



2022

# *Non-financial Report*



*Societatea Națională a Sării - Salrom*



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## 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 connection 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), a non-financial reporting standard, internationally acknowledged. The purpose of this report is that of providing a picture of the company's non-financial performance over the January 01 – December 31, 2022 period.

The year 2022 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 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, Republic of Moldova, Austria, Israel, and we intend to become, within a relatively short timeframe, a regional market leader.



Another important business line of our company is the provision of tourism and related services (food, recreation, etc.).

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, 2022 period.

**General Manager,**  
Societatea Națională a Sării S.A - Salrom



Main areas of responsibility:

## **SOCIAL PERFORMANCE**

- **Occupational health, safety, and security at the work** - improving the working conditions and making sure activities are carried out under safety conditions, as well as constantly maintaining its employees' good health, represent priorities for Societatea Națională a Sării S.A.
- **Consumer's health and safety and product responsibility** - throughout last year there were no 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 employees' rights represents a provision in the Collective Labor 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 organizes 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 labor 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 pay particular attention to the assessment of the impact 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 in the quantity of waste that was handed over in 2022 to an authorized economic operator to be recycled and disposed of.
- **Biodiversity** – salt exploitation activities might 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 neighborliness, 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.



## 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.

## RAPORT'S PROFILE: METHODOLOGY, DEFINITIONS AND PRINCIPLES

The 2022 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, 2022 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 2022 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

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

### SNS S.A STRATEGY

The company is organized 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:**

- ensures the stable operation of salt mining sites in Romania in compliance with the safety and quality standards;
- 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;
- grants visitors access to the network of SNS S.A. salt works for tourist and leisure purposes;
- 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 licenses 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:

**Continuing 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 (recrystallized 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 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 capitalizing 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 permits and licenses 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**

	<b>2021</b> (thsnd RON)	<b>2022</b> ( thsnd RON )
Net turnover	364,767	497,918
Direct economic value generated (Revenues from Exploitation)	374,525	495,295
The economic value distributed (Expenses from Exploitation) of which:	304,393	360,901
Operational Costs (costs of raw materials, materials, services, etc.)	117,576	148,970
Salary costs, employee benefits	129,590	140,891
Depreciation and provisions (net value)	30,777	20,345
Tax profit	13,696	26,454
Sponsorship	0	160
Retained economic value (Result from Exploitation)	70,132	134,394
Dividends paid	11,482	59,895

**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, either natural persons or legal entities. The table below presents a classification thereof in 2022, indicating the production area of each product category.





**Table 2 – Classifications of SNS S.A. products**

<b>MAIN PRODUCT</b>	<b>PRODUCT'S SUBCATEGORY</b>	<b>DESCRIPTION / USE</b>	<b>PRODUCTION AREA</b>
<b>FOOD-GRADE SALT</b>	<b>Coarse iodized rock salt</b>	Human consumption	Ocna Dej Salt works Târgu Ocna Salt works
	<b>Extra fine iodized salt rock</b>	Human consumption	Ocna Dej Salt works
	<b>Recrystallized iodized salt</b>	Human consumption	Cacica Salt works
	<b>“Felicia” food base</b>	Human consumption	Slănic Salt works E.M. ( <i>Mining Site</i> )
	<b>Coarse iodized/non-iodized rock salt</b>	Food industry	Ocna Dej Salt works Târgu Ocna Salt works E.M. Rm. Vâlcea
	<b>Extra fine iodized salt rock</b>	Food industry	Ocna Dej Salt works
	<b>Fine iodized/non-iodized salt</b>	Food industry	Târgu Ocna Salt works Ocna Dej Salt works
	<b>Recrystallized iodized/non-iodized salt</b>	Food industry	Cacica Salt works
	<b>Iodized/non-iodized rock salt (grits)</b>	Food industry, particularly the milk/food preservation industry	Târgu Ocna Salt works E.M. Rm. Vâlcea
	<b>Nitrite salt</b>	Food industry/ the product is used for the dry salting of meat before smoking, acting as both a preservative and an agent that naturally maintains the colors of meat products.	Cacica Salt works
<b>SALT FOR SNOW CLEARANCE</b>		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
<b>ANIMAL FEED SALT</b>	<b>Salt lumps</b>	The product is used as salt supplement designed to provide the sodium requirements in a balanced animal nutrition. Salt appears as grey-colored lumps of various dimensions.	Ocna Dej Salt works Târgu Ocna Salt works Slănic Salt works E.M. Rm. Vâlcea Praid Salt works

<sup>1</sup> Product manufactured exclusively on demand

MAIN PRODUCTS	PRODUCT'S SUBCATEGORY	DESCRIPTION / USE	PRODUCTION AREA
	<b>Salt blocks</b>	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
<b>INDUSTRIAL SALT</b>	<b>Rock salt</b>	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
<b>SALT FOR WATER SOFTENING</b>	<b>Salt tablets</b>	The product is used in the water softening and chlorination processes.	Cacica Salt works
	<b>Water softening lumps</b>	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
<b>SALT BRINE</b>		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
<b>NON-METALLIFEROUS PRODUCTS</b>	<b>Limestone (in various granulations and for various uses: constructions, the chemical industry, etc.)</b>	Limestone – 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 the quantity of products sold, on the main product groups**

	Value (thsnd. lei)			Quantities (tons)		
	2022	2021	%	2022	2021	%
<b>Total</b>	<b>460,423</b>	<b>331,227</b>	<b>39.01%</b>	<b>1,659,734</b>	<b>1,835,712</b>	<b>-9.59%</b>
Limestone	6,943	14,299	-54.45%	155,216	447,219	-65.29%
Salt brine	25,089	19,328	29.81%	293,479	325,078	-9.72%
Salt for snow clearance	215,383	140,885	52.88%	634,001	500,659	26.63%
Rock salt for the chemical industry	89,315	87,370	2.23%	389,077	426,742	-8.83%
Others	123,692	69,344	78.37%	187,960	136,014	38.19%

### 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 sq.m., was opened to the public, and nowadays continues to expect visitors, who can access the mine in minibuses along the car lane.



The tourist circuit includes the passage of 4 halls, resulting in a route that allows the highlighting of some spatial elements of tourist interest in the internal structure of the salt massif, represented by folds with development over tens of meters, marked by alternations of variously colored bands, with shades of gray and white, various mineralogical characteristics (structure, texture, crystallization mode) and by the particular hardness of the salt (structure, texture, crystallization mode) and by the special purity of the salt.

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 organized 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 sq.m 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 well as 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 organization, 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.

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 specialized 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>

### **Ocele Mari Salt Works (Vâlcea County)**

The salt deposit at Ocele 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 Ocele 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 sight.



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 organized at the underground restaurant.



The schedule and fees for visiting the salt pan are available at: <http://www.salrom.ro/ocnele-mari-facilities-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 Troțuș 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 m<sup>2</sup>. The site provides optimum conditions for relaxation and sports activities on mini-football fields, basketball courts, 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>.

Total revenues from tourism activity in 2022 (tourist services and sale of goods) were RON 46,850 thousand, representing a 30% increase compared to 2021 (RON 36,014 thousand).

The increase in income is due to the increase in the average income/visit (entrance) from RON 29.98 to RON 38.53, in the conditions of a reasonably equal number of registered visits.





The share of tourism revenues in the turnover of the company recorded in 2022 the level of 9.41% compared to 9.87% in 2021. The expenses related to the tourism activity, in the amount of RON 33,677 thousand, were by 13.11 % higher than those achieved in the previous year (RON 29,775 thousand), but the gross profit in 2022 was RON 13,173 thousand, compared to RON 6,239 thousand registered in 2021.

The comparative situation, over the last 3 years, of the results of the activity of providing tourism services is presented as follows:

<b>Table 4 – Results of touristic activities</b>			
	<b>Providing touristic services</b>		
	<b>2020</b>	<b>2021</b>	<b>2022</b>
<b>Turnover (tourism services and sale of goods) (thousand lei)</b>	<b>19,523</b>	<b>36,014</b>	<b>46,850</b>
<b>The share of tourism revenues in the turnover of the company (%)</b>	<b>7.77%</b>	<b>9.87%</b>	<b>9.41%</b>
<b>Number of entries (visits)</b>	<b>709,392</b>	<b>1,201,412</b>	<b>1,215,803</b>
<b>Average income (lei)/visit (entry)</b>	<b>27.52</b>	<b>29.98</b>	<b>38.53</b>
<b>Gross profit (thousand lei)</b>	<b>-3,811</b>	<b>6,239</b>	<b>13,173</b>

On a yearly basis, the company organizes 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, organizer or host, these facilitate the development and strengthening of partnerships/collaborations with local central government institutions, as well as with other organizations, all aimed at promoting domestic tourism, specific products and local traditions.

In 2022, at the beginning of the year, 27 events were scheduled and the same number were realized, while two events were canceled but the program was supplemented during the year with two other events.

## **SNS S.A CLIENTS**

SNS S.A. products are sold both on the domestic market and on the foreign market.

Societatea Națională a Sării S.A. carries out the marketing of its goods both from its administrative headquarters/place of business, managing the organization 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 concludes “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 types of customers and/or markets**

PRODUCTS	CLIENT / MARKETPLACE
	DOMESTIC CUSTOMERS/FOREIGN CUSTOMERS
Salt brine for the chemical industry	Chemical plants (.....)
Industrial salt for snow clearance	Local and county councils Road and bridge administrations Administration of roads and bridges
Food-grade salt and salt for direct human consumption	Customers I.K.A. <sup>2</sup> Distributors Distributors..... Manufacturers food/non-food industry .....
Salt for animal feed or for industries (lumps and blocks)	Livestock farms Agricultural departments Manufacturers of fodder and animal feed (concentrates)
FOREIGN CUSTMERS	
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, Republic of Moldova, Hungary, Croatia, Israel

The comparative situation, over the last 2 years, of the quantities of products delivered and their value, in relation to the destination as a market, is presented in the tables below.

**Table 6 - The value of deliveries according to the destination of the products**

	Value (thsnd RON)		
	2022	2021	%
<b>TOTAL</b>	<b>460,423</b>	<b>331,227</b>	<b>43.46%</b>
Domestic market	305,387	237,151	28.77%
Foreign market	155,035	94,076	64.80%

**Table 7 - The quantity of products delivered, by destination**

	Quantity (ton)		%
	2022	2021	
<b>TOTAL</b>	<b>1,659,734</b>	<b>1,835,712</b>	<b>26.28%</b>
Domestic market	1,042,241	1,379,779	-24.46%
Foreign market	617,493	455,933	35.44%

<sup>2</sup> International Key Accounts - listing services addressed to manufacturers and importers who aim to sell products in international store networks



## SNS SA CUSTOMER SATISFACTION INDEX

Societatea Națională a Sării S.A (SNS S.A.) is constantly interested in adopting all the necessary measures to improve the quality of the products and services offered to its customers. As a rule, every year, through a market study carried out by an internal analysis or by an independent company, the perception that SNS's SA clients have towards its products and services is evaluated. The quantitative study on customer satisfaction regarding the products and services offered by SNS SA., related to the year 2022, was carried out by the Marketing Department of SNS - headquarters.

