



# ANNUAL SUSTAINABILITY REPORT 2022



**SHARRCEM**

TITAN CEMENT GROUP



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Get the success you  
deserve. Choose us.

“OUR BUSINESS  
APPROACH IN  
A CHANGING  
GLOBAL  
LANDSCAPE”



## ABOUT THE REPORT

Welcome to the 2022 Annual Sustainability Report of Sharrcem (hereinafter the "Report"). The Report provides a comprehensive overview of the progress we have made in the last year toward meeting our ambitious sustainability goals and improving the well-being of our community. The Report is also a testament to our unwavering commitment to upholding the highest standards of governance and ethical conduct, environmental sustainability, and social responsibility across the entire scope of our business operations. From investing in innovative technologies to reduce our environmental footprint, to fostering a safe and inclusive workplace culture, we take great pride in our ongoing initiatives that demonstrate our commitment to creating shared value for all stakeholders.

The Report provides detailed disclosures about the performance of our operations during the period of January 1 - December 31, 2022, covering the operations Sharrcem, which is a subsidiary company of TITAN Cement International S.A. (hereinafter referred to as TITAN Group or simply TITAN) in Kosovo. The operations of Sharrcem comprise of the Sharrcem SH.P.K. cement plant located in Hani I Elezit, three quarries in the vicinity of the plant for the production of raw materials which are supplied to the plant, and the fully-owned subsidiaries of 'Esha Material LLC' and 'Kosovo Construction Materials LLC', which manage the terminals of: 'Cement Plus' (in Lipjan), and the terminals in Duhël and Kilna, respectively.

The Report complies with sustainability reporting standards of TITAN, as specified in reference to the implementation of the principles of the International Integrated Reporting Council (IIRC), the advancement of the United Nations Global Compact (UNGC) Ten Principles 1, the sector-specific guidance for the reporting standards of Global Cement and Concrete Association Guidelines (GCCA), and the UN Sustainable Development Goals (SDGs) 2030. Also, the reporting standards follow the practices of the parent company TITAN, and have adopted the guidance of the United Nations Conference on Trade and Development (UNCTAD), and the standards of the Sustainability Accounting Standards Board (SASB) in specific for connection of KPIs, which are presented in the ESG Statements of the Report.

The compliance of disclosures is ensured by the Limited Assurance Report from an independent third-party Auditor, Grant Thornton L.L.C., which is available in this Report and online at: [www.sharrcem.com](http://www.sharrcem.com).



Note for the use of the Logo of the UNGC 'We Support': We acknowledge that our parent company TITAN Group participates in the UN Global Compact, and we support the Ten Principles and advancement of the Sustainable Development Goals as well as broader UN Goals. We consolidated our support for this initiative fully under parent's commitment. Therefore, we do not participate in UN Global Compact activities, nor do we participate in activities of a Global Compact Local Network



# 2022 HIGHLIGHTS



> **631,486 TONNES**  
Raw materials extracted  
from our active quarries

> **1,457,900 EURO**  
Income corporate taxes

> **63,278,012 EURO**  
Amount of money for  
goods and services paid  
to suppliers

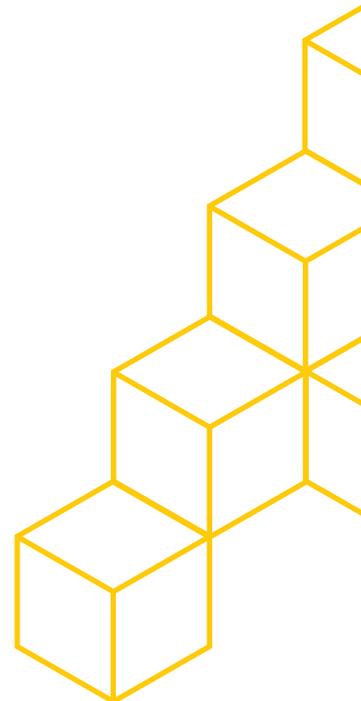
> **174,864 EURO**  
Employee pension  
contributions, paid  
(5% of contribution  
paid from Sharrcem)

> **3,859,599 EURO**  
Total investments  
(CAPEX) in 2022

> **646,594 TONNES**  
Total cement  
production

> **73,803 EURO**  
Local taxes (municipal  
and property, paid)

> **194,125 EURO**  
Social Investments





## MESSAGE FROM THE CEO

Dear valued stakeholders,

As I sit down to pen this annual message to you, I am filled with pride and optimism about the future of Sharrcem. As a pioneering industry leader in Kosovo, the previous year has been a witness to the outstanding success we have made in ethical and sustainable business practices. The road has not been without difficulties—Sharrcem has clearly been impacted by global rising inflation and a stagnant economic environment. Yet, we remained steadfast in our pursuit of sustainable growth and improvement despite these obstacles, and I am happy to say that we have achieved tangible progress.

Our team worked diligently to consolidate our operations, implement new practices, and expand our positive impact on the communities we serve. Through our efforts, we have not only been able to overcome the difficulties of the last year but have also grown stronger and more resilient as a business, positioning us for future success. With our commitment to innovation, focus on ethical and sustainable business practices, and adherence to our core principles, I am optimistic that we will continue to prosper and have a positive effect on our stakeholders and the wider community. Our industry is constantly evolving, and it is imperative to stay ahead of the curve to ensure Sharrcem's continued success. We remained attentive to market developments, including variations in the availability and pricing of raw materials as well as shifts in consumer tastes, making adjustments to our operations and strategy to ensure we remain sustainable for years to come.

The Kosovo construction industry continued to grow in 2022, resulting in an increase in demand for cement. As a leading provider of cement in Kosovo, Sharrcem increased its sales by 7.3% (including ANTEA cement sales for 2022) demonstrating our commitment to meeting the needs of our customers and the communities we serve. The operating profit (Earnings Before Tax Depreciation and Amortization) for 2022 was 41.7% higher than the previous year. I take great pride in Sharrcem's capacity to change and develop along with the markets we serve while keeping our company principles of honesty, knowledge, and ethical conduct. One area I am particularly proud to report on is our efforts to reduce our environmental impact and foster a healthy environment. We have used technology, responsible sourcing, and sustainable practices to significantly improve all aspects of our ESG performance, guided by our dedication to ethical business practices. The successful recertification assessment of our Environmental Management System under the EN ISO 14001:2015 standard confirmed our commitment to environmental sustainability. Internal audits



**MARIO BRACCI**

**Managing Director**

confirmed the efficacy of our Environmental Management System, and we conducted extensive monitoring of emissions from major sources to ensure optimal air quality and environmental noise levels. Ensuring the health and safety of our employees and contractors has also remained a top priority at Sharrcem in the past year. Over the past year, we have strengthened our dedication to safety by putting strict processes in place to protect everyone involved in our operations. Being recertified with the ISO 45001:2018 Safety Management System demonstrates our commitment to upholding high safety standards and a safe working environment, and we are proud of this accomplishment. We also expanded our activities to promote environmental protection, including training programs for children and supporting community-led initiatives. Reflecting on these positive results, we are grateful for being part of the Titan Cement Group, whose strategic direction and experience have backed our dedication to ethical and sustainable business practices. As part of the TITAN Cement Group, Sharrcem SH.P.K. adheres to the ten principles of the UNGC, and we report annually on the progress of each principle. Looking ahead, our objectives and targets for the future are clear. As we work toward achieving our vision, we will keep placing a priority on sustainability, good governance, and ethical business practices. We remain dedicated to driving positive impact for our stakeholders and the environment, and we look forward to continued growth and success in the years to come. I want to take this opportunity to express my gratitude to our employees, customers, and all stakeholders for their unwavering support and commitment to our shared goals.

# UNDERSTANDING TITAN GROUP

## Overview

An overview of our Group and our strategy in a changing global landscape. Our approach to value creation for our stakeholders, our materiality assessment process and partnerships for sustainable development.

### **The forces shaping our industry and the opportunities ahead**

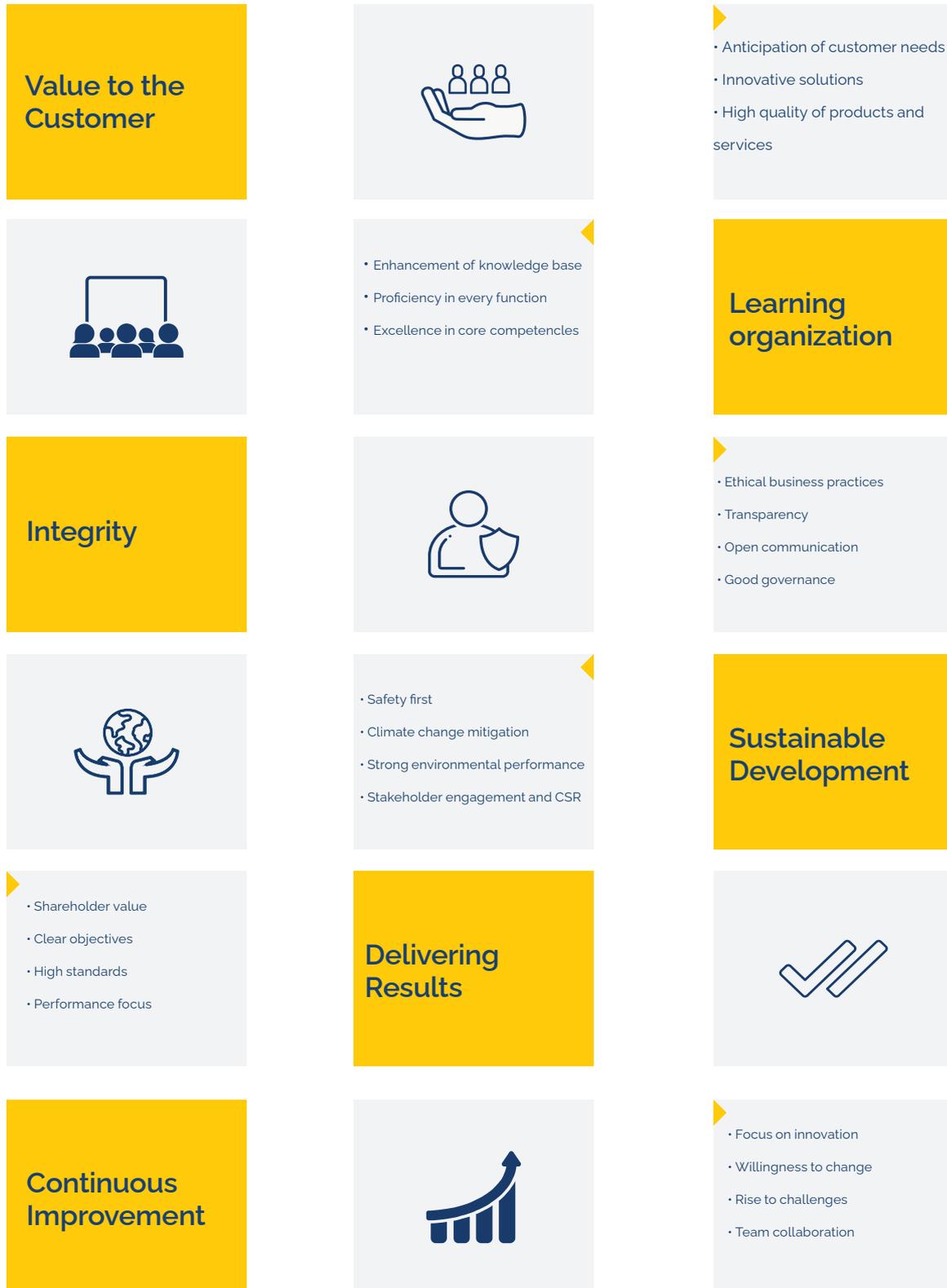
Building the future means building better. Smarter. More sustainably. At TITAN we are passionate about building a sustainable world with our innovative construction solutions. We address society's needs for safe, durable, resilient and affordable housing and infrastructure that protects and improves life. We are harnessing the advantages of what decarbonization and digital transformation have to offer and we are bringing those benefits to our customers, employees, suppliers and communities. We approach every issue with an entrepreneurial spirit and are constantly innovating to deliver construction solutions designed for tomorrow. Building on 120 years of industry experience and commitment to sustainable growth, we serve our customers in 25 countries through a network of more than 200 operational sites in four continents, including quarries, ready-mix plants, terminals, and other production and distribution facilities. In a world of increasing complexity, we are adapting and evolving to serve the needs of society, while contributing to sustainable growth with responsibility and Integrity.

## One set of strong values

We are passionate about building a sustainable world with our innovative construction solutions. Our values are at the core of who we are; they guide our strategy and provide the foundation for all our operations. They have provided our people with a strong bond and supported the growth that has sustained us for over a century, stemming directly from the principles, beliefs and vision of our founders back in 1902. They remain the solid basis of our culture and family spirit.



Ingrained in the Group's identity and embedded in our culture and our people's practices, our values guide the way we conduct our business- with respect, accountability and responsibility.



# UNDERSTANDING SHARRCEM

## Our Milestones

**1936**

Foundation of Sharrcem Plant.

**1972**

First upgrade of the plant with a rotary kiln and satellite cooler increases its capacity to 180,000 tons per year.

**1980**

Increase of production capacity by new investments in the rotary kiln.

**2000**

Sharrcem is included in the state privatization regime and a ten-year lease period begins.

**2010**

TITAN Cement 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 the modernization of investment in full swing.

**2012**

Sharrcem upgrades technology, improves efficiency and environmental footprint. It receives ISO 9001 quality certification and implements CO2 Management System and serves Kosovo market with occasional sales in North Macedonia and Serbia.

**2013**

Sharrcem receives ISO 14001 and OHSAS 18001 certifications and wins CSR awards in 2013. The company implements a web-portal for public disclosure and completed a technology upgrade with the EAMS. Sharrcem also publishes its first CSR report and has a CSR audit by DNV.

**2014**

Sharrcem receives the first IPPC permit in the country and organizes the first NEBOSH course on operational health and safety in the Balkans. It also completes a groundbreaking design for full automation of the clinker hall cranes and conducts numerous stakeholder engagement activities. Financing of the Laboratory for Business Activities (LAB) was implemented—an initiative to provide financial and technical assistance to small and medium-sized businesses.

## 2018

Sharrcem's employees benefit from the full roll out of the "unITe people" platform and the launch of the diversity and inclusion action plan by the Group in 2018. Sharrcem receives awards and recognitions from different institutions and NGOs for its commitment to health and safety, environmental sustainability, and CSR.

## 2017

Sharrcem sets a production record since 1936, wins best taxpayer award, and earns the first health and safety certification from Kosovo's government. LAB project secures two grants from USAID and MFRD to support new agroforestry startups and diversify milk processing on farms.

## 2016

Sharrcem obtains SA 8000 certification, completes a new pallet covering machine installation, and a wastewater treatment plant investment, and begins to offer the VDZ online training program for employee safety, wellbeing, and development. Shares of Cement Plus are acquired by Sharrcem.

## 2015

Sharrcem introduces innovative solutions in the production line while commencing quarry rehabilitation works and initiating SA 8000 certification. The LAB yields its first harvest. 18 new local Agro-SMEs successfully placed their product in the market. Sharrcem representatives participate in TITAN Cement Group's event to join the Pact 4 Youth in Brussels. Sharrcem establishes terminals in the Dukagjin region of Kosovo.

