|---------------|---------------|---------------|---------------|
| Total staff | 11,885 | 11,528 | 11,426 | 11,094 | 11,222 |
| Men | 10,236 | 9,932 | 9,841 | 9,553 | 9,544 |
| Women | 1,649 | 1,596 | 1,585 | 1,541 | 1,678 |
| Open-end contracts | 11,500 | 11,165 | 11,096 | 10,816 | 10,936 |
| Fixed-term contracts | 385 | 363 | 330 | 278 | 286 |
| Full-time | 11,658 | 11,313 | 11,223 | 10,914 | 11,046 |
| Part-time | 227 | 215 | 203 | 180 | 176 |

The 2012 figure for total workforce was updated with respect to the one in the 2012 Financial Statements.

2010-2014: total number and turnover rate of group employees

| | 2010 | 2011 | 2012 | 2013 | 2014 |
|---------------------------|--------------|--------------|--------------|--------------|--------------|
| Rate turnover % | 10.59 | 12.47 | 11.64 | 13.21 | 14.76 |
| Total workforce | 11,885 | 11,528 | 11,426 | 11,094 | 11,222 |
| Total new hires | 1,492 | 1,178 | 1,228 | 1,134 | 1,784 |
| Total terminations | 1,259 | 1,438 | 1,330 | 1,466 | 1,656 |
| of which for resignations | 659 | 729 | 664 | 865 | 845 |
| of which for retirement | 185 | 221 | 205 | 206 | 190 |
| of which for dismissal | 415 | 488 | 461 | 395 | 621 |

Turnover rate = total terminations/total workforce.

2010-2014: percentage and number employees of the group to whom collective bargaining agreements apply

| | 2010 | 2011 | 2012 | 2013 | 2014 |
|--|---------------|---------------|---------------|---------------|---------------|
| Total staff | 11,885 | 11,528 | 11,426 | 11,094 | 11,222 |
| Employees of the group covered by collective bargaining agreements | 8,684 | 8,378 | 8,156 | 8,036 | 8,227 |
| Indicator of coverage % | 73.07 | 72.68 | 71.38 | 72.44 | 73.31 |

Minimum notice period in case of organization changes

| | |
|----------------|---|
| Italy | 11 weeks |
| Germany | 4 weeks |
| Luxembourg | no notice |
| Netherlands | 4 weeks |
| Czech Republic | 8 weeks (cement), 6 weeks (concrete) |
| Slovakia | 8 weeks |
| Poland | 12 weeks |
| Russia | 8 weeks |
| Ukraine | 9 weeks |
| USA | 9 weeks (for plant closure) |
| Mexico | 4 weeks |

Absentee rate by geographic area (illness, injuries, other causes)

| | Absentee rate in % | of which for strikes in % | Occupational diseases | Deaths |
|----------------|--------------------|---------------------------|-----------------------|----------|
| Italy | 2.63 | 0.03 | 6 | 0 |
| Germany | 5.51 | 0 | 0 | 0 |
| Luxembourg | 5.48 | 0 | 0 | 0 |
| Netherlands | 4.86 | 0 | 0 | 0 |
| Czech Republic | 3.04 | 0 | 0 | 0 |
| Slovakia | 1.76 | 0 | 0 | 0 |
| Poland | 2.81 | 0 | 0 | 0 |
| Russia | 1.50 | 0 | 0 | 0 |
| Ukraine | 2.45 | 0 | 0 | 1 |
| USA | 2.16 | 0 | 0 | 0 |
| Mexico | 1.44 | 0 | 0 | 1 |
| Group | 2.83 | 0.004 | 6 | 2 |

2010-2014: group absentee rate

| | 2010 | 2011 | 2012 | 2013 | 2014 |
|------------------------|-------------|-------------|-------------|-------------|--------------|
| Absentee rate % | 2.76 | 2.89 | 2.76 | 2.98 | 2.83 |
| of which for strikes % | 0.03 | 0.01 | 0.01 | 0.002 | 0.004 |
| professional diseases | 12 | 10 | 8 | 13 | 6 |
| deaths | 0 | 0 | 2 | 1 | 2 |

Accident indicators 2014 by geographic area (CEMENT)

| | Indicator frequency | Lost-time injury rate | Average injury (dd) |
|----------------------------|---------------------|-----------------------|---------------------|
| Italy | 2.3 | 0.07 | 32 |
| Germany | 8.0 | 0.14 | 18 |
| Luxembourg | 41.0 | 0.58 | 14 |
| Czech Republic Slovakia | 6.6 | 0.07 | 11 |
| Poland | 3.1 | 0.05 | 15 |
| Russia | 0.6 | 0.04 | 58 |
| Ukraine | 1.4 | 0.01 | 10 |
| USA | 3.1 | 0.26 | 84 |
| Mexico | 0.0 | 0.00 | 0 |
| Group | 3.8 | 0.11 | 29 |