### *Survey of clients of SNS SA branches*

Study methodology: Customer satisfaction forms - sent by email to SNS SA Salrom client companies.

Sample size: 201 companies, clients of SNS SA Salrom

Data collection period: January 1 - December 31, 2022

Structura esantionului pe SALINE		
1.	Slanic	48
2.	Ocna Dej	30
3.	Tg. Ocna	33
4.	Praid	32
6.	Rm. Valcea – Ocnele Mari	33
7.	Ocna Mures	25
	<b>TOTAL</b>	<b>201</b>

**Evaluation of branch customers' perception:** Approximately 90% of Salrom customers are satisfied and very satisfied with the collaboration with this company.

### *Survey of internal clients (IKA and third parties) - for the head office*

Sample size: 36 companies, clients of SNS SA Salrom

Data collection period: March 27 - March 28, 2023.

A percentage of 98% of the internal customers declared themselves very satisfied with Salrom products and services, 2% gave the qualification "Good" to the communication with the staff of sales and the promptness in solving the problems reported.

### *External customer surveys — for headquarters*

Sample size: 12 companies, clients of SNS SA Salrom

Data collection period: March 27 - March 28, 2023

A percentage of 100% of external customers declared themselves *Very satisfied* with Salrom products and services.

One of the new customers for 2022, from Slovakia, suggested improving the quality of big bags and better product quality control (the customer purchased 60t of road salt).



***The conclusions of the Customer Satisfaction Study for the year 2022:***

- The industrial road salt was purchased only in the cold months, due to the lack of storage space for customers.
- In the context of the outbreak of the war in Ukraine, the demand for packaged food salt increased. We have insufficient stocks during the winter - reported at Ocna Mures Saltworks, Ocna Dej Saltworks and Tg Ocna Saltworks.

***Improvement proposals resulting from the responses received from customers:***

Increasing the production capacity for bulk industrial salt for snow removal and for food salt - Slanic Prahova.

The production of industrial salt for snow removal during the warm season and its underground storage as far as possible.

The installation of detectors to allow the detection of ancient bodies before packing in bags. Promotion of deliveries of industrial salt for roads in warm periods.

Term payment facilities.

To shorten the waiting times from placing the order to delivery.

The possibility of issuing direct orders for larger quantities, not just 50 tons / month - Tg Ocna.

Improving the way of packaging in order to eliminate the risk of contamination - Ocna Mures.

***Comparative analysis of the criteria that influence consumption behavior.***

The price remained an important criterion in the purchase process, Salrom having proposals to lower the prices of bulk salt from among the customers.

Also, attention to customer needs and flexibility registers an increased performance compared to 2020. Another criterion that requires improvement from the point of view of Salrom's customers is the variety of the products' range.

Regarding the solution of the problems by the commercial service, there are no complaints in 2022.

As in previous years, Salrom is perceived as a reliable, transparent company with a good reputation, attributes reinforced by customer satisfaction for the quality of the products, the quality-price ratio, the easy relationship with the company, but also with the Commercial Service (kind, provides complete information).

**SHAREHOLDERS' STRUCTURE**

Societatea Națională a Sării S.A. (SNS S.A-Salrom) is a Romanian legal entity, registered in the Trade Register under no. J40/4607/2010, being established in 1997 by Government Decision no. 767/1997. The company operates through 7 (seven) Branches without legal personality, operable in the areas where it holds mineral resource exploitation licenses: Vâlcea, Prahova, Cluj, Alba, Bacău, Harghita and Suceava. They have their own management, functional departments/services and keep accounting records up to the level of a trial balance.



Figure 1 – Shareholding Structure

**Shareholding structure**



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**

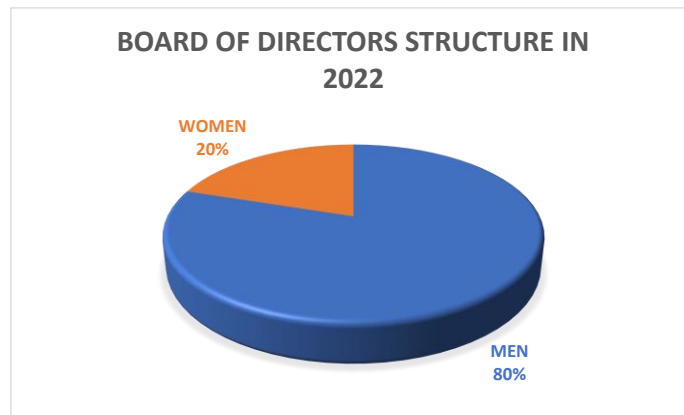
The deliberative and governing bodies of SNS S.A. are the Shareholders’ General Assembly (SGA) and the Board of Directors (BoD). SGA is organized and conducts its business in accordance with the provisions of Law no. 31/1990, republished, as subsequently amended, and of the Company’s Articles of Incorporation in force. BoD 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 Board of Directors organization and operation regulation, as approved by the Shareholders’ General Ordinary Assembly.

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

**Table 8 – The Board of Directors’ members as of 2022**

2022						
Members of the Board of Directors	01 Jan	02-Feb	3 Jun	04-Aug	05-Dec	31-Dec
Nicolae Tulici						
Petrică Lucian Rusu						
Cătălin Paraschiv						
Ion Valeriu Ionita						
Simona Georgiana Ochian						
Cristi Sandu						
Constantin Dan Dobrea						
Nicolae Cimpeanu						

**Figure 2 - Structure of the Board of Directors in 2022**



The company's top management is provided by the General Manager (GM), to whom leadership duties are delegated by BoD. 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 Board of Directors, according to the company's Articles of Incorporation.

**Table 9 – Top Management in 2022**

2022						
General Manager	1 Jan	17 Feb	18 Jun	19 Aug	20 Dec	31 Dec.
Emil Militaru						
Constantin Dan Dobrea						

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

**Table 10. - Delegation of authority within SNS S.A.**

<b>General Assembly of Shareholders</b>	<p>Approves proposals concerning the company's development, refurbishing, 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 Board and the financial auditor, approves the appropriation of profit and sets forth the dividend value;</p> <p>Appoints and dismisses the Board's 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>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 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 Board of Directors' 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.</p> <p>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</p>
<b>The Management Board</b>	Delegating in order to carry out company operations is done pursuant to a
<b>The General Manager</b>	They operate as the company's top management and represent the company in third-party relations and in legal matters
<b>The Heads of Directorates at SNS S.A headquarters.</b>	They coordinate and manage a Directorate, as well as handle the functional coordination of the organisational structure from the same field within the Branches
<b>The branch managers</b>	They manage the branches and directly report to the General Manager
<b>The directorate head in a branch</b>	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
<b>The heads of service / compartment coordinators reporting to the General Manager</b>	They provide the operations management of the services and compartments subordinated to the General Manager.
<b>The heads of service / compartment coordinators reporting to the directorate heads within SNS S.A. headquarters</b>	They manage/supervise the services and compartments subordinated to the directorate heads
<b>The personnel reporting to the directorate heads, the heads of service, heads of office and compartment coordinators within the branches</b>	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 or 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 (TEC). SNS SA TEC analyses/endorse 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 TEC purview and, naturally, to the Company's / the branches' scope of business. The endorsements issued by TEC are subject to the approval of SNS's SA General Manager.

According to the provisions in the company's Articles of Incorporation, advisory committees were set up for the Board of Directors, the Nomination and Reward Committee, the Audit and Risk Committee, as well as the Strategy and Development Committee. Their duties are stipulated in the committees' own regulations, approved by the BoD, as well as in BoD's Organization and Operation Regulation.

These committees were tasked with drawing up recommendations for the Board of Directors, in areas such as audit, the salaries of Directors, managers, financial auditors and employees' salaries 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 Board of Directors, 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 labor 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. EXTERNAL RISKS**

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 organizational entity. Societatea Națională a Sării S.A has risk and internal managerial control officers appointed as per a General Manager's decision and, the Board of Directors, the Audit and Risk Advisory Committee monitors how risk management and the internal control system are organized and managed. The main duties of this committee are: to analyze the specific internal reports issued by the company and issue recommendations to the Board of Directors, to analyze the legal nature and effectiveness of the internal audit activity, to analyze 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, analyze, assess, and prioritize the risks that may hinder the fulfilment of the general objectives and the organization's operation on the whole. Their responsibilities include, among others, drawing up, updating, and amending the risk register at a centralized 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 conduct. 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 employees;
- procedures in regard to employment, remuneration, review, penalties, etc.;
- the sole collective labor agreement.

In terms of measures implemented across the Company to manage situations that may generate conflicts of interest, 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](mailto: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](http://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 standardizing 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 “Labor Code”, the “SNS S.A. Collective Labor 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, 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 which 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, local and national level, represents an extremely critical aspect in securing the success of the company’s 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 organization 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.

Compliance with the requirements of the standards:

- The scope of the quality management system was established according to the requirements of the relevant stakeholders; Last update no. 177/12.01.2023
- The quality policy is available, when appropriate, to relevant stakeholders. It is uploaded on the website of the organization: [www.salrom.ro](http://www.salrom.ro); Document no. 1020/22.02.2022
- Design and development activities take into account the requirements of relevant stakeholders, respectively the level of control over the design and development process expected by them;
- The analysis carried out by the management - which includes aspects related to the feedback from the relevant stakeholders: customers/consumers, consultation of workers/employees, consultation of internal/external stakeholders (authorities, control bodies, unions, senior management, etc.);
- The main reason for implementing an integrated / quality management system is basically to ensure that the organization's products and services meet the requirements. As a result, it is important to understand these needs and expectations in order to plan, implement and operate the organization's management system processes adequately.



The main goals are to revise the *Stakeholders' Register*, to understand their needs and expectations, as well as to prioritize 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**





## CONSULTATION OF INTERESTED PARTIES AND IDENTIFICATION OF MATERIAL NON-FINANCIAL ASPECTS

### INTERESTED PARTIES CONSULTED

External

#### A. CLIENTS / FINAL CONSUMERS Analysis of customer's feedback

Annually, the company organizes and implements various consultation initiatives with interested parties, both internal and external. The organization monitors customers' perceptions of the extent to which their needs and expectations have been met.

