

**SHARRCEM**

a  **TITAN** Group Company

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# CSR AND SUSTAINABILITY REPORT 2018



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SHARRCEM SH.P.K.

**CORPORATE  
SOCIAL RESPONSIBILITY  
AND SUSTAINABILITY  
REPORT 2018**

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This is the 7<sup>th</sup> CSR and Sustainability Annual Report of Sharrcem SH.P.K. - covering the period from the 1<sup>st</sup> of January to the 31<sup>st</sup> of December 2018. The disclosures in this report are aligned with the sectoral guidelines and Group reporting standards and follow the guidance provided by the Group (edition 2017), as well as in accordance with the principles and the criteria of the UN Global Compact.

All data presented in the report were included in the sample of independent external verification contracted on behalf of TITAN Group - (please see website: [integratedreport2018.titan.gr](http://integratedreport2018.titan.gr)).

Sharrcem is owned 100% by SHARR BETEILIGUNGS GmbH of Hamburg, Germany, a member of TITAN Cement Group

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# MAIN FIGURES

648,652

TONS OF RAW MATERIALS EXTRACTED FROM OUR TWO ACTIVE QUARRIES

641,877

MARL-DIMCE

6,775

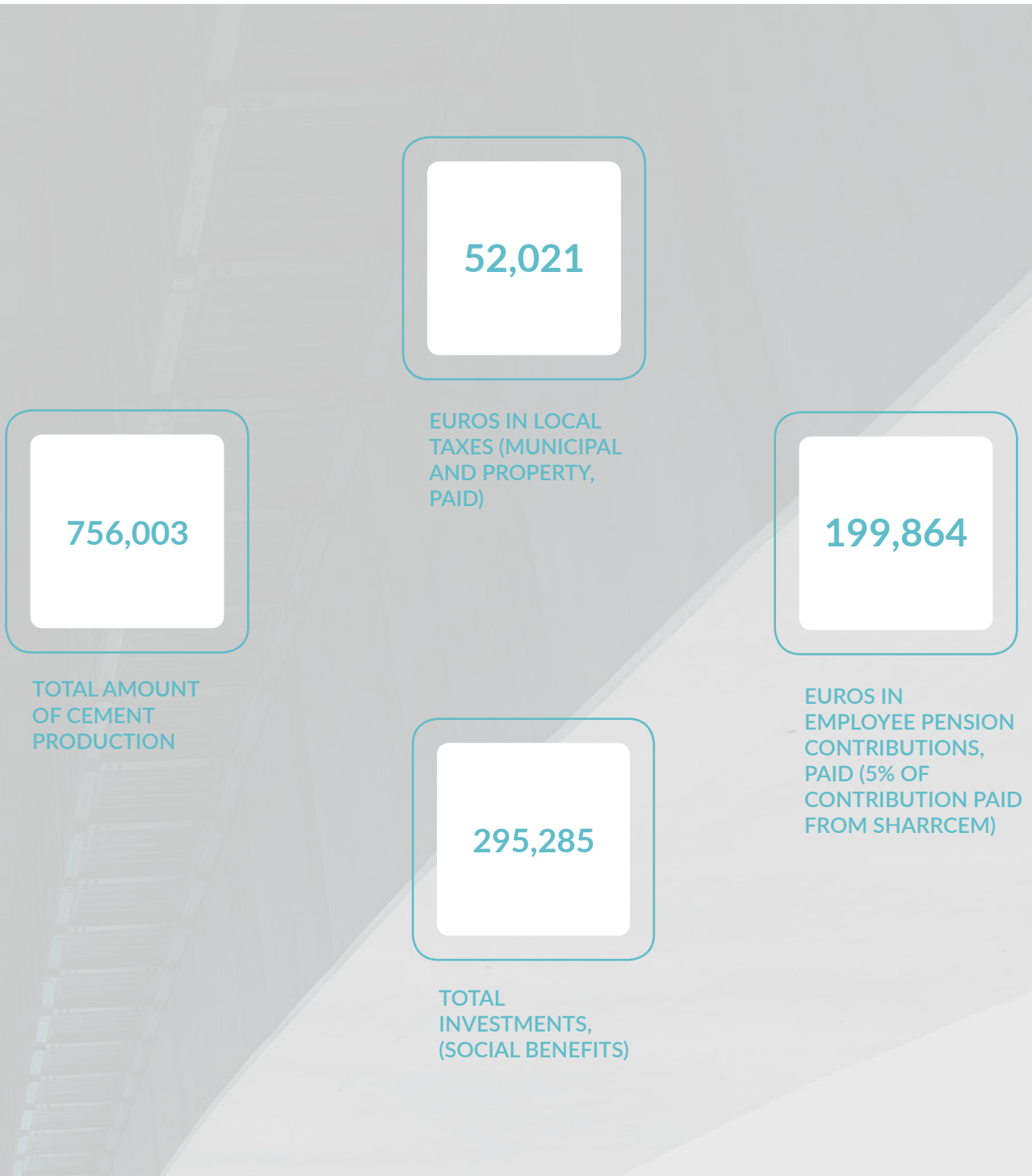
MARL-PALDENICE

32,048,841

AMOUNT OF MONEY FOR GOODS AND SERVICES PAID TO SUPPLIERS

1,731,489

TOTAL INVESTMENTS UP TO 2018



# MESSAGE FROM THE MANAGING DIRECTOR



**THOMAS GLAVAS**  
Managing Director

Dear Stakeholders,

Introducing to your good selves the 2018 Report, I am using this opportunity to present the main CSR and Sustainability related activities of Sharrcem SH.P.K., operating as an affiliated company of the Titan Group.

In order to meet the expectations of our shareholders and be aligned with our internal policies, we are always committed to a close partnership with all our stakeholders and remain focused in creating value for our employees, suppliers, customers and the local community, being loyal to our core principles for applying ethical business practices and continuously communicating with clarity.

Dedicated to our initiative for enhancing our business excellence to the highest feasible level, whilst paying the outmost respect for the people, the society and the environment, we keep in place and exercise an action plan, which is regularly updated according to the prevailing conditions and especially designed to facilitate the implementation of developmental projects and activities, as falling under the fundamental priorities of our strategy and aiming to:

- Maximize the stakeholders' engagement
- Maintain a healthy and safe working place
- Improve our environmental footprint
- Promote our long-term business sustainability

In this respect and as part of the Titan Group worldwide, we remain focused on achieving sustainable growth and multiplying the value created for and shared with all our stakeholders, we continue enhancing collaborative actions and active participation in a number of national, European, international and sector initiatives, such as Corporate Social Responsibility (CSR) Europe and Kosovo CSR Network, as well as in the partner organizations of Cement Sustainability Initiative (CSI), operating under the World Business Council for Sustainable Development (WBCSD), the United Nations Global Compact and the European Pact for Youth.

Since 2010, when Sharrcem was acquired by Titan Group, significant resources were utilized for the necessary technological upgrading of the installation, the introduction of best available production techniques and the application of high standards at all operating levels, being the only cement producer and leading supplier of Kosovo market, currently



employing almost 300 direct and 200 indirect employees and continuously being among the major employers and top tax payers in Kosovo.

In the local level, it is worth mentioning that up to the end of 2018 and following our social responsibility and sustainability practices, we have invested more than 7.1 million euros for environmental protection projects which have drastically improved our operations footprint, whilst our contributions to the society of Hani I Elezit has amounted close to 1.7 million euros, including direct and indirect financial support, materialization of infrastructure projects as well as municipal taxes.

On top of that, numerous private property transactions and continuous intense operational activities have created valuable income for the local individuals and companies so far, thus contributing much further to the municipality economy and the well-being of its' citizens.

Sharrcem continues to fully meet the European environmental standards and to perform in excess of the requirements of Kosovo legislation, as well as enjoys the certification according to international standard systems (ISO, IPPC, and ASI), including the recent Social Accountability International Standard Certification (SA 8000). All related sustainability indicators are disclosed to the public through voluntary annual reports, thus enabling a transparent communication platform with all stakeholders, whilst all above certified systems are periodically witnessed and reverified by external authorized organizations, in order to enhance the principles of corporate governance and transparency.

In order to take further steps towards increasing the effectiveness of our Social performance, certain actions were taken during 2018 within the framework of our CSR and Sustainability strategy, namely:

- Being committed to a healthy and safe workplace, we launched a new campaign for the adoption of our “Essential Rules for Health and Safety in Cement Plants”, aiming to promote a set of life-saving rules for safe work at the plant and safe driving
- Following our initiative for creating an engaging and inclusive workplace, as well as the need for gradually moving forward to the digital transformation upcoming in the near future, we implemented our “unTe people” which is our digital Group Human Resources Management System (GHRMS), aiming to simplify people management operations

It is evident that during the modern times we operate in, the social accountability or the employment creation are both essential and should always be an insight and form an integral part of our business operations. Nevertheless, we deeply believe that the sustainable growth through people-oriented benefits to the community and close co-operation with all related stakeholders is the most effective methodology to be applied for the creation of an advanced level of value and contribution into the social development, thus earning the acknowledgement and finally enjoying the social license to operate.

A lot of steps are still to be taken onwards, in order to establish confidence and create an attractive environment to the investors, as this is the healthiest and most efficient way to facilitate the economic development of Kosovo and support the improvement of the citizens' living standards. In this respect, the need for enterprises working together with all related stakeholders, authorities, organizational bodies and international institutions is of outmost importance and all related parties should do their best to avoid acting as opponents and be aligned to this combined effort as creative and supportive partners.

**Thank you,  
Thomas Glavas**

# ABOUT THIS REPORT AND NON-FINANCIAL DISCLOSURES

## PRINCIPLES AND BOUNDARIES OF NON-FINANCIAL PERFORMANCE REPORTING

In 2018, TITAN Group launched a robust approach of re-structuring the entire range of Key Performance Indicators, in the areas of: Environmental Performance, Social Performance, and Value Creation.

These KPIs cover the disclosures for adherence of the Group with the UNGC Ten Principles, and the established standards of reporting according to TITAN's Sectoral commitments (WBCSD/CSI). The KPIs are the recommended disclosures for the review on performance for Sustainability, also on BU level.

TITAN have published the Group Integrated Annual Report 2018 with including the KPIs in the form of an "Index System", and implementing the above in principle and in practice. The opportunity to align was also grasped by TITAN, SharrCem in the publication of the Sustainability Report of 2018: By introducing the Index System for KPIs at the local level within this year's Report, SharrCem actively implements TITAN Group reporting standards in line with a sector-based approach to the Cement Sustainability Initiative (CSI), which also complies with specific indicators within the framework of UN Global Compact Sustainable Development Goals.

This step is important in the direction of strengthening our reporting principles and standards, providing consistent time history of 3 years for the Environmental and Social Performance, and making best use of Group standards for the disclosures on BU level.

## SOCIAL PERFORMANCE

Following the encouragement from the TITAN Group, Sharrcem continued its efforts during the year of 2018 to engage with local stakeholders and particularly with employees, communities, business partners and business associations committed to sustainable development.

In 2018, we published our Annual CSR and Sustainability Report regarding the plant performance in 2017, in alignment with the TITAN Group standards.

Moreover, a third party independently verified our report following a common framework, based on the: Ten Principles of the UN Global Compact for Communication on Progress, and the - Sectoral Guidelines and reporting framework of the WBCSD/Cement Sustainability Initiative, the principles of which have been adopted by the Global Cement and Concrete Association.

The report is hosted in local web site and at: [www.sharrcem.com](http://www.sharrcem.com)



**We grow  
and succeed  
together!**

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# **1. STRATEGIC REVIEW AND ASSESSMENT OF MATERIAL ISSUES**

# HISTORY ABOUT SHARRCEM

Sharrcem was founded in 1936 and it is located at the southern part of Kosovo, in the Municipality of Hani i Elezit. Following the privatization process of the plant, initiated by local institutions in 2010, Sharrcem was acquired by the TITAN Group - an international cement and building materials producer, owning business units operating in diverse environments, but sharing common values across the Group. Sharrcem is the only cement

producer and leading supplier of the country, whilst social responsibility and sustainability practices remain as the integral components of our day to day work and professional behavior, as initiatives incorporated in the way we run our business. Today, Sharrcem is a member of the European Investors Council, Kosovo CSR Network, Kosovo-German Chamber of Commerce and Kosovo Chamber of Commerce.



## TRANSFORMATION PROCESS

In 2018, TITAN continued its investments in order to better improve Sharrcem's operational conditions operations. Also from its first day, TITAN has allocated significant amounts of financial and technical resources in upgrading and modernizing the cement production line and associated machinery and as a result of these investments, Sharrcem became the first company in Kosovo to have received the Integrated Pollution Prevention and Control - (IPPC) Permit, established by the European Union and issued by the Kosovo Government five years ago. During that same year Sharrcem has established the Laboratory for Business Activities - (LAB) Project by offering the financial and technical support in order to create and support small and medium enterprises in Kosovo. Sharrcem remains a leading company for maintaining high standards in production line processes as well as continues to invest in the safety and health of its employees and promote environmental protection.



TIMELINE HISTORY

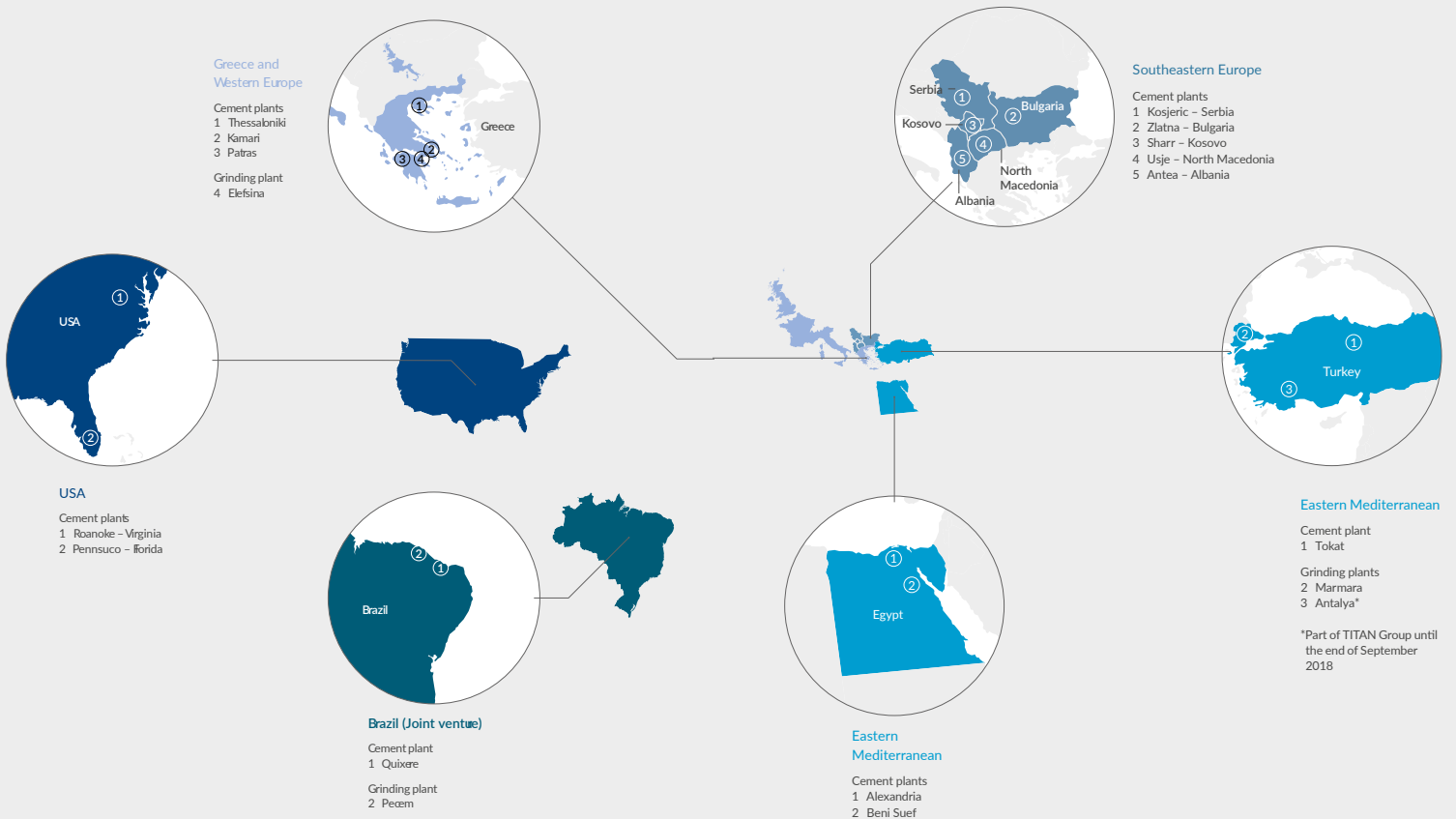
1936	The Sharr Cement Plant is founded.
1972	First upgrade of the plant with a rotary kiln and satellite cooler increases its capacity to 180,000 tons per year.
1980	A new investment was made to further increase the capacity of the rotary kiln.
2000	Sharrcem is included in the state privatization schedule and a ten year leasing period begins.
2010	TITAN Group acquires Sharrcem and launches an ambitious modernization program to meet international standards in quality, technology and environmental protection.
2011	Sharrcem takes a leading role in the foundation of the Kosovo CSR Network and commits to modernization of investment in full swing.
2012	Sharrcem completes the first phase of the technological upgrade and improves its efficiency and environmental footprint. The plant receives its first certification for quality ISO 9001 and implements a CO2 Management System. The company serves mainly the market of Kosovo with occasional sales in North Macedonia and Serbia.
2013	Sharrcem was additionally certified according to the ISO 14001 - Environmental Management System, and the OHSAS 18001 - Occupational Health and Safety Management System. Beyond certifications, Sharrcem received important awards for our CSR initiatives in 2013. The company implemented web-portal disclosure of emissions to public, as well as to local, including incidents and CSR reporting. In terms of technology, the Upgrade of Process Automation and full introduction of EAMS Enterprise Asset Management System were completed. First CSR Report publication and CSR Audit by a certified third party organization (DNV).

<p>2014</p>	<p>Sharrcem received the IPPC permit - the first one ever issued in the country. Furthermore, Sharrcem launched the World Business Council / CSI project for incorporating its guidelines on Contractors and Traffic Safety. Similarly, in respect of Health and Safety, the company organized the first NEBOSH course for Operational Health and Safety in Balkan (excluding Greece), held in Kosovo. A groundbreaking design for the full automation of the clinker hall cranes operation was completed, as an innovative solution that eliminates both hazardous working positions and fugitive dust and numerous Stakeholder Engagements were conducted, towards its ambitious investment program aiming to produce fuel locally. Financing of LAB was implemented, to facilitate its' first operating year, including the support by providing the necessary administrative resources.</p>
<p>2015</p>	<p>Sharrcem introduced innovative solutions in the production line (see pages 65-67), whilst started quarry rehabilitation works and initiated the SA 8000 certification. The LAB yields its first harvest. 18 new local Agro-SME's successfully placed their product in the market. TITAN Group joined Pact 4 Youth in Brussels and Sharrcem representatives had the pleasure to be part of the event.</p>
<p>2016</p>	<p>Sharrcem was additionally certified with the SA 8000 standard. This standard supports social responsibility and accountability, by ensuring the implementation of reliable systems designed to protect people and community. In addition, during this year, two projects were completed. The new Stretch Hood Machine for covering the pallets was installed successfully and the operations started immediately, thus - improving customer service. Meanwhile the Waste Water Treatment Plant (WWTP) - a major investment which aimed to improve the quality of water outflows, materializing the concern for the environment, the health of Sharrcem employees and the nearby community. Besides the care for our employees' safety we were also aiming to ensure their wellbeing, as well as their personal and professional development. Apart from other programs, during this year, the VDZ - online course training program was offered to the employees in the cement industry, through blended learning methods.</p>
<p>2017</p>	<p>Our main Sustainable Project, LAB received two grants: 1. Empowerment of Agroforestry Sector in Hani i Elezit - Grant received from (USAID) Agricultural Growth and Rural Opportunities (AGRO) - project to expand support for 15 new startup businesses. 2. Farm Diversification in Milk Processing - Grant received from the Ministry of Agriculture, Forestry, and Rural Development (MAFRD) - a project aiming to improve the diversification of the farm and the further development of those businesses. Due to the investments made and the high working performance of our people, the highest record as of 1936 was reached during this year in tons of quantity of cement production. During this reporting year, Sharrcem was selected as a best taxpayer in the country, as well as our Health and Safety Manager was the first one certified from the Government of Kosovo in the field of Health and Safety.</p>
<p>2018</p>	<p>Sharrcem's employees are expected to benefit from the full roll out of the "unTe people" platform and the launch of the diversity and inclusion action plan launched by the Group in 2018. During this reporting year, Sharrcem received many awards and recognitions from different institutions and NGO's for its commitment to health and safety, environment and CSR.</p>

# TITAN GROUP



TITAN is an international cement and building materials producer, with a history of more than 115 years. The Group's business activities include the production, transportation and distribution of cement, concrete, aggregates, fly ash, mortars and other building materials. TITAN Group operates in 14 countries, which are managed under four geographic regions: USA; Greece and Western Europe; Southeastern Europe; and Eastern Mediterranean. Following the increase of the participation in Adocim cement plant in Turkey to 75%, TITAN Group, as of 31/12/2018 has one joint venture, in Brazil. Its joint venture in Turkey is now fully consolidated in the Group. The Group's headquarters are in Athens, Greece. In 2018, TITAN generated a consolidated turnover of €1,490.1 million and EBITDA of €259.7 million. At yearend TITAN employed 5,365 people in total (2017: 5,432).





The following are the most important partnerships and memberships of TITAN for sustainable development:

## WE SUPPORT



TITAN was among the first 500 signatories, and now a Participant, of the UN Global Compact (UNGC), and is also involved in local UNGC networks in Egypt, North Macedonia, Greece and Serbia. In 2015 TITAN decided to support the achievement of the most relevant UN Sustainable Development Goals (SDGs) for its business by 2030 at Group level and through its local UNGC networks. In 2016 and 2017 TITAN focused on understanding and raising awareness about the SDGs 2030 while enhancing a meaningful alignment with the issues identified and prioritized as most material for the Group and its key stakeholders. In this respect, and for better addressing the sustainability priorities and action plans, TITAN participates in consultations for the SDGs at national and industry level.



