

**Consolidated and
individual report on
payments to governments**

(According to Law Decree no. 139, 18 August 2015)

2020

Index

Basis of preparation	3
Consolidated report	5
Statutory report Buzzi Unicem SpA	13

Basis of preparation

Introduction

This report is prepared following Law Decree no. 139/2015 (implementation of the European directive 2013/34/UE) that requires companies operating in the extractive industry to prepare and publicly disclose a report containing for each financial period the information on their payments to governments in relation to the extraction activity, broken down by each Country in which it is carried out.

Reporting entities

This report, prepared both on a consolidated and statutory basis, includes the payments to governments made by Buzzi Unicem and its consolidated subsidiaries according to international accounting standards. Payments made by entities over which Buzzi Unicem has joint control are excluded from this report.

Government

In the context of this report, government means any national, regional or local authority of a EU member state or third State, and includes a department, agency or entity that is a subsidiary of a government.

Project

Project means the operating activities which are ruled by contracts, licenses, leases, concessions or similar legal agreements that are the basis for payment obligations to a government. If more such agreements are substantially interconnected, they shall be considered as one project. To this aim, in the report, project refers to quarries for the extraction of materials, with the exception of mining activities for the cement production plants located in the United States of America, where the project is identified by the plant to which the quarry is linked.

Materiality

The report discloses single payments or a series of related payments equal or exceeding €100,000 made during the year, as required by the law. In case of arrangements providing periodic payments or installments (i.e. rental fees), to determine the threshold, the aggregated amounts of the related periodic payments or installments is considered. In this report, the amounts greater than €100,000 related to the recipient government or to the single project are disclosed; therefore, in the tables, in some cases, amounts below the threshold are shown.

Reporting currency

The report is prepared in euro, which is the functional currency of the company; payments to governments originally executed in foreign currency are translated at the average exchange rate for the year.

Payment types

The following payments types refer to the legal entities involved in extraction activities. They are reported on a cash basis, with specific indication, if necessary, whether paid in cash or in kind.

During the 2020 reporting period, payments in kind over €100,000 have been made, but not payments for the categories 'production entitlements, bonuses and dividends'.

Production entitlements

They include payments to governments entitled to a share of production under production sharing agreements. Production entitlements are mainly paid in kind. Production entitlements paid in kind are accounted for according to the market value of the commodities at delivery date to the government.

Taxes

These are taxes paid by Buzzi Unicem and its subsidiaries on income or production. Payments are reported net of refunds. Consumption taxes, such as value added taxes and sales taxes are excluded. It should be noted that in consideration of the business model, the component of taxes directly linked to the extraction activity cannot be unbundled, therefore the tax payments to governments are disclosed in full.

Since 2017 they include also property taxes equal or greater than €100,000, if related to extraction activity.

Royalties

These are payments, both in cash and in kind, for the rights to extract natural raw materials, typically at set unit price to multiply for the extracted volumes. Mining rights are included too.

Dividends

These are the dividends paid to a government other than the ones paid to an ordinary shareholder of a company.

Bonuses

These are the payments usually made upon signing an agreement or contract, or when production and sales goals are set.

Fees and other considerations

These are payments related to license fees, rental fees, entry fees and other considerations for licenses and/or concessions.

They represent taxes or other amounts paid, both in cash and in kind, as consideration to acquire a license to access the extraction activity. The governmental administrative fees that are not specifically linked to the extractive sector or the right to access extractive resources, are excluded. Payments made in return of services provided by a government are excluded too.

Infrastructure improvements

These are payments that relate to the construction of infrastructures (roads, bridges or railways) not substantially dedicated for the use of extraction activities.

