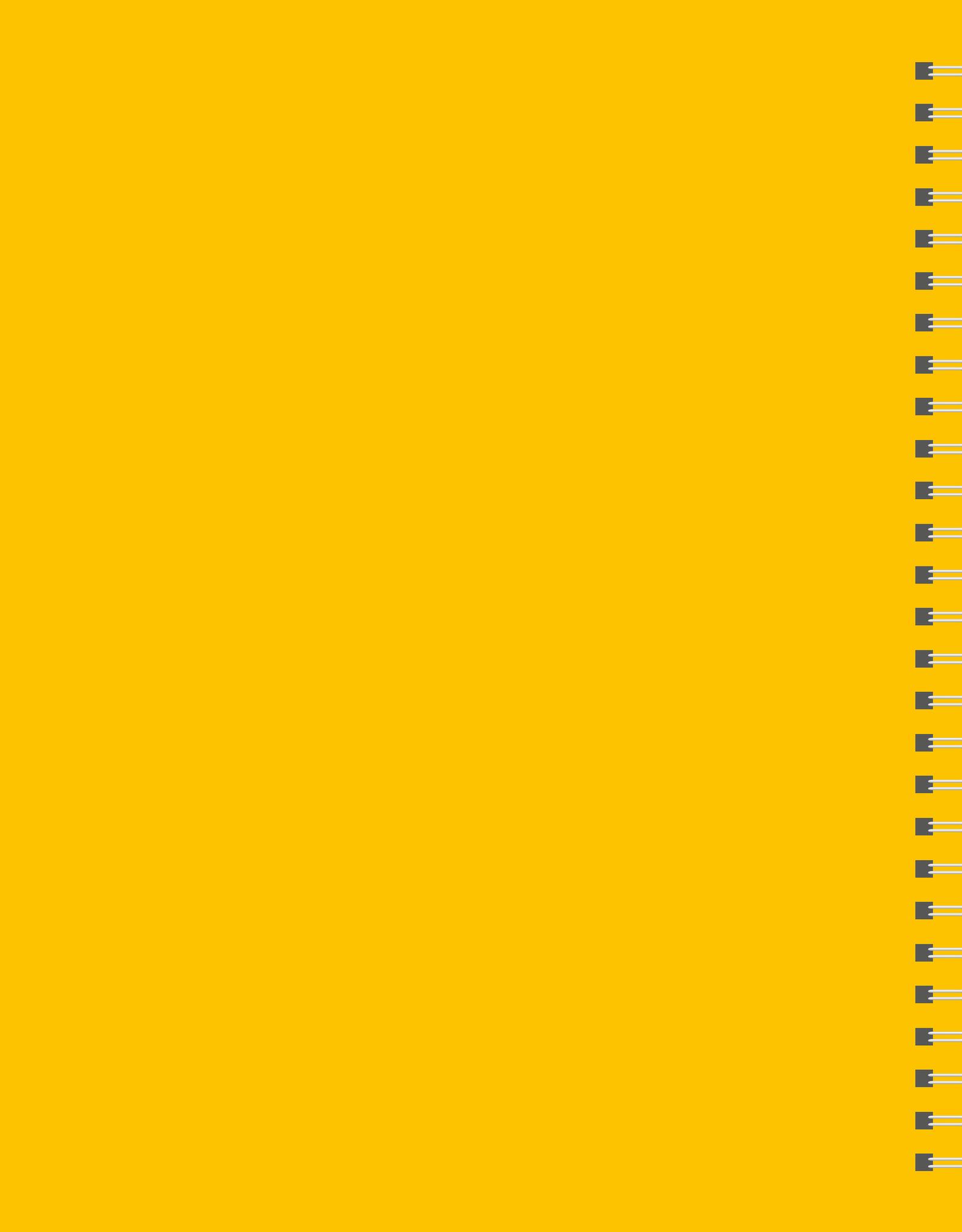


Society and
environment

CORPORATE SOCIAL RESPONSIBILITY - REPORT 2012

budimex





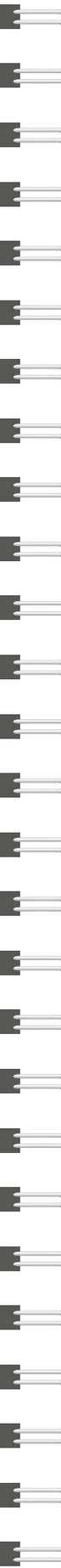
SOCIETY AND ENVIRONMENT

- REPORT 2012



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INDEPENDENT AUDITOR'S OPINION



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TRANSLATION ONLY

Independent assurance report pertaining to the 2012 Budimex Corporate Social Responsibility Report**To the Management Board of Budimex S.A.**

We have reviewed the 2012 Budimex Corporate Social Responsibility Report ("CSR Report" or "Report") developed by Budimex S.A. with the registered address in Warsaw, at ul. Stawki 40 ("Company"), with respect to indicators reported on the basis of G3.1 Sustainable Development Reporting Guidelines for B level, as well as Construction & Real Estate Sector Supplement, issued by Global Reporting Initiative (GRI). The assurance works covered the period from 1 January 2011 to 31 December 2011 with relation to quantity and quality of available evidence.

The Management Board of the Company is responsible for reliable, correct and fair information and for correct preparation of the documentation. Our task was to issue an independent assurance report based on the CSR Report.

Our procedures did not include assessment of the fairness, correctness and completeness of documents provided by the Company, nor did they constitute an audit of the internal control system implemented therein. Therefore, we do not express an opinion regarding correctness of the system. Our procedures did not constitute an audit of financial statements as defined in the Accounting Act. Therefore, we do not express an opinion concerning the auditor's Report nor do we make statements regarding the financial statements of the Company as determined in regulations applicable to certified auditors.

Planning and performing our works had the nature of a limited assurance engagement performed in line with ISAE 3000 (Assurance Engagements Other than Audits or Reviews of Historical Financial Information), which requires us to plan and perform the engagement in a manner which allows for limited assurance that the CSR Report does not include significant misstatements. The scope and methodology of a review of the CSR Report significantly differ from those applied during an audit, which is aimed at expressing reasonable assurance. The purpose of the review is not to issue an opinion on correct, true and fair nature of the CSR Report, and therefore no such opinion has been issued. The procedures followed during the review of the CSR Report comprised:

- Identifying issues and results significant for the content of the Report from the viewpoint of the corporate social responsibility strategy followed by the Company and stakeholders' expectations;
- Comparing data included in the CSR Report to those presented in the Financial Statements of Budimex Group for 2011;
- Interviewing individuals in charge of the implementation of the corporate social responsibility strategy in the Company and of the preparation of Report;
- Verifying the information included in the Report for compliance with the internal documentation of the Company;
- Assessing the level of compliance with Sustainable Development Reporting Guidelines and GRI Reporting Framework.

Based on the scope of our work and the assurance procedures we performed, we have concluded that for the fully reported GRI indicators presented in the 2012 Budimex Corporate Social Responsibility Report nothing has come to our attention to suggest that the data is materially misstated.

Deloitte Advisory Sp. z o.o.

Warsaw, 14 November 2012

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LETTER FROM THE PRESIDENT OF THE MANAGEMENT BOARD

- 1.1
- EC DMA

Dear Sir/Madam,

● After a five year break, Budimex once again became the most valued construction company listed on the Warsaw Stock Exchange in 2011. At the same time, it strengthened its position among socially responsible companies. As we can see, properly understood corporate social responsibility (CSR) can be combined with an increase in economic value.

We achieved a record level of sales revenues, amounting to over 5.5 billion PLN. The capital market appreciated our Group's financial results, as well as the implemented development strategy, which was also reflected in certainly the best dynamics of changes in the valuation of Budimex in the industry. At the same time, consistently since 2010, the company has been listed on the RESPECT Index which includes shares of responsibly managed publicly traded companies. Consequently, Budimex was audited twice in 2011, and the positive result of the evaluation confirmed the compliance with standards of social and environmental management. In addition, the company was also positively evaluated by the international organization ECPI which creates the methodology for evaluating publicly traded companies.

● In response to the emerging challenges, and especially to the prospect of a huge decrease in the road investments market (and also due to the lack of orders for designing new routes), we are diversifying our activities. The railway network in Poland requires modernization, and investments in this sector will be financed with EU funds in proportions much more favourable for the railway industry (60% for road, 40% for railway) than was previously the case (90% for roads, 10% for railway). In view of the huge market potential, we also decided to engage in the implementation of energy investments – not only as a construction company, but also as the general contractor. For this purpose, we joined forces with reputable companies which supply boilers and turbines. We are most interested in orders with the unit value of 1-2 billion PLN. Significant revenues from this activity may occur in 2013-2014 at the earliest, since most of the investments are implemented according to the formula: "design and construct". We more often participate in tenders for implementation of hydro-technical infrastructure, some of which we have already won. We are also soliciting for the construction of large municipal waste incinerators, at least a dozen of which will be built in Poland because of adaptation of our country to the environmental requirements of the European Union. Furthermore, together with telecommunications companies we have created a consortium in which

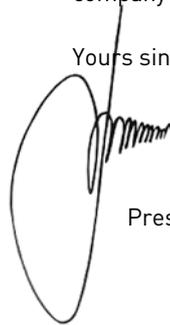
Budimex would be responsible for construction works during the implementation of any projects regarding the infrastructure of regional broadband networks. As regards the residential development activity, we will launch 3 new projects in 2012: in Warsaw, Kraków and Poznan, which will increase our offer by nearly 500 apartments. We devote much attention to development of activities in non-construction areas, such as the municipal waste management and buildings administration. We would like to gain a leading position on the municipal services market. Therefore, together with our strategic investor which has a lot of experience in this area, we will penetrate the market of Polish cities with over 100,000 residents, through a separate company created for this purpose. In addition to organic development, this company will also grow through acquisitions, and I hope that it will make its first purchase in the not too distant future. We also have contracts for summer road maintenance in our portfolio, but we will solicit for larger orders for year-round maintenance as well. After careful analysis, we decided not to start business activities on the Eastern markets, due to the low transparency of provisions, corruption and political instability in these countries. We will be waiting for changes.

● The current and planned activities constitute not only business challenges, but also specific and tangible social benefits. Kilometres of new roads and the accompanying civil infrastructure, safer and faster travelling by train, new and friendly homes and apartments, airport, new units of hospitals, libraries, universities and many others. The construction of a dome which will cover the remains of the ill-fated Chernobyl nuclear reactor will certainly be significant and symbolic; its subcontractor is Mostostal Kraków. The Budimex Group also provides thousands of jobs – both at the Group's companies and with the subcontractors. Thanks to the timely payments of remuneration, thousands of households of our employees and our subcontractors' employees can function decently. The value of contracts in the order portfolio, which reflects the scale of implemented investments, exceeded 8.5 billion PLN at the end of the year.

EC DMA, EC8 ●

I would like to encourage you to read the Budimex Group 2011 CSR report. We tried to show how corporate social responsibility translates into business, how it helps to reduce risks and thus contributes to the stabilization of long-term value of the company and capital group.

Yours sincerely,



Dariusz Blocher
President of the Management Board,
Chief Executive Officer (CEO)
of Budimex SA

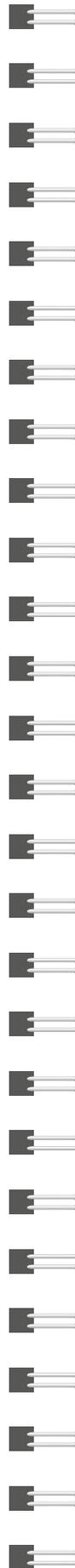






DEVELOPMENT STRATEGY AND SOCIAL AND ENVIRONMENTAL ISSUES

Last year's report began with adducing the mission of Budimex. The mission is one of the most enduring and unchangeable aspects which accompany the company operations. It defines the purpose of the company, what is its business and what is not. It also specifies the way in which the company achieves its goals. Most importantly, it is the foundation of a strategy which is the basis for planning long-term operations.





● MISSION OF BUDIMEX

4.8 ●

“OUR MISSION IS THE IMPLEMENTATION OF CONSTRUCTION PROJECTS, INCLUDING REAL ESTATE DEVELOPMENT UNDERTAKINGS, IN A MANNER WORTHY OF THE MARKET LEADER, RESPECTING THE NATURAL ENVIRONMENT AND ETHICS, WITH ATTENTION TO CUSTOMER SATISFACTION AND USER COMFORT, WHICH WILL BE ACHIEVED THANKS TO THE PROFESSIONALISM AND PASSION FOR CONSTRUCTING, HIGH OPERATING EFFECTIVENESS AND PARTNER RELATIONS WITH SUPPLIERS AND SUBCONTRACTORS.”



"Highway subcontractors say openly: it is easier to indicate companies which pay on time, because there are not many. Only three groups among the leaders of timely payments are mentioned: Skanska, Strabag and Budimex."

Gazeta Prawna, 15 May 2012.

Because the mission of Budimex refers directly to the key areas of CSR: respect for the environment, ethics and partnership in relations – these principles are reflected in both the strategy and the operational management procedures in specific business areas. As emphasized in last year's report, CSR is a business process which forms part of the daily approach to the environment. Only then there is a chance that the positive effects of a responsible approach will be felt by the environment and the company's owners. Thinking in terms of sustainable development recognized as a process, in a broad meaning of the term, allows achieving very tangible business benefits in the form of risk reduction, streamlining and optimizing the processes and finally, it may help to create a competitive advantage. Ultimately, it helps to create the long-term value of the company, the best example of which is building relationships with suppliers and subcontractors in difficult times. These suppliers and subcontracts, to which Budimex pays on time for their work. We are convinced that in the era of bankruptcies and insolvencies of smaller and larger market

players, often direct competitors and colleagues, these counterparties appreciate the stability of working with Budimex. It will build a beneficial and lasting partnership between Budimex and suppliers in the future. We believe that the current market reality, which is difficult for many companies, constitutes the best test for skills of strategic planning and sincerity of declarations of responsibility.

For the management strategy to be consistent with the principles of sustainable development, its specific business goals should be achieved in a responsible manner, taking into account the impact on the environment. Therefore, it is reflected by how business goals are achieved, and thus by the very basic activities of the operational management, through the development of processes and risk management. This does not preclude defining specific objectives as part of the CSR policy. Such a plan was presented in early 2010, and its objectives are to be achieved by the end of 2012.

Achievement of CSR objectives planned for 2011-2012, at the end of 2011:

Objective	At the end of 2011
1. Use of modern channels of communication with investors – active investor relations section on the website of the Warsaw Stock Exchange: www.gpwinfostrefa.pl (2011)	✓ (completed)
2. Implementing the Ethics Code across the whole Budimex Group and ensuring it is adhered to (2011)	✓ (completed)
3. Documenting reports concerning violations of the Ethics Code (2011)	✓ (completed)
4. Preparing supplier evaluations for ethical and environmental matters: 3-5 audits per year carried out with the use of supplier qualification surveys (2011)	✓ (completed)
5. Beginning of a regular communication with all the identified stakeholder groups (2012) (a dialogue with the technical organizations and scientist was being conducted in 2011)	✗ (under way)
6. Implementing the environmental policy across the whole Budimex Group (2011)	✓ (completed)
7. Implementing a system for identifying important environmental aspects in Budimex Nieruchomości (2011)	✗ (under way)
8. Documenting reduced use of raw materials and materials as a result of technological changes (value engineering) (2011)	✗ (under way)
9. Documenting reduction in fuel consumption per car in the car fleet (GVWR 3.5 t) by 8% (2011)	✗ (not completed)
10. Implementing waste management, going beyond legal requirements in Budimex Danwood (2011)	✓ (completed)
11. Reducing the number of accidents at work by 15% (2011)	✗ (nie zrealizowany)
12. Conducting opinion surveys of employees throughout the Group, including the surveys by the employees of Budimex Danwood and Mostostal Kraków (2012)	✗ (under way)
13. Implementing the Advertisement Ethics Code across the entire Budimex Group (2011)	✓ (completed)
14. Carrying out external audit of social report of Budimex (2012)	✓ (completed for the first time in 2011)



RESPONSIBILITY IN DAILY BUSINESS MANAGEMENT – QUALITY AND SAFETY

● PR DMA, PR1, PR2

● Thinking about long-term presence in the market, especially when it comes to the difficult construction industry, it is impossible not to notice that irresponsible management will, sooner or later, lead the company to a crisis which will affect its financial results and stock valuation. The procedures applicable in Budimex, within the integrated management system, define in great detail the quality management process. It identified the procedures for quality management on construction sites, including the quality management of asphalt and other mixes. They determine very precisely the responsibility of individuals, including technicians and laboratory (and also field laboratory) staff. They define a way of monitoring and laboratory testing raw materials used. The procedures describe the actions holistically: from the criteria and methods of obtaining materials, to the steps to be taken in the case of irregularities. The same integrated system also defines procedures for the guarantees, including the acceptance of a complaint, its analysis, determining liability for defects detected, the process of its removal and assessment of defect removal. Quality management systems in Budimex and Mostostal Kraków have ISO 9001 certifications.

Most frequently, in parallel with the control activities carried out by the company, the works are supervised by an independent engineer who represents the interests of the contracting authority and public interest.

Meticulous approach to environmental issues at the stage of contract execution not only helps the environment to minimize the costs, but also ensures timely execution of works and their predictability. Basically, there is no place in the market for companies which cannot adapt to increasingly rigorous expectations of the environment. Any problems associated with an unreliable approach to environmental issues may create a risk of suspension of works, which in turn means delays and downtimes for workers and machines.

Non-punctuality, non-performing assets or potential penalties are not in the interest of shareholders. Environmental management system, the processes of which describe in detail the responsibility and procedure in certain circumstances, is a good risk reduction tool. Management of environmental issues in Budimex SA is based on the certified management system ISO 14001.

In the case of specific construction projects, they are regulated by the procedure "Environmental management for contracts", which aims to reduce the negative impact of constructions carried out by Budimex on the environment. Among the reported companies, also Mostostal Kraków implemented certified ISO 14000 management systems.

It is equally important, from the point of view of the company and its stability but also from a purely human point of view, to attach great importance to safety and health at work. Business costs of irresponsibility in this regard can be easily estimated, because they are a direct derivative of the average salary and the number of days of absence related to the accident. Costs associated with the suffering of the accident victims often cannot be measured, which does not mean that they are not considerably more important than the Group's costs. Once again, the basis for action in this case is the operational approach, based on well-planned operating processes. In all reported companies, health and safety management systems operate in line with the international safety and health management systems. Both Budimex and Mostostal Kraków have certified ISO18001 management systems.

Many more examples of solutions of a procedural nature may be provided here. For instance, in monitoring and prevention of unethical behaviour. The aspect is very broad, since it includes the Ethics Code, the mechanisms related to reporting and analysis of reports by the committee appointed for this purpose, as well as the relevant clauses in contracts with suppliers and subcontractors, or audits of subcontractors jointly executing the contracts of Budimex.



RISK MANAGEMENT

- EC DMA
- 1.2

●● The Budimex Group, like any other economic entity, is exposed to various types of business risk. The changing environment requires a broader look at business risk management issues. In addition to typical financial risk (currency risk, interest rate risk, price risk, credit risk and liquidity risk), also the social and environmental risk should be taken into account. Some risks even appear to be on the borderline of business risks and social risks. An example of such risk may be the risk associated with destabilisation of relations with business partners, including the credit risk of counterparties. Despite the introduction of stringent procedures of receivables control in the Group, there is still a risk of insolvency of the investors. Delays in timely settlements of amounts due may affect the Group's financial results, resulting in the need to create write-offs to receivables and external debt financing.

The companies of the Budimex Group, which provide construction services, monitor technical, organizational, legal and financial risks related to planning and to the current course of work on individual contracts. Despite control mechanisms operating and hedging the general risks (credit, currency and civil liability risks), there is a possibility of factors resulting in execution of a contract with a lower margin than originally planned, which include:

- increase in prices of construction materials, petroleum products and energy
- increase in costs of subcontractors services
- increase in employment costs
- delays in the timely implementation or poor quality of the subcontractors' work
- delays in obtaining appropriate administrative decisions
- change in the scope of work or technologies agreed in the contracts
- adverse weather or ground conditions.

● In addition to the risk factors mentioned above, there is a whole range of potential threats of a social and environmental nature, which the Group seeks to effectively manage in order to eliminate or at least reduce them. In this year's survey, the Budimex Group's managers indicated the following social or environmental aspects as being important from the point of view of business activity:

- prevention of unethical behaviour and corruption risks
- conditions, occupational health and safety
- safety of users of the built facilities
- impact on the local biosphere
- rational use of resources and environmental pollution.

As can be observed, some of the traditionally perceived business risks are complemented by social and environmental risks. For example, rational and economical use of resources will effect a reduction of their total costs and can help defend against rising prices. Whereas fewer accidents at work will limit labour costs, etc.

The purpose of this report is to present the way in which the Budimex Group's companies managed CRS in 2011, in its many aspects, focusing on the areas identified as most important.

They will be successively discussed further in this report.

While it may come as a surprise or be considered as a coincidence, the indicated and further described important areas of social responsibility almost completely coincide with those described in the mission of Budimex. For some this will be a coincidence, for others – evidence that our mission is not just words, but the real foundation of the strategy which results in action and the manner of its implementation. This is proof of how deeply rooted this mission is in our managers' way of thinking. Because everything starts and ends with constructing in a manner worthy of the market leader, respecting the natural environment and ethics, with attention to customer satisfaction and user comfort, which will be achieved thanks to the professionalism and passion for constructing, high operating effectiveness and partner relations with suppliers and subcontractors. Only so much – and as much.



THE REPORT AND DEFINING ITS CONTENT



2.9, 3.1, 3.2, 3.3,
3.5, 3.6, 3.7, 3.13

● This report is the fourth annual CSR report published by the Budimex Group. The first report covered the year 2008 and was developed at the application level C. Since last year – since the report covering the year 2010 – the report has been developed at the level B+, i.e. the range of information is much wider and its reliability is confirmed by an independent auditor. The current report, covering the year 2011, has also been subjected to independent verification which confirmed its consistency with the GRI Reporting Guidelines at the application level B+, as well as the authenticity of its data.

The report describes activities and results of the Budimex Group's four key companies, i.e.:

- Budimex SA
- Budimex Nieruchomości Sp. z o.o.
- Budimex Danwood Sp. z o.o.
- Mostostal Kraków SA.

Smaller companies, which do not have a significant impact on the overall image of the Group, have been omitted. For some indicators, only results of the most material units were indicated. Nevertheless, if one of the companies was not included in an indicator, it was clearly marked. The report does not

cover the newly acquired company PNI Sp. z o.o. which was acquired in November 2011 and therefore was a part of the Group only for the last weeks of the year. This company will be included in the 2012 CSR report. The report was prepared using version 3.1. of the Guidelines and the sector supplement; however, the indicators of work standards, focusing on the employees of the Budimex Group, apply to the employees of subcontractors to a very limited extent.

The report covers the most important, from the point of view of conducted business activity, aspects related to the managerial governance and the impact on the social and environmental surroundings.

