

BUDIMEX Group 2013 Responsible Business Report

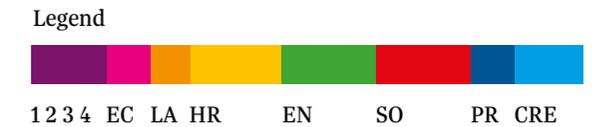
*GRI G4 (Core) version of the report,
verified by an independent auditor*

budimex



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GRI G4 (Core), verified



Letter from the President of the Management Board

● [G4-1, G4-2]

Ladies and Gentlemen,
I am pleased to present you with the new social responsibility report of the Budimex Group – for a period extremely difficult for the economy in general, and especially for the construction industry. Many people have thought and still believe that responsibility in business does not pay off. They argue that this is just a new source of rhetoric and additional costs, a tool in the hands of communication professionals, a method of proclaiming new slogans while they continue to operate in the same way. This is not how it should be, and the economic crisis has shown exactly that in an extremely clear way. I hope that our report proves it as well. As the Budimex Group we have never open-

ly praised our activities in the area of social responsibility. Responsibility, especially in the construction industry, is not about spectacular actions, but the daily, diligent work of many people. The adoption of this simple assumption constitutes our strength nowadays. For our companies, responsibility is primarily an implementation of high-quality facilities, as well as about building them safely. In a safe manner for our employees and the environment – including the valuable, natural areas to which our investments are often adjacent. In this way we respect people and the environment. It is also about honesty and ethics in our relationships with principals, suppliers and subcontractors, as well as the absolute removal of pathological behaviour.

Our surroundings change constantly. This requires not only adapting to a variety of expectations, but in the case of the leader, being ahead of upcoming changes. Just a dozen years ago any special concern for the natural environment was a novelty in construction; now public reporting of results in the non-financial dimension is today's novelty. We have decided to meet these expectations. We strive to make our reporting ever more perfect, year by year. This year, we have chosen to prepare the report based on the latest version of the GRI G4 guidelines. When in a few years it becomes mandatory, we will not be surprised by the new responsibilities.

We are leading the industry in these difficult times. Budimex is consistently listed in the RESPECT Index on the Warsaw Stock Exchange. The group is positively assessed by

independent audits of environmental, social and governance performance. At the same time we are also listed in the ECPI Poland ESG Leaders index, which selects the highest rated companies in terms of ESG on the Polish market. We have managed to prove that we can improve our economic results just by being responsible.

2012 and 2013 has been a period of gradual conformance in our approach to responsible business management. We have completed this process with the appointment of the CSR Committee, over which I have the pleasure to preside. I am convinced that the involvement of the management board and key executives will initiate activities that will yield even better results in the coming years.

Yours faithfully
Dariusz Blocher
President of the Management Board,
Chief Executive Officer of Budimex SA

About us



● [G4-4, G4-6, G4-8]

For many years now, the Budimex Group has been one of the better known brands in the construction market. The Budimex Group provides construction and assembly services under the system of general contracting at home and abroad, the property development activities and property management, as well as, on a smaller scale, trade, production and transportation services. The main markets in which the Budimex Group operates are Poland (92% of revenues¹) and Germany (7% of revenues). Revenues from other markets amounted to 1% of the turnover of the group.

●● [G4-9, G4-EC7]

In 2012, the value of sales of construction services provided by the Budimex Group increased by 8%, as compared to 2011. Infrastructural development sales increased by 5% and in general construction by 13%. In the same period a further increase in the value of sales in the infrastructure segment was recorded (from PLN 3,375 million in 2011 to PLN 3,552 million in 2012). Revenue from sales of real estate also significantly increased by nearly 30%. In a sense, this is due to the specific nature of the industry: revenue is recognized in the books upon the transfer to the purchaser of immovable property ownership (e.g. residential apartment) after the technical acceptance of the entire facility. This means that current revenues result from sales and construction work carried out much earlier. However, in 2012, the

construction of over 460 new residential apartments under three development projects was commenced. As at 31 December 2012, approximately 800 apartments were under construction. Additionally, the Group has land available where it plans to build more than 7,000 new residential apartments in the next few years.

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For that reason, this report focuses on the social and environmental impacts resulting from domestic business



● [G4-56]

Budimex mission

„Our mission is to implement construction projects, including real estate development undertakings, in a manner worthy of a market leader, respecting the natural environment and ethics, with attention to customer satisfaction and user comfort, to be achieved thanks to our professionalism and passion for construction, high operating effectiveness and partner relations with suppliers and subcontractors.”

●● [G4-9, G4-EC7]

The main construction contracts (with a total value of over PLN 50 million) concluded in 2012 by the companies of the Budimex Group include:

- construction of the Office, Residential and Service Complex at ul. Kruczkowskiego 2 in Warsaw,
- Educational Centre of the Faculty of Chemistry, Poznań University of Technology
- NEPTUN office centre in Gdańsk
- Stawiski ring road,
- construction of coastal defences for Darłowo Harbour,
- construction of Nowa Wałowa Street in Gdańsk,
- construction of an access road to the „Dąbrowica” junction of the Lublin ring-road along express roads: S12, S17 and S19,

- Municipal Waste Treatment Plant in Białystok,
- reconstruction of the tramway section from Rondo Mogiłskie through Aleja Jana Pawła II to Plac Centralny with the traffic control system in Kraków.,
- development of Zagórz–Komańcza voivodeship road no. 892,
- construction of the Centre for the Meeting of Cultures and modernisation of the building of the Music Theatre and the Henryk Wieniawski Philharmonic,
- construction of the JMD SA Distribution Centre in Gdańsk,
- construction of a new runway at the Katowice International Airport in Pyrzowice,
- construction of ferry quay no. 1 at Świnoujście port.

● [G4-9]

In 2012, only workshop works were performed on the German market. Net revenues from sales in Germany amounted to PLN 165,233 thousand and were higher by PLN 10,663 thousand (i.e. 6.9%) as compared to 2011. This growth was achieved in metal works, the value of which was 15.9% higher in 2012 as compared to 2011. Prefabrication works, whose share in total sales is 62.4%, had a value comparable to that of 2011. Gross profit achieved in 2012 was 13.4% higher than that in the previous year. The structure of customers in both industries is distributed; the share of each of them does not exceed 10% of total turnover.

Next year, the Group will continue to operate in all major segments of the construction market in Poland and Germany. Limitation of investment in infrastructure (especially road investments) requires a diversification of activities by the 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 as well. The Group 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.

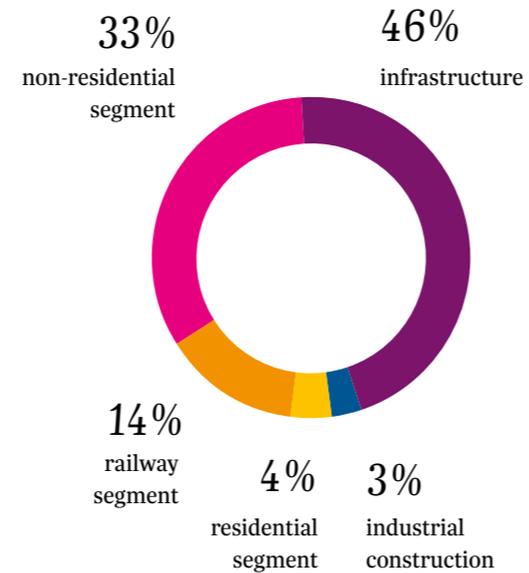
● [G4-9]

In 2012, as part of the diversification strategy, Budimex concluded a six-year contract for the comprehensive maintenance of the A1 motorway, with a value over PLN 40 million and the construction of a car park in Wrocław in the framework of a public-private part-

nership (PPP) with a total value of PLN 43 million. Another successful achievement was the signing of a contract for the construction of the Municipal Waste Incineration Plant in Białystok, worth almost PLN 333 million (the contract was signed as a consortium, with the Budimex participation of 50.3%).

● [G4-9, G4-EC7]

In 2012 the companies of the Budimex Group signed construction contracts of a total value of PLN 2,803 million (excluding annexes). The order portfolio of Budimex Group at the end of the year amounted to PLN 4,877 million and its structure was as follows:



● [G4-16]

Budimex membership in organizations and social initiatives:

- **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**
- **POLLAB Polish Research Laboratory Club**
- **Association of Polish Service Companies in Germany**
- **UN Global Compact**

● [G4-9, G4-10, G4-21]

Primary economic data, regarding the Budimex Group, were at the following levels:

	2011	2012
Net revenues from sale of products and services, goods and raw materials (million PLN)	5,516.68	6,077.66
Profits (million PLN)	75.59	185.98
Equity (million PLN)	711.11	433.13
Liabilities (million PLN)	3,936.73	3,015.08
Assets (million PLN)	4,462.56	3,448.21
Number of employees	5,391	4,992
Number of subcontractors' employees under supervision of the Budimex Group	n/a*	n/a*



* Construction works are characterized by high seasonality of subcontractors' employment; the specificity of the subsequent stages of the work results in rotation of subcontractors and changing number of employees on Budimex contracts. Current daily data about employees, including employees of subcontractors, are recorded directly on construction sites. These records are of great importance due to health and safety, especially in critical situations (e.g. the need to evacuate). These records are not centrally consolidated.

About the report

● [G4-32, G4-33]

This fifth corporate social responsibility report published by Budimex Group has been developed based on the latest version of the GRI Reporting Guidelines G4 (Guidelines) („In Accordance”), in its basic option („Core”). Due to the fact that many readers are accustomed to the previous version of the GRI Guidelines, where possible we maintained double indicator marking, i.e. next to applicable designations of GRI G4 we provide the appropriate designation of G3.1 in parentheses. We hope that this will facilitate the use of the document. Treating this report as a transition to the new version of the

Guidelines, we have decided to record a slightly higher number of indicators than those on which a precise materiality analysis should directly indicate. At the same time, we will do our best to synthetically present our results so that they are clear, readable, and present the most important aspects of our environmental impact. Due to a lack of a sector supplement in G4 version, we have used one designed for the earlier version. Reliability and compatibility of the report with the Guidelines, like the previous two versions, has been revised by an independent auditor.

● [G4-17]

The report describes the 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 are consolidated in the financial statements, have been omitted in the report on sustainable development, due to the significantly smaller scale of their operations and, consequently, the limited social and environmental impact.

● [G4-21]

The report also excluded Przedsiębiorstwo Napraw Infrastruktury Sp. z o.o. (PNI) even though, considering its size, the public reporting of social and environmental performance would be justified. This is caused by the lack of effective control by Budimex Group over the activities of PNI. The company was acquired in November 2011, but in September 2012 the court announced its bankruptcy. The Group lost its control over the company in November 2012 as a result of the withdrawal of the company’s own board and the appointment of an administrator by the court.



● [G4-18] Budimex has used the principles of reporting, as defined in the Guidelines, when defining the content of the report. The key areas were indicated in surveys by a group of the most important managers of the company in May 2012. They evaluated the materiality of various aspects of CSR, described by ISO 26000 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. This process allowed the selection of areas in accordance with materiality and completeness principles and taking into

account its stakeholders. In turn, the reference to the ISO 26000 standard ensures that the context of sustainable development is preserved. In addition, these issues were raised at the first meeting of the newly established CSR Committee, which took place in July 2013 and was preceded by the preparation of this report. The CSR Committee comprise representatives of the Board with the CEO as the head, and selected executives.



As a consequence of the above-described limitations, in the process of defining the content of the report, we based on the managerial expertise regarding the expectations of the stakeholders. Information presented in the report reflects this long-term process of gathering knowledge about expectations of the environment.

● [G4-19] There were no significant circumstances that would result in changes in the material aspects of the Budimex Group's impact on the environment. These aspects include:

- conditions, occupational health and safety (OHS),
- impact on the local environment and biodiversity,
- prevention of unethical behaviour (bribery, corruption),
- quality and safety of construction sites,
- rational use of resources and environmental pollution.



● [G4-24, G4-25, G4-26, G4-27] At the same time, the same group of a dozen key executives who were surveyed in May 2012 undertook the identification and mapping of relevant stakeholder groups. 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 self-government and government administration),

- **society** (local communities in the area of an investment, residents and community leaders, media, universities and academics, technical and professional organizations),
- **natural environment** (environmental organizations, environmental supervision inspectors, State Forests).

Dialogue with various groups is conducted on an ongoing basis throughout the year, in a form and frequency tailored to the specific relation. For example, once every two years, all employees of the Group have a comprehensive satisfaction study. The goal of the company for 2011-2012, was to create mechanisms allowing for regular dialogue with individual groups of stakeholders. This dialogue would be a source of a business value, such as knowledge about

future opportunities and threats, as well as a tool for catching the first weak signals of new market trends. Unfortunately, past experience does not encourage optimism, due to the limited willingness of individual stakeholders to cooperate. The limited confidence of stakeholders to such solutions may constitute reasons for this situation. In the opinion of Budimex, a stakeholder panel organized at this stage will not bring the expected business value. It will be more efficient to conduct a dialogue based on trust which was built over the years by managers and executives. This process will be centrally monitored and the information coming from the managers combined cumulatively. A scale of the dialogue will also be correspondingly greater, so that the statistical significance of obtained information would increase.



