



CONTENTS

Contents.....	2
The General Manager's Message.....	3
Report Profile: methodology, definitions and principles.....	6
Profile - Societatea Națională a Sării S.A. – Salrom.....	7
The strategy of SNS S.A.....	7
The products of SNS S.A.....	9
The customers of SNS S.A.....	15
Shareholding structure.....	17
The governance structure of SNS S.A and the risk management system.....	17
Anti-corruption and business ethics.....	21
The non-financial performance of SNS S.A.....	23
Consultations with the stakeholders and identification of material non-financial aspects.....	23
Economic performance.....	30
Environmental performance.....	31
Social performance.....	37
Other non-financial performance aspects.....	48



The General Manager's Message

Dear readers,

Non-financial reporting is the method through which Societatea Națională a Sării S.A provides information regarding the environmental, social and economic impact and performance pertaining to its current activities. Additionally, a non-financial report presents the company's set of values, as well as its business model, and demonstrates the link between its development strategy and its commitment towards a sustainable local and regional economy.

The Non-financial report is drawn up in accordance with the national legislative requirements and the requirements of the Global Reporting Initiative (GRI) non-financial reporting standard, internationally acknowledged. The purpose of this reporting is that of providing a picture of the company's non-financial performance over the January 01 – December 31, 2021 period.

The year 2021 represented a further pursuit of the economic, social and environmental goals set forth over the previous years. We get actively involved and continue to pay particular attention to all the development projects, financed both from own funds and by drawing in European funds in the future.

The strategic objectives, the measures and the actions that are to be undertaken by the company's administrative management and the top management over the next period are aimed at enhancing performance, competitiveness and increasing the company's value, by making the fullest possible use of the assets held by the company and the human potential, through predictable and profitable business.

The responsibility we have to our customers guides our every business decision and every action that we carry out.

Societatea Națională a Sării S.A is an entity of major interest for the Romanian economy and one of the first 10 salt producers in Europe, offering a complete range of products obtained from the exploitation and processing of salt and non-metalliferous substances, intended for use in the industrial sector, the food and cosmetics industries, as well as in other industries of the future (such as the use of graphite in the manufacture of batteries and components of electronic products).

From a domestic standpoint, Societatea Națională a Sării S.A. remained the largest salt producer, our company's brand (Salrom) still standing as a reference on the Romanian market.

Externally, our company is present in the following countries: Hungary, Bulgaria, Slovakia, Serbia, the Republic of Moldova, Austria, Israel, and we intend to become, within a relatively short timeframe, a marketplace leader.



The tourist salt works of Societatea Națională a Sării S.A., namely Praid Salt works, Târgu Ocna Salt works, Slănic Prahova Salt works, Cacica Salt works and Ocnele Mari Salt works - Vâlcea, can be considered genuine touristic sights, particularly due to the novelty represented by the roadways that resulted over the course of time from salt extraction.

The saline tourism services consist in making available to tourists underground spaces (salt works) and saltwater basins and rendering services specific to leisure (recreational) and catering activities within an environment beneficial to health.

Values fostered by Societatea Națională a Sării S.A :

- *Provision of quality products;*
- *Social responsibility;*
- *Sustainable development;*
- *Transparency*

In the following chapters, you are invited to discover more details on our company's non-financial aspects over the January 01 – December 31, 2021 period.

General Manager,
Societatea Națională a Sării S.A – Salrom

Main areas of responsibility:

SOCIAL PERFORMANCE

- **Health, safety and security at the workplace** - improving the working conditions and making sure activities are carried out under safety conditions, as well as constantly maintaining its employees' good health, are priorities for Societatea Națională a Sării S.A.
- **Consumer health and safety and product responsibility** - throughout last year there were products of Societatea Națională a Sării S.A identified as unsafe, on the domestic and external markets, and capable of endangering consumers' health and safety.
- **Local community** – both through social responsibility actions and its own sponsorships, the Company actively contributes to the development of the local communities in which it operates.
- **Employees' rights** – compliance with the salaried employees' rights represents a provision in the Collective Labour Agreement. All of the employees' rights stated in the CLA, corroborated with the other internal procedures, were complied with indiscriminately.
- **Preparations for emergency situations** – the company regularly organises specific emergency situation simulation exercises, both at the company's headquarters and within its Branches, in collaboration with the local authorities.
- **Management of human resources** – for SNS S.A., complying with the labour legislation, the use of sound employment practices, including the interdiction of any forms of discrimination and the provision of fair treatment to any employee, are principles that underpin the management of human resources.

ENVIRONMENTAL PERFORMANCE

- **Effluents and waste** – Societatea Națională a Sării S.A pays particular attention to the assessment of the impact the specific activities carried out have upon the environment, various prevention and protection procedures being implemented in this respect. The measures taken allowed the adequate management and efficient recovery of the generated waste, which led to a 71% increase, from the previous year, in the quantity of waste that was handed over in 2021 to an authorised economic operator to be recycled and disposed of.
- **Biodiversity** – salt exploitation activities can potentially have a negative impact on biodiversity and influence ecosystems to a significant extent, unless the rules and conditionalities are abided by, as per the legal provisions in force. Since one of the Company's production areas overlaps the limits of Buila-Vânturărița National Park in Vâlcea county, the Company elaborated/worked together with the local and central government authorities to draw up biodiversity management plans. Furthermore, at Târgu Ocna Salt works, in the western vicinity of Gura Slănic Salt Brine Section, approximately 500 m away, we find Natura 2000 – a site of community importance designated ROSCI 0318 - Magura Tg. Ocna. The activity of the salt works does not affect the lands located within the protected natural area.
- **Environmental complaints** - given the nature of the activities carried out, exploitation areas may witness situations that disturb good neighbourliness, with environmental complaints being filed as a result. These are handled using a targeted approach, with the involvement of both branch/salt works managers, and the general manager and, in cases where property is damaged, the Company grants compensations to the aggrieved parties.
Throughout last year, there were 7 complaints filed with Râmnicu Vâlcea Mining Site. These were either filed with the branch in question or submitted to the local environmental authorities. Following the latter notifications, on-site inspections were conducted by commissioners of the National Environmental Guard – the county Commissariats or by “Romanian Waters” National

Administration inspectors the purview of whom includes the branches in question, however, none of these notifications was followed by civil penalties.

ECONOMIC PERFORMANCE

- The **economic performance**, described in the company's Financial Statements, is backed by the financial outturns achieved, whereas the company's commitment to maintain and enhance its economic performance also includes the initiative to draw up and publish the present Non-financial report. The company's development strategy, by means of the business guidelines agreed upon by the company's top management and shareholders, pursues strengthening the market leader status, with complete respect for the future.

REPORT PROFILE: METHODOLOGY, DEFINITIONS AND PRINCIPLES

The 2021 Non-financial report of Societatea Națională a Sării S.A. was drawn up in accordance with the provisions of Directive 2014/95/EU as regards disclosure of non-financial and diversity information by certain large undertakings and groups, enacted into the national legislation through MoPF (*Minister of Public Finance*) Order 1.938/2016, as amended by MoPF Order no. 3456/2018 on amending and supplementing certain accounting regulations.

The report comprises those non-financial aspects that are material to the company and to all the relevant stakeholders, identified as a result of a consultation process carried out across SNS S.A., as well as in the main worldwide non-financial reporting standard, by Global Reporting Initiative (GRI).

Reporting period

The data presented in the non-financial statement make reference to the January 1 – December 31, 2021 calendar year.

Reporting cycle - annual.

Content of the Report

Societatea Națională a Sării S.A. - Salrom developed in 2017, together with INNOVA Project Consulting SRL, a member of GOLD Community within Global Reporting Initiative – GRI, an own methodology for drawing up the content of the Report, relying on the principles of the Global Reporting Initiative (GRI) standard in order to define its content and quality, a methodology that was employed for the 2021 report, as well. It is worth mentioning that this Report has not been subject to a third-party audit.

Point of contact for non-financial matters

Societatea Națională a Sării S.A.

Registered office: 220 Calea Victoriei str. 4th floor, District 1, Bucharest, Post code 010099, Romania

Contact data: 76 Splaiul Unirii str. 76, Unit A, 4th-6th floors, District 4, Bucharest, Post code 030128, Romania

E-mail – contact for queries concerning the Report: sns@salrom.ro

PROFILE - SOCIETATEA NAȚIONALĂ A SĂRII S.A. - SALROM

THE STRATEGY OF SNS S.A

The company is organised and operates based on economic management and financial autonomy, in accordance with the legal provisions in force, and has the following subunits with the Branch status: Râmnicu Vâlcea Mining Site in Vâlcea county, Slănic Salt works in Prahova county, Ocna Dej Salt works in Cluj county, Ocna Mureș Salt works in Alba county, Târgu Ocna Salt works in Bacău county, Praid Salt works in Harghita county and Cacica Salt works in Suceava county.

The company primarily carries out the following activities:

- it ensures the stable operation of salt mining sites in Romania in compliance with the safety and quality standards;
- it secures the extraction of salt required to deice the roads, as a raw material or a finite product for the food industry and the chemical industry, in observance of the principles of transparency, non-discrimination and impartiality towards all the market players and market customers;
- it grants visitors access to the network of SNS S.A. salt works for tourist and leisure purposes;
- it takes part in defining regional market concepts and models and in securing the production required by beneficiaries in the country and abroad through exports.

The mission of SNS S.A.

“The sustainable and safe exploitation of resources with complete respect for the environment and the future, providing customers with quality products and services”

The company holds concession and exploitation licences for salt and other non-metalliferous products concluded with the National Agency for Mineral Resources (NAMR), in accordance with the legal provisions applicable in the field. Based on the spread and evolution of salt deposits across Romania’s territory, the company is nowadays present in 7 operation areas (branches): Slănic Salt works - Prahova county, Ocna Mureș Salt works - Alba county, Praid Salt works - Harghita county, Ocna Dej Salt works – Cluj county, Târgu Ocna Salt works – Bacau county, Cacica Salt works - Suceava county and Râmnicu Vâlcea Mining Site - Vâlcea county.

To align itself to the current licensing levels, Societatea Națională a Sării S.A. continues to run its main business lines/business guidelines, while also trying to develop new business lines. As such, it is made sure there still is a pursuit of the vision set forth: *“SNS S.A., a regional leader in the marketing of salt-based products and a reliable partner”*.

The company’s strategy subscribes to the following main ways forward, derived from both the current licensing environment and the marketplace, the latter ever more competitive:

Rolling forward with the following business lines:

- ***Rock salt exploitation and marketing;***
- ***Exploitation, processing and marketing of rock salt products.***

These two represent the dominating “core business” lines for which the company is interested in gaining market share and from which it intends to obtain more than 50% of revenues, to

which end it will attempt to hold the domestic market share and, in particular, increase its external market share. The company will focus its investment programs, as a priority, on lowering rock salt exploitation costs.

➤ ***Manufacture and marketing of brine-based products (recrystallised salt, softening tablets, etc.)***

This is the second major business avenue for the company’s management, the purpose being to significantly increase market share for this category of products by streamlining exploitation, but also to develop new domestic sales channels and expand to foreign markets.

➤ ***Exploitation and marketing of salt brine***

➤ ***Exploitation and marketing of limestone***

These two activities are business lines the company is rolling forward, attempting to cover regulated demand, as they represent activities with a significant level of mutual reliance across the supplier-customer relationship. The management will exercise due diligence in securing the availability of work sites for the available limestone resources, whereas the prospects of capitalising in the long term on these business lines remain reserved. Investments will be carried out at a level that allows conducting maintenance and business under optimum and safe conditions.

➤ ***Provision of saline tourist services***, which consists in making available to tourists underground spaces (salt works) and saltwater basins and rendering services specific to leisure (recreational) and catering activities within an environment beneficial to health. This is an activity complementary to the core business.

Development of new business lines:

The exploitation of other non-metalliferous minerals, such as the exploitation of graphite resources. Considering that the company still owns perimeters and licences pertaining to this activity, and also possesses the know-how specific to this exploitation, it aims to explore the possibility of reopening the graphite exploitation, against the backdrop of both a growing demand for graphite worldwide and growing marketing prices for this raw material.

Table 1 – Direct economic impact

	2020 (thsnd. lei)	2021 (thsnd. lei)
Net turnover	251,261	364,767
Direct economic value generated (Operating income)	305,620	374,525
Distributed economic value (Operating expenditure), of which:	289,783	304,393
Operating costs (expenses with raw and other materials, services rendered, etc.)	126,291	117,576
Salary costs, employee benefits	137,059	129,590
Amortisation and provisions (net value)	5,055	16,954
Corporate income tax	4,419	13,696
Sponsorships	0	-
Retained economic value (Operating profit/loss)	14,392	70,132
Dividends paid	40,415	11,482

THE PRODUCTS OF SNS S.A.

The SNS S.A. portfolio of salt and salt-based products, as well as other non-metalliferous products caters to a wide range of requirements from end customers and/or consumers, be them natural persons or legal entities. The table below shows a classification thereof in 2021, indicating the production area of each product category.

Table 2 – Classification of SNS S.A. products

MAIN PRODUCT	PRODUCT SUBCATEGORY	DESCRIPTION/USE	PRODUCTION AREA
FOOD-GRADE SALT	Coarse iodized rock salt	Human consumption	Ocna Dej Salt works Târgu Ocna Salt works
	Extra fine iodized salt rock	Human consumption	Ocna Dej Salt works
	Recrystallised iodized salt	Human consumption	Cacica Salt works
	“Felicia” food base	Human consumption	Slănic Salt works E.M. (Mining Site) Rm.Vâlcea
	Coarse iodized/non-iodized rock salt	Food industry	Ocna Dej Salt works Târgu Ocna Salt works E.M. Rm.Vâlcea
	Extra fine iodized salt rock	Food industry	Ocna Dej Salt works
	Fine iodized/non-iodized salt ¹	Food industry	Târgu Ocna Salt works Ocna Dej Salt works
	Recrystallised iodized/non-iodized salt	Food industry	Cacica Salt works
	Iodized/non-iodized rock salt (grits)	Food industry, particularly the milk/food preservation industry	Târgu Ocna Salt works E.M. Rm.Vâlcea
	Nitrite salt	Food industry/ the product is used for the dry salting of meat before smoking, acting as both a preservative and an agent that maintains natural the colours of meat products.	Cacica Salt works
SALT FOR SNOW CLEARANCE		Product used by service providers to deice and clear snow from the roads (in the form of salt brine), but also as an anti-skidding agent in conjunction with sand.	Ocna Dej Salt works Târgu Ocna Salt works Slănic Salt works E.M. Rm. Vâlcea Praid Salt works
ANIMAL FEED SALT	Salt lumps	The product is used as salt supplement designed to	Ocna Dej Salt works

¹ Product manufactured exclusively on demand

MAIN PRODUCT	PRODUCT SUBCATEGORY	DESCRIPTION/USE	PRODUCTION AREA
		provide the sodium requirements in a balanced animal nutrition. Salt appears as grey-coloured lumps of various dimensions.	Târgu Ocna Salt works Slănic Salt works E.M. Rm. Vâlcea Praid Salt works
	Salt blocks	The product is used as salt supplement designed to provide the sodium requirements in a balanced animal nutrition, being obtained by pressing food-grade (non-iodized / iodized) rock salt.	Târgu Ocna Salt works Praid Salt works
INDUSTRIAL SALT	Rock salt	Sodium chloride is considered the most important raw material in certain industry branches, such as the varnish, paint & dye, paper and plastics industries, the textile industry, the organic chemical industry, metallurgy, etc.	Ocna Dej Salt works Târgu Ocna Salt works Slănic Salt works E.M. Rm. Vâlcea Praid Salt works
	Salt tablets	The product is used in the water softening and chlorination processes.	Cacica Salt works
SALT FOR WATER SOFTENING	Water softening lumps	The product is used in the water softening and chlorination processes.	Ocna Dej Salt works Târgu Ocna Salt works Slănic Salt works E.M. Rm. Vâlcea Praid Salt works
SALT BRINE		The product is used as raw material in the chemical industry to obtain chlor-alkali products. This product is obtained following the kinetic dissolution of the rock salt deposit from Ocnele Mari and Târgu Ocna Salt works, extracted through drills. In order to obtain the product, industrial water is used. Transportation is done through purposely laid out pipelines.	E.M. Rm. Vâlcea Târgu Ocna Salt works

MAIN PRODUCT	PRODUCT SUBCATEGORY	DESCRIPTION/USE	PRODUCTION AREA
NON-METALLIFEROUS PRODUCTS	Limestone (in various granulations and for various uses: constructions, the chemical industry, etc.)	Limestone – it is obtained from Bistrița - Pietreni limestone deposit in Vâlcea county, through crushing and separation operations. It is used in the mining industry as an inert material for the schistification of underground mining works, the pottery industry, but also as filler in plastics, primers and paints. Finely-ground rocks are used in livestock farming in the production of mixed fodder and as chemical amendments in agriculture.	E.M. Rm. Vâlcea

The comparative status, over the past 2 years, of revenues obtained from marketing the Company's main groups of salt products and other non-metalliferous products is presented in the table below.