#### The quantitative study for measuring the customer satisfaction index for 2022

##### I. Objectives and methodology

- Analysis of the general satisfaction of the company's customers, carried out through questionnaires that aims to obtain direct feedback from customers regarding their experience with the products offered by SALROM;
- Identifying the methods of loyalty for existing customers;
- Evaluation of customers' perception of salt-based products;
- Evaluation of the consumption behavior of salt-based products: the motive for the purchase, product's characteristics, quality, price, packaging design;
- Evaluation of the relationship with the Salrom brand from the customer's point of view: communication with the staff, contractual terms, delivery, transport;
- Identifying strengths and weaknesses;

##### II. Purpose of the study:

1. Improving the products and services offered;
2. Improving the relationship with customers:
  - understanding customers' needs and expectations;
  - developing more effective communication strategies and offering customized solutions for customers;
3. Increasing customers' loyalty: identifying the factors that influence customer loyalty and developing strategies for its growth; This may include offering promotions and benefits for loyal customers, as well as improving the shopping experience and postal services

Study's methodology: Customer satisfaction forms sent by email to SNS customers

Sample size: 201 Salrom customers

Data collection period: January 1 - December 31, 2022

Sample structure on SALINE

Branch	Sample size
Slanic Saltworks	48
Ocna Dej Saltworks	30
Tg.Ocna Saltworks	33
Praid Saltworks	32
Mining Site Rm.Valcea	33
Ocna Mures Saltworks	25
<b>TOTAL</b>	<b>201</b>

#### I. Customer satisfaction survey results for the year 2022 – branches

*Customer satisfaction evaluation questionnaire analysis report Salina Slanic Prahova*





### **Analyzed indicators:**

I1: Costs due to complaints = 0

I2: Percentage of loyal customers out of total customers = 14%

No. of loyal customers / No. Total customers = 162/1157

I3: Percentage of responses FB + B = 100 %

I4: No. of measures as a result of information received from clients = 0

Significant problems/nonconformities found in the analyzed period: 4 complaints

- One of the complaints refers to the quality of the packaging - 5 kg bag, Selgros complained about it;
- Two complaints made by the MDS company (the delay of the loads or their obstruction);
- The fourth refers to the quality of the product: foreign bodies found in bags of salt for the food industry. The physical danger, respectively the risk of contamination for the product entering the food chain can only be avoided by installing a foreign body detection device.

Causes:

- Due to the lack of storage space, salt for de-icing the roads was purchased in the cold months;
- In the context of the Russian-Ukrainian conflict, the demand for packaged salt has increased;

Improvement proposals:

- Increasing the production capacity for bulk salt for snow removal and food salt;
- The production of salt for snow removal during the warm season and its underground storage;
- Installation of a detector that allows the identification of foreign bodies before packing in bags;
- Promoting the idea of marketing the salt product for de-icing the roads in warm periods

### *Customer satisfaction evaluation questionnaire analysis report Ocna Dej Saltworks*

Suggestions for improvement:

- Identification of solutions for term payment - 2 clients;
- Lowering/negotiating the price of products - 2 clients;

Conclusions:

- The quality of the products of the Ocna Dej branch was assessed as: good by 90% of the surveyed customers and very good by 10% of the customers;
- The way of working and communication with the Sales Service within the branch was rated as very good by 90% of customers and satisfactory by 10% of customers;

### *Customer satisfaction evaluation questionnaire analysis report Targu Ocna Saltworks*

Customer survey results

The assessment of each characteristic questioned:

C1 - Quality of saline products - 9.6;

C2 - To what extent do the products meet customer expectations - 9.5;

C3 - Communication with Saltworks' personnel before and after the sale - 9.7;

C4 - Delivery schedule/waiting times from placing the order to picking up the goods 9.3;

C5 - Response time and responses received regarding the products sold - 9.7;

C6 - Methods of handling and resolving complaints - 9.6;

C7 - Packaging quality - 9.5;

C8 - Attractiveness of packaging - 9.4;

C9 - Variety of products - 9.6;

C10 - Flexibility in commercial relations - 9.4;

OVERALL SATISFACTION:

TOTAL clients = 12 of which:

Convinced customers (11) (CC) =92 %

Satisfied customers (1) (CS) =8

Undecided customers (0) (CI) =0%

Disappointed customers (0) (CD) =0 %.





Suggestions and proposals

Reduction of waiting times from placing the order to delivery;

Product recommendation: a customer answered "yes, with reservations", the reason being: the possibility of issuing direct orders for quantities greater than 50 tons/month;

Conclusions:

The level of customer satisfaction in 2022 is 95%

The evolution of customer satisfaction - 2% increase compared to the previous year.

*Customer satisfaction evaluation questionnaire analysis report - Salina Praid Product quality:*

According to the qualifications obtained in the first semester of 2022, the quality of the products decreased compared to the same period of 2021.

Reason: The quality characteristics of the products made by Praid Saltworks depend on the quality of the salt deposit from which the raw material is extracted.

According to the qualifications obtained in the second semester of 2022, it can be observed that the positive feedback regarding the quality of the products sold has increased compared to the same period of the previous year.

*Customer satisfaction evaluation questionnaire analysis report - Ocna Mures*

Conclusions after analyzing the answers received

- Quality of the products sold: Very satisfied customers = 94.7%;
- Compliance with delivery deadlines: very satisfied customers = 94.7%;
- Promptness in solving problems reported by clients: Very satisfied clients = 94.7%;
- Communication with the branch staff: Very satisfied customers = 94.7%;

Claims:

- Insufficient product stocks in the autumn-winter period when requests are high;
- Improvement proposals:
- Improving the way of packaging in order to eliminate the risk of contamination;
- Stock insurance.

*Customer satisfaction evaluation questionnaire analysis report - Mining Exploitation Branch Rm. Valcea*

Total evaluation criteria (according to the questionnaire) = 16

Results:

- very good - qualifying answers = 484
- Qualifying answers GOOD = 42
- Sufficient = 2

The general degree of satisfaction

	<b>2021</b>	<b>2022</b>
VERY SATISFIED CUSTOMERS	74,58 %	91,66 %
SATISFIED CUSTOMERS	19,58 %	7,95 %
DISSATISFIED / DISAPPOINTED CUSTOMERS	1,25 %	0,38 %
Undecided customers	4,58 %	0

Customer satisfaction survey results for the year 2022 IKA customers, third parties and external customers IKA customer survey results and third parties Headquarters Sample size: 36 companies, clients of SNS SA Salrom;

Data collection period: March 2023;

A percentage of 98% of internal customers declared themselves very satisfied with Salrom products and services, 2% giving the qualification Good to the communication with the staff of the commercial structure and the promptness in solving the reported problems.



#### *External customer survey results*

Sample size: 12 companies, clients of SNS SA Salrom;

Data collection period: March 27 - 28, 2023;

A percentage of 100% of external customers declared themselves very satisfied with Salrom products and services.

#### V. Assessment of customer satisfaction

##### **METHODS FOR CUSTOMER LOYALTY**

As in the previous year, a clear preference of clients for offering personalized solutions was observed. In the case of more complex transactions, customers would appreciate direct contact with a Salrom representative to a greater extent. In the next period Salrom should turn its attention to old customers (6 years or older) who place much more emphasis on direct communication, availability of product stocks and personalization of offers.

Also, contacting existing customers weekly by Salrom Sales representatives could lead to an increase in the number of orders as a result of a "warm" feedback from them.

##### **PERFORMANCE INDEX**

In order to increase satisfaction and localization, Salrom should work on improving the relationship with customers older than 6 years and those who purchase food salt for industrial consumption and industrial salt. It is also necessary to further invest in increasing satisfaction with the Slănic, Ocna Dej and Praid salt works (they obtained lower scores than the other salt works, both on the recommendation indicator and in terms of general satisfaction and satisfaction with the products Salrom).

##### **COMPARATIVE ANALYSIS OF THE CRITERIA THAT INFLUENCE CONSUMER BEHAVIOR**

Compared to previous years, there are no major changes in terms of the criteria that influence the consumption behavior of Salrom customers. Thus, both the prices and the quality-price ratio are still considered advantageous for customers, these being also important criteria in the purchase process. On the other hand, the criterion that requires improvement from the customers' point of view is the one related to the flexibility of the company in the relation to customers. As in previous years, the Salrom company is perceived as a reliable, transparent company, with a good reputation and attentive to the needs of customers, with a commercial structure with friendly, professional, and prompt staff to solve problems.

#### VI. Conclusions and recommendations

##### Conclusions:

- Industrial road salt was purchased only in the cold months, due to the lack of storage space for customers
- In the context of the outbreak of the war in Ukraine, the demand for packaged food salt increased
- Insufficient stocks during the winter - problem reported at Ocna Mures Saltworks, Ocna Dej Saltworks and Tg Ocna Saltworks.

##### Improvement proposals resulting from customer feedback:

- Increasing the production capacity for bulk industrial salt for snow removal and for food salt - Slanic Prahova
- The production of industrial salt for snow removal during the warm season and its underground storage as far as possible.
- Installation of detectors to allow the detection of foreign bodies before packing in bags.
- Promoting deliveries of industrial salt for roads in warm periods.



- Term payment facilities.
- Shortening the waiting times from placing the order to delivery.
- The possibility of issuing direct orders for larger quantities, not just 50 tons / month - Tg Ocna.
- Improving the way of packaging in order to eliminate the risk of contamination - Ocna Mures

*Comparative analysis of the criteria that influence consumption behavior.*

The price remained an important criterion in the acquisition process, Salrom having proposals to lower prices for bulk salt. Also, attention to customer needs and flexibility registers an increased performance compared to 2021. Another criterion that requires improvement from the point of view of Salrom's customers is the variety of the product range. Regarding the resolution of problems by the Commercial Department, there are no complaints in 2022. Just like in previous years, the Salrom company is perceived as a reliable, transparent company with a good reputation, attributes strengthened by customer satisfaction in terms of quality products, the quality-price ratio, effective communication with the company/its employees.

## **B. Internal stakeholder consultation - WORKERS**

### **Consultation on occupational health and safety issues at work**

The organization has identified consultation and participation processes at all levels and for all relevant positions, including workers' representatives, regarding the development, planning, implementation and performance evaluation of the Occupational Health and Safety Management System, as well as improvement actions.

The consultation of employees is carried out annually or whenever there are major legislative changes in the field of OHS, the introduction of new technologies in the work process, the appearance of new risks of injury and occupational disease, by submitting and collecting a workers' consultation Questionnaire. The consultation process is carried out to enable all workers to participate in the achievement of the policy and objectives in the field of occupational health and safety at work, according to the general documented procedure PG-SNS-14, in force.

Communication - Consultation and Participation takes place in the following situations:

- a) for the elaboration and revision of the policy and objectives of occupational health and safety at work;
- b) to assess risks and establish measures to reduce them;
- c) in case of changes affecting occupational health and safety at work.

Such consultations, on the line of OHS, took place in all branches of SNS SA.

The conclusions of the OHS consultations are the following:

- More than 90% of the respondents answered positively to the evaluation questionnaire regarding OHS policies, objectives, risk analyses, the effects/consequences in time of risk factors, the technical possibilities of reducing risk levels, establishing accident prevention measures, training, medical supervision, etc.);

Whenever new dangers are identified and a new assessment of the risk level is required, the workers are consulted in this regard, either directly or through their representatives, in order to concretely establish the necessary measures to keep them under control.

In case of the occurrence of some events regarding occupational health and safety at work, the workers are involved in their investigation, in order to identify proper, appropriate, and compliant solutions in order to prevent the recurrence of such situations.