TITAN has been a core member of the Cement Sustainability Initiative (CSI), a unique and collaborative business-led initiative focused in sustainable development, since it was launched by leading cement companies under the auspices of the World Business Council for Sustainable Development (WBCSD) in 2003. Since 2015, TITAN participates in the WBCSD's Low Carbon Technology Partnerships Initiative (LCTPi), in order to better utilize the UNGC's "SDG Compass" tool to help in embedding the SDGs 2030 in the Group's sustainability strategy. In 2016 and 2017 TITAN focused on understanding and raising awareness about the SDGs 2030 while enhancing a meaningful alignment with the issues identified and prioritized as most material for the Group and its key stakeholders. TITAN supports partnerships for the SDGs, especially through the WBCSD/CSI, considering the collaborative initiatives as one of priorities for the Group.



TITAN joined CSR Europe, in 2004, and also participates in national partner organizations operating in Albania, Greece, Kosovo and Serbia. In 2015 TITAN signed the Business Manifesto 2020 to help tackle issues such as employability and human rights. Also in 2015 TITAN signed the European Pact for Youth, alongside 50 other leading companies, and collaborated to accelerate efforts throughout our operations to provide employment opportunities and address the skills gap. TITAN prioritizes transparency and respect for human rights, and supports the circular economy through innovation. Improving the internship programs offered by TITAN Group, and strengthening partnerships with the academic community have also been included in the same framework. Collaborative actions need to be enhanced, with all stakeholders for the implementation of the European Pact for Youth.

## TITAN VALUES

TITAN's values stem directly from the principles, beliefs and vision of its founders back in 1902. They are the core elements of TITAN's culture and family spirit, providing the foundations of the Group's operations and growth.



### INTEGRITY

- Ethical business practices
- Transparency
- Open communication



### KNOW-HOW

- Enhancement of knowledge base
- Proficiency in every function
- Excellence in core competencies



### VALUE TO THE CUSTOMER

- Anticipation of customer needs
- Innovative solutions
- High quality of products and services

## CREATING SHARED VALUE

TITAN serves the societal need for safe, durable, resilient and affordable housing and infrastructure. It creates value through the transformation of raw materials into building products, their distribution to customers and the provision of related services.

Through collaboration and know-how sharing with customers, business partners, local communities and academia, TITAN also contributes to the advancement of material issues at global, regional and local level, under the framework of the UN Sustainable Development Goals for 2030.

The economic value created and distributed to key stakeholders has been calculated using the United Nations - UNCTAD "Guidance on Core indicators for entity reporting on the contribution towards the attainment of the Sustainable Development Goals" and in particular its guidance on economic indicators.



**DELIVERING RESULTS**

- Shareholder value
- Clear objectives
- High standards



**CONTINUOUS IMPROVEMENT**

- Learning organization
- Willingness to change
- Rise to challenges



**CORPORATE SOCIAL RESPONSIBILITY**

- Safety first
- Sustainable development
- Stakeholder engagement

**PROCESSES**

**1 Raw materials**  
Apply rehabilitation practices and implement Biodiversity Management Plans at sites recognized as areas of high biodiversity value.

**2 Manufacturing**  
Mine, crush, grind, heat, cool, mix and mold materials to produce cement, RMC and other building products, using best available techniques, in a safe and healthy environment.

**3 Distribution**  
Operate dedicated distribution terminals for our products across our regions, ensuring secure supply to our customers.

**4 Customers and Partners**  
Work closely with partners and customers at a local level, sharing our know-how to enhance the value our business creates.

**5 Society and Environment**  
Take special actions and engage in collaborative projects to ensure that our business has a positive impact on society and the local communities close to our operations.

## TITAN Group CSR Policy

“To pursue our business goals and create value at all times, in an ethical and socially responsible manner, doing less harm, and endeavoring to do more good.”

Our business practices are guided and based on our TITAN Values and our code of conduct.




- Safety remains our top business priority. More specifically, our aim is to achieve an accident and incident free work environment.
- We are committed to sustainable growth, integrating human, environmental and social elements into our business decisions.
- We aim to continuously improve our environmental and social performance, measuring our impacts and contributions and assessing our environmental and social footprint.
- We aim to build trust with all our stakeholders by communicating openly and transparently, and seeking engagement to understand the impact of our operations and their concerns.
- We share our know-how, experience and best practices in areas relevant to our business to add value and contribute to the well-being of our neighboring communities.
- We value our employees and follow human resources practices that promote equal opportunity in recruitment, employment and development, regardless of gender, ethnic origin, religion etc., respect individuality and are consistent with national laws and international voluntary guidelines, such as the UN Universal Declaration of Human Rights.
- We deal with our supply chain in accordance with our Group and Regional Procurement Code of Conduct.
- We voluntarily engage in and support partnerships and business networks that promote our business goals and CSR vision, such as the U.N. Global Compact, WBCSD/CSI, the E.U. Alliance for CSR, the U.S.
- We aim to be active in civic efforts and the process to advance the use and benefits of our products and preserve the long-term viability and economic prosperity of our industry.
- We encourage and recognize individual initiative and voluntarism in community and civic activities.



### TITAN Material Issues

In 2018, TITAN continued to implement community engagement plans that address material issues in each location within its sphere of influence. There were different initiatives completed during the year of 2018 in different TITAN BU's. TITAN also contributes to the advancement of material issues at global, regional and local level, under the framework of the UN Sustainable Development Goals for 2030. The non - financial performance review of TITAN Group covers all issues that the Group's key stakeholders have identified and prioritized as material. TITAN's materiality assessment is an on-going,

inclusive process based on stakeholder dialogue and analysis of their responses and understanding of their needs. The feedback received from key stakeholders of the Group in 2018 re-affirmed that the process followed provides reliable results and that the issues currently addressed in the annual integrated report meet stakeholders' expectations. Moreover, stakeholders responded positively to TITAN's efforts to align future sustainability targets with material issues and SDGs 2030.

KPIs and 2020 targets		2018 performance	Progress	Relevant SDGs
<b>Environmental management</b> 	Specific net direct CO <sub>2</sub> emissions	20% reduction comp. to 1990 level	12% reduction comp. to 1990 level	●●● 12, 13, 17
	Specific dust emissions	92% reduction comp. to 2003 level	97% reduction comp. to 2003 level	●●●
	Specific NOx emissions	53% reduction comp. to 2003 level	56% reduction comp. to 2003 level	●●●
	Specific SOx emissions	43% reduction comp. to 2003 level	50% reduction comp. to 2003 level	●●●
	Specific water consumption	40% reduction comp. to 2003 level	49% reduction comp. to 2003 level	●●● 6,11,15,17
	Biodiversity and land stewardship	100%	78% Active wholly-owned sites with quarry rehabilitation plans	●●●
		100%	90% Active wholly-owned sites of biodiversity value with Biodiversity Management plans	
	ISO 50001 coverage	50% Clinker production	40% Clinker production	●●● 7,17
<b>Occupational health and safety</b> 	Fatalities	0	2	●●● 3,17
	LTI's frequency rate (direct employees)	To be in the top 25% of WBCSD/CSI members' performance (LTIFR < ~0.50%)	1.54 (LTIFR)	●●●
<b>Social engagement</b> 	Implementation of engagement plans at all key operations.	100% by the end of 2020	100%	●●● 3,4,9,11,17
	Implementation of engagement plans related to material issues and Group policies at all key operations.	14/14 operations by the end of 2020	3/14 operations	●●●

**Progress key:**  
 ●●● Met  
 ●●● On track  
 ●●● More to do



# FOCUS ON SHARRCEM

## A. FINANCIAL PERFORMANCE, MAIN FIGURES IN SUMMARY

	2018
Turnover	39,296,663
Total Assets	54,073,089
EBITDA	5,732,548
Profit (loss) after Taxes	164,887
Capital Expenditure	1,731,489
Investments in Environment and Occupational Health and Safety	664,854

## B. NON-FINANCIAL PERFORMANCE

The regular investments which are taking place within the company and our continuous commitment to operate based on Group Values since 2010, prove that sustainability still remains one of the most important components of the way that we do business. Sharrcem continues to seek for new ways of decreasing the environmental footprint and increasing the safety culture and community engagement. We are closely involved in the most up to date sustainability initiatives where our mother company is an active member, such as WBCSD and CSI. The investment in CSR activities has surely improved our position towards our stakeholders. We try to communicate with our stakeholders in a direct and transparent way and ultimately succeed in carrying on and evolving together, for mutual growth and better living conditions. The most important thing to be mentioned is that we take care of our employees and invest in their development in a dedicated manner. We protect human rights, affirm decent





work, and promote safety and health of people within the plant and the area of all our activities. As a result - this year as well we have been recognized by the relevant authorities as an example for the other industries to follow, especially regarding occupational health and safety issues, as Sharrcem continually demonstrates its commitment as a responsible company.

More details about non-financial disclosures are presented in Annexes as per the following tables with three-year history of consolidated data (2016-2017-2018) related to relevant SDGs (Sustainable Development Goals) 2030 in a standardized and concise manner:

1. Environment Performance Index.
2. Social Performance Index, which includes as 'cardinal' the Safety Performance KPIs, the Employment & people development KPIs, as well as the Stakeholder Engagement KPIs.

## SUSTAINABILITY THROUGH OUR CERTIFIED SYSTEMS

Sharrcem implements International and European Certified Management Systems based on the TITAN Policies, and following these policies, Sharrcem is very strict in reference with the requirements of the standards in place. We continue to remain determined the contributing to the prosperity of the country, not only by conducting our business based on best international industry standards, but also by taking different initiatives and assuming responsibility towards fostering a fair and transparent market. We consider our own growth sustainable only when it is accompanied by a proportional growth of our community and the society in general.

ITEM	MGT SYSTEM / CERTIFICATION	STATUS
All Products/ Cement Types	CEM IV/B (P-W) 32.5R	} EN 197- 1:2000
	CEM II/B-M (W-L) 42.5R	
	CEM I 52.5N	
	MC 5 Sharrmall	
Safety	OHSAS 18001	✓ 
Climate Change/ Environmental	CO <sub>2</sub> management system	Incorporated in EMS ISO 14001 ✓
Environmental	Water management system	Incorporated in EMS ISO 14001 ✓ 
Environmental	ISO 14001	✓
Environmental	IPPC - Integrate Polotion Presentation and Control	✓ IPPC
Quality	ISO 9001	✓ 
Social	Social Accountability SA 8000	✓ 
Finance	Voluntary Mid-Year Independent	





**EN - ISO 9001**

Implementation of Quality Management System ISO 9001:2008 in 2011.

October 2014, Sharrcem was recertified with ISO 9001:2008.

Every year an external audit is performed for ISO 9001:2008 and CE Mark by "EUROCERT"; an external certificated body/company.

December 2017, Sharrcem was recertified with new standard ISO 9001:2015.

The surveillance audit of Quality Management System and CE according to the ISO 9001:2015 took place in November 2018.



**EN - ISO 14001**

EMS ISO 14001:2004 Certification was awarded in November 14th, 2013.

IPPC (International Pollution Protection and Central) Permit - Certification was awarded in 2014.

Environmental Management System recertification audit, held on November, 2018 according to the EN ISO 14001:2015 standard, hosted by external certification body EUROCERT.

No non-conformity was observed.

As part of the Group SCR2018 verification process, ERM CVS international company performed an audit of Sharrcem in October 2018.

The surveillance audit of environmental management systems according to the ISO 14001:2015 took place in November 2018.

No non-conformity was observed.



**EN - ISO 18001 OHSAS**

The surveillance audit for OHSAS 18001 took place in November, 2018.

No non-conformity was observed.

H&S Objectives and Programs for 2018 were achieved.

The Evaluation of Compliance to Legal and other Requirements was performed.

Competence, Training and Awareness: Sharrcem maintains Health and Safety as a first priority through training of all employees and contractors. For that

purpose, we developed an H&S Training Plan which is implemented by HR Dep. in cooperation with the Health and Safety Department and is attended by all company employees and contractors working on site.

New Group Procedures issued in 2018 have been followed according to the ISO requirements.

Compliance with Kosovo Legal Requirements.



**SA 8000**

First certification was issued in 2016.

The surveillance audit of SA 8000 took place.

The audit findings were remediated.

No non-conformity was observed.

Most of the objectives and programs for 2018 were achieved.

The preparation of the documentation for the recertification took place.

The recertification was issued in 2018.



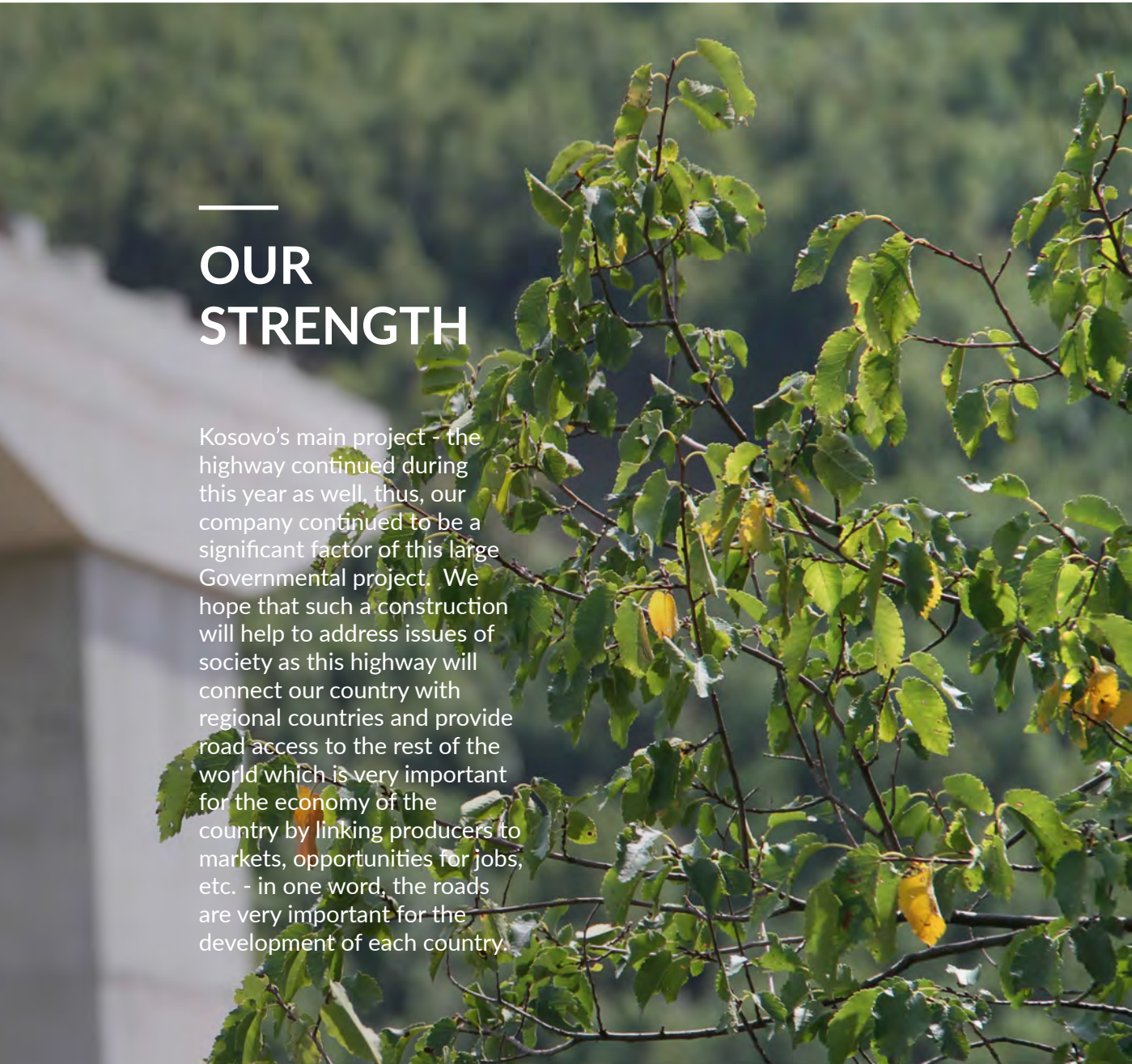
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## OUR PRODUCTS AND BUSINESS PARTNERS

Every business through its supply chains and networking can lead the way toward responsible behavior in the society and this is a must for the development and growth of the business. Our customers, suppliers and contractors are still considered to be a critical and major part of the generation of our business activity, thus, Sharrcem has adopted and continuously implement a clear policy through its procurement and recruitment procedures in providing preference to the local factor in competitive terms, by applying International and European Certified Management Systems.

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## OUR STRENGTH



Kosovo's main project - the highway continued during this year as well, thus, our company continued to be a significant factor of this large Governmental project. We hope that such a construction will help to address issues of society as this highway will connect our country with regional countries and provide road access to the rest of the world which is very important for the economy of the country by linking producers to markets, opportunities for jobs, etc. - in one word, the roads are very important for the development of each country.

# OUR COLLABORATION WITH STAKEHOLDERS AND NEW MATERIALITY ASSESSMENT PLANS

The collaboration and cooperation with our stakeholders is the key element of our business, and is obviously connected with our values and sustainable growth priorities. The stakeholders' engagement process during the 2018 includes:

- Identification of new stakeholders.
- Reviewing the list of defined material issues.
- Engagement with the stakeholders for the verification of the materiality.
- Our strategy development focused on priorities.
- Engagement of our employees in strategy implementation and decision making.
- Review and report performance to the stakeholders.

The preparation for the new materiality assessment took place during 2018 as it is important to identify and prioritize the sustainability issues that matter the most to the sharrcem and its stakeholders. We hope to conduct next materiality assessment in order to ensure that our strategy is focused on the right areas, to assess the changing sustainability landscape and to understand and prioritize the issues that matters to our business and stakeholders. The feedback of our stakeholders in this process will be very important to our company as every material identified and listed and that will be listed in our agenda should be analyzed according to the importance to our stakeholders.

## Material Issues Identified for Sharrcem

NO.	MATERIAL ISSUE	STAKEHOLDERS
1	Poverty and Unemployment	EU; GoK; Employees; Contractors; Municipality; CSR; NGO's
2	Community Engagement	Municipality; Employees; Contractors; Supply Chain; Religion Association; Teachers; LAB; Children's Board; Womens Assocation; AFS; IADK; REC
3	Corruption	EU; EIC; CSR; WB; EBRD; Embassies; IFC
4	Human Rights	Employees; Contractors; Municipality; Kosovo CSR Network; UNDP; WB; EU; Embassies; IFC; Admin. GoK; NGO's
5	Governance and Transparency	Employees; Contractors; Municipality; GoK; CSR Networking; EIC;
6	Training and Development of Youth	Employees; Students and Pupils; Municipality
7	Environmental Management	Employees; Contractors; Municipality; Border Police; Customs Authorities; Customers
8	Use of Land	Employees; Municipality; MESP
9	Climate Change and Energy	EBRD; French Embassy; German Embassy; REC; CMZ

### Notes:

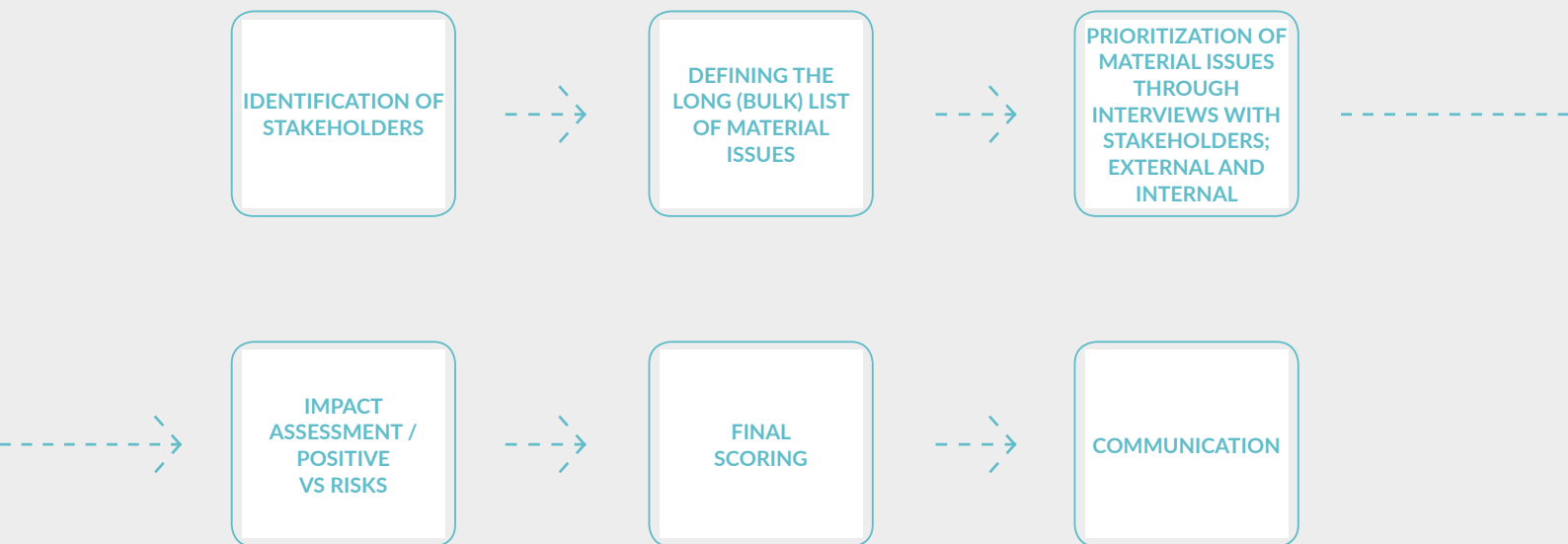
1. The order of appearance of the Material Issues does not imply the ranking of order of importance in a mathematical manner.
2. The relevant and complementary material Issues have been denoted with the same color shading in the above table, and will be addressed in the logic of 3 groups in the present Report.