## 2022

Sharrcem prioritizes customer-centric growth and improves its environmental and health/safety performance. The Environmental Committee approves action plans, while the Environmental Management and Safety Management Systems are recertified. The SA8000 system is also certified, and the company collaborates with the BL & BU H&S Council to enhance employee communication and cooperation.

## 2021

Sharrcem celebrates 10<sup>th</sup> annual reporting and receives "Taxpayer of the Year 2021" award. Sharrcem transitions to ISO 45001:2018 standard from OHSAS 18001 and initiates a SAP project for efficient management and integration with TITAN Cement Group.

## 2020

New project with LAB and the company SPEEEX is initiated. The transition from OHSAS 18001 to ISO 45001:2018 is implemented, and the re-certification with health and safety management system (OHSAS 18001 to ISO 45001:2018) by Eurocert was obtained.

## 2019

Sharrcem is recertified with SA 8000. Two new youth initiatives are introduced: a market assessment for employment opportunities in the Business Process Outsourcing Sector, and donation of land for a culture house. Sharrcem receives a health and safety award during the European week for health and safety at work while Project LAB is recognized as a best practice by the International Journal of World Economics.



## SHARRCEM TODAY

In 1936, a small town in Kosovo nestled between the Sharr and Karadak mountain ranges saw the birth of a humble cement factory. The factory consisted of a single vertical kiln set against rolling hills, with a production capacity of just over 4,000 tons per year. Fast forward to today, Sharrcem has grown and expanded its production capacities beyond recognition from its humble beginnings to become an industry leader. But it wasn't just the company's manufacturing capabilities that expanded; it was also its dedication to creating a more sustainable world and uplifting the community it serves. Today's world is besieged by a slew of crises, including climate change, economic insecurity, and a host of interconnected risks that amplify and exacerbate each other's effects. In this environment, we believe it is a moral imperative for businesses to recognize their role in creating a healthier ecosystem and to act with the purpose of creating a world that is more sustainable and equitable for future generations. We have taken significant steps to improve stakeholder engagement and corporate transparency. We have been working since 2012 to implement industry-leading best practices

in sustainability reporting, such as disclosing material issues and engaging meaningfully with our stakeholders to better understand their expectations and concerns. In addition, we have invested in new technologies to improve data collection and reporting, and we have established strong governance structures to ensure accountability and transparency in all aspects of our operations. From the adoption of cleaner energy and the digitalization of operations to responsible sourcing of materials and creating healthy work environments, Sharrcem is constantly seeking ways to innovate and lead the way in responsible business practices. We continue to set the bar for sustainable business practices, serving as an industry model in Kosovo and a source of inspiration for our stakeholders. We will continue to uphold these core values and work towards making a positive impact in everything we do.

This Report also serves as an instrument to guide the company's engagement in line with our values and standards, towards accomplishing the company vision through the relevant areas of work.

## MEMBERSHIPS



Kosovo Chamber of Commerce



Kosovo-German Chamber of Commerce



Kosovo CSR Network



European Investors Council



Kosovar Occupational Safety and Health Association



International Council on Large Electric Systems - Kosovo

## BOARD / COUNCIL ACTIVITIES

- Health and Safety National Council
- Kosovo CSR Network
- European Investors Council

## Operations

Sharrcem is the region's only cement plant, located at the crossroads of the Kosovo-North Macedonia border. The company is a cornerstone of the local community, with headquarters in the border town of Hani i Elezit and subsidiary offices in Prishtina and Skopje. Sharrcem continues to rely solely on road transportation to distribute its products.

## ASSOCIATES AND JOINT VENTURES

### PLANT/HQ

01. Sharrcem SH.P.K.  
Adem Jashari 280  
71510 Hani i Elezit  
Kosovo  
Tel. 00383 38 768 000  
contact@sharrcem.com

### PRISHTINA OFFICE

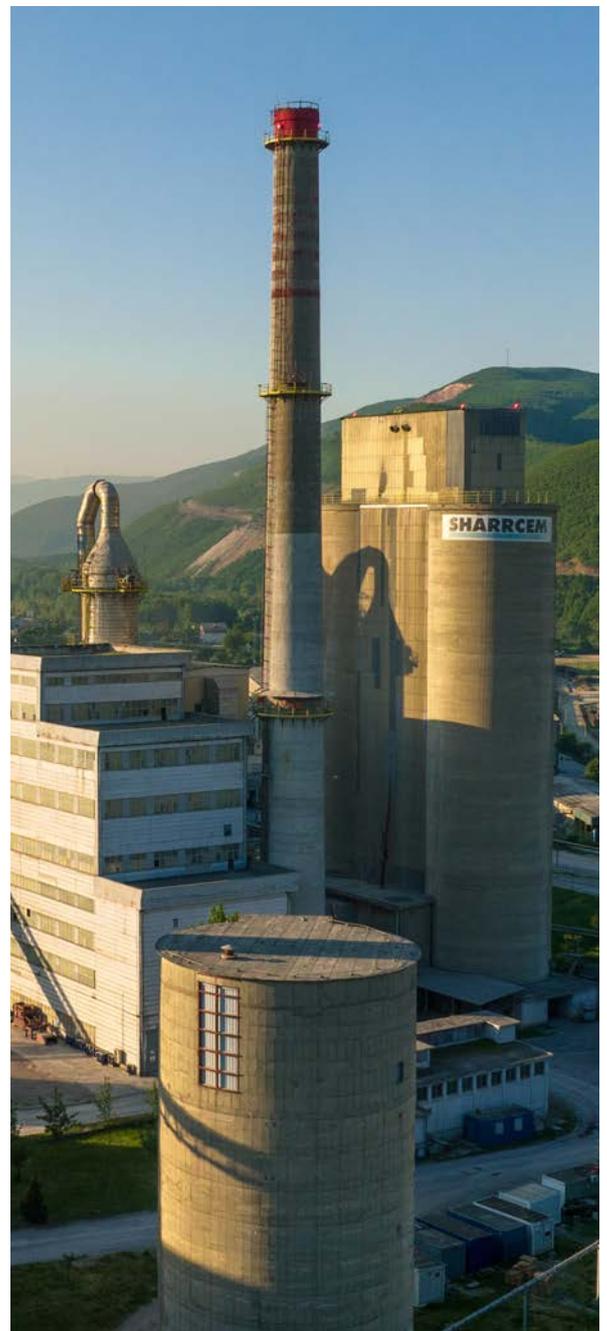
02. Representative Office  
Tringe Smajli 21  
10000 Prishtine  
Kosovo  
Tel. 00383 38 777 011

### SKOPJE OFFICE

03. Representative Office  
Mitropolit Teodosij  
Gologanov 32  
1000 Skopje  
North Macedonia  
Tel. 0038923111544

### TERMINALS

04. Terminal in Duhle  
Duhle  
23000 Suhareka Kosovo  
Terminal in Klina  
Highway Pristina – Peja  
32000 Klina Kosovo



# PRODUCTS AND VALUE CHAIN

## Products

We prioritize the delivery of exceptional products to our customers at Sharrcem. We ensure that every step of the manufacturing process, from the initial design phase to the final delivery, is executed flawlessly, which has earned us a reputation for excellence. Our dedication to excellence extends to our supply chain, which is meticulously organized and sustainable, ensuring that our customers receive high-quality products. Furthermore, we have implemented specific procurement and recruitment policies and procedures, giving priority to local stakeholders whenever possible while adhering to international and European certified management systems.

## Value Chain

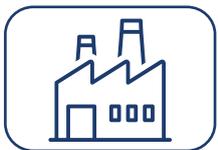
As part of a larger value chain within Kosovo, Sharrcem is committed to meeting the needs of our community by providing safe, sustainable, and affordable housing and construction solutions. Our broad operations include the manufacture, transportation, and distribution of cement and other raw materials. Our cement plant in Hani i Elezit utilizes a meticulous process of crushing, homogenizing, grinding, heating, and cooling raw materials to produce premium quality cement. We source our raw materials, including marl and limestone from our two quarries in Dimce and Seqisht, and we also use alternative raw materials such as bottom ash, fly ash, and pyrite ashes generated by other Kosovo industries, in order to reduce our environmental footprint and increase our eco-efficiency. For more information on our data and facts, please refer to ESG Performance Statements.



Raw materials



Suppliers



Plant/Manufacture



Distribution

## Our customers

Our customers influence every decision we make at Sharrcem, inspiring excellence in product quality, service, and sustainability. Significant investments in technology, human resources, and initiatives that have streamlined our operations, protected the environment, and ensured occupational health and safety have resulted in our reputation as a dependable and dependable provider. We are always there for our clients and partners, listening to and understanding their needs and offering solutions that exceed their expectations. Our transparent, honest, and responsible culture ensures that our clients are always kept informed and involved in the process.

## POLICIES AND MANAGEMENT SYSTEMS

Sharrcem is committed to providing our employees with the best working conditions possible. Guided by this commitment, we have fully implemented the International and European Certified Management Systems. Sharrcem was the first company in Kosovo to be granted the IPPC (Integrated Pollution Prevention and Control) permit, which was issued by the Kosovo Government in accordance with a European Union Directive. Sharrcem is also proud to have received the Eurocert SA 8000 Certification on Social Accountability, demonstrating our commitment to ensuring the well-being of all our employees. Sharrcem has also established the Laboratory for Business Activities (LAB) in order to provide financial and technical assistance to small and medium-sized businesses—an endeavor that has allowed us to address some of our community's most pressing issues. By launching these efforts and embracing responsibility for establishing a fair and transparent market, Sharrcem is determined to contribute to our country's sustainable growth.

To ensure that we conduct our business with respect, accountability and responsibility, Titan Group has developed the Code of Conduct and Group Policies, applicable to all Group operations including Sharrcem. These cover all strategic areas and provide guidelines to employees and external business collaborators to ensure compliance with the applicable internal and statutory rules. Group Policies include, but are not limited to, Anti-Bribery and Corruption, Conflict of Interest, Competition Law, Sanctions, Occupational Health and Safety, Environmental and Climate Mitigation, Corporate Social Responsibility, Human Rights, Whistleblowing, Protection of Personal Data, Information Security and Procurement Policy. In 2022, Titan Group launched a new Group Code of Conduct for procurement and a new Diversity, Equity and Inclusion policy. All of our policies are available on the Group's corporate website (<https://www.titan-cement.com/about-us/corporate-governance/group-policies/>).

ITEM	MGT SYSTEM / CERTIFICATION	STATUS
All Products/ Cement Types	CEM II/B-M(W-L)42.5R	
	CEM IV/B-M(P-W)42.5N	
	CEM IV/B-M(P-W)32.5R	
	MC5 Sharrmall (Outsource production from Usje plant)	
	} EN197-1:2011	
CO <sub>2</sub> Footprint	CO <sub>2</sub> management system	Incorporated in EMS ISO 14001
Water	Water management system	Incorporated in EMS ISO 14001
Environment	ISO 14001	
Quality	ISO 9001:2015 CE MARK Accreditation ISO 17025:2018	
Safety	ISO 45001:2018	
Accountability	Social Accountability / SA 8000	
Finance	Voluntary Mid-Year Independent	
ESG Reporting	Independent Limited Assurance	

## Delivering value for all

Sharrcem is a group of passionate individuals committed to making the world a better place through responsible business practices. We are inspired by the TITAN Cement group's leadership in advancing social and environmental causes, and we have committed significant resources to creating value for our stakeholders and contributing to the achievement of the UN Sustainable Development Goals 2030. We are convinced that genuine growth is only possible when we prioritize the growth of our community and society at large. This commitment guides our daily operations and informs our decision-making processes. We recognize that our success is inextricably linked to the well-being of those around us, and we strive to have a positive impact on our stakeholders and the world.

<b>Total investments (CAPEX) in 2022 €</b>	<b>3,859,599€</b>
<b>Local taxes</b> (municipal and property, paid)	<b>73,803€</b>
<b>Income corporate taxes</b>	<b>1,457,900€</b>
<b>Employee pension contributions, paid</b> (5% of contribution paid from Sharrcem)	<b>174,864€</b>
<b>Social Investments</b>	<b>194,125€</b>
<b>Investments in environment, and occupational health and safety</b>	<b>459,765€</b>

# MATERIALITY ASSESSMENT AND STAKEHOLDER ENGAGEMENT

## *Material Issues*

At Sharrcem, we understand that identifying and addressing material issues is critical to maintaining our company's long-term success and sustainability, as well as fulfilling our obligation to the communities and surroundings in which we operate. The TITAN Cement Group used the SASB Materiality Map methodology as the primary tool to analyze the connection between material issues and initiatives. Subsequently, the Social Capital area was ranked as the most relevant material issue for its business units through community engagement initiatives, followed by the Human Capital, specifically for the engagement and wellbeing of company employees. According to Sharrcem Materiality Assessment cycle held in 2020, there were addressed eight high material issues grouping under the four Focus Areas of TITAN Cement Group and all are underpinned by good governance, transparency, and business ethics. The identified material issues were ranked based on their impact and importance for both, internal and external stakeholders.

## **Stakeholders:**

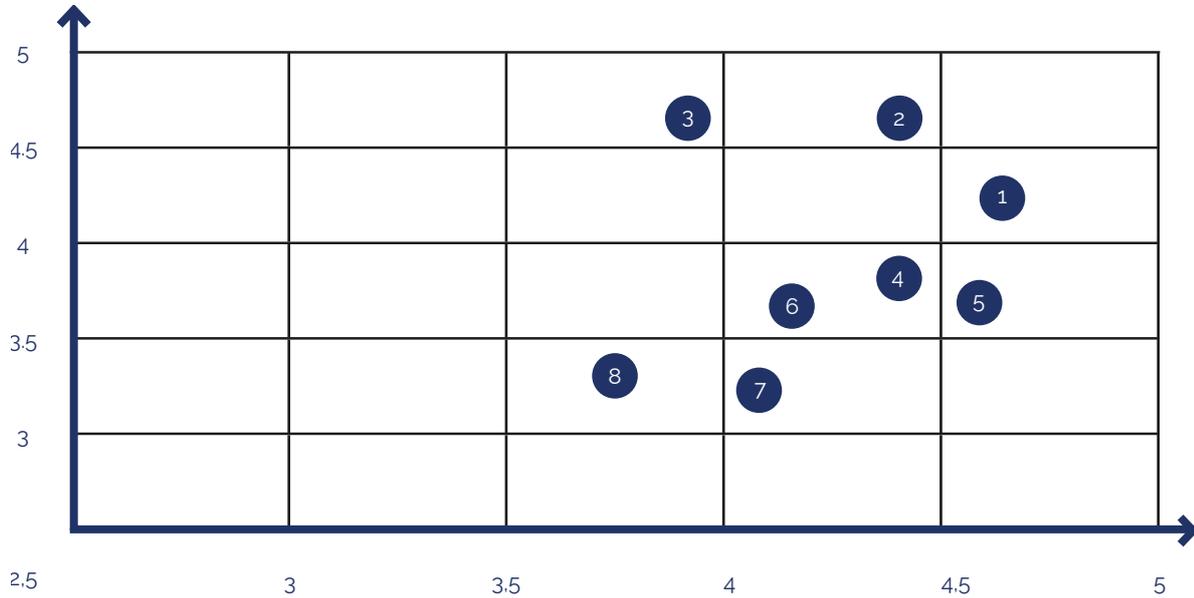
- Employees
- Customers
- Local Communities and Governments
- Regulators, Authorities
- Shareholders
- Business Partners and Suppliers
- Contractors
- Local Authorities
- Investors and Analysts
- Youth
- NGOs
- Civil Society
- Media
- Academia and Research

TITAN Cement Company has set ambitious Environmental, Social and Governance (ESG) targets for 2025 and beyond, as presented in their report. These targets underscore its enduring commitment to sustainability and value creation for all, with special emphasis on four pillars:



All these pillars are underpinned by good governance, transparency, and business ethics. Having the unwavering support of the TITAN Cement Group and in particular, of the Group's ESG Performance Department, Sharrcem has built sufficient skills and competences to manage, monitor, and report sustainability-related performance. Sharrcem has set the targets in alignment with the most material issues identified, following the outcomes of the materiality assessment process held in 2020, while building upon the definition provided by the TITAN Group Sustainability Targets for 2025 and 2030

## MATERIALITY MATRIX 2021-2025



↑ IMPORTANCE TO STAKEHOLDERS

→ IMPORTANCE TO SHARRCEM

1 Safe and healthy working environment for our employees and business partners along the value chain

2 Environmental Performance

3 Engaging and contributing to our local communities

4 Good governance, transparency and business ethics

5 Employee engagement and development

6 Climate change and energy efficiency

7 Diverse and inclusive workplace

8 Responsible, reliable, and sustainable supply chain

# MANAGEMENT REPORT

## CORPORATE GOVERNANCE AND RISK MANAGEMENT

### Governance structure, boards and their role

At Sharrcem, we emphasize good governance to ensure that our company's objectives are successfully achieved. Our single-tier governance structure enables the Management Board to take decisive action toward these goals. We have also formed a number of boards and committees to oversee various elements of our operations. Our Corporate Social Responsibility (CSR) structure is in charge of ensuring that the well-being of people, society, and the environment is prioritized in all of our activities. Furthermore, the CSR board works to keep open lines of contact with our employees and other key stakeholders to ensure that our activities are in line with their expectations.