The workers are involved in the development and analysis of the policies and objectives related to OHS, through the proposals they transmit to the management from the highest level, whenever the case is. The workers are consulted before making any changes that may affect safety and health at work, regarding the appropriateness of making these changes and in the case of identifying any dangers, the assessment and control of the risks of occupational injury and/or illness is carried out.



**A. Consultation with other internal / external stakeholders -  
Evaluation of non-financial indicators / materiality matrix;**

Values promoted by Societatea Națională a Sării S.A :

- Offering quality products;**
- Social responsibility;**
- Sustainable development;**
- Transparency**

<b>MATRIX OF INTERESTED PARTIES</b>		
	<b>Low Influence</b>	<b>Powerful Influence</b>
<b>High Importance</b>	<b>High Importance/Low Influence</b>  A priority and will need special attention to protect their interests	<b>High Importance/Powerful Influence</b>  Gaining and maintain their interest is essential thus it will grant special attention to this group
<b>Low Importance</b>	<b>Low Importance/Low Influence</b>  It will not be targeted by this activity but it might need to be monitored in a certain degree	<b>Low Importance/ Powerful Influence</b>  They are not targeted, but interests cannot be ignored as they are significant

According to the Registry no. 6322/08.11.2022, about 200 interested parties were identified.

<b>TOTAL</b>	<b>Aprox. 200*, of which</b>	<b>No. of questionares sent</b>	<b>No. of questionares received</b>	<b>Answers rate</b>
<b>RELEVANT EXTERNAL STAKEHOLDERS</b>	<b>76</b>	<b>45</b>	<b>23</b>	<b>51 %</b>
<b>RELEVANT INTERNAL STAKEHOLDERS</b>	<b>8</b>	<b>8</b>	<b>8</b>	<b>100 %</b>
* The difference, up to 200, is represented by important customers and suppliers !				

**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 MPF Order 3456/2018 on amending and supplementing certain accounting regulations, the company carried out a materiality analysis in order to identify those non-financial material 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 non-financial material 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’s management and experts in the domestic mining sector, the extent of the impacts and the risks for each relevant non-financial aspect were determined.

### **LIST OF POTENTIALLY RELEVANT NON-FINANCIAL ASPECTS**

<b>No.</b>	<b>Designation of potential non-financial aspect</b>
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.	Occupational health, safety, and security at work
19.	Materials
20.	Product responsibility
21.	Customer’s relations
22.	Consumer’s 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's 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.

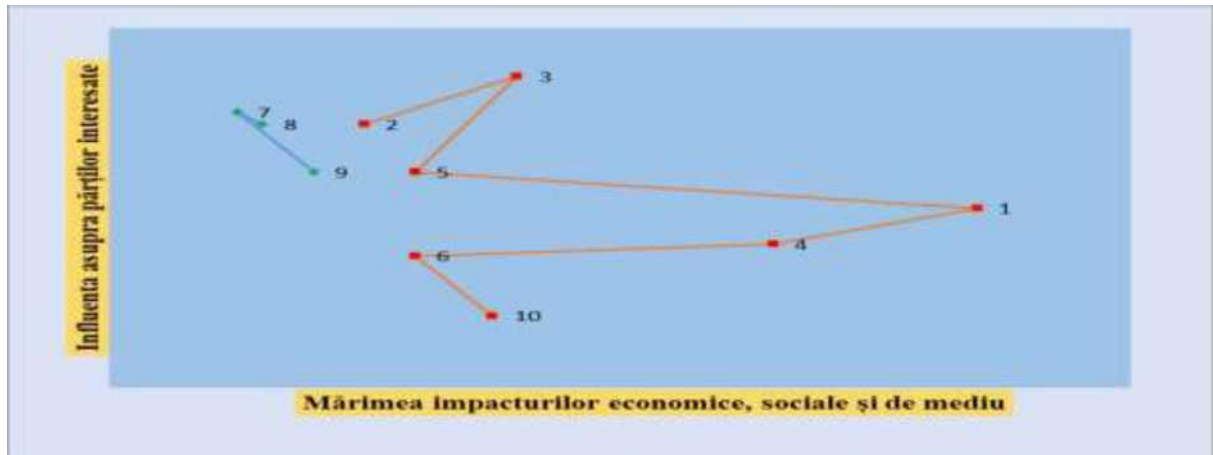
- ❖ For the OX axis – the Impact, the values were assigned to each non-financial aspect by means of the average of the data resulting from the risk and impact identification process and the score provided by the external analysis.

**Caption:** average high

A1	Occupational health, safety and security (OHS)	A6	Product liability
A2	Consumer health and safety	A7	Environmental complaints
A3	Local community	A8	Biodiversity
A4	Employee rights	A9	Effluents and waste
A5	Preparation for Emergency Situations	A10	Human resources management



**Figure 8 - SNS S.A. Materiality Matrix**



**Perimeter of material non-financial aspects**

**Table 12 – Perimeter of material non-financial aspects**

<b>MATERIAL ASPECTS</b>	<b>KEY NON-FINANCIAL PERFORMANCE INDICATORS</b>	<b>SNS S.A.</b>	<b>STAKEHOLDERS</b>
<b>Occupational health, safety, and security (OHS)</b> - this aspect comprises the policy and the measures implemented by the company in order to ensure health, safety, and security at workplace.	<b>403-SNS01<sup>3</sup></b> (the number of the OHS committees throughout the organization), <b>403-SNS02</b> (the number of training sessions on OHS matters provided to the employees), <b>403-SNS03</b> (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
<b>Consumer health and safety</b> - 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.	<b>416-2</b> (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;
<b>Local community</b> - this aspect concerns the manner in which the company engages in the dialogue with the communities in the production areas, the projects implemented in favor of these communities, which satisfy needs thereof, as well as the manner of settling conflicts between the company and said communities.	<b>102-43</b> (a description of the system used to engage stakeholders), <b>102-21</b> (the number of processes of consulting with stakeholders on active economic, environmental, and social aspects), <b>MM6</b> (the number and description of major disputes (complaints + pending lawsuits) related to the use of lands and other rights of local communities).	*The entire company	Shareholders and owners; Neighbors; The Local Government; Suppliers; The Media;
<b>Employees’ rights</b> - this aspect comprises the policies and measures set forth by the company to make sure there is an observance of human rights,	<b>412-3</b> (the number of agreements and/or contracts that include the observance of human rights),	*The entire company	Legal and auditing authorities; Shareholders and owners; The Media; Trade unions;

<sup>3</sup> SNS 01 Indicators specific to SNS S.A.



diversity and equal opportunities, non-discrimination, and freedom of association.	<b>412-2</b> (the number of trainings provided to employees in regard to policies or procedures on the observance of human rights), <b>405-1</b> (the management board and the staff structure by age group and gender), <b>102-41</b> (the percentage of employees covered by the collective labor agreement), <b>406-1</b> (the total number of discrimination incidents during the reporting period and measures the company implemented to remedy and prevent discrimination cases).		
<b>Preparation for emergency situations</b> - 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.	<b>SNS01</b> (the number of communities adjacent to mining operations, which are informed on the existence of emergency plans), <b>SNS02</b> (the number of company-backed drills that simulate emergency situations).	*The entire company	Legal and auditing authorities; Shareholders and owners; Neighbors; The Local Government; The Media; Certification bodies;
<b>Product responsibility</b> - 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.	<b>417-1</b> (the types of information presented on product labels), <b>417-2</b> (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;
<b>Environmental complaints</b> - this aspect comprises the mechanisms implemented by the company, intended to allow an effective management of environmental complaints (receipt, registration, settlement, reporting, monitoring).	<b>307-1</b> (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), <b>307-SNS01</b> (the number of environmental complaints received, registered, and settled).	*The entire company	Legal and auditing authorities; Shareholders and owners; Neighbors; The Local Government; The Media;
<b>Biodiversity</b> - this aspect refers to the activities the company carries out and the biodiversity management measures, in production areas located 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.	<b>304-1</b> (the number production areas held, managed, or provided under concession / lease in / adjacent to protected areas and/or areas with high biodiversity value, but which are not part of any protected area), <b>MM2</b> (the number of, and the percentage of total production areas identified as requiring biodiversity management plans), <b>304-3</b> (the number of protected or restored habitats).	*The entire company	Legal and auditing authorities; Shareholders and owners; Neighbors; The Local Government; The Media
<b>Effluents and waste</b> - 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	<b>306-1</b> (the total planned and unplanned volume of discharged water, by end use, quality and whether it was effectively used by another organization), <b>306-2</b> (the total quantity of non-hazardous waste disposed of by the organization over the past 3 years; the total quantity of hazardous waste	*The entire company	Shareholders and owners; Neighbors; The Local Government; The Media;

measures taken to manage them, as well as the transportation of hazardous waste	disposed of by the organization over the past 3 years), <b>306-3</b> (the total number and volume of leaks over the past 3 years), <b>MM3</b> (total quantities of rock, tailings and sludge and the risks associated with them), <b>306-4</b> (the total quantity of transported, imported, exported and treated hazardous waste), <b>306-5</b> (watercourses affected by discharges and leaks).		
<b>Management of human resources</b> - 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.	<b>404-1</b> (the average number of training hours / employee by gender and category - the formula in the standard), <b>401-1</b> (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 1,458 employees as on 31.12.2022, the company achieved throughout 2022 operating revenues amounting to RON 495,295 thsnd., compared with the RON 374,525 thsnd. achieved in 2021, whereas the total amount of operating expenditure registered RON 357,266393 thsnd. in 2022. 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 incentivizing 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 - United Nations' Objectives of Durable Development**





In regard to events in which the company takes part as partner, organizer, or host, these facilitate the development and strengthening of partnerships/collaborations with local central government institutions, as well as with other organizations, all aimed at promoting domestic tourism, specific products and local traditions. Through these events/collaborations/presentations/launches, SNS SA contributes to the consolidation of inter-community relations, promotion, and awareness of our company on several levels.

In 2022, at the beginning of the year, 27 events were scheduled and as many were realized, in the conditions where two events were canceled, but the program was supplemented during the year with two other events.

In 2022, the application for the promotion of salt works with tourist activity within the SNS SA, as well as tourist objectives, accommodation units and food in the touristic salt works area(s) was completed. The "Salinele Salrom" mobile application is free for users and can be downloaded both by Android and IOS phone users, starting from the first quarter of 2022.