## FOCUS OF SHARRCEM ON MATERIAL ISSUES AND SDG'S

Our company as a cement production company is fully aware of the fact that this operation might have impact on the environment; therefore, we strive to mitigate or eliminate these impacts with a view to preserving natural resources of the planet for the forthcoming generations. Furthermore, we continue to cooperate, discuss and show trustworthiness with key stakeholders as the prerequisite for accomplishing mutual objectives and sustainable development. We continued to follow our mother company strategy by working to take actions of various kinds, in order to support the implementation of the Sustainable Development Goals, by taking pride in our activities. We still focus on responding by priority to the

material issues of our community. The list of stakeholders has been updated and there was a continuous communication with them. The implementation of our certified systems enabled our company to improve and keep the track of reporting of our sustainability performance. Sharrcem targets and priorities continue to be linked with the SDS's that has been identified by the materiality assessment process as the most relevant to the business. Our regular investments we make enabled us to achieve a long-term balance between economic, social and environmental objectives, thus eliminating our impact and offering added value and sustainability to the society.

## ENGAGEMENT PROCESS AND PRACTICES



Material Issue	Stakeholders	Actions	SDGs
Poverty and Unemployment	EU; GoK; Employees; Contractors; Municipality; CSR; NGO's	<ul style="list-style-type: none"> <li>• PACT 4 YOUTH Campaign</li> <li>• Laboratory for Business Activity - LAB</li> <li>• BOPAL</li> </ul>	
Community Engagement	Municipality; Employees; Contractors; Supply Chain; Religion Association; Teachers; LAB; Children; Women; AFS; IADK; REC	<ul style="list-style-type: none"> <li>• Country Safety Week</li> <li>• Drinking Water</li> <li>• Increasing the Awareness through Environmental Education</li> <li>• Let's Do it Kosovo</li> <li>• SOS</li> <li>• Clothes for Housekeeping Employees of the Schools</li> </ul>	
Corruption	EU; EIC; CSR; WB; EBRD; Embassies; IFC	<ul style="list-style-type: none"> <li>• CSR / EIC &lt;-&gt; SAA / NEDC</li> </ul>	
Human Rights	Employees; Contractors; Municipality; CSR Network; UNDP; WB; EU; Embassies; IFC; Admin. GoK; NGO's	<ul style="list-style-type: none"> <li>• SA 8000</li> </ul>	
Governance and Transparency	Employees; Contractors; Municipality; GoK; CSR Network; EIC;	<ul style="list-style-type: none"> <li>• Stakeholder Engagement Meetings</li> <li>• Kosovo CSR Network</li> <li>• European Investors Council</li> </ul>	
Training and Development of Youth	Employees; Students and Pupils; Municipality	<ul style="list-style-type: none"> <li>• PACT 4 YOUTH Campaign</li> <li>• TITAN Leadership Platform</li> <li>• People Development within the Plant</li> <li>• Technical Development Trainings</li> <li>• Frozen Music</li> <li>• Weekend Camp for Youth</li> </ul>	
Environmental Management	Employees; Contractors; Municipality; Border Police; Customs; Customers	<ul style="list-style-type: none"> <li>• Green zones in the Plant</li> <li>• Waste Water Treatment Plant</li> <li>• Systematic Monitoring of aquifer level</li> <li>• Air Quality Measurements</li> <li>• Closure of Clinker Hall</li> </ul>	
Use of Land	Employees; Municipality; MESP	<ul style="list-style-type: none"> <li>• Quarry Rehabilitation</li> </ul>	
Climate Change and Energy	EBRD; French Embassy; German Embassy; REC; CMZ	<ul style="list-style-type: none"> <li>• Climate Change Strategy</li> </ul>	



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## **2. OUR EFFORTS FOR THE HUMAN AND SOCIAL CAPITAL**

# OCCUPATIONAL HEALTH AND SAFETY

Our engagement for striving to embed safe and sound behavior through-out the organization in our everyday activities and to create an environment in which each and everyone one of us is responsible for our own and our colleagues' safety. We ensure identifying all the legal obligations with respect to H&S and address them in a satisfactory manner and defining all necessary OH&S functions required by national and local legislation. Health and Safety is the first priority for our company, as it is for our mother company as well, thus, the efforts of our company are focused on raising awareness, so as to do our best to safeguard the OH&S of all of our direct and indirect employees in all activities.

The management remains conscious of the constant effort to be made on improving the culture of safety for everyone. Also, the Health and Safety measures to be applied for the employees, contractors, suppliers and or the local community remains as high-priority issues in our daily working agenda.

More details are presented in Annexes section under Social Performance Index KPI's with last three-year history of consolidated data (2016-2018).

## ACTIVITIES AND ENGAGEMENTS

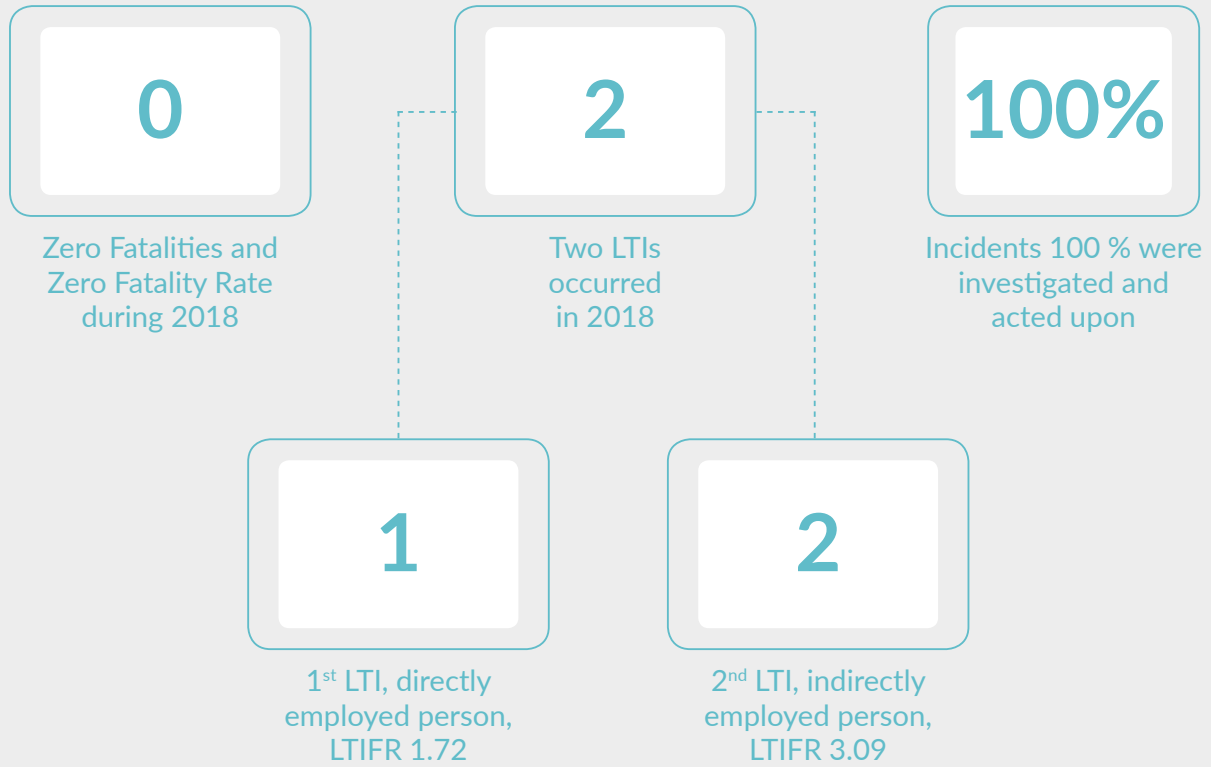
Over the course of this year, we have seen encouraging signs in our health and safety performance indicators, with trends showing sustained improvement. We remain committed to drive up standards for the whole BU. The health and safety legislation register continues to be monitored and reviewed to ensure that

the BU is meeting its statutory obligations. The communication and cooperation between the staff was fostered through the BL and BU H&S Council. Control of risk is achieved through coordinated action by all departments of the BU. We have to increase assurance that our clients and contractors cooperating with us are compliant with the appropriate health and safety requirements. Even if some administrative and organizational measures have been taken, the personal noise exposure levels exceed the limit values in some workplaces. Technological measures should continue to reduce noise levels and employees' exposure shall be implemented accordingly.

Health Monitoring Program is applied. We were engaged to increase the awareness of our contractors to be more committed to reporting of Near Misses, Unsafe Acts and Unsafe Conditions.

The key actions during the 2018 were: developing safety management processes, raising awareness of health and safety matters at work, improving communication on safety, H&S objectives and programs, training and awareness, performance measurement and monitoring, non-conformities, corrective and preventing actions, legal and other requirements, operational control and the emergencies response.

## INCIDENTS, ACCIDENTS



(detailed info in annex section Social Performance Index – KPIs SP01L-SP10L)

Definitions as per the WBCSD/CSI:

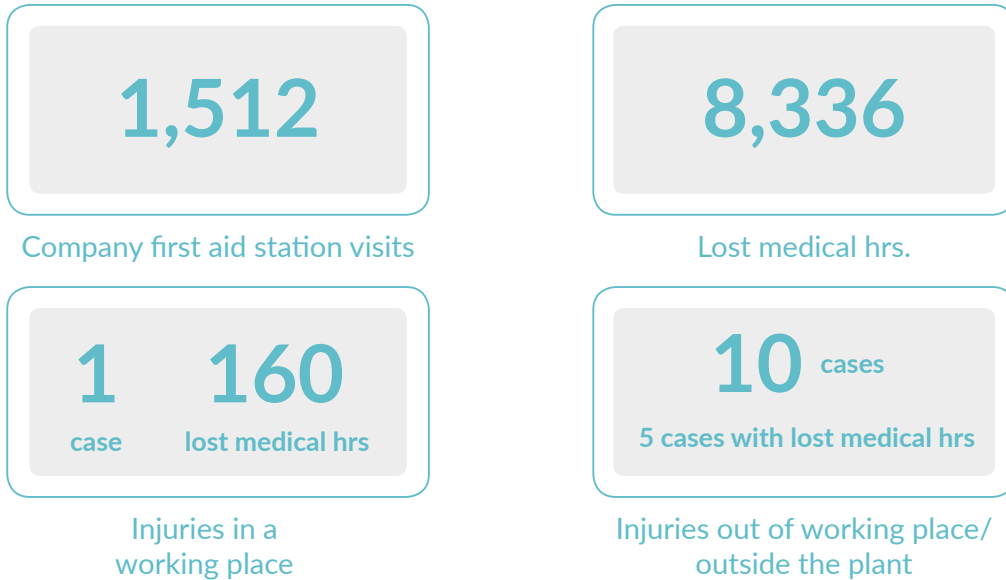
1. Fatality: A death resulting from a work-related accident, with no time limit between the date of the accident and the date of death.
2. Fatality Rate: Number of fatalities in a year per 10,000 people directly employed i.e. Fatality rate (Directly employed) = (Number of Fatalities in a year (Directly employed) x 10,000 / Number of Directly employed personnel).
3. Lost Time Injury (LTI): a work-related injury causing the loss on one or more working days (or shifts), counting from the day after the injury, before the person returns to normal or restricted work. Injuries incurred while travelling to and from work, arising from criminal acts and due to natural causes are excluded.
4. Lost Time Injury Frequency Rate (LTIFR): Number of LTIs in a year per 1,000,000 hours worked, i.e. LTI Frequency Rate = (Number of Lost Time Injuries in a year x 1,000,000) / Total actual hours worked and paid to employees in the year



## OCCUPATIONAL HEALTH

### Sickness and work related absence

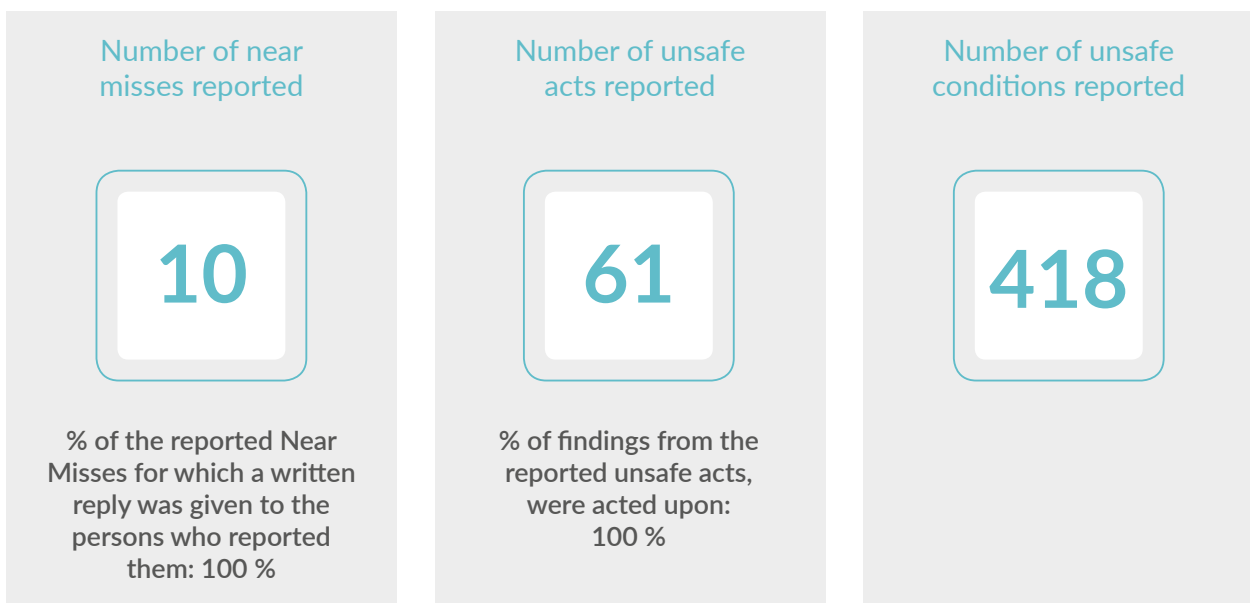
During this year the number of patients that visited the company first aid station is 1,512. Mostly the cases were with rheumatic disease, blood pressure, spirometry and audiometry.



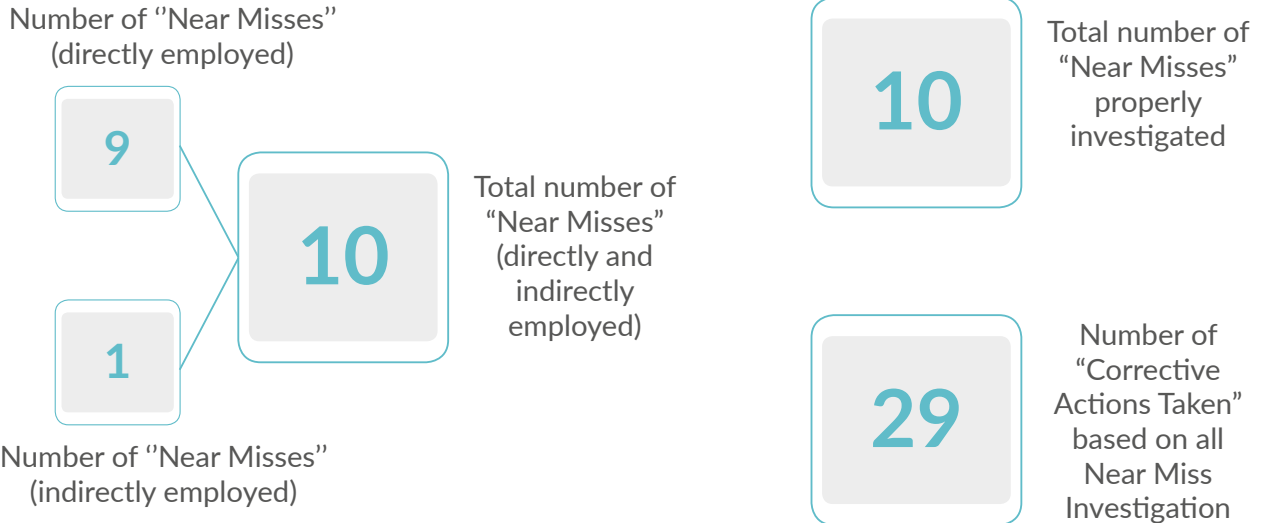
(detailed info in annex section Social Performance Index – KPIs SP07L)

### KPI

There is a KPIs structure in place and monitored effectively by the Safety Management Department. All indicators that evaluate H&S performance and ensure compliance with health and safety legislation, group requirements and good practice were monitored through 5 Leading Indicator Tool. The 5 Leading Indicator Tool - demonstrates our efforts to manage the majority of workplace safety controls.



**PERFORMANCE SCORE** **2018**



(more info in annex section Social Performance Index – KPI SP11L)

**BUILDING SAFETY CULTURE**

Direct Employees:

- The communication, participation and consultation through SMS (OHSAS18001).
- Through CSR Network's "Health and Safety" plan.
- Through awarding system/motivation, H&S world day campaign 28 of April.

Indirect Employees/Contractors:

- CSI Driving.
- "Sharrcem Tool Box".
- Evaluation during tender stage, evaluation of interim and final performance for the purpose of awarding of future contract.

**PARTNERSHIP ON PROMOTING HEALTH AND SAFETY**

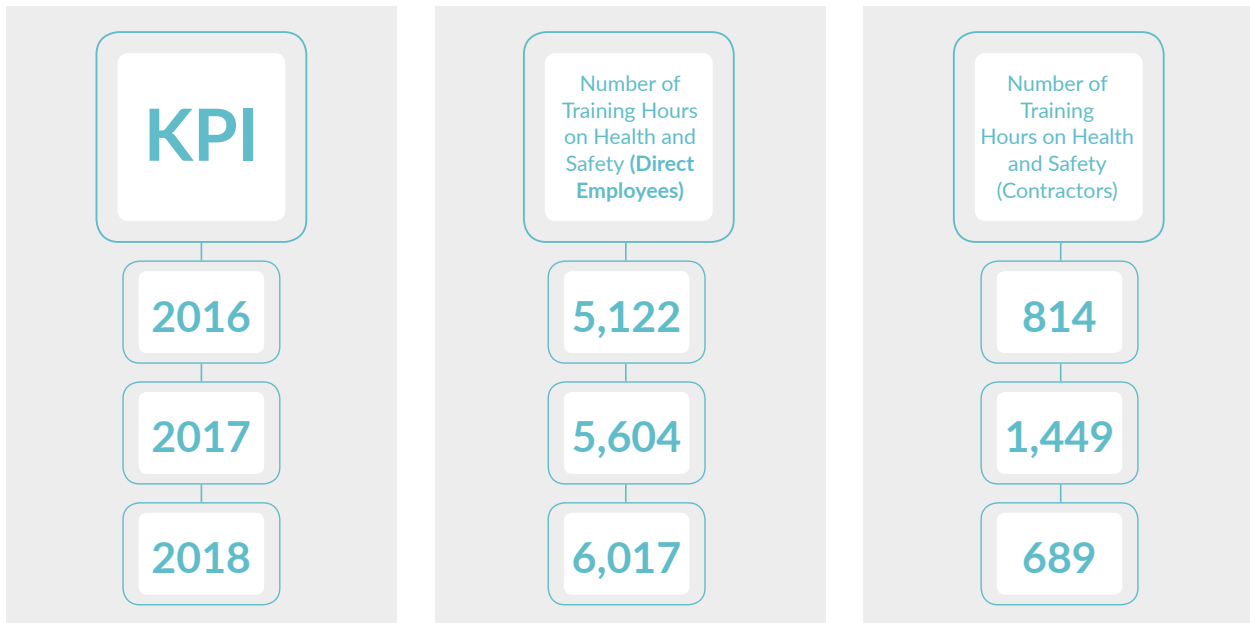


## TRAININGS

The effort of our company is focused on raising awareness about health and safety, so as to perform even better in safeguarding the Occupational Health and Safety of all our direct employees and contractors. Training is a very important tool for raising

awareness; thus, on top of our yearly trainings we are designing and implementing additional trainings, following the incident alerts we are receiving from other BUs, in order to ensure taking of additional precautions during similar activities in our own

plant. Our direct employees and contractors are also required to receive annual refresher training. We strive to create an environment in which everyone is responsible for its' own and his colleagues' safety.



## DIRECT EMPLOYEES



## CONTRACTORS





## FIRE DRILL TRAININGS

Increasing the Awareness for Health and Safety through Cooperation with the Relevant Stakeholders from the Municipality of Hani i Elezit. We all are aware that the trainings are very important and beneficial to everyone. Thus, apart from much training being initiated and organized by Sharrcem on site and outside of the plant regarding safety, the trainings for the fire drill are also listed in our planned agenda.

Such trainings are very important part of our fire safety procedures for different reasons as we want to ensure that all of our employees, customers and visitors to our premises understand what they need to do in case of any fire happening as well as it helps everyone to witness how effective our fire evacuation plan is and to improve certain aspects of our fire provisions.

We also take the opportunity through such trainings to test and verify our fire alarm system and make sure that the equipment is properly working.

In 2018, there were three fire drill events organized in our premises with the involvement of the relevant stakeholders with the aim to increase the awareness for health and safety and to establish a safety culture for everyone.

## EQUIPMENT CERTIFICATION

The fire detection and suppression of the electrical and mechanical systems we have in place were inspected and certified at the same time in accordance with the national law.

## FIRE EXTINGUISHERS

The health and safety department is very much committed to perform regularly different kind of field inspection in order to monitor and ensure that all the equipment within the plant are in proper status and are functional, thus, their field visits included also the inspection and refill/recharge of the portable fire extinguishers.





## LOTOTO

Since the software itself has been initiated by the Group to be installed and work with the aim to reliably and effectively monitor the most important safety procedures (isolation of equipment), we have been committed and very much engaged to organize different trainings and communication campaigns in this respect which generated real benefits for everyone involved in the operation and handling of different machines and equipment.

It is worth mentioning that such education/training programs have proven in our operation to be very much effective, but this kind of engagement will continue in the future as we want to regularly enhance the awareness concerning LOTOTO and to keep the LOTOTO procedure and the need to never miss following it on top of mind of all Safety Managers and employees at the plants.

## Sharrcem's Participation and Contribution to the Conference for Health and Safety organized by NGO - KOSHA

There was a conference organized by the NGO - KOSHA in Prishtina regarding the Health and Safety, where Sharrcem has participated and contributed in this very important conference by sharing the know-how regarding Health and Safety.

## Training for Inspectors for Health and Safety

In the past three years Sharrcem is taken as a best example in a national level for implementation of Health and Safety rules and actions. Being so, we were requested by the Labor Inspectorate to jointly organize one training to be held by our field experts within the Group in order to share the know-how and be able to exchange views and experience. In cooperation with the Group, we have organized in Prishtina the training in question taking into account that there are not many experts in the country who are able to provide such training needed. As we know the training programs generate real benefits for everyone involved in this respect, being close to the operation and handling of different machines and devices as well as being in the position to monitor the ones who are close to the operation.