### SHARRCEM'S SUSTAINABILITY GOVERNANCE STRUCTURE

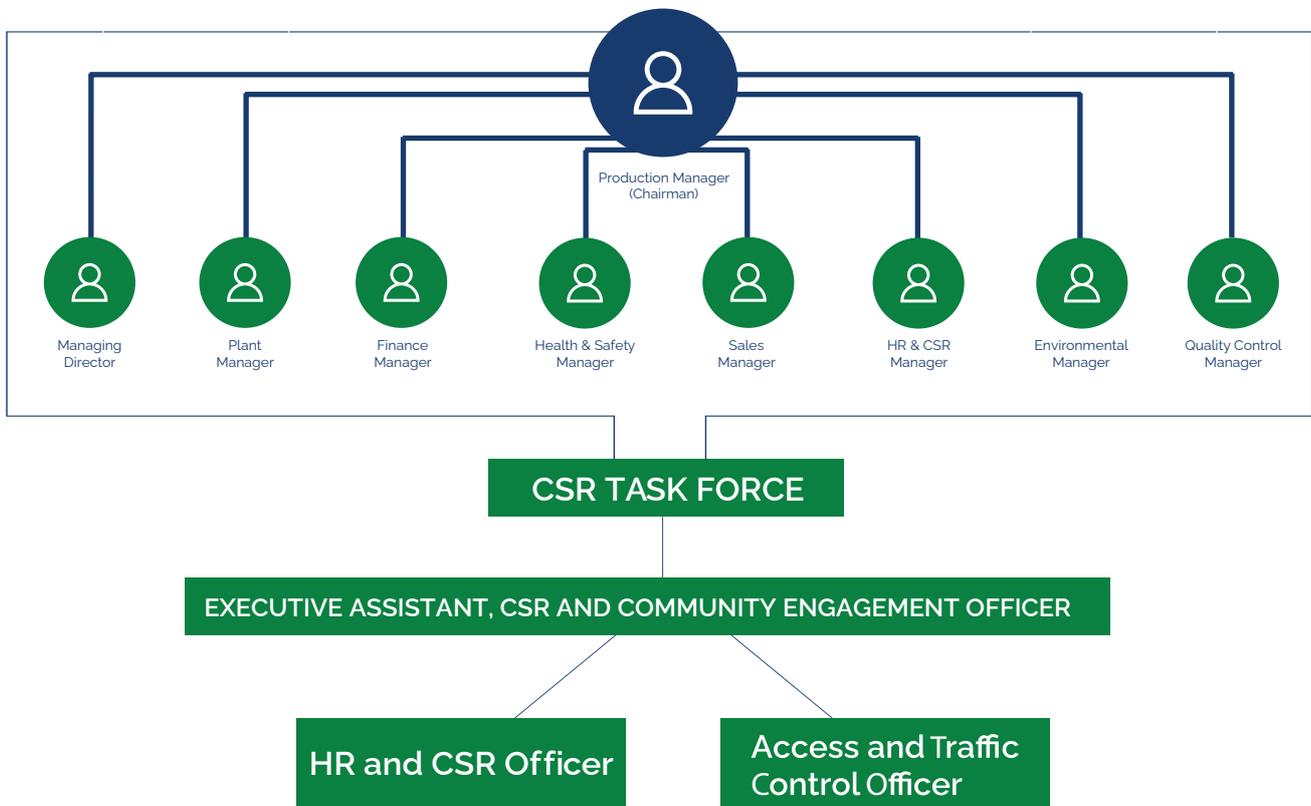


## Legal Structure of Sharrcem

Sharrcem SH.P.K. is a private corporation owned by the TITAN Cement Group as of 2010. We take great pride in operating with the highest ethical and transparent standards, always ensuring full compliance with all applicable laws and regulations in Kosovo, as well as adhering to the TITAN Cement Group's guidelines and policies. The company's management seat is in Kosovo, allowing for efficient oversight of operations and activities.

- BU Health and Safety Council
- BL Health and Safety Council
- Environment Committee
- Quality Control Board
- CSR Committee
- SA 8000 Committee

### CSR COMMITTEE ORGANIZATIONAL STRUCTURE





## ESG PERFORMANCE REVIEW

Sharrcem has shown significant improvement in ESG performance in 2022 with a strong commitment to responsible business practices. We have launched numerous new projects and made substantial progress in all key areas. The company prioritizes sustainability planning, implementation, and meaningful community engagement. We have implemented initiatives to promote a healthy and inclusive workplace and to reduce ecological footprints and we are confident that we will continue to make a positive impact on the world while ensuring long-term sustainability.

### Focus area: De-carbonization and digitalization

*Material issue: Climate change and energy efficiency*

#### Climate change and decarbonization

Climate change is a serious threat to our planet, and the cement sector is a major source of greenhouse gas emissions. At Sharrcem, we are acutely aware of our obligation to limit our impact and enhance our environmental footprint, and we have constructed an internal decarbonization blueprint for improvements in our installations and products, adopted TITAN Cement Group's decarbonization roadmap.

In November 2022, our company underwent a rigorous recertification audit by EUROCERT for our Environmental Management System according to the EN ISO 14001:2015 standard. In addition, as part of our periodic environmental performance audits, we conducted an internal audit.

Furthermore, we conducted extensive monitoring of emissions from major sources and took proactive measures to ensure air quality and environmental noise levels in and around our plant and quarries. We also regularly monitor the quality of groundwater and discharge water from our wastewater treatment plant to ensure our operations are not impacting the surrounding ecosystem.

There was an increase in total CO<sub>2</sub> emissions from our production company this year leading to an increase in specific CO<sub>2</sub> emissions for our cement products. We are taking steps to address this challenge and our team actively seeking out alternative sources for raw materials and exploring innovative ways to reduce our carbon footprint. To this end, the company successfully tested a new type of cement with a lower clinker content, which has been on the market since July 2022. The full positive impact will be evident during 2023.

## Focus area: Growth-enabling work environment

*Material issue: Safe and healthy working environment for our employees and business partners along the value chain*

### HEALTH AND SAFETY

Safety is a primary focus at Sharrcem. We are aware of the risks associated with cement production and quarry operations, and we take precautions to protect our personnel and prevent accidents. We have adopted policies and procedures supporting health and safety with the help of TITAN Group, including the presence of health and safety engineers across manufacturing units.

Incident investigation, proactive planning, creating stated goals, safety training, and progress monitoring are all required under our Health and Safety Policy. Our certified safety professionals conduct frequent safety assessments on our production and construction sites. We stress the importance of safety training and raising awareness, as well as strict adherence to our established safety systems and processes. Furthermore, we regularly monitor our employees' health to ensure their continued well-being.

During the year 2022, SharrCem achieved notable advancements in improving the health and safety of its employees and contractors. Although there were two instances of lost time incidents (LTIs) involving SharrCem's direct employees and one LTI involving indirectly employed personnel.

The company underwent an audit and certification of its ISO 45001 Safety Management System, demonstrating our high standards in implementing safety procedures. In addition, the Titan Group HSE conducted an audit, while the Regional Health & Safety director conducted a review.

We operationalized a system of health control that conforms with legal standards, and equipment was also made compliant with legal requirements and certifications. To ensure a safe working environment for our employees, we have implemented a comprehensive disinfection and deratization program within the plant and conducted regular inspections of emergency tools. The implementation of the "Next Step on Safety" program which offers support to colleagues in the region through the organization of educational visits, the aim of which is to share good practices, knowledge and experience and successfully implement the plan to review and unify the following essential procedures: Work at height and PPE.

Additionally, we conducted regular workplace and personal measurements to monitor and ensure the effectiveness of these practices. This proactive method contributes to the elimination of potential health hazards and the preservation of a healthy work environment.

The introduction of a new award scheme in 2022 celebrated the collective efforts of all employees who achieved a full year without any Lost Time Incidents (LTI). This recognition highlighted their commitment to workplace safety, motivating them to continue prioritizing a safe and accident-free environment.

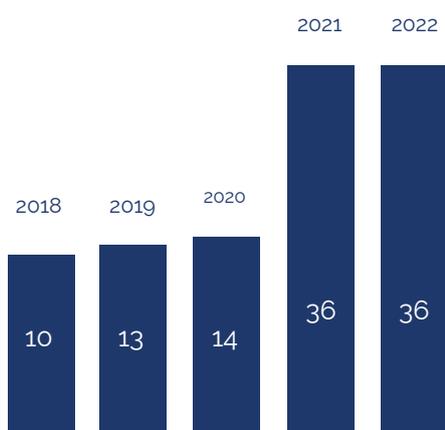
Other improvements also included in electrical, mechanical, and civil maintenance, including testing of floor isolation, installation of electrical cabinets, and rehabilitation of the third kiln base. Safety measures were also taken, such as the erection of emergency exits and installation of safety relieve valves, improvement of machine guards, and inspection of plant windows. Additionally, measures were taken to improve plant water systems and roads, and to enhance health and safety signage. Traffic safety was addressed through painting of roads and removal of potentially hazardous tree branches.



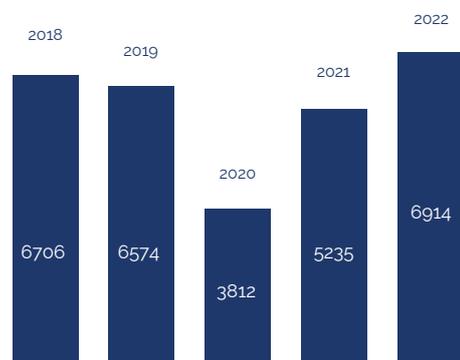
## H&S PERFORMANCE HIGHLIGHTS

- Two LTIs related with SharrCem Directly Employed Personnel
- One LTI related with SharrCem Indirectly Employed Personnel
- Monitoring of anti COVID measures were according to the national and group protocols.
- Good progress in in the application of Safety Procedures
- BU has been audited by the Group HSE and reviewed by the Regional H&S director.
- ISO 45001:2018 Safety Management System is audited and certified.
- Communication & Co-operation between the staff was fostered through the BL & BU H&S Council.
- Health systematic control this year has been implemented according to legal requirements.
- Equipment compliance with legal requirements/ Certifications.
- Regularly inspection of Emergency tools
- Disinfection, Disinfection, Derealization has been performed inside the Plant.
- Workplace measurements and personal measurements are performed.

## KPIs



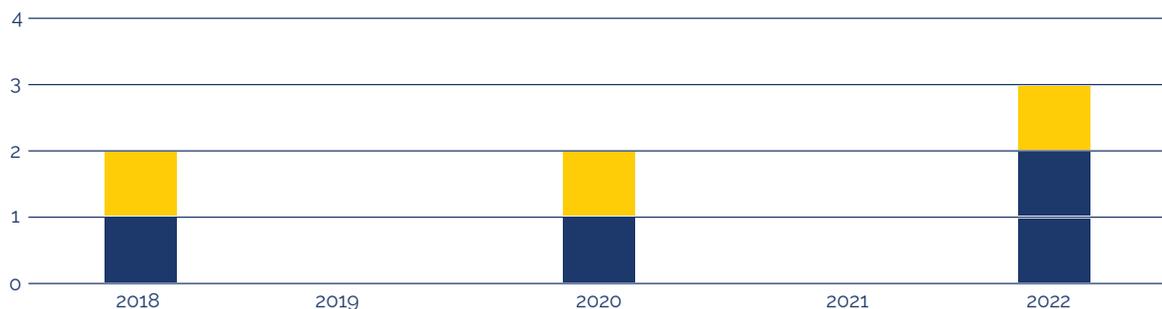
- Near Missess



- Training Hous



### KPIs



	2018	2019	2020	2021	2022
LTI for SharrCem personnel	1	0	1	0	2
LTI for Contractors	1	0	1	0	1

### LTIFR



Important note: Effective from 2022 onwards, the calculations for the data presented in the graph include information from the Cement Plus Terminal as well

## WELLBEING INITIATIVES

At Sharrcem, we embody TITAN Cement Group's dedication to creating a safe and healthy work environment for its employees, with an emphasis on physical, mental, social, and financial well-being. Our dedication to this goal will continue through 2025 and beyond.

The Employee Assistance Program (EAP) is a valuable resource available to all employees and their families, which continues to provide expert guidance on personal, family, or work-related difficulties. As a continuation of the group's tradition of employee care, the EAP is a cornerstone in Sharrcem's efforts to help improve health, mental and emotional well-being, and employee performance.



## Material issue: Employee engagement and development

### EMPLOYEE ENGAGEMENT AND DEVELOPMENT

Our company's success is defined by the sum of our employees' efforts, and we are committed to investing in their growth and development. Our Human Resource Management System (HRMS) is designed to attract, retain, and develop exceptional employees who share our values and are dedicated to our mission. The data and insights gathered through the TITAN HRMS is analyzed in order to provide insights, inform improvements, and make investment decisions. Our internal employment and procurement practices prioritize hiring locally, which benefits not just our personnel but also the economic growth and development of the surrounding community. We take proactive action to develop an engaging and welcoming workplace culture that values diversity, fairness, and respect while also promoting collaboration and innovation. We do this because we strive to create an environment in which everyone can grow and attain their full potential by putting a strong emphasis on people, engagement, and HR management. Our strategy places a strong emphasis on engaging and collaborating with our employees. To improve our talent management, we conduct employee surveys and focus groups for feedback, provide training and capability-building programs, adopt global best practices in Diversity, Equity, and Inclusion, and foster a continuous dialogue on industrial relations with all relevant stakeholders. The Employee Survey 2022 was a group-driven initiative that aimed to gather feedback from employees across all levels and departments. We implemented a locally effective method that ensured all employees had access to provide their feedback or complete the survey. We firmly believe that every employee's voice is important, and we strive to create a culture where all perspectives are heard and valued.