Table 3 – Revenues and quantities of marketed products, by main group of products

	Value (thsnd. lei)			Quantities (tons)		
	2021	2020	%	2021	2020	%
TOTAL	331,227	230,889	+43.46	1,835,712	1,453,639	+26.29
Limestone	14,299	9,681	+47.71	447,219	348,024	+28.51
Salt brine	19,328	16,521	+16.99	325,078	311,556	+4.34
Salt for snow clearance	140,885	65,806	+114	500,659	251,163	+99.34
Rock salt for the chemical industry	87,370	77,348	+12.96	426,742	402,455	+6.03
Others	69,344	61,533	+12.69	136,014	140,441	-3.15

Slănic Salt works (Prahova county)

Slănic Salt works was opened in 1819, at which time there were two functional operating sites (Ocna din Vale and Ocna din Deal), whereas in 1860 Carol, Mihai and Unirea mines were inaugurated as a result of changes in the exploitation method. In 1972, Unirea Mine, located at a depth of 208 m and boasting a visiting area of ~53,000 m², was opened to the public, and nowadays continues to expect visitors, who can access the mine in minibuses along the car lane.





The sightseeing circuit includes going through 4 halls, resulting a tour that allows highlighting certain spatial elements of touristic interest inside the inner structure of the massif, represented by folds developing across tenths of meters, marked by alternating richly coloured strips with grey and white hues, various mineralogical characteristics (structure, texture, crystallization process) and particular salt purity.

Furthermore, a purposely set up hall hosts an exhibition of statues and inscriptions, sculptural complexes carved in salt by well-established and amateur artists. The salt-carved busts of Decebal and Traian, as well as bas-reliefs and inscriptions of historical significance, are brought to the forefront using the lighting system. The space intended for relaxation is set up within a separate section, fitted with furniture for rest and leisure (loungers, chairs, tables). The salt works visiting hours and rates are available at: <http://www.salrom.ro/slanic-prahova-facilitati-si-tarife.php>

Praid Salt works (Harghita county)

The first written record of Praid Salt works dates back to 1291, at which time only surface exploitations took place. Later on, in 1762, the first organised exploitation was launched, whereas in 1765 the surface exploitation still ran in parallel with the underground one. In 1947, Gheorghe-Doja Mine was opened as a result of changes to the exploitation method. At present, visits can be made through sizeable halls



and corridors with flat-textured walls, located on multiple levels. Access into the salt works for sightseeing purposes is done through a tilted roadway (directly accessible from the road) and an inclined plane. Once they get off the bus, tourists walk across the inclined plane fitted with stairs, bearing a 24-meter elevation difference, up to the tourist base level. This was set up across an area of 9,400 m² and covers the space of 7

exploitation rooms.

In the underground, for leisure and relaxation purposes, children's playgrounds were set up and fitted with wooden furniture, as were rest areas for adults, spaces hosting tennis tables, an exhibition hall with the salt works history, a restroom, a souvenir shop, a restaurant where lunch is served and wine tasting is possible, an ecumenical chapel for silent prayer and religious event ceremonies. The salt works visiting hours and rates are available at: <http://www.salrom.ro/praid-facilitati-si-tarife.php>

Cacica Salt works (Suceava county)

In the vicinity of Cacica town there have been, as early as the Middle Ages, salt springs used by locals for their own needs.

In 1798, exploitation started enjoying proper organisation, with workers and engineers from Poland, primarily from Bochnia salt mine.



Access to Cacica Salt works is provided by a wooden ladder, the original one from 1803 which has 150 steps in total. This has a spiral layout and a steep slope, difficult to step onto for a significant part of tourist categories, requiring improvements in order to increase the safety of tourists and the salt works exploitation and maintenance personnel, the latter making use of the same access. The sightseeing tour comprises the museum inside the extraction pit building, the ecumenical chapel located 26 meters underground, the midgets' roadway, the salt lake, the dance hall and the machinery museum. Cacica

Salt works is not used for therapeutic activities, the persons interested in halotherapy being identified as regular visitors, given that the premises do not benefit from a doctor's office and specialised personnel. For spa treatments, one may use the outdoor saltwater pool on the surface, adjacent to the salt works. The salt works visiting hours and rates are available at: <http://www.salrom.ro/cacica-facilitati-si-tarife.php>

Ocnele Mari Salt works (Vâlcea county)

The salt deposit at Ocnele Mari has been under exploitation, since 1959 and up to the present day, using two methods. In 1993, works began on the new salt mine at Ocnele Mari.

The mining works are carried out across two levels. The exploitation completion in the west wing of one of the levels allowed setting up a tourist point, in 2009. The volumetry of the resulting spaces comprises large rectangle-shaped halls, walls and ceilings with irregular surfaces, leaving the salt layers visible to the naked eye.

Access to Ocnele Mari Salt works is done by bus, which leaves every 30 minutes from the salt factory yard, through the exploitation tunnel, the visitor access overlapping the service path.



The tourist point comprises leisure spaces, playgrounds, a museum whose exhibits depict the history of the place from ancient times to the present day and, last but not least, the largest



underground church in Romania. As such, the indoor activities visitors can carry out are sports activities for children and adults, exhibition visits, leisure activities, religious sermons or events organised at the underground restaurant.

The salt works visiting hours and rates are available at: <http://www.salrom.ro/ocnele-mari-facilitati-si-tarife.php>

Târgu Ocna Salt works (Bacău county)

The earliest written record of the salt exploitation at Târgu Ocna dates back to 1380. By 1870, several mines had been dug into, nowadays caved in. In 1870, Carol Mine was inaugurated, with its Moldova, Căndescu, Negri, Ștefan cel Mare rooms which operated until 1941. The year 1967 saw the first-time application of a new exploitation (extraction) method – the Pilot mine being subsequently set up as a tourism and therapeutic base. This one operated during the 1974-2005 period as the first tourism base of Târgu Ocna Salt works, being known as “the Sanatorium”.



As of 2005, the tourist potential of Târgu Ocna Salt works focused on level IX of Trotuș Mine, where a modern tourism and leisure base was set up. The indoor spaces of the visitable Mine are vaulted- or flat-ceiling halls and corridors, with irregular surfaces.

Access to the salt works is done by bus and minibus, and overlaps the service path. The salt works are located 240 meters below ground and spread across an area of 13,000 m². The site provides optimum conditions for relaxation and sports activities on mini-football pitches, basketball courts, field tennis courts and tennis tables. For children, there are playgrounds set up and fitted with swings, chutes, seesaws and inflatable slides. Additionally, there is, in the underground, a gymnastics area and a first-aid station. The salt works visiting hours and rates are available at: <http://www.salrom.ro/targu-ocna-facilitati-si-tarife.php>.

The total revenues from the tourism business in 2021 (tourist services and sales of goods) amounted to 36,014 thsnd. lei, representing an 84.5% increase compared with 2020 (19,523 thsnd. lei), a value directly proportional to the number of entries/visits, which increased by 69.4% and 1,201 thousand entries, respectively, as opposed to the 709 thousand entries recorded in 2020.

The share of revenues from tourism within the company's turnover reached 9.87% in 2021 compared with 7.77% in 2020. The expenses pertaining to the tourism business, amounting to 29,775 thsnd. lei, were 27.6% higher than those achieved the previous year (23,334 thsnd. lei), whereas gross profit reached 6,239 thsnd. lei in 2021.

The comparative status, over the past 3 years, of the business of rendering tourist services appears as follows:

Table 4 – Tourism business results

	Tourist services rendered		
	2019	2020	2021
Turnover (tourist services and sales of goods) (thsnd. lei)	39,859	19,523	36,014
Share of revenues from tourism within the company's turnover (%)	10.4%	7.77%	9.87%
Number of entries (visits)	1,613,906	709,392	1,201,412
Average revenue/tourist (lei/pers.)	24.72	27.52	29.98
Gross profit (thsnd. lei)	7,921	-3,811	6,239

On a yearly basis, the company organises and implements various initiatives consisting in consultations held with the stakeholders, both domestic and foreign, such as:

- events involving the local community inside the tourist salt works, etc.

In regard to events in which the company takes part as partner, organiser or host, these facilitate the development and strengthening of partnerships/collaborations with local central government institutions, as well as with other organisations, all aimed at promoting domestic tourism, specific products and local traditions.

In 2021, 29 events were scheduled at the start of the year, two of these having 12 and 44 shows, respectively, a total number of 83 events / performances being thus achieved.

Against a backdrop with a continued state of alert due to the Covid-19 pandemic, and considering all the imposed restrictions, 22 events (20 scheduled, 1 postponed and 1 subsequently approved) of the 29 scheduled were held, representing a 75.86% level of completion. Numerically speaking, 76 performances were held, representing 89.4%.

THE CUSTOMERS OF SNS S.A

The products of SNS S.A. are marketed both on the domestic and foreign markets. The largest beneficiary of the Company, on **the domestic market**, is the National Company for Road Infrastructure Administration (CNAIR), followed by two chemical compounds: Chimcomplex Borzești - Onești Branch and Chimcomplex Rm. Vâlcea Branch (former Olchim). Moreover, significant quantities of food-grade salt are sold to customers such as E.M. Salt Valea Groșilor, Ever Salt Cluj, Ge-Rom Sim Sales SRL, Kaufland, Metro, etc. The largest of the Company's beneficiaries on **the external market** is Borsodchem Zrt. Chemical compound (Hungary), followed by Agoras s.r.o. (Slovakia).

Societatea Națională a Sării S.A. carries out the marketing of its goods both from its administrative headquarters/place of business, also managing the organisation and operation of its own salt warehouse, and from its Branches, with clear distinctions between duties in terms of customer management. As such, the sales workforce at the administrative headquarters/registered office/place of business conclude "key account" contracts - IKA with foreign and domestic customers (including the retail networks, the large companies, etc.), as well as with other interested customers. Contracting and selling products on the domestic market, to other customer categories, are handled by the sales specialists within the branches. Salt and limestone deliveries are carried out directly from the manufacturing Branches whereas, for food-grade salt, in various packaging, deliveries also take place through the Chiajna salt warehouse, from where deliveries are primarily made to 11 large store chains (IKAs). The distribution of SNS-S.A. products, by customer type and/or marketplace, is provided in the following table:

Table 5 – Distribution of SNS S.A. products by customer type and/or marketplace

PRODUCT	CUSTOMER/MARKETPLACE
	DOMESTIC CUSTOMERS/FOREIGN CUSTOMERS
Salt brine for the chemical industry	Chemical compounds (<i>Chimcomplex Borzești, with the Onești chemical compound and Rm. Vâlcea chemical compound</i>)
Industrial salt for snow clearance	CNAIR S.A. Local and county councils Directorates of roads and bridges Companies specialised in snow clearance services
Food-grade salt and salt for direct human consumption	I.K.A. ² customers Distributors (<i>E.M Salt SRL Dej, Ever Salt SRL Cluj Napoca, Ge-Rom Sim Sales SRL, Renaissance Star SRL, etc.</i>) Producers from the food industry/non-food industries (<i>European Food, Agricola S.A, Covalact S.A. Sf.</i>)

² International Key Accounts – listing services aimed at producers and importers that focus on selling products in international store chains

PRODUCT	CUSTOMER/MARKETPLACE
	<i>Gheorghe, Vel Pitar S.A. Rm. Vâlcea, Dalli Production Romania, etc.).</i>
Salt for animal feed or for industries (lumps and blocks)	Livestock farms Agricultural directorates Fodder and animal feed producers (concentrates)
FOREIGN CUSTOMERS	
Salt for the chemical industry	Hungary
Salt for snow clearance	Slovakia, Bulgaria, Hungary, Austria
Food-grade salt	Hungary, the Republic of Moldova, Serbia, Slovakia
Salt for livestock farming	Bulgaria, Slovakia, Serbia, the Republic of Moldova, Hungary, Croatia, Israel

The comparative status, over the past 2 years, of the product quantities delivered and their value, in relation to their destination as their marketplace, is presented in the tables below.

Table 6 – Value of deliveries by product destination

	Value (thsnd. lei)		
	2021	2020	%
TOTAL	331,227	230,889	+43.46
The domestic market	237,151	146,922	+61.42
Foreign markets	94,076	83,967	+12.04

Table 7 – Quantity of delivered products by destination

	Quantity (tons)		
	2021	2020	%
TOTAL	1,835,712	1,453,639	+26.28
The domestic market	1,379,779	1,017,368	+35.62
Foreign markets	455,933	436,271	+4.0

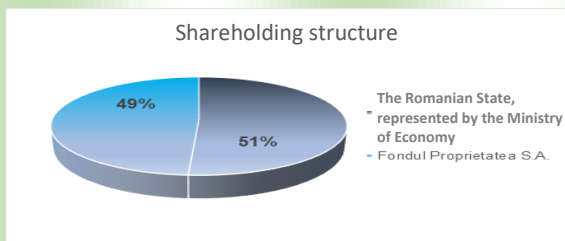
SNS SA CUSTOMER SATISFACTION INDEX

Societatea Națională a Sării S.A. (SNS S.A) is permanently interested in adopting all the measures required to improve the quality of the products and services provided to its customers. As a rule, every year, by means of a market survey conducted by an independent company, an assessment is made of how the SNS SA customers perceive its products and services. Our survey aimed at measuring the customer satisfaction index (CSI) for 2021 could not, unfortunately, be carried out since the company was unable to find the marketing expert personnel to whom to contract these satisfaction index analysis/measurement services. We are, however, concerned with finding optimum solutions, aligned to the current times, for determining and analysing somehow, with our own resources, the customer satisfaction levels in regard to the products and services offered by SNS SA.