The training seemed to be very important and welcomed by the inspectors taking into consideration that we do not have large number of companies in Kosovo that implement Health and Safety high standards.

### Country Safety Week, Event/Roundtable organized in Cooperation with the Ministry of Labor and Social Welfare

There was organized an event/roundtable in Prishtina, where the relevant stakeholders discussed a lot regarding the best practices for Health and Safety, regulations and rules, as well as there was a recognition to Sharrcem being engaged and commitment towards Health and Safety. Also during that same day the best respecting employee, manager and the team that complied with the safety rules at work were elected.

### Regular Participation in the National Health and Safety Council

There were different meetings held during the reporting year, and our Health and Safety Manager participated regularly where he contributed by sharing with the relevant stakeholders the best practices in the field of Health and Safety and this shows our continuous commitment towards this matter. In addition, through this council close contact is maintained with the authorities and the cooperation with them remains a very important matter for our people and our daily business.

### CSI Driving

Our company maintains its commitment to safety by initiating numerous joint activities with employees, partners and the community, which resulted in improved safety conditions and community awareness. We have very much engaged in complying with the CSI best practices about traffic safety and contractors' safety this year as well. The main expected outcome from the CSI driving initiative is the implementation of road safety principles, which are crucial for the contractors who are constantly on the road. Several trainings were held for this subject. A prevalent response to address the complexities inherent in driving has been to ensure that the needed skills and capabilities are provided. Our initiative is to prevent traffic accidents

through this program. We believe that it is important to promote an integrated initiative, involving drivers, vehicles, and the traffic environment, as well as to pursue driving safety by learning from accidents, respecting traffic rules and knowledge of drivers in order to create safety culture.

### Health and Wellness

- Voluntary health plan for all employees.
- Systematic health checks.
- In-house general practitioner.
- Providing of medications to all employees for regular therapies (chronic diseases) and OTC.
- Focused heat stress trainings.
- Awareness through trainings.

### First Aid in Place and Emergency Vehicle

The wellbeing of everyone in the plant is very important, so we takes special care for the health of our employees, thus, in order to provide conditions for a healthy and safe working environment, the company also provides diagnostic, preventive and routine care in order to identify potential health risks and to address them in a timely manner . It also provides first aid within the company premises, full-time, as well as health insurance for all the employees.

There is also an emergency vehicle within our premises as we know that emergencies can strike anyone at any time and it is very important for emergency vehicles to reach the scene as early as possible. There were trainings provided to the team that will be responsible for that. The vehicle is equipped with the adequate equipment and fitted with the correct visual warning signs in order to ensure it can gain access to possible needed areas/destinations.

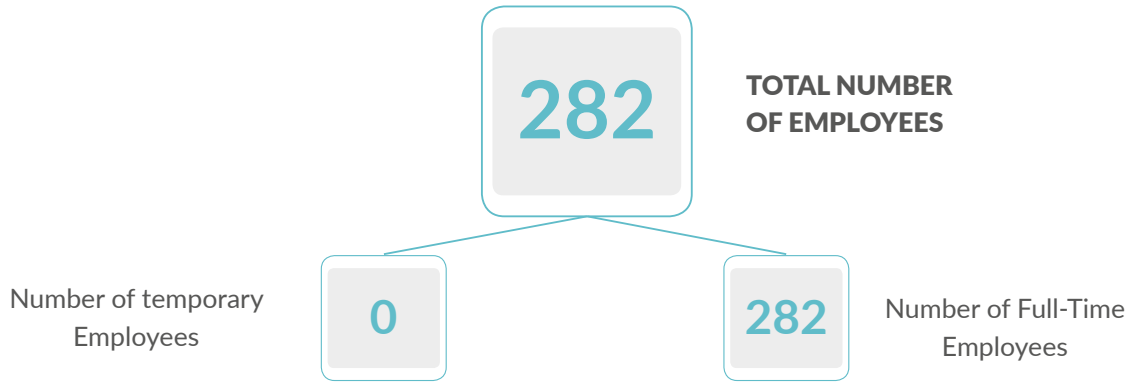
# WORKFORCE DEVELOPMENT

Taking into consideration that the concept of corporate social responsibility and sustainable development has been integrated, our company corporate policy is based on the ethical principle and this is achieved through investing in production technology, decrease in production impact on environment, introducing international standards designed to protect working environment as well as investing in human resources by means of various trainings for the employees. The employees are in the center of our projects and success. Their commitment within the plant is our strength that makes it possible for us to accomplish the ambitious projects, thus, we continue to respect the employees' rights, ensure wages that meet local industry good practices and provide the best possible safe working environment as well as development conditions. To date, our workforce consists of 282 direct employees. As well as during 2018 our employees were attended variety of trainings for their technical and professional development. More details are presented in Annexes section under Social Performance Index KPI's with last three-year history of consolidated data (2016-2018).





EMPLOYEES (End of Year)\* - 2018

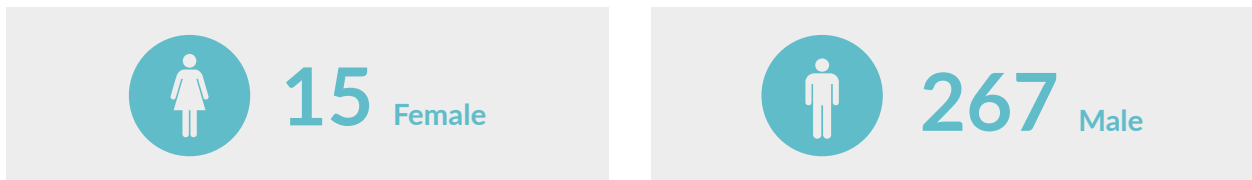


EMPLOYEES BY GENDER



BREAKDOWN OF THE NUMBER OF EMPLOYEES BY GENDER\*

End of Year 2018

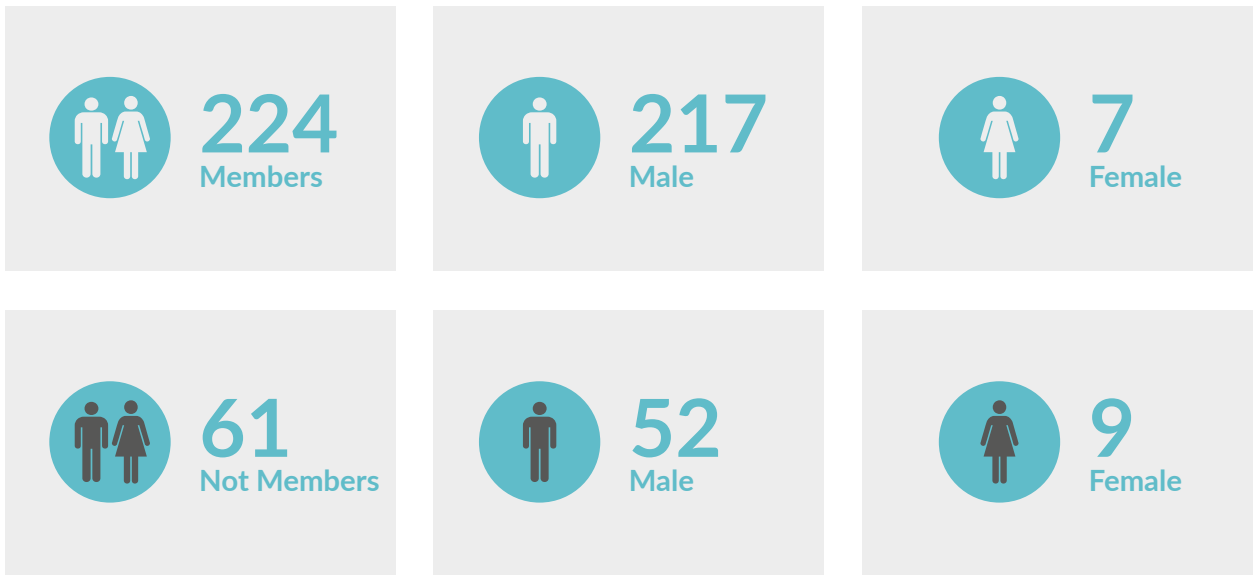


\* More info (Social Performance Index - KPIs SP13L)

EXTENDED MANAGEMENT BOARD MEMBERS - 2018



## EMPLOYEES MEMBERS OF THE TRADE UNION



(Average 2018)

## NEW HIRES



(Social Performance Index - KPIs SP18L)

## EMPLOYEES LEAVING



(Social Performance Index - KPIs SP15L)


**TRAININGS HOURS TO DIRECT EMPLOYEES (2018)**

Training subject	Male	Female	Total
Health and Safety	5,815	202	6,017
Environment: care and management systems	369	30	399
Technical know-how and core competence	587	2	589
Other	512	43	555

**TOTAL TRAINING HOURS**

**7,560**



**7,283** Male

**277** Female

(Social Performance Index – KPIs SP38L)

Benefits provided to full-time Emp.		2015	2016	2017	2018
Health Check		✓	✓	✓	✓
Labor Insurance		✓	✓	✓	✓
Company Meals		✓	✓	✓	✓
Company Meals		✓	✓	✓	✓
Gifts	On Religious Holidays	✓	✓	✓	✓
	International Women's Day	✓	✓	✓	✓
	New Year	✓	✓	✓	✓
Education	MBA	5	8	5	5
	English Courses	18	23	23	0
	Conferences (#)	12/12 Mng.	5/4 Mng.	2/2 Mng.	2/2 Mng.
Trade Union	Ordinary 50% Contribution	✓	✓	✓	✓
	Extraordinary Direct Contribution	✓	✓	✓	✓
Communication	Fact Sheets	✓	✓	✓	✓
	Billboard	✓	✓	✓	✓
	Suggestion Boxes	✓	✓	✓	✓

## ENGAGEMENT

### PROGRAMS AVAILABLE FOR OUR WORKFORCE

#### TLP

The platform which was introduced to our employees holding the key positions within the plant assumes a series of behaviors which support our employees' ethical and competent connective tissue of our company successes.



#### GHRMS – Group Human Resources Management System

- Employee Central.
- Performance and Goals.
- Succession and Career Development Planning.
- Learning Management System.

#### PDP

There is an open communication and transparency, through our Performance and Development Process and performance assessment which is being already applied in Sharrcem.



#### “unTe people”

Equipping employees with the skills, competencies, and mindset that they need in order to be successful in an ever-changing environment is a priority for TITAN Group. In 2018, this priority, combined with the demands of our era of rapid technological developments, translated into the implementation of “unTe people”, a Group wide Human Resources Management System (GHRMS). The aim of the GHRMS is to improve employee experience and simplify people management operations, to promote information sharing and global networking among employees, to provide learning resources that accelerate progress, to enhance employee development, and to ensure organizational alignment that contributes to the group's growth. In addition, with the GHRMS' implementation, TITAN will benefit from HR big data and will have the capacity to identify forward looking internal trends in HR. The system is expected to be fully tested and operable in 2019 with the implementation of the recruitment and compensation and benefits modules.



#### Human Rights Labour Issues and Equal Opportunities

The human rights protection is very important in our company and we implement also the SA8000 international standard in all aspects of the rights and relationships with our employees.

- Completed draft job evaluation for all employees.
- Salary survey launched in collaboration with Group HR and Hay Group.
- Initial draft for blue collar population evaluation scheme (completed).
- Gender pay gap per job level (completed).

SA 8000, the first and only certified company in the country.

#### Trade Union

There is a collective agreement in place that covers all employees. The retirement process is legally addressed but we also have our will to support the employees who are willing to join the voluntary early leave program - VELP, in compliance with the Group regulations.

Following the Group policies, procedures, their willingness and commitments, Sharrcem's investments in human resources is considered to be a very important task in our strategic plans and goals, with one word - the employees are in the center of our projects and success. Apart from their attendance in variety of trainings for their technical and professional development, we expect that the employees will benefit from the full roll out of the “unTe people” platform.

### Continuous Education

5 employees granted with scholarships in 2018 (among 23 in total in last years).

### Events and Meetings

- Regular extended management board meetings.
- Meetings / committees.
- One to one meetings / HR - open door policy.
- Selection of best H&S crew, best employee for H&S.

### Volunteering for our Employees and Communities

- Blood donation.
- Let's Do it Kosovo.
- Awareness through trainings.

### Grievances mechanism (procedure)

SharrCem has in place an integrated system of policies, procedures and programs for managing all matters concerning our Direct Employees. The external assurance of the SA8000 (Social Accountability management system) guarantees that all our processes and procedures in place are adequate and in line with the TITAN Group CSR Policy, Code of Conduct, and the People Management Framework. Under the auspices of the SA8000 management system, SharrCem has established – since 2016 – the mechanism for our (Direct) Employees to report grievances. A complaint is any type of problem, concern or grievance about work or the work environment. Complaints must relate to company's matters, which includes work-related activities and functions. Employees are trained and prepared to properly address cases in order to be treated in the best way possible. This procedure is translated and communicated to all internal stakeholders. The aim of the procedure is to provide all Employees fair and equal treatment, through a 'secured' (confidential) process of filing /presenting complaints to the respective parties. The grievances mechanism is important for Employees; It provides guidance and job security, and in effect increases the efficiency of our organization.

### Other Benefits

- Additional payments to all employees for religious holidays.
- Coverage of 50% of the cost regarding expenditures for summer vacations for Sharrcem employees, through Trade Union.

## PLANT HEALTH AND SAFETY PRIORITIES 2018-2020

### Organisational

- Assignment of health and safety responsibilities to all plant personnel.
- Raising awareness of health and safety matters at work.
- Continuing policy review.
- Extending performance measuring.
- Planning and monitoring, (BU and BL Health and Safety Council).

### Employees

- Personal work place measurements of dust and noise.
- Annual training programme- implementation.
- Occupational health monitoring-legally / every 3 years, high risks place yearly.

### Plant

- Full implementation of national legislation and Group guidelines.
- Acting upon structural investigation findings.
- Trainings.
- Establishment of safe work procedures/ emergency procedures.
- Noise reduction.

### Culture

- CSI driving safety.
- Rewarding system/motivation.

### Operating under the Group Code of Conduct and Values

- Available to all of our employees.
- Trainings.

### Communication

- Billboards.
- Suggestion boxes etc.

### Direct Communication

We offer to our employees' ways and forms of direct communication, where they have at their disposal an e-mail address to which they may report potential infringements of the Code of Conduct through the e-mail address (compains@sharrcem.com), but during the respective year there were no reported infringements of the Code of Conduct.

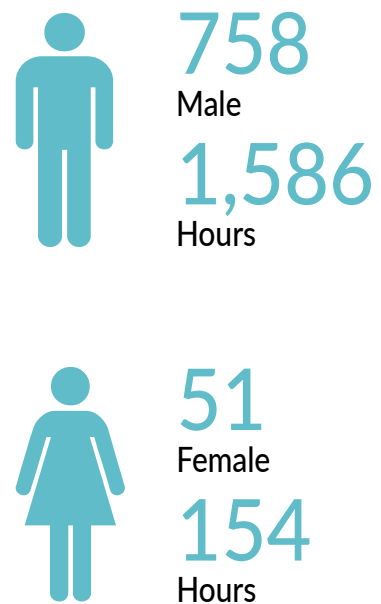
# OUR CUSTOMERS, SUPPLIERS AND CONTRACTORS

Our company has firmly established its position on the country market and this position has been achieved by having a high quality product and professional approach to its customers. As a result of our large investments in the technology as well as in human resources, the production capacity was satisfactory during the reporting year and the progress indicators are demonstrated by abiding investments in working and life environment. Since 2010, Sharrcem has invested some million Euros in different kinds of projects that have a positive impact on the process optimization, environmental protection and occupational health and safety. The progress of our company is based on a high-quality system management, efficacy and flexibility of organizational and administrative structure as well as on designing and conducting different kind of training programs for all the employees. Our customers, suppliers and contractors continue to be critical and integral part in generating business activity. We fulfill our clear policy we have in place through procurement and recruitment procedures in providing preferences to the local factor on competitive terms. In the below table there are shown the significant contractors and subcontractors number. There is also a direct contribution through our SA 8000 in terms of sustainability and development of the company. In 2018, we had a better trained and healthier workforce, fewer workplace incidents, higher product quality and increased productivity, more efficient and effective monitoring mechanism etc.

## NUMBER OF CONTRACTORS:



## TRAININGS HOURS TO CONTRACTORS EMPLOYEES:



# OUR COMMUNITY, STAKEHOLDERS ENGAGEMENT AND CSR FRAMEWORK

The community where we operate continues to suffer from high rates of unemployment, poverty and lack of structured support for development. Being close to our community for improving life by increasing the wellbeing of its citizens continues to be a priority in our daily business agenda. Since 2010 and to date there several projects implemented with the aim to improve the communication with the communities in order to have a better understanding of their needs and problems. Also during the 2018, Sharrcem was engaged in different activities that mainly included the youth engagement by increasing the awareness on different issues like promoting the environmental protection, health and safety, etc. Also our main CSR project LAB contributed positively in the community by creating new small and medium enterprises, respectively the creation of new jobs, which continues to be still one of the most pressing issues in the economy of Kosovo.

**Health and Safety**

**Culture and Education**

**Employment**

**Environmental Protection**

**Responsible Procurement**

## MUTUAL COOPERATION

Our engagement with the local institutions and organizations through different Sharrcem’s initiated programs and projects in order to better improve in different aspects the life in the municipality of Hani i Elezit took place within the reporting year and as a result this engagement, through good cooperation between the company and the community, ensured that we have visible positive changes and improvements in our community. The feedback from the local community has an outstanding value to our company because it improves our results in the long run and enables us to give the measurable contribution to the environment where we operate. Throughout 2018 Sharrcem has participated in several focus groups and business forums that aim to increase awareness about several issues, promote activities or share different kinds of ideas and know-how. The communication is a foundation upon which a productive mutual cooperation can be established and kept, thus, we will continue to consider the same as the basis of success and source of future successful partnerships.

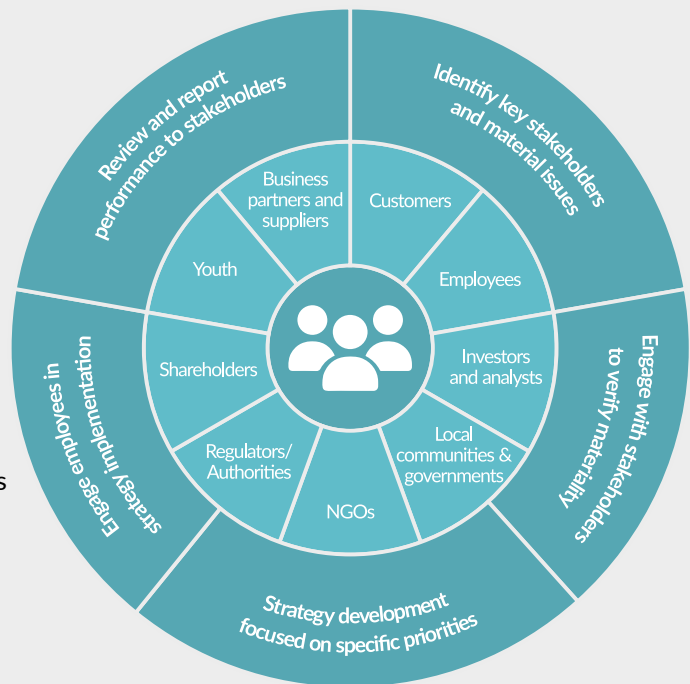
## OUR STAKEHOLDERS AND ENGAGEMENT

Since Sharrcem considers its stakeholders very important for the business operation, their concerns as well are being considered a driving force in the company efforts to effectively meet corporate social responsibility challenges. Of course that for the continuous improvement their feedback is necessary, thus, we continue being closely engaged with our stakeholders through different initiatives. The key stakeholders' identification continues as a process which is aligned with the Accountability Standard AA1000, for stakeholders' engagement, through which we have used the three criteria for mapping of our key stakeholders.

**DEPENDENCY** – groups or individuals who are directly or indirectly dependent on the organization's activities, products or services and associated performance, or on whom the organization is dependent in order to operate

**RESPONSIBILITY** – groups or individuals to whom the organization has, or in the future may have, legal, commercial, operational or ethical/moral responsibilities

**INFLUENCE** – groups or individuals who can have an impact on the organization's or a stakeholder's strategic or operational decision-making



### KEY STAKEHOLDERS

Employees

Municipality of Hani i Elezit

Customers

Contractors

Local NGOs

International Finance Corporation

Elementary and Secondary School of Hani i Elezit

Laboratory for Business Activities

USAID

BOPAL

Children's Board

CSR Network

European Investors Council

American Farm School

Initiative for Agricultural Development of Kosovo

Government of Kosovo

Ministry of Environment

Ministry of Labor and Social Welfare



## PROJECTS ENGAGEMENT

We are being mostly engaged in the following projects:



### Laboratory for Business Activity - LAB

- Aims to educate the local community in entrepreneurship.
- Create and develop SME's, especially in the sectors of forestry, agriculture and dairy production.