We are pleased to report that the completion rate for the Employee Survey 2022 was an impressive 98%. This high participation rate signifies our employees' active engagement and their willingness to contribute to the continuous improvement of our organization. The valuable feedback received through the survey enables us to better understand the needs, concerns, and aspirations of our workforce, guiding our talent management initiatives and decision-making processes. We offer numerous professional development opportunities and reward our employees with competitive performance-based compensation and benefits. Local remote work practices have also been defined based on market practices and employee expectations.

Recognizing the need of encouraging communication and collaboration among our employees to improve the overall health and safety of our workplace, in 2022 we utilized the BL & BU Health & Safety Council to design policies and initiatives that help us better detect possible safety issues and implement effective solutions through frequent meetings and open communication, assuring the well-being of our employees and the success of our business. In 2022, Sharrcem demonstrated a strong commitment to employee development by investing an impressive 179 Euros per employee in training. This dedication extended to promoting gender equality in professional development opportunities, as 76% of all female employees received training. Furthermore, the substantial increase in total training hours, reaching 6,429 hours compared to 5,622 hours in 2021, highlights our ongoing efforts to equip our workforce with the necessary skills and knowledge for success.

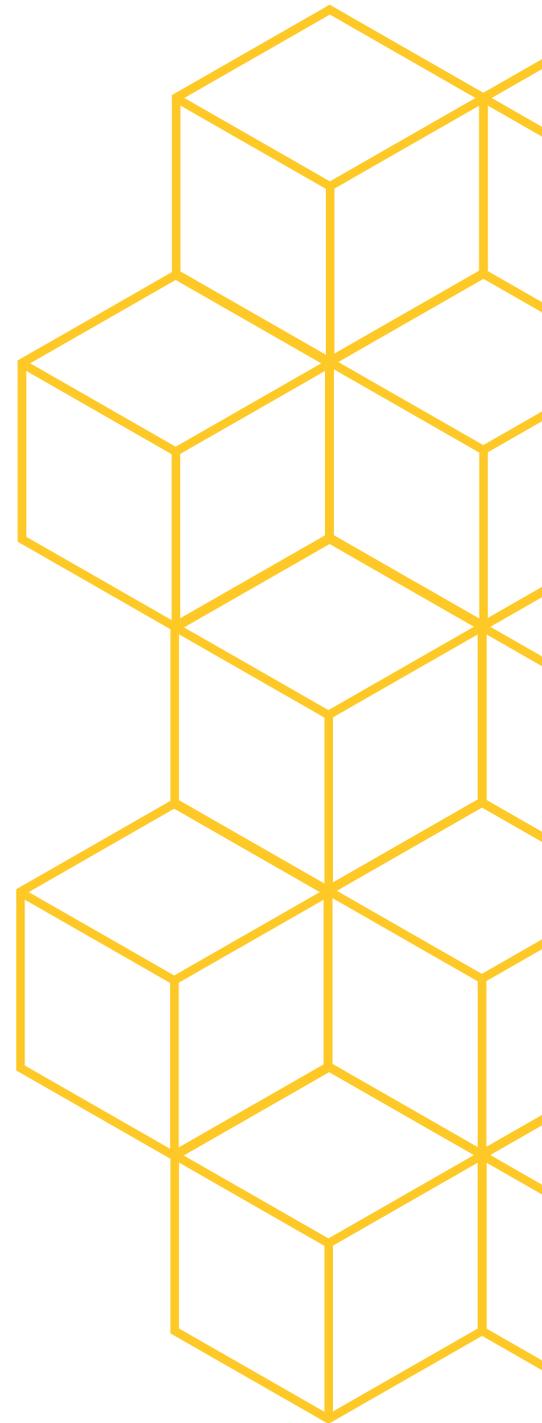


## LEADERSHIP ACADEMY

Sharrcem designed the Leadership Academy to nurture growth and excellence among our employees—the backbone of the organization. Spanning 18 months, this comprehensive program engaged 41 of our employees, primarily those in managerial and specialist roles. One of the highlights of the program was the Management Team Retreat, designed to facilitate discussions about the company's future and to take an objective look at its performance. The retreat aimed to spark creativity and critical thinking among the participants. Through various team activities and strategic sessions, which included goal setting, feedback processes, and content focus, it sought to increase productivity and boost morale. The training program was divided into two main levels: Management level and the Head of Departments & Specialist level. Both groups underwent seven 2-day training modules. These modules covered various aspects of transactional and transformational leadership. Participants engaged in learning blocks that dealt with communication, leadership fundamentals, transformational strategies, core competencies, and habits of transformational leaders. The Leadership Academy is especially significant in a constantly evolving business landscape. Upskilling and empowering employees are vital for keeping up with industry advancements. By investing in our employees, Sharrcem is investing in its future, ensuring a workforce that is skilled, motivated, and aligned with the company's values and goals.

## Kosovo Generation Unlimited

Sharrcem renewed its commitment to supporting young people in Kosovo in 2022 by participating in the "Kosovo Generation Unlimited" project. This initiative, led by the CSR Kosovo Network and supported by the UNICEF Kosovo Program and SIDA, gives young people practical work experience and bridges the gap between interns and employers from various industries. Sharrcem hosted 13 interns through this program, allowing them to gain valuable skills and technical knowledge from our staff. This is particularly important for our larger human resources efforts which aim to attract a talented workforce, especially as the sector can be perceived as less attractive than other industries for younger generations.



### *Material issue: Diverse and Inclusive Workplace*

As part of the TITAN Cement Group, Sharrcem is dedicated to creating a diverse and inclusive workplace in which everyone can thrive and feel a sense of belonging. We understand that diversity nurtures innovation and allows us to better serve our customers and communities. The TITAN Group adopted a new Group Diversity, Equity, and Inclusion policy in 2022, which reflects our core values and commitment to creating a workplace where everyone is valued, respected, and given equal opportunities to succeed. This policy outlines our diversity and inclusion principles, definitions, and approach, and serves as a unifying framework for our corporate practices.

We have also set specific goals to increase female participation throughout the company while also promoting equal opportunities and inclusion. Our Group goal is to increase female representation in senior roles, talent pools, and new hires by 20% compared to the baseline year 2020. We are proud to have hired new full-time employees, 25% of whom are female, and this is an important improvement compared to 2020. We also have increased the proportion of female employees from 5.08% in 2021 to 6.91% in 2022. Sharrcem is dedicated to creating a workplace that reflects the diversity of the communities we serve and encourages all employees to reach their full potential.

## Focus area: Positive local impact

### *Material issue: Environmental performance*

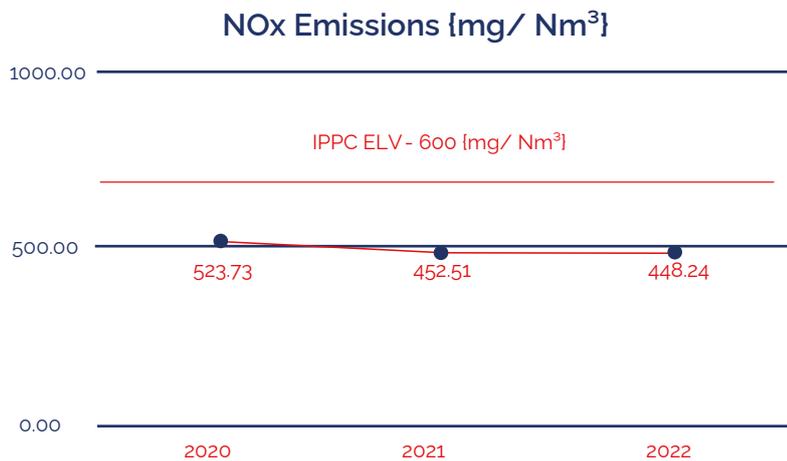
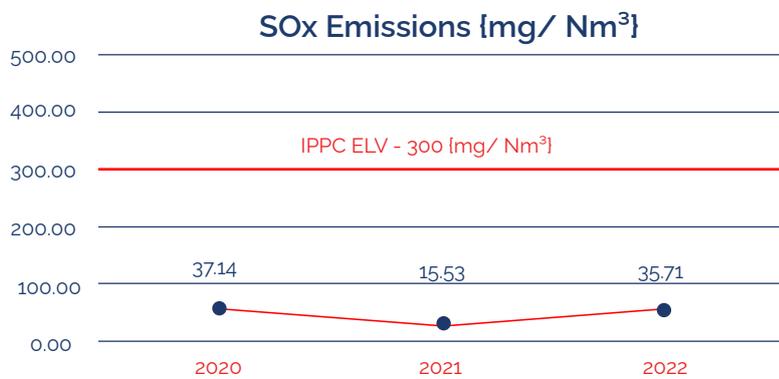
#### **Environment**

At Sharrcem, we appreciate our influence on the environment and place great importance on minimizing our environmental footprint. We take precautions to regulate our activities in terms of air pollutants, dust and noise, health and safety, landscape modification, and natural resources usage. Our dedication for environmental stewardship extends beyond compliance with local laws and regulations, as we apply TITAN Group Standards that meet worldwide industry standards. We use management systems to monitor and report on our environmental effect, and we establish objectives for reducing air emissions, biodiversity protection, water and waste management, and quarry rehabilitation. We engage in promoting awareness among stakeholders with the goal of educating our community on the need of maintaining a clean, safe, and sustainable environment. Our commitment to sustainability is reflected in our excellent track record of environmental performance and responsible resource management, which is audited both internally and externally on a yearly basis to guarantee continuous improvement. In November 2022, our environmental performance assessment found no non-conformities, and we also received a recertification audit of our Environmental Management System in line with the EN ISO 14001:2015 standard.

## AIR EMISSIONS

Beyond legislative requirements, the company voluntarily established and operates a Continuous Emission Monitoring System (CEMs) ever since 2013. Sharrcem operates according to Best Available Technique (BAT), in accordance with the Industrial Emissions Directive 2010/75/EU and IPPC permit.

In 2022, all emissions were kept well below the Integrated Permit levels (IPPC limits). Based on the reported data SOx concentration was increased compared to 2021 while NOx remained at a similar level. On the other hand, specific emissions were increased for both SOx and NOx.



## QUARRIES REHABILITATION AND BIODIVERSITY

According to the biodiversity risk assessment that was conducted in 2020 for all Group sites with the use of the Integrated Biodiversity Assessment Tool (IBAT, <https://ibatalliance.org/>), none of the Sharrcem Quarries has been identified as inside or in proximity to (or part of) areas of high biodiversity value. Therefore, no specific Biodiversity Management Plans are required for our sites.

### *Material issue: Engaging and Contributing to our Local Communities*

This year we engaged with the new leadership team in the Hani i Elezit municipality by holding a workshop to introduce Sharrcem's dedication to tackling material issues. The workshop focused on our environmental activities and our philosophy of balancing business objectives with our responsibility to the community and the environment. As a responsible corporate citizen, we recognize that the local community and local authorities are an important stakeholder in our operations. This workshop helped foster a stronger and more transparent relationship with municipality leadership, which we believe will enable us to create even more shared value for all stakeholders involved.

## ASSESSMENT OF INITIATIVES AND ACTIONS FOR COMMUNITY ENGAGEMENT IN 2022

The analysis showed that over 80% of Sharrcem's community initiatives involved active stakeholder participation, with nearly 20% promoting good collaboration. Sharrcem remains committed to strengthening social engagement to increase positive impact and has successfully set an example through infrastructure improvement projects for public schools, hospitals, and youth centers. In 2022, Sharrcem's initiatives were assessed through the TITAN Cement Group's in-house information management system—the ESG databank—to ensure alignment with material issues. Importantly, this year we engaged with the new leadership team in the Hani i Elezit municipality by holding a workshop to introduce Sharrcem's dedication to tackling material issues. Importantly, this year we engaged with the new leadership team in the Hani i Elezit municipality by holding a workshop to introduce Sharrcem's dedication to tackling material issues. The workshop focused on our environmental activities and our philosophy of balancing business objectives with our responsibility to the community and the environment. As a responsible corporate citizen, we recognize that the local community and local authorities are an important stakeholder in our operations. This workshop helped foster a stronger and more transparent relationship with municipality leadership, which we believe will enable us to create even more shared value for all stakeholders involved.



## LAB - LABORATORY FOR BUSINESS ACTIVITIES

Unemployment and poverty are serious challenges that can only be solved by long-term solutions. By empowering local communities to establish small and medium-sized enterprises, we can help to alleviate poverty and unemployment, and create a positive impact in the communities we operate in. Our LAB initiative, which launched in 2014, gives training and support to aspiring entrepreneurs in the agricultural sector. Since the project's inception, we have successfully created 139 new start-ups in various agroforestry sectors, including Greenhouse, Small Fruits, Beekeeping, Mushrooms, Livestock, Vineyards, Forestry -Utilization of Wood, Biomass for Energy, Poultry, and more. In 2022, LAB fostered innovation and supported rural communities through its dedicated €85,000 contribution from Sharrcem's CSR Committee. LAB approved support for 10 small holder farmers, which amounted to €18,729.95. This assistance was utilized for establishing new or extending existing activities in the agroforestry sector, such as cultivating strawberries, beekeeping, establishing water supplies, planting chestnuts, and processing milk. In addition to the support extended to agroforestry, LAB also approved an application that was centered on technological innovation. An amount of €20,000 was used to co-finance 50% of the total cost for the establishment of a new business. The business specialized in metal processing and cutting. Additionally, LAB granted €20,250 to two applications to enhance existing businesses through co-financing the supply and installation of production equipment, which improved operations, productivity, and profitability in biomass processing and sweets production. LAB's call for applications was open from April 29th to June 30th, 2022, and attracted 19 qualifying submissions. Among these applications, 13 were requests for support in establishing new or improving existing family businesses in the agroforestry sector, 1 was for support in establishing a new innovative business in metal processing, while the remaining 5 were focused on investments to improve business performance and productivity. A committee, including representatives from LAB, Municipal Directorate of Agriculture, Forestry and Rural Development, and co-financing organizations, selected 14 applicants for support. To ensure the successful implementation and expected performance of these new startups, LAB conducted 122 field visits to provide technical support and entrepreneurial skills development, and also organized training sessions in horticulture and farming for 131 new beneficiaries and farmers. To ensure accessibility and promote knowledge sharing, LAB produces annual reports for itself as well. These reports provide detailed information on LAB's activities, achievements, and the positive changes we have made in the communities where we operate. Interested individuals can access these reports on LAB's official website at [www.lab-ks.org](http://www.lab-ks.org).

## INDEPENDENT LOCAL ADVISORY BOARD (ILAB/BOPAL)

Building trust and collaboration with stakeholders and local communities is critical for achieving long-term positive social change. That is why in 2011, Sharrcem established the independent local advisory board (ILAB). ILAB is made up of local community stakeholders such as the Municipality, NGOs, and individuals, and its purpose is to independently monitor the distribution of Sharrcem's community development fund in areas where it is most needed. In 2022, Sharrcem collaborated closely with ILAB to successfully implement a number of initiatives to boost community development, cultural, and sporting activities. ILAB's success is a bright example of our ongoing dedication to open communication and collaboration with local communities.