SHAREHOLDING STRUCTURE

Societatea Națională a Sării S.A. (SNS S.A-Salrom) is a Romanian legal entity registered with the Trade Register under no. J/40/4607/2010, set up in 1997 pursuant to Government Decision no. 767/1997. The Company conducts its business by means of 7 (seven) unincorporated branches, operational within the areas in which it holds licences for the exploitation of mineral resources: Vâlcea, Prahova, Cluj, Alba, Bacău, Harghita and Suceava. These have their own management structure, functional compartments/services and keep their accounting records up to the trial balance level.

Figure 1 – Shareholding structure



As at 31.12.2021, the Company is owned by two shareholders:

- the Romanian State, represented by the Ministry of Economy – 51%
- Fondul Proprietatea S.A. – 49%

THE GOVERNANCE STRUCTURE OF SNS S.A AND THE RISK MANAGEMENT SYSTEM

The deliberative and governing bodies of SNS S.A. are the Shareholders' General Assembly (SGA) and the Management Board (MB). SGA is organised and conducts its business in accordance with the provisions of Law no. 31/1990, republished, as subsequently amended, and of the Company's Articles of Incorporation in force. MB conducts its business in line with the provisions of the Company's Articles of Incorporation in force, the board members' contracts of mandate and the Management Board organisation and operation regulation, as approved by the Shareholders' General Ordinary Assembly.

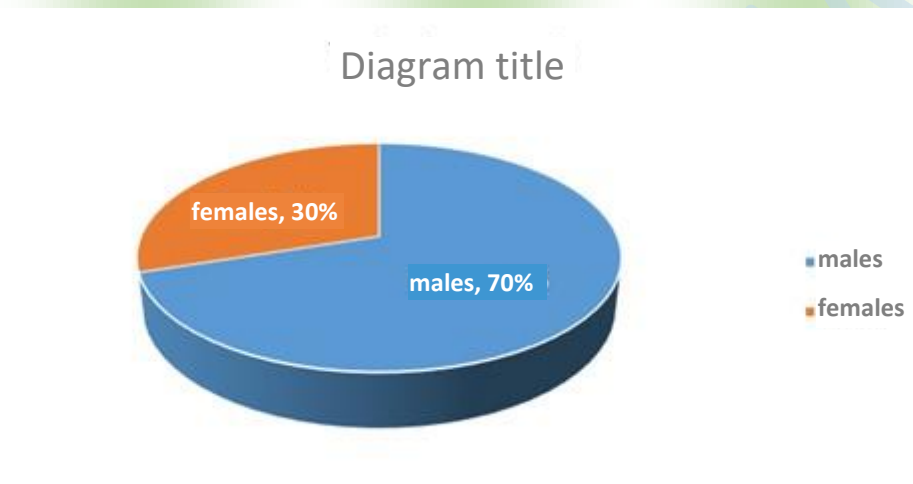
The Management Board (MB) comprises 5 (five) members, who assemble once a month or whenever necessary.

Table 8 – The Management Board members in 2021

2021										
The Management Board members	Jan. 1	Jan. 8	Jan. 9	Feb. 11	Mar. 29	May 09	Jul. 29	Sep. 30	Oct. 01	Dec. 31
Simona Carmen Fătu										
Simona Georgiana Ochian										
Catalin Niculita										

Nicolae Tulici										
Petrică Lucian Rusu										
Cătălin Paraschiv										
Ion Valeriu Ionita										
Edvin Robert Medves										
Dragos Mihai Oancea										
Alina Prahoveanu										

Figure 2 – The Management Board structure in 2021



The company's top management is provided by the General Manager (GM), to whom leadership duties are delegated by MB. He or she fulfils all the duties and takes all the necessary and useful steps in order to achieve the company's scope of business, with the exception of those duties that fall under the purview of the Shareholders' General Assembly or of the Management Board, according to the company's Articles of Incorporation.

Table 9 – The Top Management in 2021

2021								
Director General	Jan. 1	Apr. 8	Apr. 9	Jun. 08	Jun. 09	Dec. 8	Dec. 9	Dec. 31
Constantin Radu								
Gabriela Mantu								
Alina Prahoveanu								
Emil Militaru								

Duties of a strategic nature are fulfilled by SGA and MB, whereas operational and executive duties are fulfilled by the general manager.

The process of delegating authority within SNS S.A. is presented in the following table:

Table 10. – Delegation of authority within SNS S.A.

POSITION	DUTIES
<p>The Shareholders' General Assembly</p>	<p>Approves proposals concerning the company's development, retrofitting, upgrade, economic and financial restructuring strategy. The management duties of a strategic nature are fulfilled by the Shareholders' General Assembly.</p> <p>Discusses, approves or modifies the annual financial statements, based on the reports presented by the Management Board and the financial auditor, approves the appropriation of profit and sets forth the dividend value;</p> <p>Appoints and dismisses the Management Board members.</p> <p>Sets forth the remuneration due, for the ongoing fiscal year, to the Management Board members and the internal auditors, unless otherwise provided by the law;</p> <p>Issues an opinion on the management exercised by the administrators and on the manner of recovering the losses the company incurred on account of the latter;</p> <p>Appoints and dismisses the financial auditor and sets forth the minimum duration of the financial audit contract;</p> <p>Sets forth the income and expenditure budget and, as the case may be, the work schedule for the following fiscal year;</p> <p>Approves the financial and non-financial indicator pursuant to the management plans; decides upon setting up leases and guarantees on the company's assets;</p> <p>Makes decisions on taking long-term bank loans, external ones included, sets forth the competencies and the contracting levels for the current bank loans, merchant credits and guarantees, according to the law;</p> <p>Analyses the Management Board's reports on the status and prospects of profit and dividends, the position on the internal and international market, the technical level, quality, workforce, environmental protection, customer relations;</p> <p>Approves the Management Board organisation and operation regulation;</p> <p>Approves the professional liability insurance limit for the Management Board members, that the company will be able to cover in compliance with the law. It delegates company leadership and representation authority to the general manager so that the latter may carry out the company's operations. Delegating in order to carry out company operations is done pursuant to a contract of mandate.</p> <p>The internal decision-making mechanisms and the operation approval / endorsement competencies associated to the company's management staff are set forth in the delegation of authority policy, approved by the Management Board, within</p>
<p>The Management Board</p>	

	the competency limits set forth in the company's Articles of Incorporation.
The General Manager	They operate as the company's top management and represent the company in third-party relations and in legal matters.
The Heads of Directorates at SNS S.A headquarters.	They coordinate and manage a Directorate, as well as handle the functional coordination of the organisational structure from the same field within the Branches.
The branch managers	They manage the branches and directly report to the General Manager
The directorate head in a branch	They run the Directorate under their command, are tasked with optimising its operation and are directly responsible for program implementation, the fulfilment of duties and activities covered by the directorate's scope of business.
The heads of service / compartment coordinators reporting to the General Manager	They provide the operations management of the services and compartments subordinated to the General Manager.
The heads of service / compartment coordinators reporting to the directorate heads within SNS S.A. headquarters	They manage/supervise the services and compartments subordinated to the directorate heads.
The personnel reporting to the directorate heads, the heads of service, heads of office and compartment coordinators within the branches	Their duties are set forth in the job descriptions.

Moreover, temporary or standing advisory committees are set up within the Company, being tasked with assisting the General Manager of the branch managers in making decision on certain specific topics. These committees are set up as per decision of the General Manager and/or the Branch Manager. A standing working body/advisory body of SNS S.A. top management, operating at a company level, is the Technical and Economic Council (CTE). SNS SA CTE analyses/endorsees and presents conclusions on pre-feasibility/feasibility studies or solution studies, on technical and economic documentations/technical designs, geological documentations, scientific research and technological progress presentation studies, solution studies, annual exploitation programs, geological projects for mining/drilling works, specific ventilation projects, as well as other technical and economic documentations directly related to the SNS SA CTE purview and, naturally, to the Company's / the branches' scope of business. The endorsements issued by CTE are subject to the approval of SNS SA General Manager.

According to the provisions in the company's Articles of Incorporation, advisory committees were set up for the Management Board, the Nomination and Reward Committee (CNR), the Audit and Risk Committee (CAR), as well as the Strategy and Development Committee (CSD). Their duties are stipulated in the committees' own regulations, approved by the MB, as well as in MB's Organisation and Operation Regulation.

These committees were tasked with drawing up recommendations for the Management Board, in areas such as audit, the wages of administrators, managers, financial auditors and staff wages or with nominating candidates for the various management positions. The committees will forward to the Board, on a bi-annual basis, reports on their activity. The committees comprise at least 2 members of the Management Board, members who may only be non-executive administrators.

The main categories of risks identified across SNS S.A.

A. INTERNAL RISKS

1. Market risks – related to supply and sale
2. Operational and technological risks, concerning the geological reserves and the environment
3. Risks related to the human factor – the greatest risk related to the human factor is the constant absence on the labour market, in recent years, of skilled mining personnel, considering that the share of current personnel aged above 45, operating both underground and on the surface, is very elevated, another known fact being the fact that, in this field (mining), retirement requirements will differ from other productive sectors.

B. RISCURI EXTERNE

1. Legislative risks
2. Financial risks
3. Foreign exchange risk
4. Contractual risk

Within Societatea Națională a Sării S.A, various types of risks (specific, and only as necessary) are managed in regard to each organisational entity. Societatea Națională a Sării S.A has risk and internal managerial control officers appointed as per a General Manager's decision and, within the Management Board, the Audit and Risk Advisory Committee monitors how risk management and the internal control system are organised and managed. The main duties of this committee are: to analyse the specific internal reports issued by the company and issue recommendations to the Management Board, to analyse the legal nature and effectiveness of the internal audit activity, to analyse the external financial audit activity and the relations deriving from it.

At the same time, the general manager and the branch managers have clear-cut duties in terms of how the risk management process should be carried out, being able to appoint, as per decisions, integrated management system (EIMS) implementing and monitoring teams. These teams identify, analyse, assess and prioritise the risks that may hinder the fulfilment of the general objectives and the organisation's operation on the whole. Their responsibilities include, among others, drawing up, updating and amending the risk register at a centralised level by means of pooling the information comprised in the risk register of each department.

ANTI-CORRUPTION AND BUSINESS ETHICS

Compliance with the legal provisions in force is the cornerstone underpinning the company's development strategy and governance system, as well as its conduct. The document that defines the values, standards and rules of conduct the employees agree to observe and apply as part of their work at SNS S.A. is the Code of Conduct and Ethics. Its existence protects the Company and its employees against dishonest or opportunistic conducts. At the same time, these documents guide and guarantee the creation of responsible relationships with all the stakeholders and act as the company's commitment to have a long-term positive contribution in terms of abiding by business ethics and fighting corruption.

The Code of Conduct and Ethics applies to all of the company's employees, regardless of the positions they hold. To that end, the company has in place a series of working policies and procedures, which are communicated to the new workforce right after employment and are available to them at all times.

Within SNS S.A., there are policies and procedures that guarantee that ethics is observed and corruption is addressed in business. These policies, supplemented by effective work procedures, help the company in maintaining a non-tolerating stance towards illogical and immoral actions, against abuse, threats, intimidation or physical or verbal harassment. In order to properly manage certain conflict situations



that might occur, a Company-wide methodology was elaborated in regard to *“The management of corruption risks within SNS S.A. and its subordinated branches”*.

The measures implemented by the company in order to mend and prevent cases of discrimination:

- the salaried employees’ commitment signed according to the Code of Conduct and Ethics;
- the loyalty commitment signed by the salaried employees;
- procedures in regard to employment, remuneration, review, penalties, etc.;
- the sole collective labour agreement.

In terms of measures implemented across the Company to manage the situations that may generate conflicts of interests, the employee conduct that entails reporting violations of the policy on how to address conflicts of interests is encouraged. In this respect, the employees or other persons acting on the company’s behalf are free to notify, by email at: avertizor@salrom.ro, cases of potential infringements of the internal business ethics and conduct rules by certain employees. Additionally, all the employees are able to request counselling, from the Compliance and Integrity Officer and the Ethics Advisor, in relation to cases that may entail a non-compliance risk.

At the same time, in order to increase quality in implementing the provisions on access to information of public interest, the Company, by means of the entities concerned and the persons engaged in all the internal and external communication activities, makes sure its business is conducted in a transparent manner and in accordance with the standards undertaken, including that of the best ethical and integrity practices.

The company publishes on its own website, www.salrom.ro, the information provided by the national and international regulations in force in its field of expertise, *in particular, the Memorandum on the topic “Increasing transparency and standardising the display of information of public interest” and Annex 4 and Annex 5 to GD no. 583/2016 on the approval of the National Anti-corruption Strategy for the 2016-2020 period (NAS)*.

As part of the relations with its business partners, SNS S.A. conducts business in an honest and lawful manner, observing at the same time the rights of its partners and those of its competitors. The principles guiding its conduct in business relations are also reflected upon its relations with the community. As such, the Company is able to support local activities of general interest within the limits of the amounts allocated through the income and expenditure budget, granting sponsorships and donations strictly upon approval by the management, in accordance with the provisions defined in the *Policy on sponsorships and other social responsibility actions carried out by SNS.S.A.*

In line with the provisions of the “Labour Code”, the “SNS S.A. Collective Labour Agreement”, as well as “Code of Conduct and Ethics”, the violation of rules of conduct is subject to disciplinary penalties, whereas the instances of disciplinary offences identified as criminal cases will be reported to the competent authorities.

As such, the policies and measures implemented by SNS S.A guarantee the fact that it carries out its activities in a transparent manner and in line with the business environment regulations, while helping consolidate its image of an entity with sound ethical values, such as: **Integrity, Loyalty, Responsibility, Abidance by the law, Fairness, Customer satisfaction, Experience and expertise, Tradition and Team spirit.**

THE NON-FINANCIAL PERFORMANCE OF SNS S.A.

CONSULTATIONS WITH THE STAKEHOLDERS AND IDENTIFICATION OF MATERIAL NON-FINANCIAL ASPECTS

The dialogue with the stakeholders

The stakeholders' involvement concerns setting up and maintaining constructive relations with all the relevant stakeholders, domestic and foreign, affected by, or interested in, the company's activities. The dialogue with the relevant stakeholders is a continuous process and includes various methods and approaches, from the provision of information of general interest to consultation activities in regard to particular topics, participation in specific events, negotiating and striking partnerships.

Furthermore, the company identified the information related to the specific projects that have to be made available to all the stakeholders and established the most effective manner of communicating with them.

The process of consulting with the stakeholders relies on a series of key principles:

- ❖ the provision of significant information in a format, and using wording, that are immediately understood and adapted to the stakeholders concerned;
- ❖ the provision of information prior to the actual consultations and decision-making;
- ❖ the provision of information through methods and locations that allow stakeholders to easily access it and are adequate from a cultural standpoint;
- ❖ compliance with the local traditions, the language, the timing and the decision-making processes;
- ❖ a bidirectional dialogue that offers both parties the opportunity to exchange visions and information, to listen and be listened to;
- ❖ processes lacking any intimidation, restriction or corruption.