● [G4-20]

The significance of various aspects for individual companies is not the same. It can be outlined as follows:

Social or environmental aspect	Impact aspects and GRI indicators	Budimex SA	Budimex Nieruchomości Sp. z o.o.	Budimex Danwood Sp. z o.o.	Mostostal Kraków SA
Conditions, occupational health and safety (OHS)	Workplace: occupational health and safety (G4-LA-DMA, G4-LA5, G4-LA6, G4-LA7 G4-LA8) Evaluation of the suppliers (G4-LA14, G4-LA15) Complaint transfer procedure (G4-LA16)	High*	High*	High*	High*
Impact on the local environment	Biodiversity (G4-EN11, G4-EN12, G4-EN13, G4-EN14) Environmental assessment of the suppliers (G4-EN32, G4-EN33) Complaint transfer procedure (G4-EN34) local communities (G4-SO1, G4-SO2)	High*	Low*	Low	Low
Prevention of unethical behaviour	Human Rights: investments (G4-HR1) Human rights in the supply chain (G4-HR10, G4-HR11) Human rights: complaint transfer procedure (G4-HR12) Anti corruption (G4-SO3, G4-SO4, G4-SO5)	High*	High*	Low*	High*
Quality and safety of construction sites	Customer health and Safety (G4-PR1, G4-PR2)	High*	High*	High*	High*
Rational use of resources and environmental pollution	Raw materials and materials (G4-EN1, G4-EN2) Energy (G4-EN3, G4-EN5, G4-EN6) Emissions (G4-EN15, G4-EN16, G4-EN18, G4-EN21) Sewage and waste (G4-EN23, G4-EN24) Compliance (G4-EN29) Environmental assessment of the suppliers (G4-EN32, G4-EN33) Other (sectoral) (CRE1, CRE2)	Average*	Average*	Average*	Average*

● [G4-12]

For most of these areas and companies, responsibility for a given aspect is not only direct but also indirect responsibility i.e. goes beyond the Budimex Group and substantially relates to suppliers and subcontractors. These aspects in the table below are marked with an asterisk (*). For example, corruption and unethical behaviour are always relative and relate to both sides. For this reason, in addition to measures

aimed at Budimex employees, clear messages to business partners are important. As the business model is based on the execution of construction work by external subcontractors, Budimex Group's responsibility in terms of the impact on the local biosphere, OHS or quality and accuracy of the performance expands, providing for safe use of premises. Hence, the growing importance of business partner monitoring in these dimensions of activity. Shifting



the burden of some of the work to a third party causes correspondingly that the greater part of consumption of raw materials, including fuel, also lies with that side. In the case of certain key raw materials such as steel, responsibility for its production, which affects the environment, lies entirely beyond the Group, including Mostostal Kraków, for which steel is the main material.

4 Conditions, occupational health and safety (OHS)



● [LA DMA, G4-LA5, CRE6]

For several years now, the Group has attached great importance to ensuring safe working conditions (OHS). Both in Budimex and Mostostal Kraków, i.e. in the companies where the majority of the capital group's workers are employed, the occupational health and safety management systems were implemented as a part of the integrated management systems: In Mostostal according to PN-N-18001 and in Budimex according to OHSAS 18001. In these companies there are health and safety committees composed of 6 persons. They consist of the representatives of employees and an employer. The Committees represent all employees (100%).

● [G4-LA7]

In 2012, the activities undertaken in previous years, aimed at improving health and safety at work, were continued. Safety contract management procedures have constantly improved to support construction managers in the effective elimination of hazards and threats. Modifications are aimed at, therefore, more effective OHS monitoring of subcontractors and consequently reducing the a number of accidents among workers not employed directly by Budimex. In the last year the health and safety division was significantly expanded, employing specialists, which will also support contract managers and improve the management system with this area.

The current training system goes significantly beyond legal requirements. Just to mention training for employees, which the company is obliged to carry out every three years but which it carries out annually. Similarly, training for executives, required every five years, is carried out every three years. As a rule, all persons executing a given contract, including employees of subcontractors, are trained in internal safety procedures. OHS coordinators of individual contracts also undergo additional training. This significant emphasis on training, including awareness of the probability of the accidental risk and the formation of good behaviour habits, helps to reduce risks associated with routine. The most common cause of accidents at work are routine and lack of imagination. Hence, we care for procedures and consistent

Budimex: subcontractor employee's life saved

In May 2013, at one of the sites run by Budimex, an employee of a subcontractor had a heart attack and after that, a cardiac arrest. Due to immediate resuscitation undertaken by the Budimex works manager, after a few minutes, the heart started to beat and the employee was taken to hospital.

monitoring of their compliance by all employees on the site – whether they are ours or external employees.

In 2011, each of the contract sites was equipped with the necessary equipment to save lives. In 2012, we conducted in-depth training in first aid. As a result, all the time, on each of the contract site there is a person who is qualified to undertake rescue operations and to provide necessary assistance.

In 2012, new working clothes were introduced at construction sites. These new clothes, thanks to their bold colours, make the employees more clearly visible, which reduces the risk of accidents. In contrast, the use of modern fabrics with much better functional properties (such as heat absorption, resistance to weather conditions) significantly increases the comfort of work.

● [G4-LA7]

Monitoring of harmful factors in workplace did not confirm the any exceeding threshold limit values of harmful and dangerous factors in 2012. In 2012, there were no reports of occupational diseases confirmed among employees. We would also like to present the activities carried out in relation to suppliers. Apart from the already mentioned training and detailed procedures aimed at effective and reliable health and safety monitoring of suppliers, in 2011 an important step was the development, with the leading participation of Budimex, of the Annex template to a standard contract with a subcontractor regarding health and safety. Such an attachment was created as part of the “Agreement for safety in the construction industry”, to which Budimex is a signatory and an active participant. As a result, the adopted solution, based on best practices and the experienc-

es of the Group, has become a certain standard which this major market player decided to adopt, as a kind of self-regulation, and which will enable civilizing a market practice which often leaves a lot to be desired. As part of the “Agreement for safety..” common standards for the preparation works (IBWR – Instructions for the Safe Execution of the Works) and training for people starting work on site were also developed and implemented. At the same time, Budimex is a partner which 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”.



● [SO DMA, SO1]

Another universal aspect of security is the issue of outsiders who may find themselves in the impact zone of an investment and may, potentially, be injured. Of course, all rules concerning the fencing and marking of the construction site are strictly observed, which reduces the likelihood that an unauthorized person can enter. 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 would like to “explore” the site unnoticed, unknowingly exposing themselves to great danger.

● [G4-LA14, G4-LA15, G4-LA16]

OHS and subcontractors

In 2012, 1471 contractors (100%) underwent pre-qualification regarding, for example, compliance with occupational health and safety (OHS). 2194 assessments summarising cooperation were also conducted; they contain, for example, elements related to occupational health and safety. A negative assessment may result in termination of the cooperation with a given subcontractor.

All employees of subcontractors working on Budimex construction sites undergo training in internal OHS procedures and are obliged to comply with them. Apart from a register of own employees’ accidents, Budimex also keeps a record of occupational accidents that occurred on construction sites among employees of subcontractors, whose Budimex is the main contractor. All of them are analysed in terms of



causes and circumstances in which they occurred, as well as responsibilities of supervisors. In 2012, there were 58 accidents by subcontractors’ employees, including, unfortunately, 4 fatalities and 6 serious accidents. Other accidents, according to the classification applicable in Poland, were considered light. In one case, a blatant violation of the principles of cooperation occurred between Budimex and a subcontractor. Namely, at the time of the accident the victim did not have a valid contract of employment with their employer.

Among cases reported to the Ethics Committee, no reports of OHS were recorded. However, current observation of the work of subcontractors, which is reflected in final assessments of the suppliers, led to the identification of 118 irregularities, of which 67 were related to occupational health and safety.

5

Reducing impacts on valuable natural areas

● [EN DMA]

Building activity of the Group may strongly affect the environment, particularly in the dimension of the local biosphere. In this context, 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 timber frame house from the offer of Budimex Danwood will be minimal. Similarly, there is a relatively small impact of Mostostal Kraków and Budimex Nieruchomości. 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. Management of environmental issues in Budimex SA is based on certified management system ISO 14001. In the case of specific construction projects, they are regulated by the procedure "Environmental management for contracts" (09-11), which aims to reduce the negative impact of constructions carried out by Budimex on the environment and which defines, therefore, the most likely environmental risks. Among the reported companies, also Mostostal Kraków implemented the certified ISO 14000 management systems.

Due to an increased involvement in issues related to environmental protection, the company enlarged the team dealing with environmental issues. Environmental coordinators are employed under individual contracts.

of science (including ornithologists, herpetologists, ichthyologists, entomologists, botanists, etc.). In 2012, we continued several projects in areas of high natural value, which are described in the final part of this chapter. Among new contracts, there was no direct, significant impact on protected areas due to their biodiversity. Budimex, as a contractor of ready projects, usually does not have direct 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 planting of trees and shrubs.

● [G4-EN32, G4-EN33, G4-EN34]

Ecology and subcontractors

In 2012, 1471 contractors (100%) underwent pre-qualification regarding, for example, compliance with environmental rules. 2194 assessments summarising cooperation were also conducted; they contain, for example, elements related to environmental protection.

Specific risks are associated with work of subcontractors on construction sites and a threat that their activity may contribute to losses in the local biosphere or, in extreme cases, to environmental contamination (e.g., contamination of soil and groundwater with petroleum substances, paints and solvents) or fire. Therefore, it is extremely important to respect their procedures, have

relevant experience and fully functional equipment. Subcontractors (100%) entering construction sites receive appropriate training in applicable procedures in the field of environmental protection, including rules of conduct in the event of failure. Contractors' equipment (in relation to e.g. the issue of leakage of fuel) is assessed to check its technical efficiency. Among cases reported to the Ethics Committee, no reports regarding environment were recorded. There were no significant incidents related to suppliers and subcontractors. However, current observation of the work of subcontractors, which is reflected in final assessments of the suppliers, led to the identification of 118 irregularities, of which 71 were related to environmental protection.

The employees, and in particular construction managers, undergo training in the field of environmental protection. In 2011 almost 1000 people took part in such training. In 2012, another 100 people were trained.

● [G4-EN11, G4-EN12, G4-EN27]

A mandatory environment impact report is prepared for ongoing and planned investments which may potentially affect 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 external specialists in various fields

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 a rapidly exposed forest wall. An adequate drainage system, which will protect 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 bird collisions. In 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.

● [G4-EN11, G4-EN13]

Budimex SA: Construction of a bridge over the Vistula River near Kwidzyn (DK 90)

Construction of a bridge over the Vistula, completed after the date of this report, i.e. in 2013, was associated with certain environmental costs, especially as a result of work carried out in the riverbed, which meant the loss in habitats of fish and lampreys. The investment related to the intersection of the Area of Special Protection of Birds „Valley of the Lower Vistula” (PLB040003) and the Refuge „Lower Vistula” (PLH220033) as well as Vistula Protected Landscape Area and the Protected Landscape Area of the Kwidzyn Valley. A short distance away are also following nature reserves: „Opalenie Dolne”, „Opalenie Górne”, „Wiosło Duże”, and „Wiosło Małe”. As a result of the investment, the following habitats were partially occupied: extensively used hay meadows, lowland riverside herbs and flooded muddy river banks. In the area in which the investment was carried out, there were valuable species, including:

- **protected species of plants:** *Pulsatilla patens*, *Thesium ebracteatum* Hayne and *Cypripedium calceolus*,

- **Protected species of animals:** otter, beaver, Northern crested newt, fire-bellied toad, goat, loach, bitterling, Atlantic salmon, asp, European river lamprey, hermit beetle,
- **protected birds:** common merganser, common shelduck, little tern, common tern, kingfisher, oystercatcher, corncrake, Mediterranean gull, little ringed plover, bald eagle, common goldeneye, smew, red-backed shrike.

The action plan envisaged both minimizing impacts on existing habitats and compensating for the loss of nesting habitat of terns – for that purpose replacement habitats on two barges anchored in the river have been designed. Experts reckon that within 2-3 years the natural regeneration of habitats of fish and lampreys species should take place.

The investment led, unfortunately, to irreversible destruction of the territories occupied for road purposes as well as of places and surfaces occupied for drainage facility purposes. As a result of construction works the area of agricultural crops decreased as well. A total area occupied amounting to approximately 715 hectares.

● [CRE5]

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 can, in fact, be 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 minimizes deforestation. Regardless, valuable trees located in the impact zone of the construction site, must be 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 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/material storage, etc.) are protected against contamination of groundwater, by applying a system to collect polluted rainwater.

Because part of the vegetation, located directly below the planned route, will be irrevocably destroyed, compensatory planting is carried out. For inventoried habitats of valuable plants, which would be destroyed by the

constructed route, metaplantation is carried out, i.e. the plants are carried to new places. When a small water reservoir (pond) is to be filled in (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. For certain contracts, running through valuable natural areas, sometimes

● [G4-EN11, G4-EN13]

Budimex SA: modernization of the railway section which is covered by the area of the Local Steering Centre based in Hława

The investment crosses NATURA 2000 a special area of conservation of habitats, Drwęca Valley (PLH280001). Mainly habitats of Annex I of the Habitats Directive are protected there. Drwęca Valley is also an important area for fish species listed in Annex II of the Habitats Directive. The modernized E 65 railway line runs also through the Protected Landscape Area of the Dolna Drwęca Valley – between Łązek and Hława, through the Protected Landscape Area of the Liwa River – between the village of Susz and the border of Warmia and Mazury, and also near Hława Lake District Landscape Park and Hławskie Lakeland Protected Landscape Area, Wel River Valley (PLH280015) special area of conservation of habitats, Hławskie Forests

(PLB280005) special bird protection area, and Lake Karas (PLH280003) special area of conservation of habitats.

However, as a result of modernization work, the degree of risk for migrating animals, both for food and during seasonal migrations, does not increase in relation to the normal line operation. Moreover, the modernization involves, inter alia, an adjustment of culverts and bridges for animal crossings, installation of acoustic wildlife scare devices and reflectors, as well as protective fences. The modernisation is also aimed at improving water and wastewater management and reduction of noise and vibration. The project should be completed by the end of 2013.

as many as seven different experts (including an ornithologist, ichthyologist, herpetologist, entomologist, and botanist) were used. 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. The point is that implementation of investment projects should not result in introduction of invasive species, pests, and pathogens to the biosphere.

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 draught, 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 vehicles and the use of tarpaulins or simply reducing speed within the site and in the surrounding area.

The 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 often exceed the regulatory minimum. The monitoring (nature

control) of the impact zone and its habitats is conducted during the implementation of the 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.

●● [G4-14, G4-EN24, G4-EN29]
Construction sites and particular investments are well 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 ('ecology kit'). Furthermore, any contamination is treated as threatening to the environment, until its type and source is determined. In addition, site managers undergo specialized training related to nature conservation, including dealing with emergencies.