## CHILDREN'S BOARD

Sharrcem's Children's Board program, which was submitted to the Group CEP in 2022, is dedicated to raising health, safety, and environmental awareness among children in the local community. The initiative aims to provide the best education possible for children via partnership with local authorities and stakeholders, with an emphasis on providing a clean environment, healthy living, and road safety. The project is intended to have a positive influence on around 2500 youngsters. Sharrcem has set aside €10,000 for this program, which demonstrates our ongoing dedication to empowering future generation and promoting a sustainable community.



## Oral Hygiene Awareness

We started an oral hygiene awareness campaign with the goal of teaching and educating over 200 youth in the community. To promote excellent dental hygiene practices, the program provides toothbrushes and toothpaste, as well as an apple for each child. The program's goal is to teach children the significance of brushing their teeth after meals, especially before going to bed. We intend to have a long-term influence on children's health by developing excellent habits at a young age. This program demonstrates how even tiny contributions may have a big influence on local communities. The program's success relies on the collaboration between the community, local authorities, and our company.

## Psychologist Initiative

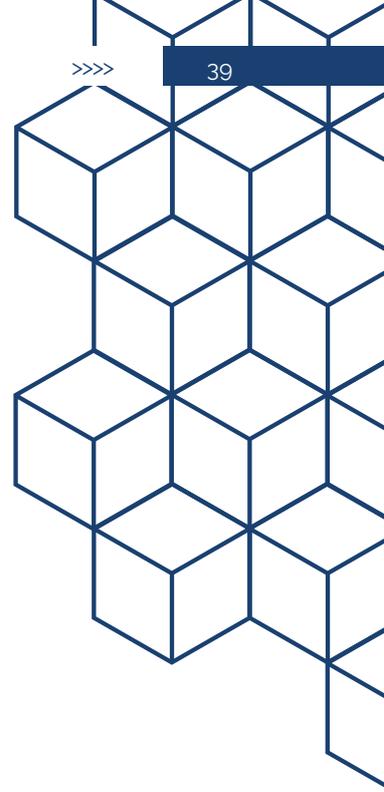
We launched an initiative to support the local community in Hani i Elezit by financing a psychologist to serve across all six schools. The psychologist will be vital for providing social and emotional support for young children, particularly for those going through tough periods such as parent separation or bullying. This effort intends to help around 2500 children in the community and is a wonderful example of how we invest in the well-being of our local community. We intend to establish a supportive and loving environment for children in the neighborhood by collaborating with local authorities and the education sector of the municipality of Hani i Elezit.

## First Aid Boxes

This year, we conducted an initiative to provide well-stocked first aid boxes and training sessions for pupils and housekeeping personnel and training sessions, will benefit almost 2500 kids. The initiative aimed at raising awareness for health and safety and ensure that the community is prepared to handle minor accidents and injuries. This initiative is a great example of the positive impact that can be achieved when companies prioritize the well-being of their local communities.

## Fire Protection Equipment

In an effort to prioritizing the community's health and safety, we have launched an initiative that consists of conducting regular field inspections of fire prevention equipment at all six primary schools in Hani i Elezit. This will guarantee that all fire extinguishers in the schools are in good working order, creating a safe environment for the over 2500 children who will benefit from this program. This effort demonstrates our commitment to providing a safe and healthy working environment for all members of the community.



## Awareness on Health, Safety and Environment, and Quality Education

This year Sharrcem launched an initiative to increase awareness of health, safety, and the environment among community members. We think that education is a critical aspect in improving the overall quality of life for people and society. Our initiative will provide funding for a variety of educational activities aimed at meeting the requirements of pupils in Hani i Elezit and will make our community a safer and healthier place for everyone. We are dedicated to raising the living conditions of the community and investing in its future.

### Youth Empowerment

The municipality of Hani i Elezit has recently hired new young staff who may need further experience to contribute effectively to the community's economic development. To address this, we initiated a program to provide them with the appropriate training. Our mission is to empower youth by improving their skills and knowledge so that they may better fulfill the needs of the community. We feel that by investing in these people' training, we may indirectly help the whole Hani i Elezit community. This effort is intended to benefit 10,000 individuals in the neighborhood, both directly and indirectly.

### Women's Empowerment

Women in the Hani I Elezit community face a critical shortage of opportunities and resources, which we are working to solve. To that aim, we created a project to give training opportunities to all interested women in the community, with the objective of equipping them with the computer skills they need to look for and apply for employment, access funding, and other resources on their own. In addition, we will give literacy instruction. This program is anticipated to help 3,000 women in the community and enhance their quality of life by offering essential educational training as well as entertainment and networking opportunities. We are pleased to assist this endeavor by providing the necessary training space and computers.

### Medical Center Electrical Installations Inspections

To guarantee a safe environment for everyone in the community, we have initiated an initiative to inspect the electrical systems in the public primary medical center in Hani i Elezit. This project is critical because it allows us to have a clear view of the present situation and to respond quickly in the event of an issue. The local community and the local government are the initiative's stakeholders. This effort will benefit 10,000 people according to our estimates.

### Health Management Trainings

To address the critical issue of community health management, we have established an initiative to provide training sessions targeted at raising knowledge of health, stress, and human rights. We have planned three major initiatives to address these critical issues. We hope to improve the general health and well-being of persons in the community via these training sessions, as well as foster a greater awareness of human rights. This effort is anticipated to help both the local community and the government, since improved knowledge and education on these topics may benefit everyone.

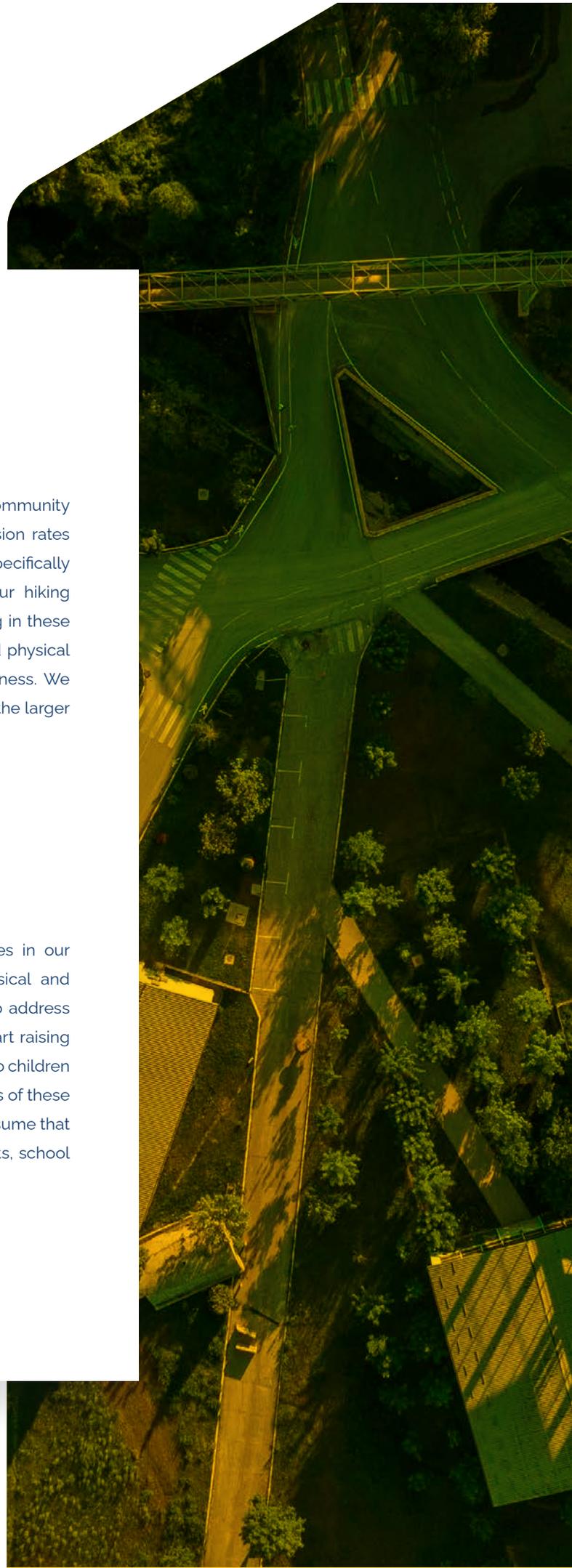


## Hiking with Friends - Youth & Health

To address mental health concerns prevalent among community members, particularly in light of the high stress and depression rates observed among working women, an initiative was launched specifically tailored to support women in connecting with nature. Four hiking groups were organized, each comprising 25 women. Engaging in these outdoor activities served not only to improve their mental and physical health but also fostered a sense of community and togetherness. We anticipate that this positive engagement will resonate through the larger community, fostering enhanced well-being for all.

## Prevention of Sexual Harassment and Sexual Violence

Sexual harassment and sexual assault are widespread issues in our society. It affects women of all ages and has serious physical and psychological effects for those who are victims. It is critical to address this issue at a young age, and schools are a good place to start raising awareness. This is why we began a program to deliver lectures to children aged 11 to 16 at Hani i Elezit schools, aimed at raising awareness of these negative phenomena and preventing their occurrence. We presume that the stakeholders for this effort are diverse and include students, school officials, instructors, and students' parents.



## Prevention of smoking and drugs

The Preventing Smoking and Drugs initiative was an important effort to teach young pupils about the dangers of smoking and drug usage. These practices can be harmful to their bodily and emotional well-being, resulting in a slew of long-term health issues. This campaign educated kids aged 13 to 16 in Hani i Elezit schools about the detrimental effects of smoking and drugs on their health, education, and overall quality of life by offering lectures. The stakeholders for this initiative included parents, teachers, healthcare professionals, and the wider community.

## Traffic Safety

Every day, children face the risks of accidents on the roads due to reckless driving, lack of awareness, and unsafe practices. This puts their safety, health, and overall well-being in jeopardy. Every child deserves to feel safe on the roads. This is why we launched our Traffic Safety campaign. We hoped to raise kids' awareness and comprehension of road safety by presenting interesting and informative lectures to pupils aged 6 to 10 years old. We were happy to collaborate with the Kosovo Police to guarantee that the lectures were current, topical, and successful in making a positive difference in the lives of children.

## Supporting Women's Health and Well-being

With the rising incidence of long-term illnesses and health issues, it is critical to raise community awareness about the importance of early detection and prevention. This initiative focused on providing essential training and lectures to women of all ages, covering topics such as thyroid, menopause, breast cancer, blood sugar, and managing chronic illnesses. The initiative brought together women of different age groups, enabling them to learn about the importance of leading a healthy lifestyle, regular checkups, and early detection of various health conditions.

## Access to Dental Services

Access to public dental services is a critical issue for many citizens, and a lack of such services can result in serious health issues. To address this issue, this initiative managed to financially support a dentist and a nurse for six months of service at the Hani i Elezit public medical health center. This program, implemented by the municipality's health sector, provided basic dental services to approximately 10,000 people, benefiting both the local community and local authorities. This initiative will promote better oral health and overall well-being among community members by increasing access to public dental services.

## Environmental Performance Improvement

With environmental issues becoming more pressing by the year and the impact on human health and well-being becoming clearer, this initiative sought to take concrete action by implementing the annual action plan for environmental performance improvement. The initiative aimed to address the pressing environmental concerns of the local community and promote a healthier environment for all by improving environmental performance. All members of the community will benefit from this initiative. The initiative is an important step toward a more sustainable future, providing an opportunity to raise environmental awareness and encourage more sustainable practices.

## Tree Planting

Deforestation and climate change continue to be serious threats to our planet, with grave consequences for the environment and people. This initiative provided financial assistance for the purchase of trees for planting and organized training sessions to raise environmental awareness. The initiative managed to promote environmental protection and plant 5 trees per class, representing the children's ages (5 years old) on the first day of school. This will benefit approximately 200 children and contribute to a greener, more sustainable future for future generations.

## Drawing Competition for the Environment

This year we launched an environmental drawing competition for children aged 7 to 9 years old in the Municipality of Hani i Elezit. The competition asked children to draw their thoughts on environmental protection, and the top three drawings were chosen by a committee of teachers and Sharrcem representatives to be included in the year's sustainability report. Through various activities, this initiative not only promoted environmental protection but also assisted children in developing their skills and expressing their creativity.. By encouraging and empowering children to take action towards environmental protection, we can ensure a greener, more sustainable future for generations to come.

Initiative or Action Title	Total Number of Participants	Participants who are TITAN Employees	Beneficiaries	Cost in cash
Blood Donation	94	60	87	0.00 €
BOPAL - Independent Local Advisory Board	7	2	0	15,000.00 €
Childrens Board - First Aid Boxes	9	3	2500	7,000.00 €
Health management training	10	3	200	495.00 €
Childrens Board - Psychologist	7	2	2200	1,305.00 €
Access to Dental Services	5	2	10000	6,162.00 €
Drawing Competition for the Environment	15	4	200	863.00 €
Hiking with Friends - Youth & Health	10	5	100	1,695.00 €
Kindergarten kids Planting Trees	10	4	200	1,500.00 €
LAB - Laboratory for Business Activities	7	3	14	85,000.00 €
Support students to participate in the International Olympiad	14	1	3	1,400.00 €
Training for students related to negative phenomena	13	2	650	6,000.00 €
Health Management Training	6	1	200	1,400.00 €
Youth Empowerment	30	2	27	8,993.00 €

## Focus area: Responsible sourcing

*Material issue: Environmental performance*

### WATER MANAGEMENT

Water management is a critical component of our environmental performance and sustainability strategy, particularly in our focus area of responsible sourcing. Our management strategy and policy demonstrate our commitment to preserving the quantity and quality of water resources within and around our facilities. Our goal is to reduce the amount of freshwater we withdraw and consume by implementing recycling practices and encouraging responsible and efficient water usage and discharge. Risk assessment is also an essential item of our approach to responsible sourcing and sustainable use of water. According to the water risk assessment that was completed at corporate level in 2020 for all Titan Group sites, with the use of the Aqueduct tool of the World Resources Institute (WRI), Sharrcem Plant is not within a water-stressed area.

Efforts to improve water conservation methods, such as investing in recycling systems and upgrading existing water networks, have resulted in more effective water resource utilization. Furthermore, the implementation of water management systems has improved supervision and made water consumption reporting more uniform. Thanks to this system, we were able to identify the reasons for the increase in the water withdrawal and respective consumption in 2022 (e.g. water leakages) so as to take the required corrective actions.

Furthermore, since March 2016, a wastewater treatment facility has been in operation and monitored by accredited laboratories on a quarterly basis. The facility has been running very efficiently and the treated water that is finally discharged meets the required standards set by the Administrative Instruction AI-30/2014. The quality of the Dimca stream, where the treated water is discharged, is also regularly monitored.

### WASTE MANAGEMENT AND CIRCULAR ECONOMY

Through recycling, reusing, and reprocessing materials, we aim to reduce waste and maximize resource efficiency. We prioritize waste prevention through responsible sourcing and waste reduction activities.

We have designated specialized areas near generation sites for temporary solid waste storage, employing specially selected boxes, containers, and identified positions based on waste type. In addition, we have installed plateaus in specific regions to prevent soil and water pollution.

Trash collection and disposal are handled on the Plant's behalf by legally licensed subcontractors. The priority rule for non-hazardous waste handling and management is to reduce, reuse, and recycle.