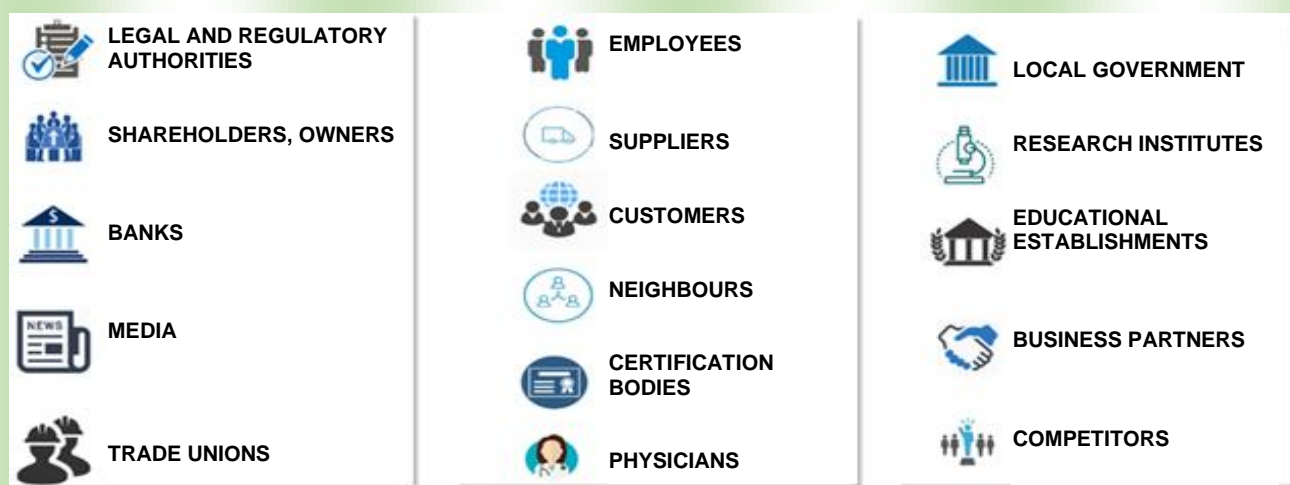
Considering the type of activities carried out by the company and the fact that they take place within various communities in Romania, the dialogue with the stakeholders at both a local and a national level represents an extremely critical aspect in securing the success of the company initiatives that can have an impact upon the stakeholders and can be influenced by them.

Meeting the stakeholders' expectations accordingly is a crucial commitment for SNS S.A. and, for this reason, one of the conditions required by the efficient and effective operation of the integrated management system implemented and certified within the organisation is to identify the stakeholders, their needs and expectations.

On a yearly basis, in line with requirement 4.2 in the reference standards employed in order to design, implement and certify the Integrated Management System, the company monitors and analyses the information concerning the stakeholders and their relevant requirements. The main goals are to revise the *Stakeholders' Register*, to understand their needs and expectations, as well as to prioritise them based on two variables:

- the impact of the company upon the stakeholders, and
- the stakeholders' influence upon the company.

Figure 3 – Map of SNS S.A. stakeholders



On a yearly basis, the company organises and implements various initiatives focused on consultations with domestic and foreign stakeholders, such as:

- research/studies related to the customer and employee satisfaction levels;
- marketing and market share studies drawn up by third parties;
- events with the local community on the premises of tourist salt works, etc.;
- consultations with workers on occupational health and safety topics, etc.

All these initiatives are focused on an open dialogue with all the stakeholders in order to understand their vision on our Company, their expectations and how those expectations can be met. In order to achieve this goal, various initiatives and tools are provided in each place of business.

- In regard to research/studies concerning the customer satisfaction levels.

CUSTOMER PERCEPTION ASSESSMENT

1. In general, the Salrom customers are satisfied with their collaboration with this company.
2. Approximately 9 out of 10 customers believe Salrom addresses their needs.
3. Satisfaction towards the Salrom products is high, regardless of the salt works they were purchased from.
4. Most customers are determined to continue their partnership with Salrom.
5. Regardless of the salt works salt is purchased from, Salrom customers would recommend the company to their partners.
6. Significantly more Salrom customers, who purchase salt from Ocna Dej Salt works, would recommend the company to their partners.
7. The quality of the products and the competitive prices are the main reasons for the customers to recommend Salrom.

Branch	Overall satisfaction	Satisfaction in relation to their own business	Satisfaction towards the Salrom products	Pursuing the partnership
TOTAL	93 %	88 %	94 %	94 %
OCNA DEJ	91 %	84 %	94 %	96 %

TG. OCNA	98 %	94 %	96 %	94 %
SLANIC	85 %	85 %	88 %	94 %
PRAID	96 %	92 %	96 %	92 %
VALCEA	100 %	95 %	100 %	100 %

➤ In regard to research/studies related to the customer and employee satisfaction levels; In 2021, no such research was conducted.

➤ In regard to events with the local community on the premises of tourist salt works; 29 events were scheduled at the start of the year, two of these having 12 and 44 shows, respectively, a total number of 83 events / performances being thus achieved. Against a backdrop with a continued state of alert due to the Covid-19 pandemic, and considering all the imposed restrictions, 22 events (20 scheduled, 1 postponed and 1 subsequently approved) of the 29 scheduled were held, representing a 75.86% level of completion. Numerically speaking, 76 performances were held, representing 89.4%.

➤ In regard to consultations with workers on occupational health and safety topics, etc. Consultations with workers take place on an annual basis or whenever major changes occur in the OHS field, new technologies are introduced in the work process, new work injury and occupational illness risks emerge, by means of submitting and receiving back a Worker consultation survey. In this respect, form F-SNS-14-01 “Consultation survey on OHS matters” was submitted to all the organisational entities on the headquarters premises and to the warehouse in Chiajna town, Ilfov county. 48 respondents were recorded, of which 4 workers at the salt warehouse in Chiajna, and the rest at SNS SA headquarters.

The conclusions of the OHS-related consultations are the following:

- 85% of the respondents gave positive answers to the questions about information sufficiency (OHS policies, OHS objectives, risks workers are exposed to, the effects of the risk factors over time, technical possibilities to lower the risk levels, injury prevention measures);

- 15% of the workers believed that increased attention should be paid to the following aspects:

- a. direct consultations with the personnel,
- b. more attractive forms of training,
- c. the technical level of the trainings,
- d. the newly-emerged risks due to changes,
- e. medical supervision,
- f. the manner of distributing health and hygiene supplies.

Identification of material non-financial aspects

In order to draw up the Non-financial report in accordance with the requirements of Directive EU 95/2014 and Order of the Ministry of Public Finance 1.938/2016, as amended by MoPF Order 3456/2018 on amending and supplementing certain accounting regulations, the company carried out a materiality analysis in order to identify those material non-financial aspects required to understand the development, performance and stance of SNS S.A., as well as the impact the company has upon the economy, society and the environment.

At the same time, in order to identify the material non-financial aspects, the company performed a sustainable development context analysis, reviewing the competitors and the sustainability leaders, nationwide, as well as the main non-financial reporting standards worldwide (Global Reporting Initiative (GRI)). Successively, by engaging domestic parties, the non-financial aspects relevant to the company were identified, relying on the positive or negative impact caused upon the economy, society and the environment, as were the associated risks, as well.

This process helped identify the first 25 relevant non-financial aspects that were validated by the management and added to a process of consultation with all the SNS S.A. stakeholders, in excess of 200, in order to determine the importance level of each non-financial aspect initially identified. subsequently, by means of a consultation process carried out with the company management and experts in the domestic mining sector, the extent of the impacts and the risks for each relevant non-financial aspect were determined.

The result of this process was a list of 10 material non-financial aspects, a list that was validated by the management and shall be updated on a yearly basis in the context of drawing up the Non-financial reports.

- Number of potential relevant stakeholders = approx. 240
- Number of surveyed stakeholders = 123, of which: foreign - 96 and domestic - 27
- Number of respondents = 73

LIST OF POTENTIALLY RELEVANT NON-FINANCIAL ASPECTS

No.	Designation of potential non-financial aspect
1.	Anti-corruption
2.	Supply chain management
3.	Shutdown and preservation of mines
4.	Indirect economic impact
5.	Direct economic impact
6.	Energy consumption
7.	Emissions volume
8.	Water consumption
9.	Effluents and waste
10.	Eco-efficiency
11.	Biodiversity
12.	Risk management
13.	Resource management
14.	Preparation for emergency situations
15.	Environmental complaints
16.	Employees' rights
17.	Management of human resources
18.	Health, safety and security at the workplace
19.	Materials
20.	Product responsibility
21.	Customer relations
22.	Consumer health and safety
23.	Development of new products
24.	Local community
25.	Use of lands and relocation activities

**LIST OF RELEVANT NON-FINANCIAL ASPECTS
PRIORITISATION**

No.	Designation of potential non-financial aspect
1.	Occupational health, safety and security (OHS);
2.	Consumer health and safety;
3.	Local community;
4.	Employees' rights;
5.	Preparation for emergency situations;
6.	Product responsibility;
7.	Environmental complaints;
8.	Biodiversity;
9.	Effluents and waste;
10.	Management of human resources

The Materiality Matrix

The materiality threshold was determined, and the most significant non-financial aspects were outlined, within the materiality matrix (namely, the 10 selected ASPECTS – according to the Caption below) following the processing of the data resulted from the surveys.

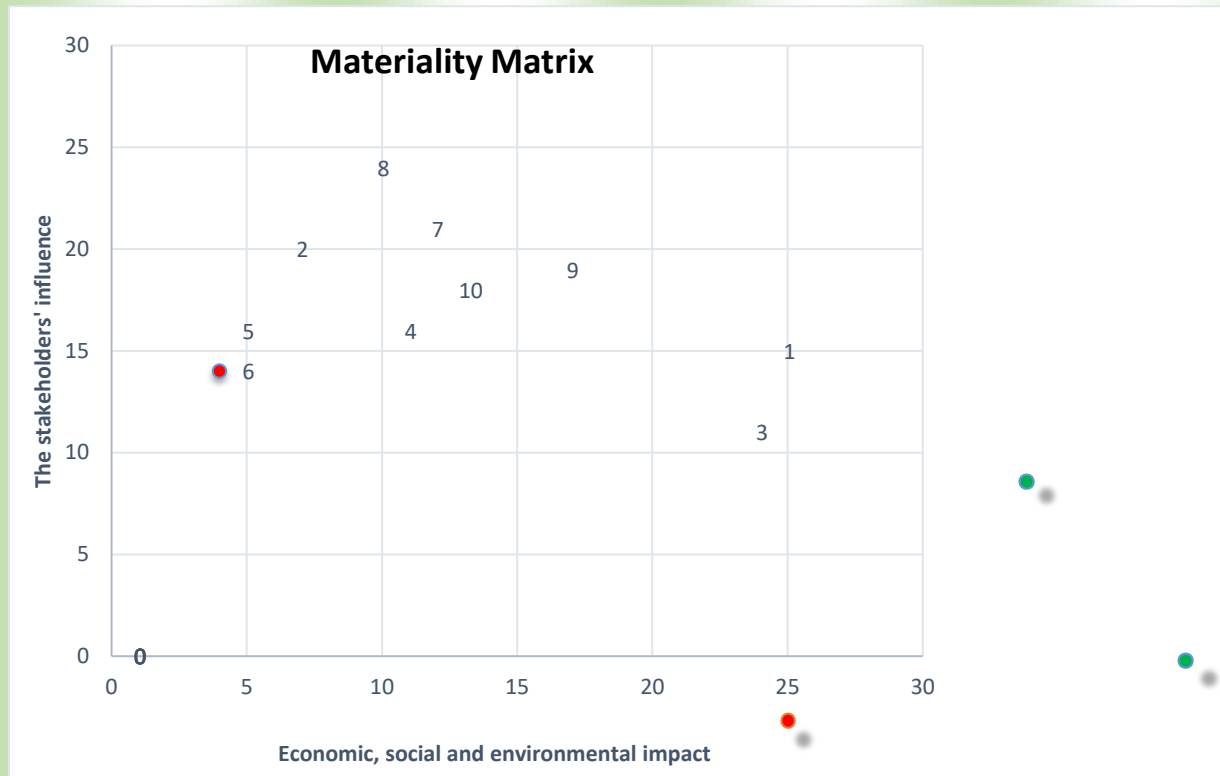
The materiality threshold is expressed by means of two values, one of them representing the stakeholders' influence level in relation to the non-financial aspects, whereas the second represents the company's impact upon the environment, society and economy, from the perspective of each non-financial aspect. Inside the materiality matrix, the two variables represent the OY axis and the OX axis:

- ❖ For the OY axis – the Influence level, the values were assigned to each non-financial aspect by means of the average of the data resulted from the stakeholder consultation process and the priority level of each category of stakeholders.
- ❖ For the OX axis – the Impact, the values were assigned to each non-financial aspect by means of the average of the data resulted from the risk and impact identification process and the score provided by the external analysis.

Caption: average high

A1	Occupational health, safety and security (OHS)	A6	Product responsibility
A2	Consumer health and safety	A7	Environmental complaints
A3	Local community	A8	Biodiversity
A4	Employees' rights	A9	Effluents and waste
A5	Preparation for emergency situations	A10	Management of human resources

Figure 8 – SNS S.A. Materiality Matrix



Perimeter of material non-financial aspects

Table 12 – Perimeter of material non-financial aspects

MATERIAL ASPECTS	KEY NON-FINANCIAL PERFORMANCE INDICATORS	SNS S.A.	STAKEHOLDERS
Occupational health, safety and security (OHS) - this aspect comprises the policy and the measures implemented by the company in order to ensure health, safety and security at the workplace.	403-SNS01³ (the number of the OHS committees throughout the organisation), 403-SNS02 (the number of training sessions on OHS matters provided to the employees), 403-SNS03 (a description of the security measures, the processes and the activities carried out within the production areas).	*The entire company	Legal and auditing authorities; Shareholders and owners; The Local Government; Business partners; Suppliers; Occupational healthcare physicians; The Media; Certification bodies; Trade unions;
Consumer health and safety - this aspect concerns the measures implemented by the company in order to ensure the health and safety of consumers by means of providing safe and quality products and services.	416-2 (the total number of incidents on the matter of non-compliance with the legislation and the voluntary codes on consumer health and safety, in relation to the company's products and services).	*The entire company	Legal and auditing authorities ; Shareholders and owners; Customers; End consumers; The Media; Physicians; Competitors;
Local community - this aspect concerns the manner in which the company engages in the dialogue	102-43 (a description of the system used to engage stakeholders), 102-21 (the number of processes of consulting with	*The entire company	Shareholders and owners; Neighbours; The Local

³ SNS 01 Indicators specific to SNS S.A.