### BOPAL

- Developing and Improving the Local Community
- Local Advisory Board of Hani i Elezit decide about priorities



### Children's Board

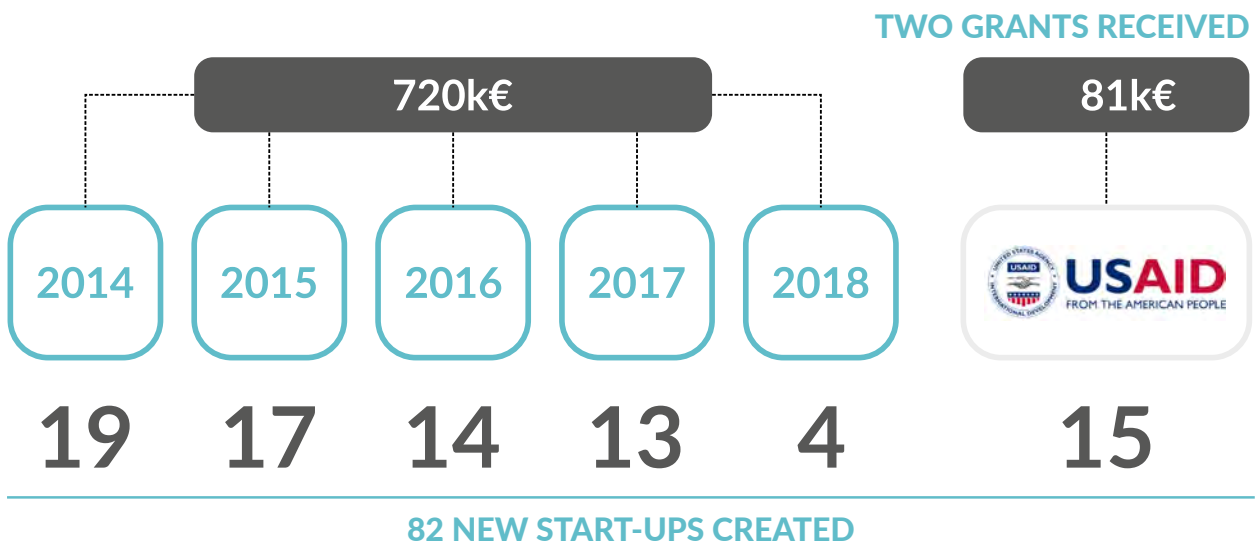
- Building Awakened
  1. Health and Safety
  2. Environment



**LAB - COMMUNITY OF HANI I ELEZIT/  
UNEMPLOYED INDIVIDUALS**



As a country still in transition and development, Kosovo, used to suffer from significant socio-economic problems. Unemployment and poverty rates were considerable and job opportunities were scarce for the population and this problem was even more prevalent in the Municipality of Hani i Elezit, the community within which Sharrcem operates. In this respect, Sharrcem initiated this project with the aim to create new small and medium sized enterprises with the goal of poverty and unemployment reduction. The education of local community members in entrepreneurship and business management as well as agriculture aimed to help them in establishing new small and medium sized enterprises to create employment. Sharrcem has allocated a substantial budget to this project, respectively for the creation of the Laboratory for Business Activities project - (LAB). Results to-date since 2014: 82 farming activities benefited from this project. CSR has become a well-established concept in our company, whereby we integrate social and environmental concerns in our daily business operations.



**Number of training sessions organized and people trained by sector:**

Sector	Training Sessions	Number of Participants
Greenhouse	2	11
Raspberries	4	43
Strawberries	2	11
Beekeeping	1	13
Livestock	1	6
Medical and Aromatic Herbs	1	3
Vineyards	1	6
Arboriculture - Hazelnut	2	1
Others	4	60
<b>Total:</b>	<b>18</b>	<b>154</b>

Quantitative production and value of sales by sector:

Sector	Quantity Produced in kg/lit/pcs and m <sup>3</sup>	Total Sales Value Euro
Greenhouse	91,094	53,515
Raspberries	11,127	9,459
Strawberries	3,768	8,026
Beekeeping	896	24,993
Forestry	50	4,320
Poultry	237,764	19,021
Livestock	69,045	55,615
Medical Herbs	7,806	1,639
Vineyards	185	141
Total:	423,544	176,728



Number of working days created (male/female) - by sector:

Sector	Working Days Created - male	Working Days Created - female	Total Working Days Created
Greenhouse	791	197	988
Raspberries	484	375	859
Strawberries	382	97	479
Beekeeping	74	13	87
Forestry	240	-	240
Livestock	440	120	660
Vineyard	138	2	140
Medical herbs	129	45	174
Poultry	527	387	914
Arboriculture - Hazelnut	14	7	11
Total:	3,219	1,343	4,562

**BOPAL - COMMUNITY OF HANI I ELEZIT**

Detect and prioritize the needs of the community and allocate funds accordingly and transparently. The funds transferred within the reporting year resulted in many different local initiatives that improved the working environment in the local community. The board, based on a unanimous voting method, continued to distribute funds to projects and actions for the benefit of the local community.



## OTHER CSR ACTIVITIES

### COUNTRY SAFETY WEEK

Country Safety Week, Event/Roundtable organized in Cooperation with the Ministry of Labor and Social Welfare

There was organized an event/roundtable in Prishtina, where the relevant stakeholders discussed a lot regarding the best practices for Health and Safety, regulations and rules, as well as there was a recognition to Sharrcem being engaged and committed to Health and Safety. Also during the same day the best Sharrcem employee, manager and the team that complied with the safety rules at work were elected.





## LET'S DO IT WORLD AND KOSOVO

Let's do it World and Kosovo - Worldwide Initiative/Community of Hani i Elezit

Since this countrywide initiative has an important aim to increase the awareness of the citizens for preserving a clean environment, we have joined this campaign and we have encouraged the community to provide its support, and join forces, in creating a cleaner environment for all. Through these kinds of campaigns, as well as with good communication and cooperation with the community, regional state authorities, local businesses and other stakeholders, we contribute positively to the environment.

## DRINKING WATER

Drinking Water - Primary School, Secondary School, the Health Center of Hani i Elezit and the Municipality

One of the main outcomes from this activity is improving living conditions of pupils and citizens in general, by providing safe drinking water. The ultimate responsibility is to ensure the provision of water and sanitation services to people who need them. Moreover, this initiative increases awareness on realizing the importance of providing such services and also, on raising the voice when appropriate services are lacking.

## INCREASING THE AWARENESS THROUGH ENVIRONMENTAL EDUCATION

Taking into consideration the importance of the environment where we live, efforts to improve the conditions of the surrounding area resulted in the activity/project - planting trees during the Earth Day. The activity/project was implemented by Sharcem, NGO - Gjethi and the Municipality of Hani i Elezit. On the same day a lecture to the was given, with the purpose of increasing the awareness for the importance of the environment protection.



## INFRASTRUCTURE, MoU WITH THE MUNICIPALITY

This initiative of Sharrcem was to contribute to the local society to improve the living conditions - so the citizens benefit from it, and this resulted in the signing of Memorandum of Understanding and Cooperation with the Municipality of Hani i Elezit. This Memorandum of Understanding defines the will of Sharrcem to contribute in the society infrastructure in the project for - "Regulation of the Stream and Sewage in the Village, Seçishte". Based on the Memorandum, Sharrcem contributed financially in the project in a form of donation. The implementation of the project contributed to the infrastructure and was qualified as a priority need for intervention.

## YOUTH AND THE SOCIETY

Youth and the Society - Kosovo CSR Network Engagement on Capacity Development for Businesses operating in Kosovo on supporting Youth and Sustainability

There were different engagements for the private sector on supporting youth and sustainability. The main purpose was to bring together businesses operating in Kosovo to contribute for SDGs, support start-ups and invest in youth for volunteering opportunities. There were also some lectures provided to the students. In the framework of the Corporate Social Responsibility - (CSR) and Sustainable Development Goals - (SDG) awareness. The team of Sharrcem contributed by sharing their experience and involvement on SDGs.





## NEW YEAR GIFTS FOR THE EMPLOYEES OF SHARRCEM AND OTHER STAKEHOLDERS

Year-round, caring for others is always firmly embedded in Sharrcem's culture, and Sharrcem sponsored gifts for children of its employees and other children. Sharrcem is thrilled to get this opportunity each year, not only to be able to support its employees and NGO's, but to bring happiness to the children in the eve of New Year.

## PURCHASING CARDS FOR NEW YEAR

During the eve of holiday seasons, Sharrcem supported SOS children's village orphanage through the purchase of season's greetings cards prepared by children of the orphanage. Through the purchase, Sharrcem gave the necessary financial contribution for children without parental care, but also supported the initiative for the encouragement of others in contributing for something positive.



## EVENT WITH CUSTOMERS

It has become a tradition for Sharrcem to gather all the customers by the end of the year and celebrate the yearly success by recalling all interactions and engagements that happened within calendric year. Apart from all the activities like the CSI driving, handling different type of complains and requests, meetings in person, visiting customers site and many other interactions we have seen it reasonable to gather and celebrate over drinks the year-end holidays.



## VOLUNTARY ACTIVITY - BLOOD DONATION

This initiative focuses on providing a voluntary opportunity on donating blood and saving lives every day through blood donations. Furthermore, through this initiative, employees of Sharrcem are strongly encouraged to donate blood voluntarily and regularly. We have joined this campaign during 2018, where 46 donors from our direct employees responded to the call. As well as our friends voluntary joined the campaign and 17 members from the contractors and 1 from the Municipality also responded. Same like previous years, each donor received a free meal at our canteen. Since this is a humanitarian act that may save lives, we hope to continue this tradition even in the future hoping to increase the number of blood donors.

## CLOTHES FOR HOUSEKEEPING EMPLOYEES OF THE SCHOOLS

Our support toward community continues to be in different areas. On this regard, we have provided to the staff of community schools working uniforms especially for housekeeping staff. This has been considered to improve the appearance of the staff who are directly involved in maintaining the environment of children.



# TRAINING AND DEVELOPMENT OF YOUTH

## PROJECTS/INITIATIVES FOR THE ENGAGEMENT WITH YOUTH IN THE MUNICIPALITY OF HANI I ELEZIT

### WEEKEND CAMP FOR YOUTH

2015, the year that witnessed the launch of the European Pact for Youth: an initiative driven by the European Commission and CSR Europe which is very relevant to the socio-economic framework of Kosovo as it tackles both the education and employment challenges of the youth. Our mother company, TITAN Group was among the funding signatories of the Pact. In addition, we were proud to participate in the launch of the Pact in Kosovo through the Kosovo CSR Network under the patronage of the Speaker of the Assembly during that same year. Worth to be noted, Kosovo was among the first countries to adopt the Pact at a national level and draft an action plan for implementation and reporting to Brussels. Since then, we have been engaged a lot to support this initiative through different activities and programs. During the year 2018, we have been engaged with the youth through different initiatives, and worth to mention is the one with the NGO – TOKA, where through different activities the youth was able to identify the needs of the students and the school. They were providing different ideas and the same were implemented by the NGO - TOKA, according to the agreement signed between Sharrcem and them.





We have selected this NGO taking into consideration that their mission is to empower youth by supporting their skill development through experiential learning. Through such educational development programs and service learning programs will help young people become equipped and motivated to become agents of positive social change. There was a camp organized during one weekend in the community of Hani I Elezit.

33 students from the community were part of “Super-Volunteers” camp where they spent wonderful moments all together and they discussed about the next steps on how to give back to their community. They also developed communication, cooperation and critical thinking skills through various educational and fun activities. At the end, the participants were awarded the Super-Volunteer title that completed 20 hours of volunteer work.

## NOTE FOR THE PROJECTS/INITIATIVES

Our projects/initiatives provided into this report above are aligned with the Group sustainability strategy and TITAN's distinctive approach and we believe that we are thoroughly addressing the material issues at the local level. Also taking into consideration the poverty and unemployment, as well as the lack of opportunities for the youth development, by our initiatives we contribute to the sustainability of our local community and worth to mention that the commitment of our employees is present in many of the company initiatives but the involvement of the local authorities is present at any time required/needed. We are continuously working to take sustainable initiatives in our community, and we hope to continue doing so. We share our best practices with all the TITAN BU's, as well as with all the stakeholders and the resources required (financial and nonfinancial) are being justified from the results.

## PACT 4 YOUTH - AGREEMENT SIGNED WITH THE "KLUBI I PRODHUESVE TË KOSOVËS"

Pact 4 Youth remains to be a very important topic in our plan of actions. On this regard, during the year 2018 we have signed a memorandum of understanding with Klubi i Prodhuesve te Kosoves to assign 15 interns within our premises in different sectors. We implemented few stages of selection, including application, short-list, and interviews.

Later resulted with the last step of hiring interns for period of 6 months with payment of 50% covered by each party, also involving the daily meal provided in our canteen. The interns went through Health and Safety induction training and have been allocated in the fields of their interest.



# SOCIAL CONTRIBUTION ACTIVITIES

During 2018, we have worked very hard by being focused on responding by priorities to the material issues that are most relevant to our business and the community we operate, as they have been identified by our last materiality assessment process. Sharrcem's targets and priorities are linked with the relevant SDG's. Within this reporting year the Annual Corporate Social Sustainability Report

was produced and is to be published next year, covering the period from the 1st of January to the 31st of December 2018. The report follows the TITAN Group reporting standards.

Supported SDG's through the Projects/ Initiatives within 2018 are:



## WORKING TOGETHER FOR SUSTAINABLE GROWTH



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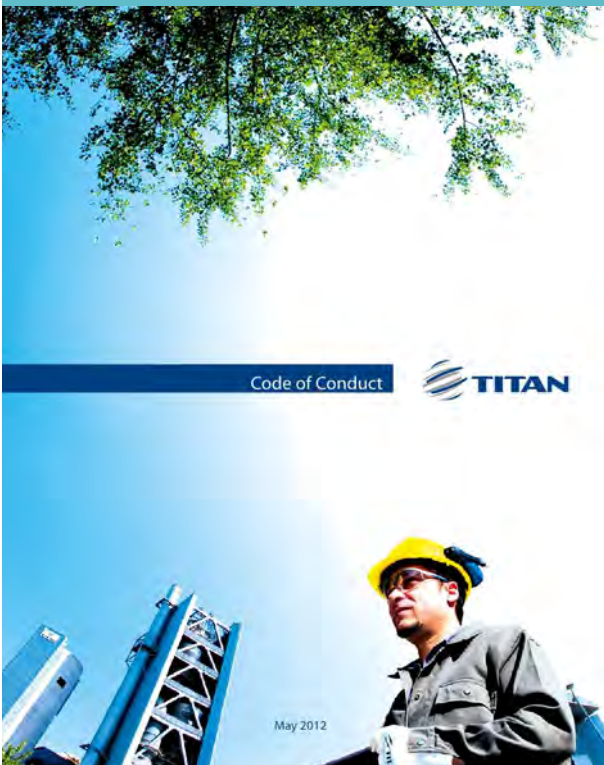
## **3. OUR CONTRIBUTION TO KOSOVO'S TRANSITION**



# HUMAN RIGHTS

## CODE OF CONDUCT

The procurement department processes have been fully integrated in the EAM (Enterprise Asset Management) system of the company, and at this point the contractors and suppliers of contracts are properly registered and completed with all Safety and Access Clauses which are compulsory by the company. Sharrcem, by adapting the Group procedures, and through these procedures, internal policies, purchasing manual procedures, ISO's and the Group Code of Conduct, which also relates to human rights issues and corruption, aims at promoting ethical business practices and ensuring that our suppliers do the same.



## POLICIES AND PROCEDURES

Sharrcem operates under a written policy that supports local contractors and suppliers and this remains on our daily agenda and it is a priority for us as we created with such a policy the way to build trustworthy relationships and increase the creation of value in the local community. The communication continues to be also very important for this matter and is being promoted through different ways, especially through regular meetings and trainings, (SA 8000, health and safety, environment - knowledge transfer).

Human right issues	SA 8000, Streamlined
Labour rights and freedom association	SA 8000, Streamlined
Equal opportunities	SA 8000, Streamlined
Sponsorship, donations and community involvement	Active to local MoU's / Foundation
Supply Chain / Procurement	Group CoCP
Preference to locally based suppliers	YES
Preference to local residents, when hiring	YES
Hiring local contractors / sub-contractors	YES
Copy of the Groups Purchasing Manual	YES

Standard - SA 8000



SA 8000, an international standard - system that Sharrcem has in place for improving working conditions is based on the principles of international human rights norms as described in International Labor Organization Conventions, the United Nations Convention on the Rights of the Child and the Universal Declaration of Human Rights and we consider that through this standard we promote the Group’s Human Rights Policy. The certification to the SA 8000 standard involves the development and auditing of management systems that promote socially acceptable working practices bringing benefits to the complete supply chain. There is a direct contribution to the sustainability of the company and its stakeholders.

We are always proud of being the first company in the country to have received the certification from Eurocert according to the SA 8000 Standard of the Social Accountability International.

# GOVERNANCE AND TRANSPARENCY

TITAN has adopted and has applied for many years now “best practices” and corporate governance principles, which go beyond the requirements of the Greek legislation. The board of TITAN considers as key role to establish the culture, values and ethics that guide us through every aspect of their business. Corporate governance for TITAN is synonymous with ethical business practices, transparency, accountability and sustainability. TITAN believes that high-quality corporate governance creates long-term value for its shareholders, customers, employees and suppliers and their aim is that all stakeholders benefit from the way TITAN does business.

In Sharrcem 2018 Corporate Social Responsibility and Sustainability Report, we have upgraded the framework of disclosure for all KPIs, specifically for the Environmental and Social performance, by introducing a new Index System of KPIs (see Annex).

Also for the first time this Annual Report includes an Index of disclosures for the adherence of Sharrcem to the UNGC Ten Principles (see Annex), also with clear references to the KPIs Index in the Report.

## LOOKING FORWARD

Looking ahead, TITAN Group works on the implementation of its 2020 sustainability targets and long - term commitments. The main priorities for 2019 are to maintain TITAN's status of high performance among its peers in managing local impacts, including dust emissions, NOx, SOx and water consumption and to continue the execution of the activities related to the TITAN CO<sub>2</sub> initiative, including the expansion of the energy efficiency certification program. Updated community engagement plans are in place to enable further collaboration with stakeholders on issues prioritized as most material. On the social pillar, safety at work and throughout the value chain will remain a top priority in 2019, with particular focus on the prevention of potentially serious injuries.

TITAN's employees are expected to benefit from the full roll out of the “unTe people” platform and the launch of the Diversity and Inclusion action plan. The latter will also impact local communities, complementing the continuing work on education and skills development. The Group sustainability strategy will continue to be strongly aligned with the UN SDGs 2030, through collaboration with key stakeholders at both local, industry and regional levels. In 2019, a revision of the Group Materiality Assessment, with updated external and internal inputs, will ensure that TITAN's alignment and collaboration with its key stakeholders for a sustainable future will be reconfirmed and reinforced.

GOVERNANCE WITHIN SHARRCEM



LIST OF OTHER BOARDS/COMMITTEES/COUNCILS



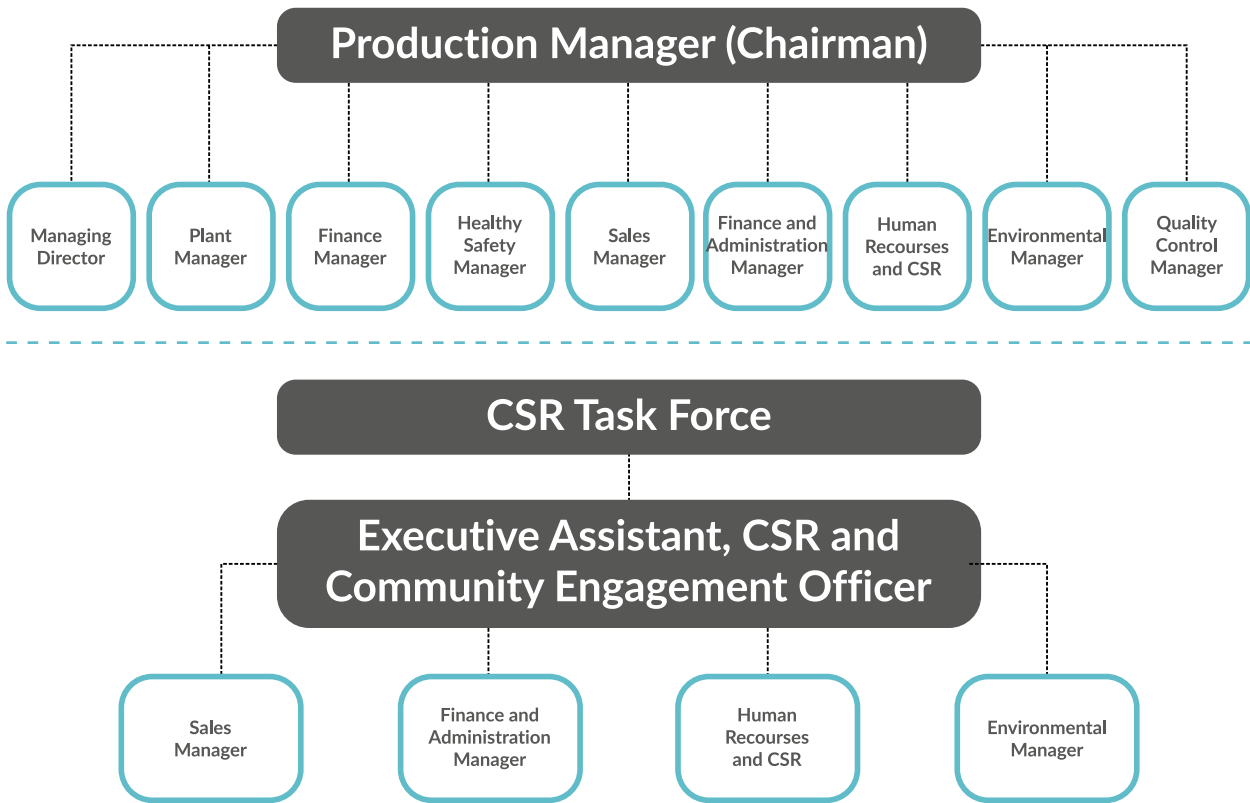
Our company’s governance is structured in this way by following the Group policies, and we strive to ensure the following:

- Implement the established CSR structure.
- Implement the established CSR policies and procedures.
- Care for people, society and the environment.
- Maintain communication with employees and other relevant stakeholders.
- Perform, facilitate and monitor the engagement with the local community.

PREVIOUS DISCLOSED CSR AND SUSTAINABILITY REPORTS



CSR COMMITTEE ORGANIZATIONAL STRUCTURE



PRIORITIES OF MANAGEMENT IN OUR OPERATION



- Continuous engagement with key stakeholders.
- Disclosure and transparency.
- Contractors: meetings and trainings for CSI guidelines implementations.
- Focus on material issues of the community, empowerment of the independent local advisory board - BOPAL.
- Continuous firm support to the LAB project.
- Trainings and continuous improvement.
- Employee development and adaptation of CSI guidelines.
- Meet high sustainability standards through certified systems.
- Support and contribute to Kosovo CSR Network.
- Continue to raise awareness on CSR within the company, community and beyond.
- Contribute in education at local and national level.
- Pact 4 Youth: events and awareness building.
- International Institutions: continuous cooperation.
- SA 8000, continuous with trainings for raising awareness.

# OUR EFFORTS AGAINST CORRUPTION

The EIC continues to work hard in order to make Kosovo a better place for doing business by addressing key business barriers in different sectors and partnering with the government of Kosovo and with relevant ministries to eliminate such barriers.