● [G4-EN11, G4-EN13]

Budimex SA: Świdnik terminal

Completed at the end of 2012, the extension of the Lublin regional airport (Port Lotniczy Lublin S.A.) in Świdnik, carried out by Budimex, has directly entered the special area of habitat conservation: NATURA 2000 „Świdnik” (PLH 060021) which was designated in relation to the occurrence of the speckled ground squirrel in this area. This colony is one of artificial origin. It was created as a result of the introduction of individuals from another area. The main importance of the colony in Świdnik is to maintain a reserve for future animal resettlement and create new colonies within its natural range.

The project was implemented in such part of the airport, which by the nature of its land development (high herbaceous vegetation, bushes and foliage, land inequality, and construction waste) has never been inhabited by ground squirrels. 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.

● [G4-EN11, G4-EN13]

Budimex SA: Design and construction of Jarosław – Radymno A-4 Motorway (section 2)

Completed by the end of July 2012, the investment neither intersected nor was adjacent to any areas under protection, but it was only routed at a considerable distance from „San River” (PLH 180007) NATURA 2000 area which, according to experts, effectively limited the potential negative impact on the natural environment.

The motorway cut local animal migration paths and protective forests.

The investment irreversibly also occupied some animal habitats. Although the construction has caused permanent occupation of housing and feeding of the animal species, the direct destruction of their breeding positions has not occurred. In order to minimize the barrier effect of the motorway on the animals, appropriate transitions and passages for animals on intersections of migration paths were designed.



In 2012, there were neither accidents nor major incidents which would result in significant contamination of water or soil. Furthermore, there were no penalties for violation of environmental regulations.

● [G4-EN23]

One of the key aspects that may adversely affect the local biosphere, is the waste generated in the construction site. These are mainly typically construction waste, including earth and rubble as well as waste from repair and demolition of buildings and road infrastructure. In addition, there are site offices and laboratories on construction sites. Waste is produced in the latter and may contain residues of hazardous substances.

As a whole, the volume of waste in particular categories depends very strongly on the number of contracts and their progress (stage). It is also worth mentioning that the amount of waste often does not depend on the company itself, but on the specific nature of a contract. The greatest category of waste consists of various kinds of brick and concrete rubble, often mixed with other materials originating from the demolition of buildings and infrastructure facilities, which have to be removed so that an investment can be implemented. This is also the case of hazardous waste containing asbestos, also coming from demolished buildings which had, for example, an asbestos tile roofing. Removal of dangerous asbestos properly illustrates stages of work; in 2011, it was the most frequent item among the hazardous

waste reported by Budimex (76.0 tons), while in 2012 there was almost no waste of this type (3.3 tons). The first place was taken by tar-containing asphalt, which is considered dangerous and requires special treatment (1,111 tons). 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. As a result, there is no risk to people and the local biosphere.

● [G4-EN11, G4-EN13]

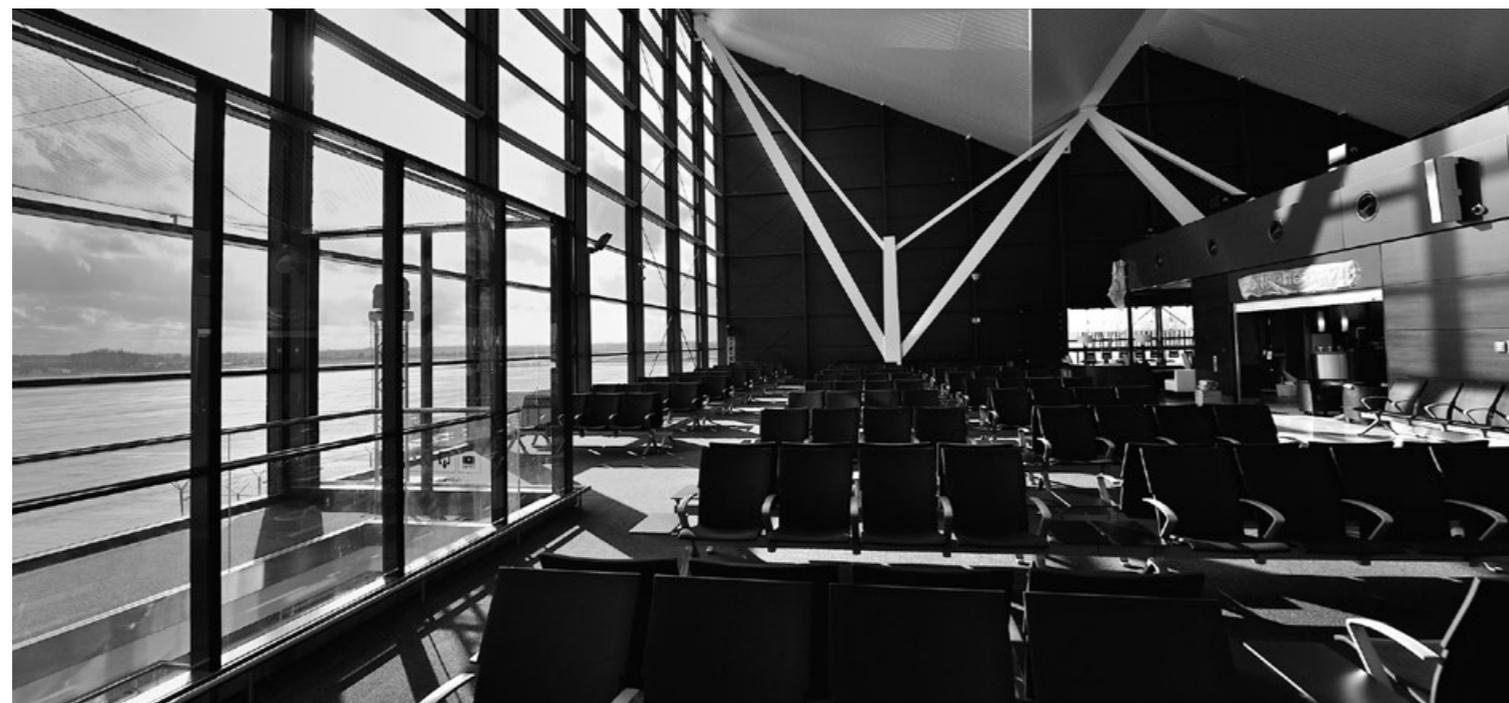
Budimex SA: reconstruction of the voivodeship road No. 109 on the Mrzeżyno – Trzebiatów section

Completed in August 2012, the investment was located in the NATURA 2000 area: PLH 320017 „Trzebiatów-Kołobrzeg Sea Band” habitation refuge and PLB 320010 „Trzebiatów Coast” birds refuge as well as in the vicinity of the NATURA 2000 area – „Rega River Basin” (PLH 320049) Special Conservation Area. However, in the opinion of experts the investment did not adversely affect the aforementioned areas and in particular, purposes of their protection. This results from implementing the project, consisting of the reconstruction of the existing road, in which range there were no habitats, plants or animal species listed in Attachments I and II of the Habitats Directive.

Soil, earth, stone, and all excavated material generated during excavations are specific wastes, whose total volume is annually by far the largest. Earth removed is 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 value².

Execution of contracts, especially the road contracts which result in intersecting 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 in the lane of a future road, they should always be

avoided. This also applies, on a smaller scale, to industrial and residential construction. In practice, because of economic attractiveness, wood is usually managed by the investor who commissioned the execution of works by the Budimex Group. The tasks of contractor 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 chipping process, i.e. clear-cutting by special machines, also makes them a valuable gardening material.



In conclusion, less than 0.05% of the waste produced by the company is considered dangerous (if we exclude the amount of soil, earth and dredge spoil from excavations, this percentage is less than 1.1%) More than 68% of the waste is transferred to individuals for re-use within an applicable law. Other waste is transferred to companies with appropriate permissions to manage a particular type of waste.

Detailed information on the amount of waste can be found in the tables at the end of the report.

Due to this ambiguity, earth was separated from waste in this year's report, because its volume decidedly dominated the entire list, accounting for above 96% of the volume of waste.





Compensating communities for nuisance

● [SO DMA, G4-SO1, G4-SO2]

Our investments, especially in infrastructure, have tangible socio-economic benefits, especially for local communities. Although much is said about the importance of road and rail infrastructure for the national economy, the perspective of a particular municipality or municipalities allows us to see how great value such investments bring into their lives; as sometimes they create for them new opportunities and possibilities. Over the years we have contributed directly to the creation of hundreds of kilometers of roads,

many bridges, industrial facilities, as well as theatres, concert halls and hospitals.

However, the same investments in the implementation phase, in addition to valuable jobs and orders for local entrepreneurs, cause drawbacks as well. The potential impact on neighbouring areas of investment is also a matter of analysis at the stage of issuing relevant administrative decisions authorizing the commencement of work. Administrative processes are transparent and representatives of local communities are considered a party to the administrative proceedings. During the implementation phase, actions are undertaken to reduce the nuisance of investment for residents, for example by access roads and construction sites. Building materials including thousands of tons

of soil, aggregates, concrete or bitumen must be provided to the construction site, which means increased traffic and noise. The most frequent issue is the change of road markings and traffic jams, which impede the daily lives of residents. 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.

● [G4-SO9, G4-SO10]

Ecology and subcontractors

In 2012, 1471 subcontractors (100%) underwent pre-qualification regarding, inter alia, elements of the assessment in terms of technical capacity, meeting the quality requirements, occupational health and safety, respect for workers' rights and environmental protection. Although, among the criteria an aspect of the impact on the local community is not defined explicitly, it is included in other activities.

Minimizing disturbance to the local community is directly related to the compliance with fixed hours of work and moving only on designated access roads, and this, in turn, is associated with the fulfillment of the quality requirements and compliance with employment laws. Noise irritating people or dust from the construction site is nothing but

a violation of the principles relating to the environmental protection. Examples could be multiplied, but all these aspects are an element of the assessment of subcontractors, who may directly cause resident disturbances. These issues are assessed during both the pre-qualification and final evaluations.

All incidents and complaints of residents are reported directly to contract managers. This allows us to immediately diagnose the problem and undertake corrective actions. No direct indication of the category of impact on the local community in qualification polls and surveys summarising cooperation causes that possible violations are recorded statistically in other categories.

Budimex SA: Domofon ICE

„Domofon ICE” is implemented in schools located in the vicinity of the road investments of Budimex. By 2012, the program had been attended by students from 69 primary schools, including: Nowogard, Żabowo, Skołoszów, Jankowice, Pawłosiów, Kidałowice, Mrągowo, Krzywa, Piaski, Łysakowo, Strykowo, Bratoszewice, Pruszków, Skroniów, Potok Wielki and Kwidzyn. The program aims to 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 receive mobile phone-shaped cards together with a fluorescent holder that may 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 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.

In 2012, the official galas of „Domofon ICE” were held in a few schools submitted to the program. At the end of 2012, the program already covered in total approximately 8500 children, compared to 5100 the year before. Moreover, both the number of schools and children covered by the program and the awareness of children and parents increase. Ongoing monitoring shows that in 2012, 74.2% of students wore a reflecting

card every day, compared to 66% a year before. Surveyed teachers rated the program consistently high as well.

Budimex for several years has been trying to promote among the youngest how habits are important, which is evidenced by the fact that in June 2013, Members of Parliament decided to adopt the amendment to the Polish Act on Road Traffic. The new rules introduce an obligation to use reflective elements for all pedestrians after dark, on roads outside of built-up area.

More on:
www.domofonice.pl

We do a lot to reduce the nuisance, but we are not able to completely eliminate it. Therefore, we feel compelled to compensate in a different way for the disadvantages to the community to which they relate. Therefore, we initiate and implement social activities.

We consider our long-term beneficiaries to be mainly communities in the vicinity of which we carry out investments. In some cases these are large cities, while in other cases they are small villages. At present, we implement two parallel social programs, which are addressed to children. The first one, „Domofon ICE”, has been implemented since 2010. The second one, „Strefa Rodzica” (Parent Zone), was started in 2012.



Although, these two programs constitute the core of our social activities, we try to help where emergency assistance is needed, where possible. Last year for all kinds of donations the Group dedicated more than PLN 1.4 million.

Budimex Academy is another dimension of Budimex social activity. Not only is it to compensate specific communities nuisance of construction work, but also is a social investment of the Group and helps to provide young, well-educated engineers to the whole construction industry. It 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. At the same time the annual Summer Internship Program is conducted, addressed mainly to students of technical universities. On the other hand, the Scholarship Program is to establish cooperation with top students who undertook apprenticeships in Budimex, completing the fourth year of study, and who would like to work for the Budimex Group. Its scholars throughout the academic year (i.e. the last year of their studies), receive a monthly

scholarship, and after graduation have employment guaranteed. Promoting the best students of technical faculties also includes the "Build your future" competition. It is the competition for the best and most interesting master's thesis, addressed to students in their final year of full-time Civil Engineering, Communication and Environmental Engineering of the Technical University of Warsaw, Kraków, Poznań, West Pomeranian University of Technology and University of Warmia and Mazury in Poland.



Budimex SA: Parent Zone

The main aim of the Budimex SA „Parent Zone” social programme is to provide parents of ill children with more comfortable conditions while staying with them in hospital, and thus improving the well being of the children and facilitating their quicker recovery. Although the program was launched at the turn of 2012 and 2013, in the Department of Surgery and Traumatology at the Prof. Antoni Gębala Children’s Hospital of Lublin, Poland’s first Parent Zone was established at the beginning of January.

Children in hospitals suffer not only because of their illnesses. They also experience fear connected with their stay in an environment which is strange and often incomprehensible to them. The constant presence of their parents gives them a feeling of security and helps relieve the stress. Sometimes

simply having a hand held, or a cuddle with someone close, such as a mum or dad, can calm the child and cheer him or her up. Many studies have confirmed that children recover more quickly in the presence of their parents. According to studies conducted at Trinity College University, hospitalisation of the youngest patients can be reduced by as much as 31% when they are in the constant presence of their parents. The main idea behind the „Parent Zone” programme is creating suitable conditions in hospitals, to allow parents to accompany their children. The project also has a broader, educational nature – it promotes emotional benefits and treatment process support, resulting from the parents’ participation in the care of their ill child.