MATERIAL ASPECTS	KEY NON-FINANCIAL PERFORMANCE INDICATORS	SNS S.A.	STAKEHOLDERS
with the communities in the production areas, the projects implemented in favour of these communities, which satisfy needs thereof, as well as the manner of settling conflicts between the company and said communities.	stakeholders on active economic, environmental and social aspects), MM6 (the number and description of major disputes (complaints + pending lawsuits) related to the use of lands and other rights of local communities).		Government; Suppliers; The Media;
Employees' rights - this aspect comprises the policies and measures set forth by the company to make sure there is an observance of human rights, diversity and equal opportunities, non-discrimination and freedom of association.	412-3 (the number of agreements and/or contracts that include the observance of human rights), 412-2 (the number of trainings provided to employees in regard to policies or procedures on the observance of human rights), 405-1 (the management board and the staff structure by age group and gender), 102-41 (the percentage of employees covered by the collective labour agreement), 406-1 (the total number of discrimination incidents during the reporting period and measures the company implemented to remedy and prevent discrimination cases).	*The entire company	Legal and auditing authorities; Shareholders and owners; The Media; Trade unions;
Preparation for emergency situations - this aspect concerns the company's level of involvement in informing and preparing the communities in production areas in regard to the dangers and risks generated by its operations and the existence of action plans for emergency situations.	SNS01 (the number of communities adjacent to mining operations, which are informed on the existence of emergency plans), SNS02 (the number of company-backed drills that simulate emergency situations).	*The entire company	Legal and auditing authorities; Shareholders and owners; Neighbours; The Local Government; The Media; Certification bodies;
Product responsibility - this aspect concerns the company's responsible marketing policy and the methods of accurately communicating information about the composition of products, their correct use and disposal.	417-1 (the types of information presented on product labels), 417-2 (the number of incidents on matters of non-compliance with the product labelling regulations or voluntary codes).	*The entire company	Legal and auditing authorities; Shareholders and owners; Customers; The Media; Competitors; Research institutes; Providers of laboratory testing services;
Environmental complaints - this aspect comprises the mechanisms, implemented by the company, intended to allow an effective management of environmental complaints (receipt, registration, settlement, reporting, monitoring).	307-1 (the number of mechanisms implemented by the company in order to manage environmental complaints; the number of administrative penalties and/or judicial sanctions for the failure to comply with the legal provisions and the regulations on environmental aspects - EN29), 307-SNS01 (the number of environmental complaints received, registered and settled).	*The entire company	Legal and auditing authorities; Shareholders and owners; Neighbours; The Local Government; The Media;
Biodiversity - this aspect refers to the activities the company carries out and the biodiversity management measures, in production areas located	304-1 (the number production areas held, managed or provided under concession / lease in / adjacent to protected areas and/or areas with high biodiversity value,	*The entire company	Legal and auditing authorities; Shareholders and owners; Neighbours;

MATERIAL ASPECTS	KEY NON-FINANCIAL PERFORMANCE INDICATORS	SNS S.A.	STAKEHOLDERS
within protected areas, adjacent to protected areas or to areas with high biodiversity value, but which are not part of any protected area; it also includes the impact upon biodiversity resulted from shutting down mines as a result of relocations.	but which are not part of any protected area), MM2 (the number of, and the percentage of total production areas identified as requiring biodiversity management plans), 304-3 (the number of protected or restored habitats).		The Local Government; The Media;
Effluents and waste - this aspect refers to the quantity of discharged water, including treated water, the quantity and type of waste, mining waste included, as well as the volume of chemical substance, oil, fuel and other substance leaks; the aspect also comprises the measures taken to manage them, as well as the transportation of hazardous waste.	306-1 (the total planned and unplanned volume of discharged water, by end use, quality and whether it was effectively used by another organisation), 306-2 (the total quantity of non-hazardous waste disposed of by the organisation over the past 3 years; the total quantity of hazardous waste disposed of by the organisation over the past 3 years), 306-3 (the total number and volume of leaks over the past 3 years), MM3 (total quantities of rock, tailings and sludge and the risks associated to them), 306-4 (the total quantity of transported, imported, exported and treated hazardous waste), 306-5 (watercourses affected by discharges and leaks).	*The entire company	Shareholders and owners; Neighbours; The Local Government; The Media;
Management of human resources - this aspect concerns the professional training programs the company provides to its employees, the benefit package provided to them, the number of new employees and newly created jobs.	404-1 (the average number of training hours / employee by gender and category - the formula in the standard), 401-1 (the total number and the rate of newly employed persons, by age group, gender and region; the number and rate of personnel fluctuations).	*The entire company	Shareholders and owners; Business partners; The Media; Trade unions;

*The entire company - the company's headquarters and branches (the internal stakeholders identified in the Stakeholders' Register)

ECONOMIC PERFORMANCE

SNS S.A. is a strong company from an economic standpoint, as demonstrated by the positive financial results of recent years.

With an actual number of 1,457 employees as at 31.12.2021, the company achieved throughout 2021 operating revenues amounting to 374,525 thsnd. lei, compared with the 305,620 thsnd. lei achieved in 2020, whereas the total amount of operating expenditure reached 304,393 thsnd. lei in 2021. Furthermore, during the reporting year, our company paid in due time all of its duties and levies to the state budget.

At the same time, the business of SNS S.A. generates a series of indirect economic benefits, also through sponsorships, the procurement activity carried out by the seven branches, across the supply chain, by means of incentivising the development of local tourism in exploitation areas where the Company conducts the salt works tourism business. The company's activities under this business line / business guideline and the promotion of this type of tourism generate benefits for the various economic operators in the adjacent tourism sector, but also for communities in general.

Enacting the provisions of Directive 2014/95/EU plays a significant part in stimulating the private sector and, in many cases, the public sector, in committing to the United Nations' Sustainable Development Goals (SDGs) and to the Paris Agreement on Climate Change. The practice of reporting non-financial information will support SNS S.A. in transitioning from basic compliance with the legal requirements to the active strengthening of a responsible business conduct and thus help benefit from sustainable development.

Figure 5 - The United Nations' Sustainable Development Goals (SDGs)



In regard to events in which the company takes part as partner, organiser or host, these facilitate the development and strengthening of partnerships/collaborations with local central government institutions, as well as with other organisations, all aimed at promoting domestic tourism, specific products and local traditions.

In 2021, 29 events were scheduled at the start of the year, two of these having 12 and 44 shows, respectively, a total number of 83 events / performances being thus achieved. Against a backdrop with a continued state of alert due to the Covid-19 pandemic, and considering all the imposed restrictions, 22 events (20 scheduled, 1 postponed and 1 subsequently approved) of the 29 scheduled were held, representing a 75.86% level of completion. Numerically speaking, 76 performances were held, representing 89.4%.

In 2021, efforts were made to contract a specialised service for the development of an application designed to promote the salt works with a tourist side within SNS SA, as well as the tourist attractions, lodging and public catering units within the area(s) of tourist salt works. The mobile application called « Salrom Salt works » will be available to users free of charge, and for download by users of both Android and iOS operating systems, starting from the first quarter of 2022.

By means of these events/collaborations/presentations/launches, SNS SA helps strengthen intercommunity relations, promotes and raises awareness on our company on several levels.

ENVIRONMENTAL PERFORMANCE

As far as environmental protection is concerned, the company has in place an environmental, food quality and safety, operating health and security policy as part of the Integrated Management System implemented at the headquarters, at the warehouse in Chiajna and at the branches. The Company conducts business pursuant to the environmental permits issued according to the legislation in force, for all the production areas. In 2021, the company held 10 environmental permits, the validity of which is maintained provided they are endorsed on an annual basis, in accordance with the relevant legislation. Over the past year, all the SNS-SA branches obtained annual endorsements issued by the local

Environmental Protection Agencies. For the two perimeters of Ocna Mureș Salt works, environmental permits were no longer issued, given the fact that business has been halted at this branch since 2010. It will be necessary to obtain the permit prior to restarting the exploitation activities at Ocna Mureș Salt works branch.

The company's activities are strictly regulated by the national and European legislation in force, with which the company is in full compliance.

Effluents and waste

SNS S.A. pays particular attention to the assessment of aspects related to the impact of business upon the environment and has in place various procedures that assist the company in implementing its environmental policy. By means of this policy, part of the Integrated Management System, SNS S.A. committed to exploit in a rational manner the salt and non-metalliferous deposits so as to meet the requirement concerning the stability of pile and floor load-bearing elements and, with it, to lower the adverse impact upon the environment. By means of the prevention measures it has implemented and by drawing up specific work procedures, the company manages responsibly the risk of collapse specific to mining site activities, known as one of the primary related risks. Additionally, with its integrated policy, the company has implemented a series of measures that allow an effective management and recovery of the generated waste, in line with the regulations in force.

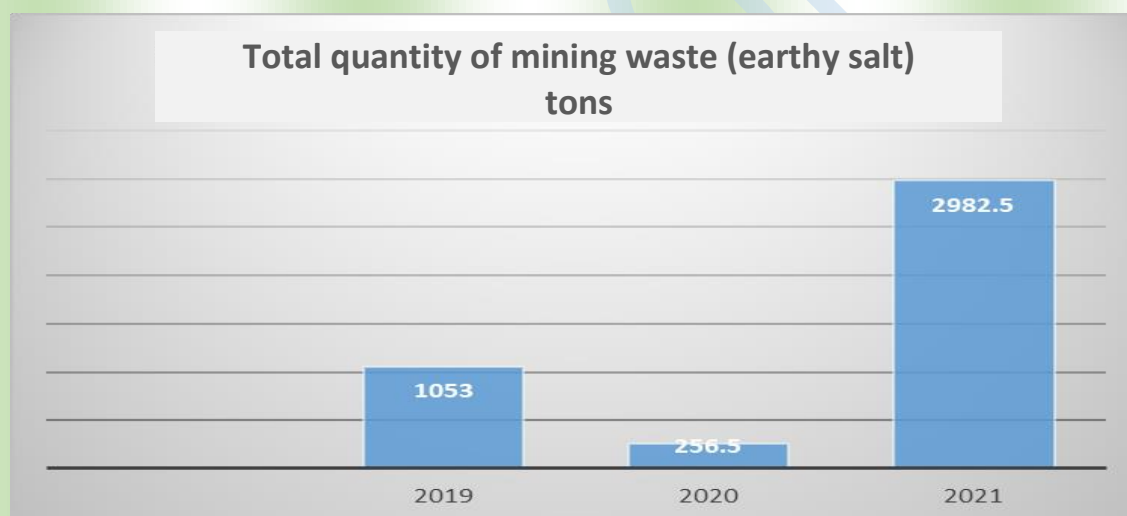


Figure 6 – Total quantity of mining waste (earthy salt)

The types of waste specific to the mining industry are rock, tailings and sludges. However, the specific activities carried out by SNS S.A. do not reveal such waste capable of generating environmental risks. Only at Praid Salt works, the waste resulted from exploitation activities is represented by earthy salt, which is piled inside a large dissolution cone (clough) on Sării hill. This waste is inert, covered in clay and poses no danger to the environment. In 2021, there was a visible significant increase in the generation of mining waste compared with 2020.

However, the activities carried out by the company produced in 2021 an amount of approx. 14,569 ton of generated waste, representing a 67% increase from 2020. Of the total generated waste and current

waste inventory, the quantity of company-wide recovered/recycled/disposed of waste in 2021 was approximately 14,899 ton, meaning 102% of the generated waste quantity.

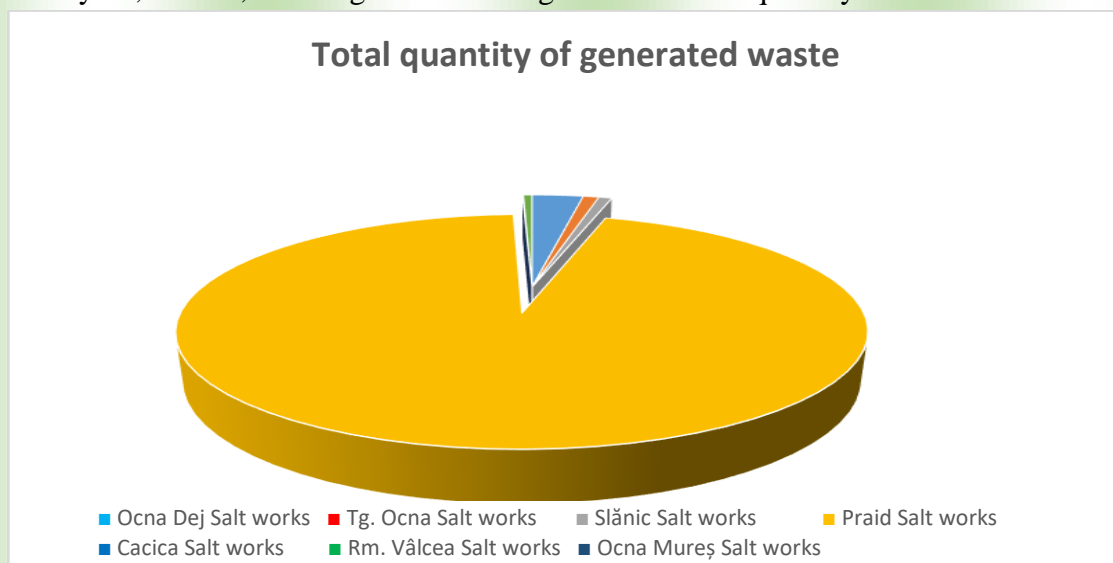


Figure 7 – Total quantity of waste generated in 2021

In 2021, in relation to the branches, the largest quantity of waste was recorded at Praid Salt works, representing 95% of the total waste quantity generated by the branches. In 2020, as well, these salt works generated the most significant amount of waste, representing 86% of the waste generated company-wide. As regards the type of hazardous waste generated by the company by means of its activities, the total quantity of hazardous waste generated by the company's branches in 2021 was 1,549 t, delivered to collecting companies specialised in capitalising on/disposing of this type of waste or in forwarding it to other certified companies. This amount of waste is insignificant in relation to the total waste quantity generated by the company, only accounting for 0.01% of the total.

SNS S.A. is also increasingly aware of the packaging waste introduced on the domestic market. The products manufactured by the company's branches are packed using paper-cardboard, plastic, glass and wood packaging (the last one as transportation packaging). For all the packaging of its products, introduced on the Romanian market, SNS S.A. undertakes to achieve its annual recovery and recycling targets stipulated by the legislation in force. To this end, for 2021, SNS SA - Salrom concluded a contract with an economic operator certified by the Ministry of the Environment for the implementation of manufacturer extended liability for the fulfilment of annual packaging waste recovery and recycling objectives. As such, the branches of SNS S.A introduced on the domestic market, in total, 1,506,804 kg of packaging which, following consumption, became packaging waste.

Table 13 – Packaging waste recovery/recycling legal percentages provided by Law no. 249/2015 and GEO no. 196/2005 on the Environment Fund

Packaging type	Recovery/recycling legal percentage
Plastic (PET included)	22.5%
Paper – Cardboard	60%
Wood	15%
Glass	60%
Recycling-based recovery objective	55%
Global recovery objective	60%

Of the total quantity of packaging waste introduced on the domestic market, 255,566 kg represent paper-cardboard packaging waste, 345,862 kg represent plastic (PET included) packaging, 900,787 kg are wooden transportation packaging (pallets) and 4,589 kg are glass packaging. Assisted by the specialised company that was contracted, SNS S.A. fulfilled in their entirety the packaging waste recovery and recycling legal objectives, thus making sure that the legal provisions in the field are complied with and the packaging waste is effectively and sustainably managed, with minimum costs.

Had it not been possible to fulfil its annual recovery and recycling legal objectives, SNS SA would have been bound to pay the Environment Fund Administration a fee amounting to 2 lei/kg of packaging «for the difference between the packaging waste quantities corresponding to the minimum recovery or incineration objectives, the latter assisted by energy-recovery incineration and recycling-based reuse plants (...) and the quantities of packaging waste effectively recovered or incinerated using energy-recovery incineration and recycling-based reuse plants», according to art. 9 par. (1) let. d) in Government Emergency Ordinance no. 196/2005.