The key areas were indicated in surveys by a group of the most important managers of the company who evaluated the materiality of various aspects of CSR, described by the ISO 26000:2010 standard from the point of view of the conducted business activity. The managers assessed the significance of a given issue for the company's stakeholders in the context of its activities and results, and the stability of the company's business model. They took into account the signals coming from individual stakeholders, with whom they have contact in their areas of business functions.

● At the same time, managers assessed the significance of individual stakeholders. The map of stakeholders, updated in an annual questionnaire survey, allows separating the key environmental groups which have an impact on activities of the Budimex Group, or which may be significantly influenced by the Group.

The current map divides 26 stakeholders into major categories:

- **Employees** (full-time employees, students and potential employees, former employees, trade unions, employees of subcontractors and suppliers, labour inspection and other similar supervision authorities)
- **Investors** (strategic investor, institutional investors, individual investors, Warsaw Stock Exchange, brokerage houses, banks)
- **Customers** (GDDKiA, corporate customers, individual customers, business partners, key suppliers, subcontractors, local communities in the area of an investment, residents and community leaders, local self-government administration)

- **Society** (utilities, universities and academics, technical and professional organizations, government administration)
- **Natural environment** (environmental organizations, environmental supervision inspectors, State Forests).

4.4, 4.14, 4.15, 4.16 ●

Dialogue with various groups is conducted on an ongoing basis throughout the year, in the form and frequency tailored to the specific relation. For example, once every two years, all employees of the Group have a comprehensive satisfaction study.





AWARDS AND DISTINCTIONS

2.10

● Although the goal of responsible business is not gaining awards and high places in rankings, but creating business value with concurrent benefits for the environment, sometimes good results draw the attention of the environment. The Budimex Group's operations in 2011 gained the recognition of many groups, which was reflected by awards and distinctions received by the company.

In the most prestigious competition of the Polish Association of Construction Engineers and Technicians, "**Building of the Year**", Budimex won several awards for constructed buildings. The First Degree Award was granted for buildings of the hotel and apartment complex with swimming pool and recreation areas – "Aquamarina" in Międzyzdroje, and for the sports and entertainment facility on the border of Gdańsk and Sopot. The Second Degree Award was granted for modernization of the building of the Faculty of Law and Administration of the University of Warsaw. The Third Degree Award was given for the complex of residential and commercial buildings "Maraton" in Poznan, and for the office building Sterlinga Business Centre in Łódź. The building of the District Court

in Świdnik and reconstruction of the Arka Gdynia football stadium were among the distinguished investments.

In 2011 Budimex was nominated for an award in the competition "**Bull & Bear**" organized by Gazeta Giełdy Parkiet, which awards the best participants of the capital and financial market. The jury recognised not only the good financial results of Budimex but also its considerable flexibility and quick response to market changes.

Another ranking, "**The Pearl of the Polish Stock Exchange**", organised by Gazeta Giełdy Parkiet, saw Budimex come first in the category of companies with the largest growth in terms of results and capitalisation and in the category of companies with the largest business growth. In the main ranking of most dynamic



companies, Budimex came 8th. In the sector ranking covering industry and construction, the company came 3rd. The "Polish Market" monthly and the Institute of Economic Sciences of the Polish Academy of Sciences again awarded Budimex the title of **Pearl of the Polish Economy** in recognition of consistent implementation of its policy and strategy, as well as for being the leader among the most dynamic and the most efficient enterprises in Poland.

The highest award – the 2011 **Business Champion Laurels** was given to Budimex by the jury of the competition organized by the "Businessman.pl" monthly. The award was granted in the Real Property and Infrastructure category.

The jury of the competition "Builder Awards", organized by the "Builder" monthly, granted the title of **Construction Company of the Year 2011** to Budimex, in the General Contractor category.

Polish specialists and managers decided to award Budimex second place among the companies from the sector of real property and construction industry for which they would like to work.

Budimex was awarded second place in the **"Ideal Employer 2011"** ranking. Over 15,000 students from the hundred largest universities were asked what their expectations in terms of their professional careers are and how they perceive employers operating on the Polish market. Future engineers awarded most points to construction companies. Budimex moved up from the third place in this ranking.

In 2011 Budimex received the first award and the title of "Modernization of the Year" for the reconstruction of national road No. 52, ul. Wyzwolenia and ul. Niepodległości in Bielsko-Biała.

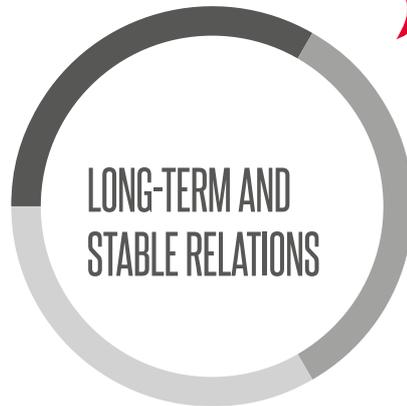
The contracts executed by Budimex were also awarded in the competition "Build Safely", promoting safety on construction sites, organized by the National Labour Inspectorate. According to the jury, two constructions carried out by Budimex deserved a special mention: extension of the Regional Polyclinical Hospital in Olsztyn and construction of the theatre and concert facility in Suwałki.





FAIRNESS IN OPERATIONS

HONEST AND RELIABLE
BEHAVIOUR



stability and foreseeable
quality of services provided
by suppliers



reputation
and long-term
brand value

reducing the risk of non-performance
or improper fulfilment of the contract

●● The concept of fairness in operations is a very broad one. It covers both the reliability of relations with customers, as well as an ethical attitude towards suppliers and counterparties. In the context of customers, it is enough to mention that the only section of the A2 motorway between Stryków and Warsaw given for use before the deadline, was the one constructed by Budimex. Also Budimex Nieruchomości takes pride in its timeliness; although the company gave several thousand apartments for use, it has never exceeded a deadline. It is a rare quality on the Polish developer market.

● Because of the specific nature of the conducted activities, the major suppliers of the Budimex Group are the same companies every year. There were no significant changes in the sources of supply for sites in 2011.

HR DMA, SO DMA ●●

EC6 ●

These are almost always local businesses, i.e. domestic ones¹, and sometimes even from the immediate vicinity of the executed contract.

1
98.5% of the supply comes from domestic entities.

2
Similarly, part of the work is outsourced to businesses from the local community, who have necessary construction equipment on site.

It should be noted here that the sources of supply are diversified. The share of any of the suppliers of materials or services did not exceed 10% of sales of the Group. The key suppliers include: Lotos Asphalt Sp. z o.o. (road asphalt), Orlen Asphalt Sp. z o.o. (road asphalt), Cemex Polska Sp. z o.o. (concrete), ArcelorMittal Distribution Sp. z o.o. (steel and concrete reinforcement), Lhoist Bukowa Sp. z o.o. (calx, aggregate fillers), PKN Orlen S.A. (fuel), Vistalex S.A. (steel, concrete reinforcements), Zakłady Wapiennicze Lhoist S.A. (calx, aggregate fillers), TTHNMBiO J.Chojnowski (building materials), Atut-Rental Sp. z o.o. (rental of construction equipment). However, it is not a rule to acquire Polish but the local raw material; which has a strong justification for both society and the business activity. This way the company is, in fact, minimizing the transportation costs. Of course, in practice it usually means that it is the Polish raw material, often derived from the source located in the area of the executed contract². However, in the case of Budimex Danwood, of which about 90% of houses are built in Germany,

the main suppliers of wood are German companies. Additionally, it is also associated with the fact that Budimex Danwood is a member of the Wooden Houses Manufacturers Association in Germany, which has its certified suppliers (of wood, among others), who are recommended to the manufacturers of houses. Respecting these recommendations is an expression of respect for the local market, the applicable rules of social coexistence and other unwritten rules. In summary, virtually 100% of purchases made by individual companies take place in the countries in which the operational activities are conducted.

When speaking of relations with the suppliers, and in light of the events of recent months, i.e. the growing number of subcontractors of large construction companies, who were executing infrastructure contracts and as a result found themselves on the brink of bankruptcy, it is impossible to omit this issue when describing a responsible business. As emphasized in the introduction, Budimex is a reliable payer.

As at 31 December 2011, the aging structure of liabilities was as follows:

Trade liabilities (gross) (without deposits retained)	Amount (thousand PLN)	Structure (%)
a) current	1,133,096	93.6%
b) overdue:	77,638	6.4%
- up to 1 month	38,500	3.2%
- 1 to 3 months	15,654	1.3%
- 3 to 6 months	4,161	0.3%
- over 6 months	19,323	1.6%
Total trade liabilities	1,210,734	100.0%

It should be noted, however, that even those formally overdue payments are not the result of unjustifiable holding of funds by the company. They are most often a consequence of events, such as delays in the provision of services by the supplier, which do not allow one to accept the work and thus result in suspension of payment.

● An important role in relations with suppliers is given to ethical issues. The attachment to contracts: "Code of conduct for counterparties", regulates issues related to:

- compliance with the law
- business ethics
- respect for Human Rights
- relations with and between employees
- obligations to third parties and the market
- respect for the environment.

A total of 24 framework agreements were concluded in 2011, of which 16 have been supplemented with the ethics attachment (67%). Regardless of the provisions of the contract, liability issues are part of the evaluation of a counterparty – both at the stage of supplier selection and at the end of the evaluation. The issues concerning respect for workers' rights and legal requirements relating to the protection of the environment have all been taken into account both in subcontractor qualification surveys, as well as in the evaluation of cooperation sheets. All key suppliers (100%) were subjected to the evaluation (pre-qualification) and they will be also subjected to the final evaluation at the end of the cooperation. The evaluations do not only apply to the key suppliers. Taking into account all subcontractors, not only the major ones, the contractors conducted 2033 final evaluations in total in 2011, which contained elements of health and safety and environmental protection,

constituting approximately 70% of all evaluations³. Some irregularities were identified in 118 cases. 1191 of suppliers were subjected to the pre-qualification survey. This is a very significant increase in the number of evaluations, because the corresponding figures amounted to 800 (final evaluations) and 400 (qualification surveys) in the previous year.

● All contracts (100%) are constantly monitored for the risk of corruption. In addition, direct inspections of selected sites are carried out randomly by the Office of Internal Control. There were 40 inspections carried out in 2011 (which accounted for approximately 1/3 of all executed contracts). It should be noted that during each routine inspection the employees of the Office of Internal Control touch upon the aspects of ethical behaviour – within the organization and in regards to business relations.

● The management staff of Budimex participates in special training on the subject of corruption, attempts of corruption and intimidation, and safety. The training concerns issues of ethics in business operations and their impact on building relations with different groups of stakeholders. 128 people took part in this training in 2011, including 118 managers (approx. 27% of the entire management staff). In addition, the Ethics Code of the Budimex Group includes provisions that strongly condemn any form of corruption. According to the report of the Ethics Committee of Budimex SA, the Committee dealt with 9 reported cases in 2011. Most of them concerned actions which could be considered as attempts to corrupt the contract managers, made by subcontractors executing these contracts. All reported incidents were reviewed by the Office of Internal Control, or by employees of the Human Resources Management Division,

HR1,HR2 ●
S02 ●

S03, S04 ●
HR3 ●

3 The percentage of evaluations, taking into account health and safety and environmental protection in relation to all evaluations of the suppliers in 2011.

and inspected. The Ethics Committee decided to take steps which in the future will help to avoid such unethical behaviour of subcontractors or allow taking measures ensuring adequate protection of the employees of Budimex and to draw up consequences for people behaving unethically. The standard contracts used by Budimex include provisions guaranteeing the right to terminate the contract in the case of attempted corruption. At the same time, a new manual was drawn up: "Rules of conduct in the case of a proposal of financial gain and in case of attempts to intimidate an employee", which sets the rules for dealing with a situation in which an employee will have a proposition to accept financial benefits in exchange for certain acts or omissions related to the execution of the contract, as well as in case of attempts to intimidate an employee. Changes have also been made in the provisions of "Rules for participation in sponsored events and other activities related to the conflict of interest".

● 4,4
● HR4

● ● The aforementioned Ethics Code was introduced in 2010 in Budimex and in 2011 it started applying to the Budimex Group's companies, i.e. it has been adopted by Budimex Nieruchomości, Budimex Danwood and Mostostal Kraków last year. In the chapter "Areas of Special Observance of Ethical Values", Budimex states that it "does not tolerate discrimination and imposition of views, especially due to gender, origin, religion,

age, political views and the position held; in daily relations with employees it does not accept violation of privacy or abuse of professional position for private goals; the company ensures good employment conditions for their employees and it creates an environment that gives considerable possibilities of professional development and promotion and it does its best to employ people with varied level of experience in the organisation." At the same time, the Work Regulations of Budimex guarantee respect for human rights and prevent discrimination in employment. The Ethics Committee has been appointed by the President of the Management Board of Budimex to make sure that the provisions of the Ethics Code are respected. The Committee is to monitor compliance of the applied professional ethics standards with the provisions of the Ethics Code. The Committee considers cases of Code violation and it provides guidelines regarding the rules set forth therein, adhering to confidence standards. Every employee can anonymously inform the Committee about violations of the Ethics Code; the information about irregularities is not only reviewed but it also reaches the Supervisory Board. Among the problems reported to the Committee in 2011 there was not a single complaint about discrimination in the area of employment, or violation of human rights. All newly recruited employees are required to familiarize themselves with the provisions of the Code. There were 1,246 of those in 2011. Budimex does not employ children, as declared in chapter XIV of the new Work Regulations. No case of compulsory labour or child labour were noted in the Budimex Group or the reviewed counterparties in 2011.

	Budimex SA	Budimex Nieruchomości	Mostostal Kraków	Budimex Danwood	
● Total number of reported cases of discrimination and actions taken in this regard	None	None	None	None	HR4 ●
● Identified activities that could pose a threat to the freedom of association and the right to collective disputes	None	None	None	None	HR5 ●
● Identified incidents of use of child labour	None	None	None	None	HR6 ●
● Identified incidents of use of forced and compulsory labour	None	None	None	None	HR7 ●

● It is also worth noting that all employees, regardless of whether it is a full time or part-time employment, have the same fringe benefits. The following benefits should be mentioned here: medical insurance (Budimex, Budimex Nieruchomości), life insurance (Budimex, Budimex Nieruchomości) and Benefit cards (Budimex, Budimex Nieruchomości). In addition to the benefits offered in special situations (e.g. serious illness of an employee or a family member), employees can count on additional, individual support. Each case is then reviewed individually.

LA DMA, LA3 ●

The above mentioned benefits are part of a comprehensive human resources policy of Budimex. The company seeks to attract the best employees, addressing its offer already to students and graduates, mostly of engineering studies. That is why the Budimex Academy, which is free of charge for students, was created – as well as programs of practices and internships; also, attempts are made to engage in a dialogue with universities about the educational directions of future constructors. The process of recruiting future employees is transparent and anyone interested can take a look at its course.

The staff of Budimex consist mostly of highly qualified specialists in various fields, mainly engineers. They represent the core of teams executing the constructions contracts. Apart from the staff of Budimex, these teams are also composed of the employees of subcontractors. With such a system, typical for this industry, and which uses the employees of external entities, the company becomes very flexible. In this way, it can adapt to changing market conditions, i.e. change the scale of operations in the event of fluctuations in the number of orders. This flexibility is not without significance for logistical reasons – new locations of executed contracts do not entail the need to move entire teams, but only their key members. At the same time, this means jobs for the employees of local subcontractors. Budimex, as the ordering party, ensures good health and safety conditions of work for both its employees and employees of subcontractors.

The valuable staff, which constitutes the foundation of Budimex, can count not only on an attractive remuneration or the mentioned benefits, but also on development and a variety of training (professional technical training, soft skills or language training, including trips abroad). Other important elements of the human resources policy, which will be discussed in further parts of the report, is the emphasis on avoiding any unethical behaviour and great importance attached to the occupational health and safety.

● The most important development programs of the Budimex Group are:

- Expert – a program for employees with extensive experience and knowledge in a narrow field of specialization
- Gemini – a program consisting of an exchange of international experiences with the majority shareholder of Budimex – Spanish company Ferrovial. Several months of training in negotiations, cost control and contract management in Spain
- Talent Pool – an exclusive program intended for selected mid-level managers (individual professional development through the MBA studies, comprehensive managerial programs, language courses abroad, individual coaching).

● LA11





●● The Budimex Group ensures respect for freedom of association and collective bargaining. There are 3 trade unions operating in the Group's companies, which associate more than 150 people (less than 3% of the workforce). None of the trades was in a collective dispute with any of the employees in 2011. The Management Board also seeks to ensure that the employees are informed about any relevant issues as soon as possible (e.g. in the case of organizational changes), in advance at least as required by the law (e.g. in the case of termination of employment, depending on the duration of employment, the period is: 2 weeks, 1 month or 3 months). As a rule, the staff of Budimex is composed of Polish employees (100%). It is worth noting that the management boards of individual companies are also composed of Poles, and foreigners occupying the highest positions are exceptions.

● In order to maintain the highest ethical standards, Budimex adheres to the principle of full political neutrality in business. According to the applicable law, it does not support political parties or organizations. Because of the negative connotations evoked by lobbying in the Polish reality, it limits its participation in public life to actively taking part in professional organizations, of which the company is a member. This allows maintaining full disclosure and transparency of operations.

- Membership of Budimex in social initiatives and organizations.
- Business Centre Club
 - Polish-Spanish Chamber of Commerce
 - Polish Association of Construction Industry Employers
 - Association of Stock Exchange Issuers
 - Polish Asphalt Pavement Association
 - Polish Chamber of Road Engineering
 - Polish Society of Bridge Engineers
 - Association of Accountants in Poland
 - Polish Research Laboratory Club POLLAB
 - Association of Polish Service Companies in Germany
 - UN Global Compact.

4.13 ●

LA DMA, LA5 ●
EC7 ●

SO DMA, SO5, SO6 ●





SAFETY OF PEOPLE

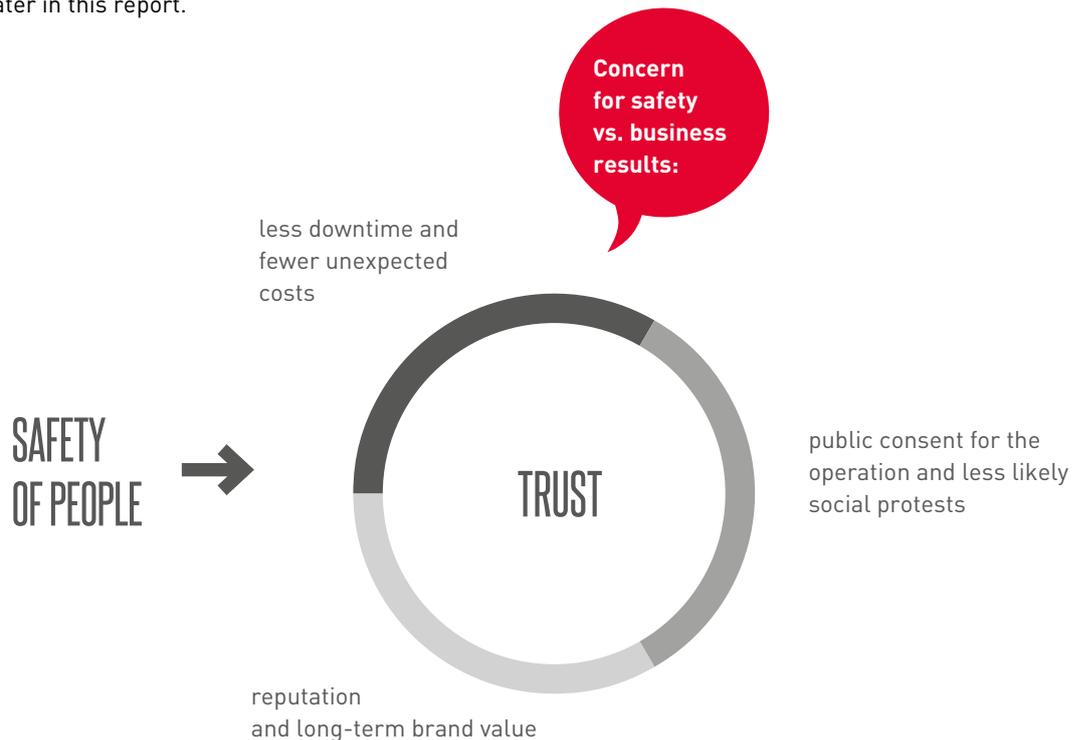
A key factor which determines the functioning of the capital group, whose activities focus on construction industry, is safety:

- life and health safety of the users of facilities built by the companies
- life and health safety of the employees
- safety of outsiders.

Apart from the safety of people, another important category is the safety of the natural environment, which will be discussed later in this report.

● Speaking of safety of users, one should think about different stages of life of a product – a motorway, flyover, bridge, building, or finally a flat in an apartment block or a wooden house built by Budimex Danwood. Responsibility for safety begins at the design stage and extends further to the stage of construction and further maintenance of the facility.

PR DMA, PR1 ●



The role of the Group's companies is often limited to the mere execution, especially in the case of the infrastructure. Nevertheless, the work of designers is very important for the Group, e.g. of those from the Technical Office of Budimex which also serves as a kind of research and development unit. This is where new, innovative ideas are created. The Office also decides on the use of specific materials and raw materials, so that they ensure safety of the facility under construction.

Accuracy of the execution guarantees that the solutions foreseen in projects will be translated into real objects. The standards define not only the choice of material and raw materials and their quality control, but also the way of their later use. As a result, the risk of using a raw material of lower quality, or one that would have an adverse health effect, is eliminated. Just to mention mobile laboratories which take samples from already constructed sections of roads and analyse their compliance with the standards. The integrated management system of Budimex also defines procedures for the guarantees, including the acceptance of a complaint, its analysis, the determination of liability for a detected defect, the process of its removal and assessment of defect removal. Furthermore, Mostostal Kraków for instance, due to the nature of its activities, has numerous certificates and permits for manufacturing, assembly and repairs of steel structures,

pressure and lifting equipment, construction of road and railway bridges and for carrying out welding works, conducting destructive and non-destructive research, training and examining of welders; issued by, among others, the Office of Technical Inspection, Universität (TH) Karlsruhe, Institute of Welding Technology, Ministry of Infrastructure and the Polish Chamber of Steelworks. In Budimex, in addition to the integrated quality management system according to ISO, there is also a quality assurance system, based on the requirements of NATO AQAP 2110 standard. In addition, the company has the certificate of factory production control of mineral-asphalt mixes, issued by the Research Institute of Roads and Bridges. In the case of Budimex Danwood, the mark of quality RAL, the ISO-9001 certificate and constant control of materials by the Institute of Construction Materials Inspection in Dresden guarantee high quality and precise execution, starting from manufacturing, through assembly to the finishing work. Budimex Danwood is one of the few companies in Poland that offers a 30-year warranty on construction elements of a house.

Budimex Nieruchomości has for over 10 years been awarded the Certificate of Developer, which is awarded by the Polish Association of Construction Employers. The certificate is awarded to companies which are considered as credible and reliable partners by independent experts composing the Chapter of the Certificate of Developer.

work, decreased. However, it should be noted that both effects are cumulative; namely, as a result, the total number of days of absence from work decreased by 9%. In turn, reduced absenteeism means greater stability of the current activities of the company. There were no fatal accidents in the analysed companies of the Budimex Group in 2011.