## ENVIRONMENTAL PERFORMANCE

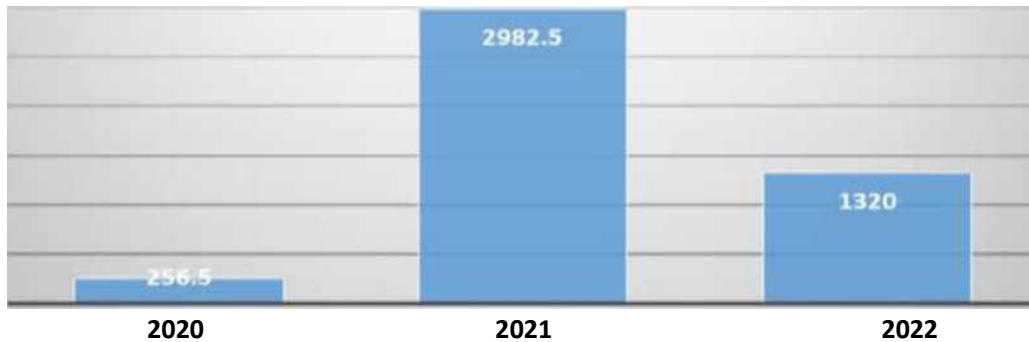
Regarding environmental protection, the company has a policy in the field of environment, food quality and safety, occupational health, and security, as part of the Integrated Management System implemented at the level of the headquarters, the Chiajna warehouse and the branches. The company carries out its activity based on the environmental authorizations issued according to the legislation in force for all production areas. In 2022, the company held 9 environmental authorizations, whose validity period is preserved on the condition of their annual verification, in accordance with the legislation in the field. In the previous year, all SNS-SA branches obtained annual visas issued by the local Environmental Protection Agencies. Environmental authorizations have not been issued for the two perimeters of the Ocna Mureș Saltworks, considering the fact that at the branch level the activity has been suspended since 2010. The authorization must be obtained before the resumption of exploitation activity at the Ocna Mureș Saltworks branch.

The company's activities are strictly regulated by the national and European legislation in force, legislation to which the company fully complies.

### 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 implemented various procedures that assist the company in performing 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 effective management and recovery of the generated waste, in line with the regulations in force.

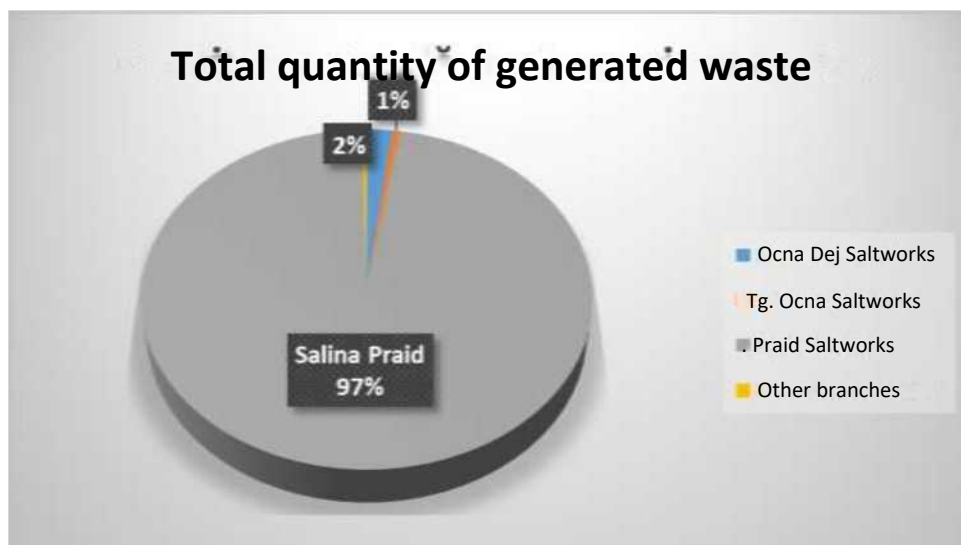
### Total amount of mining waste (earthy salt) tons



**Figure 6 - Total quantity of mining waste (earthy salt)**

The types of waste specific to the mining sector are rock, tailings and sludge. However, the specific activities carried out by SNS S.A. do not result in such waste generating environmental risks. Only at Praid Saltworks, the waste resulting from mining activities is earthy salt, which is piled in a large dissolution funnel (ravina) on the Sări hill. This waste is inert, covered with clay and poses no danger to the environment. In 2022, a significant decrease in the generation of mining waste is observed compared to 2021.

Instead, from the company's activities, in 2022 was generated a quantity of approx. 22,754 tons of waste, representing a 154% increase compared to 2021. From the total waste generated and those in stock from previous years, the amount of waste recovered/recycled/eliminated at the company level in 2022 represents approximately 22,898 tons, respectively a percentage of 100.6% of the amount of waste generated.



**Figure 7 – Total quantity of waste generated in 2022**

In 2022, at the branch level, the largest amount of waste was registered at Praid Saltworks, representing 97% of the total amount of waste generated by the branches. And in 2021, this salt works generated the most important amount of waste, representing 95% of the waste generated at company's level.



With regard to the type of hazardous waste generated by the company through its activities, in 2022 there was a total amount of 1,932 tons of hazardous waste generated by the company's branches, which were handed over to specialized collection companies that recover/dispose of this type of waste or hand them over to other authorized companies. This amount of waste is insignificant in relation to the total amount of waste generated by company, representing only 0.008%.

SNS S.A pays a special attention to packaging waste introduced on the national market. The products manufactured by the company's branches are packed in paper-cardboard, plastic, and wood packaging (as transport packaging). For all the packaging of its products, which were introduced on the Romanian market, SNS S.A. has the obligation to fulfill the annual recovery and recycling objectives provided by the legislation in force. For this purpose, in 2022, SNS SA-Salrom concluded a contract with an economic operator authorized by the Ministry of the Environment for the implementation of the extended responsibility of the producer regarding the fulfillment of the annual objectives of valorization and recycling of packaging waste. Thus, the branches of SNS S.A. introduced a total of 2,370,264 kg of packaging on the national market, which after consumption became packaging waste.

**Table 13 - Legal percentages of recovery/recycling of packaging waste provided by Law no. 249/2015 and GEO no. 196/2005 regarding 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 amount of packaging waste introduced on the national market, 274,430 kg represent paper-cardboard packaging waste, 545,537 kg represent plastic packaging (including PET), and 1,549,627 kg are wooden transport packaging (pallets). Through the specialized company that was contracted, SNS S.A. fully fulfilled the legal objectives of valorization and recycling of packaging waste, thus ensuring compliance with the legal provisions in the field and efficient, sustainable, and minimal cost management of packaging waste. In the event that the annual legal objectives of recovery and recycling would not have been met, SNS SA would have had the obligation to pay the Environmental Fund Administration a fee of 2 lei/kg of packaging «for the difference between the quantities of packaging waste corresponding to the objectives minimum recovery or incineration in incineration facilities with energy recovery and recovery through recycling (...) and the quantities of packaging waste actually recovered or incinerated in incineration facilities with energy recovery and recovered through recycling", according to art. 9 paragraph (1) lit. d) from the Government's Emergency Ordinance. no. 196/2005.

Regarding wastewater, in 2022, at the Salina Praid, Salina Slănic and Salina Cacica branches, the volumes discharged in natural emissions were monitored, according to the obligations of the Water Management Authorizations held and according to the legislation in the field of water management. Thus, for the resulting domestic and technological wastewater, which was discharged into the Târnavă Mică River (Praid), Slănic Stream (Slănic Prahova) and Soloneț Stream (Cacica), the 3 branches above mentioned pay,

according to the legislation in force and the authorizations held, fees to the Romanian National Water Administration, the Water Management System - territorial SGA.

The monitoring of the volumes of discharged waste-water is imposed, in some cases, by the authorization in the field of water management and by the applicable legislation in force only in the case of their discharge into surface water courses, for which the approval of the competent local authorities has been obtained in advance. The other branches dispose domestic and technological waste-water either in the community sewerage network, after a prior purification or by emptying, or by recirculation in the technological process (this is a part of the evacuated technological water, including rainwater collected from gutters and ditches). In these situations, there are no flowmeters installed to monitor the discharged volumes, as this is not required by the authorizations held. For these branches, the volumes of water captured for use, measured by means of water meters mounted on the supply pipes, were reported for discharged water.

MU.		2021	2022	
<b>Total volume of discharged water</b>	<i>m<sup>2</sup></i>	Slănic Salt works	18,395	16,499
		Praid Salt works	10,675	17,167
		Cacica Salt works	2,07	1,800
		Ocna Dej Salt works	5,737	6,034
		Tg. Ocna Salt works	10,270	15,344
		Ocna Mures Salt works	611	4,282
<b>Of which planned volume</b>	<i>m<sup>3</sup></i>	Slănic Salt works	26,160	26,160
		Praid Salt works	8,000	9,000
		Cacica Salt works	5,450	5,500
		Ocna Dej Salt works	8,188	8,188
		Tg. Ocna Salt works	9,738	0
		Ocna Mures Salt works	0	0
<b>Emissions in discharged water</b>		0	0	
<b>Chemical oxygen demand (COD)</b>	tone	Salina Slănic	1,267	0,9864
<b>Hydrocarbons</b>	tone		0	0

**Table 14 - Discharged water volume**

Note: the water volumes discharged in 2022 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 mining activities can have an impact on biodiversity and can influence ecosystems to a significant extent. Direct impacts may result from mining activities that involve land changes or accidental





discharges of pollutants into water or air (dust, salt dust, thermal plant emissions, etc.).

SNS SA branches, according to the regulations contained in the Environmental Authorizations held, periodically monitor environmental factors.

SNS S.A - Salrom owns a production area, the Bistrița - Pietreni Quarry from Vâlcea County, whose boundaries overlap with those of the Buila - Vânturărița National Park.

Also, at Tg. Ocna Saltworks in the western vicinity of the Section of Salt in Solution - Gura Slănic, at a distance of approximately 500 m, is the Natura 2000 Site - a site of community importance ROSCI 0318 - Magura Tg. Ocna. The activity of the salt works does not affect the lands located in the protected natural area.

In the vicinity of Praid Saltworks is the geological reserve and natural monument "Salt Mountain", formations of salt rocks that appear on the surface and have an influence on the flora and fauna in the perimeter. This is how species of halophilic flora appear, specific to saline areas. As a result of the activity carried out by Praid Saltworks, the Ecosystem is affected to a very small extent - the terrestrial flora is affected in places (in the areas with heaped earth salt), a soil with a content of approx. 30 - 50% NaCl, allows only the fixation of some halophilic species, which can develop in these extreme salinity conditions (e.g. *Artemisia salina* Willd., *Salicornia herbacea*, *Glyceria distans-varietate salina* Schur).

The aquatic ecosystem - the aquatic flora and fauna of the water of the Corund stream and implicitly of the Târnava Mica river, is influenced especially in the case of occasional accidental pollution: excessive pumping of brine, at a low dilution flow of the stream and torrential rains, which wash away a high amount of salt - especially from the Corundu canyon area - in a relatively short period of time. The lands in the Praid area are agricultural, the predominant crops being potatoes, corn, and orchards. As for the meadows, they have specific vegetation. There are still numerous areas of hay, both on the Salt Hill and in the surroundings, unaffected by the salt mining activity.

### **Environmental complaints**

Given the nature of the activities the company carries out, exploitation areas may witness situations that disturb good neighborliness, 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 standardized 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 of any non-compliant aspects, including those linked to the environment. The company addresses cases in which it may have to grant possible compensation 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 branch manager's 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 if business is conducted in compliance with the environmental permits and water rights permits held by the company.