The project includes the creation of special, separate parent zones in Polish hospital wards. Depending on the needs and conditions in individual hospitals, this can mean refurbishing

an unused space or part of a corridor, equipping it with an appropriate number of foldaway beds or sanitary devices, and organising a place to rest and play with the children.

„Parent Zone” also involves the personal engagement of the employees of Budimex SA, who volunteer to outfit renovated spaces, help in the assembly and placing of furniture, and do small finishing works. The actress Agnieszka Grochowska is an Honorary Ambassador of the program.

More on:

www.strefarodzica.budimex.pl

6

Prevention of unethical behaviour

● [SO DMA]
When thinking about unethical behaviour, we most often consider the potential risk of bribery and corruption. It is natural, because these phenomena are the most painful for the economy. When bribes begin to make decisions in the market, the company loses and its investors lose as well. However, corruption and bribery are part of a wider phenomenon, related to values, ethics and integrity in business. When people act based on ethical values, the threat of misconduct is much smaller. There is a reason that ethical action is so strongly reflected in the Mission of the Budimex Group.
As it was mentioned earlier, 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. On the one hand, it is about putting the investment into use on time, on the

other in keeping the terms of payment against suppliers and subcontractors, which is a hallmark of the Budimex Group, in the difficult construction industry.

● [HR DMA, G4-HR1, G4-HR10, G4-HR11, G4-HR12]
Relations with counterparties are two-sided. Therefore, in exchange for its honesty, Budimex also expects honesty from its partners. 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.

Assuming that a new supplier is considered to be an entity which is chosen for the first time from the purchasing table as a counterparty, they are always assessed on the basis of pre-qualifying questionnaire. The questionnaire consists of a supplier's declaration of compliance with applicable regulations in such areas as: labour law, OHS and environmental protection. The condition for supplier's pre-qualification is the approval of the declaration. Thus, all key suppliers (100%) were subjected to the evaluation (pre-qualification). At the end of the cooperation they were also subjected to the final evaluation. The evaluations do not only apply to key suppliers. In 2012, a total of 27 framework agreements were concluded, 21 of which have been supplemented by an additional ethical attachment (78%).

Taking into account all subcontractors, not just the most important ones, increasing numbers of pre-qualifications (pre-qualifying questionnaires) and final evaluations are made with each passing year:

	2010	2011	2012
Number of qualifying questionnaires	400	1191	1471
Number of final evaluations	800	2033	2194



In the evaluations carried out in 2012, 118 irregularities were found (the same number as the year before). At the same time assessments containing elements of OHS and environmental protection accounted for 68.9% of all final evaluations conducted in 2012.

● [G4-SO3]
A risk map annually updated identifies risks including risks associated with unethical behaviour and the threat of fraud. All contracts (100%) are constantly monitored for proper implementation, including the risk of corruption. Monitoring of the progress of the selected contract works was made on a monthly, bi-weekly or even weekly basis. In addition, direct inspections of selected sites are carried out randomly by the Office of Internal Control.

During each routine inspection, employees of the Office of Internal Control touch upon the aspects of ethical behaviour – within the organization and in regards to business relations. In 2012, a total of 42 comprehensive reports of audits performed were developed, including follow-up recommendations whose implementation will contribute to lowering the operational risk. In 2012, during construction site audits the most frequent twelve irregularities were identified which could generate a potential risk to the organization, including the risk of fraud. Based on these irregularities the followed up recommendations were developed.

● [G4-SO4]

Budimex Executives participate in special training concerning issues of ethics in business operations and their impact on building relations with different groups of stakeholders. They also relate to the subject of corruption, attempts of corruption and intimidation, and safety. In 2012, 57 people attended the training: directors of the production and contract managers (i.e. 1.9% of all employees).

●● [G4-56]

Integrated management system, in the procedure of "Protecting the interests of Budimex Group" (05-08) defines a set of rules for dealing with suspected acts or omissions of an abuse, including allegations of corruption. Proceedings resulting from the procedure are coordinated by the Office of Internal Audit supervised by the CEO. Provisions that strongly condemn any form of corruption are also found in the Ethics Code of Budimex Group, which applies to all companies covered by this report. The Ethics Committee, which monitors the compliance of applicable provisions with the Code of Ethics, comprise:

- Member of the Management Board, Human Resources Manager,
- Member of the Management Board, Chief Legal Officer,
- Director of the Office of Internal Audit.

● [G4-SO4, G4-SO5]

According to a report on the activities of the Ethics Committee, which was submitted to the Audit Committee of the Supervisory Board of Budimex SA, in 2012 the Committee examined 10 reported cases. They concerned: an explanation of the rules for calculating bonuses in three contracts, irregularities observed on the site concerning the management of construction materials and suspected actions

by subcontractors which could be regarded as an attempt to corrupt contract managers. All cases reported to the Ethics Committee were reviewed by employees of the Office of Internal Control, or by employees of the Human Resources Management Division. Following the inspection of each report, written information was prepared along with recommendations for appropriate organizational units or guidelines for further action. In 2012, no case of corruption was reported to the law enforcement authorities.

Based on the recommendation of the Ethics Committee, in 2012 provisions of procedure 18-03: "Rules for participation in sponsored events and other activities related conflict of interest" were amended. In addition, instruction 18-03-01 "Rules of conduct in case of making an offer to accept material benefits or attempting to intimidate employees" was drawn up and attached to procedure 18-03. Changes in the procedure and provisions of the instruction with examples were discussed during a meeting of TOP200 managers. In addition, standard contracts used by Budimex include provisions guaranteeing the right to terminate the contract in the case of attempted corruption.

● [G4-HR3, G4-HR10, G4-HR11, G4-HR12]

The same Code of Ethics clearly condemns all forms of discrimination. In the chapter "Areas of Special Observance of Ethical Values", Budimex states that it "does not tolerate discrimination and the 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 levels 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, which monitors the compliance of applicable standards of professional ethics with the Code of Ethics, is to ensure that the provisions of the Code are respected. 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 also submitted to the Supervisory Board. Among the problems

Budimex SA Budimex Nieruchomości Mostostal Kraków Budimex Danwood

● [G4-HR3] Total number of reported cases of discrimination and actions taken in this regard	None	None	None	None
● [G4-HR4] Identified activities that could pose a threat to the freedom of association and the right to collective disputes	None	None	None	None
● [G4-HR5] Identified incidents of use of child labour	None	None	None	None
● [G4-HR6] Identified incidents of use of forced and compulsory labour	None	None	None	None

reported to the Committee in 2012 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.

In 2012, in total 50.44% of employees were provided with training, which takes into account procedures governing the observance of human rights relevant to operations. The total number of training hours amounted to 10,928.

●● [G4-SO6, G4-HR3, G4-HR4, G4-HR5, G4-HR6]

At the same time Budimex does not employ children, as declared in chapter XIV of the Work Regulations. No case of compulsory labour or child labour were noted in the Budimex Group or the reviewed counterparties in 2012. These aspects, such as a matter of freedom of association and the avoidance of all forms of discrimination, are defined in a standard ethical annex to contracts and constitute their integral part. None of the companies of Budimex Group financed political parties.

Quality and safety of construction sites

● [PR DMA, G4-PR1]

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, for example, the quality management of asphalt and other mixes. They determine very precisely the responsibility of individuals, including technicians and laboratory (as well as 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. Such a system allows the organization to learn and not to repeat its mistakes. The observed anomalies and irregularities are analysed and, based on them, solutions are developed that will avoid unwanted situations. In this way, Budimex has been building competences over the years. Budimex builds trust among customers and subcontractors as well. The former can rely on timely and reliable execution of a contract; the latter – on the timely and due settlement of financial liabilities. In turn, reliable and timely fulfillment of obligations by the company for its investors and creditors, means predicta-

bility and stability, and ultimately investment credibility. With this approach, Budimex has strengthened its leadership position in the industry during difficult times.

Efficient and effective management systems mean, however, much more than leadership in difficult times or lower warranty repair costs, and possible contractual penalties, so important from the investors and creditors' points of view. The quality of workmanship in the construction industry is first of all a guarantee of built facility safety, i.e. a guarantee of safety for all of us, for everyday use.

● [G4-PR2]

In the first ranking of contractors in terms of quality of works carried out in 2011, Budimex was one of the leaders. The ranking was created on the basis of 60 tests conducted by the road research laboratories of GDDKiA, with regard to 129 contracts, 20 of which were executed by Budimex itself. In comparison to the previous ranking, in 2012 Budimex improved its performance. The relatively low percentage of samples challenged by GDDKiA (12.6%) decreased in relation to 2011 by more than 20%. It should be noted that, due to the large scale of the company, 7660 samples of the e than 44,000 samples checked came from Budimex, while for some competitors it was little more than 150. Most important, however, is that the company is not only able to achieve better performance than well-known and respected international companies, but still it has the potential to improve its performance.

● [G4-PR1]

Speaking of quality, we cannot forget that safety is affected by several other factors. Obviously, the quality of workmanship or materials used is crucial. Speaking of the safety of users, one should consider the different stages of life of a product – a motorway, flyover, bridge, building, or even 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. Although the role of the Group's companies is often limited to the mere execution, especially in the case of the infrastructure, the work of designers is extremely important for the Group. Budimex Technical Department also acts as a 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 the safety of the facility under construction.

At the stage of execution, Budimex mobile laboratories take care of the use of materials and raw materials to ensure that they comply with the project requirements and workmanship accuracy. They take samples from already constructed sections of roads and analyse their compliance with the standards. The company has a certificate of factory production control of mineral-asphalt mixes, issued by the Research Institute of Roads and Bridges. As mentioned at the beginning, 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.

Mostostal Kraków, for instance, due to the nature of its activities, has numerous certificates and permits for manufacturing, assembly and repairs to 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 the NATO AQAP 2110 standard.

In the case of Budimex Danwood, the RAL mark of quality, 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 to offer a 30-year warranty on the construction elements of a house.

Budimex Nieruchomości has received the Certificate of Developer for over 10 years, awarded by the Polish Association of Construction Employers. The certificate is awarded to companies which are considered as credible and reliable partners by the independent experts composing the panel of the Certificate of Developer. The best measure of the reliability of Budimex Nieruchomości is that although the company has built and made available several thousand apartments, it has never exceeded a deadline. This is a rare quality on the Polish developer market.

● [G4-PR2]

All of these certificates, management systems, procedures and the daily efforts of many people allow us to maintain the highest quality and accuracy. The Budimex Group means a professional, experienced team with unique skills and responsible people, allowing us to provide safe premises. The best proof of this is the absence of incidents, not to mention construction disasters, for any of the facilities built by the Budimex Group. Another proof consists of the numerous awards.

**Mostostal Kraków SA:
„Innovative measures and effective methods of improving the safety and durability of buildings and transport infrastructure in the strategy of sustainable development” – a research project in collaboration with the Kraków University of Technology**

Mostostal Kraków SA with the Kraków University of Technology in Kraków took part in the project: „Innovative measures and effective methods of improving the safety and durability of buildings and transport infrastructure in the strategy of sustainable development” co-financed by the European Union from the European Social Fund under the supervision of the Ministry of Science and Higher Education.

Kraków University of Technology in Kraków Research Group has developed, using statistical methods, the work of geometric imperfections of steel frames, using the extensive data

collected by Mostostal Kraków. The study included statistic data on angle inclines of skeletal poles in 33 halls, assembled over a period of 20 years. For this purpose, the impressive total of 1718 measurements were made.

The results demonstrated the high quality of assembly work. The poles of all the halls, assembled outside the mining damage area, meet the stringent PN EN 1090-2 standard. We are proud of the support of Kraków University of Technology in Kraków in its scientific research and results, testifying the full professionalism of Mostostal Kraków SA in the works it has carried out over two decades.

The results documented in a scientific, honest way guarantee the excellent quality of work done by Mostostal Kraków for future investors.



Awards in 2012

- Golden Laurel for Innovation in the construction category for the World Hearing Centre in Kajetany, designed by the Archimed design office and constructed by Budimex
- Eurobuild Awards 2012 for the Central Railway Station in Wrocław – the prize was awarded in the category of the RICS Regeneration Award, which applies to renovation. Both commercial and non-commercial buildings were eligible for the competition.
- Budimex among the best in Perfect Employer 2012 Ranking – Budimex ranked third in the Universum Student Survey 2012
- Budimex CSR Report distinguished in the Social Reports 2012 competition

organised by the editorial team of the “Polish Market” weekly in collaboration with the Polish Academy of Sciences

- Budimex: 2011 Employer of the Year in the Construction Industry
- Opole Amphitheatre named Master of Architecture
- Budimex projects awarded in the Construction of the Year contest – During the 22nd edition of the Construction of the Year contest, all completed projects of Budimex which have been submitted to the jury won awards: three first prizes, three second prizes and three third prizes
- The CEO, Dariusz Blocher, also received the “Manager Award 2012”
- In Newsweek’s ranking of 100 Most Valuable Companies in Poland, Budimex came first in the construction sector. In the general ranking that includes companies of
- Lublin Żłote Kielnie – two Lublin projects by Budimex were awarded in the 10th edition of the Żłota Kielnia contest: in the Public Utility Buildings category – a commercial building with a kindergarten, clinic and pharmacy, in the Słoneczny Dom housing estate at ul. Woronieckiego in Lublin, and in the Office Buildings category – the Tax Chamber building in Lublin
- Budimex was awarded and was ranked as one of the best public companies reporting ESG (environmental, social and governance) data – the project “ESG Analysis of companies in Poland” was organized by the Polish Association of Listed Companies, GES and the Accreo Taxand consulting firm
- Two projects completed by Budimex – the Karczemki junction in Gdańsk and the T2 passenger terminal at the Rębiechowo airport – were awarded in the Skrzydła Trójmiasta (Wings of the Tri-City) competition. The winners were chosen by Tri-City residents
- Budimex was awarded in the Great Pearls category at the 10th jubilee of the “Perły Polskiej Gospodarki” competition,



different sectors, the Company ranked 30th

- Budimex was awarded the Business Superbrand 2012 title
- Budimex was listed in the ECPI Poland ESG Leaders index
- The “Building Company of the Year 2011” award in the General Contractor category and a special distinction – “Personality of the Sector” for Dariusz Blocher, the President of the Management Board, for effective management of the company and its market successes in 2011

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Rational use of resources and environmental pollution

● [EN DMA]

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. A demand for specific materials and raw materials is highly variable, depending on the stage of the given construction site. Investments are most frequently multiannual. When analysing the dynamics, we should be aware of that volatility. Furthermore, 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, many materials classified as waste (concrete and brick rubble from the demolition of existing buildings, vegetation and soil) can appear at the initial stage. Later the raw materials for the construction of foundation, or embankments, will be used, as well as the concrete and reinforcing steel neces-

sary 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 later 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. As a result, the analysis of the effectiveness of the demand for materials, raw materials, fuel and energy conducted on an annual basis and recognized as revenue in the case of construction is extremely misleading and unreliable.