*Material issue: Responsible, Reliable, And Sustainable Supply Chain*

## SUPPLY CHAIN AND LOCAL CONTRACTORS AND SUPPLIERS

At Sharrcem, we place a high priority on our supply chain and local contractors and suppliers. They are essential to our business operations, and their well-being is critical to us. We recognize that our success is inextricably linked to the success of the community around us, and we are dedicated to collaborating closely with our suppliers to ensure that they have the tools and assistance they require to do their best work. Through the SA8000 international certification standard, we strive to improve our supplier relationships and enhance the level of cooperation and quality of service. We are devoted to improving the people's living conditions in our region and know that this is an ongoing process that demands a long-term perspective.

## CIRCULAR ECONOMY

We are committed to the circular economy, adopting efforts to reduce, reuse, recycle, or recover materials and energy in order to protect natural resources, cut CO<sub>2</sub> emissions, and efficiently manage waste.

The efficient use of resources is essential in our sustainability strategy, and at Sharrcem, we understand the value of consuming, co-processing, and utilizing resources such as fly ash, bottom ash, and pyrite ash. Since 2011, we've been investing in third-party installations to make the most of these resources. In 2022, we utilized a significant amount of dry fly ash from the Energy Corporation of Kosovo, surpassing 96,885 tons. Since 2011, our cumulative consumption of this material has reached a remarkable 1,183,258 tons. Additionally, we made use of over 9,970 tons (13,655 tons when considering the wet basis) of bottom ash from the same source in 2022, resulting in a total consumption of more than 89,849 tons since 2011. Moreover, our consumption of pyrite ash from the Trepca mine amounted to more than 2,400 tons (2,861 tons when considering the wet basis) in 2022, and since 2016, our total consumption of this material has exceeded 55,430 tons. Through the utilization of these materials, we effectively reduce waste and minimize our environmental impact.

We are also committed to partially substituting fossil fuels with alternative fuels. Our goal is to use Refuse Derived Fuels and Alternative Fuels as an additional energy source in the clinker kiln, which we obtain from municipal, commercial, and industrial waste. By promoting the usage of alternative fuels across the country, we hope to increase our company's sustainability while also bringing considerable social benefits to the community.

## GOOD GOVERNANCE, TRANSPARENCY AND BUSINESS ETHICS

Sharrcem's compliance culture is built on the dynamic risk-based Compliance Program of the TITAN Group, which comprises awareness and training, assurance activities, constant monitoring, and oversight. The TITAN Group's Due Diligence System also allows for company analysis, assessment, and expanded screening of third parties, as well as the discovery of red flags concerning sanctions, sustainability, and other integrity threats.

### CODE OF CONDUCT

Our Code of Conduct, as well as the TITAN Cement Group's various policies and regulations that apply to the entire range of operations, cover all strategic sectors and material issues. They communicate the concepts, rules of behavior, and standards, as well as provide guidance to workers, vendors and customers, to ensure compliance with internal and regulatory requirements. This includes topics areas such as anti-bribery and corruption, human rights, and health and safety.

### EFFORTS ON HUMAN RIGHTS

Sharrcem is committed to safeguarding human rights for everyone affected by our operations, including our employees, communities, and business partners. These efforts are informed by the United Nations Business and Human Rights Guidelines and are represented in our internal policies, purchasing manual procedures, and ISO Standards. To this end, we provide access to the platform of EthicsPoint®, a confidential tool that aids employees in tackling workplace misconduct while also fostering a positive work environment.

Sharrcem is committed to good governance and transparency through the implementation of recognized systems such as the international standard SA 8000. This standard focuses on improving working conditions in accordance with international human rights norms such as those contained in the UN Convention on the Rights of the Child and the Universal Declaration of Human Rights. Sharrcem is Kosovo's first SA 8000 certified company, and it conducts two third-party audits per year to verify compliance. Contractors are likewise subject to this management system. The SA 8000 standard also serves as an additional way for our company to promote the Group's human rights policy.

### EFFORT, COMMUNICATION AND COMPLIANCE WITH POLICIES

Our effort, communication, and compliance policies are intended to foster a culture of integrity and ethical behavior and to ensure that the company operates in a responsible and sustainable manner. The company works to guarantee that all applicable internal and statutory rules are followed by workers, vendors, and customers. The Code of Conduct, as well as the TITAN Cement Group's various policies and regulations relevant to the entire range of our activities, encompass all strategic sectors and material issues. The organization communicates these policies to all stakeholders on a regular basis and provides them with the training and resources they need to ensure compliance. The annex of this report contains the comprehensive compilation of our policies.



## EIC

The European Investors Council (EIC) is a pioneering business council in Kosovo, founded by seventeen investors from European Union and EFTA member countries. Its objective is to encourage investment plans in Kosovo while responsibly contributing to the development of a strong business environment that promotes long-term growth and improves social indicators. The EIC promotes economic development in the country through a variety of initiatives, including improving the business climate, fostering transparency, and ensuring full compliance with laws and regulations. Sharrcem is proud to play a vital role in the EIC, which shares our commitment to building a strong and prosperous Kosovo. Please visit the EIC website at [www.eic-kos.eu](http://www.eic-kos.eu) for more information.

## Kosovo CSR Network

At Sharrcem, we are immensely proud to be a founding member of the Kosovo CSR Network and to hold a leadership position on its board of directors. The network is a community of like-minded businesses and organizations in Kosovo that share our values and commitment to sustainable development and CSR. The CSR Network believes that proactive measures beyond mere compliance with regulations and laws are required to fulfill our societal responsibility. That's why we actively participate in the network's numerous initiatives to increase societal awareness of sustainable practices, taking actions that positively impact our society. We are convinced that this collaboration is critical for addressing the various challenges that our society faces, such as human rights, labor rights, the environment, fighting corruption, and social issues. Our participation in the Kosovo CSR Network is an important part of our commitment to responsible business practices. As a company, we strive to lead by example, and our collaboration with the Kosovo CSR Network enables us to inspire and promote positive change within our industry and beyond.

# FINANCIAL PERFORMANCE REVIEW

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Turnover	75,516,914 €
Total assets	46,790,347€
EBITDA	17,403,633 €
Profit (loss) after taxes	9,284,346€

# ESG PERFORMANCE STATEMENTS

## TITAN's approach for ESG Performance reporting, and adopted by Sharrcem SH.P.K in this Report

"The approach of the Sharrcem SH.P.K. to ESG Performance reporting is consistent with voluntary commitments of TITAN to the IIRC principles, UNGC Ten Principles, the GCCA Charter and Guidelines, and TCFD recommendations, and provides a connection with the Sustainability Accounting Standards Board (SASB) Framework.

Changes in the structure and content of the 2022 Integrated Annual Report (IAR) ESG Statements New Key Performance Indicators (KPIs) and other disclosures under each focus area:

- Growth-enabling work environment: Parental leave programs, and Employees with disabilities KPIs in Table 2.2.
- Positive local impact: Total use of land related to quarries rehabilitation in Table 2.3.
- Responsible sourcing: Energy consumption and production for total amount of energy consumed within the organization, % share of electricity consumed. Waste management as % per type of treatment (composted, recycled, or landfilled). See Table 2.4.
- Good governance, transparency, and business ethics: for training hours on anti-bribery and corruption (Table 2.5.1), revenues from sustainability-related products and % share of net sales from sustainability-related products in Table 2.5.2. We added Table 2.5.10 'Value Creation Indicators', and introduced the new Table 2.5.11 'Connecting our Disclosures with TITAN COP according to the enhanced platform of the UNGC'. Our COP is a stand-alone report and publicly available under the UNGC platform (references and link to the web site in Table 2.5.11). "The use of 'average yearly' exchange rate for all TITAN subsidiaries', the Sharrcem SH.P.K. currency in 2022 was in accordance with TITAN's accounting policy for the foreign currency translation, in specific for the income and expenses for statements of profit or loss and comprehensive income. See the Notes below for facilitating the ESG performance statements review (in connection with KPIs under Tables 2.1, 2.2, 2.3, 2.4, and 2.5.1).

**Assurance:** Specific KPIs included in the scope of the assurance engagement by Third Party Independent Auditors.

**GCCA:** Specific KPIs calculated according to sector commitments integrated by TITAN, following the GCCA Charter and Framework Guidelines. See Table 2.5.9.

**UNGC:** TITAN follows the reporting requirements for the UN Global Compact concerning Communication on Progress (COP) according to the Enhanced platform and Guidance published by the UNGC in 2022. The BU is covered by the COP of the Parent company of TITAN Group (TITAN Cement International). See table 2.5.11.

**UNCTAD:** TITAN has adopted under its reporting framework the applicable KPIs according to the Guidance on Core Indicators for Sustainability and SDG Impact Reporting (latest publication 2022).

**TCFD:** TITAN reports according to the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD).

**SASB:** TITAN aligns with the requirements of the Sustainability Accounting Standard Board (SASB), which merged with the International Integrated Reporting Council (IIRC) in 2021 to form the Value Reporting Foundation (VRF). In 2022 the VRF was consolidated under the International Financial Reporting Standards (IFRS) Foundation to support the work of the International Sustainability Standards Board (ISSB).

### Guidelines for KPIs and other disclosures

Table 2.5.9 "Sector and Other Standards for the Non-financial disclosures in 2022" provides detailed references for guidance documents for the sector (GCCA) and other global institutions (UNCTAD and UNGC) which are incorporated in the reporting approach of TITAN. Connections of KPIs are exemplified under the ESG performance statements for all focus areas of Decarbonization and Digitalization (see Table 2.1), Growth-enabling work environment (Table 2.2), Positive local impact focus area (Table 2.3), Responsible sourcing (Table 2.4), and Good governance, transparency, and business ethics (Tables 2.5.1 and 2.5.10), specifically for the reporting guidance according to UNGC COP see Table

1. Material Issues

	TITAN GROUP	KOSOVO
1	Future-ready business model for a carbon-neutral world	Safe and healthy working environment for our employees and business partners along the value chain
2	Safe and healthy working environment	Environmental performance
3	Good governance, transparency and business ethics	Engaging and contributing to our local communities
4	Diverse and inclusive workplace	Good governance, transparency, and business ethics
5	Positive local social, economic and environmental impact	Employee engagement and development
6	Innovation with emphasis on digital and decarbonization	Climate change and energy efficiency
7	Continuous development of our people	Diverse and inclusive workplace
8	Reliable and sustainable supply chain	Responsible, reliable, and sustainable supply chain
9	Resource efficiency, recycling and recovery, contributing to circular economy	

Notes

The first column of Table 1 provides the order of prioritization of the material issues for TITAN Group, and Sharrcem SH.P.K., according to the outcomes of the materiality assessment of the last cycle in 2020 and 2021, respectively. In 2022, through the validation of the materiality assessment, additional issues were identified and are also presented.

About definitions:

The boundaries of reporting for every material issue are defined by the principles of 'strategic focus and future orientation', 'connectivity of information', 'stakeholder relationships', 'materiality', 'conciseness', 'reliability and completeness', and 'consistency and comparability', aligned with the guidance of the International Integrated Reporting Council (IIRC):

Strategic focus and future orientation

TITAN's integrated annual report provides insight into the organization's strategy, and how it relates to its ability to create value in the short, medium and long term and to its use of and effects on the Capitals (Financial, Manufacturing, Intellectual, Human, Social and Relationship and Natural capital). We highlight inside the report significant risks, opportunities and dependencies flowing from the organization's market position and business model.

Connectivity of information

We aim to address the connection between financial and non-financial information in the report, in order to present a holistic picture of the combination, interrelatedness and dependencies between the factors that affect the organization's ability to create value over time. The report provides connectivity of information throughout management reporting, analysis, and decision-making.

Stakeholder relationships

TITAN provides insights into the nature and quality of the organization's relationships with its key stakeholders, including how and to what extent the organization understands, takes into account and responds to their legitimate needs and interests. The report presents the approach for stakeholder engagement, which ensures their feedback and provides useful insights about matters that are important to them, including economic, environmental, and social issues that also affect the ability of the organization to create value.

Materiality

A matter is material if it is of such relevance and importance that it could substantively influence the assessments of providers of financial capital about the organization's ability to create value over the short, medium, and long term. In determining whether a matter is material, TITAN's senior management and those charged with governance to consider whether the matter substantively affects, or has the potential to substantively affect, the organization's strategy, its business model, or one or more of the capitals it uses or affects.

**Conciseness**

TITAN's report includes sufficient context to understand the organization's strategy, governance, performance, and prospects without being burdened with less relevant information that is redundant in nature. Disclosures about material matters include concise information supports the above. We also seek a balance in our report between conciseness and the other Guiding Principles, in particular completeness and comparability.

**Reliability and completeness**

The report includes all matters related to our material issues and provides both positive and negative information with respect to TITAN's performance across all focus areas of our materiality framework, in a balanced way and without material error. The reliability of TITAN's disclosures is enhanced by mechanisms of robust internal control and reporting systems, stakeholder engagement, internal audits and implementation of internal processes and standard operating practices, and the independent (external) assurance verification by third-party auditors. With regard to completeness, TITAN ensures that all material information has been identified with consideration given to the materiality of our sector, which was integrally part of the assessment in the last materiality cycle (2020).

**Consistency and comparability**

We ensure consistency of the reported disclosures by safeguarding that TITAN's reporting policies are followed consistently from one reporting period to the next unless a change is needed in order to improve the quality of information. This includes reporting the same key performance indicators assuming they continue to be material across reporting periods. When making significant changes we promptly explain the reason and describe (and quantify if practicable and material) their effect. With regard to comparability of reported information is intended to enable comparison with other organizations to the extent it is material to the organization's own ability to create value over time. About comparability, the information in TITAN's report is presented in a way that enables comparison with other organizations in the same sector, following the agreed common framework of guidelines for sustainability performance in the areas of health & safety and environment, providing information according to standardized performance KPIs with common definitions across all companies in the sector and using benchmark data, such as industry or regional benchmarks.

1. Source: 'The International <IR> Framework' (IIRC, January 2021). Further information about the IIRC can be found on its website [www.theiirc.org](http://www.theiirc.org).
2. TITAN uses the equivalent term "significance".