3 complaints, submitted as notifications to the National Environmental Guard, the Prahova, Bacau, and Valcea County Police Stations. In order to solve them, the environmental authorities carried out verification checks on the ground, following which reports/minutes/notes of findings were drawn up. In none of the cases were environmental problems identified that would require sanctioning of the inspected branches.

Also, 3 reports/requests for compensation for crops affected by the branch's activity and a report/request for displacement (for which there is already a lawsuit pending before the courts of law).

Number of environmental complaints received, registered and settled

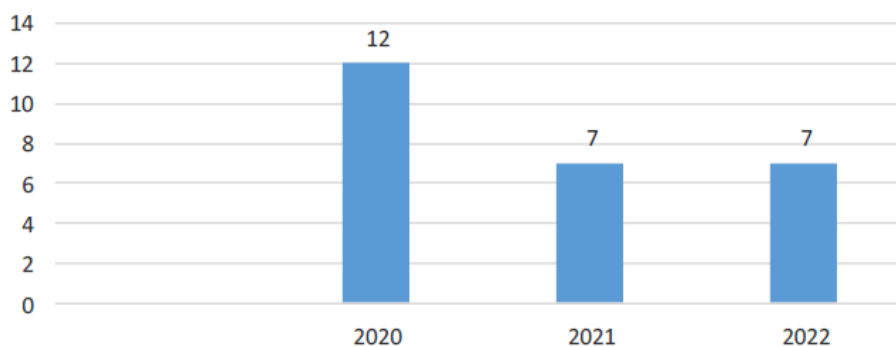


Figure 8 – Number of environmental complaints received, registered, and settled by SNS S.A

Regarding the situation of *environmental events* in SNS S.A. branches, during 2022, 4 events were registered at SNS S.A. branches, as follows:

- **Mining Site Rm. Valcea** - three breakdowns on the aqueduct route that is located on the public domain, on which a dissolving agent with a concentration of 220 g/l NaCl is transported, produced on the dates of 02.06.2022, 03.06.2022 and 12.07.2022 .

In order to solve the emergency situations, intervention teams were urgently mobilized on the spot, which carried out excavation works (where applicable) and remediation of the damaged metal pipe.

The local environmental authorities did not apply sanctions, but in the case of two of the events (on 03.06.2022 and on 12.07.2022) compensation requests were received from the owners whose lands and crops were affected by the leaked brine on their private properties.



For all 3 requests for compensation, extrajudicial technical expertise was carried out to quantify the value of the damage caused to the crops affected by the brine. Up to this moment, two of the compensation requests have been submitted to the BoD for approval.

Damage to the brine and dissolving agent transport network from SEM RM.Valcea to ...and return occurs with a fairly high frequency, given the advanced degree of wear of metal pipes. In order to prevent possible accidental pollution of environmental factors and the damage to the lands/crops/even the houses of the owners in the vicinity, for which SNS SA will have to pay compensations, according to the "polluter pays" principle or sanctions to the environmental authorities, it is necessary to modernize the pipelines technological transport of the brine and the dissolution agent (continuation of the investment objective). The work appears in the Investment Program for 2023, being a further objective.

■ **Praid branch salt works** - an event of a geological nature, which also has an indirect (minimal) impact on the environment - classified by Labor office as a dangerous incident: the infiltration of water and clay-marly material on 23.07.2022, produced in the main inclined plane of car transport in the salt works. At the time of the event, the representatives of the branch intervened with cleaning operations of the material that entered the access gallery, which also disrupted the tourist activity, the tourists being evacuated from the underground.

The water was removed by continuous pumping and emptying, operations that are still being carried out today. The extracted and discharged water is removed under control with the approval of the Romanian Water Agency (in time intervals and quantities established by the authority) in the Tarnava Mica natural emissary, based on the subscription that Praid Saltworks had already signed with the Mures Water Basin Administration, according to the Authorization of water management, for the discharge of mine waters from underground pits. The discharge into the natural emissary was the reason why the event was classified as having an impact on the environment, although it can only be a matter of a minor indirect impact on the environment, the discharge being carried out with the consent of AN Apele Romane, given that the Branch holds the mentioned subscription above and pay the fee for the discharged debits (in a controlled manner).

Between July and September 2022, the first emergency works were carried out to liquidate the damage, according to the Technical Project "Emergency liquidation of the damage to the main access gallery - Praid Salt works" (2 phases). Works carried out were: temporary support of the infiltration chimney to stop the penetration of wetted sterile material and stabilize the wall and ceiling in the infiltration portion; resin injections in the infiltration chimney and the hearth of the gallery; the catchment/evacuation network of infiltration waters downstream in isolated and concreted collecting basins, equipped with pumps, transverse gutters for capturing water pipes, etc.; concrete profile with vaulted ceiling in the damage area (walls and ceiling); partial remediation of the hearth of the gallery downstream of the infiltration area. At the same time, the technical expertise regarding the "Evolution of water and marly material infiltration from the central area of the main inclined plane of road transport from Praid Saltworks" was developed by SC Fanis SRL, requiring a series of measures, monitoring, and geological works. The event was investigated by Harghita TLO, which considered it a dangerous incident, according to investigation report no. 10131/CSSM/07.11.2022, by which measures were also ordered to prevent other similar events, with the obligation to report to the TLO how they were carried out.

According to the details of the branch, for geological - technical, hydrogeological, and partially tectonic reasons and contrary to all the measures taken up to now and which will be taken in the future, such events can occur at any time and at any salt pit. The branch proposed as absolutely necessary measures and works for the year 2023: the achievement of the investment objective "Liquidation of the emergency damage to the main access gallery - Praid Salt works- Phase 2", respectively the completion of the work according to the Technical Execution Project, developed by SC Dacitrom SRL.



The objective appears in the Investment Program for 2023 - further objective.

## SOCIAL PERFORMANCE

### Management of human resources

In the context of an ever more competitive labor 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 labor 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.

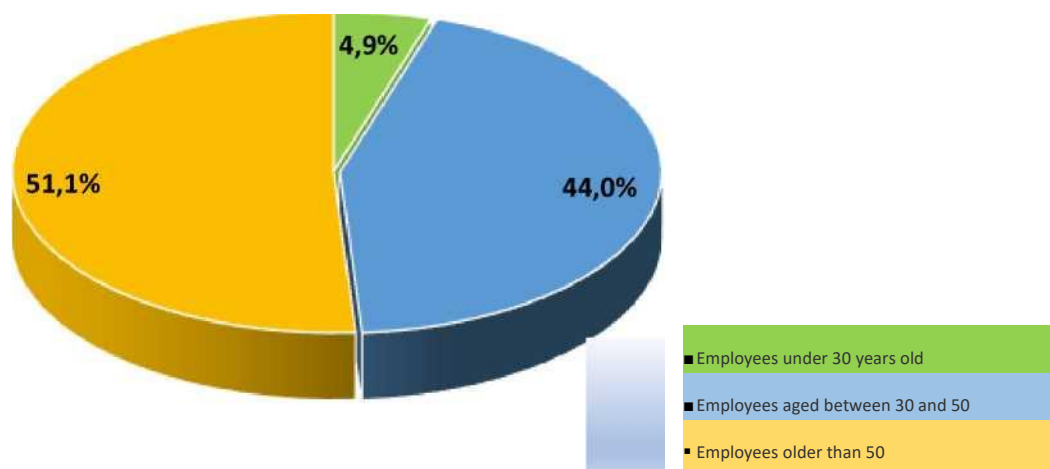
Candidate recruitment and selection are carried out based on a Procedure that sets forth the rules and steps to be followed. Candidates are selected in compliance with the requirements provided in the notice of recruitment, drawn up based on the conditions and responsibilities in the Job description.

Drawing in experienced specialists with highly developed skills to occupy positions that require specialized 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 labor market. Most times, it is difficult not only to acquire proper specialists, but also to retain them in the long term, as employees may choose to switch employers.

In 2022, S.N.S.-S.A. had a number of 1,458 employees, of which 290 were women (on 31.12.2022). Also, from the total number of employees, 117 people hold management positions, the percentage of women with management positions being 35.04%.

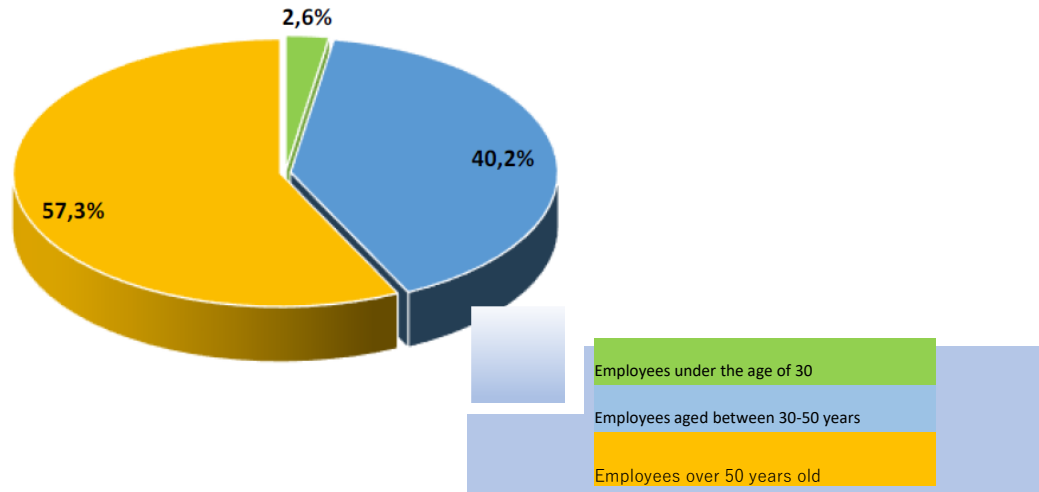
**Figure 9 – Operating personnel structure by age group**

Operating personnel structure by age group



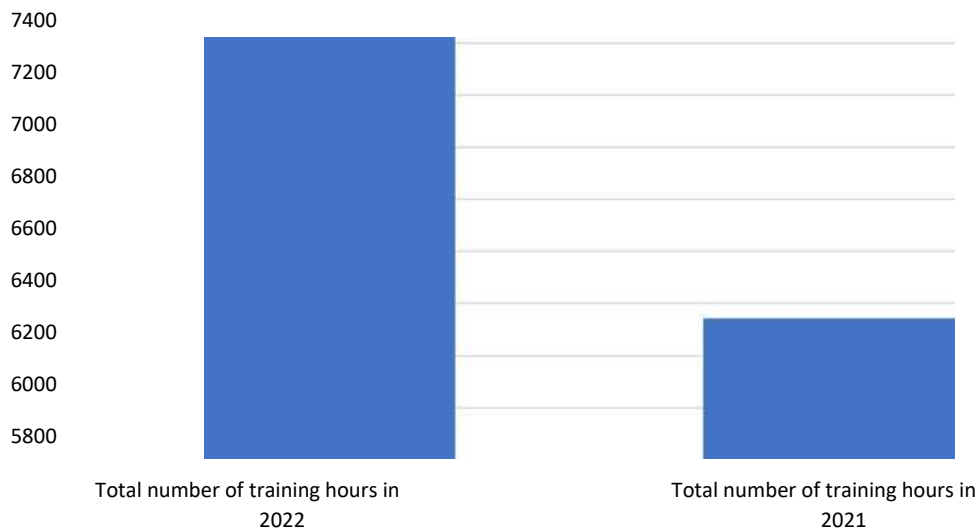
**Figure 10 - Management personnel structure by age group**

**Structure of management personnel by age groups**



At the same time, the company provides all employees with support to improve their professional training. In this sense, in 2022 the total number of professional training hours granted to the company's employees was 7,219, of which 6,640 were for the execution personnel. Special attention is given by the company to encouraging the career development of female personnel, ensuring them a number of 563 training hours.