2014 accident indicators by geographic region (CONCRETE)

| | Indicator frequency | Lost-time injury rate | Average injury (dd) |
|----------------------------|---------------------|-----------------------|---------------------|
| Italy | 10.2 | 0.23 | 23 |
| Germany | 29.2 | 0.61 | 21 |
| Luxembourg | 44.1 | 1.17 | 27 |
| Netherlands | 5.8 | 0.03 | 6 |
| Czech Republic Slovakia | 6.9 | 0.53 | 77 |
| Poland | 5.7 | 0.08 | 14 |
| Ukraine | 0.0 | 0.00 | 0 |
| USA | 38.0 | 0.95 | 25 |
| Mexico | 13.4 | 0.42 | 32 |
| Group | 21.5 | 0.58 | 27 |

2010-2014: group accident indicators

| | 2010 | 2011 | 2012 | 2013 | 2014 |
|---------------------------------|------|------|------|------|-------------|
| Cement | | | | | |
| Indicator frequency | 8.4 | 7.6 | 5.8 | 5.2 | 3.8 |
| Indicator lost-time injury | 0.37 | 0.38 | 0.24 | 0.18 | 0.11 |
| Average duration accidents (dd) | 44 | 50 | 41 | 34 | 29 |
| Concrete | | | | | |
| Indicator frequency | 20.5 | 23.8 | 21.1 | 19.3 | 21.5 |
| Indicator lost-time injury | 0.51 | 0.55 | 0.48 | 0.51 | 0.58 |
| Average duration accidents (dd) | 25 | 23 | 23 | 26 | 27 |

2014 average days of external and internal training per employee, by category*

| | External | Internal |
|-------------------------------------|-------------|-------------|
| Total group employees | 2.52 | 2.40 |
| Managers, office supervisors, white | 2.50 | 1.19 |
| Foremen, blue-collars | 2.53 | 3.12 |

* Excluding 151 apprentices.

2010-2014: external training per employee

| | 2010 | 2011 | 2012 | 2013 | 2014 |
|---|--------|--------|--------|--------|--------|
| Total days of training | 20,001 | 24,406 | 23,973 | 25,068 | 27,900 |
| Average days per employee | 1.7 | 2.15 | 2.13 | 2.29 | 2.52 |
| Managers, office supervisors, white collars | 1.4 | 2.02 | 1.79 | 1.88 | 2.50 |
| Foremen, blue-collars | 1.87 | 2.22 | 2.34 | 2.54 | 2.53 |

2010-2014: internal training per employee

| | 2010 | 2011 | 2012 | 2013 | 2014 |
|---|--------|--------|--------|--------|--------|
| Total days of training | 24,344 | 22,444 | 19,814 | 22,390 | 26,582 |
| Average days per employee | 2.07 | 1.97 | 1.76 | 2.05 | 2.40 |
| Managers, office supervisors, white collars | 1.24 | 1.24 | 1.35 | 1.26 | 1.19 |
| Foremen, blue-collars | 2.53 | 2.4 | 2.01 | 2.53 | 3.12 |

2014 Ratio of basic salary of female to male staff (with equal title)

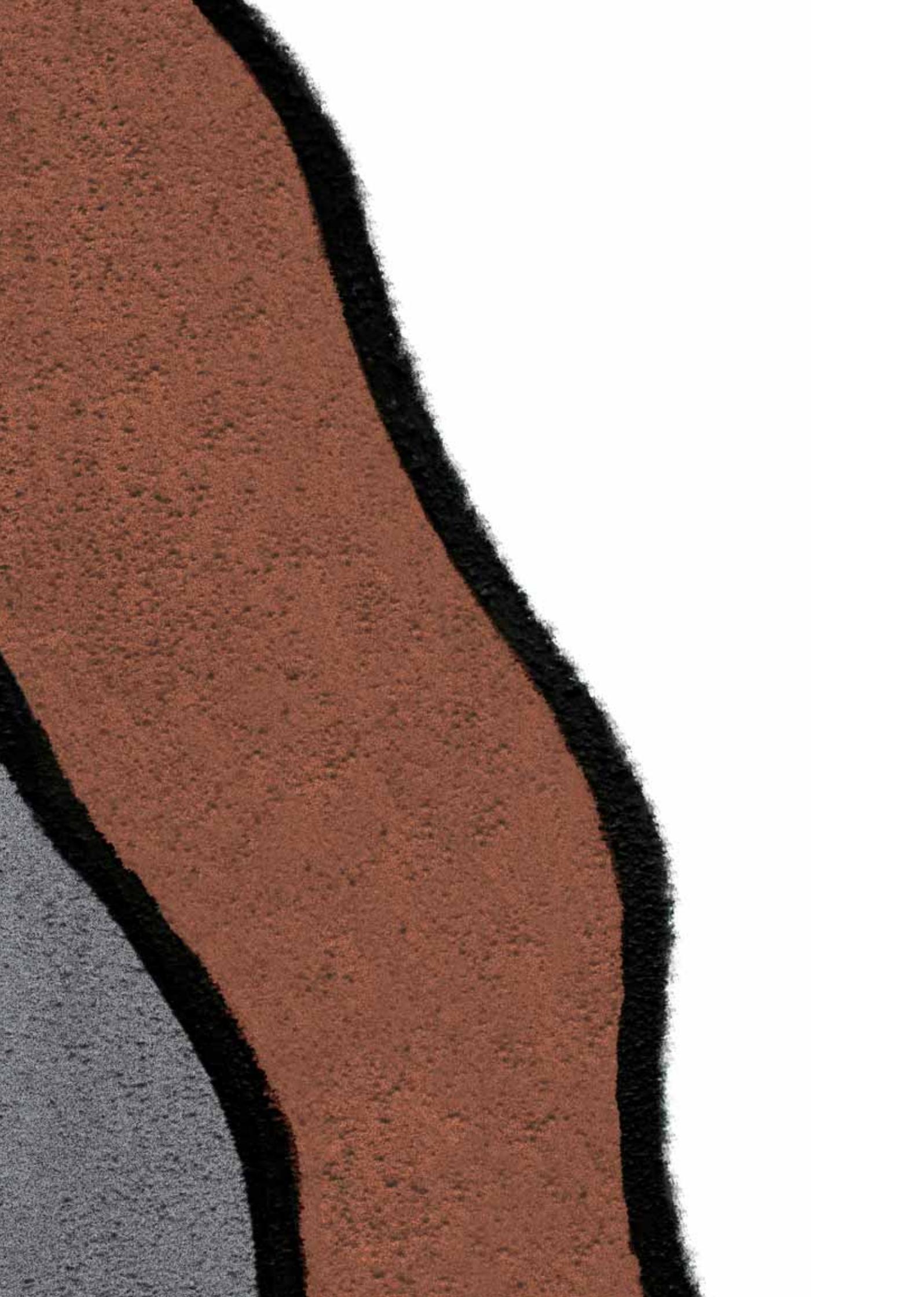
| (in %) | Managers, office supervisors | Foremen, blue-collars |
|----------------|------------------------------|-----------------------|
| Italy* | 90 | 80 |
| Germany | 80 | 100 |
| Luxembourg | 80 | 100 |
| Netherlands | 77 | 68 |
| Czech Republic | 58 | 97 |
| Slovakia | 76 | 106 |
| Poland | 50 | 120 |
| Russia | 59 | 70 |
| Ukraine | 81 | 78 |
| USA | 66 | 96 |
| Mexico | 50 | 100 |