● All these certificates, in addition to procedures of the integrated management system, confirm the highest quality and accuracy, as well as the professionalism, which ultimately allow providing facilities which are truly safe, from the point of view of their use. The best proof of this is the absence of incidents, not to mention construction disasters, which would concern the facilities built by the Budimex Group. Another proof consists of the above mentioned numerous awards.

● ● ● The Group's companies attach great importance to ensuring safe working conditions. Both in Budimex and Mostostal Kraków, i.e. the companies where the majority of the capital group's workers are employed, the occupational health and safety management systems, compliant with PN-N-18001, were implemented as a part of the integrated management systems. The Health and Safety Committee operates in the company, composed of the representatives of employees, indicated by the trade unions. It consists of four representatives of employees, two representatives of the employer and an occupational medicine physician. The Committee represents all employees (100%). While analysing both the severity and frequency of accidents occurring in Budimex SA, one can note a slight decrease, by approx. 4%; i.e. both the number of accidents and their severity, measured by an average absence from

● Last year brought changes in the management of occupational health and safety, which are at least worth mentioning. First of all, a new system of training was prepared, which definitely exceeds the minimum required by law, and which was very well received by the employees. This is extremely important, because the root cause of most accidents is routine and simple thoughtlessness. Understanding and awareness of the problems sensitize employees and, as a result, allow eliminating unsafe behaviours. A first-aid system was prepared last year, and the equipment necessary to save lives was purchased and is already present on each site of the contracts. The purchase of equipment is related to the Emergency First Response training which is already carried out in 2012. An entirely new system of reporting and management of risk at the contract's site was introduced; it is not only user-friendly for site managers, but it also allows them to monitor and eliminate potential risks. Development of new procedures, as well as the health and safety risks system, is under way. This is a consequence of the conclusions arising from the analysis carried out in 2011, which showed that not all of the adopted solutions and not all good practices applied are sufficient.

PR2 ●
LA DMA ●

4.4 ●
LA6 ●
CRE6 ●

● SO DMA, SO1

The specific nature of the construction market is associated with the employment of quite a number of companies-subcontractors. Different and inadequate safety culture of their work often constitutes a problem. In 2010, the health and safety issues became one of the elements of evaluation of cooperation with subcontractors. The number of companies, which were subjected to such an evaluation, increased significantly in 2011. The outcome of the evaluation influences the further cooperation and, in extreme cases, may even lead to its termination.

● 4.12

● A great success of the previous year is improving the system of monitoring risk and number of accidents of subcontractors who could try to hide some events which would put them in a bad light; unfortunately, such attempts happened in the past. Another action worth mentioning is the development, with the leading participation of Budimex, of a model attachment to the standard contract with the subcontractor, relating to occupational health and safety. Such an attachment was created as part of the "Agreement for safety in the construction industry", of which Budimex is a signatory and an active participant. As a result, the adopted solution, based on best practices and experiences of the Group, has become a certain standard which the major market player decided to adopt,

as part of a kind of self-regulation, and which will enable civilizing a market practice which often leaves a lot to be desired. At the same time, Budimex is a partner and supports, along with other leading construction companies, the social campaign of the National Labour Inspectorate and the Social Insurance Company (ZUS), entitled: "Respect life! Safe work at heights".

● Another aspect of security is the issue of outsiders who may find themselves in the impact zone of an investment and potentially be injured. Of course, all rules concerning fencing and marking of the construction site are strictly observed, which reduces the likelihood that an unauthorized person will enter it. Preventive measures are also taken by the employees, and especially by the security staff, who – of which not everyone is aware – not only protect the property, but also indirectly contribute to the elimination of danger which may threaten, for example, children who want to "explore" the site unnoticed and unknowingly expose themselves to great danger. Safety of outsiders does not always mean a direct threat to life and health. There are often different types of disturbance (e.g. noise). They cannot always be eliminated, but Budimex tries to organize their work so that its negative impact on the residents is at an absolute minimum. The company also responds to any worrying signals and complaints, because it is aware of being only a guest in the community and is therefore compelled to certain behaviour.



SP nr 84
w Gdańsku



Budimex SA: safety of children and construction of A4 motorway

Great intensification of works on the construction of the motorway on the section Wierzbna – Radymno, which was carried out in two, or even three shifts, became an impediment for children who found “shortcuts” through the construction site in order to get to their school. To ensure a safe route to school, Budimex decided in April 2011 to transport them to school every day by bus, at its own expense. Approximately 25 fourth-graders, fifth-graders and sixth-graders commuted to and from school.

“Because of this investment, children lost a convenient shortcut which got them to school safely and quickly. What is more, because of the movement of vehicles and heavy equipment, it is very dangerous here. Therefore, the proposed transportation is a good solution for our pupils,” says Janusz Fudali, principal of the elementary school in Chtopice. “We have rented a bus. We decided on this because of a large concentration of works in this area and the desire to ensure that children arrive to school safely,” says Krzysztof Waśko, director of the contract from Budimex.

<http://www.nowiny24.pl/apps/pbcs.dll/article?AID=/20111025/PRZEMYSL/965101130>



Budimex SA: concerns related to the launch of bitumen plant in Lublin

The announcement of Budimex on the opening of a temporary bitumen plant in the Lublin district of Hajdów-Zadębie provoked a lot of controversy and concerns. The residents were particularly concerned because five such facilities in total, belonging to different companies, were supposed to function in their neighbourhood.

Protests started in July 2011 and the residents announced they would block the plant. An agreement, satisfying all parties, was reached through dialogue. However, in early September the residents carried out a 2-day blockade, because they did not believe that one of the access roads, which ran in the vicinity of their houses, was temporary and served to create a proper access road to the plant, less troublesome for the local community.

Thanks to dialogue and direct talks, all doubts could be clarified and there was no further escalation of the conflict.

Budimex definitely exceeds the requirements arising from the legal regulations. As a company, it is aware that the facilities which it helps to construct, may constitute, after being constructed, a source of future threats. Primarily, it concerns the road infrastructure which has dominated the investments portfolio in recent years. For this reason, a flagship social program “Domofon ICE” was initiated in 2010, and it is implemented in schools located in the vicinity of road investments of Budimex. It aims to actually improve road safety of children, their education on safety and providing aid in the event of an accident.

A key element of the program are plastic cards containing data facilitating contact with relatives in the case of emergency (ICE cards), so in situations where time

really counts and information on chronic diseases, allergies and drugs taken may save lives. Information stored on the card can also be extremely helpful if a child gets lost. The acronym ICE (In Case of Emergency) is well known to rescuers all over the world and the data on cards is optimally encrypted so that it can be quickly read. All children involved in the programme, and there were over 5,100 of them at the end of 2011, receive mobile phone-shaped cards together with a fluorescent holder that can easily be fixed to a backpack. The campaign has a wider educational aspect, as it promotes the principles of road safety and first aid among young people and is not limited only to the distribution of cards. It is about preventive measures, limiting future risks associated with the executed road investments. We can also enjoy the fact that the representatives of emergency services, especially the Police and the Fire Department, willingly take part in the events under the "Domofon ICE" program. It is also very well received by parents, school principals and local government officials.

Last year, the official galas "Domofon ICE" were held in 6 out of 11 schools submitted to the program (approx. 3,500 children). In addition, new pupils from schools that had previously joined the program also received cards (approx. 600 children). However, the most important is that the actions are effective. The conducted monitoring shows that 66% of children wear the received pendants every day, which should be considered a good result. Moreover, the survey conducted among the teachers in November 2011 confirmed the justifiability and effectiveness of the program. Over time, as shown by a comparison of surveys from 2011 and 2010, teachers are becoming more and more committed to the "Domofon ICE" program.

Evaluation questions	2010	2011	change %
<i>Response scale: 1 – no (bad) 2 rather not (rather bad) 3 average 4 – rather yes (rather good) 5 definitely yes (very good)</i>			
How do you evaluate carrying out the pilot campaign of the "Domofon ICE" social program in your town?	4.1	4.7	115%
Did students seriously treat the issues of road safety, which is the main idea of the campaign?	4.0	4.5	113%
Do students have holders with "Domofon ICE" cards attached to their backpacks?	3.4	4.0	118%
Were students interested in the formula of the program?	3.9	4.5	115%



Selected opinions on the “Domofon ICE” program

“Today the commune gained a powerful ally, which is the company Budimex, implementing the ‘Domofon ICE’ program throughout Poland. In this case, the goal of schools and the company is the same: the safety of children,” said Andrzej Jankowski, the Mayor of Stryków, during the gala ‘Domofon ICE’ (10 November 2011).

“We are glad that such a gala was organized in Mrągowo. It is no accident that it takes place here, because the new city ring road has just been given for use. Thanks to its formula, the ‘Domofon ICE’ program will definitely help to improve the safety of children and will have a real impact on reducing the number of accidents involving the youngest,” said Tadeusz Tyczyński, chairman of the City Council. “We would like the ‘Domofon ICE’ program to be continued in our city in the coming years,” added Tomasz Witkowicz, Deputy Mayor of Mrągowo (17 June 2011).

On this occasion, it is worth noting that the actions taken for the benefit of various local communities, implemented in the form of employee volunteering, became a permanent fixture in the calendar of company events. Six major campaigns were conducted in 2011, involving a total of 755 employees, which is nearly every fourth person employed. Helping local communities requires, above all, good will; and the goal of the company is to promote this type of behaviour. The year 2010 brought a flood risk and the aid of heavy equipment from construction sites operated by Budimex proved invaluable. Fortunately, spring in 2011 did not bring flood, but it does not mean that the company did not get involved locally.



Budimex SA: supplying sand needed for a football pitch construction

Korzeniowo, a small town next to Kwidzyn, where Budimex builds a bridge over the Vistula – has its own football team. Sand excavated from the Vistula during the work, was used by athletes to create the training field. Budimex gave material free of charge.

Of course, social activity does not end with minor or major community activities. The Budimex Group is involved in helping to solve a number of social problems and it supports valuable social initiatives. For example, Budimex has consistently, for many years, supported the organisation of the Polish Disabled Sailors Championship. The competitions were held for the seventeenth time in 2011.

●● Among others, the Foundation "Opieka i Troska" benefited from financial assistance; the foundation supports the construction of the "Przylądek Nadziei" ("Cape of Hope") which is the Department of Bone Marrow Transplantation, Children's Oncology and Haematology at the Clinical Centre Complex of the Wrocław Medical University. With the help of Budimex, the Social Prevention Centre in Nowy Sącz will be able to organize social and health summer camps for children socially excluded because of the poverty. Budimex continues the long-term sponsorship of the Jerzy Waldorff Social Committee for the Protection of Stare Powązki Cemetery in Warsaw. In 2011, the company signed two contracts with children's hospitals in Poznań and Lublin, under which over the next three years Budimex will provide the medical facilities with 480,000 PLN to help renew and modernize these clinics.

A total of 616,500 PLN was handed over for various donations in 2011.

Budimex: the Budimex Academy

The Budimex Academy is a free educational initiative, launched in spring 2009. It consists of a series of professional workshops addressed to students of construction studies from renowned Polish technical universities. The training includes the use of modern technologies and advanced solutions in civil and communication engineering, discussed in the example of contracts executed by the Budimex Group.

"The knowledge that we want to convey is the result of many years of experience of the Budimex Group's employees and is directly related to investments carried out by us. We hope that the provided skills will contribute to the competence development of students and prepare them for future professional challenges.

We want the engineers, trained at the largest Polish universities, to be competitive on the labour market. We know that current students will soon play a key role in the development of the entire construction industry in Poland and abroad. With this in mind, we have undertaken to implement the education and training actions in the academic environment", says Dariusz Blocher, the President of Budimex SA, about the Budimex Academy.

In 2011, the project was attended by Silesian University of Technology, Cracow University of Technology, University of Technology and Life Sciences in Bydgoszcz, Poznan University of Technology, Warsaw University of Technology, Rzeszów University of Technology, University of Zielona Góra, Lublin University of Technology, Wrocław University of Technology, West Pomeranian University of Technology, Technical University of Łódź, Białystok Technical University and Gdańsk University of Technology. Subsequent editions of the Budimex Academy are becoming more and more popular. Nearly 3,000 students took part in it last year, the vast majority of which declared that they would like to work for Budimex (93%), seeing the company as a stable employer (88%). A total of over 6,000 future engineers took part in three editions of the academy.



S01

EC8



NIAGARA



SAFETY OF THE NATURAL ENVIRONMENT

EFFECTIVE ENVIRONMENTAL MANAGEMENT ON CONTRACT SITES



protests less likely to occur



no costs of environmental penalties

less risk of costly downtime for people and equipment

● The Budimex Group has a very strong impact on the environment. In this context, special attention is paid to the activities of Budimex SA, and in particular to the execution of road contracts. Similarly, the construction of industrial facilities is not indifferent to the environment. Whereas the impact of assembling a wooden house from the offer of Budimex Danwood will be minimal. Wherever the potential interference in the functioning of the local biosphere can be particularly significant, the solutions allowing it to effectively protect nature should be provided. As mentioned earlier, the management of environmental issues in Budimex SA is based on the certified management system ISO 14001. In the case of specific construction projects, they are regulated by the procedure "Environmental management on the

contract sites", which aims to reduce the negative impact of constructions carried out by Budimex on the environment. Due to an increased involvement in issues related to environmental protection, the company enlarged the team dealing with environmental issues. The employees, and in particular construction managers, undergo training in the field of environmental protection.

EN DMA ●

- EN12, EN14, EN26
- CRE6

Approximately 1,000 people were trained in 2011. There were approx. 900 people trained in the previous year.

●● A mandatory environment impact report is prepared for the ongoing and planned investments which may potentially affect the biodiversity, which proposes measures aimed to minimize or eliminate the negative impact of the investment on the environment; the report is prepared in cooperation with specialists in various fields of science (including ornithologists, herpetologists, ichthyologists, entomologists, botanists, etc.).

Budimex, as a contractor of ready projects, usually does not have influence on the form of the project itself, i.e. on the way in which designers of the route have taken into account the needs of the natural environment. This applies to the course of planned road, which should be routed in the least disruptive way for the local biosphere and omit particularly valuable natural areas. A suitable planning of the infrastructure should be added here, such as animal passages which should coincide with their migration paths. The passages, in turn, should be consistent with the planting of trees and shrubs. The plantings should be planned in a way which directs animals to the passages. It is important to create ecotone zones in the forests along the routes, in order to protect the ecosystem from the effects of rapidly exposed forest

wall. An adequate drainage system, which will protect the subterranean streams and surface waters from contamination with petroleum substances, should be foreseen, as well as noise barriers or appropriate lighting of bridges, limiting the number of birds' collisions. In rare cases, when Budimex is also a designer, the responsibility for preparing a solution that is optimal from the social and environmental point of view, lies with the company. Most frequently, however, the company is responsible for the construction of an already planned road in a manner consistent with the design prepared by the investor.

Budimex SA: new ring road in Augustów

In February 2011, the General Directorate for National Roads and Motorways in Białystok settled the tender and indicated Budimex as the company that will design and construct the new variant of the ring road in Augustów, i.e. through the city of Raczki.

The residents of Augustów have been waiting for the ring road for several years. It was originally supposed to run through the valuable, in terms of nature, Rospuda river valley, but the started construction was interrupted by protests of environmentalists. The European Commission also had some objections. Finally, in March 2009, the representatives of government announced the adoption of a new variant of the course – through Raczki.

Budimex, being at no fault, as the general contractor of the commissioned work, became an involuntary participant in the dispute that accompanied the construction plans for the ring road of Augustów through the Rospuda Valley. In relation to this conflict, the company incurred measurable financial loss resulting from freezing human resources and hardware, and thus the loss of alternative contracts which could be executed at that time.

● Some environmental risks are associated with the investment implementation stage, which requires maintaining the utmost diligence by the contractor, which is usually Budimex. Seemingly simple activities are in fact very important. Among other things, the idea is to properly organize construction sites and the contractor's temporary plant and facilities. Technological routes should be routed in a way ensuring an efficient use of land and minimal transformation of its surface and, after the completion of works, the area should be restored to its previous state. Such an approach allows minimizing deforestation. Regardless, valuable trees located in the

impact zone of the construction site, are properly protected against mechanical damage. Similarly, e.g. anthills are protected against the effects of the work of heavy construction equipment. The contractor's temporary plant and facilities, in particular warehouses, depots and transport bases, are in the first place located in already developed and transformed areas, as far as possible from residential buildings but also at a distance from naturally valuable areas. The occupancy of land in the forests or wetlands areas is reduced to the necessary minimum. Wherever it is possible, the works do not go outside the designated lane road. Transportation of materials necessary for the construction takes place primarily within the designated lane road, so as not to cause an unnecessary transformation of other areas. Solutions for protection, against pollution with chemical substances coming from the construction sites, are introduced on sections where the earthworks and construction works are conducted near water reservoirs. Special attention is paid to protecting the environment from contamination by petroleum products from vehicles and construction machinery. Therefore, the construction site and its facilities (places of equipment/materials storage, etc.) are protected against contamination of groundwater, by applying a system to collect polluted rainwater.

CRE5 ●

Because part of the vegetation, which is located directly below the planned route, will be irrevocably destroyed, compensatory plantings are carried out. For inventoried habitats of valuable plants, which would be destroyed by the constructed route, a metaplantation is carried out, i.e. the plants are being carried to new places.

When a small water reservoir (pond) is to be filled up (destroyed) during construction, its amphibians and reptiles are harvested and transferred to new localities. The nature itself is also monitored during construction process. Construction works are conducted under the supervision of naturalists, often of different specialties. In the case of construction of the section of A1 motorway, there were as many as seven different experts (including an ornithologist, ichthyologist, herpetologist, entomologist, botanist). Construction works were

sometimes temporarily suspended, when rare animals appeared in the impact zone of investment. The schedule and cycle of works are closely correlated with the cycle of nature. Some works are temporarily held up due to periodic migration or the breeding season of birds. Periodic migrations do not apply only to birds, but also for example, to amphibians or fish. Construction works in the vicinity of noise-protected areas are carried out only during the day.

During the work the aim is also to ensure that the top layer of soil (humus), used for finishing work (consolidating embankments, etc..) was of local origin. Thus, the soil humus removed from the surface is stored in heaps and then used in developing land at the end of the investment. The earth material used for finishing works (consolidating embankments, etc..) is most often of local origin, so that it would not contain the base of species seeds alien to that region.



- 4.11
- EN23

What also helps to reduce the negative impact on the environment is a series of very simple rules for conducting the work, such as: spraying the site with water in the case of a draught to limit the amount of dust, reduction to a minimum of working time for internal combustion engines of construction equipment and vehicles at idle, careful loading of loose materials on the cars and the use of tarpaulins or simply reducing speed within the site and in the surrounding area.

Procedures described above correspond closely with national and European regulations, including regulations concerning Natura 2000 sites. The adopted solutions ensure compliance with legal requirements and even exceed the regulatory minimum. The monitoring (nature control) of the impact zone and its habitats is conducted during the implementation of project and after its completion, in accordance with the recommendations of the environmental impact report of the project and legal decisions issued by the environmental protection offices.

● Construction sites and individual investments are also prepared for unforeseen emergencies. Each contracted investment implemented by Budimex has instructions for dealing with an emergency situation, and is equipped with the necessary equipment needed in case of contamination, including sorbent, absorbent sleeve, absorbent mats and personal protection equipment. Furthermore, according to the precautionary principle, any contamination is treated as threatening to the environment, until its type and source is determined. In addition, site managers must undergo specialized training related to nature conservation, including dealing with emergencies. There were two incidents on the construction sites in 2011, which could result in a minor contamination of water and soil. In both cases, the risk was quickly and efficiently eliminated, and the environment was not affected.



● **Budimex SA: risk of environmental contamination on the construction of bridge over the Vistula river near Kwidzyn**

In November 2011, on the construction site of the bridge over the Vistula river near Kwidzyn, on the unloading yard next to the ferry port in Korzeniowo and during the unloading of sand of two cars standing parallel to each other, one of them tilted and fall over on the other. The contract workers present on the scene, along with the employee acting as the environmental protection coordinator, secured leaks with sorbents, preventing the penetration of liquids into the ground and into the water. A fire brigade was also called to the site of incident.

Thanks to the right equipment of construction site, in the form of so-called environmental kit, as well as a quick and effective reaction of employees, the site of incident was secured in a way that helped to avoid environmental contamination.



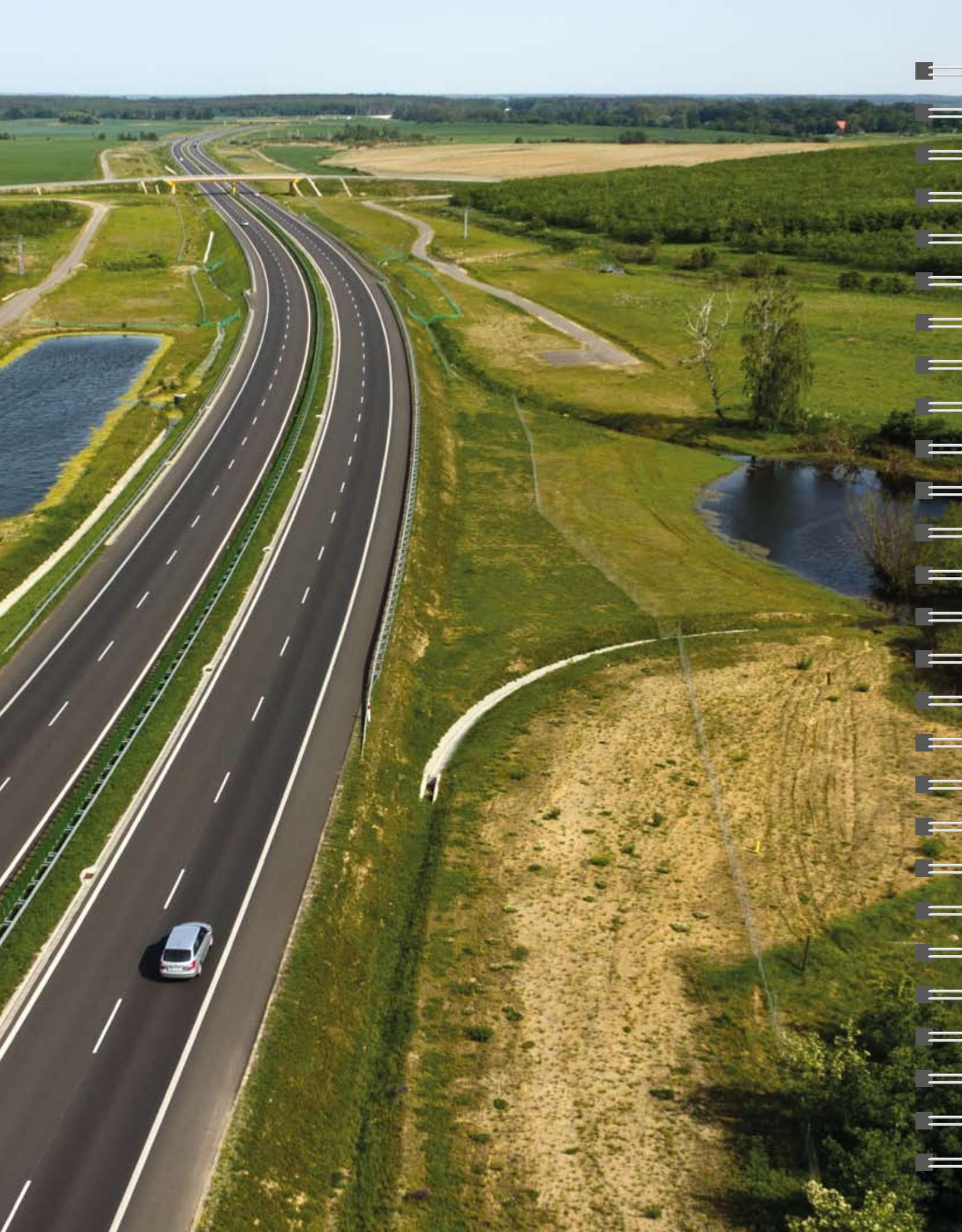
● ● **Budimex SA: unidentified substance on the site of reconstructed street, ul. Otolińska in Płock**

In November 2011, during excavation work for a new sewer system, the excavator operator came across a pipeline which was not indicated in the site and height guidelines. It was a concrete pipe which started to emit water contaminated with greasy liquid of colour and flavour similar to that of oil. In accordance with the precautionary principle, the Fire Department, the investor, the Inspectorate for Environmental Protection and the Crisis Management Centre were all notified about the situation. It was determined that the pipeline in question is connected to the sewer drain located in the area of adjacent inoperative petrol station, and it leads to a neighbouring factory where it was closed some time ago. Inspectors from WIOŚ (regional environmental authorities) took a sample of fluid from the excavation. After digging out the pipe, firefighters secured the place of leakage. After pumping out the liquid, the drain outlet was plugged with a sewer plug, and the fragments of pipe, which interfered with the sewage system under construction, were removed. The liquid and contaminated soil were removed by a specialist company and sent for recycling. Environmental inspectors took samples of the remaining land for tests. The work on construction of the sewage system were resumed after receipt of satisfactory results of soil tests.