Consolidated report

Summary of the payments

	Taxes	Royalties	Fees and other considerations	Infrastructure improvements	Total
Italy	1,553,635	1,022,378 ¹	159,454 ²	25,329	2,760,796
Germany	5,425,545	-	-	-	5,425,545
Luxembourg	2,607,430	-	-	-	2,607,430
France	481,771	67,972	17,728	-	567,471
Netherlands	136,548	-	-	-	136,548
Poland	5,390,302	346,000	-	-	5,736,302
Czech Republic and Slovakia	5,701,172	-	-	-	5,701,172
Russia	8,737,529	475,488	500,619	-	9,713,636
Ukraine	16,777	532,058	439,238	-	988,073
USA	104,840,266	-	973,108	-	105,813,374
	134,890,975	2,443,896	2,090,147	25,329	139,450,347

¹ includes €100,041 paid in kind by limestone delivery to the authority, valued at market value;

² includes €22,886 paid in kind by land transfer at market value, following quarry restoration.

Payments to governments 2020 by Authority and by Country

Italy

	Taxes	Royalties	Fees and other considerations	Infrastructure improvements	Total
Municipality of Vigolzone (PC)	-	-	70,089	-	70,089
Municipality of Rivergaro (PC)	-	-	10,395	-	10,395
Municipality of Pergola-Casolo (RN)	-	162,990 ¹	15,000	-	177,990
Municipality of Roaschia (CN)	-	260,206	29,025 ²	-	289,231
Provincial administration of Cuneo (CN)	-	29,234	-	-	29,234
Municipality of Alonte (VI)	-	123,349	-	10.329	133,678
Municipality of Orgiano (PN)	-	13,705	-	-	13,705
Municipality of Frisanco (PN)	-	101,003	-	-	101,003
Municipality of Maniago (PN)	-	132,289	-	-	132,289
Municipality of Carmagnola (TO)	-	49,967	-	-	49,967
Municipality of Carignano (TO)	-	43,165	-	15.000	58,165
Po protected areas management authority	-	59,534	-	-	59,534
Region Emilia Romagna	-	-	34,945	-	34,945
Region Piemonte	-	26,378	-	-	26,378
Region Veneto	-	20,558	-	-	20,558
Tax authority	1,553,635	-	-	-	1,553,635
	1,553,635	1,022,378	159,454	25.329	2,760,796

¹ includes €100,041 paid in kind by limestone delivery to the authority, valued at market value;

² includes €22,886 paid in kind by land transfer at market value, following quarry restoration.

Germany

	Taxes	Royalties	Fees and other considerations	Infrastructure improvements	Total
Hessen federal tax authority	2,327,915	-	-	-	2,327,915
Hessen local tax authority	2,254,940	-	-	-	2,254,940
North-Rhine Westphalia local tax authority	373,003	-	-	-	373,003
Rhineland-Palatinate local tax authority	232,261	-	-	-	232,261
Lower Saxony local tax authority	91,091	-	-	-	91,091
Thuringia local tax authority	140,563	-	-	-	140,563
Hamburg local tax authority	1,800	-	-	-	1,800
Trier federal authority	3,972	-	-	-	3,972
	5,425,545	-	-	-	5,425,545

Payments to governments 2020 by Authority and by Country

(follows)

Luxembourg

	Taxes	Royalties	Fees and other considerations	Infrastructure improvements	Total
Direct contributions authority	2,525,395	-	-	-	2,525,395
Ministry of finance and economy	82,035	-	-	-	82,035
	2,607,430	-	-	-	2,607,430

France

	Taxes	Royalties	Fees and other considerations	Infrastructure improvements	Total
Ministry of finance and economy	466,280	-	-	-	466,280
Seltz municipality	-	67,972	130	-	68,102
Strasbourg direction of customs	-	-	17,471	-	17,471
Nice regional direction of customs	-	-	127	-	127
Chatellerault regional tax authority	15,491	-	-	-	15,491
	481,771	67,972	17,728	-	567,471

Netherlands

	Taxes	Royalties	Fees and other considerations	Infrastructure improvements	Total
Groningen tax authority	143,903	-	-	-	143,903
Leeuwarden tax authority	(7,355)	-	-	-	(7,355)
	136,548	-	-	-	136,548

Poland

	Taxes	Royalties	Fees and other considerations	Infrastructure improvements	Total
Swietokrzyski region federal tax authority	5,100,719	-	-	-	5,100,719
Nowiny municipality	227,716	207,600	-	-	435,316
National fund for the environment protection	-	138,400	-	-	138,400
Kielce regional district	61,867	-	-	-	61,867
	5,390,302	346,000	-	-	5,736,302