* In Italy excluding 42 managers (41 men, 1 woman).

Breakdown of 2014 group employees by category, gender, age

| | |
|--|---------------|
| Managers, office supervisors, white collars of whom | 4.190 |
| Men | 3.089 |
| Women | 1.101 |
| Under 30 | 414 |
| 30/50 | 2.452 |
| Over 50 | 1.324 |
| Minorities | 127 |
| Foremen, blue-collars | 7.032 |
| Men | 6.455 |
| Women | 577 |
| Under 30 | 928 |
| 30/50 | 4.009 |
| Over 50 | 2.095 |
| Minorities | 568 |
| Total group | 11.222 |

From internal analyses carried out at country level, no significant differences, due to gender discrimination, were observed at Buzzi Unicem between the basic salary of male employees and that of female employees within the same macro category (managers, supervisors, white collar worker, foremen, blue-collar worker), experience and tasks performed. The significant differences observed are due mainly to the way the indicator is calculated as this does not take into account the different contractual levels within the same macro category and whose trend can be influenced by the limited female presence in some categories, limiting the comparability of compensation levels.



Appendixes

| | |
|-------------------------|----|
| GRI Content | 68 |
| Statement of compliance | 76 |

GRI Content

STANDARD DISCLOSURES - PART I: Profile

| Profile Disclosure | Description | Cross-reference | Note |
|----------------------------------|--|-----------------------------|---|
| 1. Strategy and Analysis | | | |
| 1.1 | Statement from the most senior decision-maker of the organization. | Page 4 | |
| 1.2 | Description of key impacts, risks, and opportunities. | Website: Sustainability | |
| 2. Organizational Profile | | | |
| 2.1 | Name of the organization. | Cover page, page 2 | |
| 2.2 | Primary brands, products, and/or services. | Page 17 | |
| 2.3 | Operational structure of the organization, including main divisions, operating companies, subsidiaries, and joint ventures. | Page 18-19 | |
| 2.4 | Location of organization's headquarters. | Website: about us | |
| 2.5 | Number of countries where the organization operates, and names of countries with either major operations or that are specifically relevant to the sustainability issues covered in the report. | Page 18-19 Page 28-29 | |
| 2.6 | Nature of ownership and legal form. | Website: Investor relations | |
| 2.7 | Markets served (including geographic breakdown, sectors served, and types of customers/beneficiaries). | Page 16-17 | |
| 2.8 | Scale of the reporting organization. | Page 18-19 | |
| 2.9 | Significant changes during the reporting period regarding size, structure, or ownership. | Page 25 | <i>The changes during the reporting period are illustrated within the Methodology Note: change in the method of inclusion of the subsidiary Corporación Moctezuma and inclusion of economic and social data (related to employee composition) of the Russian plant Korkino.</i> |
| 2.10 | Awards received in the reporting period. | | <i>Did not receive awards / prizes during the reporting period.</i> |
| 3. Report Parameters | | | |
| 3.1 | Reporting period (e.g., fiscal/calendar year) for information provided. | Page 24-26 | |
| 3.2 | Date of most recent previous report (if any). | Page 24-26 | |
| 3.3 | Reporting cycle (annual, biennial, etc.). | Page 24-26 | |
| 3.4 | Contact point for questions regarding the report or its contents. | Website: Contacts | |
| 3.5 | Process for defining report content. | Page 24-26 | |
| 3.6 | Boundary of the report (e.g., countries, divisions, subsidiaries, leased facilities, joint ventures, suppliers). See GRI Boundary Protocol for further guidance. | Page 24-26 | |

