

CONSOLIDATED AND STATUTORY REPORT ON PAYMENTS TO GOVERNMENTS

According to Law Decree no. 139, 18 August 2015

Year 2019

Buzzi Unicem S.p.A.
Casale Monferrato (AL) - Via Luigi Buzzi 6
Share capital euro 123,636,658.80
Company register of Alessandria no. 00930290044

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.

BASIS OF PREPARATION

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 2019 reporting period, no payments in kind over €100,000 have been made, nor 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 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

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 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

	<i>Taxes</i>	<i>Royalties</i>	<i>Fees</i>	<i>Infrastructure improvements</i>	<i>Total</i>
ITALY	5,764,763	530,362	1,121,251	62,500	7,478,876
GERMANY	4,777,367	-	-	-	4,777,367
LUXEMBOURG	3,348,449	-	-	-	3,348,449
FRANCE	136,664	146,411	109,255	-	392,330
NETHERLANDS	150,854	-	-	-	150,854
POLAND	4,498,296	362,836	-	-	4,861,132
CZECH REPUBLIC AND SLOVAKIA	7,276,626	-	-	-	7,276,626
RUSSIA	10,647,412	581,766	574,358	-	11,803,536
UKRAINE	58,876	574,798	445,546	-	1,079,220
USA	64,845,497	-	1,215,072	-	66,060,569
	101,504,804	2,196,173	3,465,482	62,500	107,228,959

Payments to governments 2019 by Authority and by Country

<i>ITALY</i>	<i>Taxes</i>	<i>Royalties</i>	<i>Fees</i>	<i>Infrastructure improvements</i>	<i>Total</i>
Municipality of Vigolzone (PC)	-	-	16,312	-	16,312
Municipality of Rivergaro (PC)	-	-	17,544	-	17,544
Municipality of Calestano (PC)	-	-	1,572	-	1,572
Municipality of Terenzo (PC)	-	-	1,572	-	1,572
Municipality of Vernasca (PC)	-	-	13,254	-	13,254
Municipality of Pergola-Casolo (RN)	-	-	149,394	-	149,394
Municipality of Roaschia (CN)	-	260,166	176,278	40,000	476,444
Municipality of Guidonia (RM)	5,645,087	-	56,500	-	5,701,587
Municipality of Tivoli (RM)	-	-	11,352	-	11,352
Municipality of Alonte (VI)	-	-	128,111	-	128,111
Municipality of Frisanco (PN)	-	-	115,992	-	115,992
Municipality of Maniago (PN)	-	-	174,190	-	174,190
Municipality of Paitone (BS)	-	-	108,418	-	108,418
Municipality of Carmagnola (TO)	-	65,599	-	-	65,599
Municipality of Carignano (TO)	-	61,924	-	22,500	84,424
Authority management of the protected area of Po	-	86,749	-	-	86,749
Region Emilia Romagna	-	-	150,762	-	150,762
Region Piemonte	-	55,924	-	-	55,924
Tax authority	119,676	-	-	-	119,676
	5,764,763	530,362	1,121,251	62,500	7,478,876

<i>GERMANY</i>	<i>Taxes</i>	<i>Royalties</i>	<i>Fees</i>	<i>Infrastructure improvements</i>	<i>Total</i>
Hessen federal tax authority	2,385,729	-	-	-	2,385,729
Hessen local tax authority	742,988	-	-	-	742,988
North-Rhine Westphalia local tax authority	1,249,052	-	-	-	1,249,052
Rhineland-Palatinate local tax authority	359,631	-	-	-	359,631
Lower Saxony local tax authority	33,331	-	-	-	33,331
Thuringia local tax authority	904	-	-	-	904
Hamburg local tax authority	5,557	-	-	-	5,557
Berlin local tax authority	175	-	-	-	175
	4,777,367	-	-	-	4,777,367

Payments to governments 2019 by Authority and by Country (continued)

<i>LUXEMBOURG</i>	<i>Taxes</i>	<i>Royalties</i>	<i>Fees</i>	<i>Infrastructure improvements</i>	<i>Total</i>
Direct contributions authority	3,288,285	-	-	-	3,288,285
Ministry of finance and economy	60,164	-	-	-	60,164
	3,348,449	-	-	-	3,348,449

<i>FRANCE</i>	<i>Taxes</i>	<i>Royalties</i>	<i>Fees</i>	<i>Infrastructure improvements</i>	<i>Total</i>
Ministry of finance and economy	119,939	-	-	-	119,939
Seltz municipality	-	146,411	45	-	146,456
Strasbourg direction of customs	-	-	96,740	-	96,740
Nice regional direction of customs	-	-	12,344	-	12,344
Chatelleraut regional tax authority	-	-	126	-	126
Wissembourg regional tax authority	16,725	-	-	-	16,725
	136,664	146,411	109,255	-	392,330