EN23

4.11







CURRENT INVESTMENTS IN AREAS OF HIGH NATURAL VALUE

● In 2011 Budimex executed several contracts which could potentially impact the rich natural areas located in their immediate vicinity. Bearing in mind the protection of nature and revitalization of habitats after completion of works, the recommendations, arising from the environmental impact reports and from the decisions on environmental conditions of the project, were implemented for all of these contracts. All recommendations have been prepared in accordance with the suggestions and in cooperation with specialists in various fields of science (mainly naturalists and biologists), the contractor's temporary facilities were located outside of NATURA 2000 sites, and the construction works are carried out outside the breeding season and the protection period. An inventory of habitats was conducted and the local ecosystem is appropriately monitored.

One of such investments is the ongoing construction of a bridge over the Vistula River near Kwidzyń, together with driveways to the national road No. 90. Its implementation involves intersecting the Area of Special Protection of Birds "Valley of Lower Vistula" (PLB040003) as well as the Refuge "Lower Vistula" (PLH220033). Both areas are the sanctuaries of birds of European importance. Bearing in mind the need to protect the birds occurring there, a replacement habitat was created out of the barges anchored on the Vistula River, which is intended to compensate for the nesting habitats of terns, lost as a result of the bridge construction. In addition, the investment will intersect the Vistula Border Protected Landscape Areas and the Protected Landscape Area of the Valley Kwidzyn.

EN11, EN13, EN25 ●

Investment related to the reconstruction of the voivodeship road No. 109 on the section Mrzeżyno-Trzebiatów, located in the NATURA 2000 area: habitation refuge PLH 320017 "Trzebiatowo-Kołobrzeg Sea Band" and birds refuge PLB 320010 "Trzebiatów Coast"; and in the vicinity of the NATURA 2000 area – Special Conservation Area "Rega River Basin" (PLH 320049), will not adversely affect the NATURA 2000 areas or, in particular, influence the purposes of their protection. This results from the fact of implementing the project, consisting of the reconstruction of the existing road, in which

range there are no habitats, plants or animal species listed in Attachments I and II of the Habitats Directive.

Among the other investments that could potentially affect the naturally valuable areas, the project consisting of the design and construction of the section of A4 motorway Jarosław-Radymno (section 2) should be mentioned. The motorway does not intersect, nor is adjacent to, any areas under protection, but it is only routed at a considerable distance from the NATURA 2000 area "San River" (PLH 180007) which, according to experts, effectively limits the potential negative impact. On the other hand, the extension of the Regional Airport Lublin S.A. (Świdnik), carried out by Budimex, directly enters the special area of habitats conservation NATURA 2000 "Świdnik" (PLH 060021) which was designated in relation to the occurrence of the speckled ground squirrel in this area. From the point of view of the conservation objectives for this area, during the proceedings for issuing a decision on the environmental conditions it was stated that the implementation of the project will not adversely affect the area. In the light of analysis contained in the environmental impact report also the executed construction of the Partówko junction, together with the ring road of Troszyn and Ostromice along the national road No. 3, will not have a significant negative impact on the state of naturally valuable areas. Nevertheless, the ring road is located, throughout its course,

within the area of special natural values "Goleniów Forest" and in the immediate vicinity of special bird protection area "Rozwarowo Swamp" (PLB 320001).

The project is located in close proximity to the Special Bird Protection Area PLB 320009 "Szczecin Lagoon", Special Areas of Habitats Protection PLH 320018 "Odra Estuary and Szczecin Lagoon" and PLH 320019 "Wolin and Uznam". In 2011, Budimex SA began first construction works associated with the modernization of the railway section No. 9, which is covered by the area of the Local Steering Centre based in Iława. A short segment of the modernized section intersects the NATURA 2000 area – the Drwęca Valley (PLH 280001). However, due to the nature of conducted works, which do not go beyond the existing railway track, they do not constitute a significant threat to the local biosphere. What is more, according to the environmental decision, the implemented modernization will positively affect the environment (the construction of a sealed drainage system, separators and sediment traps preventing direct infiltration of rain water with pollutants from railway track to the surface waters, among others).

Detailed information about the endangered species of plants and animals, occurring in areas where investments are carried out, can be found in chapter "Numeric data".



Mostostal Kraków SA: dome over the reactor at the Chernobyl nuclear power plant

Usually, construction companies are mentioned in the context of minimizing the negative impact on the environment during the implementation of investment. It rarely happens that the skills and competences of the company serve directly to protect people and the environment from the exposure to serious contamination. That happened in the case of Mostostal Kraków, the undisputed leader in designing and construction of steel structures.

Mostostal Kraków became a partner of Novarka, the concern carrying out the construction intended to secure the ill-fated power plant. The tasks of the company will include the execution, delivery and assembly of the steel dome protecting the remains of the Chernobyl nuclear reactor, which will replace the existing sarcophagus. The construction will be 105 meter high, 150 meter long and 257 meter wide.

“It will be the largest movable construction in the history of mankind,” announced the representatives of the European concern Novarka. The enormous steel dome will cover the radioactive ruins of the Chernobyl reactor. In order to avoid radiation, the assembly works will be conducted at some distance from the radioactive ruins. Once the dome is ready, it will be moved into place on rails.







RESPECT FOR NATURAL RESOURCES

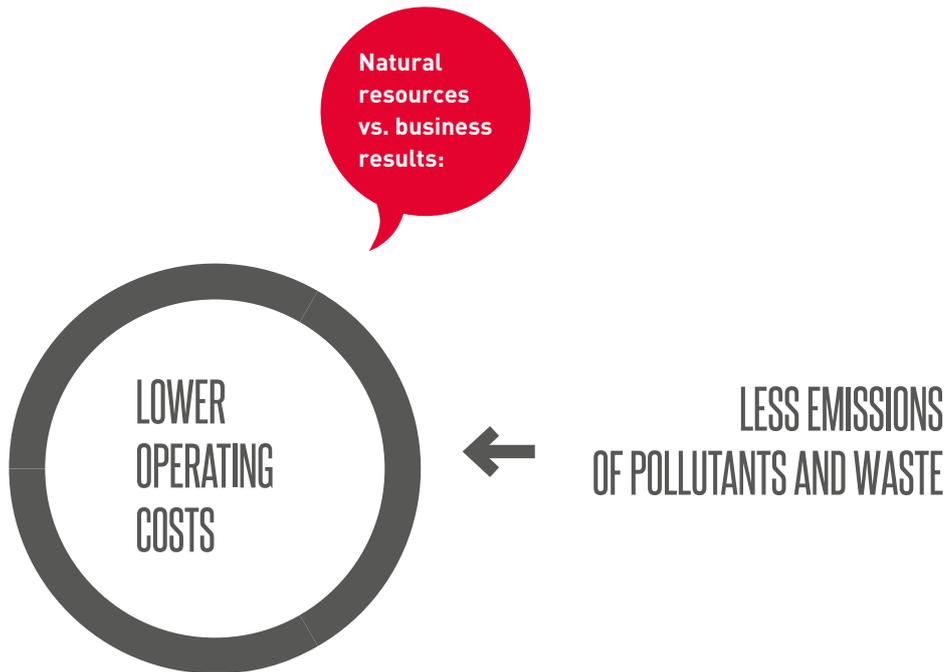
OPTIMIZATION
OF PROCESSES
IN TERMS OF REDUCING
THE CONSUMPTION
OF MATERIALS, FUEL
AND ENERGY



**Natural
resources
vs. business
results:**

● EN DMA, EN1, EN2

● In the case of the construction industry, it is very difficult to analyse the use of different materials, fuels and energy from period to period. When analysing their dynamics, one should be aware of a considerable variations in demand for certain types of raw materials or an increased fuel consumption resulting from the current stage of an investment (both in case of infrastructure construction and residential development). The investment cycle is usually much longer than the financial year and the cash flow is not necessarily correlated with the demand for raw materials and energy. In the case of road construction, a lot of materials classified as waste



(concrete and brick rubble from the demolition of existing buildings, vegetation, soil) can appear at the initial stage. Then the raw materials for the construction of foundation, or embankments, will be used, as well as the concrete and reinforcing steel necessary for the construction of certain elements of infrastructure (such as fly-overs). Whereas the aggregate and bituminous mixtures, required for the production of asphalt surface, will be needed in the further stages of the construction. In addition, the work of bitumen plants owned by Budimex, is associated with an increased demand for heat generated by the combustion of fuel oil. When, additionally, there are several

contracts on the similar stage of works, and such a situation may occur in the case of public infrastructure orders which accumulated because of EURO 2012; and there is a simultaneous desire to use the EU funds, then it is very difficult to draw reasonable conclusions from the consumption of raw materials, fuel and energy from period to period.



MATERIALS AND RAW MATERIALS

⁴ Detailed information on the consumption of key raw materials can be found in chapter „Numeric data“.

⁵ Not including the additional 1,300,000 tons of aggregates which are added to the bituminous mixtures.

⁶ Not all categories of aggregates are comparable but, somewhat simplifying, those recycled ones account for 20% of the total mass.

● EN1, EN2
● CRE8

However, it does not mean that the consumption of various resources (raw materials, materials, energy) cannot be influenced. It is only difficult to simply compare periods. The value engineering (VE) process implemented in Budimex allows for the optimisation of the use of materials and reducing the amount of waste produced, thereby reducing the negative impact on the environment⁴. As for the categories of the most important materials, they are different depending on the nature of the activities of individual companies. These are: plain and modified road asphalt, cement, crushed-stone aggregate for the bituminous mixtures, mixtures of crushed-stone aggregates, concrete, reinforcing steel, wood.

● ● Apart from wood, which is the key raw material for Budimex Danwood, other raw materials are non-renewable. What is more, it is hard to talk about their recycling, because the life cycle of infrastructure facilities is extremely long, and therefore it cannot be determined to which extent the facilities built today will be used in the future. An exception may be the asphalt road pavement, which during periodic repairs is usually milled and re-used. As it was already mentioned, wood is the only renewable raw material among materials mentioned above. Its suppliers (100%), providing Budimex Danwood with mainly pine and spruce wood, have current FSC and PEFC certificates

confirming the origin of the raw material from responsibly managed forests, certified by Det Norske Veritas. In turn, wood used for constructions in Poland comes from native forests; and the National Forests are, in most cases, also FSC certified.

It is worth noting that Budimex contributes to the economic use of raw materials which are waste products from other sectors of the economy, such as mining, power engineering and metallurgy. This concerns different types of raw materials, such as slag or rock spoil. Nevertheless, none of this type of material may appear on the construction site without obtaining appropriate approvals. Such a form of using by-products of mining, power engineering or metallurgy is extremely beneficial from the point of view of sustainable development, since it saves an analogical amount of natural aggregate, the acquisition of which would result in environmental degradation. It also allows managing the raw material which was previously stored as waste in heaps and which disturbed the local landscape. It is also beneficial for the company, especially if the resources of these raw materials are located in the vicinity of the executed construction. Nearly 600,000 tons of this type of raw material were used in 2011. Referring this figure only to the mixtures of stone-crushed aggregates, of which 2,316,000 tons⁵ were used in 2011, it accounted for approximately 25% of aggregates obtained from natural deposits⁶. Whereas the scrap recovered from the constructions sites of Budimex constitutes, in relation to the steel mass used on the construction sites, less than 1%.

Detailed information on the consumption of key raw materials, and economic utilization of by-products of other industries, can be found in chapter “Numeric data”.



FUEL, ENERGY AND CO₂ EMISSIONS

● The consumption of fuels and energy is crucial from the perspective of the impact on the environment, but also in terms of the costs of operations. As it was mentioned earlier, it is very difficult to make comparisons from period to period, from which reasonable and firm conclusions could be drawn. However, being aware of such limitations, it is worth noting that the overall rate of growth of energy consumption in a broad sense (electricity and combustion of any fuel) was slightly lower (+19.7%) than the revenue growth (26.4%). In other words, for one PLN of revenues in 2010 there were 113 GJ of energy, and now there are 107 GJ, which is 5.3% less. However, in order to talk about a permanent change, some longer periods should be compared, which would coincide with the production cycle in the construction industry.

● A more reliable indicator is the observation of electricity consumption, which is mainly consumed in offices, which means that it is a typical fixed cost associated with the management of organization. For this reason, it should not be surprising that, in relation to increasing revenues (+26%), a decrease in electricity consumption per one PLN of revenue will be quite significant (-23%).

The energy consumption also decreased in absolute terms (-3%). It is also worth mentioning the measurable actions that have been taken in this regard. This concerns a fairly intense internal communication of behaviours aimed at saving electricity, among others, but also the exchange of office printers for more modern ones, and thus more energy efficient.

The growth rate of the consumption of fuels and fuel oils was basically analogous to the revenue growth; that is, the average unit consumption of energy resources remained more or less stable. However, it is worth noting here the successes in the modernization of car fleet. The planned exchange of gasoline cars, for diesel engines with lower fuel consumption, brings tangible results.

It is not possible at the moment to present the data on fuel consumption and, consequently, on greenhouse gas emissions, with division into individual contracts. Such data should be available next year.

EN3, EN4, EN5 ●

EN5 ●

● EN5, EN18

● **Budimex SA: Estimated savings resulting from the replacement of the car fleet**

By the end of year, a total of 227 cars with less economic petrol engine have been replaced with models with modern diesel engines. The fuel consumption lower by 30%, with an average mileage of 30,000 kilometres, resulted in saving approx. 172 tons of fuel throughout the organization. In terms of energy units, this means savings of 7,700,000 GJ and approximately 570 tons of CO₂.

At the beginning of 2011, diesel cars accounted for 74.3% of the car fleet, whereas after the first half of the year their share increased to 80.9%. Also, attention should be paid to the age of vehicles and, consequently, to the requirements of exhaust emissions standards – the highest currently applicable standard is met by almost 8 out of 10 cars.

7

Calculations were based on the structure of mid-2011, which can be roughly considered as annual average.

Production year	The exhaust standard applicable in a given year	% of vehicles in a given year ⁷
2011	EUR05	17%
2010	EUR05	45%
2009	EUR05/EUR04	19%
2008	EUR04	12%
2007	EUR04	7%
2006	EUR04	–
2005	EUR04	–
2004	EUR03	0% (1 vehicle)

● EN5, EN18

● **Budimex SA: promoting environmentally friendly behaviour among the employees**

Among the initiatives aimed to promote greater environmental responsibility, taken by Budimex in 2011, the following programs are worth noting:

- Oddaj komórkę na Eco Zbiórkę (Give your mobile phone for Eco-Collection)
- Oszczędzajmy wodę! (Save water!)
- Wszyscy oszczędzamy energię elektryczną (Let's all save the electricity)
- Oszczędzajmy papier w naszych biurach (Save paper in our offices).

The basic platform for the promotion was an internal information portal, which meant focusing primarily on office workers. The websites of programs recorded 910 page views, with approx. 400 persons employed in the offices.

● Budimex reports to the state administration bodies on the emissions of carbon dioxide and other air pollutants (sulphur oxides, nitrogen oxides, carbon monoxide, particulate matter and trace amounts of naphthalene, benzo(a) pyrene and non-methane volatile organic compounds). The overall reported emission of carbon dioxide is estimated based on the consumption of fuel and electricity. Thus, the directions of changes derive from changes in energy consumption. In summary, although the overall emission increased, its growth rate was slightly lower than the revenue growth. For every 1,000 PLN of revenue, there were 10.0 kilograms of CO₂, whereas there were 10.8 kilograms in the previous year. Thereby, a decrease of unit emission by 8% has been noted, which is mainly explained by lower consumption of energy.

● **Sustainable development in practice – Budimex Danwood Sp. z o.o.: designing eco-friendly houses**

The Budimex Group does not only consume energy, but it provides its customers with solutions for saving it, the best example of which is the offer of Budimex Danwood.

All the houses of Budimex Danwood consume very little energy – from 40 to 70 kWh/m²/year, so they are environmentally friendly and inexpensive to use. This would not be possible if not for the consistent focus on their environmental performance and economic efficiency which accompanies the creation of projects, as well as the execution itself.

Because of that, the heat stays inside in winter, it is cool in the house in summer, and the energy losses are minimal.

Depending on customers' wishes, houses are equipped with:

- heat pumps, allowing free and organic extraction of heat from groundwater, soil, or even from air
- solar collectors
- ventilation with heat recovery.

For the houses sold in the demanding German market, the company has the certificate Passivhaus Institut Dr. Wolfgang Feist.

Detailed information on the consumption of fuel and energy, as well as the estimated emission of carbon dioxide, can be found in chapter "Numeric data".

EN20

EN6, EN26



WASTE MANAGEMENT

● EN22

● The Budimex Group's business activities are inextricably linked with the generation of large quantities of waste. Their volume and type depend very strongly on the number of contracts and their progress. The amount of waste often does not depend on the company itself, but on a specific nature of a contract. A key category of waste consists of various kinds of brick and concrete rubble, often mixed with other materials originating from demolitions of buildings and infrastructure facilities, which have to be removed so that an investment could be implemented. This is also the case of hazardous waste containing asbestos, also coming from demolished buildings which have, for example, asbestic tile roofing. Part of the raw materials from constructions sites is reused. Suffice it to say that as much as 798.5 tons of iron and steel could be extracted from segregated waste in 2011. A total of 77,000 tons of various materials from demolitions were recovered and handed over to different entities – mainly debris, which was a valuable material for them. Some controversy is caused by the issue of earth which is removed, but then

reused directly on the construction site or – if for some reason its excess has to be exported – it is used elsewhere. From the formal point of view, it is recognized as waste in the latter case; however, in practice, it is a reutilized raw material of full value⁸.

Execution of contracts, especially the road contracts which result in intersecting the afforested areas, involves logging trees and removing shrubs. As it was mentioned before, such actions, which interfere with the biosphere, are limited to the necessary minimum; but because of their occurrence in the lane of a future road, it is unavoidable. This also applies, on a smaller scale, to the industrial and residential constructing. In practice, because of the economic attractiveness, wood is usually managed by the investor who commissioned execution of works by the Budimex Group. The tasks of contrac-

⁸ Due to this ambiguity, earth was separated from waste in this year's report, because its volume decidedly dominated the entire list, accounting for 95% of the volume of waste.

tor include the removal of rootstocks, boughs and remnants of shrubs. They can be utilized for the benefit as well. Most often they are handed over to other entities and used as fuel. The so-called chipping process, i.e. clear-cutting by special machines, also makes them a valuable gardening material. 519.9 tons of the plant mass were used as an energy fuel in 2011; and together with other materials, especially wood from demolitions or construction sites, more than 5,800 tons of materials were burned for energy.

Waste containing asbestos, waste from demolitions and identified on the construction sites (e.g. illegally disposed of in forests) decidedly dominated the hazardous waste. Budimex and its companies guarantee that such works are carried out with the utmost care, and the hazardous material is properly managed by the entity holding the appropriate permissions and does not constitute a threat to people. This is a positive aspect of the Budimex activities, especially because in the rural areas the asbestic tile removed in an economic method, i.e. without the main contractor, is thrown away in the forest for example, to avoid costly disposal. The hazardous waste also includes different types of absorbents, filter materials, work clothes contaminated with them, or packaging containing residues of hazardous substances.

Detailed information on the amount of waste can be found in chapter "Numeric data".

Mostostal Kraków SA: Gdansk Lech Wałęsa Airport

The task involved delivering 1,600 tons and assembling 2,800 tons of steel construction. A specialist supporting structure, in the amount of approx. 280 tons, was used for the assembly. The development area of the facility is over 39,000 m², and the cubic capacity – over 350,000 m³. The works were carried out from January 2011 to June 2011.

(<http://www.mostostal.com.pl/?pid=146>)



MEETING POINT
freedom



MEETING POINT
freedom



Baltona

Baltona

MARIO VIOLUCCI

Baltona



OWNERSHIP STRUCTURE⁹

● In 2011, there were no significant changes in the ownership structure of the company Budimex SA, which is the parent company of the entire capital group. The Spanish capital group Ferrovial is the strategic investor. A significant block of shares is also in the possession of one of the pension funds. The Company did not issue any securities granting special control rights. Nor are there any restrictions on the transfer of ownership rights to the securities of Budimex SA, with the exception of registered shares, the disposal of which requires the Company's

consent. The consent is granted by the Management Board in writing, under the pain of nullity.

As of 31 December 2011, the ownership structure of Budimex SA was similar to the structure at the end of the previous year and was as follows:

2.6 ●

Shareholder	Number of shares	% share in share capital
Valivala Holdings B.V. Amsterdam (Netherland) – Company from the Group of Ferrovial SA (Spain)	15,078,159	59.06%
OFE PZU "Złota Jesień"	1,444,895	5.66%
Other shareholders	9,007,044	35.28%
Total	25,530,098	100.00%

⁹ This information is secondary to the information contained in "The Activity Report of the Budimex Group for the year 2011", which is publicly available on the website www.budimex.pl

The Company also issued registered shares, the disposal of which requires a written consent of the Management Board.