STANDARD DISCLOSURES - PART I: Profile

(continues)

| Profile Disclosure | Description | Cross-reference | Note |
|--|---|---|------|
| 3. Report Parameters (continues) | | | |
| 3.7 | State any specific limitations on the scope or boundary of the report (see completeness principle for explanation of scope). | Page 24-26 | |
| 3.8 | Basis for reporting on joint ventures, subsidiaries, leased facilities, outsourced operations, and other entities that can significantly affect comparability from period to period and/or between organizations. | Page 24-26 | |
| 3.9 | Data measurement techniques and the bases of calculations, including assumptions and techniques underlying estimations applied to the compilation of the Indicators and other information in the report. Explain any decisions not to apply, or to substantially diverge from, the GRI Indicator Protocols. | Page 24-26 | |
| 3.10 | Explanation of the effect of any re-statements of information provided in earlier reports, and the reasons for such re-statement (e.g., mergers/acquisitions, change of base years/periods, nature of business, measurement methods). | Page 24-26 | |
| 3.11 | Significant changes from previous reporting periods in the scope, boundary, or measurement methods applied in the report. | Page 24-26 | |
| 3.12 | Table identifying the location of the Standard Disclosures in the report. | Website: GRI Content Index | |
| 3.13 | Policy and current practice with regard to seeking external assurance for the report. | Page 24-26 | |
| 4. Governance, Commitments and Engagement | | | |
| 4.1 | Governance structure of the organization, including committees under the highest governance body responsible for specific tasks, such as setting strategy or organizational oversight. | Page 28-29 Report on Corporate Governance 2014 | |
| 4.2 | Indicate whether the Chair of the highest governance body is also an executive officer. | Page 28-29 Report on Corporate Governance 2014 | |
| 4.3 | For organizations that have a unitary board structure, state the number of members of the highest governance body that are independent and/or non-executive members. | Page 28-29 Report on Corporate Governance 2014 | |
| 4.4 | Mechanisms for shareholders and employees to provide recommendations or direction to the highest governance body. | Page 28-29 Report on Corporate Governance 2014 | |
| 4.5 | Linkage between compensation for members of the highest governance body, senior managers, and executives (including departure arrangements), and the organization's performance (including social and environmental performance). | Page 28-29 Report on Corporate Governance 2014 | |
| 4.6 | Processes in place for the highest governance body to ensure conflicts of interest are avoided. | Page 28-29 Code of Ethics | |

STANDARD DISCLOSURES - PART I: Profile

(continues)

| Profile Disclosure | Description | Cross-reference | Note |
|--|--|--|--|
| 4. Governance, Commitments and Engagement (continues) | | | |
| 4.7 | Process for determining the qualifications and expertise of the members of the highest governance body for guiding the organization's strategy on economic, environmental, and social topics. | Report on Corporate Governance 2014 | |
| 4.8 | Internally developed statements of mission or values, codes of conduct, and principles relevant to economic, environmental, and social performance and the status of their implementation. | Page 28-29 | |
| 4.9 | Procedures of the highest governance body for overseeing the organization's identification and management of economic, environmental, and social performance, including relevant risks and opportunities, and adherence or compliance with internationally agreed standards, codes of conduct, and principles. | Page 28-29 | |
| 4.10 | Processes for evaluating the highest governance body's own performance, particularly with respect to economic, environmental, and social performance. | | <i>The Board of Directors makes an annual self-assessment of the size, composition and functioning of the Board itself and its committees.</i> |
| 4.11 | Explanation of whether and how the precautionary approach or principle is addressed by the organization. | Website Buzzi Unicem -> Sustainability -> Methodology -> Chart of values; Sustainability -> Methodology -> Guiding principles | |
| 4.12 | Externally developed economic, environmental, and social charters, principles, or other initiatives to which the organization subscribes or endorses. | Page 28-29 | |
| 4.13 | Memberships in associations (such as industry associations) and/or national/international advocacy organizations in which the organization: * Has positions in governance bodies; * Participates in projects or committees; * Provides substantive funding beyond routine membership dues; or * Views membership as strategic. | Page 59-60 | |
| 4.14 | List of stakeholder groups engaged by the organization. | Page 30-33 | |
| 4.15 | Basis for identification and selection of stakeholders with whom to engage. | Page 30-33 Website Buzzi Unicem -> Sustainability -> Methodology -> Chart of values; Sustainability -> Stakeholders | |
| 4.16 | Approaches to stakeholder engagement, including frequency of engagement by type and by stakeholder group. | Page 30-33 | |
| 4.17 | Key topics and concerns that have been raised through stakeholder engagement, and how the organization has responded to those key topics and concerns, including through its reporting. | Page 30-33 Website Buzzi Unicem -> Sustainability -> Methodology -> Chart of values | |