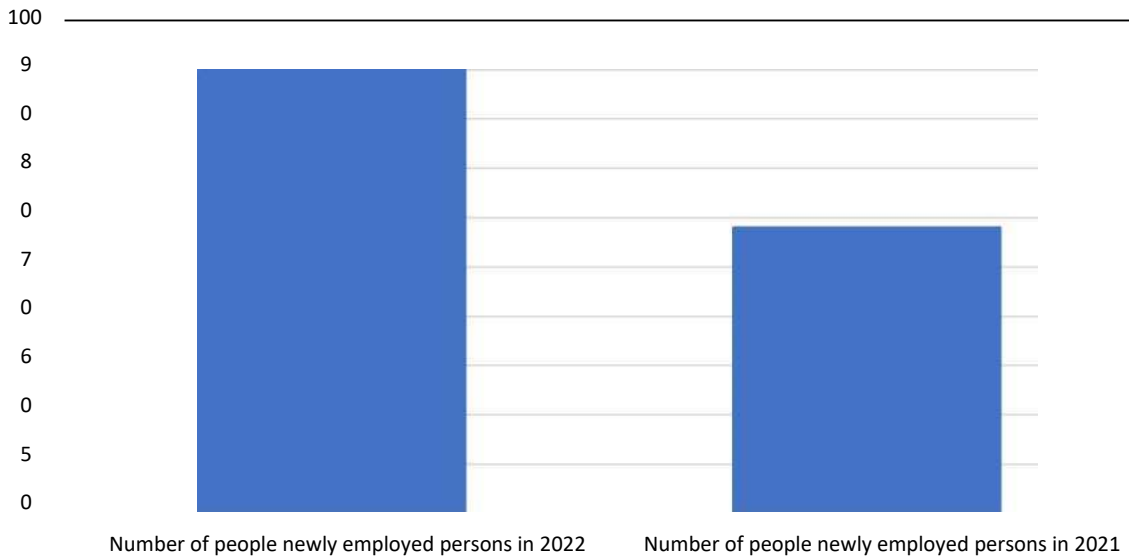
**Figure 11 – Evolution of the number of training hours provided to the SNS S.A. employees**



### Employees' rights

Decisions regarding employment are made based on a competition in relation to the vacant positions and the personnel's requirements, and those on promotion are made on the basis of achievements, individual conduct, in compliance with the legislation in force. In 2022, a number of 90 people were employed, most of them aged between 30 and 50 years. Of the total number of employees, 16 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 Labor 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 Labor Agreement is 100%. At the same time, the company did not encounter any discrimination incident in 2022.

<b>INDICATOR - 2022</b>	<b>MU</b>	<b>OPERATING PERSONNEL</b>	<b>PERSONNEL IN MANAGEMENT POSITIONS</b>
Total number of training hours provided to employees	hours	6,640	579
Including women	hours	448	115
Total number of training hours offered to employees with LC, indefinite period, full time program	hours	6.640	579
Including women	hours	448	115
Total number of training hours offered to employees with LC, indefinite period, part time program	hours	-	-

<b>INDICATOR</b>		<b>U.M.</b>	
			<b>2022</b>
Including women	hours	-	-
Total number of training hours offered to employees with CIM, fixed period, full time program	hours	-	-
Including women	hours	-	-



INDICATOR		M.U.	
			2022
Total number of training hours offered to employees with LC, fixed period, part time program	hours	-	-
Including women	hours	-	-
Total number of training hours offered to employees under the age of 30	hours	837	31
Including women	hours	4	31
Total number of training hours offered to employees aged 30-50	hours	4,527	152
Including women	hours	260	48
Total number of training hours offered to employees over the age of 50	hours	1,276	396
Including women	hours	184	36

INDICATOR	M.U.	2022
Number of newly employed people	persons	90
Under the age of 30	persons	21
Of which women	persons	2
Aged between 30-50 years	persons	49
Of which women	persons	10
Over 50 years old	persons	20
Of which women	persons	4

### Occupational health, safety, and security

A major concern of SNS S.A. it represents the occupational health, safety, and security at work of the employees. The Integrated Management System applicable to the entire company aims, among other things, to achieve the general objective of maintaining compliance certification in the field of safety and health at work. Societatea Nationala a Sarii S.A. carries out its activity in accordance with Law no. 319/2006 regarding safety and health at work, Government Decision no. 1425/2006 - Methodological norms for the application of the provisions of the Law on Safety and Health at Work and the Government Decisions transposing EC directives specific to safety and health at work.

According to the legislation in force, eight (8) Safety and Health at Work Committees are organized at the company's level and operate in accordance with the legal provisions, one for each individual entity, with the aim of ensuring the involvement of employees in the elaboration and application of decisions in the field of OHS.



Improving working conditions and ensuring that activities are carried out in maximum safety conditions is constantly pursued by the company, which has established clear work procedures, implemented technical and organizational measures for safety and health at work and hygienic-sanitary measures in the exploitation areas and conducts specific training sessions periodically.

During 2022, 1,470 training sessions (trainings) were organized in accordance with the provisions of the law in the field of OHS.

Considering the pandemic caused by the spread of the SARS - CoV-2 coronavirus, during 2022 the following cases of infection were registered:

<b>BRANCH</b>	<b>Total 2022</b>	<b>Average number of employees</b>	<b>Rate of infection %</b>
Mining Site Valcea	4	377	1.06
Slanic Salt works	1	174	0.57
Ocna Dej Salt works	35	321	10.90
Ocna Mures	2	32	6.25
Tg Ocna Salt works	4	225	1.78
Praid Salt works	21	130	16.15
Cacica Salt works	0	66	0
HQ	20	85	23.53
<b>Total</b>	<b>87</b>	<b>1410</b>	<b>6.17</b>

#### ***Details of work accidents registered in 2022***

In 2022, at Societatea Națională a Sării there were 7 work accidents resulting in the temporary inability to work of the respective employees, as follows:

- Târgu Ocna Salt works: 4 work accidents;
- Praid Salt works: 1 work accident;
- Slănic Salt works: 1 work accident;
- S.N.S. headquarters: 1 work accident.

#### ***The situation of breathalyzer controls***

<b>BRANCH</b>	<b>No of tested employee</b>	<b>Average no. of employees</b>	<b>Usage rate %</b>	<b>No. people under the influence of alcoholic beverages</b>	
Mining Site Rm. Valcea	80	377	21.22	2	Termination Labor Contract
Slanic Salt works	40	174	22.99	0	
Ocna Dej Salt works	75	321	23.36	0	
Ocna Mures	6	32	18.75	0	
Tg Ocna Salt works	115	225	51.11	0	
Praid Salt works	0	130	0.00	0	
Cacica Salt works	1	66	1.52	1	Warning
HQ	0	85	0.00	0	
<b>Total</b>	<b>317</b>	<b>1410</b>	<b>22.48</b>	<b>3</b>	



### **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 this 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, organizer, 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 with regard to 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.)

Regarding the compensations granted by Societatea Națională a Sării S.A. as a result of the damage to buildings and/or lands located in the exploitation perimeters belonging to SALROM, in 2022 the branch Rm. Vâlcea Mining Site granted two compensations in the total amount of RON 280,671 and paid court fees in the amount of RON 27,692.60, in exchange for the waiver of a respondent plaintiff's claimed right to compensation for damages caused by the mining operations in Field IV de Sonde Ocnele Mari.

At the other branches of Societatea Națională a Sării S.A. there was no compensation awarded in 2022. In 2022, at Râmnicu Vâlcea Mining Site, a number of 22 lawsuits were on the rolls of the courts, these being filed by various owners of houses and/or lands in the area who request material and moral compensation as a result of the effects produced by the mining activity carried out by this branch, and others with the object of labor disputes or the obligation to do.

### **Preparing 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 organize on a yearly basis, in collaboration with the local Emergency Department, 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 organized, 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 organizes 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 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. 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.

At the branch level of SNS-S.A. (Râmnicu Vâlcea Mine, Târgu Ocna Salt Mine, Ocna Dej Salt Mine and Slănic Salt Mine), in 2022, a number of 49 exercises were carried out to simulate the occurrence of emergency situations, as follows:

- At the Râmnicu Vâlcea Mining Exploitation, during 2022, 18 simulation exercises were carried out, of which seven such exercises were carried out in the Extraction Sector, preparation of rock salt Salina Ocnele Mari, two in the Sector of extraction and preparation of limestone Bistrita, two in the administrative headquarters of the branch, two at the central laboratory and five at the Salt Extraction Sector in Ocnița Lunca solution. The simulated emergency situations were based on the following risks: risk of explosions in the case of improper handling, transport, storage and use of explosives, risk of fires at switchboards and electrical installations underground and on the surface, risk of fires at the fuel storage, oils and lubricants, as well as at the oxygen and acetylene storage, risks determined by natural calamities, risk of fires in vehicles serving the tourist base, of the undersized limestone dump sliding and blocking the Costesti water course, the risk of massive leaks of brine or insulating fluid at the Ocnița - Lunca Salt Extraction Sector and the risk of the uncontrolled collapse of the land surface in the area of the well fields.
- At the Târgu Ocna Salt Mine, in 2022, 12 exercises were carried out to simulate emergency situations, of which: four exercises were organized within the Gura Slănic Salt Solution Sector, four at the Extraction, Preparation, Expeditions, Mine Formation Sector and four simulation exercises at the Extraction, Preparation, Expeditions Sector, Preparation Formation. The respective exercises concerned the response capacity and the way of intervention in the event of fires in different working areas of the salt mine, as well as at various machinery and equipment in the branch's equipment.
- At Ocna Dej Salt Mine, in 2022, 15 exercises were organized to simulate emergency situations (fires) at the following work points: warehouse of finished products, electrical workshop, mechanical workshop, polaris section, central warehouse, administrative body, CTC -Laboratory, food salt packaging section (5 kg), section 2 drive head, mill, sorting-packing station, silo screen, food salt packaging section in boxes, fuel storage.



- At Slănic Salt Mine, during 2022, 4 exercises were carried out to simulate emergency situations, as follows: two exercises to simulate the occurrence of a fire (at the Restaurant and to the Preparation section) and two exercises to simulate leaks of petroleum substances at a thermal power plant and, respectively, a car breakdown in the premise.
- At Praid Salt Mine, no emergency simulation exercises were organized during 2022, because an accident (massive infiltration of water and marly material) took place on 23.07.2022, at the main inclined plane of car access, an event classified as a "dangerous incident" by Harghita Territorial Labor Office.