CORPORATE GOVERNANCE AND MANAGEMENT

Corporate governance principles applied by Budimex are consistent with the expectations raised by the Warsaw Stock Exchange and the code of "Best Practices of WSE Listed Companies", with the partial exception of one of the rules. Although GM transmissions have been carried out for several years and had been initiated even before their appearance in the "Code of Best Practices of WSE Listed Companies (2010)", at the moment there is no possibility of two-way communication, or remote exercising of the voting right, which

fact was announced by Budimex and reflected in the relevant reports available to investors⁹.

The management structures of Budimex SA reflect the high standards that have been developed in Poland, both by way of legal regulations, as well as by non-mandatory standards.

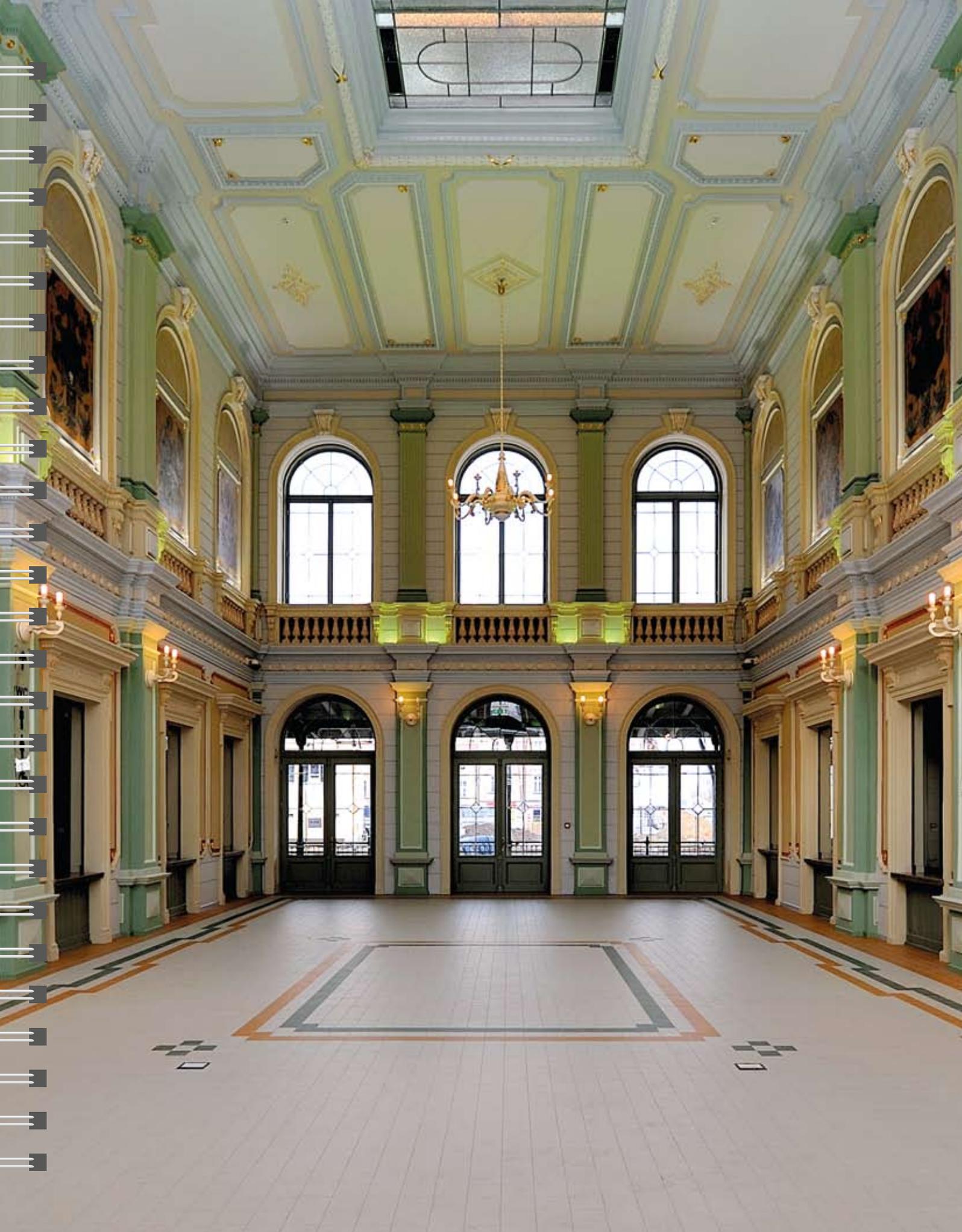
Detailed and continuously updated information on Budimex's compliance with corporate governance principles and supervisory and management structures can be found in the investors section available on the website of Budimex¹⁰. The following descriptions are general and secondary to the foregoing.

10

The Company will be fully applying the Rule No. 10 of the "Code of Best Practices of WSE Listed Companies" at the moment of getting rid of doubts about practical functioning of the new regulations concerning real-time two-way communication which allows the shareholders to take the floor during the General Meeting from other locations and exercise the voting right during the General Meeting by means of electronic communication either in person or by proxy voting.

11

http://www.budimex.pl/subpage.asp?idbup=6&idmenuleftcat=286&start_url=www.budimex/list_new_0a.asp?lang=1





MANAGEMENT BOARD

- 4.2
- EC7
- LA13

● ● ● The Management Board runs the Company's business and represents it. The President of the Management Board, who is also the Chief Executive Officer, is appointed and dismissed by the Supervisory Board. At the request of the President of the Management Board, the Supervisory Board appoints Vice-Presidents and other members of the Management Board for the joint term of office of three years. The Management Board's composition did not change in 2011. Its six members include one woman and one foreigner.

Full name	Function
Dariusz Jacek Blocher	President of the Management Board, Chief Executive Officer
Ignacio Botella Rodriguez	Vice-President of the Management Board
Jacek Daniewski	Member of the Management Board, Chief Legal Officer
Joanna Katarzyna Makowiecka	Member of the Management Board, Human Resources Manager
Henryk Urbański	Member of the Management Board, Head of the Property Management Division
Marcin Węglowski	Member of the Management Board, Head of the Economic and Financial Division

Biographies of each of the six members of the Management Board are available on the website of the Company.

● The remuneration of the members of the Management Board consists of a fixed monthly salary and a performance fee (annual bonus), which consists of the following elements:

- task bonus determined based on the annual evaluation of the implementation of tasks
- bonus for implementing indicators relating to the activities of the Budimex Group
- incentive program of the Ferrovia Group called "Plan of granting shares related to the objectives of Ferrovia".

The mentioned incentive program provides members of the Management Board with a possibility to have shares of the parent company granted to them. Both granting and the number of the aforementioned shares depend on the achievement of economic parameters assumed by the Ferrovia Group over the next three years, and staying of individuals in the composition of the Management Board on the date of granting the shares.

In addition, they are entitled to free medical care or payment of premiums for life and endowment insurance. The Supervisory Board is the body entitled to establishing the rules of remuneration of members of the Management Board of Budimex SA.

Members of the Management Board of Budimex SA, due to their work and function performed in the Management Board, are employed in Budimex SA or its subsidiaries, which provide them with remuneration on the basis of the contract of employment for a definite period of time, corresponding to the term of office with 2-week notice period. In additions, the contracts provide for severance payments in the amount of 6 to 12 average monthly salaries, depending on the position, in the case of removal from the Management Board or the lack of appointment for the next term of office for reasons attributable to the Company. In the case of a resignation on the employee's initiative or because of the wrongful conduct to the detriment of the Company, there are no additional severance payments and there is only a 2-week notice period. In addition, each member of the Management Board of Budimex SA concluded with the Company, or with the company which pays him/her the remuneration, a separate agreement on non-competition after the termination of employment, which is valid for 12 months from the date of the termination of employment. During the non-competition period, the Company pays to the employee 75% of the monthly basic salary – in the case when the contract was terminated on the initiative of the Company, or 25% of the monthly basic salary, if the employment contract was terminated by the employee. Contractual penalties will be imposed for breaching the non-competition clause by a member of the Management Board.



SUPERVISORY BOARD¹²

● 4.1, 4.9, 4.10

● The Supervisory Board supervises and controls the Management Board, and it is subject to supervision of the General Meeting of Shareholders. It is authorized to review all the documents, and it can also expect reports and explanations from the Management Board and employees, also in the non-financial matters. It is entitled to request, for its own purposes, the issue of expertise and conducting research in the subject matters of its supervision and control. The Supervisory Board evaluates an annual report on the activities of the Management Board and recommends the

to the General Meeting of Shareholders whether the report should be adopted and, ultimately, whether the members of the Management Board should be granted a vote of acceptance. It is worth mentioning that apart from the financial aspects, also other issues are the subject of reports, such as incidents related to unethical behaviour (reports of the Ethics Committee of Budimex).

● 4.3, 4.6, 4.7

● EC7

● LA13

● ● ● Three committees operate within the Supervisory Board: the Audit Committee, the Investment Committee and the Remuneration Committee¹³. The position of the Chairman of the Audit Committee is occupied by Marzenna Anna Weresa, an expert in the field of accounting, who is an independent member of the Supervisory Board. The composition of the Supervisory Board changed in 2011, as a result of the resignation of one of its members and replacement with a new person. At the end of 2011, the composition was as follows

Full name	Function	Independent member
Marek Michałowski	Chairman of the Board	No
Alejandro de la Joya Ruiz de Velasco	Vice-Chairman of the Supervisory Board	No
Tomasz Paweł Sielicki	Secretary of the Supervisory Board	Yes
Marzenna Anna Weresa	Member of the Supervisory Board	Yes
Igor Adam Chalupec	Member of the Supervisory Board	Yes
Javier Galindo Hernandez	Member of the Supervisory Board	No
Jose Carlos Garrido-Lestache Rodriguez	Member of the Supervisory Board	No
Piotr Kamiński	Member of the Supervisory Board	Yes
Maciej Stańczuk	Member of the Supervisory Board	Yes

Five out of nine members of the Supervisory Board are independent, not associated with any shareholders holding more than 5% of votes at the General Meeting of Shareholders. The other four are associated with the strategic investor¹⁴. In cases where there is a possibility of a conflict of interest, members of the Supervisory Board, to which it refers, inform the Supervisory Board about it and refrain from taking the floor and voting on the matter concerned by the conflict of interest¹⁵. The Supervisory Board is composed of one woman and eight men. Three members are foreigners. All members of the Supervisory Board have the necessary education and many years of experience, which ensure the proper performance of functions that were entrusted to them. Biographies and statements of independence, or association with any of the shareholders, of the individual members of the Supervisory Board are available on the Company's website¹⁶.

● The General Meeting of Shareholders is the body entitled to establishing the rules of remuneration of members of the Supervisory Board. The level of remuneration depends on the average remuneration in the corporate sector and the manner of its determination is published.

4.5 ●

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More detailed information on the functioning of the Supervisory Board can be found in the Activity Report of the Budimex Group for 2011, the Articles of Association (§ 16) and the Supervisory Board Regulations of Budimex SA. All documents are available on www.budimex.pl

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Detailed scope of their activities has been described in the Activity Report of the Management Board for the year 2011, which is available on the website of Budimex in the section of investor relations.

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Details of the statements: http://www.budimex.pl/subpage.asp?idbup=6&idmenuleftcat=286&start_url=wwwbudimex/list_new_0a.asp?lang=1

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"Code of Good Practices of WSE Listed Companies", item III.4

16

http://www.budimex.pl/subpage.asp?idbup=6&idmenuleftcat=286&start_url=wwwbudimex/list_new_0a.asp?lang=1



GENERAL MEETING OF SHAREHOLDERS OF BUDIMEX¹⁷

● 4.10

● The General Meeting is convened by the Management Board as an annual or extraordinary one. The Annual General Meeting of Shareholders is held not later than six months after the end of each financial year. If the Management Board fails to convene the Annual GSM within the aforementioned period, the Supervisory Board is entitled to do it. The Extraordinary GSM may be also convened by the shareholders representing at least half of the share capital or at least half of the votes in the Company.

● 4.4, 4.10

● A shareholder or shareholders, who represent at least 1/20 of the share capital, may demand from the Management Board of the Company, in a written or electronic form, the convening of the Extraordinary GSM and placing certain issues on the agenda or matters which are to be introduced to the agenda. A shareholder or shareholders, who represent at least 1/20 of the share capital, may demand placing certain issues on the agenda of the next General Meeting and submit draft resolutions on issues introduced to the agenda. The scope of issues raised is not limited in any way. They can concern both economic performance, as well as social and environmental results.

The shareholders evaluate the Company's activities by approving or rejecting the reports submitted by the Management Board, with opinion issued by the Supervisory Board, and also by accepting the annual report of the Supervisory Board. The right to appoint and dismiss members of the Supervisory Board granted to the General Assembly is also of key importance.

The Company allow representatives of media to participate in the General Meeting as observers. The associated procedure is very simple. In order to receive the accreditation, a journalist only needs to report willingness to participate at least two hours before the start of the meeting and present a valid journalist pass and ID card. This helps to ensure full transparency of the company's activities and to protect the interests of small individual investors.

During the year, shareholders have at their disposal an email address for contacts with them, which ensures a smooth flow of information.

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More detailed information on the functioning of the GSM can be found in the Activity Report of the Budimex Group for 2011, the articles of Association (§ 12-§ 15) and the Regulations of the General Meeting of Shareholders of Budimex SA. All documents are available on www.budimex.pl



INTERNAL CONTROL SYSTEM

● The Management Board of Budimex SA is responsible for the implementation and operation of the internal control system in the process of preparing financial statements of Budimex SA and consolidated financial statements of the Budimex Group.

The obligation of drawing up financial statements is implemented in practice by qualified employees of the financial division, under supervision of the member of the Management Board – the Head of Economic and Financial Division of Budimex SA.

Preparation of annual financial statements is preceded by a meeting of the Audit Committee with independent auditors, in order to determine the plan and scope of the audit of financial statements and to discuss potential areas of risks which may affect the reliability and accuracy of financial statements. The preparation of financial statements is a planned process which takes into account the appropriate division of tasks between the employees of the financial division of Budimex SA, adequate to their competences and qualifications.

The basis for preparation of separate financial statements are the accounting books. The most important companies of the Budimex Group has been keeping them since 1 January 2003, with the use of financial and accounting program SAP R/3, which provides basic information needs for financial and management accounting since 1 January 2003. The system SPA R/3 is managed centrally by the qualified employees of Budimex SA, who set authorization levels for entering and modifying transactional data, the system of basic reports and changes in the chart of accounts.

The preparation of consolidated financial statements is made on the basis of uniform consolidation packages prepared in electronic form by individual companies of the Group. The process of data consolidation is carried out by the Reporting and Consolidation Team, under the supervision of the Director of the Accounting Office.

1.2 ●

The Budimex Group's companies apply the uniform accounting principles adopted by the Management Boards of Budimex SA and its subsidiaries. The correct application of accounting principles by individual companies is monitored on an ongoing basis by the employees of the Reporting and Consolidation Team and the Controlling Office of Budimex SA.

The Reporting and Consolidation Team of Budimex SA is responsible for recommending solutions for modification and updating of the accounting policies and other requirements of the stock market financial reporting, as well as their implementation after prior approval by the Management Board.

The following checks, among others, are performed in the course of preparing the financial statements:

- evaluation of significant and unusual transactions in terms of their impact on the financial situation of the Group and the method of presentation in the financial statements
- verification of the adequacy of the assumptions made in the valuation of estimates
- substantive and comparative analysis of financial data
- verification of the arithmetical correctness and consistency of data
- analysis of the completeness of disclosures.

The prepared annual financial statements are forwarded for preliminary verification to the Head of the Economic and Financial Division, and then to the entire Management Board for final verification and authorization.

The annual financial statements are audited by an independent auditor who, after completing the audit, presents his conclusions and observations to the Audit Committee, and then to the Supervisory Board.



SCOPE OF BUSINESS ACTIVITIES

The Budimex Group is engaged in providing widely understood construction and assembly services in the system of general contracting in the country and abroad, the property development activities and property management, as well as, on a small scale, trade, production, transportation and hospitality business. The Budimex Group's activities focus consists of:

- sale of construction and assembly services (civil engineering, general construction)
- development activity.

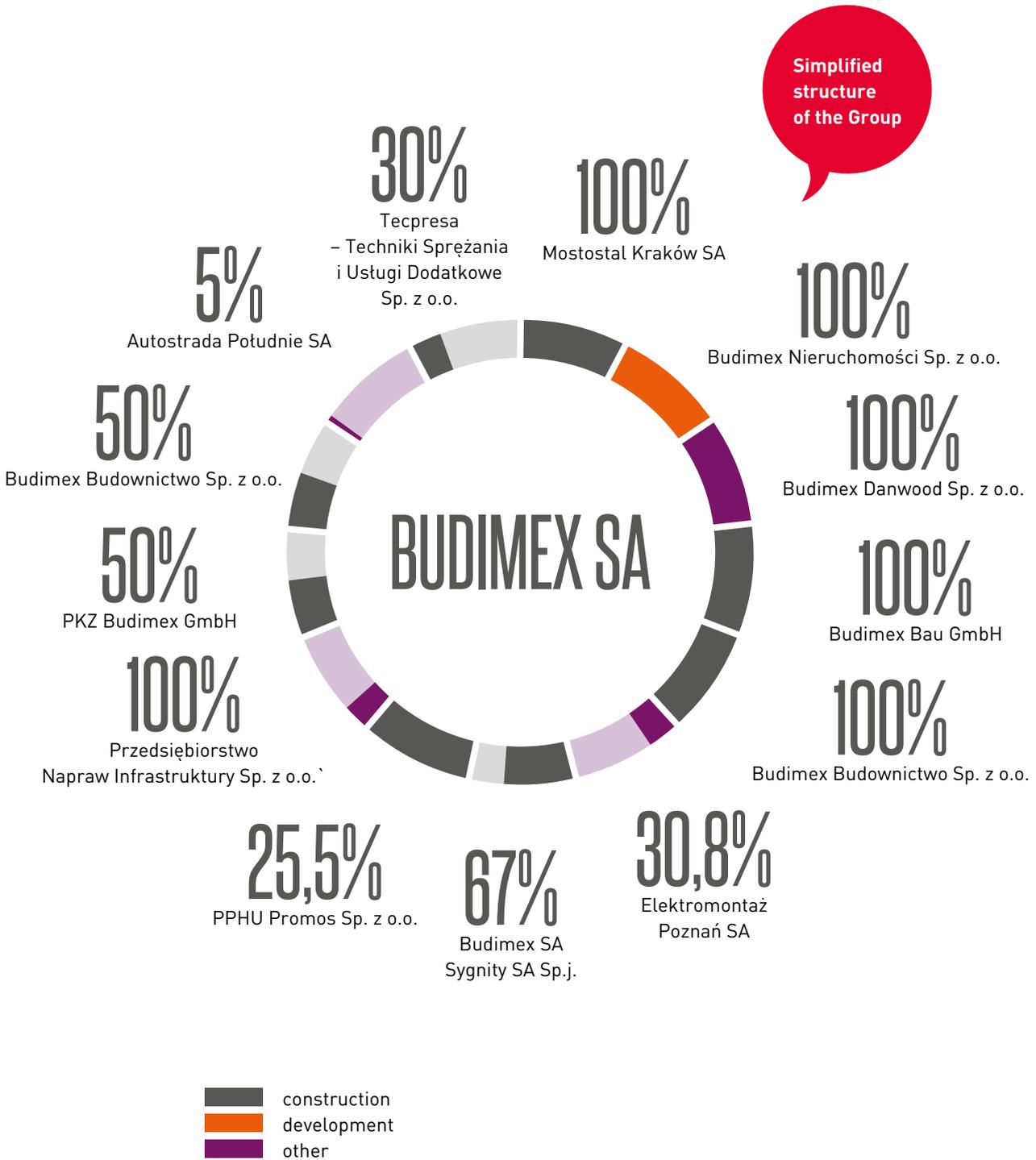
● Although officially, as of 31 December 2011, the capital group consists of 14 subsidiaries and joint ventures, the following should be considered as most important, from the point of view of economic, social and environmental results:

- Budimex SA
- Budimex Nieruchomości Sp. z o.o.
- Budimex Danwood Sp. z o.o.
- Mostostal Kraków SA
- Przedsiębiorstwo Napraw Infrastruktury Sp. z o.o.¹⁸.

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The company was acquired on 16 November 2011; detailed changes in the organizational structure of the group, including changes in the capital, can be found in the "Report of the Budimex Group for the year 2011", which is publicly available on the website www.budimex.pl

2.2, 2.3, 2.5, 2.9 ●



● The main market in which the company operates is the Polish market (93% of sales). Also the German market is a significant one (7% of sales). In 2011, the activities previously carried out in the eastern market were finished, which is related to the closure of the company's agency network in the East European countries (Belarus, Russia, Ukraine), announced in the previous report. However, the Budimex Group does not preclude the resumption of activities in the eastern markets in the future. In addition to the listed countries, Budimex Danwood is represented in Austria and in the UK.

● In 2011 the value of sales of construction services provided by the Budimex Group increased by 36%, comparing to 2010. Infrastructural development sales increased by as much as 43% and in general construction by as much as 24%. This growth was higher than the market growth – in 2011 the value of construction and assembly production (in constant prices) increased by 16.3% per annum. The growth was driven by investments in infrastructure (increase of 25.9%), including the accumulation of construction works related to the preparation for the competition EURO 2012. Expenditures of the largest investor in the road construction segment, the General Directorate for National Roads and Motorways (GDDKiA), increased from 19.9 billion PLN in 2010 to the record amount of 26.4 billion PLN in 2011. However, sales in the housing market

were significantly slowed, which derives from the general slowdown in this sector and its specificity.

Prospects for the development of the construction market are varied, depending on the segment. The road construction segment awaits the biggest challenges. Although GDDKiA estimates that it will spend 29.3 billion PLN in 2012, a significant reduction in the number of new tenders is expected, which will be reflected by a decline in the value of the road construction market in 2013-2014. On the other hand, the railway investment become more dynamic. According to the Ministry of Transport, Construction and Maritime Economy, the expenditure of PKP PLK (major investor in this sector) accounted for 3.7 billion PLN in 2011, and they are expected to reach the record amount of 7-8 billion PLN in 2012. The settlement of numerous power engineering tenders is also expected in 2012.

2.5 ●

2.7 ●

- 2.7, 2.8
- EC8

● In 2012, the companies of the Budimex Group signed construction contracts of the total value of PLN 5,297 million (excluding annexes). The construction orders portfolio of Budimex Group on 31 December 2011 (taking into account the portfolio of PNI Sp. z o.o.) amounted to PLN 8,567 million, which constitutes a 24.2% increase in comparison to the end of 2010. Limitation of investment in infrastructure (especially road investment) requires a diversification of activities by the Budimex Group, in order to maintain the scale of operations on the same level.

It is planned to enter the municipal services market and to undertake projects on the principles of public-private partnership. The company plans to compensate for the expected decline in the value of road investments by obtaining new contracts in the power engineering and hydro-technical segments.