STANDARD DISCLOSURES - PART II: DISCLOSURE ON MANAGEMENT APPROACH (DMAs)

| G3 DMA | Description | Cross-reference | Note |
|--------|--------------------------------------|---|------|
| | | Page 36 - 41 | |
| DMA EC | Disclosure on Management Approach EC | Website Buzzi Unicem Sustainability -> Methodology -> Chart of values / Guiding principles | |
| | | Page 42 | |
| DMA EN | Disclosure on Management Approach EN | Website Buzzi Unicem -> Sustaina- bility -> Performance indicators -> Environmental performance | |
| | | Page 52 | |
| DMA LA | Disclosure on Management Approach LA | Website Buzzi Unicem -> Sustainability -> Performance indicators -> Social performance | |
| | | Page 52 | |
| DMA HR | Disclosure on Management Approach HR | Website Buzzi Unicem -> Sustainability -> Performance indicators -> Social performance | |
| | | Page 52 | |
| DMA SO | Disclosure on Management Approach SO | Website Buzzi Unicem -> Sustainability -> Methodology -> Guiding principles | |
| | | Page 52 | |
| DMA PR | Disclosure on Management Approach PR | Website Buzzi Unicem -> Sustainability -> Methodology -> Guiding principles | |
| | | Page 52 | |

STANDARD DISCLOSURES - PART III: Performance indicators

| Profile Disclosure | Description | Cross-reference | Note |
|--|---|---------------------------------|---|
| Performance indicators - Economic performance | | | |
| EC1 | Direct economic value generated and distributed, including revenues, operating costs, employee compensation, donations and other community investments, retained earnings, and payments to capital providers and governments. | Page 36-41 | |
| EC2 | Financial implications and other risks and opportunities for the organization's activities due to climate change. | Page 42-48 | |
| EC3 | Coverage of the organization's defined benefit plan obligations. | Page 40-41 | |
| EC4 | Significant financial assistance received from government. | Consolidated Annual Report 2014 | |
| | | Page 40-41 | |
| Performance indicators - Market presence | | | |
| EC6 | Policy, practices, and proportion of spending on locally-based suppliers at significant locations of operation. | Page 31 | |
| EC7 | Procedures for local hiring and proportion of senior management hired from the local community at significant locations of operation. | | <p>Although no formal policy has been set up it is common to recruit personnel giving priority, in case of an equal degree of professional competencies, to the people of the territories on which the plants are located on in order to strengthen relationships with local communities.</p> <p>Please check the website for the country by country details.</p> |

STANDARD DISCLOSURES - PART III: Performance indicators

(continues)

| Profile Disclosure | Description | Cross-reference | Note |
|--|---|-------------------|--|
| Performance indicators - Indirect economic impacts | | | |
| EC8 | Development and impact of infrastructure investments and services provided primarily for public benefit through commercial, in-kind, or pro bono engagement. | Page 55-59 | |
| EC9 | Understanding and describing significant indirect economic impacts, including the extent of impacts. | Page 55-59 | |
| Environmental Performance indicators - Materials | | | |
| EN1 | Materials used by weight or volume. | | <i>A total of 46.927.710 t of raw materials were used of which: 43.195.982 t natural raw materials and 3.731.728 t non-natural raw materials.</i> |
| EN2 | Percentage of materials used that are recycled input materials. | Page 42-43 | |
| Environmental Performance indicators - Energy | | | |
| EN3 | Direct energy consumption by primary energy source. | Page 43-44, 50-51 | |
| EN4 | Indirect energy consumption by primary source. | Page 43-44, 50-51 | |
| Environmental Performance indicators - Water | | | |
| EN8 | Total water withdrawal by source. | Page 44, 50-51 | <i>The society has used 10.308.795 cubic meters of water</i> |
| EN10 | Percentage and total volume of water recycled and reused. | Page 44, 50-51 | <i>The society has used 1.636.958 cubic meters of rainwater.</i> |
| Environmental Performance indicators - Biodiversity | | | |
| EN11 | Location and size of land owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas. | Page 42-48 | |
| EN12 | Description of significant impacts of activities, products, and services on biodiversity in protected areas and areas of high biodiversity value outside protected areas. | Page 42-48 | |
| Environmental Performance indicators - Emissions, effluents and waste | | | |
| EN16 | Total direct and indirect greenhouse gas emissions by weight. | Page 44-45, 50-51 | <i>For the details regarding all direct and indirect emissions of the Buzzi Unicem Group please refer to the Carbon Disclosure Project questionnaire:</i> |
| EN17 | Other relevant indirect greenhouse gas emissions by weight. | Page 44-45 | <i>https://www.cdp.net/sites/2013/57/2457/Investor%20CDP%202013/Pages/DisclosureView.aspx</i> |
| EN19 | Emissions of ozone-depleting substances by weight. | | <i>Not material. There are no other significant emissions. The society has implemented a monitoring, but not detecting, system of the emission of ozone-depleting substances related to climate control systems for offices.</i> |
| EN20 | NOx, SOx, and other significant air emissions by type and weight. | Page 45, 50-51 | <i>The company has emitted a total of 2912,5 t of dust, 45.079,2 t of Nox, 5.097,2 t of SO2 and 568 kg of Hg.</i> |