<i>NETHERLANDS</i>	<i>Taxes</i>	<i>Royalties</i>	<i>Fees</i>	<i>Infrastructure improvements</i>	<i>Total</i>
Groningen tax authority	120,887	-	-	-	120,887
Leeuwarden tax authority	29,967	-	-	-	29,967
	150,854	-	-	-	150,854

Payments to governments 2019 by Authority and by Country (continued)

<i>POLAND</i>	<i>Taxes</i>	<i>Royalties</i>	<i>Fees</i>	<i>Infrastructure improvements</i>	<i>Total</i>
Swietokrzyski region federal tax authority	4,204,729	-	-	-	4,204,729
Nowiny municipality	229,607	217,702	-	-	447,309
National fund for the environment protection	-	145,134	-	-	145,134
Kielce regional district	63,960	-	-	-	63,960
	4,498,296	362,836	-	-	4,861,132

<i>CZECH REPUBLIC AND SLOVAKIA</i>	<i>Taxes</i>	<i>Royalties</i>	<i>Fees</i>	<i>Infrastructure improvements</i>	<i>Total</i>
Bratislava tax authority	(2,880)	-	-	-	(2,880)
Prague and Hranice tax authority	7,279,506	-	-	-	7,279,506
	7,276,626	-	-	-	7,276,626

<i>RUSSIA</i>	<i>Taxes</i>	<i>Royalties</i>	<i>Fees</i>	<i>Infrastructure improvements</i>	<i>Total</i>
Suchoi Log municipality	-	-	214,605	-	214,605
Sverdlovsk regional federal tax authority	9,663,135	-	-	-	9,663,135
Sverdlovsk regional tax authority	29,349	411,308	-	-	440,657
Chelyabinsk regional federal tax authority	954,928	170,458	250,101	-	1,375,487
Main forest management Chelyabinsk region	-	-	79,570	-	79,570
Etkul administration	-	-	30,082	-	30,082
	10,647,412	581,766	574,358	-	11,803,536

Payments to governments 2019 by Authority and by Country (continued)

<i>UKRAINE</i>	<i>Taxes</i>	<i>Royalties</i>	<i>Fees</i>	<i>Infrastructure improvements</i>	<i>Total</i>
State tax inspection in Holosiivskyi district of Kyiv	58,876	-	-	-	58,876
Local tax authority in Zdoluniv, Rivne region (reg.No.1707)	-	178,509	150,502	-	329,011
Local tax authority in Slavuta, Khmelnitskiy region (reg.No.2214)	-	52,714	51,005	-	103,719
Local tax authority in Ochakiv, Mykolayiv region (reg.No.1423)	-	343,575	244,039	-	587,614
	58,876	574,798	445,546	-	1,079,220

<i>USA</i>	<i>Taxes</i>	<i>Royalties</i>	<i>Fees</i>	<i>Infrastructure improvements</i>	<i>Total</i>
State of Texas	251,215	-	-	-	251,215
State of Illinois	914,694	-	-	-	914,694
State of Kansas	196,516	-	-	-	196,516
State of Michigan	(176,579)	-	-	-	(176,579)
State of Missouri	422,510	-	-	-	422,510
State of New York	307,469	-	-	-	307,469
State of Wisconsin	335,864	-	-	-	335,864
State of Connecticut	88,432	-	-	-	88,432
State of California	58,955	-	-	-	58,955
State of Tennessee	2,092,899	-	-	-	2,092,899
State of New Jersey	341,224	-	-	-	341,224
State of Pennsylvania	263,510	-	-	-	263,510
State of Georgia	330,058	-	-	-	330,058
State of Indiana	721,302	-	-	-	721,302
State of Kentucky	355,516	-	-	-	355,516
City of St. Louis	8,039	-	-	-	8,039
State of Arkansas	33,944	-	-	-	33,944
State of Mississippi	23,225	-	-	-	23,225
State of Maryland	8,933	-	-	-	8,933

Payments to governments 2019 by Authority and by Country (continued)