## EUROPEAN INVESTORS COUNCIL - IMPROVEMENT OF THE BUSINESS CLIMATE IN THE COUNTRY

The European Investor Council - (EIC) established under the patronage of the EU office in Kosovo, and with the support of the Embassies of EU countries is an initiative for the improvement of the business climate in Kosovo, and Sharrcem is among the founding members of the EIC. The EIC was created to give a voice to the European investors with the aim of lifting the systemic deficiencies of the business environment and increasing the foreign direct investments which in turn would realize Kosovo's potential by building competitiveness and capacity for citizens and businesses alike. Other than that, the EIC is also bound to contribute to the economic development of the country not only by improving the business climate but also by fostering transparency and full compliance

with the law and regulations and boosting the economic growth through increased investment. Our company as one of the largest contributors to the economy of Kosovo was part of many initiatives of the business community and beyond, with a commitment to contribute to the development of a much better. Sharrcem continues to maintain a very strong and active involvement in the EIC since the beginning of its establishment, as well as seats at the board of the EIC from the beginning. It is worth to mention that it has been a success of the EIC to have been closely involved with the Government of Kosovo and other stakeholders regarding the improvement of the business climate in Kosovo, (more information: [www.eic-ks.eu](http://www.eic-ks.eu)).

### EIC members:



### EIC Honorary Members



## HIGH LEVEL CONFERENCE: TOWARDS A FRIENDLIER BUSINESS AND INVESTMENT CLIMATE IN KOSOVO, “White Book 2018”

In September, the European Investors Council, European Union Office in Kosovo and the European Bank for Reconstruction and Development organized a joint conference to launch the EIC publication called “White Book 2018”. The White Book is a comprehensive guide designed to give proposals for improvement of the investment climate in Kosovo in order to drive economic development and job creation. The concrete recommendations come directly from the current investors and focus on the respective sectors and issues. The EIC has expressed confidence that this document could have a positive impact on the business environment

in Kosovo as well as attract foreign investors. The focus of our study is key barriers in the private sector in Kosovo and therefore we want to contribute to the development of Kosovo’s economy, and the White Book is a document that can contribute to economic development, transparency, open market rules, fair competition rules, reducing barriers for businesses coming to invest and creating equal space for all businesses in this environment, in order to make the environment for foreign investors to come to Kosovo. For the first time in Kosovo, the most important private sector document called “White Book 2018” was published. This document was submitted to the Government of Kosovo and relevant local and international institutions. - (more information: [www.eic-ks.eu](http://www.eic-ks.eu)).



## KOSOVO CSR NETWORK

The Kosovo CSR network, a Non-profit and Non-Governmental association founded in 2011 where right after one year, respectively in 2012 the Kosovo CSR Network became a member of CSR Europe. The Network aims to increase the awareness of businesses for the need for a responsible and proactive behavior towards the community and the environment where our company is among the founding members. The Network's aim is to fulfill the Ten Global Compact Principles, which include creation of a framework for businesses, consisting of ten principles in the fields of human rights, environment, labor and anticorruption. The Network has in place the strategic plan 2018-2020 and this strategic plan is primarily intended to promote the concept, ideas and concrete actions that will enhance the impact of CSR on Kosovo society and address the many challenges that this society has. Within the reporting year, the Network implemented several projects in cooperation with its stakeholders with big focus on the empowerment of youth, the wellbeing for children and youth, supporting youth and sustainability and the promotion of the and promotion of the need to work towards achieving the UN's Agenda 2030 Sustainable Development Goals (SDG).

There was also a workshop organized in 2018 by in Pristina by the Kosovo CSR Network has organized which was held by Mrs. Maria Alexiou - Chairman of CSR Hellas, and board member at CSR Europe and also supervisor of CSR activities at TITAN Group. Mrs. Alexiou, who is also a prominent member of CSR Europe, led the workshop on CSR best practices, the importance of CSR for the entire society, and the Sustainable Development Goals - (SDG's).





There were also different events/workshops and roundtables organized by the Network, where Sharrcem shared with the participants its experience/projects with the focus on SCR and SDG's.



### ENGAGEMENT OF THE KOSOVO CSR NETWORK TO ATTRACT NEW MEMBERS

Kosovo CSR Network has organized different meetings and events in order to promote the principles of Corporate Social Responsibility - (CSR), and as a result of their engagement and commitment, there were 4 new companies that joined the Network during the year of 2018.

Pact 4 Youth which aims to build partnerships between the public sector, the private sector and youth in order to create new employment opportunities for youngsters and empower them, was also in top agenda of the Network.

The steps undertaken so far by Kosovo CSR Network for the Pact 4 Youth and the steps further are the following:

1. Proposal of the National Action Plan
2. Initiating cooperation with UNICEF on 'utilizing the power of the private sector to support young people.
3. Our members have worked on projects to support young people by training them for life and business skills.
4. Our members have signed Memorandum of Understanding with Universities which include practical work, lecture etc.
5. Organization of a roundtable to spread awareness and discuss with CEOs and business owners how to support young people.
6. Organize a capacity-building workshop on CSR activities to support young people, focusing on initial support for young people, promoting volunteering and the UN Sustainable Development Goals 2030.
7. Keeping awareness-raising lectures, including SDGs on Education, Employment and Gender Equality.
8. Our members have provided practical work for young people of working age affected by Down Syndrome.
9. Support required by donors for the Law on Apprenticeship, and expertise for reviewing the NAP and next steps (next step).
10. Review of the National Action Plan together with stakeholders for further steps (next step).



The Kosovo CSR Network today has a total of 21 members, and 2 honorary members. Sharrcem continues to maintain a very strong and active involvement in the Network since the beginning of its establishment, as well as seats at the board of the Network from the beginning. (more information: [www.csrkosovo.org](http://www.csrkosovo.org)).

### Kosovo CSR Network Members



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## **4. OUR ENVIRONMENT: ENVIRONMENTAL PERFORMANCE AND CARE FOR THE NATURAL CAPITAL**

## ENVIRONMENTAL MANAGEMENT WITHIN TITAN GROUP

In 2018, a third party, engaged by WBCSD/CSI, benchmarked and assured TITAN's environmental performance. Compared to a previous assessment in 2014, the Group performance has improved, reaching the best performers' rating in a number of areas, including reporting and governance, dust emissions and other air emissions, among others. In 2018, TITAN published the revised Group Environmental Policy replacing the one issued in 2008. The updated version signifies a more holistic approach towards environmental sustainability, in alignment with the company's pledge to the UN SDGs Agenda 2030, stakeholders' expectations and material issues.

Climate change mitigation and adaptation is part of the revised policy. The new Group Policy aims to strengthen further the culture of environmental responsibility across the organization and addresses more specifically issues related to the environmental management, integrating international, industry standards, and best practices, in respect to the following:

- Monitoring and assessing the environmental & social impacts of the Group's activities.
- Stewarding the land through quarry rehabilitation.
- Protecting the local biodiversity and ecosystems.
- Conserving and stewarding the water resources.
- Accelerating efforts for resource recovery, waste reduction and responsible waste management.
- Embedding innovation in the environmental strategy.
- Promoting sustainability in the supply chain by incorporating sustainability criteria in the procurement process.

The Group Climate Mitigation Strategy and Adaptation focuses on:

- Energy efficiency.
- Co-processing of alternative fuels and raw materials.
- Product innovation and new technologies.
- Assessing risks and opportunities.



## ENVIRONMENT IN SHARRCEM

Our operation as a cement production affects the environment, and Sharrcem operations are heavily dependent on the use of natural resources, thus, the environmental care is one of our first priorities in all aspects of our conduct. We proceed to continuous investments in order to do as much as possible to mitigate such effects. Monitoring, measuring, reporting, cooperating, continuity acting and improving is how we address environmental issues. For our company caring for the environment goes beyond the basic implementation of policies and procedures within operations. The company believes that this engagement needs to include all the key stakeholders so that not only the plant but also the community within which it operates works and lives with high environmental care awareness. Through our CSR approach, we aim to address these main environmental issues:

- Climate change.
- Energy and raw materials.
- Air and other emissions.
- Biodiversity.
- Water.

Sharrcem complies with all local and national regulations on environmental protection, and it has been awarded the first ever IPPC (International Pollution Protection and Central) permit issued in Kosovo. The permit issued by the Ministry of Environment and Spatial Planning represents a contractual obligation to measure and mitigate the environmental impact; it is a guideline and testimony to the transparency of our work in respecting the industry applicable standards. Our commitment as part of TITAN Group to “do less harm, and do more good” is managing and improving our environmental performance even during economic difficult circumstances.

For more details, please refer to Annexes section under Environmental Performance Index of KPIs with last three-year history of consolidated data (2016-2018).

## DIMCE QUARRY REHABILITATION

The progressive rehabilitation has been applied at Dimce quarry according to the mine plan and the updated 5-year rehabilitation plan (2016-2020) that was completed in 2015, and started implementation within that year. The rehabilitation works have been applied since 2015 and included soil application and trees planting along with the installation of the appropriate irrigation system: 170 pieces of trees have been planted on the top depleted bench and 350 pieces of trees on the second depleted bench E-470. In 2018 rehabilitation continued on the third depleted bench E-460 with soil application and planting of 200 pieces of trees.

The motivation for our business to engage with rehabilitation activities, in line with TITAN standards and international best practices lies in the belief that the development and implementation of a progressive and practical quarry rehabilitation plan and restitution of the land will deliver significant environmental and social benefits, which outweigh the long-term rehabilitation costs, while maintaining and enhancing the company’s reputation.

(more info in annex section Environmental Performance Index – KPIs EP14L, EP40L)



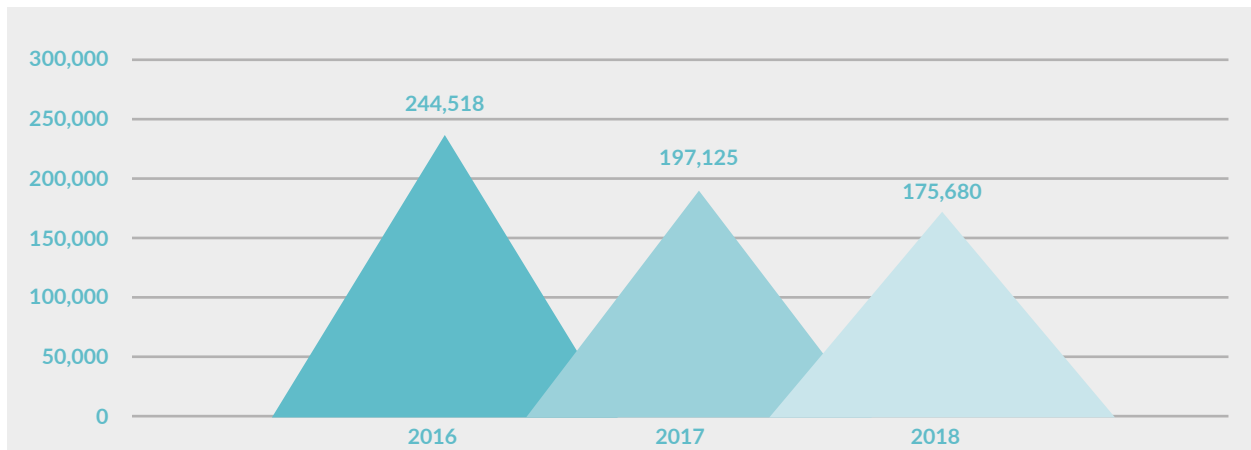
# WATER MANAGEMENT

The water management system describes the cement plant water network, water supplying, water discharge water assigns roles and responsibilities for a reliable monitoring, data collection and reporting system of the plant water balance and provides recommendations for the efficient management of the complete water cycle. Investments in water recycling systems and improvements of existing water networks have led to more efficient

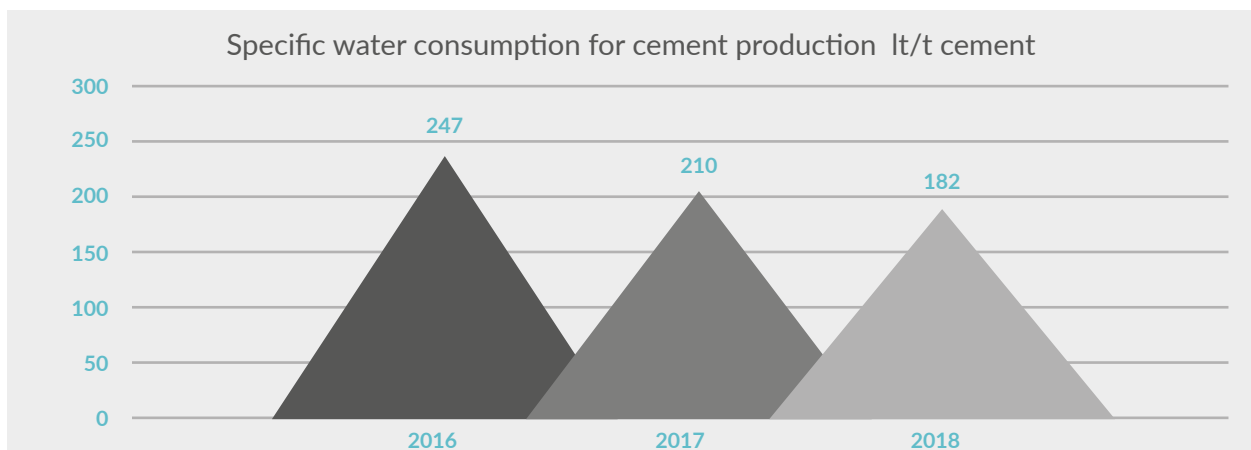
use of water, while the development and implementation of water management systems improved overall monitoring and has rendered the reporting of water use and consumption more consistent. The total water used for cement production.

(more info in annex section Environmental Performance Index – KPIs EP07L-EP09L)

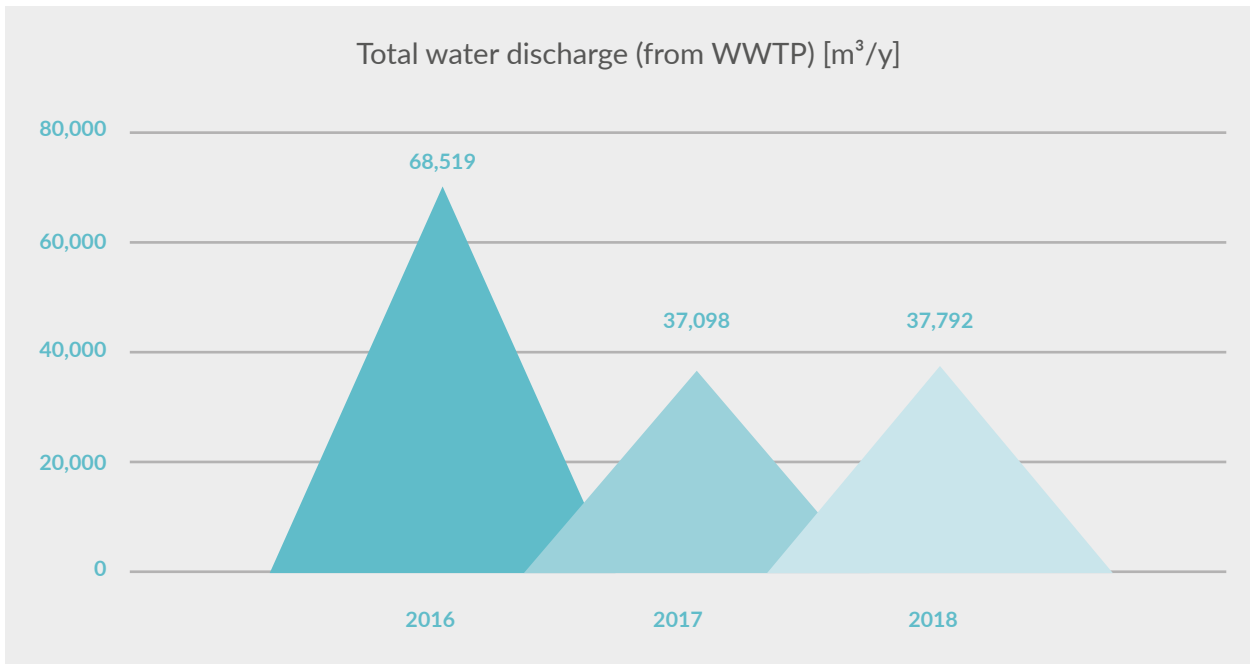
## Total Water Used:



## Specific Water Consumption for Cement Production



### Total Water Discharge from WWTP – Waste Water Treatment Plant



WWTP has been in continuous operation. During this time no operational issues occurred and the results from the chemical analysis of discharge water were within targets and limits according to the limits value for water discharge from treatments facility according to the administrative instruction AI-30/2014.

### Liquid Effluent Discharge Quality:

Wastewater treatment facility is implemented and operates since the construction of the facility (March 2016), and Sharrcem monitors the quality of liquid effluents on a monthly basis through accredited laboratories.

WWTP quality parameters		LV – According AI30/2014	Quality before Treatment	Quality after Treatment 2018
pH		6-8.5	8.03	7.97
Chemical Oxygen Demand (COD)	mg/l O <sub>2</sub>	125	357.83	77.10
Biochemical Oxygen Demand (BOD5 )	mg/l O <sub>2</sub>	25	168.65	16.20
Total Suspended Solids (TSS)	mg/l	60	147.39	29.77
OIL and Grease	mg/l	10	1.14	0.02
TOC	mg/l	40	115	28



# WASTE MANAGEMENT AND WASTE UTILIZATION

Solid waste is stored temporarily in special designated places in the vicinity of places where it is generated within the Plant. Such storage is carried out in special selected boxes, containers or places intended and specifically marked/labeled for such purpose. Depending on the solid waste type, at certain places there are plateaus, in order to avoid pollution of the environment (soil and water). A priority should be given in inventing routines for the reusing/recycling/reprocessing any parts of the solid waste (e.g. refractories). Any such routines should not endanger environment, life and health of people. Waste disposal is carried

out on behalf of the Plant by legally permitted subcontractors. These subcontractors provide services related to waste collection and/or transportation.

The handling and management of the non-hazardous waste, obeying to the rule of priority given to: reusing and recycling and reprocessing. Tables below show the amount of waste generation and waste disposed for 2018 and waste utilization in the Sharrcem plant for 2018.

(more info in annex section Environmental Performance Index – KPIs EP38L-EP39L)

WASTE GENERATION								
YEAR	Mix domestic waste (t/y)	Scrap (t/y)	Refractory bricks (t/y)	Cem. Torn bags (t/y)	Paper and packaging waste (t/y)	Waste from demolition (t/y)	Wooden pallets (m³/y)	Waste Oil (t/y)
<b>Waste Code</b>	200108	170405	101308	/	150101	885032	150103	130205*
<b>2018</b>	64.34	93.38	200	19.44	23.92	0	33.96	200

WASTE UTILIZATION				
YEAR	FLY ASH (t/y)	BOTTOM ASH (t/y)	PYRITE ASH (t/)	REFRACTORY BRICKS (t/y)
<b>Waste Code</b>	100102	/	/	101308
<b>2018</b>	94,464	3,581	4,197	0

# ENVIRONMENTAL MANAGEMENT SYSTEM

## EPI's Indicators

The values in the table below are given based on the annual EPI's and KPI's report. The information of emission level obtained from

the continuous monitoring of emissions from kiln and raw mill stack, clinker cooler stack and cement mill 1&2 stack. The CO<sub>2</sub> emissions are calculated according to the TITAN Group WBSCD - CSI CO<sub>2</sub> protocol version 3.0.

Indicators	2017	2018
NOX, [mg/Nm <sup>3</sup> ]	359.4	546.1
SOX, [mg/Nm <sup>3</sup> ]	46.9	44.9
DUST- Kiln, [mg/Nm <sup>3</sup> ]	2.9	3.3
CLINKER COOLER -DUST [mg/Nm <sup>3</sup> ]	2.6	2.7
CEMENT MILL 1&2- DUST, [mg/Nm <sup>3</sup> ]	2.4	2.8
SPECIFIC CO2 EMISSION [kgCO <sub>2</sub> /t clinker]	892	906
SPECIFIC CO2 EMISSION [kgCO <sub>2</sub> /t cementitious product] - (EP18L-EP19L)	580	610
TOTAL PLANT SPECIFIC THERMAL ENERGY CONSUMPTION (STEC), [kcal/kg clinker]	844	841
SPECIFIC ELECTRICAL ENERGY CONSUMPTION (SEEC), [kWh/t cement]	92.9	98.3
SPECIFIC WATER CONSUMPTION [l water / t cement]	210.3	182.5
ALTERNATIVE FUELS (HEAT BASIS) [%]	Na	Na
ALTERNATIVE RAW MATERIALS [%]	12.8	10.9

## TRAINING HOURS FOR ENVIRONMENTAL AWARENESS

Under the planned activities within the environment department, there are different training programs and activities organized for direct and indirect employees. Additionally, these programs and activities were focused on education and social contribution by raising awareness regarding the importance

of environmental protection. These programs and activities were organized in cooperation with all departments in the plant and the contractors.

(more info in annex section Social Performance Index – KPIs SP38L)

### DURING THE REPORTING YEAR

**DIRECT EMPLOYEES**

**399**

**CONTRACTORS**

**178**

**COMMUNITY**

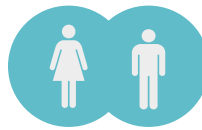
**436**

**TOTAL HRS.**

Employees  
+ Contractors  
+ Community

**1013**

### 2018 – TRAINING HOURS



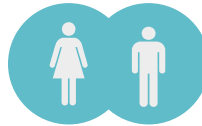
**30** Female

**369** Male



**0** Female

**178** Male



**208** Female

**228** Male



**258** Female

**755** Male

## LAND ACQUISITION/AGREEMENTS

Land control over the quarry areas is a prerequisite for securing access to raw materials reserves and for achieving the sustainability of quarry and cement plant operations. In 2018 there were no agreements with land owners for property acquisitions or lease at Dimce and Seqishte quarries. Seqishte Limestone Quarry: Sharrcem has made one (1) lease agreement for public land (5Ha) for the period 2016-2020. Furthermore, Sharrcem has constructed an access road of 3.5km, to support the transportation and the access to the Quarry. The limestone quarry in Seqishte - Hani i Elezit has been operating under an environmental consent. According to latest legal requirements and following the fulfillment of all legal conditions, in December 2018 the Ministry of Environment issued the Environmental Permit for Seqishte limestone Quarry for the next 5 years.