STANDARD DISCLOSURES - PART III: Performance indicators

(continues)

| Profile Disclosure | Description | Cross-reference | Note |
|--|---|---|--|
| Environmental Performance indicators - Emissions, effluents and waste (continues) | | | |
| EN21 | Total water discharge by quality and destination. | | <p><i>Not material.</i></p> <p><i>The technological cycle of cement is characterized by a limited water demand. The water discharges of industrial wastewater from manufacturing lines are mainly represented by cooling waters, that, if not reused, are discharged into the sewer, after appropriate treatments. The domestic wastewater (sanitary facilities, canteens, etc.) are discharged into the sewer after appropriate treatments.</i></p> |
| EN22 | Total weight of waste by type and disposal method. | Page 46, 50-51 | <p><i>The company has produced a total of 140.182 t of waste in 2014 of which 101.127 t have been disposed of and 39.055 t have been reused.</i></p> |
| EN23 | Total number and volume of significant spills. | Page 46 | |
| Environmental Performance indicators - Products and services | | | |
| EN26 | Initiatives to mitigate environmental impacts of products and services, and extent of impact mitigation. | Page 47-48 Website Buzzi Unicem -> Sustainability -> Certifications | |
| EN27 | Percentage of products sold and their packaging materials that are reclaimed by category. | Page 46 | |
| Environmental Performance indicators - Compliance | | | |
| EN28 | Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations. | Page 60 Consolidated Annual Report 2014 | |
| Environmental Performance indicators - Transports | | | |
| EN29 | Significant environmental impacts of transporting products and other goods and materials used for the organization's operations, and transporting members of the workforce. | Page 46 | <p><i>For the details regarding all direct and indirect emissions of the Buzzi Unicem Group please refer to the Carbon Disclosure Project questionnaire:</i></p> <p><i>https://www.cdp.net/sites/2013/57/2457/Investor%20CDP%202013/Pages/DisclosureView.aspx</i></p> |
| Environmental Performance indicators - Overall | | | |
| EN30 | Total environmental protection expenditures and investments by type. | Page 47 | |
| Social: labour practices and decent work - Employment | | | |
| LA1 | Total workforce by employment type, employment contract, and region. | Page 52, 62 | |
| LA2 | Total number and rate of employee turnover by age group, gender, and region. | Page 52, 62 | |
| LA3 | Benefits provided to full-time employees that are not provided to temporary or part-time employees, by major operations. | Page 53 | |

STANDARD DISCLOSURES - PART III: Performance indicators

(continues)

| Profile Disclosure | Description | Cross-reference | Note |
|---|---|-----------------|------|
| Social: labour practices and decent work - Labour/management relations | | | |
| LA4 | Percentage of employees covered by collective bargaining agreements. | Page 53-54, 63 | |
| LA5 | Minimum notice period(s) regarding significant operational changes, including whether it is specified in collective agreements. | Page 53-54, 63 | |
| Social: labour practices and decent work - Occupational health and safety | | | |
| LA7 | Rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities by region. | Page 55-56, 64 | |
| LA8 | Education, training, counseling, prevention, and risk-control programs in place to assist workforce members, their families, or community members regarding serious diseases. | Page 54 | |
| Social: labour practices and decent work - Training and education | | | |
| LA10 | Average hours of training per year per employee by employee category. | Page 54, 65 | |
| Social: labour practices and decent work - Diversity and equal opportunity | | | |
| LA13 | Composition of governance bodies and breakdown of employees per category according to gender, age group, minority group membership, and other indicators of diversity. | Page 52-53, 65 | |
| LA14 | Ratio of basic salary of men to women by employee category. | Page 65 | |
| Social: Human Rights - Investment and procurement practices | | | |
| HR1 | Percentage and total number of significant investment agreements that include human rights clauses or that have undergone human rights screening. | Page 55 | |
| HR2 | Percentage of significant suppliers and contractors that have undergone screening on human rights and actions taken. | Page 55 | |
| Social: Human Rights - Non-discrimination | | | |
| HR4 | Total number of incidents of discrimination and actions taken. | Page 55 | |
| Social: Human Rights - Freedom of association and collective bargaining | | | |
| HR5 | Operations identified in which the right to exercise freedom of association and collective bargaining may be at significant risk, and actions taken to support these rights. | Page 53-54 | |
| Social: Human Rights - Child labour | | | |
| HR6 | Operations identified as having significant risk for incidents of child labor, and measures taken to contribute to the elimination of child labor. | Page 55 | |
| Social: Human Rights - Forced and compulsory labour | | | |
| HR7 | Operations identified as having significant risk for incidents of forced or compulsory labor, and measures to contribute to the elimination of forced or compulsory labor. | Page 55 | |