Materials and raw materials

The value engineering process implemented in Budimex is used to manage the effective use of materials and raw materials. It allows for the optimisation of the use of materials and for reducing the amount of waste produced, thereby reducing the negative impact on the environment³. 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, and wood.

●● [G4-EN1, G4-EN2, G4-EN23, CRE8]

Only wood, which is a key material for Budimex Danwood, is a renewable resource. Other materials are non-renewable raw materials. For almost all of the major raw materials, it is difficult to talk about recycling. 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. During demolition work conducted nowadays, Budimex recycles a lot of material from previously built premises (e.g. steel, scrap iron and aluminium). Various types of debris or rubble, for example, are also recycled. For example, among segregated waste, in 2012 Budimex managed to extract as many as 12.3 tons of aluminium, 155 tons of iron and steel, 0.2 tons of lead and nearly 5 tons of other metals. They are valuable economic resources. They can be recycled and reused. Although the

life cycle of each building is long, in the case of road infrastructure, the bituminous surface is changed relatively often – during periodic repairs. It is usually milled and re-used.

Wood is the only renewable raw material among the 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. Such wood is purchased on the local market, i.e. in the case of Budimex Danwood – on the German market. Wood used for constructions in Poland comes from native forests; and the National Forests are, in most cases, also FSC certified.

Wherever possible, Budimex seeks to reuse 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. Such a form of using by-products of mining, power engineering or metallurgy is 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 better management of the raw material, which was previously stored as waste in heaps and which disturbed the local landscape. The condition for the use of raw materials, such as waste products from mining, metallurgy and energy production, is their availability in the immediate vicinity of contract sites. They were widely used in 2011, whereas in 2012 due to the completion of work

on construction sites, they were not required. Detailed information on the consumption of key raw materials, and economic utilization of by-products of other industries, can be found in “Tables and data”.

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Detailed information on the consumption of key raw materials can be found in “Tables and data”

● [G4-EN6]

Budimex SA: promoting environmentally friendly behaviour among the employees

Among the initiatives aimed to promote greater environmental responsibility, taken by Budimex in 2011 and continued in 2012, 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 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.

● [G4-EN6, G4-EN19]

Budimex SA: replacement of the car fleet for more economical one

In 2012, the replacement process of vehicles for more efficient models was continued. Although it concerned only 68 vehicles, as compared to 227 a year earlier, according to estimates based on assumptions about an average mileage, savings amounted to more than 61 thousand litres of fuel.

Fuel, energy and CO₂ emissions

● [EN-DMA, G4-EN3, G4-EN5]

Taking into consideration the operating costs of the business, and also any negative environmental impact, an effective management of the level of consumption of fuel and energy is vital. It forms part of an overall environmental management system that complies with ISO 14001. The nature of the business makes the complete elimination impossible, and even hinders the significant reduction of demand for fuels and energy (e.g. associated with the bitumen

production process or operation of vehicles and construction machinery). However, Budimex has been for many years reducing the demand for fuel in processes supporting basic operations in an orderly manner. Energy savings in offices are emphasised and a fleet of cars and vehicles is replaced for more economical, smaller capacity engines that meet stringent quality exhaust standards.

It is extremely difficult to draw conclusions from comparisons concerning different periods. While in 2011 the overall rate of growth in energy consumption from all sources was slightly lower (+19.7%) than revenue growth (+26.4%), then in 2012 the trend reversed: an increase in revenue of 10.4% was accompanied by an increase in energy demand of 22.7%. Thus, in 2012, one Polish zloty of revenue fell on energy consumption at the level of 0.1187

MJ, while in 2011 it was 0.1068 MJ respectively. These changes were obviously reflected in carbon dioxide emissions, which increased last year by 22.9%. This means 11.1 kg of CO₂ for every zloty of revenue, as compared to 10.0 kg of CO₂ a year earlier (an increase of 11.3%) The fact that an increase in emissions is greater than the demand for energy, can be explained by the large changes in the structure of demand for energy from various sources. The structure of fuel and energy consumption itself best explains reasons for the observed changes. Their source is a significant increase in demand for heavy fuel oil with low sulphur content (56.3%) and electricity (+26.5%). At the same time, the demand for light fuel oil (-49.9%) apparently decreased. Thus, the observed changes should not be construed as a reduction in operating



● [G4-EN7, G4-EN27]

[G4-EN7, G4-EN27] Sustainable development in practice – Budimex Danwood Sp. z o.o.: designing eco-friendly houses

The Budimex Group does on the one hand consumes energy, but on the other hand, 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.



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Tables and data

● [G4-17]

Subsidiaries and jointly controlled entities consolidated in Budimex financial statements

Subsidiaries and jointly controlled entities consolidated in Budimex financial statements	Registered office:	Consolidation method in financial statements	Budimex Group's companies included in the corporate social responsibility report
Mostostal Kraków SA	Kraków Poland	Full	Yes
Budimex Danwood Sp. z o.o.	Bielsk Podlaski Poland	Full	Yes
Budimex Bau GmbH	Cologne Germany	Full	No
Budimex Nieruchomości Sp. z o.o.	Warszawa Poland	Full	Yes
Budimex Budownictwo Sp. z o.o.	Warsaw Poland	Full	No
Przedsiębiorstwo Napraw Infrastruktury Sp. z o.o. w upadłości układowej	Warsaw Poland	Full	No
SPV-BN 1 Sp. z o.o.	Warsaw Poland	Full	No
SPV-BN 2 Sp. z o.o.	Warsaw Poland	Full	No
Budimex SA Ferrovia Agroman SA s.c.	Warsaw Poland	Pro-Rata	No
Budimex SA Sygnity SA Sp. j.	Warsaw Poland	Pro-Rata	No
Budimex SA Ferrovia Agroman SA Sp. j.	Warsaw Poland	Pro-Rata	No
Tecpresa - Techniki Sprężania i Usługi Dodatkowe Sp. z o.o.	Warsaw Poland	Pro-Rata	No

● [G4-EC1]

Generated economic value (in PLN thousand)

	2011	2012	Change (%)
Directly generated economic value	5,601,350	6,185,592	10.4%
Income	5,601,350	6,185,592	10.4%
Divided economic value	5,556,464	6,120,324	10.1%
Operating costs	4,644,797	5,076,423	9.3%
Salaries and employee benefits	625,281	713,761	14.2%
Payments to investors	250,887	300,881	19.9%
Payments to the state	34,358	28,596	-16.8%
Investments in the community	1,141	1,422	24.6%
Retained economic value (calculated as the generated economic value after deducting divided economic value)	44,886	65,267	45.8%

●●● [G4-9, G4-10, G4-11, G4-EC5, G4-LA4]

The most important data on employment at the end of 2012⁴.

	Budimex SA		Budimex	Mostostal Kraków SA		Budimex	Total
	Polish market	German Market Office	Nieruchomości Sp. z o.o.	Polish market	Mostostal Germany	Danwood Sp. z o.o.	
● [G4-9] Employees in total (full-time)							
Number of employees	2,994	648	62	359	197	732	4,992
● [G4-9] Employees by type of contract							
Definite period of time	883	623	7	43	197	383	2,136
%	29.5%	96.1%	11.3%	12.0%	100.0%	52.3%	42.8%
Indefinite period of time	2,111	25	55	316		349	2,856
%	70.5%	3.9%	88.7%	88.0%	0.0%	47.7%	57.2%
● [G4-9] Employees by basis of employment							
Full-time basis	2,986	648	62	358	197	725	4,976
%	99.7%	100.0%	100.0%	99.7%	100.0%	99.0%	99.7%
Part-time basis	8	0	0	1	0	7	16
%	0.3%	0.0%	0.0%	0.3%	0.0%	1.0%	0.3%
● [G4-9] Employees by gender							
Females	595	8	40	5	0	49	697
%	19.9%	1.4%	64.5%	1.4%	0.0%	6.7%	14.0%
Males	2,399	640	22	354	197	683	4,295
%	80.1%	98.6%	35.5%	98.6%	100.0%	93.3%	86.0%
● [G4-9] Employees by age							
19-29	805	78	6	29	22	170	1,110

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

	Budimex SA		Budimex	Mostostal Kraków SA		Budimex	Total
	Polish market	German Market Office	Nieruchomości Sp. z o.o.	Polish market	Mostostal Germany	Danwood Sp. z o.o.	
30-49	1,599	377	47	173	118	458	2,772
50+	590	193	9	157	57	104	1,110
● [G4-9] Employees by the nature of the job							
Manual workers	1,024	588	0	280	191	571	2,654
%	34.2%	90.7%	0.0%	78.0%	97%	78.0%	53.2%
White-collar workers	1,970	60	62	79	6	161	2,338
%	65.8%	9.3%	100.0%	22.0%	3%	22.0%	46.8%
● [G4-EC5] The lowest remuneration in the company in relation to the statutory minimum wage							
Women (%)	100%	*	187%	133%	*	133%	
Men (%)	100%	*	213%	120%	*	117%	
● [G4-11] Employees covered by collective agreements							
Number of employees	2,974			358			
% of employees	99.3%			99.7%			

Note: a 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.

* On the German market there is no specific minimum salary in the meaning in which it is defined in Poland. The Federal Ministry of Labour and Social Affairs (BMAS) and the Federal Ministry of Finance (BMF) announce each year a list of the minimum hourly rates,

which vary depending on the industry and the region of Germany. All employees of the Group's companies are provided with rates at levels which meet these minimums.

● [G4-LA1] Employee turnover

	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		
At the end of 2011	3,313	766	65	413	160	674	5,391
Hiring	344	703	4	23	183	160	1,417
Resignations	663	821	7	77	145	102	1,815
At the end of 2012	2,994	648	62	359	198	732	4,993

● [G4-LA1] Number of hired persons by gender

Females	92	1	1	1	0	5	100
%	26.7%	0.1%	25.0%	4.3%	0.0%	3.1%	7.1%
Males	252	702	3	22	183	155	1,317
%	73.3%	99.9%	75.0%	95.7%	100.0%	96.9%	92.9%

● [G4-LA1] Number of hired persons by age

19-29	168	105	2	6	23	68	372
30-49	140	419	1	16	109	83	768
50+	36	179	1	1	51	9	277

Note: a 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.

	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		

● [G4-LA1] Number of resignations by gender

Females	81	1	5	10	0	3	100
%	12.2%	0.1%	71.4%	13.0%	0.0%	2.9%	5.5%
Males	582	820	2	67	145	99	1,715
%	87.8%	99.9%	28.6%	87.0%	100%	97.1%	94.5%

● [G4-LA1] Number of resignations by age

19-29	218	129	3	11	12	32	405
30-49	330	461	3	37	87	62	980
50+	115	231	1	29	46	8	430

● [G4-LA3] Maternity and paternity leaves

	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		
Number of employees on maternity/paternity leaves (as at 31 December), including:							
Women	29	0	0	0	0	3	32
Men	3	0	0	0	1	1	5
Total	32	0	0	0	1	4	37
Number of employees who returned in 2012 after maternity/paternity leaves:							
Women	41	1	2	0	0	3	47
Men	138	0	0	6	2	32	178
Total	179	1	2	6	2	46	236

● [G4-LA13] Diversity and remuneration

	Budimex SA	Budimex Nieruchomości Sp. z o.o.	Mostostal Kraków SA	Budimex Danwood Sp. z o.o.
Ratio of remuneration for men to the remuneration for women (in the same employee category)	110%	98%	101%	120%

●● [G4-EC6, G4-LA12] Diversity in management bodies

	Budimex SA	Budimex Nieruchomości Sp. z o.o.	Mostostal Kraków SA	Budimex Danwood Sp. z o.o.
Supervisory Boards (number of persons)				
Women	1	0	1	0
Men	8	3	2	4
Age 19-29	0	0	0	0
Age 30-49	4	2	3	2
Over 50	5	1	0	2
Including foreigners	3	2	1	0
Management boards (number of persons)				
Women	0	0	0	0
Men	5	3	1	2
Age 19-29	0	0	0	0
Age 30-49	3	2	0	2
Over 50	2	1	1	0
Including foreigners	1	1	0	0

● [G4-LA6] Accidents at work

	Budimex SA	Budimex Nieruchomości Sp. z o.o.	Mostostal Kraków SA	Budimex Danwood Sp. z o.o.
Injury rate	2.83	0	5.23	3.46
Occupational disease rate	0	0	0	0
Lost day rate	146.53	0	466.53	195.46
Absence rate	60,621,429	669,841	9,334,921	9,704,762

● [G4-EN1] Consumption of selected raw materials, the most important due to the type of activities:

Raw material/material	Unit	2011	2012
Budimex SA			
Road asphalt (regular and modified)	thousand tonnes	74	98
Cement	thousand tonnes	90	90
Crushed-stone aggregate for bituminous mixtures	thousand tonnes	1,300	1,717
Mixtures of crushed-stone aggregates	thousand tonnes	2,460	2,478
Reinforcement steel	thousand tonnes	89	57
Concrete	m ³	850	1,011
Mostostal SA			
Steel	thousand tonnes	11	11
Budimex Danwood Sp. z o.o.			
Wood	m ³	11,700 (approx. 5,850 tonnes)	13,500 (approx. 6,750 tonnes)

● [G4-EN2] Consumption of raw materials as reuse

Category of recovered material	Unit	2012	% of asphalt	% of all materials
Asphalt <small>(Code of waste: 17 03 02)</small>	tonne	6,807.13	6.9	<0.1