In regard to wastewater, in 2021, monitoring for volumes discharged into natural emissaries was conducted at Praid Salt works, Slănic Salt works and Cacica Salt works branches, according to the obligations stated in the water rights permits held and the water management legislation. As such, for the resulting household and technological wastewater that was discharged in Târnava Mică river (Praid), Slănic rivulet (Slănic Prahova) and Soloneț rivulet (Cacica), the 3 above-mentioned branches pay, according to the legislation in force and the permits held, levies to the “Romanian Waters” National Administration, the territorial Water Management System - WMS.

The monitoring of discharged wastewater volumes is mandated by the issuance of the water rights permit and the applicable legislation in effect only if they are discharged into surface watercourses, and the approval of the local relevant authorities was obtained beforehand for such discharge.

The other branches discharge the household and technological wastewater either in the community sewage network, after prior treatment or emptying, or by recirculating it throughout the technological process (we are referring to a part of the discharged technological water, including rainwater collected from gutters and ditches). In such cases, there are no flowmeters fitted to monitor the discharged volumes, as this is not a provision in the permits held. For these branches, reports were submitted on the discharged water volumes collected for reuse, measured using the water meters fitted on the supply pipelines.

	um.		2020	2021
Total discharged volume of water	m ³	Slănic Salt works	24,951	18,395
		Praid Salt works: salt brine	5,787	10,675
		Cacica Salt works	5,226	2,07
		Ocna Dej Salt works	5,735	5,737
		Tg. Ocna Salt works	7,411	10,270
		Ocna Mures Salt works	613	611
Of which planned volume	m ³	Slănic Salt works	26,160	26,160
		Praid Salt works: salt brine	5,000	8,000
		Cacica Salt works	7,000	5,450
		Ocna Dej Salt works	13,989	8,188
		Tg. Ocna Salt works	9,738	9,738
		Ocna Mures Salt works	0	0
Emissions in discharged water			0	0
Chemical oxygen demand (COD)	tons	Slănic Salt works	1,108	1,267
Hydrocarbons	tons		0	0
Total nitrogen	tons	Slănic Salt works	0,099	0,0986

Table 14 – Discharged water volume

Note: the water volumes discharged in 2021 by the SNS SA branches are directly influenced by consumption, taking into account the number of employees, the number of tourists, where applicable, and output level achieved, but also the quantity of rainwater collected by the wastewater treatment plants of the salt works.

Biodiversity

Salt exploitation activities can have an impact upon biodiversity and can influence the ecosystems to a significant extent. The direct impacts can occur following the performance of mining activities that entail land alterations or accidental pollutant discharges into the water or in air (particulate matter, salt dust, heating plant emissions, etc.).

The SNS SA branches, in line with the regulations comprised in the environmental permits held, carry out regular monitoring of the environmental factors. In 2021, pollutant concentrations did not exceed the limits provided by the legislation in force.

SNS S.A - Salrom owns a production area, Bistrița – Pietreni Quarry in Vâlcea county, the limits of which overlap those of Buila – Vânturărița National Park.

Moreover, at Tg. Ocna Salt works, in the western vicinity of Gura Slănic Salt Brine Section, approximately 500 m away, we find Natura 2000 – a site of community importance designated ROSCI



0318 - Magura Tg. Ocna. The activity of the salt works does not affect the lands located within the protected natural area.

In 2021, through the activities it carried out, the company did not cause any impact upon the community habitats within the influence area of SNS SA mining perimeters.

Environmental complaints

Given the nature of the activities the company carries out, exploitation areas may witness situations that disturb good neighbourliness, in relation to which SNS S.A. implemented specific measures in the form of mechanisms designed to ensure the efficient and effective management of the complaints and notifications received from the local communities or state authorities. Primarily, these concern environment-related aspects, such as: the salt storage method, the salt-based emissions from the various preparations plants, salt brine leaks, emissions, hydrocarbon smells, noise and dust originating from limestone conveyor belts, etc.

These mechanisms are created in accordance with the provisions of Law no. 544/2001 on free access to information of public interest, according to which the company allows submitting complaints and notifications to the addresses publicly posted on its webpage, together with the standardised forms that can be downloaded and used by any interested person. Additionally, there is in place a weekly schedule for consultations with the general manager, making it possible for any person to directly inform the management on any non-compliant aspects, including those linked to the environment. The company addresses cases in which it may have to grant possible compensations requested by owners whose property has been affected and who have complained about it.

The notified aspects are reviewed by a committee for the technical analysis of notifications and complaints, set up and appointed as per a branch manager decision. In cases where a solution cannot be amiably reached, the company has in place a regulation for the settlement of litigious situations caused by the negative effects of mining activities consisting in the exploitation of salt and certain non-metalliferous substances.

Furthermore, the company's activity is regularly subject to inspections performed by the National Environmental Guard and "Romanian Waters" National Administration, which check whether business is conducted in compliance with the environmental permits and water rights permits held by the company.

In 2021, 7 environmental complaints (submitted as notifications to the National Environmental Guard and "Romanian Waters" National Administration, respectively) were filed with E.M. Rm. Vâlcea branch, on matters related to notifications from landowners or homeowners in the vicinity of production areas, who consider their property was affected by the activity carried out by SNS S.A.

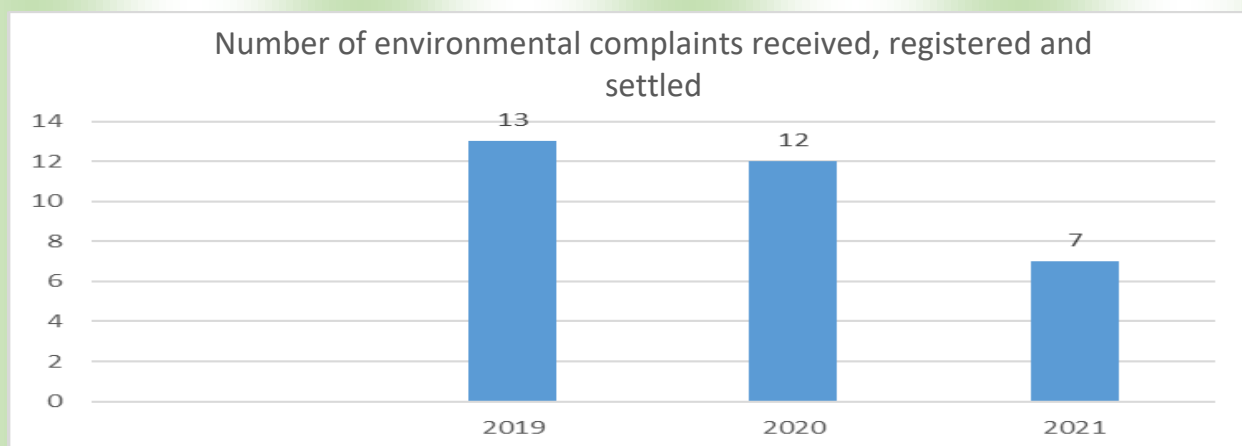


Figure 8 – Number of environmental complaints received, registered and settled by SNS S.A

In regard to the status of environmental incidents at the SNS S.A. branches, in 2021 there was one noteworthy event with an environmental impact at Cacica Salt works branch, which was issued a civil penalty by the “Romanian Waters” National Administration, Siret Water Basin Administration and Suceava WMS, in the form of a 35,000-lei fine, subject to the payment, within 15 days, of 17,500 lei, representing half the fine amount, in accordance with Contravention findings and penalizing record issued.

Following an accidental leak of technological wastewater resulted from the preparation (drain-off – condensation) activities at the recrystallized salt preparation facility, through a valve fitted to the pipeline through which the waters resulted from technological processing are pumped to the exploitation drills, the Suceava WMS representatives conducted an on-the-spot inspection on 20.10.2021. The water leaked from the condensing pipe was discharged in a ditch and subsequently in Soloneț rivulet bed. The salt works representatives identified the causes of the discharge, which consisted in a damaged connecting piece – a crack-up – inside the pipeline. Since the malfunction found could only be remedied by replacing the respective section, Cacica Salt works took the step of halting the production process in order not to worsen the conditions and to lower saline water pollution. Due to the fact that the plant was shut down as a result of a failure, without any prior preparation, as stated in the technological procedure, the wastewater could no longer be pumped towards the extraction drills, which caused the collection header to fill and discharge a small amount of fluid into the rainwater and household water collection system, as also ascertained by the inspection bodies.

The representatives of Siret ABA (*Water Basin Administration*) – Suceava WMS collected water samples from Soloneț rivulet and Suceava river to measure pollutant concentrations in the watercourses. Excess concentrations were identified for chlorides and sulphates, however, with no fish mortality detected.

Measures were identified and implemented to prevent the occurrence of similar events, these being:

- permanent monitoring, through regular verifications, of the drain-off – condensation line during operation;

- replacement of column sections along the salt brine pipeline (drain-off – condensation, brine). It represents an investment objective Cacica Salt works have planned for 2022, being included in the Investment Program for the ongoing year.

SOCIAL PERFORMANCE

Management of human resources-

In the context of an ever more competitive labour market, and considering the dwindling attractiveness of certain business sectors and certain technical professions, drawing in and retaining human resources turns into a continuous challenge for all the companies. For SNS S.A., complying with the labour legislation, the use of sound employment practices, including the interdiction of any forms of discrimination and the provision of fair treatment to any employee, are principles that underpin the management of human resources.

Candidate recruitment and selection are carried out based on a Procedure that sets forth the rules and steps to be followed. Candidates are selected in compliance with the requirements provided in the notice of recruitment, drawn up based on the conditions and responsibilities in the Job description.

Drawing in experienced specialists with highly-developed skills to occupy positions that require specialised certifications (controlling, chartered accountants, procurement experts, project managers, IT specialists, other categories, etc.) is difficult due to competitiveness involved in the acquisition of talents from the labour market. Most times, it is difficult not only to acquire proper specialists, but also to retain them in the long term, as salaried employees may choose to switch employers.

In 2021, S.N.S.-S.A. had 1,457 employees, of which 291 women (as at 31.12.2021). Additionally, from the total workforce, 131 persons hold management positions, the percentage of women in management roles being 33.6%.

Figure 9 – Operating personnel structure by age group

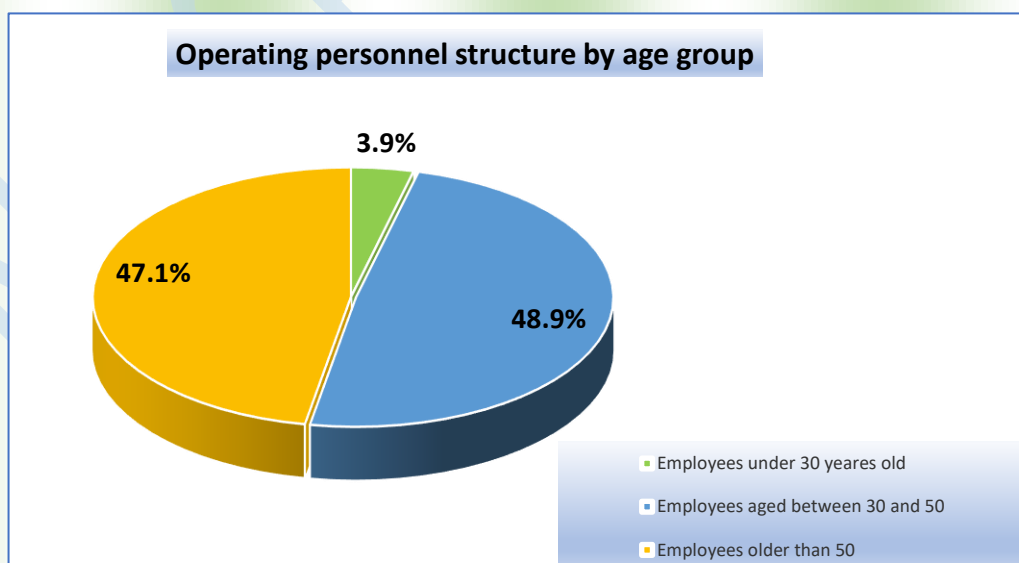
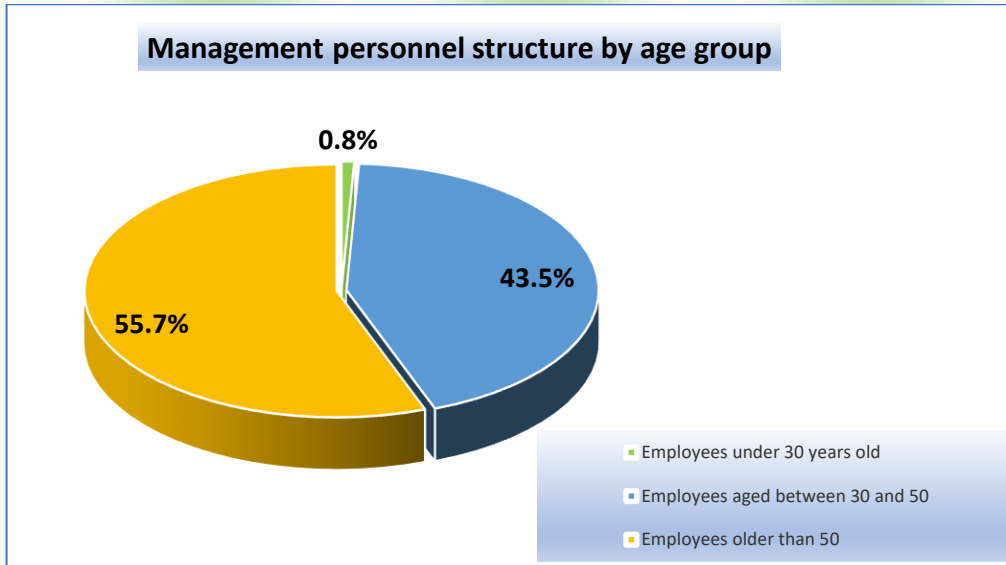
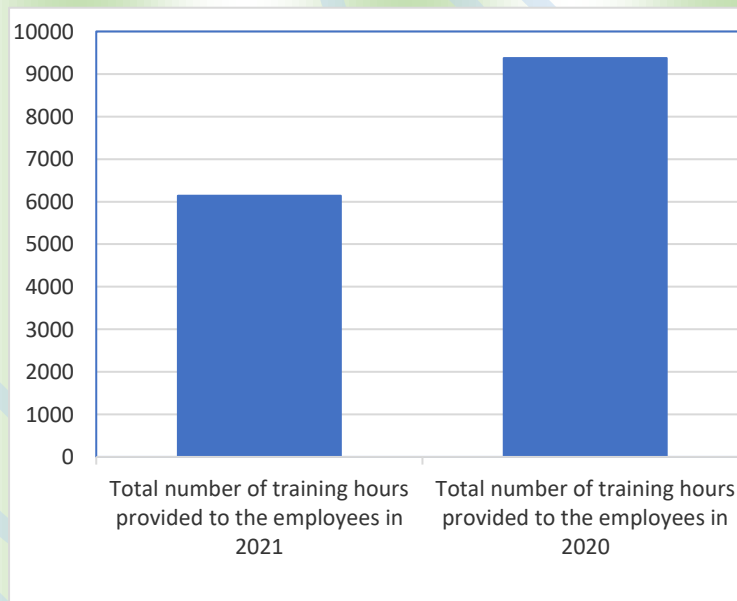


Figure 10 - Management personnel structure by age group



At the same time, the company provides to all employees professional training enhancement support. To that end, in 2021, the total number of professional training hours the company personnel benefited from was 6,140, of which 5,850 for the operating personnel. Special attention is paid by the company to encouraging the career development of the female personnel, who benefit from 406 training hours.