STANDARD DISCLOSURES - PART III: Performance indicators

(continues)

| Profile Disclosure | Description | Cross-reference | Note |
|--|--|---|--|
| Social: Society - Community | | | |
| SO1 | Nature, scope, and effectiveness of any programs and practices that assess and manage the impacts of operations on communities, including entering, operating, and exiting. | Page 56-59 | |
| Social: Society - Corruption | | | |
| SO2 | Percentage and total number of business units analyzed for risks related to corruption. | Page 59 | |
| SO3 | Percentage of employees trained in organization's anti-corruption policies and procedures. | Page 59 | <i>The percentage of employees of the Group who have been trained regarding anti-corruption is equal to 1% of the total.</i> |
| SO4 | Actions taken in response to incidents of corruption. | Page 59 | |
| Social: Society - Public policy | | | |
| SO5 | Public policy positions and participation in public policy development and lobbying. | Page 60 | |
| Social: Society - Compliance | | | |
| SO8 | Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with laws and regulations. | Page 60 Consolidated Annual Report 2014 | |
| Social: Product - Customer health and safety | | | |
| PR1 | Life cycle stages in which health and safety impacts of products and services are assessed for improvement, and percentage of significant products and services categories subject to such procedures. | Website Buzzi Unicem -> Sustainability -> Certifications; Products -> Safety charts (only in Italian) | |
| Social: Product - Product and service labelling | | | |
| PR3 | Type of product and service information required by procedures, and percentage of significant products and services subject to such information requirements. | Website Buzzi Unicem -> Products -> Safety charts (only in Italian); Quality -> Certifications | <i>All types of cement produced in the EU area need to have the EC mark. The EC mark indicates that the cement is in compliance with an harmonized European standard (EN 197-1 law). It allows to meet the essential requirements established by the 89/106/CEE directive in regard to the works in which it is implemented.</i> |
| Social: Product - Marketing communications | | | |
| PR6 | Programs for adherence to laws, standards, and voluntary codes related to marketing communications, including advertising, promotion, and sponsorship. | Website Buzzi Unicem -> Quality -> Certifications | <i>Buzzi Unicem is certified UNI EN ISO 9001. In that way, all customers are guaranteed not only to buy more consistent and controlled products, but also to benefit from services and assistance tailored to their needs</i> |
| Social: Product - Compliance | | | |
| PR9 | Monetary value of significant fines for non-compliance with laws and regulations concerning the provision and use of products and services. | Page 60 Consolidated Annual Report 2014 | |



BUZZI UNICEM SPA

**INDEPENDENT REPORT ON THE LIMITED ASSURANCE
ENGAGEMENT OF THE SUSTAINABILITY REPORT 2014**



INDEPENDENT REPORT ON THE LIMITED ASSURANCE ENGAGEMENT OF THE SUSTAINABILITY REPORT 2014

To the Shareholders of
Buzzi Unicem SpA

- 1 We have carried out the limited assurance engagement of the Sustainability Report as of 31 December 2014 (hereafter the "Report") of the Buzzi Unicem Group (hereafter the "Group") following the procedures summarized in paragraph 3 of the present document. The Board of Directors of Buzzi Unicem SpA are responsible for the preparation of the Report in accordance with "Sustainability Reporting Guidelines" version 3.0 issued by GRI (Global Reporting Initiative) that are detailed in the paragraph "Methodology note" of the Report. The Board of Directors are also responsible for the definition of the Group objectives regarding the sustainability performance and the reporting of the achieved results. We are responsible for the preparation of this Report on the basis of the work performed.
- 2 Our work has been conducted in accordance with the principles and guidelines established by the "International Standard on Assurance Engagements 3000 - Assurance Engagements other than Audits or Reviews of Historical Financial Information" (ISAE3000), issued by the International Auditing and Assurance Standards Board. ISAE3000 requires the compliance with ethical principles ("Code of Ethics for Professional Accountants"), including professional independence. It also requires that our work is planned and performed with the aim of obtaining a limited assurance, rather than a reasonable assurance, that the Report is free of material errors. A limited assurance engagement of the Sustainability Report consists in interviews, primarily with company's personnel responsible for the preparation of the information included in the Sustainability Report, in the analysis of the Sustainability Report and in other verification procedures.
- 3 The verification procedures performed on the Report are summarized as follows:
 - a) correspondence of economic and financial information to those reported in the Buzzi Unicem consolidated Financial Statements as of 31 December 2014. As for this activity we made reference to the auditors' report dated 9 April 2015, issued by other auditors;
 - b) analysis of the processes underlying the generation, recording and management of quantitative data included in the Report concerning the Italian and the Czech companies of the Group operating in the cement sector and concrete sectors. In particular, we have carried out the following procedures:
 - meetings with management representatives of Buzzi Unicem SpA, Cement Hranice a.s. and ZAPA beton a.s. to achieve a general understanding of the information, accounting and reporting systems in use to prepare the Report, as well as of the internal control processes and procedures supporting the collection, aggregation, processing and transmission of data and information to the department responsible for drawing it up. These companies were selected on the basis of a qualitative and quantitative risk analysis;

PricewaterhouseCoopers Advisory SpA

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Società soggetta all'attività di direzione e coordinamento della PricewaterhouseCoopers Italia Srl
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- on-site verification of the cement plant in Hranice (Czech Republic);
 - on-site verification of the concrete plant in Prague (Czech Republic);
- c) analysis, on a sample basis, of the documentation supporting the Report, in order to confirm the reliability of data and information collected through meetings, interviews and on-site verifications and to confirm they were properly managed;
- d) verification of how data and information are managed in the selected sites and how they are subsequently aggregated and consolidated at Group level;
- e) analysis of the completeness and internal consistency of qualitative information included in the Report compared with the guidelines identified in paragraph 1 of the present document;
- f) obtaining a representation letter, signed by the legal representative of Buzzi Unicem SpA, relating to the completeness and reliability of the Report and of the information and data included in it, as well as to the compliance with the guidelines identified in paragraph 1 of the present document.