In 2022, at the company's headquarters and at the Chiajna Warehouse, the following training and emergency simulation exercises were carried out:

- Training organized in the first semester of 2022 regarding the provisions:
  - OMAI no. 163/2007, for the approval of the General Fire Protection Rules Art. 1-9;
  - Law no. 481/2004 on civil protection: Art. 28-31;
  - Fire protection instructions: for electrical installations; for the collection and storage of household waste
- Training organized in semester II 2022 regarding the provisions:
  - Order no. 163/ 2007 for the approval of the General Fire Protection Rules: Art. 22-23;
  - Law no. 481/2004 on civil protection: Art. 28,31; ○ Evacuation in case of fire.
- Staff evacuation simulation exercise in the event of emergency situations carried out at the headquarters of the S.N.S.-S.A. no. 116/21.04.2022;
- Staff evacuation simulation exercise in the event of emergency situations carried out at the Chiajna Warehouse no. 115/20.04.2022.

Within the company, training on fire protection is carried out every six months, and emergency simulation exercises are carried out annually, 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 organization 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 organization determined the limits and applicability of the implemented Management System (Table 1) and took into consideration:

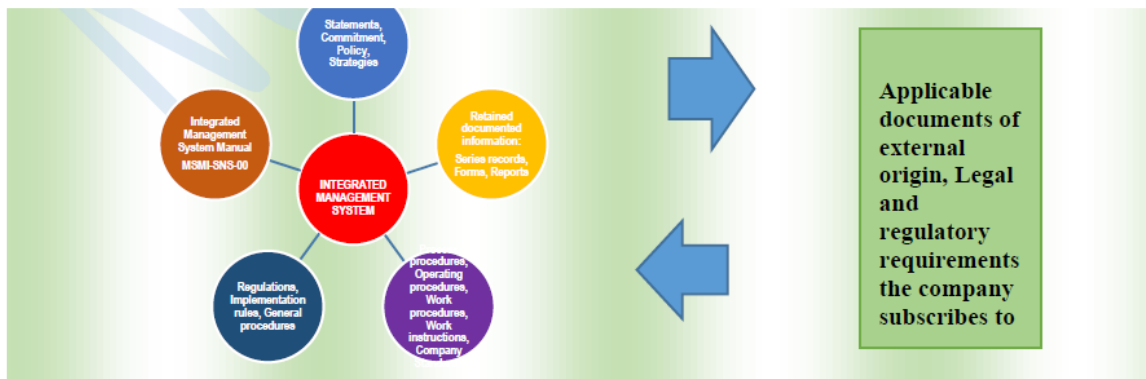
- the internal and external aspects related to the organization’s context;
- the requirements that concern understanding the stakeholders’ needs and expectations.

**Table 15 Certified areas**

<b>Quality Management System QMS, Environmental Management System EMS, Occupational Health and Safety Management System OHS MS</b>
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 ;
<b>Food Safety Management System FS MS</b>
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, regulations and documented information, the applicable legal and regulatory requirements in force.

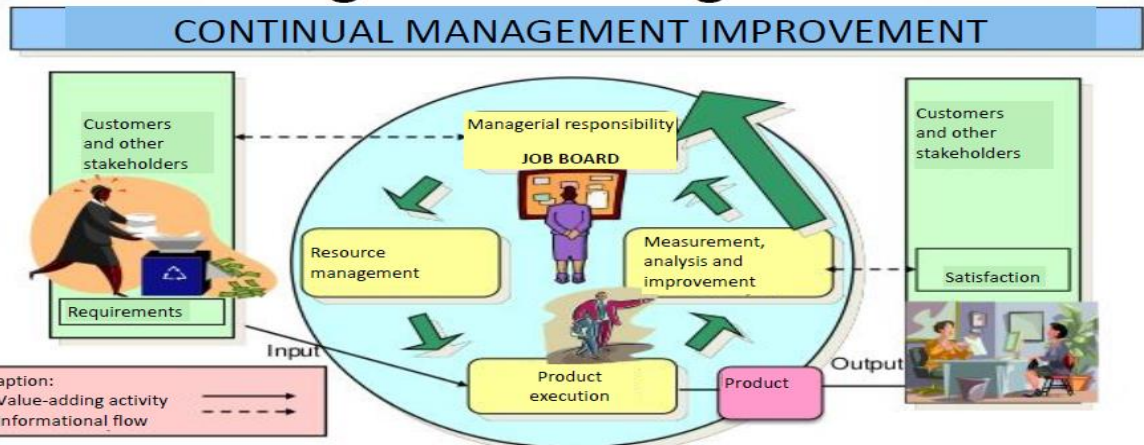
**The structure of the documented information pertaining to the implemented and certified Integrated Management System – Societatea Națională a Sării S.A. – Headquarters + Branches + Salt and salt-based products warehouse in Chiajna, applicable to the execution of safe products/services and high-performance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



# Integrated management



External audit – Supervision 1, according to the sampling plan, took place during the 04 – 06.08.2021, with a review of all the organizing 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 organizational chart approved as per BoD 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's 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 CERTIFICATE OF CONFORMITY INTEGRATED MANAGEMENT SYSTEM

### QUALITY – ENVIRONMENT – FOOD SAFETY – OCCUPATIONAL HEALTH AND SAFETY

Number of Certificates of Conformity Issuer (SRAC + IQNet)	Reference standards employed	Status / Validity subject to annual endorsement	Number of Certificates of Conformity Issuer (SRAC + IQNet)
<b>Societatea Națională a Sării S.A.- headquarters</b>	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
<b>Rm. Valcea Mining Site Branch</b>	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
<b>Ocna Dej Salt works</b>	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
<b>Tg. Ocna Salt works</b>	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



<b>Slanic_Salt works</b>	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
<b>Cacica_Salt works</b>	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
<b>Praid_Salt works</b>	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
<b>Ocna Mures_Salt works</b>	No. 2604 / 18.03.2005	SR EN ISO 9001 :2015	26.03.2023

Societatea Nationala a Sarii S.A., by 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.

<b>PRODUCT CONFORMITY</b>		
<b>Certificate /permit designation</b>	<b>Certification body / Authority</b>	<b>Validity</b>
<b>Certificate of Conformity no. 1833-CPR-0029</b> 24.02.2017 – In-factory Production Control for <b>quarry aggregates used in constructions</b> , 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
<b>Certificate of Conformity no. 1833-CPR-0029</b> 24.02.2017 – In-factory Production Control for <b>quarry aggregates used in constructions, for rockfill</b> , granularity class 80-160 mm; 0-3000 Kg;	INCERTRANS Bucharest	09.02.2024 Subject to annual endorsement
<b>Certificate of Conformity no. 1833-CPR-0305</b> 21.08.2020 – In-factory Production Control for filler	INCERTRANS Bucharest	21.08.2023 Subject to annual
<b>Permit no. 3450/01.04.2019, for the 3<sup>rd</sup> degree Testing Laboratory</b> – 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.

<b>OTHER NON-FINANCIAL PERFORMANCE ASPECTS</b>			
<b>INDICATORS</b>	<b>U.M.</b>	<b>2021</b>	<b>2022</b>
<b>Total energy consumption</b>	GJ	89,537	94,080
Total fuel consumption from non-renewable sources	GJ	18,617	23,134
Total fuel consumption from renewable sources	GJ	0	0
Total electricity consumption	GJ	70,920	70,946
Total thermal energy consumption <sup>4</sup>	GJ	18,617	23,134
Total energy consumption for cooling installations	GJ	0	0
Total consumption of energy produced by steam <sup>5</sup>	GJ	0	0
The amount of car electricity generated	GJ	0	0
The amount of car thermal energy generated	GJ	0	0
The amount of auto steam power generated	GJ	0	0
The amount of electricity sold	GJ	0	0
<b>SO<sub>2</sub> (sulfur dioxide)</b>	to	3,286	2,957
<b>NO<sub>x</sub> (nitrogen oxides)</b>	to	1,557	1,465
<b>Particle emissions</b>	to	0.147	0.099
<b>Total amount of waste removed (generated)</b>	to	14,569,03	22,753,89
From which recycled waste	to	971.79	714.90

<sup>4</sup> The entire quantity of heat is domestically produced

<sup>5</sup> Steam-based energy (electricity) is domestically produced via turbine heat consumption

INDICATORS	U.M.	2021	2022
From which stored waste	to	64,009.01	65,340
From which waste removed by other methods	to	13,927,96	22,182,85
Slanic Salt works	to	107.25	3.49
Rm. Vâlcea Mining Site	to	69.96	69.96
Tg. Ocna Salt works	to	128.57	130.86
Praid Salt works	to	13,832,89	22,077,82
Ocna Dej Salt works	to	416,86	460,44
Ocna Mureş Salt works	to	1,33	0
Cacica Salt works	to	7,66	5,52
Head Office	to	4,52	5,80
<b>Total number of leaks</b>	number	1	1
<b>Total volume of leaks</b>	l	8,896,000	17,167,000
<b>Total quantities of rock, tailings and sludges and their associated risks</b>	to	2982,5	1320
<b>The total amount of hazardous waste transported</b>	to	1,549	1,932
Slănic Salt works	to	0	0
Tg. Ocna Salt works	to	1,274	0,946
Ocna Dej Salt works	to	0,275	0,916
Ocna Mures Salt works	to	0	0
Praid Salt works	to	0	0
Headquarter	to	0	0,07

INDICATORS	U.M.	2021	2022
<b>Watercourses affected by discharges and leaks</b>	to	3	3
<b>The total amount of water extracted for use <sup>6</sup></b>	m <sup>3</sup>	1,538,365	1,413,512
Surface waters (water from rivers, lakes, oceans, etc.) <sup>7</sup>	m <sup>3</sup>	407,265	149,360
Water from precipitation, collected directly and stored by the organization <sup>8</sup>	m <sup>3</sup>	14,700	9,000
Waste water coming from another organization <sup>9</sup>	m <sup>3</sup>	1,067,418	1,203,802
Water supplied by the municipality or similar utility providers <sup>10</sup>	m <sup>3</sup>	48,982	51,350
Total number of water sources significantly influenced by water extraction <sup>11</sup>	number	5	5
The total amount of water recycled and reused for use	m <sup>3</sup>	0	0
Surface waters (water from rivers, lakes, oceans, etc.)	m <sup>3</sup>	0	0
The number of operating areas for which there are elaborated initial plans for the termination of the activity	number	13	13
The percentage of operating areas for which there are elaborated initial plans for the termination of the activity	%	100%	100%
The number of mines in the process of closure and conservation	number	1	1

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<sup>6</sup> The values include the water quantity for all the SNS SA branches

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

<sup>8</sup> The values include the water volume declared by Tg. Ocna Salt works branch

<sup>9</sup> The values include the water volume declared by E.M. Rm. Vâlcea branch

<sup>10</sup> 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

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