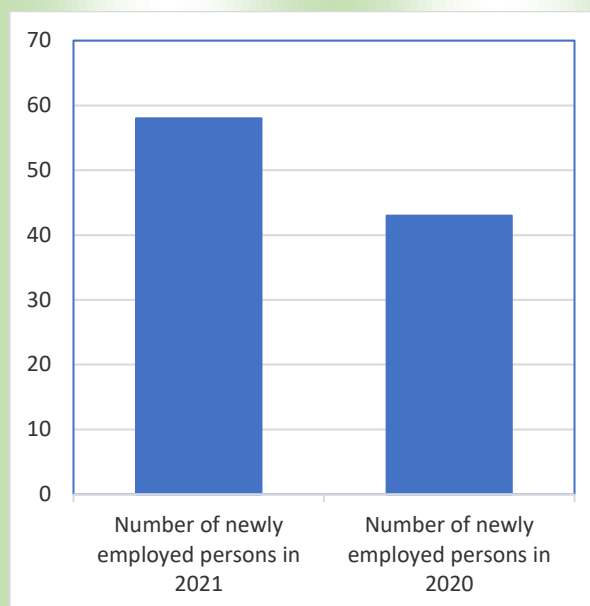
Figure 11 – Evolution of the number of training hours provided to the SNS S.A. employees



Employees' rights

Employment-related decision are made based on a contest, keeping in mind the vacancies and the personnel requirements, whereas promotion-related ones are made based on achievements, individual conduct, in accordance with the legislation in force. In 2021, 58 persons were employed, most of them aged between 30 and 50. Of the total new employees, 13 are women

Figure 12 – Evolution of the number of SNS S.A. newly employed personnel



Within the company, observance of the human rights is guaranteed both by the provisions of the Collective Labour Agreement and of the Internal Regulations, which apply to all the employees, as well as by the individual employment contracts and the Code of Conduct and Ethics. Overall, at SNS S.A., the percentage of employees covered by the Collective Labour Agreement is 100%. At the same time, the company did not encounter any discrimination incident in 2021.

INDICATOR - 2021	UM	OPERATING PERSONNEL	PERSONNEL IN MANAGEMENT POSITIONS
Total number of training hours provided to employees	hours	5,850	290
Of which, to women	hours	328	78
Total number of training hours provided to employees with IEC (<i>individual employment contract</i>), continuous, full-time position	hours	5,850	290
Of which, to women	hours	328	78
Total number of training hours provided to employees with IEC, continuous, part-time position	hours	-	-
Of which, to women	hours	-	-
Total number of training hours provided to employees with IEC, fixed-term, full-time position	hours	-	-
Of which, to women	hours	-	-
Total number of training hours provided to employees with IEC, fixed-term, part-time position	hours	-	-
Of which, to women	hours	-	-

INDICATOR - 2021	UM	OPERATING PERSONNEL	PERSONNEL IN MANAGEMENT POSITIONS
Total number of training hours provided to employees under the age of 30	hours	264	-
Of which, to women	hours	88	-
Total number of training hours provided to employees aged between 30 and 50	hours	4,369	166
Of which, to women	hours	96	6
Total number of training hours provided to employees older than 50	hours	1,217	124
Of which, to women	hours	144	72

INDICATOR	UM	2021
Number of newly employed persons	persons	58
Under the age of 30	persons	6
Of which women	persons	2
Aged between 30 and 50	persons	37
Of which women	persons	8
Older than 50	persons	15
Of which women	persons	3

Occupational health, safety and security

A major concern of SNS S.A. consists in the employees' health, safety and security at the workplace. The Integrated Management System applicable to the entire company pursues, among others, fulfilling the overall objective of retaining the certification of compliance in the area of occupational health and safety. According to the legislation in force, there are across the company eight (8) Occupational Health and Safety Committees organised and operating in line with the legal provisions, one for each individual entity, their purpose being to ensure the salaried employees' involvement in the elaboration and application of OHS-related decisions.

Optimising the working conditions and making sure business is conducted under maximum safety conditions are permanently pursued by the company, as it has set forth clear work procedures, has implemented technical and organisational measures in terms of occupational health and safety, as well as health and hygiene measures in exploitation areas, and regularly holds specific training sessions.



Throughout 2021, there were 1,490 training sessions organised in accordance with the provisions of the OHS legislation.

In 2021, Societatea Națională a Sării – S.A. experienced two route-specific traffic incidents.

At Praid Salt works branch, in February 2021, on DN 13A road, a route-specific traffic incident, that involved one branch salaried employee, took place. The event resulted in 41 days of temporary incapacity for work for the salaried employee in question.

At Târgu Ocna Salt works branch, in November 2021, on DN 12 A national road, a route-specific traffic incident, that involved one female salaried employee of the branch, took place. The event resulted in 3 days of temporary incapacity for work for the female salaried employee in question.

Local community

Initiating and maintaining a permanent dialogue with the local community represents one of the main objectives pursued by SNS S.A. The involvement of the community representatives in consultation processes, in order to identify the issues these face, as well as measures that might facilitate meeting their expectations, is an activity guided across SNS S.A. by a series of principles stipulated in the company's policy on sponsorships and other social responsibility actions.

Educating the population towards adopting a healthy lifestyle and protecting the environment, as well as the projects intended to support disadvantaged categories, are the main courses of action covered by the social responsibility policy promoted by Societatea Națională a Sării S.A.

At the same time, as stated in the economic performance chapter, the business conducted by SNS S.A. generates a series of indirect economic benefits, which influence the development level of the local communities located within production areas, particularly those communities in which the company conducts its salt works tourism business. As such, all of the company's activities pertaining to this business line, including the various events in which the company takes part as a partner, organiser or host, influence the tourism sector growth.

Another aspect specific to the mining site activities concerns the use of the lands and other rights of the local community, including elements that regard the relocation or expropriation of certain local community members. The lands for which SNS - S.A. obtained the title deed or a right to administer are used for utilities required by production (e.g.: preparation facilities, technological pipelines, access roads, warehouses for finished products, etc.)

As regards the indemnifications granted by Societatea Națională a Sării – S.A. following the impairment of the real estate properties and/or the lands located within the exploitation perimeters belonging to SALROM, in 2021, Rm. Vâlcea Mining Site branch granted a single indemnification, amounting to 105,741 lei, pursuant to a civil case sentence rendered conclusive and enforceable. The indemnification was ordered by the law court for the impairment of lands located at Ocnele Mari Field of Drills III.

In 2021, at Râmnicu Vâlcea Mining Site, there were 11 lawsuits pending before law courts, filed by various homeowners and/or landowners in the area requesting pecuniary compensations and non-material damages following the effects produced by the mining activities carried out by this branch.

Preparation for emergency situations

Promoting the concept of preparing the communities for emergency situations, as part of a sustainable environmental approach and to contribute to the mitigation of effects of natural disasters, is a critical concern of companies running their business in the mining industry.

The mining activity may generate significant health & safety-related risks and environmental risks for the employees, but also for the local communities. Certain risks, such as the occupational health, safety

and security ones, as well as tailings management, can potentially become emergency situations unless they are addressed accordingly.

In Romania, the preparation of the plans concerning emergency situations falls under the purview of the Inspectorate for Emergency Situations (ISU) within the Ministry of Internal Affairs, being drawn up for each individual county. However, this also entails the existence of a collaboration between the state institutions and the mining companies, which, together with the local communities, are able to help lowering the risks whenever possible, enhancing the reaction capabilities of the authorities and the population by increasing the extent of information provided in regard to the measures that need to be taken should any natural disasters or emergency situations occur.

In this respect, the branches organise on a yearly basis, in collaboration with the local ISU, fire and personnel evacuation simulations. Furthermore, each branch, as per their legal obligations, has a mining salvage station and one officer assigned to this station.

Various trainings are periodically organised, such as:

- the collection and disposal of waste, fuel residues and packaging;
- the provision of accesses, escape and intervention routes;
- rules for periods of extreme heat/drought and rules for the cold season.

Every year, the company organises drills as simulations of various emergency situations in relation to: the evacuation of personnel and property in cases of fire and natural disaster, as well as in relation to the method of using the fire suppression means.



We believe that simulation drills play a critical part in the development and implementation of the company salaried employees' prevention and reaction capacities in relation to all the emergency situations that might occur while business is conducted, and were identified as a key element in validating the basic capacities comprised in the prevention and protection concepts. During these simulation drills, the SNS-S.A. salaried employees put into practice the established emergency response procedures so as to prevent or eliminate the risk of

fatalities, material losses and/or environmental pollution.

Across the SNS-S.A. branches (Râmnicu Vâlcea Mining Site, Târgu Ocna Salt works, Ocna Dej Salt works, Praid Salt works and Slănic Salt works), in 2021, 54 drills as simulated occurrences of emergency situations were carried out, as follows:

- At Râmnicu Vâlcea Mining Site, throughout 2021, 25 simulation drills were carried out, of which 7 such drills for the rock salt extraction and preparation business at Ocnele Mari Salt works, 7 for the limestone extraction and preparation business at Bistrița deposit, two simulation drills at Ocnița mechanical workshop, two at the administrative headquarters of the branch, two at the central laboratory and 5 for the salt brine extraction business at Ocnița Lunca. The simulated emergency situations were based on the following risks: risk of explosion during the inadequate handling, transportation, storage and use of explosives, risk of fire at electrical panels and installations, risk of fire at the fuel, oil and lubricant depot, as well as at the oxygen and acetylene depot, risks determined by natural calamities, the risk of the undersized limestone dump drifting and blocking the Costești watercourse, the risk of encountering massive salt brine or insulating fluid leaks in the salt brine extraction business at Ocnița – Lunca, and the risk of uncontrolled land surface collapse in the area of the drill fields.
- At Târgu Ocna Salt works, 12 emergency situation simulation drills were carried out in 2021, of which: four drills were organised for the salt brine business at Gura Slănic, four for the salt extraction, preparation, packaging and storage business and four simulation drills at Troțuș Mine. The drills in question focused on the reaction capabilities and the intervention methods

in cases of fires occurring in various work areas of the salt works, as well as on various items of machinery and equipment currently in use by the branch.

- At Ocna Dej Salt works, in 2021, 12 emergency situation simulation drills (fires) were organised in the following places of business: the warehouse for finished products, the electrical workshop, the mechanical workshop, the “polaris” department, the central storage, the administrative building unit, QTC (*quality technical control*) - Laboratory, the food-grade salt packaging (5 kg) department, section 2 drive head, mill, sorting and packaging station, silo shelter, food-grade salt box packaging section, fuel depot.
- At Praid Salt works, one emergency situation simulation drill was carried out in 2021. It consisted in checking the salaried employees’ reaction capabilities in cases of surface terrain cave-ins, within the influence area of the underground site behind the salt works blocks, and in cases of livestock salt lump contamination with oil-based waste.
- At Slănic Salt works, in 2021, 4 emergency situation simulation drills were carried out, as follows: three fire bursting simulation drills (at the warehouse for finished products, the Microproduction department and the Offices) and one work site methane release simulation drill.

In 2021, at the company’s headquarters and at Chiajna Warehouse, the following trainings and emergency situation simulation drills were carried out:

- A training organised in the 1st semester of 2021 on the provisions of:
 - Law no. 307/2006 on the protection against fires: art. 1-11;
 - Law no. 163/2007 for the approval of the General rules on protection against fires: art. 21-36;
 - The Earthquake response instruction.
- A training organised in the 2nd semester of 2021 on the provisions of:
 - Order no. 262/2010 for the approval of the general provisions on the protection of office spaces and premises against fires: art. 31, 32, 42, 85;
 - Types of fire extinguishers;
 - The Instruction on evacuation in case of fire.
- A simulation drill, no. 233/04.06.2021, on personnel evacuation upon the occurrence of emergency situations, conducted at the S.N.S.-S.A. headquarters;
- A simulation drill, no. 221/24.05.2021, on personnel evacuation upon the occurrence of emergency situations, conducted at Chiajna Warehouse.

Within the company, trainings on protection against fires take place on a bi-annual basis, whereas emergency situation simulation drills are conducted on an annual basis, according to the applicable legislation in force.

Consumer health and safety and product responsibility

Societatea Națională a Sării S.A. has taken as reference point an internal culture of quality, which expresses the undertaken responsibility for the quality of products and services, for the workers’ health and safety, the health of end consumers and customers, as well as for environmental protection.

In this respect, the processes identified within the organisation are carried out in accordance with the requirements of the benchmarks selected in order to implement the Integrated Management System - IMS (quality – environment – food safety – occupational health and safety), the applicable legal

requirements SNS subscribes to and the internal work rules, maintained in the form of specific documented information. This framework governs the process-based approach, from research and development, supply, production - manufacturing and control to the marketing of products / services to end customers / consumers.

The Integrated Management System - IMS is certified by SRAC CERT Bucharest, a body accredited by RENAR and acknowledged worldwide through the IQ Net network.

The reference standards selected for the IMS design and recertification are: SR EN ISO 9001:2015 – for the Quality Management System, SR EN ISO 14001:2015 – for the Environmental Management System, SR EN ISO 22000:2019 – for the Food Safety Management System and SR ISO 45001:2018 – for the Occupational Health and Safety Management System.

The organisation determined the limits and applicability of the implemented Management System (Table 1) and took into consideration:

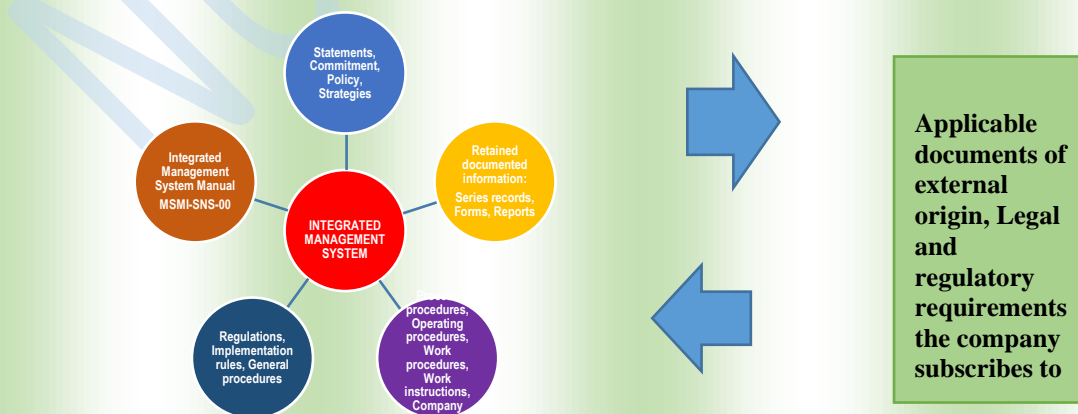
- the internal and external aspects related to the organisation’s context;
- the requirements that concern understanding the stakeholders’ needs and expectations.