● [G4-EN3, G4-EN5] Fuel and electricity consumption

Source of energy and energy raw materials	Unit	2011	2012	Change
Diesel oil	GJ	175,530 (4,051.01 tonnes)	173,108 (3,990.50 tonnes)	-1.4%
Gasoline	GJ	22,858 (510.22 tonnes)	19,417 (433.90 tonnes)	-15.1%
Light fuel oil	GJ	49,076 (1,221.10 tonnes)	24,851 (576.60 tonnes)	-49.4%
Heavy fuel oil with low sulphur content (LSC)	GJ	244,503 (5,821.50 tonnes)	382,117 (9,059.20 tonnes)	+56.3%
Fuel oil with high sulfur content (HSC)	GJ	0 (0.0 tonnes)	0 (0.0 tonnes)	0.0%
Electricity	GJ	106,489 (29,580.37 MWh)	134,719 (37,421.90 MWh)	+26.5%
Total Amount	GJ	598,456	734,212	+22.7%
Energy efficiency	GJ/PLN thousand	0.1068	0.1187	11.1%

● [G4-EN15, G4-EN16, G4-EN18] CO₂ emissions

<small>O₂ emissions</small>	Unit	2011	2012	Change
Direct emissions (scope 1)	tonnes	36,685	44,895	+22.4%
Indirect emissions (scope 2)	tonnes	19,329	23,957	+23.9%
Indirect emissions (scope 3)	x	x	x	x
Total:		56,014	68,852	+22.9%
Efficiency	tonnes/PLN thousand	10.0	11.1	11.3%

● [G4-EN8, G4-EN22] Water consumption/municipal wastewater in Budimex SA

Source of energy and energy raw materials	Unit	2012
Water purchased from the municipal water supply/municipal wastewater discharged (permanent offices)	m ³	5,385 m ³

● [G4-EN21] Emissions of pollutants other than CO₂, i.e. SO_x, NO_x, CO and particulate matter (main sources, kilogram/year)¹

	Sulphur oxides (SO _x)	Nitrogen oxides (NO _x)	carbon monoxide (CO)	particulate matter (PM10)	Benzo-pyrene	Naphthalene	Non-methane volatile organic compounds	Carbon dioxide (CO ₂)
Jarosław	12,825.8	8,367.4	5,502.2	472.5	0.0	4.57	0.8	4,199,550.0
Kobierzyce*	-	-	-	-	-	-	-	-
Lublin	3,666.8	3,521.1	6,048.3	587.5	0.3	0.15	0.0	2,543,919.6
Pruszków	8,215.9	3,793.1	219.3	442.5	0.0	0.36	0.1	1,365.5
Siewierz	3,289.5	1,556.1	155.6	278.9	0.0	0.05	0.0	560,185.8
Sulików	1,144.8	533.3	54.3	107.7	0.0	0.04	0.0	24,326.6
Suwałki*	-	-	-	-	-	-	-	-
Szczecin	3,323.2	1,381.6	1,169.6	310.8	0.0	0.30	-	981,741.0
Trzebinia*	-	-	-	-	-	-	-	-
Wojcieszyn*	-	-	-	-	-	-	-	-
Total	32,466.0	19,152.6	13,149.2	2,199.9	0.3	5.47	0.9	8,311,088.5

¹

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

*Premises closed/premises was not in production.

● [G4-EN14] Endangered species in the impact zone of the major investments (contracts)¹ 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:

- *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 of 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 of the family Falconidae
- Aquatic Warbler (*Acrocephalus paludicola*) – a small migratory bird of the family of oscine passerine birds (Acrocephalidae), formerly included in the family Sylviidae
- European bison (*Bison bonasus*) – a placental mammal of 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 of the family Lycaenidae
- The Red Kite (*Milvus milvus*) – a large, migratory bird of prey of 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 large wading bird of the family Scolopacidae
- Barbastelle (*Barbastella barbastellus*) – a mammal, a species of bat
- Pond Bat (*Myotis dasycneme*) – a mammal, a species of bat
- Hermit beetle, Russian leather beetle (*Osmoderma eremita*) – a species of insect of the family Scarabaeidae, suborder Polyphaga
- Ferruginous Duck, Ferruginous Pochard (*Aythya nyroca*) – a medium-sized aquatic bird of the family Anatidae
- Black-tailed Godwit (*Limosa limosa*) – a medium-sized bird of the family Scolopacidae
- Pulsatilla patens (L.) Mill.) – a plant of the family Ranunculaceae (Ranunculaceae Juss.)

- Thick shelled river mussel (*Unio crassus*) – a species of mussel of the family Unionidae
- Speckled ground squirrel, spotted souslik (*Spermophilus suslicus*) – a medium-sized rodent of the Sciuridae family
- European otter, Eurasian otter, Eurasian river otter, common otter (*Lutra lutra*) – a small predatory mammal of the weasel family

¹

Contracts: (i) Świdnik Terminal, (ii) Construction of a bridge over the Vistula River near Kwidzyn, together with access roads along national road no. 90, (iii) Construction of Parlówko junction together with the ring road of Troszyn and Ostromice along the DK3, (iv) Reconstruction of voivodeship road no. 109 on the section Mrzeżyno – Trzebiatów, (v) Design and construction of A4 Jarosław-Radymno (section 2).

Least concerned (LC) – species not yet threatened, listed in the Red Book for various reasons:

- Ruff (*Philomachus pugnax*) – a medium-sized migratory bird of the family Scolopacidae
- Little Bittern (*Ixobrychus minutus*) – a medium-sized wading bird of the heron family (Ardeidae)
- Eurasian Bittern, Great Bittern (*Botarus 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 of the family Anatidae
- Canada Goose (*Branta canadensis*) – a large aquatic bird of the family Anatidae
- Curlew Sandpiper (*Clidris ferruginea*) – a species of medium-sized wader of the family Scolopacidae
- Little Stint (*Calidris minuta*) – a small migratory bird of the family Scolopacidae
- Temminck's Stint (*Calidris temminckii*) – a small migratory bird of the family Scolopacidae
- Broad-billed Sandpiper (*Limcola falcinellus*) – a small wading bird of the family Scolopacidae
- Red Knot (*Calidris canutus*) – a medium-sized migratory bird of the family Scolopacidae
- Dunlin (*Calidris alpina*) – a species of bird of the sandpiper family (Scolopacidae)
- Smew (*Mergellus albellus*) – a medium-sized migratory aquatic bird of the family Anatidae
- White-tailed Eagle, Sea Eagle – a large bird of prey of the family Accipitridae
- Montagu's Harrier (*Circus pygargus*) – a large bird of prey of the family Accipitridae
- Western Marsh Harrier (*Circus aeruginosus*) – a large bird of prey of the family Accipitridae
- Hen Harrier (*Circus cyaneus*) – a large migratory bird of prey of 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 of the family Castoridae
- Common Sandpiper (*Actitie hypoleucos*) – a medium-sized migratory bird of the family Scolopacidae
- Marsh Sandpiper (*Tringa stagnatilis*) – a medium-sized migratory bird of the family Scolopacidae
- Spotted Redshank (*Tringa erythropus*) – a medium-sized migratory bird of the family Scolopacidae
- Barbus peloponnesius – freshwater fish of the carp family
- Savi's Warbler (*Locustella luscinioides*) – a small migratory bird of the family Megaluridae
- Vimba bream, vimba, zante, zarte (*Vimba vimba*) – a species of anadromous fish of the carp family
- Pelecus cultratus, sichel, ziega, 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 of the family Anatidae
- Garganey (*Anas querquedula*) a medium-sized migratory aquatic bird of 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 cinerea*) – a large aquatic bird of the heron family (Ardeidae)
- Tufted Duck (*Aythya fuligula*) – a medium-sized aquatic bird of the family Anatidae
- Corn Crane, 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 (*Dendocopos medius*) – a medium-sized bird of the woodpecker family
- Grey-headed woodpecker (*Picus canus*) – a medium-sized bird of the woodpecker family (Picidae)
- Common Rosefinch (*Carpodacus erythrinus*, *Erythrina erythrina*) – a small migratory bird of the family Fringillidae
- Common Eider (*Somateria molissima*) – a large aquatic bird of the family Anatidae
- Grey seal (*Halichoerus grypus*) – a predatory marine mammal of the family Phocidae, the only representative of the genus Halichoerus
- Short-toe Snake Eagle (*Circaetus gallicus*) – a large migratory bird of prey of the family Accipitridae
- Common Goldeneye (*Bucephala clangula*) – a medium-sized migratory aquatic bird of the family Anatidae
- Red-backed Shrike – a small migratory bird in the family of the family Laniidae
- Greater White-fronted Goose (*Anser albifrons*) – a large migratory aquatic bird of the family Anatidae
- Greylag Goose (*Anser anser*) – a large migratory aquatic bird of the family Anatidae
- Bean Goose (*Anser fabalis*) – a large migratory aquatic bird of the family Anatidae
- Bullhead (*Cottus gobio*) – predatory freshwater fish of the Cottidae family
- Common Pochard (*Aythya ferina*) – a medium-sized aquatic bird of the family Anatidae
- Red-crested Pochard (*Netta rufina*) – a medium-sized migratory aquatic bird of the family Anatidae
- Barred Warbler (*Sylvia nisoria*) – a small migratory bird of the family Sylviidae
- Black Kite (*Milvus migrans*) – a large, migratory bird of prey of the family Accipitridae
- White-finned Gudgeon (*Romanogobio albipinnatus*, *Gobio albipinnatus*) – 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 of the family Cobitidae. Bred in aquaria
- Sabanejewia aurata, (*Cobitis aurata*) – freshwater fish of the family Cobitidae
- Common Redshank, Redshank (*Tringa totanus*) – a medium-sized migratory bird of the family Scolopacidae
- Whimbrel (*Numenius phaeopus*) – a species of medium-sized wader of the family Scolopacidae
- European Fire-bellied Toad (*Bombina bombina*) – an amphibian of the family Bombinatoridae, closely related to the Yellow-bellied Toad
- Gadwall (*Anas strepera*) – a medium-sized or large migratory aquatic bird of the family Anatidae
- Spotted Crane (*Porzana porzana*) – a medium-sized aquatic bird of the rail family (Rallidae)
- Mallard, Wild Duck (*Anas platyrhynchos*) – a large aquatic bird of the family Anatidae
- Common Greenshank (*Tringa nebularia*) – a medium-sized migratory bird of the family Scolopacidae
- European Nightjar, Eurasian Nightjar, Nightjar (*Caprimulgus europaeus*) – a small night-time bird of 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 of the family Anatidae
- Tundra Swan, Bewick's Swan (*Cygnus columbianus*, *columbianus bewickii*) – a large aquatic bird of the family Anatidae
- Whooper Swan (*Cygnus cygnus*) – a large aquatic bird of the family Anatidae
- Mute Swan (*Cygnus olor*) – a large migratory aquatic bird of 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 rail family (Rallidae)
- Common Scoter (*Malnitta nigra*) – a medium-sized migratory aquatic bird of the family Anatidae
- Mediterranean Gull (*Ichthyaeetus 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 of the family Anatidae
- Greater Scaup, Scaup, Bluebill (*Aythya marila*) – a medium-sized migratory aquatic bird of the family Anatidae
- Common Shelduck (*Tadorna tadorna*) – a medium-sized migratory (except for the extreme western and southern populations) aquatic bird of the family Anatidae
- Lesser Spotted Eagle (*Aquila pomarina*) – a large migratory bird of prey of the family Accipitridae (subfamily eagles, genus *Aquila*)
- Ortolan, Ortolan Bunting (*Emberiza hortulana*) – a small migratory bird of the family Emberizidae
- Common Oystercatcher, Oystercatcher (*Haematopus ostralegus*) – a species of 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 of the family Scolopacidae
- Schneider, spirlin, bleak (*Alburnoides bipunctatus*) – a species of fish of the carp family
- Weatherfish (*Misgurnus fossilis*) – a freshwater fish of 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 of the family Anatidae
- Red-necked Phalarope (*Phalaropus lobatus*) – a medium-sized migratory bird of the family Scolopacidae
- Bluethroat (*Luscinia svecica*) – a small migratory bird of the flycatcher family
- Eurasian Eagle-owl (*Bubo bubo*) – a large resident bird of the family Strigidae
- Pintail, Northern Pintail (*Anas acuta*) – a large migratory aquatic bird of 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 of the family Charadriidae
- Common Ringed Plover (*Charadrius hiaticula*) – a medium-sized migratory bird of the family Charadriidae
- Little Ringed Plover (*Charadrius dubius*) – a small bird of the family Charadriidae
- Grey Plover, Black-bellied Plover (*Pluvialis squatarola*) – a medium-sized migratory bird of the family Charadriidae
- European Golden Plover (*Pluvialis apricaria*) – a medium-sized bird of the family Charadriidae
- Eurasian Woodcock (*Scolopax rusticola*) – a medium-sized migratory bird of 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 of the family Recurvirostridae
- Red-breasted Merganser (*Mergus serrator*) – a medium-sized or large aquatic bird of the family Anatidae
- Bar-tailed Godwit (*Limosa lapponica*) – a medium-sized migratory bird of the family Scolopacidae
- Black-crowned Night Heron (*Nycticorax nycticorax*) – a large wading bird of the heron family (Ardeidae)
- Tawny Pipit (*Anthus campestris*) – a small bird of the family Motacillidae
- Eurasian Wigeon, Widgeon (*Anas penelope*) – a medium-sized migratory aquatic bird of the family Anatidae
- Terek Sandpiper (*Xenus cinereus*; *Tringa cinerea*) – a medium-sized migratory bird of the family Scolopacidae; the only representative of the genus *Xenus*
- Great Crested Newt, Northern Crested Newt, Warty Newt (*Triturus cristatus*) – a tailed amphibian of the salamander family (Salamandridae)
- European Honey Buzzard (*Pernis apivorus*) – a large migratory bird of prey of the family Accipitridae
- Velvet Scoter (*Melanitta fusca*) – a large aquatic bird of the family Anatidae
- Short-eared Owl (*Asio flammeus*) – a medium-sized bird of the family Strigidae
- Eurasian Spoonbill, Common Spoonbill (*Platalea leucorodia*) – a large wading bird of the family Threskiornithidae