## 2. ESG PERFORMANCE INDICATORS (KPIs)

### 2.1 Focus area: De-carbonization and Digitalization

#### 2.1.1 Material Issue: Future- ready business model in a carbon-neutral world

##### Code ESG Performance Indicators

	Unit	2022	2021	2020	GCCA	UNGC	UNCTAD	TCFD	SASB	SDGs
1.1 Scope 1 gross CO <sub>2</sub> emissions <sup>2</sup>	million t	0.3	0.3	0.3	●	●	●	●	EM-CM-110a.1	9.4
1.2 Scope 1 specific gross CO <sub>2</sub> emissions	kg/t cementitious product	597.9	578.2	596.7	●	●	●			
1.3 Scope 1 gross CO <sub>2</sub> emissions coverage rate	% clinker production	100.0	100.0	100.0						
1.4 Scope 1 gross CO <sub>2</sub> emissions covered under limiting regulations	%	0.0	0.0	0.0		●	●		EM-CM-110a.1	
1.5 Scope 1 net CO <sub>2</sub> emissions	million t	0.3	0.3	0.3	●	●	●	●	EM-CM-110a.1	
1.6 Scope 1 specific net CO <sub>2</sub> emissions	kg/t cementitious product	597.9	578.2	596.7	●	●	●			
1.7 Scope 1 net CO <sub>2</sub> emissions coverage rate	% clinker production	100.0	100.0	100.0						
1.8 Scope 2 CO <sub>2</sub> emissions <sup>3</sup>	million t	0.1	0.1	0.1	●	●	●	●		
1.9 Scope 2 specific CO <sub>2</sub> emissions	kg/t cementitious product	125.3	129.3	125.7	●	●	●	●		
1.10 Scope 2 CO <sub>2</sub> emissions coverage rate	% clinker production	100.0	100.0	100.0						
1.11 Scope 3 CO <sub>2</sub> emissions <sup>4,8</sup>	kt	59.8	52.6	37.2	●			●		
1.12 Category 1 - Purchased goods and services <sup>9</sup>	kt	6.6	14.1	6.5	●			●		
1.13 Category 3 - Fuel and energy related activities	kt	36.1	25.0	16.1	●			●		
1.14 Category 4 - Upstream transportation and distribution	kt	8.8	6.4	5.5	●			●		
1.15 Category 6 - Business travels	kt	0.0	0.0	0.0	●			●		
1.16 Category 7 - Employee commuting	kt	0.2	0.1	0.1	●			●		

	Unit	2022	2021	2020	GCCA	UNGC	UNCTAD	TCFD	SASB	SDGs
1.17 Category 9- Downstream transportation and distribution	kt	8.1	7.1	9.0	●			●		
1.18 Scope 3 specific CO2 emissions <sup>8</sup>	kg/t cementitious product	102.3	95.5	67.0	●			●		
1.19 Scope 3 CO2 emissions coverage rate	% clinker production	100.0	100.0	100.0						
1.20 Conventional fossil fuels substitution rate	% Heat	100.0	100.0	100.0	●	●	●	●		
1.21 Alternative fuel substitution rate	% Heat	0.0	0.0	0.0	●	●	●	●	EM-CM-130a.1	
1.22 Biomass in fuel mix <sup>5</sup>	% Heat	0.0	0.0	0.0	●	●	●	●	EM-CM-130a.1	
1.23 Fuel mix, energy consumption for clinker and cement production	% Heat	100.0	100.0	100.0		●		●		7.2
1.24 Conventional fossil fuels	% Heat	100.0	100.0	100.0		●		●		12.2
1.25 Coal, anthracite, and waste coal	% Heat	0.0	0.0	0.0		●		●		13.1
1.26 Petroleum coke	% Heat	98.0	97.9	96.8		●		●		
1.27 Lignite	% Heat	0.0	0.0	0.0		●		●		
1.28 Other solid fossil fuel	% Heat	0.0	0.0	0.0		●		●		
1.29 Natural gas	% Heat	0.0	0.0	0.0		●		●		
1.30 Heavy fuel (ultra)	% Heat	1.9	2.0	3.2		●		●		
1.31 Diesel oil	% Heat	0.1	0.1	0.1		●		●		
1.32 Gasoline, LPG (Liquified petroleum gas or liquid propane gas)	% Heat	0.0	0.0	0.0		●		●		
1.33 Alternative fossil and mixed fuels	% Heat	0.0	0.0	0.0	●	●	●	●		

	Unit	2022	2021	2020	GCCA	UNGC	UNCTAD	TCFD	SASB	SDGs
1.34 Tyres	% Heat	0.0	0.0	0.0	●	●	●	●		
1.35 RDF	% Heat	0.0	0.0	0.0	●	●	●	●		
1.36 Impregnated saw dust	% Heat	0.0	0.0	0.0	●	●	●	●		
1.37 Mixed industrial waste	% Heat	0.0	0.0	0.0	●	●	●	●		
1.38 Other fossil based and mixed wastes (solid)	% Heat	0.0	0.0	0.0	●	●	●	●		
1.39 Biomass fuels	% Heat	0.0	0.0	0.0	●	●	●	●		
1.40 Dried sewage sludge	% Heat	0.0	0.0	0.0	●	●	●	●		
1.41 Wood, nonimpregnated saw dust	% Heat	0.0	0.0	0.0	●	●	●	●		
1.42 Agricultural, organic, diaper waste, charcoal	% Heat	0.0	0.0	0.0	●	●	●	●		
1.43 Other	% Heat	0.0	0.0	0.0	●	●	●	●		
1.44 Alternative fuels consumption (total)	t	0	0	0	●	●	●	●	EM-CM-130a.1	
1.45 Clinker to cement ratio	%	67.5	67.5	68.3	●	●		●		
1.46 Moderate carbon products <sup>6</sup>	% cement production	100.0	99.0	98.2				●		
1.47 Green (lower carbon) products <sup>1,7</sup>	% cement production	9.4	2.9	3.4				●		

## Notes

Notes for specific KPIs

1. New indicator. More details you may find in the section "TITAN's approach for ESG Performance reporting" section.
2. Direct CO<sub>2</sub> emissions related to the operation of TITAN's clinker, cement, and cementitious production facilities.
3. Indirect CO<sub>2</sub> emissions related to emissions released for the production of the electrical energy consumed at TITAN's clinker, cement and cementitious production facilities. For their calculation, we use emission factors provided by the supplier of the electrical energy (market based) or other publicly available data sources (location based).
4. Indirect CO<sub>2</sub> emissions related to the emissions of the supply chain.
5. % of energy originated from biomass over the total thermal energy consumption.
6. Moderate carbon products refer to produced cement types with a carbon footprint that is at least 10.0% lower than that of a typical OPC type as well as any cementitious product sold to be used as cement or concrete additive.
7. Green (lower carbon) products refer to produced cement types with a carbon footprint that is at least 25.0% lower than that of a typical OPC type as well as any cementitious product sold to be used as cement or concrete additive.
8. Scope 3 analysis covers 6 (out of 15) categories, namely purchased goods and services, fuel and energy-related activities, upstream transportation and distribution, business travel, employee commuting and downstream transportation and distribution, that are considered relevant to cement activities according to the GCCA analysis.
9. Scope 3 Category 1 emissions do not include emissions related to services like data services, professional services, maintenance services, catering services, security services, cleaning services, etc. as there are not considered to contribute significantly to the overall Scope 3 emissions while reliable relevant information are not readily available.

Connection of KPIs with the SASB Standards

Connection of ESG performance indicators with metrics according to SASB Standards, specifically:

- EM-CM-110a.1 under the topic "Greenhouse Gas Emissions" for Gross global Scope 1 emissions, percentage covered under emissions-limiting regulations.
- EM-CM-130a.1 under the topic "Energy Management" for total energy consumed, percentage grid electricity, percentage alternative, and percentage renewable.

## 2.2 Focus area: Growth-enabling work environment

### 2.1.1 Material Issue: Safe and healthy working environment

#### All activities

	Unit	2022	2021	2020	GCCA	UNGC	UNCTAD	TCFD	SASB	SDGs
2.1 Employee fatalities	#	0	0	0	●	●	●			3.6 3.8 4.3 8.8
2.2 Employee fatality rate	#/10 <sup>4</sup> persons	0.0	0.0	0.0	●	●	●			
2.3 Contractor fatalities	#	0	0	1	●	●	●			
2.4 Third-party fatalities	#	0	0	0	●	●	●			
2.5 Employee Lost Time Injuries (LTIs)	#	2	0	1	●	●	●			
2.6 Employee Lost Time Injuries Frequency Rate (LTIFR)	#/10 <sup>6</sup> h	4.2	0.0	2.1	●	●	●		EM-CM-320a.1	
2.7 Employee lost working days <sup>4</sup>	d	22	0	29	●	●				
2.8 Employee Lost Time Injuries Severity Rate <sup>4</sup>	d/10 <sup>6</sup> h	46.4	0.0	59.6	●	●	●			
2.9 Contractor Lost Time Injuries (LTIs)	#	1	0	1	●	●	●			
2.10 Contractor Lost Time Injuries Frequency Rate (LTIFR)	#/10 <sup>6</sup> h	2.8	0.0	3.1	●	●	●		EM-CM-320a.1	

#### All activities

2.11 Near misses	#	36	36	14		●			EM-CM-320a.1	3.6 3.8 4.3 8.8
2.12 Training man-hours on health and safety / employee <sup>5</sup>	h/person	15.1	22.2			●	●			
2.13 Training man-hours on health and safety / contractor <sup>5</sup>	h/person	18.8	6.9	5.8		●	●			
2.14 Expenditures for Health and Safety <sup>2</sup>	€	669.673	524.537	332.556		●	●			

## Cement production activities

	Unit	2022	2021	2020	GCCA	UNGC	UNCTAD	TCFD	SASB	SDGs
2.15 Employee fatalities	#	0	0	0	●	●	●			3.6 3.8 4.3 8.8
2.16 Employee fatality rate	#/10 <sup>4</sup> persons	0.0	0.0	0.0	●	●	●			
2.17 Contractor fatalities	#	0	0	1	●	●	●			
2.18 Third-party fatalities	#	0	0	0	●	●	●			
2.19 Employee Lost Time Injuries (LTIs)	#	2	0	1	●	●	●			
2.20 Employee Lost Time Injuries Frequency Rate (LTIFR)	#/10 <sup>6</sup> h	4.2	0.0	2.1	●	●	●		EM-CM-320a.1	
2.21 Employee lost working days	d	22	0	29	●	●				
2.22 Employee Lost Time Injuries Severity Rate	d/10 <sup>6</sup> h	46.4	0.0	59.6	●	●	●			
2.23 Contractor Lost Time Injuries (LTIs)	#	1	0	1	●	●	●			
2.24 Wellbeing initiatives for employees <sup>1,2</sup> Rate	#	17	9	7						

### 2.2.2 Material Issue: Diverse and Inclusive workspace

2.25 Average employment <sup>6</sup>	#	242	237	241		●				5.4 8.5 8.6 8.8
2.26 Number of employees by year end	#	246	236	239		●				
Employee turnover / gender, avg.	%	4.5	2.1	1.7		●				
2.27 Females	%	0.0	0.0	0.0						
2.28 Males	%	4.8	2.2	1.8						

Employee turnover / age<sup>2,7</sup>

	Unit	2022	2021	2020	GCCA	UNGC	UNCTAD	TCFD	SASB	SDGs
2.29 Under 30 <sup>2</sup>	%	7.7	0.0	0.0						
2.30 Between 30-50 <sup>2</sup>	%	2.4	0.0	1.1						
2.31 Over 50 <sup>2</sup>	%	5.3	3.4	2.1						
2.32 Employees left <sup>7</sup>	#	11	5	4		●				

## Employees left / age

2.33 Under 30	#	1	0	0						
2.34 Between 30-50	#	2	0	1						
2.35 Over 50	#	8	5	3						

## Employees left / gender

2.36 Females	#	0	0	0						
2.37 Males	#	11	5	4						
2.38 Employee new hires, avg. <sup>7</sup>	#	8.1	0.8	0.0		●				
2.39 Employee new hires <sup>7</sup>	#	20	2	0		●				

Employee new hires / gender<sup>7</sup>

2.40 Females	#	5	1	0		●				
2.41 Males	#	15	1	0		●				

New hires / age<sup>7</sup>

	Unit	2022	2021	2020	GCCA	UNGC	UNCTAD	TCFD	SASB	SDGs
2.42 Under 30	#	10	2	0		●				5.4 8.5 8.6
2.43 Between 30-50	#	7	0	0		●				
2.44 Over 50	#	3	0	0		●				

Employment / type<sup>7</sup>

2.45 Full time	#	20	2	0		●				8.8 10.3
2.46 Part Time	#	0	0	0		●				
2.47 Temporary	#	0	0	0		●				

Employment / category<sup>7</sup>

2.48 Senior managers	#	1	2	2		●				
2.49 Managers	#	17	16	16		●				
2.50 Administration /technical	#	62	55	54		●				
2.51 Semi-skilled /unskilled	#	166	163	167		●				

## Employment / age

2.52 Under 30	#	13	5	7						
2.53 Between 30-50	#	83	82	87						
2.54 Over 50	#	150	149	145						

## Employment / gender<sup>7</sup>

	Unit	2022	2021	2020	GCCA	UNGC	UNCTAD	TCFD	SASB	SDGs
2.55 Females	#	17	12	11		●				5.4 8.5 8.6 8.8 10.3
2.56 Males	#	229	224	228		●				
2.57 Share of women in employment, avg. <sup>7</sup>	%	6.9	5.1	4.6		●				
2.58 Share of women in management, avg. <sup>7</sup>	%	5.6	5.6	5.6		●	●			
2.59 Share of women in Senior Management, avg. <sup>7</sup>	%	0.0	0.0	0.0		●	●			
2.60 Number of employees with disabilities, Group <sup>1,2</sup>	#	5	5	5		●				
2.61 Number of parental leaves <sup>1,2</sup>	#	0	0	1		●	●			

## 2.2.3 Material Issue: Continuous development of our people

2.62 Training investment / (trained) employee, avg. <sup>3,7</sup>	€	156	96	38		●	●			4.3
2.63 Training investment <sup>3</sup>	€	36.157	22.600	8.126		●	●			4.4

## Training investment / gender<sup>7</sup>

2.64 Females	€	7.695	3.755	1.560		●	●			4.3
2.65 Males	€	28.498	18.845	6.566		●	●			4.4 5.1
2.66 Trained employees, total <sup>7</sup>	#	232	236	213		●				5.5 8.5
2.67 Share of trained employees, avg. <sup>7</sup>	%	94.0	100.0	89.1		●				
2.68 Share of trained female employees (in total female employees), avg. <sup>7</sup>	%	0.8	91.7	81.8		●				

Trained employees / category<sup>7</sup>

	Unit	2022	2021	2020	GCCA	UNGC	UNCTAD	TCFD	SASB	SDGs
2.6g Senior Managers	#	1	2	17			●			10.2 10.3 16.5
2.7o Managers	#	19	16	2						
2.71 Administration/technical	#	61	53	54						
2.72 Semi-skilled/Unskilled	#	151	165	140						

## Trained employees / age group

2.73 Under 30	#	13	5	7		●				4.3 4.4 5.1 5.5
2.74 Between 30-50	#	87	90	85		●				
2.75 Over 50	#	132	141	121		●				
2.76 Training hours	#	6,429	5,622	3,673		●	●			
2.77 Average training hours / employee (over the total number of direct employees), and breakdown per gender <sup>4</sup>	h/person	43.8	23.8	15.4		●	●			
2.78 Average female	#	27	15	11						
2.79 Average male	#	28	24	16						

## Training hours / subject

2.8o Company onboarding	#	24	0	0						
2.81 Compliance	#	271	879	201			●			
2.82 Sustainability	#	8	6	5			●			
2.83 Decarbonization <sup>1,2</sup>	#	20	N/A	N/A						
2.84 Digital & IT <sup>2</sup>	#	119	47	94						

## Training hours / subject

	Unit	2022	2021	2020	GCCA	UNGC	UNCTAD	TCFD	SASB	SDGs
2.85 Environment	#	4	21	0						
2.86 Foreign languages	#	66	0	52						
2.87 Functional competence	#	79	34	20						
2.88 Generic competence	#	0	1	0						
2.89 Health and Safety	#	3,708	4,150	2,910						
2.90 Managerial skills	#	1,193	90	24						
2.91 Other	#	754	104	247						
2.92 Security	#	28	0	0						
2.93 Technical know-how	#	154	291	120						
2.94 Share of employees with performance evaluation, avg.	%	28.9	30.1	27.2						
2.95 Share of female employees with performance evaluation, avg. <sup>2</sup>	%	47.1	58.3	54.5						

## 2.2 Notes

### Notes for specific KPIs

1. New indicator. More details you may find in the section "TITAN's approach for ESG Performance reporting" and in the below: "Decarbonization" was introduced as a new subject area and presented separately in this report for the first time, whereas in the past respective subjects to GHG emissions were covered under Environment.
2. Relevant information is not available for the specific years denoted as 'n/a'.
3. For the definition see Table 2.5.10 "Value Creation Indicators".
4. Figure(s) for 2020 adjusted to include previously unreported data.
5. The KPI was calculated for closing of the reporting period 2022 in accordance with the practice for all Safety data, being the use of "Average Employment" (see Note 6 below). This is consistent with all years prior to 2022. As exception, the KPI for "Performance by activity" was calculated by using the figures of "Number of employees by year end", due to different data consolidation criteria and methodology, but with insignificant impact on the results.
6. The calculation was made according to Belgian Law (sec. 165 XIVB of RD of 30 January 2001).
7. KPIs calculated on the basis of "Average Employment" data for year 2018. Since 2019 the specific KPIs have been calculated on the basis of the number of employees as of 31 December for each year. Figures for the KPI "Share of trained female employees (in total female employees)" which were calculated above 100% (because of the Turnover for Females, or other reasons) needed to be reported as 100% (adjusted to 100% of female employees).