A limited assurance engagement is less in scope than a reasonable assurance engagement carried out in accordance with ISAE3000 and, as a consequence, it provides a lower level of assurance that we became aware of all the significant events and circumstances that a reasonable assurance engagement could have identified.

Regarding the comparative data relating to the Sustainability Report 2013, reference should be made to our assurance statement dated 18 April 2014.

- 4 Based on the procedures carried out nothing came to our attention that causes us to believe that the Sustainability Report of the Buzzi Unicem Group as of 31 December 2014 is not in compliance, in all material respects, with "Sustainability Reporting Guidelines" version 3.0 issued by Global Reporting Initiative, application level A+, as stated in the paragraph "Methodology note" of the Report.

Turin, 20 April 2015

PricewaterhouseCoopers Advisory SpA

Signed by

Paolo Bersani
(Partner)

This report has been translated from the original, which was issued in Italian.
We have not performed any control on the Sustainability Report 2014 translation.

Editorial coordination

SDWWG

Milan

Buzzi Unicem S.p.A.

Via Luigi Buzzi, 6

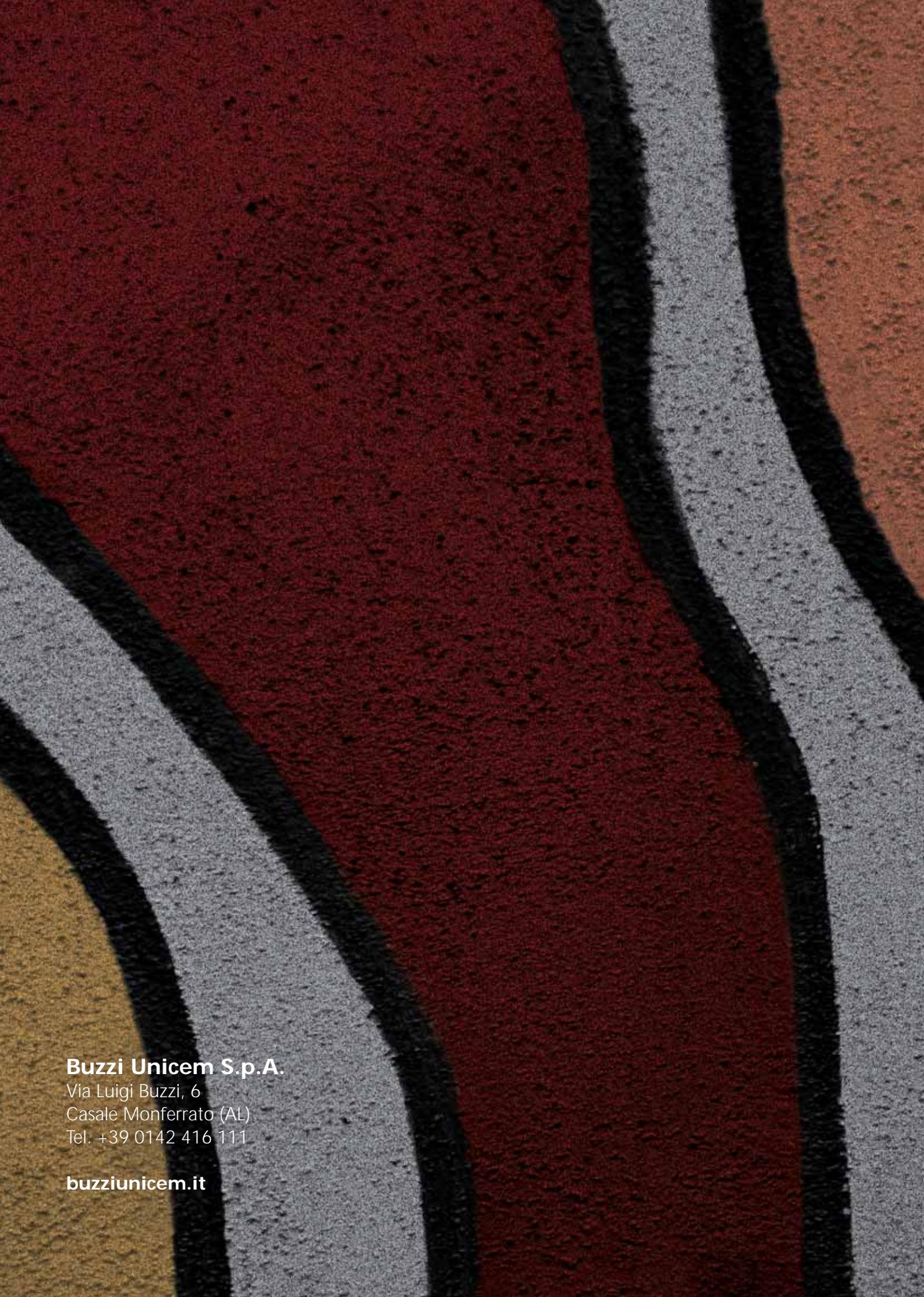
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