- Bearded Reedling, Bearded Tit, Bearded Parrotbill (*Panurus biarmicus*) – a small resident or nomadic bird of the family Panuridae
- Wolf, gray wolf (*Canis lupus*) – a species of predatory mammal of the Canidae family (Canidae)
- Boreal Owl, Tengmalm's Owl (*Aegolius funereus*) – a medium-sized bird of prey of 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)

● [G4-EN23] Waste (without earth and soil)

Main waste by type	2011	2012
	Mass (tonnes)	Mass (tonnes)
Waste considered to be hazardous, including:	97.6	1,122.5
materials containing asbestos <small>(17 06 05)</small>	90.0	3.3
asphalt containing tar <small>(17 03 01)</small>	-	1,111.0
Non-hazardous waste, including:	224,469.9	102,422.5
waste plant matter <small>(02 01 03)</small>	519.9	544.2
concrete waste and concrete rubble <small>(17 01 01)</small>	64,636.5	50,225.9
brick rubble <small>(17 01 02)</small>	12,216.0	9,662.4
mixtures of concrete waste, brick rubble, ceramic waste and pieces of equipment <small>(17 01 07)</small>	67,943.5	20,057.8
waste from renovations and reconstruction of roads (from the existing foundation, etc.) <small>(17 01 81)</small>	59,312.8	9,834.8
wood <small>(17 02 01)</small>	5,251.5	1,263.8
asphalt <small>(17 03 02)</small>	14,589.7	7,757.3
mixed construction, renovation and demolition waste <small>(17 09 04)</small>	13,216.2	1,682.8
Total Amount	224,567.5	103,545.0

● [G4-EN23] Soil and earth

Main waste by type	2011	2012
	Mass (tonnes)	Mass (tonnes)
Soil and earth, including stones, other than waste considered to be hazardous <small>(17 05 04)</small>	5,074,149.9	2,449,716.0
Dredged material not containing or not contaminated with dangerous substances <small>(17 05 06)</small>	90,540.0	148,302.5
Total Amount	5,164,689.9	2,598,018.6

● [G4-EN23] Utilization of waste

Main waste by type	2011	2012
	Mass (tonnes)	Mass (tonnes)
Use as a fuel or other means to generate energy (R1)	5,851.9	211.96
Reuse (R14) (without earth and soil)	77,849.4	11,881.3
Transferred to companies with permits for the collection, transportation and disposal (including e.g. storage in landfills) (without earth and soil)	155,449.3	90,329.23
Total Amount	239,150.6	102,422.49

● [G4-EN23] Utilization of earth and soil

Main waste by type	2012
	Mass (tonnes)
Reuse (R14) (without earth and soil)	1,841,862.72
Transferred to companies with permits for the collection, transportation and disposal (including e.g. storage in landfills) (without earth and soil)	756,155.85
Total Amount	2,598,018.57

10

GRI indicators

range
 ● – overall
 ● – partial
 ○ – not reported/ not applicable

Indic.	Range	p.	Audit	GRI guidelines	Area according to ISO 26000	UN Global Compact principle	Comment/Description
Strategy and analysis							
G4-1 (1.1)	●	2-3	verified	Statement from the most senior decision maker of the organization (e.g., CEO, chair, or equivalent senior position) about the relevance of sustainability to the organization and its strategy.	6.2.		[Letter from the President of the Management Board]
G4-2 (1.2)	●	2-3	verified	Description of key impacts, risks, and opportunities	6.2.		[Letter from the President of the Management Board] Business risks are described in the „Activity Report of the Group for the year 2012” (pp. 8-9) on the www.budimex.pl website
Organizational Profile							
G4-3 (2.1)	●		verified	Name of the organization	-		Budimex SA
G4-4 (2.2)	●	4	verified	Primary brands, products and/or services	-		[About us] More on www.budimex.pl
G4-5 (2.4)	●		verified	Location of the organization’s headquarters	-		ul. Stawki 40 01-140 Warsaw Poland www.budimex.pl

Indic.	Range	p.	Audit	GRI guidelines	Area according to ISO 26000	UN Global Compact principle	Comment/Description
G4-6 (2.5)	●	4	verified	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	-		[About us]
G4-7 (2.6)	●		verified	Nature of ownership and legal form	-		Spółka Akcyjna (joint-stock company) listed on the Warsaw Stock Exchange
G4-8 (2.7)	●	4	verified	Markets served (including geographic breakdown, sectors served, and types of customers/beneficiaries).	-		[About us] Further information on this subject can be found in the „Activity Report of the Group for the year 2012” (pp. 3-9) on the www.budimex.pl website
G4-9 (2.8)	●	4-7, 48-49	verified	Scale of activity	-		[About us]
G4-10 (LA1)	●	7, 48	verified	Number of Company employees and employees under the Company’s supervision broken down by gender and type of contract	6.4. 6.4.3.		[About us] [Tables and data]
G4-11 (LA4)	●	48-49	verified	Percentage of employees covered by collective agreements			[Tables and data]
G4-12 (new)	●	13	verified	Description of the value chain			[About the report]
G4-13 (2.9)	●		verified	Significant changes during the reporting period, regarding size, structure, form of ownership, or value chain	-		A detailed description of changes in the organizational structure of the Budimex Group can be found in the „Activity Report of the Group for the year 2012” (pp. 3-4) on the www.budimex.pl website It is important to remember that PNI was liquidated, and therefore the company was not included in the report.
G4-14 (4.11)	●	24	verified	Explanation of whether and how the precautionary approach or principle is addressed by the organization.	6.2.	7	The procedure „Environmental management on contract sites”, which is a part of the Integrated Management System, defines rules for the analysis of environmental requirements and the concept of environmental impact. It covers every actual and potential type of impact. In addition, the Group undertook to comply with the precautionary principle by joining UN Global Compact.

Indic.	Range	p.	Audit	GRI guidelines	Area according to ISO 26000	UN Global Compact principle	Comment/Description
G4-15 (4.12)	●		verified	Externally developed economic, environmental, and social charters, principles, or other initiatives to which the organization subscribes or endorses	6.2.	1-10	UN Global Compact Agreement for Safety in Construction social campaign of the National Labour Inspectorate and the Social Insurance Company (ZUS), entitled: „Respect life! Safe work at heights”.
G4-16 (4.13)	●	6	verified	Memberships in associations (such as industry associations) and/or national/international advocacy organizations	6.2.	1-10	[About us]
Identification of material aspects and limitations							
G4-17 (new)	●	6, 46	verified	Entities included in the consolidated financial statements			[About us] [Tables and data]
G4-18 (3.5)	●	10	verified	Process for defining report content			[About the report]
G4-19 (new)	●	11	verified	Identified important aspects of social and environmental impact			[About the report]
G4-20 (3.6) (3.7) (3.8)	●	12	verified	Significance of identified aspects of social and environmental impact for each entity			[About the report]
G4-21 (3.6) (3.7) (3.8)	●	7, 9	verified	Limitations of the report in relation to the relevant aspects of social and environmental impact, including entities outside the organization			[About us] [About the report]
G4-22 (3.10)	●		verified	Explanation of the effect of any re-statements of information provided in previous reports, reasons for such re-statement and its impact (e.g., mergers/ acquisitions, change of a base year/period, nature of business activity, measurement methods).			No material re-statements
G4-23 (3.11)	●		verified	Significant changes in relation to the previous report regarding the scope, range, or measurement methods applied in the report			No significant changes
Stakeholder involvement							
G4-24 (4.14)	●	10	verified	List of stakeholder groups engaged by the organization			[About the report]
G4-25 (4.15)	●	10	verified	Basis for identification and selection of stakeholder groups engaged by the organization			[About the report]
G4-26 (4.16)	●	10	verified	Approaches to stakeholder engagement, including frequency of engagement by type and by stakeholder group			[About the report]

Indic.	Range	p.	Audit	GRI guidelines	Area according to ISO 26000	UN Global Compact principle	Comment/Description
G4-27 (4.17)	●	10	verified	Key topics and concerns that have been raised through stakeholder engagement, and how the organization has responded to those key topics and concerns, including their reporting			[About the report]
Report profile							
G4-28 (3.1)	●		verified	Reporting period (e.g. fiscal/ calendar year) for information provided	-		Fiscal/calendar year: 01.01.2012-31.12.2012
G4-29 (3.2)	●		verified	Date of most recent previous report (if any)	-		October 2012
G4-30 (3.3)	●		verified	Reporting cycle (annual, biennial, etc.)	-		Annual
G4-31 (3.4)	●		verified	contact person	-		Łukasz Kubiak, Office of External Communication, Budimex SA, ul. Stawki 40, 01-040 Warsaw e-mail: lukasz.kubiak@budimex.pl tel. (+48 22) 623 61 64 mob. +48 695 052 455 fax (+48 22) 623 60 14
G4-32 (3.12)	●	8	verified	CR Index	-		[GRI indicators] [About the report]
G4-33 (3.13)	●	8	verified	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.		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
Governance, Commitments, and Engagement							
G4-34 (4.1)	●		verified	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	Further information can be found in the „Activity Report of the Group for the year 2012” (pp. 20-26) on www.budimex.pl website
Ethics and reliability							
G4-56 (new)	●	5, 36	verified	Organization’s values, principles, code and standards of behaviour and ethics.	6.2.	1-10	[About us] [Prevention of ethical behaviour]

Indic.	Range	p.	Audit	GRI guidelines	Area according to ISO 26000	UN Global Compact principle	Comment/Description
ECONOMIC PERFORMANCE							
Economic performance							
G4-EC1 (EC1)	●	47	verified	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.	-	[Tables and data]
G4-EC2 (EC2)	●		verified	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 primary 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 burdens 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. an 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 it 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>
G4-EC3 (EC3)	○			Coverage of the organizational pension liabilities arising from defined benefit plans.			<p>None of the four companies included in the report does not offer their employees the Employee Pension Plan.</p> <p>Detailed information on the entry „liabilities arising from retirement benefits and similar obligations” (retirement and disability packages, jubilee, death benefits) can be found in the „Activity Report of the Group for the year 2012” (pp. 68-70) on the www.budimex.pl website</p>
G4-EC4 (EC4)	●		verified	Significant financial assistance received from the government	-	-	The Group's companies did not benefit from direct state aid. The Treasury is not a shareholder of Budimex SA.

Indic.	Range	p.	Audit	GRI guidelines	Area according to ISO 26000	UN Global Compact principle	Comment/Description
Market presence							
G4-EC5 (EC5)	●	48-49	verified	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	[Tables and data]
G4-EC6 (EC7)	●	53	verified	Percentage of senior management hired from the local market	6.8. 6.8.5 6.8.7	6	[Tables and data] Basically, companies within the Budimex Group employ only Polish citizens. A few foreigners, representing the main shareholder, are in the governing bodies of companies. Their number is given in the table, illustrating the compositions of management and supervisory boards.
Indirect economic impacts							
G4-EC7 (EC8)	●	4-6	verified	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 society	6.3.9. 6.8. 6.8.3. 6.8.4. 6.8.5. 6.8.6. 6.8.7. 6.8.9.	-	[About us]
ENVIRONMENTAL PERFORMANCE							
Raw materials and materials							
EN DMA	●	42	verified	Management approach	6.2. 6.5.	7, 8, 9	[Rational use of resources and environmental pollution]
G4-EN1 (EN1)	●	12, 43, 54	verified	Materials used by weight or volume.	6.5. 6.5.4.	8	[Tables and data]
G4-EN2 (EN2)	●		verified	Percentage of materials used that are recycled input materials	6.5. 6.5.4.	8, 9	[Tables and data]
Energy							
EN DMA	●	44	verified	Management approach	6.2. 6.5.	7, 8, 9	[Rational use of resources and environmental pollution]
G4-EN3 (EN3)	●	12, 44, 55	verified	Direct and indirect energy consumption by primary energy source	6.5. 6.5.4.	8	[Tables and data]
G4-EN5 (new)	●	12, 44, 55	verified	Energy efficiency			[Tables and data]

Indic.	Range	p.	Audit	GRI guidelines	Area according to ISO 26000	UN Global Compact principle	Comment/Description
G4-EN6 (EN5)	●	12, 43-44		Energy saved due to conservation and efficiency improvements	6.5. 6.5.4.	8, 9	[Fuel, energy and CO2 emissions]
G4-EN7 (EN6)	●	45	verified	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	[Fuel, energy and CO2 emissions]
Water							
G4-EN8 (EN8)	●	56		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 [Tables with data].
G4-EN9 (EN9)	●		verified	Water sources significantly affected by withdrawal of water	6.5. 6.5.4.	8	Operations of the Budimex Group in 2012 did not result in significant depletion of water resources.
Biodiversity							
EN DMA	●	18	verified	Management approach	6.2. 6.5.	7, 8, 9	[Impact on the local environment and biodiversity]
G4-EN11 (EN11)	●	12, 18, 20-25	verified	Location and area 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	[Reducing impacts on valuable natural areas]
G4-EN12 (EN12)	●	12, 19	verified	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	[Reducing impacts on valuable natural areas]
G4-EN13 (EN13)	●	12, 20-25	verified	Habitats protected or restored	6.5. 6.5.6.	8	[Reducing impacts on valuable natural areas] 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.
G4-EN14 (EN15)	●	12, 57	verified	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	[Tables and data]
Emissions							
EN DMA	●	44	verified	Management approach	6.2. 6.5.	7, 8, 9	[Fuel, energy and CO2 emissions]

Indic.	Range	p.	Audit	GRI guidelines	Area according to ISO 26000	UN Global Compact principle	Comment/Description
G4-EN15 (EN16)	●	12, 55	verified	Total direct greenhouse gas emissions by weight (Scope 1)	6.5. 6.5.5.	8	[Tables and data]
G4-EN16 (EN16)	●	12, 55	verified	Total indirect greenhouse gas emissions by weight (Scope 2)	6.5. 6.5.5.	8	[Tables and data]
G4-EN18 (new)	●	12, 55	verified	Efficiency associated with greenhouse gas emissions			[Tables and data]
G4-EN19 (EN18)	●	43		Initiatives to reduce greenhouse gas emissions and reductions achieved			[Fuel, energy and CO2 emissions]
G4-EN20 (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.
G4-EN21 (EN20)	●	12, 56	verified	NOx, SOx, and other significant air emissions by type and weight	6.5. 6.5.3.	8	[Tables and data] Different asphalt plants, whose locations are indicated in the table along with emission values of the individual compounds, are the source of emissions. Emissions are related to the work of paving plants and aggregate dryers, as well as tanks of bitumen, asphalt, limestone and stone dust.
Sewage and waste							
EN DMA	●	42	verified	Management approach	6.2. 6.5.	7, 8, 9	[Rational use of resources and environmental pollution]
G4-EN22 (EN21)	●	56		Total volume of wastewater by quality and its destination.			[Tables and data]
G4-EN23 (EN22)	●	12, 25, 43, 62-63	verified	Total weight of waste by type and disposal method	6.5. 6.5.3.	8	[Tables and data]
G4-EN24 (EN23)	●	12, 24	verified	Total number and volume of significant spills	6.5. 6.5.3.	8	In 2012, Budimex did not cause any spill into water reservoirs.