Compared to the previous year, the structure of orders portfolio was as follows:

Segment of the market	31 December 2010	31 December 2011
Infrastructure	74%	48%
Railway industry	-	23%
Non-residential construction industry	20%	25%
Residential construction industry	6%	4%

- 2.8

● Basic financial figures, describing the scale of operations of the Budimex Group, were as follows:

	2010	2011	Change (%)
Net revenues (million PLN)	4,430.27	5,516.68	24.5%
Profits (million PLN)	267.41	260.87	-2.4%
Equity (million PLN)	680.41	711.11	4.5%
Liabilities (million PLN)	3,386.83	3,840.00	13.4%
Assets (million PLN)	4,067.24	4,551.11	11.9%



budimex

WIRTGEN
GROUP

HD 120

DV 85





NUMERIC DATA

● Generated economic value (in thousands PLN):

EC1 ●

	2010	2011	Change %
Directly generated economic value	4,430,269	5,601,350	26.4%
Revenues	4,430,269	5,601,350	26.4%
Divided economic value	3,845,026	5,556,464	44.5%
Operating expenses	2,910,895	4,644,797	59.6%
Salaries and employee benefits	542,272	625,281	15.3%
Payments to investors	202,030	250,887	24.2%
Payments to the state	188,797	34,358	-81.8%
Investments in the community	1,032	1,141	10.6%
Retained economic value (calculated as the generated economic value after deducting divided economic value)	585,243	44,886	-92.3%

- 2.8
- EC5
- LA1, LA4, LA10, LA13, LA14

● ● ● The most important data on employment at the end of 2011¹⁹:

	Budimex SA		Budimex Nieruchomości sp. z o.o.	Mostostal Kraków SA		Budimex Danwood sp. z o.o.	Total
	Polish market	German Market Office		Polish market	Mostostal Germany		
[LA1] employees in total (full-time)							
Number of employees	3313	767	65	413	161	674	5393
[LA1] employees by type of contract							
Definite period of time	1246	751*	14	64	160*	321	2556
%	37.6%	97.9%*	21.5%	15.5%	99.4%*	47.6%	47.4%
Indefinite period of time	2067	16	51	349	1	353	2837
%	62.4%	2.1%	78.5%	84.5%	0.6%	52.4%	52.8%
[LA1] employees by basis of employment							
Full-time basis	3305	766	65	412	161	669	5378
%	99.8%	99.9%	100.0%	99.8%	100.0%	99.3%	99.8%
Part-time basis	8	1	0	1	0	5	15
%	0.2%	0.1%	0.0%	0.2%	0.0%	0.7%	0.2%
[LA1, LA13] employees by gender							
Women	584	9	44	14	0	47	698
%	17.6%	1.2%	67.7%	3.4%	0.0%	7.0%	12.9%
Men	2729	758	21	399	161	627	4695
%	82.4%	98.8%	32.3%	96.6%	100.0%	93.0%	87.1%
[LA1, LA13] employees by age							
19-29	1025	132	10	43	17	162	1389
30-49	1663	425	46	194	99	429	2856
50+	625	210	9	176	45	83	1148
razem	3313	767	65	413	161	674	5393
[LA1] employees by the nature of the job							
Manual workers	1263	706	0	316	151	529	2965
%	38.1%	92.0%	0.0%	76.5%	93.8%	78.5%	55.0%
White-collar workers	2050	61	65	97	10	145	2428
%	61.9%	8.0%	100.0%	23.5%	6.2%	21.5%	45.0%
[EC5, LA14] the lowest remuneration in the company in relation to the statutory minimum wage							
Women [%]	144%	216%		144%			
Men [%]	108%	231%		123%			
Overall, the average for the entire lowest employee category [%]	157%	274%		123%			

[LA14] ratio of remuneration for men to the remuneration for women (in the same employee category)							
%	105%	106%		102%			
[LA4] employees covered by collective agreements							
Number of employees	3294	62	0	411	0		3767
%	99,4%	8,1%		99,5%			69,8%
[LA10] average number of training hours per year per employee							
Number of hours	46,4	27,2		12,8		15,8	

● Employee turnover

LA2 ●

	Budimex SA			Mostostal Kraków SA		Budimex Danwood sp. z o.o.	Total
	Polish market	German Market Office	Budimex Nieruchomości sp. z o.o.	Polish market	Mostostal Germany		
At the end of 2010	2780	651	59	449	121	538	4598
Hiring	1060	802*	10	55	146*	274	2347
Resignations	527	686*	4	91	108*	138	1554
At the end of 2011	3313	767	65	413	160	674	5393
[LA2] number of resignations by gender							
Women	71	1	3	4	0	7	86
%	13.47%	0.15%	75.00%	4.40%	0.00%	5.07%	5.53%
Men	456	685	1	87	108	131	1468
%	86.53%	99.85%	25.00%	95.60%	100.00%	94.93%	94.47%
[LA2] number of resignations by age							
19-29	202	104	1	15	6	40	368
30-49	248	394	2	38	68	83	833
50+	77	188	1	38	34	15	352

* The relatively high proportion of interim agreements for entities operating in the German market, and the associated high number of annual resignations and hiring, results from the market practices related to Polish social security provisions.

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Data applies only to the employees of individual companies (excluding subcontractors).

● LA7

● **Accidents at work**

Accidents at work ratios²⁰

2010

2011

²⁰
Data apply only to
Budimex SA.

	2010	2011
Budimex SA		
Frequency of accidents	22.7	21.8
Severity of accidents	44.2	42.3

● EN1

● **Consumption of selected, the most important
due to the type of activities, raw materials**

Raw material / material

unit

2010

2011

Budimex SA

Road asphalt (regular and modified)	thousand tons	40	74
Cement	thousand tons	85	90
Crushed-stone aggregate for the bituminous mixtures	thousand tons	700	1,300
Mixtures' of crushed-stone aggregates	thousand tons	1,600	2,460
Reinforcement steel	thousand tons	75	89
Concrete	m ³	N/A	850

Mostostal SA

Steel	thousand tons	10	11
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Budimex Danwood Sp. z o.o.

Wood	m ³	8,030 (approx. 4,015 tons)	11,700 (approx. 5,850 tons)
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● **Consumption of raw materials as their reuse**

EN2 ●

Category of recovered material	unit	2011
Waste from washing and cleaning of minerals	ton	52.3
Waste from power stations, which is the product of combustion processes, including coal fly ash and mixtures of ash and slag from the wet disposal of furnace waste	ton	578,766.4
Waste from ferrous metals casting, which does not contain hazardous substances (produced before and during the casting process)	ton	2,932.6
Waste from non-ferrous metals casting, which does not contain hazardous substances (produced before and during the casting process)	ton	514.2
Soil and earth (including stones) containing no hazardous substances	ton	4,000.0
Total	ton	582,265.5

● **Fuel and electricity consumption**

EN3, EN4 ●

Source of energy and energy raw materials	unit	2010	2011	%
Diesel oil	GJ	126,118 (2,845.8 tons)	175,530.26 (4,051.01 tons)	39.1%
Gasoline	GJ	29,930 (668.1 tons)	22,857.86 (510.22 tons)	-23.6%
Light fuel oil	GJ	36,954 (919.5 tons)	49,076.01 (1,221.10 tons)	32.8%
Heavy fuel oil with low sulphur content (LSC)	GJ	3746 (89.2 tons)	244,503.00 (5,821.50 tons)	
High-sulphur content fuel oil HSC	GJ	193,981 (4618.6 tons)	0 (0.0 tons)	
Electricity	GJ	108,888 (30244.9 MWh)	106,489.33 (29,580.37 MWh)	-2.2%
Total	GJ	499,617	598,456	19.7%

● EN16

● **CO₂ emissions**

CO ₂ emissions	unit	2010	2011	Change %
Direct emissions (scope 1)	tons	28,109	36,685	+30.5%
Indirect emissions (scope 2)	tons	19,921	19,329	-3%
Indirect emissions (scope 3)	x	x	x	x
Total:		48,030		+16.6%

● EN8

● **Water consumption in Budimex SA**

Source of energy and energy raw materials	unit	2011
Water purchased from the municipal water supply/ municipal wastewater discharged	m ³	4,656

● EN20

● **Emissions of pollutants other than CO₂, i.e. SO_x, NO_x, CO and particulate matter (the main sources, kilogram/year)²¹**

	Sulphur oxides (SO _x)	Nitrogen oxides (NO _x)	Carbon monoxide (CO)	Particulate matter (PM10)	Naphthalene	Non-methane volatile organic compounds	Carbon dioxide (CO ₂)
Jarostaw	11,818.3	7,902.8	490.3	302.1	2.0	0.3	1,765,004.0
Kobierzyce	1234.6	905.8	90.6	138.4	0.0	-	326 075.4
Lublin	6,588.6	2,588.8	249.9	250.8	0.2	-	931,960.4
Pruszków	17,140.4	6,633.3	663.3	910.1	0.7	0.1	2,387,973.6
Siewierz	13,521.9	5,500.9	550.1	672.5	0.4	0.1	1,980,316.0
Sulików	4,777.0	1,978.9	197.9	355.8	0.1	0.0	712,419.0
Suwałki	1,359.3	648.1	64.8	80.3	0.1	0.0	233,300.0
Szczecin	2,863.7	1,108.2	110.8	146.5	0.0	-	398,960.0
Trzebinia	14,123.7	5,465.8	546.6	694.8	0.0	-	1,967,700.0
Wojcieszyn	19,719.1	7,631.2	763.1	824.1	-	-	2,747.2
Suma	93,146.60	40,363.80	3,737.4	4,375.40	3.6	0.6	10,706,455.6

²¹ All plants listed in the table operate in the structure of Budimex SA.

● **Endangered species in the impact zone of the major investments (contracts)²² in the Polish Red Book of Plants and Animals, with an indication of the degree of risk of extinction (species are given in alphabetical order)**

Critically endangered species (CR):

- Creeping marshwort (*Apium repens* (Jacq.) Lag.) – a species of plants of the carrot family (Apiaceae)

Endangered species (EN):

- *Ostericum palustre*; *Angelica palustris* – a plant of the carrot family

Species vulnerable to extinction (VU):

- Capricorn beetle (*Cerambyx cerdo*) – a species of beetle of the family of longhorn beetles
- *Thesium ebracteatum* Hayne – a plant in the family Santalaceae
- Lady's-slipper orchid (*Cypripedium calceolus* L.) – a plant of the orchid family (Orchidaceae)
- Spotted eagle (*Aquila clanga*) – a large migratory bird of prey in the family *Accipitridae*
- Desmoulin's whorl snail (*Vertigo moulinsiana*) – a species of mollusc; a pulmonate snail

- Narrow-mouthed whorl snail (*Vertigo angustior*) – a species of mollusc; a pulmonate snail
- Lesser Kestrel (*Falco naumanni*) – a small bird of prey in the family *Falconidae*
- Aquatic Warbler (*Acrocephalus paludicola*) – a small migratory bird in the family of oscine passerine birds (*Acrocephalidae*), formerly included in the family *Sylviidae*
- European bison (*Bison bonasus*) – a placental mammal in the family *Bovidae*, order *Artiodactyla*

Near threatened species

(NT – close to threat or LR – at lower risk):

- Great snipe (*Gallinago media*) – a medium-sized migratory bird of the sandpiper family (*Scolopacidae*)
- Large Copper (*Lycaena dispar*) – a day-time butterfly in the family *Lycaenidae*

- The Red Kite (*Milvus milvus*) – a large, migratory bird of prey in the family *Accipitridae*
- European Roller (*Coracia garrulus*), in many Polish regions also known as "siwka" – a medium-sized migratory bird of the roller family (*Coraciidae*)
- Eurasian Curlew (*Numenius arquata*) – a big wading bird in the family *Scolopacidae*
- Barbastelle (*Barbastell barbastellus*) – a mammal, a species of bats
- Pond Bat (*Myotis dasycneme*) – a mammal, a species of bats
- Hermit beetle, Russian leather beetle (*Osmoderma eremita*) – a species of insects in the family *Scarabaeidae*, suborder *Polyphaga*

22

Contracts: (i) Świdnik Terminal, (ii) Construction of a bridge over the Vistula River near Kwidzyn, together with access roads along the national road No. 90, (iii) Construction of Parłówko junction together with the ring road of Troszyn and Ostromice along DK3, (iv) Reconstruction of the voivodeship road No.109 on the section Mrzeżyno – Trzebiatów, (v) Design and construction of A-4 Jarosław-Radymno (section 2).

- Ferruginous Duck, Ferruginous Pochard (*Aythya nyroca*) – a medium-sized aquatic bird in the family *Anatidae*
 - Black-tailed Godwit (*Limosa limosa*) – a medium-sized bird in the family *Scolopacidae*
 - Pulsatilla patens (L.) Mill.) – a plant in the family *Ranunculaceae* (*Ranunculaceae* Juss.)
 - Thick shelled river mussel (*Unio crassus*) – a species of mussel in the family *Unionidae*
 - Speckled ground squirrel, spotted souslik (*Spermophilus suslicus*) – a medium-sized rodent in the *Sciuridae* family
 - European otter, Eurasian otter, Eurasian river otter, common otter (*Lutra lutra*) – a small predatory mammal of the weasel family
- Least concerned (LC)**
– species not yet threatened, listed in the Red Book for various reasons:
- Ruff (*Philomachus pugnax*) – a medium-sized migratory bird in the family *Scolopacidae*
 - Little Bittern (*Ixobrychus minutus*) – a medium-sized wading bird of the heron family (*Ardeidae*)
 - Eurasian Bittern, Great Bittern (*Botaurus stellaris*) – a big migratory aquatic bird of the heron family
 - Common snipe (*Gallinago media*) – a medium-sized migratory bird of the sandpiper family (*Scolopacidae*)
 - Barnacle Goose (*Branta leucopsis*) – a large aquatic bird in the family *Anatidae*
 - Canada Goose (*Branta canadensis*) – a large aquatic bird in the family *Anatidae*
 - Curlew Sandpiper (*Clidris ferruginea*) – a species of medium-sized wader in the family *Scolopacidae*
 - Little Stint (*Calidris minuta*) – a small migratory bird in the family *Scolopacidae*
 - Temminck's Stint (*Calidris temminckii*) – a small migratory bird in the family *Scolopacidae*
 - Broad-billed Sanpiper (*Limicola falcinellus*) – a small wading bird in the family *Scolopacidae*
 - Red Knot (*Calidris canutus*) – a medium-sized migratory bird in the family *Scolopacidae*
 - Dunlin (*Calidris alpina*) – a species of bird of the sandpiper family (*Scolopacidae*)
 - Smew (*Mergellus albellus*) – a medium-sized migratory aquatic bird in the family *Anatidae*
 - White-tailed Eagle, Sea Eagle – a large bird of prey in the family *Accipitridae*
 - Montagu's Harrier (*Circus pygargus*) – a large bird of prey in the family *Accipitridae*
 - Western Marsh-harrier (*Circus aeruginosus*) – a large bird of prey in the family *Accipitridae*
 - Hen Harrier (*Circus cyaneus*) – a large migratory bird of prey in the family *Accipitridae*
 - White Stork (*Ciconia ciconia*) – a large wading bird of the stork family (*Ciconiidae*)
 - Black Stork (*Ciconia nigra*) – a large wading bird of the stork family (*Ciconiidae*)
 - Asp (*Aspius aspius*) – fish of the carp family
 - Eurasian beaver, European beaver (*Castor fiber*) – an amphibian rodent in the family *Castoridae*
 - Common Sandpiper (*Actitie hypoleucos*) – a medium-sized migratory bird in the family *Scolopacidae*
 - Marsh Sandpiper (*Tringa stagnatilis*) – a medium-sized migratory bird in the family *Scolopacidae*
 - Spotted Redshank (*Tringa erythropus*) – a medium-sized migratory bird in the family *Scolopacidae*
 - *Barbus pelopennesius* – freshwater fish of the carp family
 - Savi's Warbler (*Locustella luscinioides*) – a small migratory bird in the family *Megaluridae*
 - Vimba bream, vimba, zante, zarte (*Vimba vimba*) – a species of anadromous fish of the carp family

- *Pelecus cultratus*, the sichel, the ziege, the sabre carp, sabrefish – fish of the carp family (*Cyprinidae*), the only representative of the genus *Pelecus*
- Eurasian Teal, Common Teal (*Anas crecca*) – a medium-sized migratory aquatic bird in the family *Anatidae*
- Garganey (*Anas querquedula*) a medium-sized migratory aquatic bird in the family *Anatidae*
- Great Egret (*Ardea Alba*) – a large bird of the heron family (*Ardeidae*)
- Little egret (*Egretta garzetta*) – a large bird of the heron family (*Ardeidae*)
- Purple Heron (*Ardea purpurea*) – a large wading bird of the heron family (*Ardeidae*)
- Grey Heron (*Ardea cinarea*) – a large aquatic bird of the heron family (*Ardeidae*)
- Tufted Duck (*Aythya fuligula*) – a medium-sized aquatic bird in the family *Anatidae*
- Corn Crake, Corncrake, Landrail (*Crex crex*) – a medium-sized bird of the rail family (*Rallidae*)
- Merlin, pigeon hawk (*Falco columbarius*) – a medium-sized bird of prey of the falcon family (*Falconidae*)
- Black Woodpecker (*Dryocopus martius*) – a medium-sized bird of the woodpecker family
- Middle Spotted Woodpecker (*Dendocopus medius*) – a medium-sized bird of the woodpecker family
- Gry-headed woodpecker (*Picus canus*) – a medium-sized bird of the woodpecker family (*Picidae*)
- Common Rosefinch (*Carpodacus erythrinus*, *Erythrina erythrina*) – a small migratory bird in the family *Fringillidae*
- Common Eider (*Somateria molissima*) – a large aquatic bird in the family *Anatidae*
- Grey seal (*Halichoerus grypus*) – a predatory marine mammal in the family *Phocidae*, the only representative of the genus *Halichoerus*
- Short-toes Snake Eagle (*Circaetus gallicus*) – a large migratory bird of prey in the family *Accipitridae*
- Common Goldeneye (*Bucephala clangula*) – a medium-sized migratory aquatic bird in the family *Anatidae*
- Red-backed Shrike – a small migratory bird in the family *Laniidae*
- Greater White-fronted Goose (*Anser albifrons*) – a large migratory aquatic bird in the family *Anatidae*
- Greylag Goose (*Anser anser*) – a large migratory aquatic bird in the family *Anatidae*
- Bean Goose (*Anser fabalis*) – a large migratory aquatic bird in the family *Anatidae*
- Bullhead (*Cottus gobio*) – predatory freshwater fish of the *Cottidae* family
- Common Pochard (*Aythya ferina*) – a medium-sized aquatic bird in the family *Anatidae*
- Red-crested Pochard (*Netta rufina*) – a medium-sized migratory aquatic bird in the family *Anatidae*
- Barred Warbler (*Sylvia nisoria*) – a small migratory bird in the family *Sylviidae*
- Black Kite (*Milvus migrans*) – a large, migratory bird of prey in the family *Accipitridae*
- White-finned Gudgeon (*Romanogobio albiginnatus*, *Gobio albiginnatus*) – freshwater fish of the carp family
- Kessler's Gudgeon (*Romanogobio kesslerii*, *Gobio kesslerii*) – fish of the carp family
- Great Cormorant, [Great] Black Cormorant, Large Cormorant, Black Shag (*Phalacrocorax carbo*) – a large aquatic bird of the cormorant family
- Spined loach, spotted weather loach (*Cobitis taenia*) freshwater fish in the family *Cobitidae*. Bred in aquaria
- Sabanejewia aurata, (*Cobitis aurata*) – freshwater fish in the family *Cobitidae*
- Common Reshank, Redshank (*Tringa totanus*) – a medium-sized migratory bird in the family *Scolopacidae*
- Whimbrel (*Numenius phaeopus*) – a species of medium-sized wader in the family *Scolopacidae*
- European Fire-bellied Toad (*Bombina bombina*) – an amphibian in the family *Bombinatoridae*, closely related to the Yellow-bellied Toad

- Gadwall (*Anas strepera*) – a medium-sized or large migratory aquatic bird in the family *Anatidae*
- Spotted Crake (*Porzana porzana*) – a medium-sized aquatic bird of the rails family (*Rallidae*)
- Mallard, Wild Duck (*Anas platyrhynchos*) – a large aquatic bird in the family *Anatidae*
- Common Greenshank (*Tringa nebularia*) – a medium-sized migratory bird in the family *Scolopacidae*
- European Nightjar, Eurasian Nightjar, Nightjar (*Caprimulgus europaeus*) – a small night-time bird in the nightjar family (*Caprimulgidae*)
- Woodlark (*Lullula arborea*) – a small bird of the lark family, the only representative of the monotypic taxon Lullula
- Long-tailed Duck, Oldsquaw (*Clangula hyemalis*) – a medium-sized or large aquatic bird in the family *Anatidae*
- Tundra Swan, Bewick's Swan (*Cygnus columbianus, columbianus bewickii*) – a large aquatic bird in the family *Anatidae*
- Whooper Swan (*Cygnus cygnus*) – a large aquatic bird in the family *Anatidae*
- Mute Swan (*Cygnus olor*) – a large migratory aquatic bird in the family *Anatidae*
- Wood Sandpiper (*Tringa glareola*) – a medium-sized migratory bird of the sandpiper family (*Scolopacidae*)
- Atlantic salmon (*Salmo salar*) – a fish of the salmon family (*Salmonidae*)
- Eurasian Coot, Coot (*Fulica atra*) – a medium-sized migratory aquatic bird of the rails family (*Rallidae*)
- Common Scoter (*Malnitta nigra*) – a medium-sized migratory aquatic bird in the family *Anatidae*
- Mediterranean Gull (*Ichthyaetus melanocephalus; Larus melanocephalus*) – a large aquatic bird of the gull family (*Laridae*)
- Little Gull (*Hydrocoloeus minutus, Larus minutus*) – a medium-sized aquatic bird of the gull family (*Laridae*)
- Great Black-backed Gull (*Laurus marinus*) – the largest member of the gull family (*Laridae*)
- Black-headed Gull (*Chroicocephalus ridibundus; Larus ridibundus*) – a medium-sized migratory bird of the gull family (*Laridae*)
- Lesser Black-backed Gull (*Laurus fuscus*) – a large aquatic bird of the gull family (*Laridae*)
- Sea lamprey (*Petromyzon marinus*) – a jawless parasite of the lamprey family, the largest of lampreys
- European river lamprey, river lamprey, lampern (*Lampetra fluviatilis*) – European jawless parasite of the lamprey family
- European brook lamprey, Brook lamprey, Western brook lamprey (*Lampetra planeri*) – a jawless species of the lamprey family, a primitive aquatic vertebrate
- Harbour porpoise (*Phocoena phocoena*) – a species of whale of the porpoise family (*Phocoenidae*). Related to dolphins
- Collared Flycatcher (*Ficedula albicollis*) – a small bird of the flycatcher family
- Red-breasted Flycatcher (*Ficedula parva*) – a species of bird of the flycatcher family (*Muscicapidae*)
- Mouse-eared bat (*Myotis myotis*) – a mammal of the bat order, of the vesper bat family
- Black-throated (*Gavia arctica*) – a large migratory aquatic bird of the loon family
- Red-throated Loon, Red-throated Diver (*Gavia stellata*) – a large migratory aquatic bird of the loon family
- Common Merganser, Goosander (*Mergus merganser*) – a large aquatic bird in the family *Anatidae*
- Greater Scaup, Scaup, Bluebill (*Aythya marila*) – a medium-sized migratory aquatic bird in the family *Anatidae*