Payments to governments 2020 by Authority and by Country

(follows)

Czech Republic and Slovakia

	Taxes	Royalties	Fees and other considerations	Infrastructure improvements	Total
Bratislava tax authority	14,678	-	-	-	14,678
Prague and Hranice tax authority	5,686,494	-	-	-	5,686,494
	5,701,172	-	-	-	5,701,172

Russia

	Taxes	Royalties	Fees and other considerations	Infrastructure improvements	Total
Suchoi Log municipality	-	-	196,515	-	196,515
Sverdlovsk regional federal tax authority	8,737,529	339,966	-	-	9,077,495
Sverdlovsk regional tax authority	-	135,522	238,968	-	374,490
Chelyabinsk regional federal tax authority	-	-	57,004	-	57,004
Main forest management Chelyabinsk region	-	-	8,132	-	8,132
	8,737,529	475,488	500,619	-	9,713,636

Ukraine

	Taxes	Royalties	Fees and other considerations	Infrastructure improvements	Total
State tax inspection in Holiivskyi district of Kyiv	16,777	-	-	-	16,777
Local tax authority in Zdoluniv, Rivne region (reg.No.1707)	-	191,772	189,672	-	381,444
Local tax authority in Slavuta, Khmelnytskyi region (reg.No.2214)	-	49,052	39,847	-	88,899
Local tax authority in Ochakiv, Mykolayiv region (reg.No.1423)	-	291,234	209,719	-	500,953
	16,777	532,058	439,238	-	988,073

USA

	Taxes	Royalties	Fees and other considerations	Infrastructure improvements	Total
State of Texas	1,235,009	-	-	-	1,235,009
State of Illinois	1,552,268	-	-	-	1,552,268
State of Kansas	222,378	-	-	-	222,378
State of Michigan	221,502	-	-	-	221,502
State of Missouri	535,808	-	-	-	535,808
State of New York	146,209	-	-	-	146,209
State of Wisconsin	734,547	-	-	-	734,547
State of Connecticut	84,924	-	-	-	84,924
State of California	74,418	-	-	-	74,418

Payments to governments 2020 by Authority and by Country

(follows)

USA	Taxes	Royalties	Fees and other considerations	Infrastructure improvements	Total
State of Tennessee	2,160,527	-	-	-	2,160,527
State of New Jersey	468,394	-	-	-	468,394
State of Pennsylvania	69,165	-	-	-	69,165
State of Georgia	284,133	-	-	-	284,133
State of Indiana	991,848	-	-	-	991,848
State of Kentucky	2,561,723	-	-	-	2,561,723
City of St. Louis	3,064	-	-	-	3,064
State of Arkansas	28,892	-	-	-	28,892
State of Mississippi	75,293	-	-	-	75,293
State of Maryland	219	-	-	-	219
State of Florida	25,513	-	-	-	25,513
State of New Mexico	(83,358)	-	-	-	(83,358)
State of Louisiana	246,543	-	-	-	246,543
State of Oklahoma	(50,650)	-	-	-	(50,650)
McCracken County, Kentucky	9,431	-	-	-	9,431
City of Louisville, Kentucky	(4,489)	-	-	-	(4,489)
City of Cincinnati, Ohio	21,888	-	-	-	21,888
State of Utah	700	-	-	-	700
US Internal Revenue Service	84,506,465	-	-	-	84,506,465
Cape Girardeau county	884,324	-	-	-	884,324
Nolan county	2,951,285	-	-	-	2,951,285
Mayes county	374,383	-	-	-	374,383
Jefferson county	3,055,693	-	-	-	3,055,693
Northampton county	92,555	-	-	-	92,555
Hamilton county	497,373	-	-	-	497,373
Putnam county	862,289	-	-	-	862,289
Missouri department of natural resources	-	-	250,632	-	250,632
Texas commission on environmental quality	-	-	79,091	-	79,091
Oklahoma department of environmental quality	-	-	84,636	-	84,636
Commonwealth of Pennsylvania - Clean Air Fund	-	-	223,009	-	223,009
Air Pollution Control Bureau (Tennessee)	-	-	67,119	-	67,119
Indiana department of environmental management	-	-	105,772	-	105,772
Texas commission on environmental quality (Air Pollution License)	-	-	162,849	-	162,849
	104,840,266	-	973,108	-	105,813,374