## EXPLOITATION OF LIMESTONE:

During 2018 one blasting was made at Seqishte limestone quarry and around 1,000 tons were delivered to the plant for clinker production. In addition, 8,650 tons of overburden/waste was excavated for the proper quarry development. Further, an exploration license was obtained this year for a surface area of 38ha around the Seqishte quarry. The objective of the exploration program that initiated in 2018 is the further evaluation of the quality/quantity of raw materials in this area.

## DIMCE MARL QUARRY

During 2018, operations continued with no difficulties according to the exploitation plan and production reached 641,877 tons of Marl. At the same time 95,931 tons of overburden/waste material was excavated and used for backfilling of the depleted closed pit and also for soil application at the depleted benches, under the rehabilitation plan.

## KLINE MARL QUARRY

At the 5Ha project area of Kline, which is licensed through Sharrcem subsidiary, preparatory works were made in 2018 for opening and developing the quarry, including access roads infrastructure, fencing etc. In December 2018, Sharrcem made one blast in the mentioned license and transported to the plant around 2,550 tons of good quality material. In 2018 Sharrcem initiated also the implementation of a drilling exploration program in the areas where Sharrcem subsidiary holds two exploration licenses. According to latest legal requirements, an application was made in December 2018 to the Ministry of Environment for the Environmental Permit of Kline quarry (which has been operating under an environmental consent) that will be valid for 5 years. Sharrcem is continuously monitoring major air emissions from the main emission sources during normal operation of the plant. In addition, on annual basis spot measurements of heavy metals are conducted by an external certified body (third party) at the kiln main stack.

## LIQUID EFFLUENT

Sharrcem monitors the quality of liquid effluents on a monthly basis through accredited laboratories. Waste water treatment facility is implemented and operates since the construction of the facility, March 2016. Monitoring is made before and after wastewater treatment. Sanitary water was discharged from WWTP in Sharrcem plant (see the picture bellow):



**Liquid Effluent - Before Treatment**

Liquid Effluent Parameters	Collection Frequency	WBG/IFC Maximum Levels (WBG/IFC Units)	Sharrcem Performance Annual average	IPPC ELV
Biochemical Oxygen Demand (BOD5)	Monthly	50 mg/l	168.65 mg/l	25 mg/l
Coliform Bacteria	Monthly	<400MPN per 100ml	<10 MPN per 100 ml	6000 TC per 100ml
Oil and Grease	Monthly	10 mg/l	1.14 mg/l	10 mg/l
pH	Monthly	6.0-9.0	8.03 mg/l	6.0-8.5
Total Suspended Solids (TSS)	Monthly	50 mg/l	147.39 mg/l	60 mg/l

**Liquid Effluent - After Treatment**

Liquid Effluent Parameters	Collection Frequency	WBG/IFC Maximum Levels (WBG/IFC Units)	Sharrcem Performance Annual average	IPPC ELV
Biochemical Oxygen Demand (BOD5)	Monthly	50 mg/l	16.2mg/l	25 mg/l
Coliform Bacteria	Monthly	<400MPN per 100ml	< 10MPN per 100ml	6000 TC per 100ml
Oil and Grease	Monthly	10 mg/l	0.02 mg/l	10 mg/l
pH	Monthly	6.0-9.0	7.97 mg/l	6.0-8.5
Total Suspended Solids (TSS)	Monthly	50 mg/l	29.77 mg/l	60 mg/l

Based on the recommended actions of the hydro-geological study of 2013, for the sustainable management of groundwater of the local aquifers, and in line with the overall water management system applied, Sharrcem is continuously monitoring on monthly basis water quality and water level of aquifers. Sharrcem strengthens the efforts in implementing our Integrated Water Management System for the reliable monitoring, data collection and reporting of the plant's water balance and providing recommendations for the efficient management of the complete water cycle in

compliance with WBCSD/CSI, Protocol for Water Reporting and leading by example in Kosovo. Sharrcem monitors the ambient noise at relevant locations and reports the results. Ambient noise refers to noise levels in perimeter of the plant and quarry, outside of facility's boundaries. The ambient noise monitoring points A, B, C, D, E, and F of Sharrcem plant and nearby quarry are shown in the following map, and measurement average results for 2018 are presented in the tables that follow, including also the local maximum levels.



Ambient Noise Parameters Plant perimeter	Collection Frequency	WBG/IFC Maximum Levels (WBG/IFC Units)	Sharrcem Performance Annual average	MAX allowed IPPC limit value Industrial Zone
Nearest Residential, Institutional or Educational Receptors Day time (07:00-22:00 hours)	Quarterly	55dB(A)	57.73 dB(A)	70dB(A)
Nearest Residential, Institutional or Educational Receptors Night time (22:00-07:00 hours)	Quarterly	45dB(A)	53.78 dB(A)	55 dB(A)
Nearest Receptors Outside Property Boundary	Quarterly	70dB(A)	63.34 dB(A)	70dB(A)
Ambient Noise Parameters Quarry perimeter	Collection Frequency	WBG/IFC Maximum Levels (WBG/IFC Units)	Sharrcem Performance Annual average	Maximum Recommended value according to the IPPC
Nearest Residential, Institutional or Educational Receptors Day time (07:00-22:00 hours)	Quarterly	55dB(A)	Na	70 dB(A)
Nearest Residential, Institutional or Educational Receptors Night time (22:00-07:00 hours)	Quarterly	45dB(A)	Na	55dB(A)
Nearest Receptors Outside Property Boundary	Quarterly	70dB(A)	53.05 dB(A)	70 dB(A)

Measurements of ambient noise were made on quarterly basis in 2018 by a certified third party company, namely "Spectrum Lab" based or located in Greece

Note: Noise value presented refer to the average value of measurement in the perimeter of the plant, as the Nearest Receptors outside Property Boundary. Annual Value of noise for the Nearest Residential, Institutional or Educational Receptors refers to point A in the Map (north side of plant boundary) which is closest to the institutional receptors that are also influenced from other noise sources like the traffic of heavy vehicles at the nearby road.

The location of Sharrcem plant in the immediate vicinity of the residential area requires special attention and measures for reduction of fugitive dust and also noise levels. Following the good corporate practice in TITAN Group as well as recommendations by IFC, Sharrcem has investigated the main dust dispersion sources in the plant area "fugitive dust" and developed a three (3) year Action Plan for reduction of fugitive dust. The main source is the clinker storage.

Monitoring parameter that exceeds WBG/ IFC guidelines and local regulations	Cause for monitoring parameter exceedance	Corrective action plan	Completion date	Cost	% Complete/ Status
Workplace dust (Workplace Respirable Air Concentrations)	Open stock piles, clinker storage, raw materials storage, packing plant, cement transport, etc.	Focus on the Clinker Storage: 3 - Year Action plan for reduction of fugitive dust (Reported on: AMR Report 2013).	March 2017	Focus on the Clinker Storage: 350K Euros (tentative estimate; will depend on the technical solutions – see Action Plan next)	The installation of the Automatic Crane has been completed during 2017. South part of Clinker storage is completed while North part will be completed by end of the March 2019. Delay were due to weather condition
Noise The personal measurement of noise shows exposure above the limits on several positions	Kiln, raw mill, cement mills, packing plant and compressor station.	Limited time exposed in work-place with protective equipment (antiphons). Limited time is shown on the safety signs.	Regular measurements of noise level at working places.	Depends on the technical solution	Actions are in place.

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## 5. ANNEXES



# ENVIRONMENTAL PERFORMANCE INDEX - KPIS EP01L-EP40L

ENVIRONMENTAL PERFORMANCE			2016	2017	2018	SDGs & Targets	Codes
1. BU – Performance of all activities, acc. to the Sectoral Approach adopted by TITAN Group							
LOCAL IMPACTS Impact on natural raw materials recourses	Raw materials extracted (total, wet)	million t	0.9	0.9	1.0	SDG 12 Target 12.2	EP01L
	Raw materials extracted for clinker and cement production	million t	0.9	0.9	1.0		EP02L
	Raw materials extracted for aggregates	million t	0.0	0.0	0.0		EP03L
	Raw materials consumed (total)						
	Raw materials consumed for clinker and cement production (dry)	million t	0.7	0.8	0.8		EP04L
	Raw materials consumed for ready mix, dry mortar and block production <sup>(2)</sup> (wet)	million t	0.0	0.0	0.0	EP05L	
	Externally recycled waste materials (total, wet)	t	153	292	171	SDG 12 Targets 12.4 and 12.5	EP06L
	Recycled	t	153	265	137		
	Reused	t	0	0	34		
	Recovered	t	0	27	0		
Impact on water recourses	Water consumption (total)	million m <sup>3</sup>	0.2	0.2	0.1	SDG 6 Targets 6.3, 6.4 and 6.5	EP07L
	Water withdrawal (total, by source)	million m <sup>3</sup>	0.2	0.2	0.2		EP08L
	Ground water	million m <sup>3</sup>	0.2	0.2	0.2		
	Municipal water	million m <sup>3</sup>	0.0	0.0	0.0		
	Rain water	million m <sup>3</sup>	0.0	0.0	0.0		
	Surface water	million m <sup>3</sup>	0.0	0.0	0.0		
	Quarry water used (from quarry dewatering)	million m <sup>3</sup>	0.0	0.0	0.0		
	Ocean or sea water	million m <sup>3</sup>	0.0	0.0	0.0		
	Waste water	million m <sup>3</sup>	0.0	0.0	0.0		
	Water discharge (total, by destination)	million m <sup>3</sup>	0.1	0.0	0.0		EP09L
	Surface (river, lake)	million m <sup>3</sup>	0.1	0.0	0.0		
	Ocean or sea	million m <sup>3</sup>	0.0	0.0	0.0		
	Off-site treatment	million m <sup>3</sup>	0.0	0.0	0.0		
Impact on biodiversity and land stewardship	Active quarry sites with biodiversity issues <sup>(3,5)</sup>		0	0	0	SDG 15 Targets 15.3, 15.4, 15.5, 15.9 and 15.a	EP010L
	Active quarry sites with biodiversity management plans <sup>(4,5)</sup>		0	0	0		EP011L
	Active quarry sites with biodiversity management plans	%	0.0	0.0	0.0		EP012L
	Sites with community engagement plans	%	0.0	0.0	0.0		EP013L
	Sites with quarry rehabilitation plans <sup>(5)</sup>	%	100.0	100.0	100.0		EP014L
	Active quarry sites (wholly owned) with ISO14001 or similar	%	100.0	100.0	100.0		EP015L
FUELS AND ENERGY Impact on energy recourses	Thermal energy consumption (total)	TJ	1,537	1,499	1,587	SDG 7 Target 7.2	EP016L
	Electrical energy consumption (total)	TJ	259	254	267		EP017L

ENVIRONMENTAL PERFORMANCE			2016	2017	2018	SDGs & Targets	Codes
2. BU - Performance of cement plants, and attached and related quarries, acc. to the Sectoral Approach adopted by TITAN Group							
CLIMATE CHANGE  Impact on Green House Gas Emissions	Specific gross direct CO <sub>2</sub> emissions	kg/t <sub>Product</sub> Cementitious	592.1	580.1	610.1		EP018L
	Specific net direct CO <sub>2</sub> emissions	kg/t <sub>Product</sub> Cementitious	592.1	580.1	610.1		EP019L
	Indirect CO <sub>2</sub> emissions (total) <sup>(6)</sup>	million t	0.1	0.1	0.1		EP020L
Alternative fuels and materials	Alternative fuel substitution rate	% <sub>Heat Basis</sub>	0.0	0.0	0.0		EP021L
	Biomass in fuel mix	% <sub>Heat Basis</sub>	0.0	0.0	0.0		EP022L
	Clinker to cement ratio		0.692	0.700	0.711		EP023L
Impact on energy recourses	Thermal energy consumption					SDG 7 Targeta 7.2, 7.3 and 7.a	
	Cement and grinding plants and attached quarries	TJ	1,537	1,499	1,587		EP024L
	Alternative fuels consumption (total)	t	0	0	0	SDG 12 Target 12.2	EP025L
	Electrical energy consumption (total)						
	Cement plants and attached quarries	GWh	72.0	70.7	74.3		EP026L
	Cement plants, attached and related quarries	GWh					
LOCAL IMPACTS Impact on natural raw materials recourses	Materials consumption (total, dry)	million t	0.9	0.9	0.9	SDG 12 Target 12.2	EP027L
	Extracted (natural) raw materials consumption (dry)	million t	0.7	0.8	0.8		
	Alternative raw materials consumption (dry)	million t	0.1	0.1	0.1		
	Alternative raw materials substitution (clinker & cement)	% <sub>Dry</sub>	15.2	12.8	10.9		EP028L
Impact on water recourses	Water consumption (total)	million m <sup>3</sup>	0.2	0.2	0.1	SDG 6 Targeta 6.4 and 6.5	EP029L
Other air emissions	Coverage rate continuous measurement	%	100.0	100.0	100.0		EP030L
	Dust emissions (total)	t				SDG 3 Target 3.9	EP031L
	Specific dust emissions	g/t <sub>Clinker</sub>	13.0	11.4	9.1		EP033L
	Specific NOx emissions	g/t <sub>Clinker</sub>	1,126.4	1,427.6	1,492.3	SDG 9 Target 9.4	EP032L
	Specific SOx emissions	g/t <sub>Clinker</sub>	248.0	186.4	122.6		EP033L

ENVIRONMENTAL PERFORMANCE			2016	2017	2018	SDGs & Targets	Codes
<b>3. BU - Detailed disclosures concerning materials, fuels, and waste, all activities</b>							
Impact on fuels and energy resources	Fuel mix, energy consumption for clinker and cement production	% <sub>Heat Basis</sub>	100.0	100.0	100.0	SDG 7 Target 7.2	EP034L
	Conventional fossil fuels	% <sub>Heat Basis</sub>	100.0	100.0	100.0		EP035L
	Coal, anthracite, and waste coal	% <sub>Heat Basis</sub>	0.0	0.0	0.0		
	Petrol coke	% <sub>Heat Basis</sub>	94.2	94.2	96.4		
	Lignite	% <sub>Heat Basis</sub>	0.0	0.0	0.0		
	Other solid fossil fuel	% <sub>Heat Basis</sub>	0.0	0.0	0.0		
	Natural gas	% <sub>Heat Basis</sub>	0.0	0.0	0.0		
	Heavy fuel (ultra)	% <sub>Heat Basis</sub>	5.6	5.6	3.5		
	Diesel oil	% <sub>Heat Basis</sub>	0.3	0.2	0.1		
	Gasoline, LPG (Liquified petroleum gas or liquid propane gas)	% <sub>Heat Basis</sub>	0.0	0.0	0.0		
	Alternative fossil and mixed fuels	% <sub>Heat Basis</sub>	0.0	0.0	0.0	SDG 12 Target 12.2	EP036L
	Tyres	% <sub>Heat Basis</sub>	0.0	0.0	0.0		
	RDF including plastics	% <sub>Heat Basis</sub>	0.0	0.0	0.0		
	Impregnated saw dust	% <sub>Heat Basis</sub>	0.0	0.0	0.0		
	Mixed industrial waste	% <sub>Heat Basis</sub>	0.0	0.0	0.0		
	Other fossil based and mixed wastes (solid)	% <sub>Heat Basis</sub>	0.0	0.0	0.0		
	Biomass fuels	% <sub>Heat Basis</sub>	0.0	0.0	0.0	EP037L	
	Dried sewage sludge	% <sub>Heat Basis</sub>	0.0	0.0	0.0		
Wood, non-impregnated saw dust	% <sub>Heat Basis</sub>	0.0	0.0	0.0			
Agricultural, organic, diaper waste, charcoal	% <sub>Heat Basis</sub>	0.0	0.0	0.0			
Other	% <sub>Heat Basis</sub>	0.0	0.0	0.0			
Management of waste	Waste disposal (total, wet)	t	208	357	235	SDG 12 Targets 12.4 and 12.5	EP038L
	Waste disposal, break down by destination-usage (wet)	% <sub>By mass</sub>	100.0	100.0	100.0		EP039L
	Reuse	% <sub>By mass</sub>	0.0	0.0	14.5		
	Recycled	% <sub>By mass</sub>	73.8	74.4	58.2		
	Recovered (including energy recovery)	% <sub>By mass</sub>	0.0	7.5	0.0		
	Incineration	% <sub>By mass</sub>	0.0	0.0	0.0		
	Landfilled	% <sub>By mass</sub>	26.3	18.1	27.4		
Other (incl. storage)	% <sub>By mass</sub>	0.0	0.0	0.0			
<b>4. BU - Investments for the Environment, all activities</b>							
Impact on fuels and energy resources	Environmental expenditures across all activities	million €	0.2	0.1	0.1	SDG 7 Target 7.b	EP040L
	Environmental management	million €	0.1	0.1	0.1		
	Reforestation	million €	0.0	0.0	0.0		
	Rehabilitation	million €	0.0	0.0	0.0	SDG 9 Target 9.4	
	Environmental training and awareness building	million €	0.0	0.0	0.0		
	Application of environmental friendly technologies	million €	0.1	0.0	0.0		
Waste management	million €	0.1	0.0	0.0			

- NOTES**
- Active quarries within, containing or adjacent to areas designated for their high biodiversity value.
  - Sites with high biodiversity value where biodiversity management plans are actively implemented.
  - Coverage includes both quarries attached to cement plants and quarries for aggregates production.
  - Indirect CO2 emissions are related to emissions released for the production of the electrical energy consumed at TITAN's facilities. For their calculation we use emission factors provided by the supplier of the electrical energy or other publicly available data. If no such data are available, the most recent data provided by CSI are used.

# SOCIAL PERFORMANCE INDEX - KPIs SP01L-SP43L

SOCIAL PERFORMANCE INDEX FOR SHARRCEM (KOSOVO)		2016	2017	2018	SDGs & Targets	Codes
Health and safety	<b>All activities performance acc. to the TITAN Global Sectoral Approach</b>					
	Employee fatalities	0	0	0	SDG 3; Target 3.6	SP01L
	Employee fatality rate	0	0	0.00		SP02L
	Contractors fatalities	0	0	0		SP03L
	Third-party fatalities	0	0	0		SP04L
	Employee Lost Time Injuries (LTIs)	2	1	1		SP05L
	Employee Lost Time Injuries Frequency Rate (LTIFR)	2.79	1.75	1.72		SP06L
	Employee lost working days	31	8	20		SP07L
	Employee Lost Time Injuries Severity Rate	43.2	14.0	34.4		SP08L
	Contractors Lost Time Injuries (LTIs)	0	0	1	SDG 8; Target 8.8	SP09L
	Contractors Lost Time Injuries Frequency Rate (LTIFR)	0.00	0.00	3.09		SP10L
	<b>All activities performance leading indicators</b>					
	Near misses <sup>(1)</sup>	204	9	10		SP11L
Training man-hours on health and safety per employee	14.8	19.6	21.1		SP12L	
Employment	<b>Number of employees as of 31 December</b>	<b>289</b>	<b>284</b>	<b>282</b>		SP13L
	Females	17	16	15		
	Males	272	268	267		
	<b>Employee turnover (%)</b>	<b>46%</b>	<b>2%</b>	<b>1.77%</b>		SP14L
	Employees left	133	7	5		SP15L
	<b>Employee new hires (%)</b>	<b>4%</b>	<b>1%</b>	<b>1.06%</b>		SP16L
	Employee new hires	12	2	3		SP17L
	<b>New hires per age group</b>					SP18L
	Under 30	10	0	0	SDG 5; Targets: 5.1, 5.4, and 5.5	
	Between 30-50	2	0	3		
	Over 50	0	2	0		
	<b>New hires per gender</b>					SP19L
	Females	0	0	0		
	Males	12	2	3	SDG 8; Targets: 8.5, 8.6, and 8.8	
	<b>Average employment</b>	<b>345</b>	<b>286</b>	<b>285</b>		SP20L
	<b>Employment per type</b>					SP21L
	Full time	345	286	285		
	Part Time	0	0	0		
	Temporary	0	0	0		
	<b>Employment per category</b>				SDG 10; Target 10.3	SP22L
	Managers (incl. Senior managers)	21	18	18		
	Administration/technical	85	79	78		
	Semi skilled/unskilled	239	188	189		
<b>Employment per gender</b>					SP23L	
Females	18	16	16			
Males	327	270	269			
<b>Share of women in employment (%)</b>	<b>5%</b>	<b>6%</b>	<b>5.61%</b>		SP24L	
<b>Share of women in management (%)</b>	<b>14%</b>	<b>11%</b>	<b>11.11%</b>		SP25L	
<b>Employees from local community (%)</b>	<b>62%</b>	<b>65%</b>	<b>65.26%</b>		SP27L	
<b>Unionized employees (%)</b>	<b>96%</b>	<b>78%</b>	<b>79.43%</b>		SP28L	

People Development	Training investment per employee (Euros)	133	141	112	SDG 4; Targets: 4.3, 4.4, and 4.5	SP29L	
	Training investment per gender (Euros)	47,373	40,402	31,823		SP30L	
	Females	1,701	4,663	252			
	Males	45,672	35,739	31,571			
	Trained employees	356	287	285			SP31L
	Share of trained employees (% in total workforce)	103%	100%	100%			SP32L
	Share of trained female employees (% in total trained)	5%	6%	5.26%			SP33L
	Trained employees per category					SP34L	
	Managers	15	13	13	SDG 5; Targets: 5.1, and 5.5		
	Senior managers	4	2	3			
	Administration/technical	112	81	76			
	Semi skilled/unskilled	225	191	193			
	Trained employees per age group					SP35L	
	Under 30	37	32	23	SDG 8; Target 8.5		
	Between 30-50	107	74	106			
	Over 50	212	181	156			
	Training hours	12,027	9,884	7,560		SP36L	
	Average training hours per employee, and breakdown per gender	35	35	27		SP37L	
	average female	58	43	17	SDG 10; Target: 10.2, and 10.3		
	average male	34	34	27			
	Training hours per subject						SP38L
	Environment: care and management systems	497	280	399			
	Foreign languages	1,058	555	0	SDG 16; Target 16.5		
Health and safety	5,122	5,604	6,017				
Human Rights	0	0	0				
Management and managerial skills	566	544	0				
Non-technical skills and specialization	0	0	0				
Other	2,600	1,681	555				
Security	0	0	0				
Technical know-how and core competence	2,139	1,220	589				
TITAN Group Code of Conduct	45	0	0				
Donations (Euros)	490,973	258,256	295,285	SDG 2; Targets 2.1, and 2.3	SP39L		
Internships	40	3	7		SDG 4; Targets: 4.3, and 4.4	SP42L	
Stakeholder Engagement				SDG 8; Targets: 8.5, and 8.6	SDG 9; Targets: 9.1, and 9.5	SDG 11; Target 11.4	
	New entry level jobs from internships/traineeships	0	0				1

NOTES

(1) The reported figures of 'Near misses' are the total figures for both direct employee and contractors. This is should be clear to All involved in the Social Performance, and in conjunction with the last revised and communicated Guidance by the Group Corporate Dept. for H&S.