- Common Shelduck (*Tadorna tadorna*) – a medium-sized migratory (except for the extreme western and southern populations) aquatic bird in the family *Anatidae*
- Lesser Spotted Eagle (*Aquila pomarina*) – a large migratory bird of prey in the family *Accipitridae* (subfamily eagles, genus *Aquila*)
- Ortolan, Ortolan Bunting (*Emberiza hortulana*) – a small migratory bird in the family *Emberizidae*
- Eurasian Oystercatcher, Common Pied Oystercatcher (*Haematopus ostralegus*) – a medium-sized wading bird of the oystercatcher family (*Haematopodidae*)
- Twait Shad (*Alosa fallax*) – an anadromous fish of the herring family
- Great White Pelican, Eastern White Pelican, Rosy Pelican (*Pelecanus onocrotalus*) – a large aquatic bird of the pelican family (*Pelecanidae*)
- Great Crested Grebe (*Podiceps cristatus*) – a medium-sized migratory aquatic bird of the grebe family
- Red-necked Grebe (*Podiceps grisegena*) – a medium-sized migratory aquatic bird of the grebe family
- Horned Grebe (*Podiceps auritus*) – a medium-sized migratory aquatic bird of the grebe family
- Black-necked Grebe (*Podiceps nigricollis*) – a medium-sized, partially migratory aquatic bird of the grebe family
- Little Grebe (*Tachybaptus ruficollis*) – a small migratory aquatic bird of the grebe family
- Sanderling (*Calidris alba*) – a medium-sized migratory bird in the family *Scolopacidae*
- Schneider, spirin, bleak (*Alburnoides bipunctatus*) – a species of fish of the carp family
- Weatherfish (*Misgurnus fossilis*) – a freshwater fish in the family *Cobitidae*
- Grey Wagtail (*Motacilla cinerea*) – a small bird of the wagtail family
- Northern Shoveler (*Anas clypeata*, formerly also *Spatula clypeata*) – a medium-sized or large migratory aquatic bird in the family *Anatidae*
- Red-necked Phalarope (*Phalaropus lobatus*) – a medium-sized migratory bird in the family *Scolopacidae*
- Bluethroat (*Luscinia svecica*) – a small migratory bird of the flycatcher family
- Eurasian Eagle-owl (*Bubo bubo*) – a large resident bird in the family *Strigidae*
- Pintail, Northern Pintail (*Anas acuta*) – a large migratory aquatic bird in the family *Anatidae*
- Amur Bitterling (*Rhodeus sericeus*) – a fish of the carp family
- Little Tern (*Sternula albifrons*) – a medium-sized aquatic bird of the gull family (*Laridae*)
- Whiskered Tern (*Chlidonias hybrida*) – a medium-sized migratory bird of the gull family (*Laridae*)
- Black Tern (*Chlidonias niger*) – a medium-sized migratory bird of the gull family (*Laridae*)
- Sandwich Tern (*Thalasseus sandvicensis*) – a large migratory aquatic bird of the gull family (*Laridae*)
- Common Tern (*Sterna hirundo*) – a medium-sized migratory bird of the gull family (*Laridae*)
- Caspian Tern (*Hydroprogne caspia*) – a large aquatic bird of the gull family (*Laridae*)
- Osprey, sea hawk, fish eagle, fish hawk (*Pandion haliaetus*) – a large migratory bird of prey of the osprey family (*Pandionidae*)
- Green Sandpiper (*Tringa ochropus*) – a medium-sized migratory bird in the family *Scolopacidae*
- Kentish Plover (*Charadrius alexandrinus*) – a small bird in the family *Charadriidae*
- Common Ringed Plover (*Charadrius hiaticula*) – a medium-sized migratory bird in the family *Charadriidae*
- Little Ringed Plover (*Charadrius dubius*) – a small bird in the family *Charadriidae*
- Grey Plover, Black-bellied Plover (*Pluvialis squatarola*) – a medium-sized migratory bird in the family *Charadriidae*

- European Golden Plover (*Pluvialis apricaria*) – a medium-sized bird in the family *Charadriidae*
- Eurasian Woodcock (*Scolopax rusticola*) – a medium-sized migratory bird in the family *Scolopacidae*
- Peregrine Falcon (*Falco peregrinus*) – a medium-sized bird of prey of the falcon family (*Falconidae*)
- Pied Avocet (*Recurvirostra avosetta*) – a medium-sized wading bird in the family *Recurvirostridae*
- Red-breasted Merganser (*Mergus serrator*) – a medium-sized or large aquatic bird in the family *Anatidae*
- Bar-tailed Godwit (*Limosa lapponica*) – a medium-sized migratory bird in the family *Scolopacidae*
- Black-crowned Night Heron (*Nycticorax nycticorax*) – a large wading bird of the heron family (*Ardeidae*)
- Tawny Pipit (*Anthus campestris*) – small bird in the family *Motacillidae*
- Eurasian Wigeon, Widgeon (*Anas penelope*) – a medium-sized migratory aquatic bird in the family *Anatidae*
- Terek Sandpiper (*Xenus cinereus*; *Tringa cinerea*) – a medium-sized migratory bird in the family *Scolopacidae*; the only representative of the genus *Xenus*
- Great Crested Newt, Northern Crested Newt, Warty Newt (*Triturus cristatus*) – a tailed amphibian from the salamander family (*Salamandridae*)
- European Honey Buzzard (*Pernis apivorus*) – a large migratory bird of prey in the family *Accipitridae*
- Velvet Scoter (*Melanitta fusca*) – a large aquatic bird in the family *Anatidae*
- Short-eared Owl (*Asio flammeus*) – a medium-sized bird in the family *Strigidae*
- Eurasian Spoonbill, Common Spoonbill (*Platalea leucorodia*) – a large wading bird in the family *Threskiornithidae*
- Bearded Reedling, Bearded Tit, Bearded Parrotbill (*Panurus biarmicus*) – a small resident or nomadic bird in the family *Panuridae*
- Grey wolf (*Canis lupus*) – a predatory mammal of the family *Canidae*
- Boreal Owl, Tengmalm's Owl (*Aegolius funereus*) – a medium-sized bird of prey in the family *Strigidae*
- Little Crake (*Porzana parva*) – a small migratory aquatic bird of the rail family (*Rallidae*)
- Common Kingfisher (*Alcedo atthis*) – a small piscivorous bird of the kingfisher family
- Common Crane, Eurasian Crane (*Grus grus*) – a large bird of the crane family (*Gruidae*)

● **Waste (without earth and soil)**

EN22

Main waste by type	2010 mass (tons)	2011 mass (tons)	Change %
Waste considered to be hazardous, including:	75.0	97.6	30.1%
• materials containing asbestos	73.7	90.0	22.1%
Non-hazardous waste, including:	234,730.3	224,469.9	
• waste plant matter	922.5	519.9	-43.6%
• concrete waste and concrete rubble	16,615.9	64,636.5	289.0%
• brick rubble	10,569.5	12,216.0	15.6%
• mixtures of concrete waste, brick rubble, ceramic waste and pieces of equipment	8,460.3	67,943.5	703.1%
• waste from renovations and reconstruction of roads (from the existing foundation, etc.)	27,473.4	59312.8	115.9%
• wood	3,050.8	5,251.5	72.1%
• asphalt	412.5	14,589.7	3436.9%
Total	234,730.3	224,469.9	332.5%

● **Soil and earth**

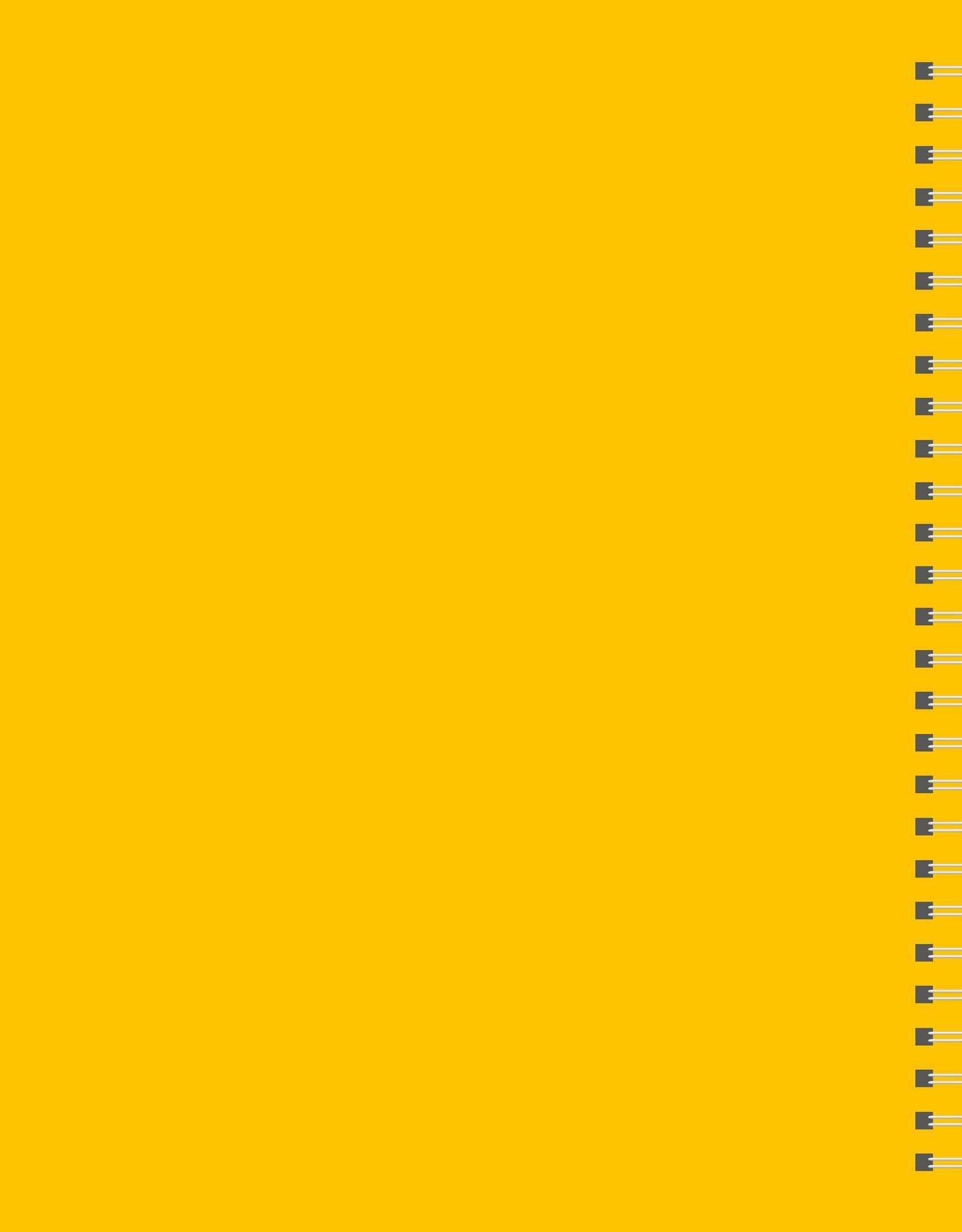
EN22

Main waste by type	2010 mass (tons)	2011 mass (tons)
Soil and earth, including stones	4,380,014.2	5,164,689.9

● **Method of waste management**

EN22

Main waste by type	2010 mass (tons)	2011 mass (tons)
Use as a fuel or other means to generate energy (R1)	4,002.5	5851.9
Reuse (R14)	357.6	77,849.4
Landfilling	65,341.84	155,449.3





GRI INDICATORS

GRI INDICATORS

Indic.	Range ● – overall ◐ – partial ○ – not reported/ not applicable	Page	GRI guidelines	Area according to ISO 26000	UN Global Compact principle	Comment / Description
Strategy and analysis						
1.1	●	6	Statement from the most senior decisionmaker of the organization (e.g., CEO, chair, or equivalent senior position) about the relevance of sustainability to the organization and its strategy.	6.2.		
1.2	●	16, 71	Description of key impacts, risks, and opportunities.	6.2.		
Organizational profile						
2.1	●	–	Name of the organization.	–		Budimex SA
2.2	●	73	Primary brands, products and/or services.	–		Więcej na: www.budimex.pl .
2.3	●	73	Operational structure of the organization, including main divisions, operating companies, subsidiaries, and joint ventures.	6.2.		More detailed information on this subject can be found in the Activity Report of the Group for the year 2011 – www.budimex.pl
2.4	●	–	Location of the organization's headquarters.	–		ul. Stawki 40 01-140 Warsaw Poland www.budimex.pl
2.5	●	73, 75	Number of countries where the organisation operates, and names of countries with either major operations or that are specifically relevant to the sustainability issues covered in the report.	–		
2.6	●	63	Nature of ownership and legal form.	–		Spółka Akcyjna (joint-stock company) listed on the Warsaw Stock Exchange.

Indic.	Range ● – overall ◐ – partial ○ – not reported/ not applicable	Page	GRI guidelines	Area according to ISO 26000	UN Global Compact principle	Comment / Description
2.7	●	75, 76	Markets served (including geographic breakdown, sectors served, and types of customers/beneficiaries).	–		More detailed information on this subject can be found in the Activity Report of the Group for the year 2011 – www.budimex.pl
2.8	●	76, 80	Scale of the reporting organization, including: <ul style="list-style-type: none"> • number of employees • net sales (for private sector organizations) or net revenues (for public sector organizations) • total capitalization broken down in terms of debt and equity (for private sector organizations); and • quantity of products or services provided. 	–		
2.9	●	18, 73	Significant changes during the reporting period, regarding size, structure or form of ownership.	–		Scale of activities and a detailed description of changes have been omitted because they can be found in the publicly available document “Activity Report of the Group for the year 2011” – www.budimex.pl
2.10	●	20	Awards received in the reporting period.	–		
Report profile						
3.1	●	18	Reporting period (e.g. fiscal/calendar year) for information provided.	–		Fiscal/calendar year: 1 January 2011 – 31 December 2011.
3.2	●	18	Date of most recent previous report (if any).	–		October 2011
3.3	●	18	Reporting cycle (annual, biennial, etc.).	–		Annual
3.4	●	–	Contact person.	–		Łukasz Kubiak, Office of External Communication, Budimex SA, ul. Stawki 40, 01-040 Warsaw e-mail: lukasz.kubiak@budimex.pl tel. (22) 623 61 64 mobile: 695 052 455 fax (22) 623 60 14

Indic.	Range ● – overall ◐ – partial ○ – not reported/ not applicable	Page	GRI guidelines	Area according to ISO 26000	UN Global Compact principle	Comment / Description
3.5	●	18	Process for defining report content.	–		
3.6	●	18	Boundary of the report (e.g. countries, divisions, subsidiaries, leased facilities, joint ventures, suppliers).	–		The report focuses on social and environmental results of the main companies of the Budimex Group (Budimex S.A., Budimex Nieruchomości Sp. z o.o., Budimex Danwood Sp. z o.o., Mostostal Kraków S.A.) over which Budimex SA has the equity control. Because of the need to provide a concise presentation of the Group, some less significant (intangible) activities, in particular those of small entities, were omitted; due to the fact that 94% of revenues are generated in Poland, it mainly described operations in Poland, presenting activities outside of Poland only in those CSR areas where these activities are of significance (e.g. hiring local employees).
3.7	●	18	State any specific limitations on the scope or boundary of the report.	–		
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.	–		None.

Indic.	Range ● – overall ◐ – partial ○ – not reported/ not applicable	Page	GRI guidelines	Area according to ISO 26000	UN Global Compact principle	Comment / Description
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.	–		The report uses widely accepted measurement techniques resulting from, among others, applicable accounting principles and consolidation of financial statements, GHG Protocol and reporting rules of GUS (Central Statistical Office). Any comments on specific measurement methods can be found directly next to the indicators describing various values.
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 activities, measurement methods).	–		No re-statements.
3.11	●	–	Significant changes from previous reporting periods in the scope, boundary, or measurement methods applied in the report.	–		No significant changes.
3.12	●	94- -112	GRI Index	–		
3.13	●	3, 18	Policy and current practice with regard to seeking external assurance for the report. If not included in the assurance report accompanying the sustainability report, explain the scope and basis of any external assurance provided. Also explain the relationship between the reporting organization and the assurance provider(s).	7.5.3.		In addition, the report was prepared by an external entity on the basis of data provided by Budimex SA, and then subjected to verification by an independent auditor.

Indic.	Range ● - overall ◐ - partial ○ - not reported/ not applicable	Page	GRI guidelines	Area according to ISO 26000	UN Global Compact principle	Comment / Description
Governance, commitments and engagement						
4.1	●	68	Governance structure of the organization, including committees under the highest governance body responsible for specific tasks, such as setting strategy or organizational oversight.	6.2.	1-10	
4.2	●	66	Indicate whether the Chair of the highest governance body is also an executive officer (and, if so, their function within the organization's management and the reasons for this arrangement).	6.2.	1-10	
4.3	●	68-69	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.	6.2.	1-10	
4.4	●	19, 26, 33, 70	Mechanisms for shareholders and employees to provide recommendations or direction to the highest governance body.	6.2.	1-10	
4.5	●	67, 69	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).	6.2.	1-10	
4.6	●	68	Processes in place for the highest governance body to ensure conflicts of interest are avoided.	6.2.	1-10	

Indic.	Range ● – overall ◐ – partial ○ – not reported/ not applicable	Page	GRI guidelines	Area according to ISO 26000	UN Global Compact principle	Comment / Description
4.7	●	68	Process for determining the composition, qualifications, and expertise of the members of the highest governance body and its committees, including any consideration of gender and other indicators of diversity.	6.2.	1–10	
4.8	●	11	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.	6.2.	1–10	
4.9	●	68	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.	6.2.	1–10	
4.10	●	68, 70	Processes for evaluating the highest governance body’s own performance, particularly with respect to economic, environmental, and social performance.	6.2.	1–10	

Indic.	Range ● – overall ◐ – partial ○ – not reported/ not applicable	Page	GRI guidelines	Area according to ISO 26000	UN Global Compact principle	Comment / Description
4.11	●	46, 47	<p>Explanation of whether and how the precautionary approach or principle is addressed by the organization.</p> <p>Article 15 of the Rio Principles.</p>	6.2.	7	<p>The procedure “Environmental management on contract sites”, which is a part of the Integrated Management System, defines rules for analysis of environmental requirements and the concept of environmental impact. It covers every, also potential, type of impact.</p> <p>Apart from the environmental management in accordance with ISO14000, the company undertook to comply with the principle by joining UN Global Compact.</p>
4.12	●	34	Externally developed economic, environmental, and social charters, principles, or other initiatives to which the organization subscribes or endorses.	6.2.	1–10	<p>UN Global Compact</p> <p>Budimex is listed in the ECPI Poland ESG Leaders index, which is a tool for asset managers who invest funds entrusted to them in shares of responsibly operating companies.</p>
4.13	●	29	Memberships in associations (such as industry associations) and/or national/ international advocacy organizations.	6.2.	1–10	
4.14	●	19	List of stakeholder groups engaged by the organization.	6.2.	–	
4.15	●	19	Basis for identification and selection of engaged stakeholder groups.	6.2.	–	

Indic.	Range ● – overall ◐ – partial ○ – not reported/ not applicable	Page	GRI guidelines	Area according to ISO 26000	UN Global Compact principle	Comment / Description
4.16	●	19	Approaches to stakeholder engagement, including frequency of engagement by type and by stakeholder group.	6.2.	–	
4.17	●	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.	6.2.	–	

ECONOMIC PERFORMANCE

Economic performance

EC DMA		6, 7, 16	Management approach.	6.2., 6.8.	1, 4, 6, 7	
EC1	●	79	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.	6.8. 6.8.3. 6.8.7. 6.8.9.	–	

Indic.	Range ● – overall ◐ – partial ○ – not reported/ not applicable	Page	GRI guidelines	Area according to ISO 26000	UN Global Compact principle	Comment / Description
EC2	◐	–	Financial implications and other risks and opportunities for the organization's activities due to climate change.	6.5.5.	7	<p>No significant impact was stated at the moment. Nevertheless, the basic raw materials used by the company are the products of industries which have a significant impact on the climate (production of asphalt and fuels, cement production, steel industry). Thus, changes in regulations and additional charges of these industries in relation to greenhouse gas emissions, could adversely affect the company's costs.</p> <p>Climate change in a broader sense, i.e. the intensity of extreme weather events, may influence the process of execution of contracts.</p> <p>On the other hand, the company responds to expectations indirectly related to climate change. Budimex has adequate resources allowing to be included in the restructuring processes for power plants (construction of production facilities). The company offers houses in which energy losses have been minimized and which meet the requirements of customers who are sensitive to climate-related issues.</p>
EC4	●	–	Significant financial assistance received from government.	–	–	The Group's companies did not benefit from direct state aid. Many of the implemented investments (infrastructure) are financed from the budget, including the EU funds. However, they are typical public procurements, settled by tenders.