Payments to governments 2020 by Project and by Country

Italy

	Taxes	Royalties	Fees and other considerations	Infrastructure improvements	Total
Loam quarry Albarola, Vernasca plant	-	-	115,429	-	115,429
Limestone quarry Roaschia, Robilante plant	-	314,474	6,139	-	320,613
Limestone quarry Ciapelaruta, Robilante plant	-	-	22,886 ²	-	22,886
Limestone quarry Casolo/Pergola, Sant'Arcangelo plant	-	162,990 ¹	15,000	-	177,990
Limestone quarry Claupa, Fanna plant	-	215,666	-	-	215,666
Loam quarry Colle Albareit, Fanna plant	-	17,626	-	-	17,626
Limestone quarry Alonte, Monselice plant	-	157,612	-	10,329	167,941
Gravel pit Ceretto, in Carignano/Carmagnola (TO) municipalities	-	112,116	-	-	112,116
Gravel pit La Gorra, in Carignano/Carmagnola (TO) municipalities	-	41,894	-	15,000	56,894
Taxes	1,553,635	-	-	-	1,553,635
	1,553,635	1,022,378	159,454	25,329	2,760,796

¹ includes €100,041 paid in kind by limestone delivery to the authority, valued at market value;

² includes €22,886 paid in kind by land transfer at market value, following quarry restoration.

Germany

	Taxes	Royalties	Fees and other considerations	Infrastructure improvements	Total
Taxes	5,425,545	-	-	-	5,425,545
	5,425,545	-	-	-	5,425,545

Luxembourg

	Taxes	Royalties	Fees and other considerations	Infrastructure improvements	Total
Taxes	2,607,430	-	-	-	2,607,430
	2,607,430	-	-	-	2,607,430

France

	Taxes	Royalties	Fees and other considerations	Infrastructure improvements	Total
Sand and gravel pit in Seltz municipality	-	67,972	17,728	-	85,700
Taxes	481,771	-	-	-	481,771
	481,771	67,972	17,728	-	567,471

Payments to governments 2020 by Project and by Country

(follows)

Netherlands

	Taxes	Royalties	Fees and other considerations	Infrastructure improvements	Total
Taxes	136,548	-	-	-	136,548
	136,548	-	-	-	136,548

Polonia

	Taxes	Royalties	Fees and other considerations	Infrastructure improvements	Total
Limestone and loam quarry, Nowiny plant	289,583	346,000	-	-	635,583
Taxes	5,100,719	-	-	-	5,100,719
	5,390,302	346,000	-	-	5,736,302

Czech Republic and Slovakia

	Taxes	Royalties	Fees and other considerations	Infrastructure improvements	Total
Taxes	5,701,172	-	-	-	5,701,172
	5,701,172	-	-	-	5,701,172

Russia

	Taxes	Royalties	Fees and other considerations	Infrastructure improvements	Total
Limestone quarry, Suchoi Log plant	-	292,321	-	-	292,321
Argillite quarry, Suchoi Log plant	-	31,022	-	-	31,022
Tripoli quarry, Suchoi Log plant	-	16,623	-	-	16,623
Limestone quarry, Korkino plant	-	114,430	500,619	-	615,049
Clay quarry, Korkino plant	-	21,092	-	-	21,092
Taxes	8,737,529	-	-	-	8,737,529
	8,737,529	475,488	500,619	-	9,713,636

Payments to governments 2020 by Project and by Country

(follows)

Ukraine

	Taxes	Royalties	Fees and other considerations	Infrastructure improvements	Total
Chalk and loam quarry, Zdolbuniv	-	191,772	189,672	-	381,444
Clay quarry, Kryvyn	-	49,052	39,847	-	88,899
Limestone and clay quarry, Novogrygorivsk	-	291,234	209,719	-	500,953
Taxes	16,777	-	-	-	16,777
	16,777	532,058	439,238	-	988,073