<i>USA</i>	<i>Taxes</i>	<i>Royalties</i>	<i>Fees</i>	<i>Infrastructure improvements</i>	<i>Total</i>
State of Florida	43,770	-	-	-	43,770
State of New Mexico	180,438	-	-	-	180,438
State of Louisiana	136,668	-	-	-	136,668
State of Oklahoma	110,764	-	-	-	110,764
McCracken County, Kentucky	7,231	-	-	-	7,231
City of Louisville, Kentucky	(29,932)	-	-	-	(29,932)
City of Cincinnati, Ohio	17,418	-	-	-	17,418
State of Utah	983	-	-	-	983
US Internal Revenue Service	46,487,560	-	-	-	46,487,560
Cape Girardeau county	964,412	-	-	-	964,412
Nolan county	5,034,686	-	-	-	5,034,686
Mayes county	397,548	-	-	-	397,548
Jefferson county	3,267,352	-	-	-	3,267,352
Northampton county	249,975	-	-	-	249,975
Hamilton county	552,302	-	-	-	552,302
Putnam county	846,596	-	-	-	846,596
Missouri department of natural resources	-	-	524,348	-	524,348
Texas commission on environmental quality	-	-	77,426	-	77,426
Oklahoma department of environmental quality	-	-	80,144	-	80,144
Commonwealth of Pennsylvania - Clean Air Fund	-	-	213,175	-	213,175
Air Pollution Control Bureau (Tennessee)	-	-	68,461	-	68,461
Indiana department of environmental management	-	-	88,202	-	88,202
Texas commission on environmental quality (Air Pollution License)	-	-	163,316	-	163,316
	64,845,497	-	1,215,072	-	66,060,569

Payments to governments 2019 by Project and by Country

<i>ITALY</i>	<i>Taxes</i>	<i>Royalties</i>	<i>Fees</i>	<i>Infrastructure improvements</i>	<i>Total</i>
Loam quarry Albarola, Vernasca plant	-	-	135,426	-	135,426
Loam quarry Montegrosso, Vernasca plant	-	-	12,574	-	12,574
Rented limestone quarry Paitone, Vernasca plant	-	-	108,418	-	108,418
Loam quarry Vidalto, Vernasca plant	-	-	53,015	-	53,015
Limestone quarry Roaschia, Robilante plant	-	316,090	176,279	40,000	532,369
Limestone quarry Casolo/Pergola, Sant'Arcangelo plant	-	-	149,394	-	149,394
Limestone, clay, pozzolana quarry, Guidonia plant	5,645,087	-	67,852	-	5,712,939
Limestone quarry, Fanna plant	-	-	234,044	-	234,044
Loam quarry, Fanna plant	-	-	56,138	-	56,138
Limestone quarry, Monselice plant	-	-	128,111	-	128,111
Gravel pit Ceretto, in Carignano/Carmagnola (TO) municipalities	-	153,459	-	-	153,459
Gravel pit La Gorra, in Carignano/Carmagnola (TO) municipalities	-	60,813	-	22,500	83,313
Taxes	119,676	-	-	-	119,676
	5,764,763	530,362	1,121,251	62,500	7,478,876

<i>GERMANY</i>	<i>Taxes</i>	<i>Royalties</i>	<i>Fees</i>	<i>Infrastructure improvements</i>	<i>Total</i>
Taxes	4,777,367	-	-	-	4,777,367
	4,777,367	-	-	-	4,777,367

Payments to governments 2019 by Project and by Country (continued)

<i>LUXEMBOURG</i>	<i>Taxes</i>	<i>Royalties</i>	<i>Fees</i>	<i>Infrastructure improvements</i>	<i>Total</i>
Taxes	3,348,449	-	-	-	3,348,449
	3,348,449	-	-	-	3,348,449

<i>FRANCE</i>	<i>Taxes</i>	<i>Royalties</i>	<i>Fees</i>	<i>Infrastructure improvements</i>	<i>Total</i>
Sand and gravel pit in Seltz municipality	-	146,411	109,255	-	255,666
Taxes	136,664	-	-	-	136,664
	136,664	146,411	109,255	-	392,330

<i>NETHERLANDS</i>	<i>Taxes</i>	<i>Royalties</i>	<i>Fees</i>	<i>Infrastructure improvements</i>	<i>Total</i>
Taxes	150,854	-	-	-	150,854
	150,854	-	-	-	150,854

<i>POLAND</i>	<i>Taxes</i>	<i>Royalties</i>	<i>Fees</i>	<i>Infrastructure improvements</i>	<i>Total</i>
Limestone and loam quarry, Nowiny plant	-	362,836	-	-	362,836
Taxes	4,498,296	-	-	-	4,498,296
	4,498,296	362,836	-	-	4,861,132

<i>CZECH REPUBLIC AND SLOVAKIA</i>	<i>Taxes</i>	<i>Royalties</i>	<i>Fees</i>	<i>Infrastructure improvements</i>	<i>Total</i>
Taxes	7,276,626	-	-	-	7,276,626
	7,276,626	-	-	-	7,276,626

Payments to governments 2019 by Project and by Country (continued)

<i>RUSSIA</i>	<i>Taxes</i>	<i>Royalties</i>	<i>Fees</i>	<i>Infrastructure improvements</i>	<i>Total</i>
Limestone quarry, Suchoi Log plant	-	347,102	-	-	347,102
Argillite quarry, Suchoi Log plant	-	41,364	-	-	41,364
Tripoli quarry, Suchoi Log plant	-	22,843	-	-	22,843
Limestone quarry rent	-	-	160,350	-	160,350
Argillite quarry rent	-	-	22,881	-	22,881
Tripoli quarry rent	-	-	31,373	-	31,373
Limestone quarry, Korkino plant	-	26,596	55,767	-	82,363
Clay quarry, Korkino plant	-	143,861	303,987	-	447,848
Taxes	10,647,412	-	-	-	10,647,412
	10,647,412	581,766	574,358	-	11,803,536