Indic.	Range ● – overall ◐ – partial ○ – not reported/ not applicable	Page	GRI guidelines	Area according to ISO 26000	UN Global Compact principle	Comment / Description
EC5	●	80	Range of ratios of standard entry level wage by gender compared to local minimum wage at significant locations of operation.	6.4.4. 6.8.	1	
Aspect: market presence						
EC6	●	23	Policy, practices, and proportion of spending on locally-based suppliers at significant locations of operation.	6.6.6. 6.8. 6.8.5 6.8.7.	–	
EC7	◐	29, 66, 68	Procedures for local hiring and proportion of senior management hired from the local community at locations of significant operation.	6.8. 6.8.5 6.8.7	6	
Indirect economic impacts						
EC8	●	7, 39, 76	Development and impact of infrastructure investments and services provided primarily for public benefit through commercial, in-kind, or pro bono engagement Impact of these activities on the society.	6.3.9. 6.8. 6.8.3. 6.8.4. 6.8.5. 6.8.6. 6.8.7. 6.8.9.	–	
ENVIRONMENTAL PERFORMANCE						
Raw materials and materials						
EN DMA		41, 54	Management approach.	6.2., 6.5.	7, 8, 9	
EN1	●	54, 56, 82	Materials used by weight or volume.	6.5. 6.5.4.	8	
EN2	●	54, 56, 83	Percentage of materials used that are recycled input materials.	6.5. 6.5.4.	8, 9	
EN3	●	57, 83	Direct energy consumption by primary energy source.	6.5. 6.5.4.	8	
EN4	●	57, 83	Indirect energy consumption by primary source.	6.5. 6.5.4.	8	

Indic.	Range ● – overall ◐ – partial ○ – not reported/ not applicable	Page	GRI guidelines	Area according to ISO 26000	UN Global Compact principle	Comment / Description
EN5	◐	57, 58	Energy saved due to conservation and efficiency improvements.	6.5. 6.5.4.	8, 9	
EN6	●	59	Initiatives to provide energy-efficient or renewable energy based products and services, and reductions in energy requirements as a result of these initiatives.	6.5. 6.5.4.	8, 9	
Water						
EN8	◐	84	Total water withdrawal by source.	6.5. 6.5.4.	8	Most of the consumed water is used on the construction sites and is usually collected directly from natural reservoirs, which prevents keeping close records. The report content indicated consumption of water from municipal water supply.
EN9	●	–	Water sources significantly affected by withdrawal of water.	6.5. 6.5.4.	8	Operations of the Budimex Group in 2011 did not result in significant depletion of water resources.
Biodiversity						
EN11	●	49-50	Location and size of land owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas.	6.5. 6.5.6.	8	
EN12	●	42-44	Description of significant impacts of activities, products, and services on biodiversity in protected areas and areas of high biodiversity value outside protected areas.	6.5. 6.5.6.	8	

Indic.	Range ● – overall ◐ – partial ○ – not reported/ not applicable	Page	GRI guidelines	Area according to ISO 26000	UN Global Compact principle	Comment / Description
EN13	●	49-50	Habitats protected or restored.	6.5. 6.5.6.	8	Detailed information is available in the studies of the impact of individual investments on the environment, with an indication of the exact location in relation to the investment.
EN14	●	42-44	Strategies, current actions, and future plans for managing impacts on biodiversity.	6.5. 6.5.6.	8	
EN15	●	85-90	Number of IUCN Red List species and national conservation list species with habitats in areas affected by operations, by level of extinction risk.	6.5. 6.5.6.	8	
Emissions, effluents and waste						
EN16	●	84	Total direct and indirect greenhouse gas emissions by weight.	6.5. 6.5.5.	8	
EN18	◐	58	Initiatives to reduce greenhouse gas emissions and reductions achieved.	6.5. 6.5.5.	7, 8, 9	
EN19	○	-	Emissions of ozone-depleting substances by weight.	6.5. 6.5.3.	8	Not applicable The company's activities are not associated with emissions of such compounds.
EN20	●	59, 84	NOx, SOx, and other significant air emissions by type and weight.	6.5. 6.5.3.	8	
EN22	●	60, 91	Total weight of waste by type and disposal method.	6.5. 6.5.3.	8	
EN23	●	46, 47	Total number and volume of significant spills.	6.5. 6.5.3.	8	

Indic.	Range ● – overall ◐ – partial ○ – not reported/ not applicable	Page	GRI guidelines	Area according to ISO 26000	UN Global Compact principle	Comment / Description
EN24	○	–	Weight of transported, imported, exported, or treated waste deemed hazardous under the terms of the Basel Convention Annex I, II, III, and VIII, and percentage of transported waste shipped internationally.	6.5. 6.5.3.	8	Not applicable Budimex does not transport, import, export or process waste considered as hazardous, nor does it ship such waste internationally. Each contract executed by Budimex, laboratories and bitumen plants cooperate in matters related to hazardous waste with companies which have relevant permits for collection, transport and disposal of such waste (its mass was indicated in EN22).
EN25	●	49	Identity, size, protected status, and biodiversity value of water bodies and related habitats significantly affected by the reporting organization’s discharges of water and runoff.	6.5. 6.5.4. 6.5.6.	8	Budimex does not dump water into water reservoirs or on the areas of particular importance for biodiversity. In terms of wastewater management, Budimex cooperates with municipal companies. In 2011, Budimex did not cause any spill into water reservoirs. Other emergency events, potentially hazardous to the environment, have been described in the indicator EN23: Total number and volume of significant spills.
Products and services						
EN26	◐	42, 59	Initiatives to mitigate environmental impacts of products and services, and extent of impact mitigation.	6.5. 6.5.4. 6.6.6. 6.7.5.	7, 8, 9	
Compliance						
EN28	●	–	Monetary value of significant fines and total number of non-monetary sanctions for noncompliance with environmental laws and regulations.	6.5.	8	No penalties for violation of environmental laws were imposed on the company in 2011.

Indic.	Range ● – overall ◐ – partial ○ – not reported/ not applicable	Page	GRI guidelines	Area according to ISO 26000	UN Global Compact principle	Comment / Description
SOCIAL PERFORMANCE						
Workplace: employment						
LA DMA		27, 29, 33	Management approach.	6.2, 6.4, 6.3.10	1, 3, 6	
LA1	●	80	Total workforce by employ- ment type, employment contract, and region.	6.4. 6.4.3.	–	
LA2	●	81	Total number and rate of new employee hires and employee turnover by age group, gender, and region.	6.4. 6.4.3.	6	
LA3	●	27	Benefits provided to full- time employees that are not provided to temporary or part-time employees, by significant locations of operation.	6.4. 6.4.3. 6.4.4.	–	
Workplace: labour/management relations						
LA4	●	81	Percentage of employees covered by collective barga- ining agreements.	6.4. 6.4.3. 6.4.4. 6.4.5. 6.3.10.	1, 3	
LA5	●	29	Minimum notice period(s) regarding operational changes, including whether it is specified in collective agreements.	6.4. 6.4.3. 6.4.4. 6.4.5.	3	
Workplace: occupational health and safety						
LA6	●	33	Percentage of total work- force represented in formal joint management-worker health and safety commit- tees that help monitor and advise on occupational health and safety programs.	6.4. 6.4.6.	1	

Indic.	Range ● - overall ◐ - partial ○ - not reported/ not applicable	Page	GRI guidelines	Area according to ISO 26000	UN Global Compact principle	Comment / Description
LA7	◐	82	Rates of injury, occupational diseases, lost days, and absenteeism, and total number of work-related fatalities, by region.	6.4. 6.4.6.	1	
Workplace: training and education						
LA10	◐	80, 81	Average hours of training per year per employee by gender, and by employee category.	6.4. 6.4.7.	-	
LA11	●	28	Programs for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings.	6.4. 6.4.7. 6.8.5.	-	The Group does not have dedicated programs +50 which would facilitate the transition to retirement or help persons who were made redundant.
Workplace: diversity and equal opportunity						
LA13	●	66, 68, 80	Composition of governance bodies and breakdown of employees per employee category according to gender, age group, minority group membership, and other indicators of diversity.	6.3.7. 6.3.10. 6.4. 6.4.3.	1, 6	
LA14	◐	80, 81	Ratio of basic salary and remuneration of women to men by employee category	6.3.7. 6.3.10. 6.4. 6.4.3. 6.4.4.	1, 6	
Human rights: investment and procurement practices						
HR DMA		23	Management approach.	6.2., 6.3.	1-6	
HR1	●	25	Percentage and total number of significant investment agreements and contracts that include clauses incorporating human rights concerns, or that have undergone human rights screening.	6.3. 6.3.3. 6.3.5. 6.6.6.	1-6	
HR2	●	25	Percentage of significant suppliers, contractors, and other business partners that have undergone human rights screening, and actions taken	6.3. 6.3.3. 6.3.5. 6.4.3. 6.6.6.	1-6	

Indic.	Range ● - overall ◐ - partial ○ - not reported/ not applicable	Page	GRI guidelines	Area according to ISO 26000	UN Global Compact principle	Comment / Description
HR3	◐	25	Total hours of employee training on policies and procedures concerning aspects of human rights that are relevant to operations, including the percentage of employees trained.	6.3. 6.3.5.	1-6	
Human rights: non-discrimination						
HR4	●	26-27	Total number of incidents of discrimination and corrective actions taken.	6.3. 6.3.6. 6.3.7. 6.3.10. 6.4.3.	1, 2, 6	
Human rights: freedom of association and collective bargaining						
HR5	●	27	Operations identified in which the right to exercise freedom of association and collective bargaining may be violated or at significant risk, and actions taken to support these rights.	6.3. 6.3.3. 6.3.4. 6.3.5. 6.3.8. 6.3.10. 6.4.3. 6.4.5.	1-3	
Human rights: child labour						
HR6	●	27	Operations identified as having significant risk for incidents of child labour, and measures taken to contribute to the effective abolition of child labour.	6.3. 6.3.3. 6.3.4. 6.3.5. 6.3.7. 6.3.10.	1, 2, 5	
Human rights: forced and compulsory labour						
HR7	●	27	Operations identified as having significant risk for incidents of forced or compulsory labour, and measures to contribute to the elimination of all forms of forced or compulsory labour.	6.3. 6.3.3. 6.3.4. 6.3.5. 6.3.7. 6.3.10.	1, 2, 4	
Human rights: indigenous rights						
HR9	●	-	Total number of incidents of violations involving rights of indigenous people and actions taken.	6.3. 6.3.6. 6.3.7. 6.3.8. 6.6.7.	1, 2	None.

Indic.	Range ● – overall ◐ – partial ○ – not reported/ not applicable	Page	GRI guidelines	Area according to ISO 26000	UN Global Compact principle	Comment / Description
Society performance: local communities						
SO DMA		23, 29, 34	Management approach.	6.2., 6.3., 6.8.	10	
S01	◐	34, 39	Nature, scope and effectiveness of programs and practices in the area of evaluation and management of the organization's impact on the local community, including the impact of entering a market, operating and cessation of activities.	6.3.9. 6.8. 6.8.5. 6.8.7. 6.6.7.	–	
Society performance: corruption						
S02	●	25	Percentage and total number of business units analysed for risks related to corruption.	6.6. 6.6.3.	10	
S03	●	25	Percentage of employees trained in organization's anti-corruption policies and procedures.	6.6. 6.6.3.	10	
S04	●	25	Actions taken in response to incidents of corruption.	6.6. 6.6.3.	10	
Society performance: public policy						
S05	●	29	Public policy positions and participation in public policy development and lobbying.	6.6. 6.6.4. 6.8.3.	1–10	
S06	●	29	Total value of financial and in-kind contributions to political parties, politicians, and related institutions by country.	6.6. 6.6.4. 6.8.3.	10	
Society performance: compliance						
S08	●	–	Monetary value of significant fines and total number of non-monetary sanctions for noncompliance with laws and regulations.	6.6. 6.6.7. 6.8.7.	–	No penalties were imposed.

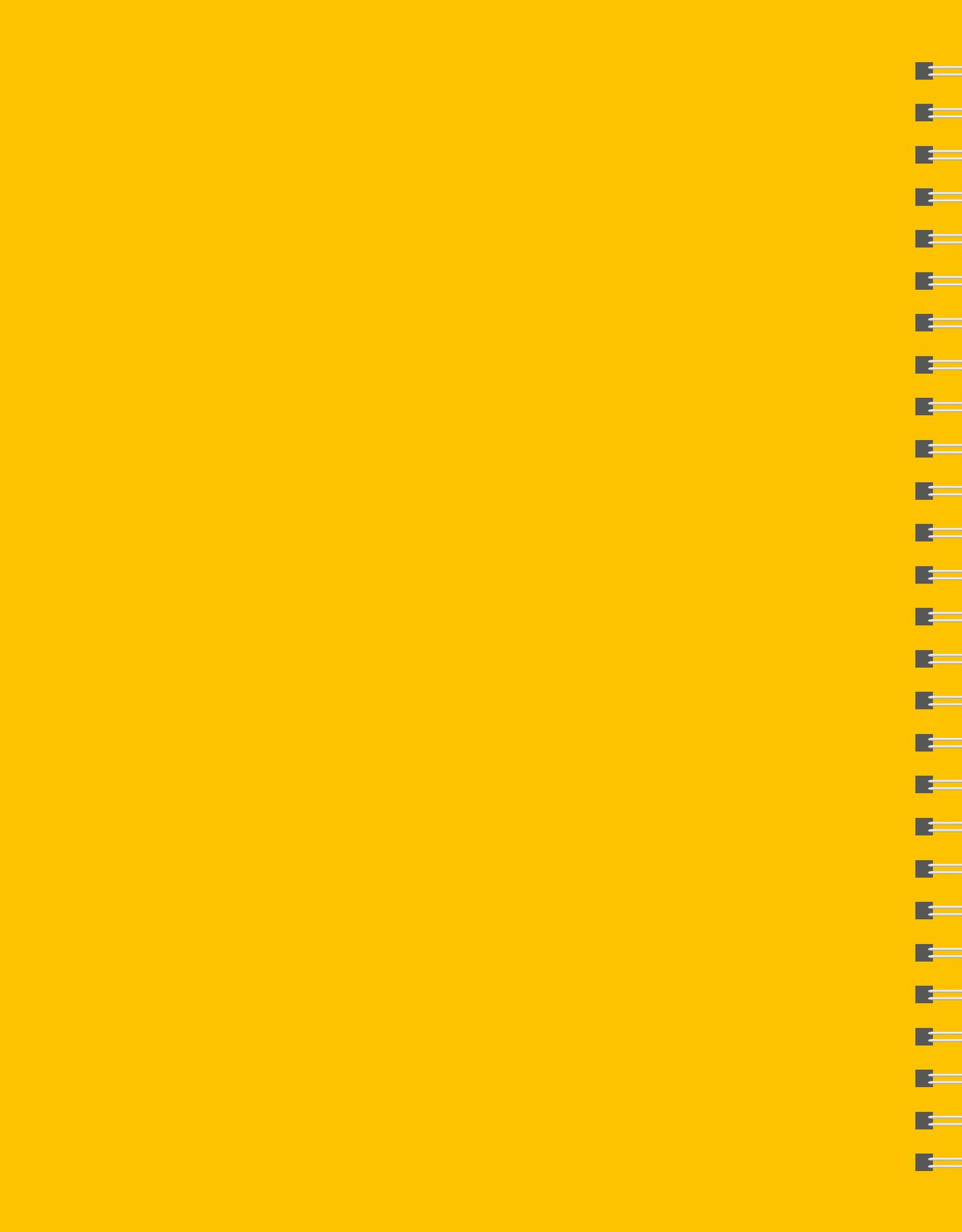
Indic.	Range ● – overall ◐ – partial ○ – not reported/ not applicable	Page	GRI guidelines	Area according to ISO 26000	UN Global Compact principle	Comment / Description
Product responsibility: customer health and safety						
PR DMA		14-15, 31	Management approach.	6.2., 6.6., 6.7.	1, 8	
PR1	●	14, 31	Life 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.	6.3.9. 6.6.6. 6.7. 6.7.4. 6.7.5.	1	
PR2	●	14, 33	Total number of incidents of non-compliance with regulations and voluntary codes concerning health and safety impacts of products and services during their life cycle, by type of outcomes.	6.3.9. 6.6.6. 6.7. 6.7.4. 6.7.5.	1	
PR3	●	–	Type of product and service information required by procedures, and percentage of significant products and services subject to such information requirements.	6.7. 6.7.3. 6.7.4. 6.7.5. 6.7.6. 6.7.9.	8	<p>Because of the specificity of construction projects, their implementation is from the earliest stage accompanied by very detailed construction documents. The requirements are specified by regulations and standards. These documents include not only the relevant consents, permits or confirmations of acceptance by different offices and departments. Individual raw materials and materials are accompanied by certificates and declarations of conformity, or hygienic certificates and documents related to waste management. This ensures widely understood safety for people and the environment.</p> <p>The documents are also supported by the integrated management system.</p>

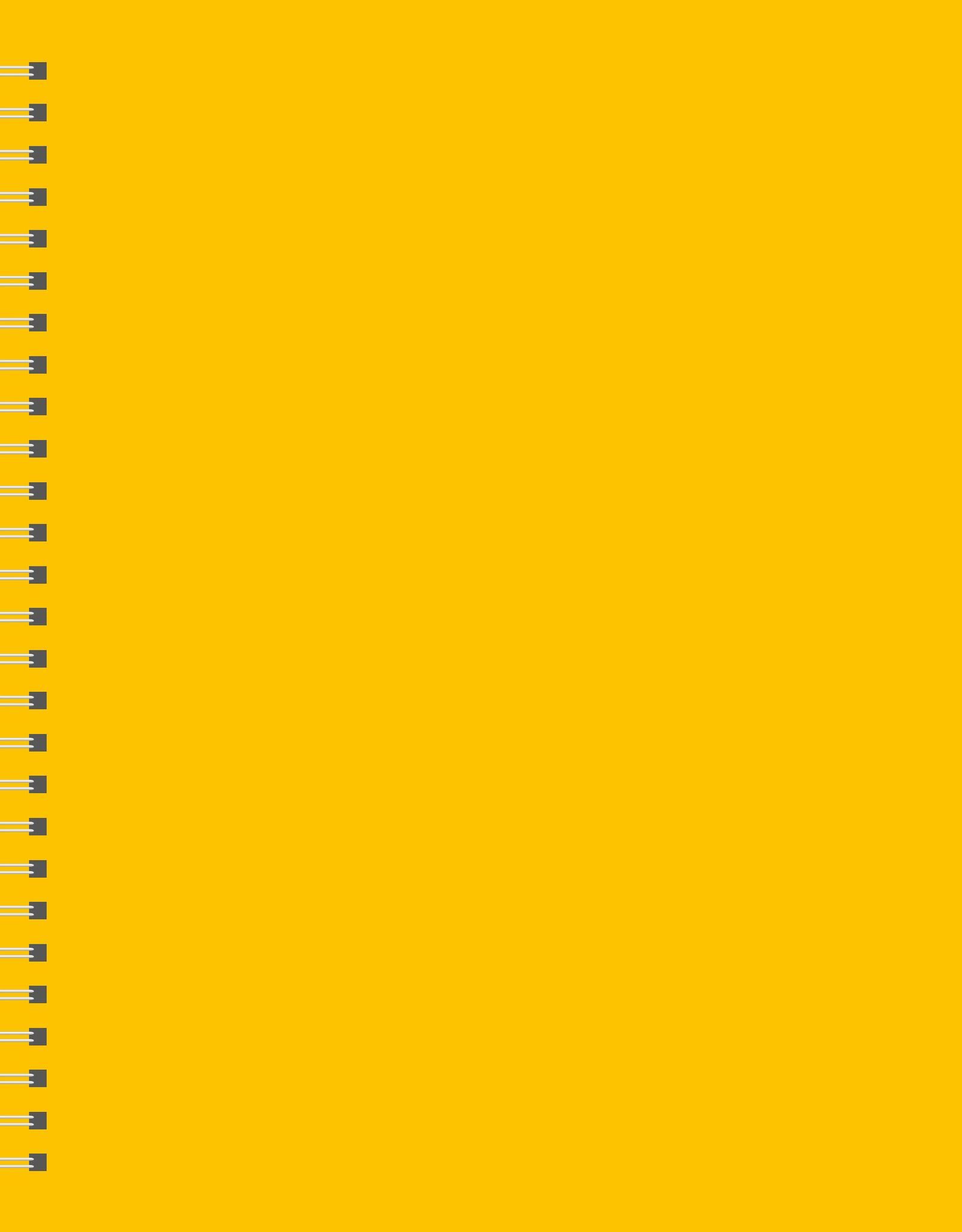
Indic.	Range ● – overall ◐ – partial ○ – not reported/ not applicable	Page	GRI guidelines	Area according to ISO 26000	UN Global Compact principle	Comment / Description
PR5	◐	–	Practices related to customer satisfaction, including results of surveys measuring customer satisfaction.	6.7. 6.7.4. 6.7.5. 6.7.6. 6.7.8. 6.7.9.	–	<p>The specificity of the B2B market, in which the company mainly operates and in which the number of customers is very limited, is associated with the fact that it is not possible to conduct typical, quantitative surveys of customer satisfaction.</p> <p>Nevertheless, the execution of orders is discussed with customers on an ongoing basis, and the continuous dialogue ensures current knowledge about the expectations of customers.</p>
Product responsibility: marketing communications						
PR6	◐	–	Programs for adherence to laws, standards, and voluntary codes related to marketing communications, including advertising, promotion, and sponsorship.	6.7. 6.7.3. 6.7.6. 6.7.9.	–	<p>Due to the specificity of the business, this area is not critical from the point of view of corporate responsibility.</p> <p>Nevertheless, Budimex implemented the Advertisement Ethics Code throughout the entire Group in 2011.</p>
Product responsibility: compliance						
PR9	●	–	Monetary value of significant fines for noncompliance with laws and regulations concerning the provision and use of products and services.	6.7. 6.7.6.	–	<p>No penalties (the amount of penalties, shown in the financial statements of the Budimex Group, refers to contractual breaches which are not covered by the indicator PR9).</p>

Indic.	Range ● – overall ◐ – partial ○ – not reported/ not applicable	Page	GRI guidelines	Area according to ISO 26000	UN Global Compact principle	Comment / Description
Sector ratios						
CRE1	●	–	Building energy intensity.	–	–	87.5 kWh/m ² 1,425 kWh/per employee (for the building at ul. Stawki 40 in Warsaw). Indicator is not tangible; the Budimex Group does not conduct the business of renting properties, to which the indicator would apply.
CRE2	●	–	Building water intensity.	–	–	0.8 m ³ /m ² 13.5 m ³ /per employee (for the building at ul. Stawki 40 in Warsaw). Indicator is not tangible; the Budimex Group does not conduct the business of renting properties, to which the indicator would apply.
CRE3	○	–	Greenhouse gas emissions intensity from buildings.			Not applicable The Budimex Group does not conduct the business of renting proper- ties, to which the indicator would apply.
CRE5	●	43	Degraded, permanently contaminated, damaged lands, requiring reme- diation as a result of the conducted construction activities.			The companies do not conduct activities as a result of which there would be a significant risk of soil contamination. As a result of roads con- struction, lands located directly under the driving lane are lost to the bio- sphere, and those located in the immediate vicinity to the driving lane are subject to the reclamation, as part of the investment. A total of 1.77 million m ² (70,800 m ³) of bitumen was laid in 2011, which is the best approximation of the surface excluded of the biological activity as a result of roads construction.

Indic.	Range ● – overall ◐ – partial ○ – not reported/ not applicable	Page	GRI guidelines	Area according to ISO 26000	UN Global Compact principle	Comment / Description
CRE6	●	33, 42	Percentage of the organization operating in verified compliance with an internationally recognized health and safety management system (e.g. ISO 18000).	–	–	<p>In the case of Budimex SA and Mostostal Kraków, the implementation of ISO 18000 was confirmed with relevant certificates. They employ 86.3% of the entire staff.</p> <p>In the opinion of Budimex SA, the applicable procedures in two other companies, i.e. Budimex Nieruchomości and Budimex Danwood, although uncertified, are consistent with international standards.</p>
CRE7	○	–	Number of persons voluntarily and involuntarily displaced and/or resettled by development, broken down by project.	–	–	Not applicable The issues related to potential resettlements are the responsibility of the customer and such information is not provided to the contractor.
CRE8	◐	56	Type and number of sustainability certification, rating and labelling schemes for new construction, management, occupation and redevelopment.	–	–	<p>The environmental evaluation of buildings, according to the BREEAM system, was received by the facility Sterlinga Business Centre in Łódź, executed by Budimex [BREEAM FINAL Certificate – Post Construction Stage – GOOD] Two other buildings will be constructed with the requirements of the BREEAM certification. Office and commercial facility at ul. Grunwaldzka in Poznan (no information about the evaluation) and Factory Outlet in Annopol (BREEAM INTERIUM Certificate – Design Stage – GOOD).</p>









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