# UNGC 10 PRINCIPLES PROGRESS REVIEW INDEX

UNGC Area	UNGC Related Principle(s)	Our Commitments	Reference in 2018 Sharrcem Corporate Social Responsibility and Sustainability Report
Human Rights	<p>Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights within the scope of their influence.</p>	<ul style="list-style-type: none"> <li>a. TITAN Corporate Values</li> <li>b. TITAN Group Code of Conduct</li> <li>c. TITAN Group CSR Policy</li> <li>d. TITAN Group Code of Conduct for Procurement</li> </ul>	<p>Strategic Review and Assessment of Material Issues: Timeline History, TITAN Values, TITAN Group CSR Policy, Material Issues, Sustainability through our Certified Systems, Focus of Sharrcem on Material Issues and SDG's</p> <p><b>HEALTH and SAFETY:</b> Occupational Health and Safety and SP KPIs (SP01L-SP12L).</p> <p><b>PEOPLE DEVELOPMENT:</b> SP KPIs (SP13L-SP38L).</p> <p><b>ENGAGING WITH LOCAL COMMUNITIES:</b> SP KPIs (SP39L-SP43L).</p>
	<p>Principle 2: Business should make sure that they are not complicit in human rights abuses.</p>	<ul style="list-style-type: none"> <li>e. Occupational Health and Safety Policy and guidelines</li> <li>f. TITAN Group Anti-Bribery and Corruption policy</li> <li>g. SA 8000</li> </ul>	<p><b>HUMAN RIGHTS:</b> Code of Conduct, Policies and Procedures, SA 8000, TITAN Group Code of Conduct for Procurement, Governance within Sharrcem, TITAN Group Anti-Bribery and Corruption Policy, European Investors Council, Kosovo CSR Network</p> <p><b>ANNEXES:</b> Environmental Performance Index of KPIs (EP KPIs), and Social Performance Index of KPIs (SP KPIs). The SP KPIs Index includes the KPIs for Health &amp; Safety.</p>

Labor Standards	Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;	<ul style="list-style-type: none"> <li>a. TITAN Corporate Values</li> <li>b. TITAN Group Code of Conduct</li> <li>c. TITAN Group CSR Policy</li> <li>d. TITAN Group Code of Conduct for Procurement</li> <li>e. TITAN Occupational Health and Safety Policy and guidelines</li> <li>f. TITAN Group Anti-Bribery and Corruption policy</li> <li>g. OHSAS 18001</li> <li>h. SA 8000</li> </ul>	<p><b>STRATEGIC REVIEW:</b> Timeline History, TITAN Values, TITAN Group CSR Policy, Material Issues, Sustainability through our Certified Systems, Focus of Sharrcem on Material Issues and SDG's, Non-financial Performance,</p> <p><b>HEALTH and SAFETY:</b> TITAN Group Health and Safety Guidelines, OHSAS 18001, and SP KPIs (SP01L-SP12L).</p> <p><b>PEOPLE DEVELOPMENT:</b> Human Rights Labour Issues and Equal Opportunities, Trade Union, SA 8000, Continuous Education, Employee Benefits, Group Code of Conduct</p> <p><b>ENGAGING WITH LOCAL COMMUNITIES:</b> Our Stakeholders and Engagement, SP KPIs (SP13L-SP43L).</p> <p><b>ANNEXES:</b> Social Performance Index of KPIs (SP KPIs). The SP KPIs Index includes the KPIs for Health &amp; Safety.</p>
	Principle 4: Businesses should uphold the elimination of all forms of forced and compulsory labor		
	Principle 5: should uphold the effective abolition of child labor		
	Principle 6: Businesses should uphold the elimination of discrimination in respect of employment and occupation		
Environment	Principle 7: Businesses should support a precautionary approach to environmental challenges	<ul style="list-style-type: none"> <li>a. TITAN Corporate Values</li> <li>b. TITAN Group Code of Conduct</li> <li>c. TITAN Group CSR Policy</li> <li>d. TITAN Group Environmental Policy</li> <li>e. ISO 14001</li> <li>f. IPPC Permit</li> </ul>	<p><b>STRATEGIC REVIEW:</b> Timeline History, TITAN Values, TITAN Group CSR Policy, Material Issues, Sustainability through our Certified Systems, Focus of Sharrcem on Material Issues and SDG's, Non-financial Performance</p> <p><b>PERFORMANCE HIGHLIGHTS:</b> Non-financial Performance</p> <p><b>ENVIRONMENTAL PERFORMANCE,</b> ISO 14001, IPPC and EP KPIs (EP01L-EP40L).</p> <p><b>ENGAGING WITH LOCAL COMMUNITIES:</b> Let's do it World and Kosovo, Drinking Water for Schools and Ambulance, Increasing the awareness through Environmental Education by planting trees for Earth Day, Regulation of the Stream and Sewage in the Village Seçishte – project, and SP KPIs (SP13L-SP43L).</p> <p><b>ANNEXES:</b> Environmental Performance Index of KPIs (EP KPIs) and Social Performance Index of KPIs (SP KPIs). The SP KPIs Index includes the KPIs for Health &amp; Safety.</p>
	Principle 8: Businesses should undertake initiatives to promote greater environmental responsibility		
	Principle 9: Businesses should encourage the development and diffusion of environmentally friendly technologies		
Anti-corruption	Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery	<ul style="list-style-type: none"> <li>a. TITAN Corporate Values</li> <li>b. TITAN Group Code of Conduct</li> <li>c. TITAN Group CSR Policy</li> <li>d. TITAN Group Code of Conduct for Procurement</li> <li>e. TITAN Group Anti-Bribery and Corruption policy</li> </ul>	<p><b>STRATEGIC REVIEW:</b> Timeline History, TITAN Values, TITAN Group CSR Policy, Material Issues, Focus of Sharrcem on Material Issues and SDG's,</p> <p><b>OUR CONTRIBUTION TO KOSOVO'S TRANSITION:</b> Governance within Sharrcem, Our Effort against Corruption, European Investors Council, Kosovo CSR Network.</p>

## MEMBERSHIPS 2018

Country	Memberships	Website
Kosovo	EIC - (European Investors Council)	<a href="http://www.eic-ks.eu">www.eic-ks.eu</a>
Kosovo	German-Kosovo Chamber of Commerce	<a href="http://www.kdww.eu">www.kdww.eu</a>
Kosovo	Kosovo Chamber of Commerce	<a href="http://www.oek-kcc.org">www.oek-kcc.org</a>
Kosovo	Kosovo CSR Network	<a href="http://www.csrkosovo.org">www.csrkosovo.org</a>
Kosovo	CIGRE Kosovo	<a href="http://www.cigre.org">www.cigre.org</a>

## COOPERATION 2018

Country	Cooperation	Website
Kosovo	EIC - (European Investors Council)	<a href="http://www.eic-ks.eu">www.eic-ks.eu</a>
Kosovo	German-Kosovo Chamber of Commerce	<a href="http://www.kdww.eu">www.kdww.eu</a>
Kosovo	Kosovo Chamber of Commerce	<a href="http://www.oek-kcc.org">www.oek-kcc.org</a>
Kosovo	Kosovo CSR Network	<a href="http://www.csrkosovo.org">www.csrkosovo.org</a>
Kosovo	CIGRE Kosovo	<a href="http://www.cigre.org">www.cigre.org</a>
Kosovo	Trade Union of Sharrcem	-
Kosovo	Municipality of Hani i Elezit	<a href="http://www.kk.rks-gov.net/hanielezit">www.kk.rks-gov.net/hanielezit</a>
Kosovo	LAB	<a href="http://www.lab-ks.org">www.lab-ks.org</a>
Kosovo	BOPAL	-
Kosovo	Children's Board	-
Kosovo	Government of Kosovo	<a href="http://www.rks-gov.net">www.rks-gov.net</a>
Kosovo	European Union Office	<a href="http://www.eeas.europa.eu">www.eeas.europa.eu</a>
Kosovo	Labor Inspectorate	<a href="http://www.ip.rks-gov.net">www.ip.rks-gov.net</a>
Kosovo	Ministry of Health	<a href="http://www.msh-ks.org">www.msh-ks.org</a>
Kosovo	Ministry of Labor and Social Welfare	<a href="http://www.mpms.rks-gov.net">www.mpms.rks-gov.net</a>
Kosovo	Ministry of Environment and Spatial Planning	<a href="http://www.mmph-rks.org">www.mmph-rks.org</a>
Kosovo	Ministry of Trade and Industry	<a href="http://www.mti.rks-gov.net">www.mti.rks-gov.net</a>
Kosovo	Ministry of Economic Development	<a href="http://www.mzhe-ks.net">www.mzhe-ks.net</a>
Kosovo	Ministry of Agriculture, Forestry and Rural Development	<a href="http://www.mbpzhr-ks.net">www.mbpzhr-ks.net</a>
Kosovo	Ministry of Finance	<a href="http://www.mf.rks-gov.net">www.mf.rks-gov.net</a>
Kosovo	Kosovo Customs Authorities	<a href="http://www.dogana.rks-gov.net">www.dogana.rks-gov.net</a>
Kosovo	Kosovo Tax Authorities	<a href="http://www.atk-ks.org">www.atk-ks.org</a>
Kosovo	ICMM	<a href="http://www.kosovo-mining.org">www.kosovo-mining.org</a>
Kosovo	ERO	<a href="http://www.ero-ks.org">www.ero-ks.org</a>



Kosovo	KOSTT	<a href="http://www.kostt.com">www.kostt.com</a>
Kosovo	Education Department - Hani i Elezit	-
Kosovo	Infrastructure Department - Hani i Elezit	-
Kosovo	Agriculture and Forestry Dpt. - Hani i Elezit	-
Kosovo	Elementary Schools - Hani i Elezit, (including villages)	-
Kosovo	High School - Hani i Elezit	-
Kosovo	Medical Health Center - Hani i Elezit	-
Kosovo	Fire Fighting Brigade - Hani i Elezit	-
Kosovo	Police Authorities - Hani i Elezit	-
Kosovo	University of Prishtina	<a href="http://www.fna.uni-pr.edu">www.fna.uni-pr.edu</a>
Kosovo	University of Mitrovica	<a href="http://www.umib.net">www.umib.net</a>
Kosovo	REC	<a href="http://www.kos.rec.org">www.kos.rec.org</a>
Kosovo	RDA	<a href="http://www.arda-kosovo.eu">www.arda-kosovo.eu</a>
Kosovo	German Embassy	<a href="http://www.pristina.diplo.de">www.pristina.diplo.de</a>
Kosovo	HELLENIC Republic Liaison Office in Prishtina	<a href="http://www.mfa.gr">www.mfa.gr</a>
Kosovo	U.S. Embassy	<a href="http://www.xk.usembassy.gov">www.xk.usembassy.gov</a>
Kosovo	Embassy of Netherlands	-
Kosovo	Embassy of Finland	<a href="http://www.finlandkosovo.org">www.finlandkosovo.org</a>
Kosovo	Embassy of Hungary	<a href="http://www.pristina.mfa.gov.hu">www.pristina.mfa.gov.hu</a>
Kosovo	GIZ	<a href="http://www.giz.de">www.giz.de</a>
Kosovo	IADK	<a href="http://www.iadk.org">www.iadk.org</a>
Kosovo	AFS	<a href="http://www.afs.edu.gr">www.afs.edu.gr</a>
Kosovo	UBT	<a href="http://www.ubt-uni.net">www.ubt-uni.net</a>
Kosovo	RIINVEST	<a href="http://www.riinvest.net">www.riinvest.net</a>
Kosovo	HELVETAS	<a href="http://www.easterneurope.helvetas.org">www.easterneurope.helvetas.org</a>
Kosovo	NOA KOS	<a href="http://www.usaid.gov">www.usaid.gov</a>
Kosovo	UNDP	<a href="http://www.ks.undp.org">www.ks.undp.org</a>
Kosovo	UNICEF	<a href="http://www.unicef.org">www.unicef.org</a>
Kosovo	CEED	<a href="http://www.ceed-kosovo.org">www.ceed-kosovo.org</a>
Kosovo	Central Bank of Kosovo	<a href="http://www.bqk-kos.org">www.bqk-kos.org</a>
Kosovo	Raiffeisen BANK	<a href="http://www.raiffeisen-kosovo.com">www.raiffeisen-kosovo.com</a>
Kosovo	ProCredit Bank	<a href="http://www.procreditbank-kos.com">www.procreditbank-kos.com</a>
Kosovo	Kosovo Banking Association	<a href="http://www.bankassoc-kos.com">www.bankassoc-kos.com</a>
Kosovo	AL TRADE	<a href="http://www.altrade-ks.com">www.altrade-ks.com</a>
Kosovo	THE WORLD BANK	<a href="http://www.worldbank.org">www.worldbank.org</a>
Kosovo	IFC	<a href="http://www.ifc.org">www.ifc.org</a>
Kosovo	EBRD	<a href="http://www.ebrd.com">www.ebrd.com</a>
Kosovo	KOSHA	<a href="http://www.oshkosova.webs.com">www.oshkosova.webs.com</a>
Kosovo	Kosovo Manufacturing Club	<a href="http://www.klubiprodhuesve.org">www.klubiprodhuesve.org</a>
Kosovo	TOKA	<a href="http://www.toka-ks.org">www.toka-ks.org</a>
Kosovo	Handikos	<a href="http://www.handi-kos.org">www.handi-kos.org</a>
Kosovo	SOS Children's Village	<a href="http://www.sos-childrensvillages.org">www.sos-childrensvillages.org</a>

## RECOGNITIONS 2018

Country	Award, Recognition or Other	By Whom	Name of the Award or Recognition
Kosovo	Recognition	By the Sharrcem Trade Union	Gratitude
Kosovo	Recognition	By the NGO - KOSHA, (Kosovar Occupational Safety and Health Association)	Thank You Letter
Kosovo	Recognition	By the Kosova Wrestling Federation	Gratitude
Kosovo	Recognition	By the NGO - TOKA, (Kosovar Organization for Talents and Education)	Gratitude
Kosovo	Recognition	By the Sharrcem Trade Union	Gratitude
Kosovo	Recognition	By the Sharrcem Trade Union	Gratitude
Kosovo	Recognition	By the EIC	Thank You Letter
Kosovo	Recognition	By the EIC	Thank You Letter
Kosovo	Recognition	By the HandiKos Hani i Elezit	Gratitude
Kosovo	Recognition	By the War Invalid Association	Thank You Letter
Kosovo	Recognition	By the School for Children with Special Needs	Gratitude
Kosovo	Recognition	By the HandiKOS Kaqanik, Association of Persons with Disability	Gratitude
Kosovo	Recognition	By the University Clinique Center of Kosovo	Gratitude
Kosovo	Recognition	By the SOS Children's Village of Kosovo	Thank You Letter

## DONATIONS 2018

Donations	295,026
<b>Donations in cash</b>	<b>295,026</b>
Cement	259
<b>Donations in kind</b>	<b>259</b>
Total Donations	295,285

## POLICIES RELATED TO NFP

Policies related to NFP (Non-Financial Performance)	Percentage of coverage in TITAN key operations (cement plants, RM, aggregates, terminals)	
	Launched	
	Communicated to Managers	Translated and sent to Employees
Group Human Rights Policy (Freedom of association, child labor)	100%	100%
Group Anti-Bribery and Corruption Policy (Compliance, grants, donations and contributions)		
Group People Management Framework (Labor rights and freedom of association, equal opportunities)	100%	100%
Group CSR Policy	100%	100%
Group Code of Conduct - (Labor rights, freedom of association, equal opportunities, compliance, human rights, environment, donations, bribery and corruption, conflict of interest)	100%	100%
Group Environmental Policy	100%	100%
Group Climate Mitigation Strategy - <i>to be updated</i>		
Group Occupational Health and Safety Policy	100%	100%
Group Occupational Health and Safety Framework	100%	100%
Group Code of Conduct for Procurement (Supply chain/Procurement issues)		
Group Purchasing Manual	100%	
Preference to locally based suppliers	100%	100%
Preference to local residents, when hiring	100%	
Hiring local contractors/subcontractors	100%	
Group Social Media Policy for Employees	100%	100%
Conflict of Interest Policy		
Group Competition Law Compliance Policy and Guidelines (compliance, customers and suppliers)		
Group Sanctions Policy		

## PARENTAL LEAVE 2019

Parental Leave 2018												
Country	Male Entitled PL	Female Entitled PL	Male Took PL	Female Took PL	Male Return After PL	Female Return After PL	Male Took PL Stay12	Female Took PL Stay12	Male Reten. Rates After PL	Female Reten. Rates After PL	Male Return TWork Pers.	Female Return TWork Pers.
Kosovo	0	3	0	3	0	1	0	1	0	0	0	0

## Independent limited assurance report

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To the management of Sharrcem SH.P.K.

### Introduction and scope of work

We were engaged by Sharrcem SH.P.K. (further referred as to “the Company”), to provide limited assurance in relation to the following information, presented in Sharrcem SH.P.K. Corporate Social Responsibility and Sustainability Report for 2018 (further referred as to “the CSR and Sustainability Report”):

- The consistency of qualitative and quantitative non-financial disclosures presented, with regard to the criteria for Communication on Progress of the UN Global Compact.
- The completeness and accuracy of qualitative and quantitative sustainability disclosures, in specific for the areas of Environment and Health & Safety and regarding the criteria applicable in 2018, which are aligned with the sectoral guidelines and reporting standards (Cement Sustainability Initiative), and with the TITAN Standards for Reporting on Group and BU level.
- The methodology of materiality assessment with regard to the guidelines of AA1000 Standard.

### Management responsibility

The management of the Company is responsible for complete and accurate preparation and presentation of the CSR and Sustainability Report in accordance with the principles and standards listed in “Introduction and scope of work” paragraph above. This responsibility also includes the selection and application of appropriate methods to prepare the CSR and Sustainability Report and the use of assumptions and estimates for the individual sustainability disclosures which are reasonable in the circumstances. Furthermore, the responsibility includes designing, implementing and maintaining systems and procedures relevant for the preparation of the CSR and Sustainability Report.

#### Our Independence and Quality Control

We have complied with the independence and other ethical requirements of the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants (IESBA), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior. In this context, the assurance team is independent from the Company and has not participated in the preparation of the Company's CSR and Sustainability Report for the year 2018.

The firm applies International Standard on Quality Control 1 and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

#### Our responsibility

Our responsibility is to perform an independent limited assurance engagement in order to express a conclusion based on the procedures carried out for the selected data, as described in the "Introduction and scope of work" section above.

Our work has been conducted in accordance with the ISAE 3000 "Assurance Engagements other than Audits or Reviews of Historical Financial Information", issued by the Board of International Standards on Auditing and Assurance. This standard requires that we comply with ethical requirements from Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants, as well as to plan and perform independent limited assurance engagement in a way that will allow us to express a conclusion with limited assurance.

A limited assurance engagement is restricted primarily to enquiries and analytical procedures. The procedures performed in a limited assurance engagement vary in nature and timing, and are less in extent than for a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially less in scope than a reasonable assurance engagement conducted in accordance with International Standards on Auditing and Assurance Engagements. To the extent it is permitted by the legislation in force, we neither accept nor assume any responsibility for our engagement or this report towards anyone other than the Company and the TITAN Group, unless the terms have been agreed explicitly in writing, with our prior consent.

#### Summary of work performed

Within the scope of our work we performed amongst others the following procedures concerning the materiality analysis, management approaches and key data presented in the CSR and Sustainability Report:

- Read the CSR and Sustainability Report (in its entirety) to ensure it is in accordance with the criteria detailed in the "Introduction and scope of work" section in this Independent limited assurance report;
- Review of external media reports to identify relevant sustainability issues in the reporting period, if any;

- Interviews with key personnel responsible for the preparation of the CSR and Sustainability Report, providing the sustainability performance information to understand and evaluate the processes, internal controls and information systems relating to the preparation of the aforementioned information;
- Understanding the Company regarding to its sustainability organizational structure, stakeholder dialogue and development process of the sustainability program;
- Comparing text and data (on a sample basis) presented in the CSR and Sustainability Report to underlying sources. This included considering whether all material issues had been included and whether the reported text and data was accurately drawn from the underlying information.

#### Limitations

Certain selected information involves non-financial data which is subject to more inherent limitations than financial data. Qualitative interpretations of the relevance, materiality and the accuracy of data are subject to individual assumptions and judgments.

To conduct our work, we relied exclusively on the information provided to us by the Company's executives, which we accepted in good faith as being complete, accurate, real and not misleading. Therefore, we did not submit it to any verification procedures, apart from the procedures explicitly stated in our Report and which arise from our mutually agreed methodology.

- No work has been conducted on data for previous reporting periods, as well as on data related to forecasts and targets.
- No work has been conducted on anything other than the agreed scope and consequently, our opinion is limited to that scope.

#### Limited assurance conclusion

Based on the procedures performed and evidence obtained, nothing has come to our attention that caused us to believe that there are any errors or misstatements that would materially affect the data and information as presented in the CSR and Sustainability Report and that the CSR and Sustainability Report for 2018 of Sharrcem SH.P.K. was not prepared, in all material respects, in accordance with the criteria mentioned above, in the "Introduction and scope of work" section.

Grant Thornton LLC

Prishtina,  
06 August 2019



  
Suzana Stavrikj  
Statutory auditor









**SHARRCEM**

a  **TITAN** Group Company

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# CSR AND SUSTAINABILITY REPORT 2018