USA

	Taxes	Royalties	Fees and other considerations	Infrastructure improvements	Total
Cape Girardeau plant (MO)	884,324	-	66,692	-	951,016
Maryneal plant (TX)	2,951,285	-	67,119	-	3,018,404
Pryor plant (OK)	374,383	-	105,772	-	480,155
Festus plant (MO)	3,055,693	-	79,091	-	3,134,784
Stockertown plant (PA)	92,555	-	84,636	-	177,191
Chattanooga plant (TN)	497,373	-	183,940	-	681,313
Greencastle plant (IN)	862,289	-	223,009	-	1,085,298
San Antonio plant (TX)	-	-	158,569	-	158,569
Sand and gravel quarry in Georgetown (TX)	-	-	2,799	-	2,799
Sand and gravel quarry in Eagle Pass (TX)	-	-	1,481	-	1,481
Taxes	96,122,364	-	-	-	96,122,364
	104,840,266	-	973,108	-	105,813,374

Statutory report Buzzi Unicem SpA

Payments to governments 2020 by Authority

Italy

	Taxes	Royalties	Fees and other considerations	Infrastructure improvements	Total
Municipality of Vigolzone (PC)	-	-	70,089	-	70,089
Municipality of Rivergaro (PC)	-	-	10,395	-	10,395
Municipality of Pergola-Casolo (RN)	-	162,990 ¹	15,000	-	177,990
Municipality of Roaschia (CN)	-	260,206	29,025 ²	-	289,231
Municipality of Cuneo (CN)	-	29,234	-	-	29,234
Municipality of Alonte (VI)	-	123,349	-	10,329	133,678
Municipality of Orgiano (PN)	-	13,705	-	-	13,705
Municipality of Frisanco (PN)	-	101,003	-	-	101,003
Municipality of Maniago (PN)	-	132,289	-	-	132,289
Region Emilia Romagna	-	-	34,945	-	34,945
Region Piemonte	-	25,034	-	-	25,034
Region Veneto	-	20,558	-	-	20,558
Tax authority	5,651,790	-	-	-	5,651,790
	5,651,790	868,368	159,454	10,329	6,689,941

¹ includes €100,041 paid in kind by limestone delivery to the authority, valued at market value;

² includes €22,886 paid in kind by land transfer at market value, following quarry restoration.

Payments to governments 2020 by Project

Italy

	Taxes	Royalties	Fees and other considerations	Infrastructure improvements	Total
Loam quarry Albarola, Vernasca plant	-	-	115,429	-	115,429
Limestone quarry Roaschia, Robilante plant	-	314,474	6,139	-	320,613
Limestone quarry Ciapelaruta, Robilante plant	-	-	22,886 ²	-	22,886
Limestone quarry Casolo/Pergola, Sant'Arcangelo plant	-	162,990 ¹	15,000	-	177,990
Limestone quarry Claupa, Fanna plant	-	215,666	-	-	215,666
Loam quarry Colle Albareit, Fanna plant	-	17,626	-	-	17,626
Limestone quarry Alonte, Monselice plant	-	157,612	-	10,329	167,941
Taxes	5,651,790	-	-	-	5,651,790
	5,651,790	868,368	159,454	10,329	6,689,941

¹ includes €100,041 paid in kind by limestone delivery to the authority, valued at market value;

² includes €22,886 paid in kind by land transfer at market value, following quarry restoration.

Casale Monferrato, 7 May 2021

On behalf of the Board of Directors

Chairman

Veronica Buzzi



Buzzi Unicem SpA

Via Luigi Buzzi 6,
Casale Monferrato (AL)
Tel. +39 0142 416 111
buzziunicem.com

Share capital euro 123,636,658.80

Company register of Alessandria-Asti no. 00930290044

Cover photo:

Municipal building redevelopment in Eindhoven (The Netherlands), balconies made of Dyckerhoff Weiss white cement