<i>UKRAINE</i>	<i>Taxes</i>	<i>Royalties</i>	<i>Fees</i>	<i>Infrastructure improvements</i>	<i>Total</i>
Chalk and loam quarry, Zdolbuniv	-	178,509	150,502	-	329,011
Clay quarry, Krywn	-	52,714	51,005	-	103,719
Limestone and clay quarry, Novogrygorivsk	-	343,575	244,039	-	587,614
Taxes	58,876	-	-	-	58,876
	58,876	574,798	445,546	-	1,079,220

Payments to governments 2019 by Project and by Country (continued)

<i>USA</i>	<i>Taxes</i>	<i>Royalties</i>	<i>Fees</i>	<i>Infrastructure improvements</i>	<i>Total</i>
Cape Girardeau plant (MO)	964,412	-	327,203	-	1,291,615
Maryneal plant (TX)	5,034,686	-	77,426	-	5,112,112
Pryor plant (OK)	397,548	-	80,144	-	477,692
Festus plant (MO)	3,267,352	-	197,145	-	3,464,497
Stockertown plant (PA)	249,975	-	213,175	-	463,150
Chattanooga plant (TN)	552,302	-	68,461	-	620,763
Greencastle plant (IN)	846,596	-	88,202	-	934,798
San Antonio plant (TX)	-	-	160,172	-	160,172
Sand and gravel quarry in Georgetown (TX)	-	-	1,595	-	1,595
Sand and gravel quarry in Eagle Pass (TX)	-	-	1,549	-	1,549
Taxes	53,532,626	-	-	-	53,532,626
	64,845,497	-	1,215,072	-	66,060,569

STATUTORY REPORT Buzzi Unicem SpA

Payments to governments 2019 by Authority

<i>ITALY</i>	<i>Taxes</i>	<i>Royalties</i>	<i>Fees</i>	<i>Infrastructure improvements</i>	<i>Total</i>
Municipality of Vigolzone (PC)	-	-	16,312	-	16,312
Municipality of Rivergaro (PC)	-	-	17,544	-	17,544
Municipality of Calestano (PC)	-	-	1,572	-	1,572
Municipality of Terenzo (PC)	-	-	1,572	-	1,572
Municipality of Vernasca (PC)	-	-	13,254	-	13,254
Municipality of Pergola-Casolo (RN)	-	-	149,394	-	149,394
Municipality of Roaschia (CN)	-	260,166	176,278	40,000	476,444
Municipality of Guidonia (RM)	5,645,087	-	56,500	-	5,701,587
Municipality of Tivoli (RM)	-	-	11,352	-	11,352
Municipality of Alonte (VI)	-	-	128,111	-	128,111
Municipality of Frisanco (PN)	-	-	115,992	-	115,992
Municipality of Maniago (PN)	-	-	174,190	-	174,190
Municipality of Paitone (BS)	-	-	108,418	-	108,418
Region Emilia Romagna	-	-	150,762	-	150,762
Region Piemonte	-	55,924	-	-	55,924
Tax authority	5,422,768	-	-	-	5,422,768
	11,067,855	316,090	1,121,251	40,000	12,545,196

Payments to governments 2019 by Project

<i>ITALY</i>	<i>Taxes</i>	<i>Royalties</i>	<i>Fees</i>	<i>Infrastructure improvements</i>	<i>Total</i>
Loam quarry Albarola, Vernasca plant	-	-	135,426	-	135,426
Loam quarry Montegrosso, Vernasca plant	-	-	12,574	-	12,574
Rented limestone quarry Paitone, Vernasca plant	-	-	108,418	-	108,418
Loam quarry Vidalto, Vernasca plant	-	-	53,015	-	53,015
Limestone quarry Roaschia, Robilante plant	-	316,090	176,279	40,000	532,369
Limestone quarry Casolo/Pergola, Sant'Arcangelo plant	-	-	149,394	-	149,394
Limestone, clay, pozzolana quarry, Guidonia plant	5,645,087	-	67,852	-	5,712,939
Limestone quarry, Fanna plant	-	-	234,044	-	234,044
Loam quarry, Fanna plant	-	-	56,138	-	56,138
Limestone quarry, Monselice plant	-	-	128,111	-	128,111
Taxes	5,422,768	-	-	-	5,422,768
	11,067,855	316,090	1,121,251	40,000	12,545,196

Casale Monferrato, 8 May 2020

On behalf of the Board of Directors
The Chairman
Enrico Buzzi