Table 15 Certified areas

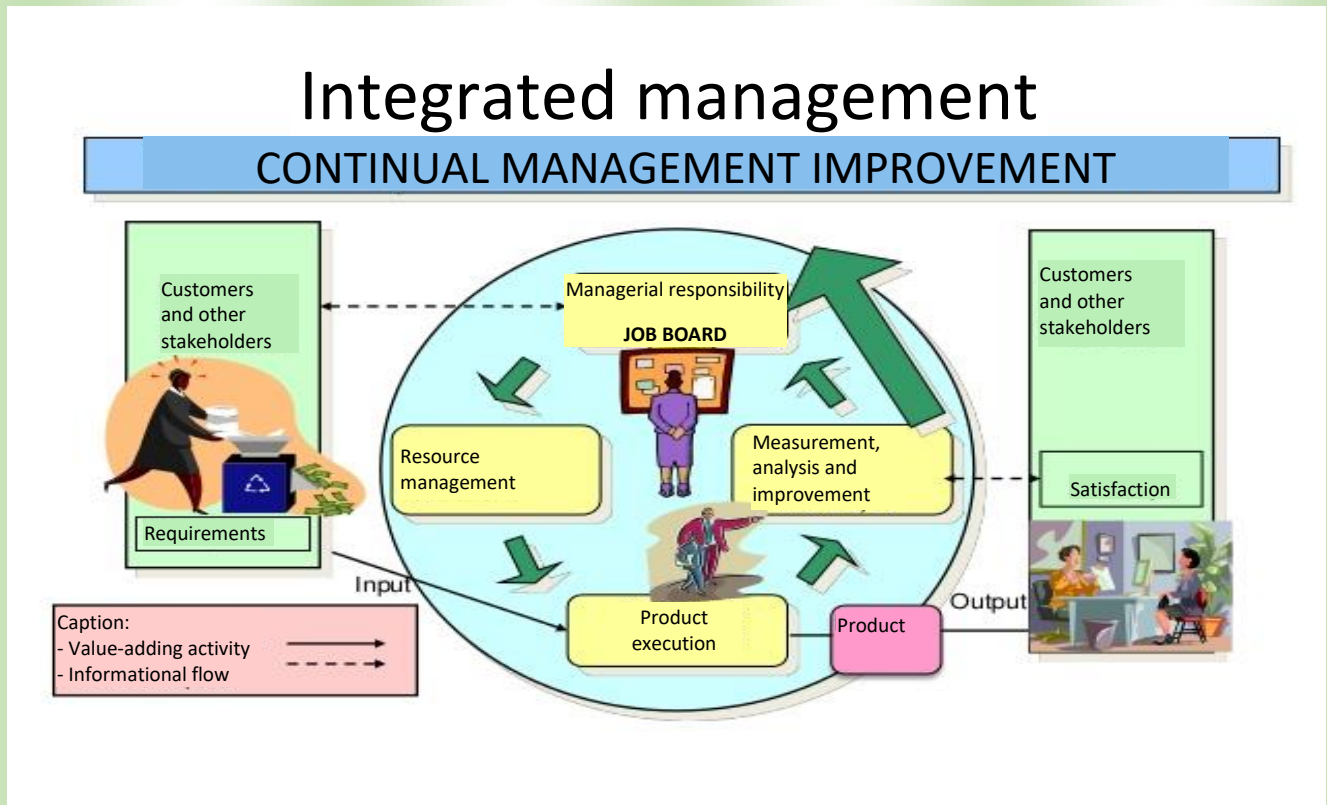
Certified area
Quality Management System QMS, Environmental Management System EMS, Occupational Health and Safety Management System OHS MS
Coordination of the extraction, preparation, storage and marketing activities for salt, non-metalliferous products and salt-based products; Storage and wholesales of food-grade salt and salt-based products;
Food Safety Management System FS MS
Storage and wholesales of food-grade salt and salt-based products;

Compliance with the requirements of the reference standards on the design and implementation of IMS is achieved through the knowledge and observance of the company’s policies, the internal/external regulations and documented information, the applicable legal and regulatory requirements in force.

The structure of the documented information pertaining to the implemented and certified Integrated Management System – Societatea Națională a Sării S.A. – Headquarters + Branches + Salt and salt-based products warehouse in Chiajna, applicable to the execution of safe products/services and high-performance processes



By means of the implemented and certified integrated management system, the company makes sure it supplies products and services that satisfy the customers' requirements and expectations, in particular, and those of all the other stakeholders, in general. The company pursues the continual improvement of the IMS and marketing safe and quality products / services.



External audit – Supervision 1, according to the sampling plan, took place during the 04 – 06.08.2021 period, with a review of all the organising entities within the Headquarters and the Salt Warehouse in Chiajna.

No instances of non-compliance were identified following the assessment.

2 (two) areas of improvement were proposed, namely:

1. ISO 9001:2015, ISO 14001:2015, ISO 45001:2018, ISO 22000:2018

❖ It is recommended to update the job descriptions in accordance with the organisational chart approved as per MB Decision no. 33/25.11.2021;

Status: under implementation; Structure in charge: the Human Resources Directorate.

2. ISO 9001:2015 – requirement 8.5.1

❖ It is recommended to update the Company Standards for the products executed by the Branches – for those that exceed 5 years from conception.

Status: under implementation; Structure in charge: the Production Directorate

The company holds ISO Certificates of Conformity for the headquarters, the Salt Warehouse in Chiajna and the 7 subordinated branches.

ISO CERTIFICATES OF CONFORMITY			
INTEGRATED MANAGEMENT SYSTEMS:			
QUALITY – ENVIRONMENT – FOOD SAFETY – OCCUPATIONAL HEALTH AND SAFETY			
Organisation designation	Number of Certificates of Conformity Issuer (SRAC + IQNet)	Reference standards employed	Status / Validity subject to annual endorsement
Societatea Nationala a Sarii S.A. – headquarters	No. 2220 / 08.06.2017	SR EN ISO 9001:2015	06.06.2023
	No. 663 / 08.06.2017	SR EN ISO 14001:2015	06.06.2023
	No.1306 / 08.06.2017	SR ISO 45001:2018	06.06.2023
	No. 50 / 08.06.2017	SR EN 22000:2019	06.06.2023
Rm. Valcea Mining Site Branch	No.1972 / 25.06.2004	SR EN ISO 9001:2015	09.11.2024
	No. 666 / 09.05.2006	SR EN ISO 14001:2015	09.11.2024
	No.1835 / 04.11.2009	SR ISO 45001:2018	09.11.2024
	No. 52 / 09.05.2006	SR EN 22000:2019	09.11.2024
Ocna Dej Salt works	No. 389 /04.12.2000	SR EN ISO 9001:2015	28.10.2024
	No. 44 / 18.07.2003	SR EN ISO 14001:2015	28.10.2024
	No. 58 / 08.04.2005	SR ISO 45001:2018	28.10.2024
	No. 72 / 17.10.2006	SR EN 22000:2005	28.10.2024
Tg. Ocna Salt works	No. 685 / 21.11.2001	SR EN ISO 9001:2015	27.04.2023
	No. 1804 / 13.05.2008	SR EN ISO 14001:2015	27.04.2023
	No. 879 / 13.05.2008	SR ISO 45001:2018	27.04.2023
	No. 179 / 13.05.2008	SR EN 22000:2019	27.04.2023
Slanic Salt works	No. 822 / 20.03.2002	SR EN ISO 9001:2015	09.06.2023
	No. 1844 / 06.06.2008	SR EN ISO 14001:2015	09.06.2023
	No. 2554 / 10.06.2014	SR ISO 45001:2018	09.06.2023
	No. 183 / 06.06.2008	SR EN 22000:2019	30.10.2022
Cacica Salt works	No. 1697 / 20.02.2004	SR EN ISO 9001:2015	26.06.2022
	No. 498 / 12.12.2005	SR EN ISO 14001:2015	26.06.2022
	No.1625 / 08.07.2009	SR ISO 45001:2018	26.06.2022
	No. 40 / 12.12.2005	SR EN 22000:2019	26.06.2022
Praid Salt works	No. 650/04.10.2001	SR EN ISO 9001:2015	16.12.2022
	No. 782 / 07.08.2006	SR EN ISO 14001:2015	16.12.2022
	No. 59 / 07.08.2006	SR EN 22000:2019	16.12.2022
Ocna Mures Salt works	No. 2604 / 18.03.2005	SR EN ISO 9001:2015	26.03.2023

Societatea Nationala a Sarii S.A., by means of Rm. Vâlcea Mining Site Branch – the limestone extraction & preparation in Bistrița – ensures the market competitiveness of the certified products, employed in the regulated area – constructions.

PRODUCT CONFORMITY		
Certificate /permit designation	Certification body / Authority	Validity
Certificate of Conformity no. 1833-CPR-0029 24.02.2017 – In-factory Production Control for quarry aggregates used in constructions , assortments: 10-40 mm, 20-40 mm, 40-80 mm, 0-40 mm, 0-63 mm;	INCERTRANS Bucharest	09.02.2024 Subject to annual endorsement



Certificate of Conformity no. 1833-CPR-0029 24.02.2017 – In-factory Production Control for quarry aggregates used in constructions, for rockfill , granularity class 80-160 mm; 0-3000 Kg;	INCERTRANS Bucharest	09.02.2024 Subject to annual endorsement
Certificate of Conformity no. 1833-CPR-0305 21.08.2020 – In-factory Production Control for filler ;	INCERTRANS Bucharest	21.08.2023 Subject to annual endorsement
Permit no. 3450/01.04.2019, for the 3rd degree Testing Laboratory – Rm. Vâlcea Mining Site Branch;	State Inspectorate for Constructions	Reassessment every 4 years 01.04.2023

All the products executed and marketed by the « SALROM » branches are manufactured in accordance with the Product standards, the Company Standards, European or international regulations and standards, so that they should completely meet the customer-stated requirements.

All the control measures in terms of consumer health and safety were taken, whereas product responsibility and customer focus are the main principles of the quality-related SNS policy.

In 2021, records showed no complaints/notifications from customers on the domestic market and there were no identified product non-compliances likely to endanger consumer health and safety. However, an external customer (a company called BorsodChem zrt., from Hungary) filed throughout 2021 several notifications, in which it complained about the inadequate technical state of the train cars used to transport bulk industrial salt, this aspect leading to the occurrence of delivery delays due to the need to repair the train cars on Hungarian territory (whether on route or on the unloading site) and salt piling up inside the train cars, in cases where the salt reached its destination after a long period of time from the date of dispatch. These notifications were taken over and analysed by the Logistics Service at the company headquarters and by Ocna Dej Salt works branch, in order to have them settled together with the rail transportation service provider, S.C. CFR Marfa S.A. In order to remedy the technical malfunctions notified by BorsodChem, the mobile repair team of SC CFR Marfa SA implemented, for the train cars in question, a train car repair program at its repair workshops in Romania.

Furthermore, customer Vitalcomus SRL from the Republic of Moldova complained in 2021 about several aspects of its collaboration with Societatea Națională a Sării – S.A., such as: very high selling price, inadequate packaging from a quality standpoint, the salt quantity below 1 kg for the salt assortment packaged in 1-kg cardboard boxes, as well as iodine insufficiency in the salt packaged in 1-kg boxes from Ocna Dej Salt works Branch. Following the verifications carried out, it was found that the product quality complaints could not be confirmed and, in regard to the price, the customer was requested to communicate an acceptable price figure, to be followed by a negotiation process.

OTHER NON-FINANCIAL PERFORMANCE ASPECTS

INDICATOR	UM	2020	2021
Total energy consumption	GJ	96,311	89,537
Total fuel consumption from non-renewable sources	GJ	20,025	18,617
Total fuel consumption from renewable sources	GJ	0	0
Total electricity consumption	GJ	76,286	70,920
Total heat consumption ⁴	GJ	20,025	18,617
Total energy consumption for the cooling facilities	GJ	0	0
Total consumption of steam-based energy ⁵	GJ	0	0
Quantity of self-generated electricity	GJ	0	0
Quantity of self-generated heat	GJ	0	0
Quantity of self-generated steam-based energy	GJ	0	0
Quantity of sold electricity	GJ	0	0
SO₂ (sulphur dioxide)	t	3,091	3,286
NO_x (nitrogen oxides)	t	1,677	1,557
Particulate emissions	t	0,117	0,147
Total quantity of disposed of (generated) waste	t	8,468	14,569.03
Of which, recycled waste	t	1,057.4	971,79

⁴ The entire quantity of heat is domestically produced

⁵ Steam-based energy (electricity) is domestically produced via turbine heat consumption

INDICATOR	UM	2020	2021
Of which, stored waste	t	270,55	64,009.01
Of which, waste disposed of by other means	t	7,383.9	13,927.96
Slănic Salt works	t	14.05	107.25
E.M. Rm. Vâlcea	t	0	69.96
Tg. Ocna Salt works	t	1,128.3	128.57
Praid Salt works	t	7,229.7	13,832.89
Ocna Dej Salt works	t	71,771	416.86
Ocna Mureş Salt works	t	0	1.33
Cacica Salt works	t	24.14	7.66
Headquarters	t	6.55	4.52
Total number of leaks	number	1	1
Total volume of leaks	l	5,787,000	8,896,000
Total quantities of rock, tailings and sludges and the risks associated to them	t	256.5	2,982.5
Total quantity of transported dangerous waste	t	1,122	1,549
Slănic Salt works	t	0	0
Tg. Ocna Salt works	t	1,073	1,274
Ocna Dej Salt works	t	0,049	0,275
Ocna Mures Salt works	t	0	0
Praid Salt works	t	0	0

INDICATOR	UM	2020	2021
Headquarters	t	0	0
Watercourses affected by discharges and leaks	t	3	3
Total quantity of water extracted for use⁶	m³	1,518,644	1,538,365
Surface waters (water from rivers, lakes, oceans, etc.) ⁷	m ³	382,364	407,265
Water resulted from rainfalls, directly collected and stored by the organisation ⁸	m ³	17,100	14,700
Residual water originating from a different organisation ⁹	m ³	1,067,418	1,067,418
Water supplied by the municipality or similar utility suppliers ¹⁰	m ³	51,762	48,982
Total number water sources significantly influenced by water extraction ¹¹	number	5	5
Total quantity of water recycled for subsequent reuse	m ³	0	0
Surface waters (water from rivers, lakes, oceans, etc.)	m ³	0	0
Number of operating areas for which there are initial end-of-operation plans elaborated	number	13	13
Percentage of operating areas for which there are initial end-of-operation plans elaborated	%	100%	100%
Number of mines in the process of closure and preservation	number	1	1

⁶ The values include the water quantity for all the SNS SA branches

⁷ The values include the water volume declared by the E.M. Rm. Vâlcea, Tg. Ocna Salt works, Cacica Salt works branches

⁸ The values include the water volume declared by Tg. Ocna Salt works branch

⁹ The values include the water volume declared by E.M. Rm. Vâlcea branch

¹⁰ The values include the water volume declared by Tg. Ocna Salt works, Slănic Salt works and Ocna Dej Salt works, Cacica Salt works, Ocna Mures Salt works and Praid Salt works branches

¹¹ Water sources declared by E.M. Rm. Vâlcea, Tg. Ocna Salt works, Cacica Salt works and Slănic Salt works branches



*The present Report and the content thereof are the property of SNS S.A.
It is forbidden to reproduce or redistribute the present document, in full or in part, to other persons.*

MUSECOPPIAZA