Indic.	Range	p.	Audit	GRI guidelines	Area according to ISO 26000	UN Global Compact principle	Comment/Description
G4-EN25 (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 neither transports, imports, exports or processes waste considered as hazardous, nor it ships 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.
G4-EN26 (EN25)	●		verified	Type, size, protected status, and biodiversity value of water bodies and related habitats significantly affected by the reporting organization's discharges of water and spills	6.5.6.5.4.6.5.6.	8	Budimex does not dump water into water reservoirs or on areas of particular importance for biodiversity. In terms of wastewater management, Budimex cooperates with municipal companies.
Products and services							
G4-EN27 (EN26)	◐	19, 45		Initiatives to mitigate environmental impacts of products and services, and extent of impact mitigation	6.5.6.5.4.6.6.6.7.5.	7, 8, 9	[Reducing impacts on valuable natural areas] [Fuel, energy and CO2 emissions]
Compliance							
G4-EN29 (EN28)	●	12, 24	verified	Monetary value of significant fines and total number of non-monetary sanctions for noncompliance with environmental laws and regulations	6.5.	8	[Reducing impacts on valuable natural areas]
Environmental assessment of the suppliers							
EN DMA	●	18	verified	Management approach	6.2.6.5.	7, 8, 9	[Impact on the local environment and biodiversity]
G4-EN32 (new)	●	12, 19	verified	Percentage of suppliers who were assessed against the environmental criteria			[Reducing impacts on valuable natural areas]

Indic.	Range	p.	Audit	GRI guidelines	Area according to ISO 26000	UN Global Compact principle	Comment/Description
G4-EN33 (new)	●	12, 19	verified	Significant current and potential risks of employee relations in the supply chain			[Reducing impacts on valuable natural areas]
Complaint transfer procedure							
G4-EN34 (new)	●	12, 19	verified	A number of complaints relating to the environmental impact, addressed and resolved through formal mechanisms			[Reducing impacts on valuable natural areas]
SOCIAL PERFORMANCE							
Workplace: employment							
G4-LA1 (LA2)	●	48-51	verified	Total number and rate of new employee hires and employee turnover by age group, gender, and region	6.4.6.4.3.	6	[Tables and data]
G4-LA2 (LA3)	●		verified	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.	-	The benefits are the same, regardless of whether the person is a full-time or part-time employee. The following benefits among non-mandatory benefits should be mentioned here: medical insurance (Budimex, Budimex Nieruchomości), life insurance (Budimex, Budimex Nieruchomości) and Benefit cards (Budimex, Budimex Nieruchomości).
G4-LA3 (LA15)	◐	52		Percentage of return to work and retention rate after maternity/paternity leave in relation to gender			[Tables and data]
Workplace: labour/management relations							
G4-LA4 (LA5)	●	48	verified	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	In accordance with the requirements of the Polish Labour Law.
Workplace: occupational health and safety							
LA DMA	●	14	verified	Management approach (regarding occupational health and safety)	6.2.6.3.10.6.4.	1, 3, 6	[Conditions, occupational health and safety (OHS)]
G4-LA5 (LA6)	●	12, 14	verified	Percentage of total workforce represented in formal health and safety committees (attended by both managers and workers) that help monitor and advise on occupational health and safety programs	6.4.6.4.6.	1	[Conditions, occupational health and safety (OHS)]

Indic.	Range	p.	Audit	GRI guidelines	Area according to ISO 26000	UN Global Compact principle	Comment/Description
G4-LA6 (LA7)	●	12, 53		Rates of injury, occupational diseases, lost days, and absenteeism, and a total number of work-related fatalities, by region	6.4.6.4.	1	[Tables and data]
G4-LA7 (LA8)	●	12, 16	verified	Employment at high risk of occupational diseases.	6.4.6.4.	1	[Conditions, occupational health and safety (OHS)]
G4-LA8 (LA9)	●	12	verified	OHS in collective agreements	6.4.6.4.	1	Only in the case of Mostostal Kraków has occupational health and safety been included in a collective agreement.
Workplace: diversity and equal opportunity							
G4-LA12 (LA13)	●	53	verified	Composition of governance bodies and breakdown of employees per employee category according to gender, age group, minority group membership, and other diversity indicators	6.3.7.6.3.10.6.4.6.4.3.	1, 6	[Tables and data]
G4-LA13 (LA14)	●	52		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	[Tables and data]
Evaluation of the suppliers							
LA DMA	●	14	verified	Management approach (regarding occupational health and safety)	6.2.6.3.10.6.4	1, 3, 6	[Conditions, occupational health and safety (OHS)]
G4-LA14 (new)	●	12, 17	verified	Percentage of suppliers who were assessed against employment criteria			[Conditions, occupational health and safety (OHS)]
G4-LA15 (new)	●	12, 17	verified	Significant current and potential risks of employee relations in the supply chain			[Conditions, occupational health and safety (OHS)]
Complaint transfer procedure							
G4-LA16 (new)	●	12, 17	verified	A number of complaints relating to the employment, addressed and resolved through formal mechanisms			[Conditions, occupational health and safety (OHS)]
Human rights: investment and procurement practices							
HR DMA	●	34	verified	Management approach	6.2.6.3.	1-6	[Prevention of unethical behaviour]

Indic.	Range	p.	Audit	GRI guidelines	Area according to ISO 26000	UN Global Compact principle	Comment/Description
G4-HR1 (HR1)	●	12, 34	verified	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	[Prevention of unethical behaviour]
Human rights: non-discrimination							
G4-HR3 (HR4)	●	36-37	verified	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	[Prevention of unethical behaviour]
Human rights: freedom of association and collective bargaining							
G4-HR4 (HR5)	●	37	verified	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	[Prevention of unethical behaviour]
Human rights: child labour							
G4-HR5 (HR6)	●	37	verified	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	[Prevention of unethical behaviour]
Human rights: forced and compulsory labour							
G4-HR6 (HR7)	●	37	verified	Operations identified as having significant risk for incidents of forced or compulsory labour, and measures taken 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	[Prevention of unethical behaviour]

Indic.	Range	p.	Audit	GRI guidelines	Area according to ISO 26000	UN Global Compact principle	Comment/Description
Human rights: indigenous rights							
G4-HR8 (HR9)	●		verified	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.
Evaluation of the suppliers							
HR DMA	●	34	verified	Management approach	6.2. 6.3.	1-6	[Prevention of unethical behaviour]
G4-HR10 (HR2)	●	12, 34-37	verified	Percentage of suppliers who were assessed against human rights			[Prevention of unethical behaviour]
G4-HR11 (new)	●	12, 34-37	verified	Significant current and potential risks of human rights in the supply chain			[Prevention of unethical behaviour]
Complaint transfer procedure							
G4-HR12 (HR11)	●	12, 34-37	verified	The number of complaints relating to human rights, addressed and resolved through formal mechanisms			[Prevention of unethical behaviour]
Local communities							
SO DMA	●	16, 28	verified	Management approach	6.2. 6.3. 6.8.	10	[Conditions, occupational health and safety (OHS)] [Compensating communities for nuisance]
G4-SO1 (SO1)	●	12, 28-29		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.	-	[Compensating communities for nuisance]
G4-SO2 (SO9)	●	12, 28-29	verified	Activities with significant potential or existing negative impact on the local community			[Compensating communities for nuisance]
Anti-corruption measures							
SO DMA	●	34	verified	Management approach	6.2. 6.3. 6.8.	10	[Prevention of unethical behaviour]

Indic.	Range	p.	Audit	GRI guidelines	Area according to ISO 26000	UN Global Compact principle	Comment/Description
G4-SO3 (SO2)	●	12, 35	verified	Percentage and total number of business units analysed for risks related to corruption	6.6. 6.6.3.	10	[Prevention of unethical behaviour] The report does not disclose tools used in their monitoring, recognizing them as confidential. Disclosure of such information, regarding, in particular, the way of conducting analyses, according to the company could contribute to reducing their effectiveness and increasing the risk of unethical behaviour.
G4-SO4 (SO3)	●	12, 36	verified	Percentage of employees trained in organization's anti-corruption policies and procedures	6.6. 6.6.3.	10	[Prevention of unethical behaviour] Due to the nature of the business, in particular the staff rotation between contracts, the division into regions was omitted in the description of the indicator.
G4-SO5 (SO4)	●	12, 36	verified	Actions taken in response to incidents of corruption	6.6. 6.6.3.	10	[Prevention of unethical behaviour]
Participation in public life							
G4-SO6 (SO6)	●	37	verified	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	[Prevention of unethical behaviour]
Compliance							
G4-SO8 (SO8)	●		verified	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with laws and regulations	6.6. 6.6.7. 6.8.7.	-	No penalties were imposed
Evaluation of the suppliers							
SO DMA	●	34	verified	Management approach	6.2. 6.3. 6.8.	10	[Prevention of unethical behaviour]
G4-SO9 (new)	●	29	verified	Percentage of suppliers who were assessed against social criteria			[Compensating communities for nuisance]
G4-SO10 (new)	●	29	verified	Significant current and potential social risks in the supply chain			[Compensating communities for nuisance]
Product responsibility: customer health and safety							
PR DMA	●	38	verified	Management approach	6.2. 6.6. 6.7.	1, 8	[Quality and safety of construction sites]
G4-PR1 (PR1)	●	12, 38-39	verified	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	[Quality and safety of construction sites] Procedures described in the content of the report are generally applicable and apply to all ongoing contracts.

Indic.	Range	p.	Audit	GRI guidelines	Area according to ISO 26000	UN Global Compact principle	Comment/Description
G4-PR2 (PR2)	●	12, 39	verified	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 outcome	6.3.9. 6.6.6. 6.7. 6.7.4. 6.7.5.	1	[Quality and safety of construction sites]
G4-PR3 (PR3)	●		verified	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	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 hygiene certificates and documents related to waste management. This ensures widely understood safety for people and the environment. They are also supported by the integrated management system.
G4-PR5 (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.	-	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. 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.
Product responsibility: compliance							
G4-PR9 (PR9)	●		verified	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.	-	No penalties. (The amount of penalties, shown in the financial statements of the Budimex Group, refers to contractual breaches which are not covered by PR9 indicator)
Sector ratios							
CRE1	●	12	verified	Building energy intensity	-	-	86.47 kWh/m ² 1477.57 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.

Indic.	Range	p.	Audit	GRI guidelines	Area according to ISO 26000	UN Global Compact principle	Comment/Description
CRE2	●	12	verified	Building water intensity	-	-	0.90 m ³ /m ² 15.39 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 emission rate from buildings			Not applicable The Budimex Group does not conduct the business of renting properties to which the indicator would apply.
CRE5	●	20-21	verified	Degraded, permanently contaminated, damaged lands, requiring remediation 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 construction, lands located directly under the driving lane are lost to the biosphere, and those located in the immediate vicinity to the driving lane are subject to reclamation, as part of the investment. In 2012, a total of 1 808 tons of bitumen (695.4 thousand. m ³) was laid, giving a total of 2.78 million m ² of surface, which is the best approximation off the surface of the biological activity as a result of road construction.
CRE6	●	14	verified	Percentage of the organization operating in verified compliance with an internationally recognized health and safety management system (e.g. ISO 18000)	-	-	In the case of Budimex SA and Mostostal Kraków, the implementation of ISO 18000 was confirmed with relevant certificates. They employ 84.1% of the entire staff. 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.
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	●	43		Type and number of sustainability certification, rating and labelling schemes for new construction, management, occupation and redevelopment	-	-	The environmental evaluation of buildings, according to the BREEAM system, was received by Sterlinga Business Centre in Łódź, executed by Budimex. Next office and service buildings: ul. Grunwaldzka in Poznań and Factory Outlet Annopol in Warsaw are under BREEAM certification – construction work of these contracts have been completed Design and construction of the Corporate Services Centre in Płock along with the development of land according to BREEAM standards is a new investment related to sustainable construction.



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Independent assurance report pertaining to the 2013 Budimex Corporate Social Responsibility Report

To the Management Board of Budimex S.A.

We have reviewed the 2013 Budimex Corporate Social Responsibility Report ("CSR Report" or "Report") developed by Budimex S.A. with the registered address in Warsaw, at 40 Stawki St. ("Company"), with respect to material aspects identified by the Company and indicators reported on the basis of G4 Sustainability Reporting Guidelines for "Core" level, as well as Construction & Real Estate Sector Supplement, issued by Global Reporting Initiative (GRI). The assurance works covered the period from 1 January 2012 to 31 December 2012 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 2012.
- Interviewing individuals in charge of the implementation of the corporate social responsibility strategy in the Company and of the preparation of the 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 review we obtained limited assurance that the information concerning identified material aspects and indicators reported by the Company included in the Report developed by the Budimex S.A. is free from material misstatements and it is compliant with G4 Sustainability Reporting Guidelines for 'Core' level and Construction & Real Estate Sector Supplement issued by Global Reporting Initiative.



Deloitte Advisory Sp. z o.o.
 Warsaw, 05 December 2013

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