### Connection of KPIs with the SASB Standards

Connection of ESG performance indicators with the metric EM-CM-320a.1 according to SASB Standards, under the topic (area) "Workforce Health and Safety": Specifically, the connection concerns the KPIs of near misses and frequency rate for full-time employees, and contract employees.

## 2.3 Focus area: Positive local impact

### 2.3.1 Material Issue: Environmental positive impact

#### Air emissions

Cement production activities

	Unit	2022	2021	2020	GCCA	UNGC	UNCTAD	TCFD	SASB	SDGs
3.1 Coverage rate continuous measurement	%	100	100	100	●	●			EM-CM-120a.1	3.9 9.4
3.2 Specific dust emissions	g/t clinker	3.1	3.8	10.4	●	●			EM-CM-120a.1	
3.3 Specific NOx emissions	g/t clinker	1,306.0	1,055.0	1,294.4	●	●			EM-CM-120a.1	
3.4 Specific SOx emissions	g/t clinker	104.1	36.2	91.8	●	●			EM-CM-120a.1	
3.5 Integrated cement plants and cement grinding plants with certified Environmental Management System (ISO 14001 or similar)	% of plants	100.0	100.0	100.0		●				

## All activities

	Unit	2022	2021	2020	GCCA	UNGC	UNCTAD	TCFD	SASB	SDGs
3.6 Environmental complaints <sup>2</sup>	#	2	1	0						

## Rehabilitation

Cement production and aggregates activities

3.7 Sites with rehabilitation plans <sup>3</sup>	%	100	100	100	●	●			EM-CM-160a.1	15.3 15.4
3.8 Total land use <sup>1,3</sup>	million m <sup>2</sup>	0.3	n/a	n/a					EM-CM-160a.1	
3.9 Rehabilitated areas over affected areas (cumulative) <sup>1,3,6</sup>	%	21.1	21.2	21.8		●				
3.10 Sites with Environmental Management System (ISO14001 or similar) <sup>3</sup>	%	100.0	66.0	75.0		●				

## Biodiversity

Cement production and aggregates activities

3.11 Sites in high biodiversity value areas <sup>3,4</sup>	#	0	0	0	●	●			EM-CM-160a.1	15.3 15.4
3.12 Sites with biodiversity management plans <sup>3,5</sup>	#	0	0	0	●	●			EM-CM-160a.1	
3.13 Sites with biodiversity management plans	%	-	-	-	●	●			EM-CM-160a.1	

## Investments in environmental protection

All activities

3.14 Environmental expenditures across all activities <sup>7</sup>	million €	0.1	0.1	0.7		●	●			7b 9.4
3.15 Environmental management	million €	0.1	0.0	0.0		●	●			
3.16 Reforestation	million €	0.0	0.0	0.0		●	●			
3.17 Rehabilitation	million €	0.0	0.0	0.3		●	●			
3.18 Environmental training and awareness building	million €	0.0	0.0	0.0		●	●			

	Unit	2022	2021	2020	GCCA	UNGC	UNCTAD	TCFD	SASB	SDGs
3.19 Application of best available technologies	million €	0.0	0.0	0.0		●	●			
3.20 Waste management	million €	0.0	0.0	0.3		●	●			

### 2.3.2 Material Issue: Social positive impact

3.21 Donations <sup>8</sup>	€	194,125	159,071	166,262		●	●			2.1
3.22 Donations in cash <sup>8</sup>	€	194,125	159,071	166,262		●	●			2.3
3.23 Donations in kind <sup>8</sup>	€	0	0	0		●	●			4.3
3.24 Employees from local community, avg.	%	65.4	67.8	67.4		●	●			4.4
3.25 Internships	#	15	8	3		●				9.3
3.26 New entry level jobs from internships/ traineeships	#	0	1	0		●				
3.27 Internships from Local Community, avg.	%	73.3	87.5	100.0						
3.28 Key operations with Community Engagement Plans related to material issues and Group polici	#	1	1	1		●	●			
3.29 Total number of Initiatives under Community Engagement Plans <sup>1</sup>	#	15	15	9						
3.30 Total number of Participants to Community Engagement Plans <sup>1,2</sup>	#	229	182	181						
3.31 TITAN Employees, volunteers to Community Engagement Plans <sup>1</sup>	#	96	88	n/a						
3.32 Social investment (in cash and in kind) for community initiatives <sup>1,2</sup>	€	136,890	129,188	140,155						
3.33 Blood donations (TITAN employees, business partners and communities) <sup>1</sup>	#	87	50	51						

### 2.3.3 Material Issue: Economic positive impact

	Unit	2022	2021	2020	GCCA	UNGC	UNCTAD	TCFD	SASB	SDGs
3.34 Local Spend, avg. <sup>1,8</sup>	%	82.2	77.2	75.7		●	●			

## 2.3 Notes

### Notes for specific KPIs

1. Relevant information is not available for the specific years denoted as 'n/a'.
2. Specifically, with regard to the KPIs of Total number of Participants to Community Engagement Plans (CEPs), TITAN Employees as volunteers to Community Engagement Plans, and Total amount of 'social investment' for the implementation of Community Engagement Plans related to the KPI Key operations with CEPs connected with material issues and Group policies these were incorporated for the first time in the ESG performance statements in the TITAN IAR 2020. In 2022 TITAN progressed further with the alignment of BUs for implementing the Framework Guidance for CEPs which was introduced for the first time in 2021. Actions were focused on the collection and consolidation of data for the KPIs of "Participants" and "Beneficiaries" of CEPs, with respective definitions as below: "Participants" are persons who had active involvement (engagement) in the initiatives for Community Engagement, and the figure includes the sum of the number of persons of two sub-categories: (a) Direct Employees who volunteered, or/and had active role because of their position/role in the BU organization, and (b) Partners (Local Authorities, Specialists e.g., Academia or other Experts, NGOs, Suppliers and Contractors, and possibly also Customers etc.). "Beneficiaries" are persons who – directly or indirectly – have received or will receive benefits from the initiatives for Community Engagement. In order to estimate this figure, the BU requires to have an overall view of the initiative, and the impacts this has in the local community. The number of Beneficiaries may include also some of the Participants.
3. Coverage includes all quarries attached to cement plants and quarries for aggregates production, which are wholly-owned and under full management control of TITAN. Since 2021, all Titan Cement Egypt quarries have been excluded from the baseline and the calculations of the respective local impact indicators, as they are no longer considered to be under full management control of TITAN due to changes in mining legislation in the country.
4. Active quarries within, containing or adjacent to areas designated for their high biodiversity value, see Table "TITAN Group Quarry Sites with High Biodiversity Value".
5. Active quarries with high biodiversity value where biodiversity management plans are actively implemented, see Table "TITAN Group Quarry Sites with High Biodiversity Value".
6. Calculated as the percentage of the impacted/disturbed quarry areas that have been rehabilitated (total and cumulative), aggregated at Group level. 2020 was the initial year for disclosing data for this indicator.
7. Total amount of expenditures (capital and operational) for those investments whose primary purpose is the prevention, reduction and elimination of pollution and other forms of degradation to the environment (UNCTAD Guidance, 2022). In 2022 TITAN incorporated in this disclosure the figure of total capital expenditures (Capex) which are aligned with the EU Taxonomy Regulation, in specific projects for meeting the Technical Screening Criteria for the environmental objectives of climate change mitigation and climate change adaptation.
8. For definitions related to "Social investment" (incash and in kind) for community initiatives, "Donations", and "Local Spend", see Table 2.5.10.

### Connection of KPIs with the SASB Standards

Connection of ESG performance indicators with metrics according to SASB Standards, specifically:

EM-CM-120a.1 under the topic (area) "Air Quality" for air emissions of pollutants including NOx, SOx, particulate matter (PM10), dioxins/furans, volatile organic compounds (VOCs), polycyclic aromatic hydrocarbons (PAHs), and (7) heavy metals.

EM-CM-160a.1 and EM-CM-160a.2 under the topic (area) "Biodiversity Impacts" for the environmental management policies and practices for active sites, and terrestrial acreage disturbed, percentage of impacted area restored. See also Table "TITAN Group Quarry Sites with High Biodiversity Value" part of the ESG performance statements.

## 2.4 Focus area: Responsible sourcing

### 2.4.1 Material Issue: Resource efficiency, recycling and recovery, contributing to circular economy

#### All activity

	Unit	2022	2021	2020	GCCA	UNGC	UNCTAD	TCFD	SASB	SDGs
4.1 Water consumption (total)	million m <sup>3</sup>	0.1	0.1	0.1	●	●				6.3
4.2 Water withdrawal (total, by source) <sup>2</sup>	million m <sup>3</sup>	0.2	0.1	0.1	●	●	●			6.4 6.5
4.3 Groundwater	million m <sup>3</sup>	0.2	0.1	0.1					EM-CM-140a.1	
4.4 Municipal water	million m <sup>3</sup>	0.0	0.0	0.0					EM-CM-140a.1	
4.5 Rainwater	million m <sup>3</sup>	0.0	0.0	0.0					EM-CM-140a.1	
4.6 Surface water	million m <sup>3</sup>	0.0	0.0	0.0					EM-CM-140a.1	
4.7 Quarry water used (from quarry dewatering)	million m <sup>3</sup>	0.0	0.0	0.0						
4.8 Ocean or sea water	million m <sup>3</sup>	0.0	0.0	0.0						
4.9 Waste water	million m <sup>3</sup>	0.0	0.0	0.0						
4.10 Water discharge (total, by destination) <sup>3</sup>	million m <sup>3</sup>	0.0	0.0	0.0	●	●	●			
4.11 Surface (river, lake)	million m <sup>3</sup>	0.0	0.0	0.0						
4.12 Sub-surface water (well)	million m <sup>3</sup>	0.0	0.0	0.0						
4.13 Ocean or sea	million m <sup>3</sup>	0.0	0.0	0.0						
4.14 Off-site treatment	million m <sup>3</sup>	0.0	0.0	0.0		●	●			

## All activity

	Unit	2022	2021	2020	GCCA	UNGC	UNCTAD	TCFD	SASB	SDGs
4.15 Other <sup>4,5</sup>	million m <sup>3</sup>	0.0	0.0	n/a						
4.16 Water recycled (total) <sup>1</sup>	million m <sup>3</sup>	0.7	0.6	0.6						
4.17 Water demand covered with recycled water <sup>1</sup>	%	78.2	87.5	85.1						

## Cement and cementitious production activities

4.18 Water consumption (total)	million m <sup>3</sup>	0.1	0.1	0.1	●	●			EM-CM-140a.1	6.3 6.4 6.5
4.19 Water withdrawal (total) <sup>2</sup>	million m <sup>3</sup>	0.2	0.1	0.1						
4.20 Water discharge (total) <sup>3</sup>	million m <sup>3</sup>	0.0	0.0	0.0						
4.21 Water recycled (total)	million m <sup>3</sup>	0.7	0.6	0.6	●	●	●		EM-CM-140a.1	
4.22 Specific water consumption	l/t cementitious product	237.9	127.7	143.3	●	●	●			
4.23 Specific water consumption	l/t cement	215.1	112.0	133.7	●	●	●			
4.24 Water demand covered with recycled water	%	78.2	87.5	85.1						

## All activity

4.25 Thermal energy consumption	TJ	1,268	1,224	1,237	●	●	●		EM-CM-130a.1	7 12
4.26 Thermal energy consumption <sup>1</sup>	% of total	85.1	85.7	85.8						
4.27 Electrical energy consumption	TJ	222	204	205	●	●	●		EM-CM-130a.1	
4.28 Electrical energy consumption <sup>1</sup>	% of total	14.9	14.3	14.2						
4.29 Total energy consumption <sup>1</sup>	TJ	1,489	1,428	1,442						

## Cement production activities

	Unit	2022	2021	2020	GCCA	UNGC	UNCTAD	TCFD	SASB	SDGs
4.30 Percentage of production covered by ISO50001 or energy audits	%clinker production	0.0	0.0	0.0		●		●		7.2 7.3
4.31 Specific thermal energy consumption	kcal/kg clinker	810	843	809	●	●	●	●		
4.32 Specific electrical energy consumption	kWh/t cement	94.8	90.1	94.9				●		
4.33 Renewable energy as part of total electrical energy consumption <sup>5</sup>	% Electrical energy consumed	5.4	5.3	5.3				●		

## All activity

4.34 Natural raw materials extracted (total, wet)	million t	0.8	0.5	0.5		●				12
4.35 Raw materials extracted for clinker and cement production	million t	0.8	0.5	0.5		●				
4.36 Raw materials extracted for aggregates	million t	0.0	0.0	0.0		●				

## Cement production activities

4.37 Materials consumption (total, dry)	million t	0.8	0.8	0.8		●	●			12.2 12.4 12.5
4.38 Extracted (natural) raw materials consumption (dry)	million t	0.7	0.7	0.7						
4.39 Alternative raw materials consumption (dry)	million t	0.1	0.1	0.1						
4.40 Alternative raw materials use (of total raw materials consumed)	% Dry	13.3	12.0	13.4	●		●			
4.41 Alternative raw materials rate (based on clinker-to-cement equivalent factor)	% Dry	16.4	14.3	13.4	●	●	●			

## All activity

	Unit	2022	2021	2020	GCCA	UNGC	UNCTAD	TCFD	SASB	SDGs
4.42 Waste disposal (total, wet)	t	283	370	110		●	●		EM-CM-150a.1	12.2
4.43 Non-hazardous waste (total)	t	283	370	110		●	●		EM-CM-150a.1	12.4
4.44 Hazardous waste (total)	t	0	0	0		●	●		EM-CM-150a.1	12.5
4.45 Externally recycled waste materials (total, wet)	t	216	306	106		●	●			
4.46 Reused	t	4	22	18						
4.47 Recycled	t	212	284	88						
4.48 Recovered	t	0	0	0						
4.49 Waste disposal, breakdown by destination-usage (wet)	% w/w	100.0	100.0	100.0		●	●		EM-CM-150a.1	12.2
4.50 Reuse	% w/w	1.5	6.0	16.4		●	●		EM-CM-150a.1	12.5
4.51 Recycled	% w/w	74.8	76.6	80.6		●	●		EM-CM-150a.1	
4.52 Recovered (including energy recovery)	% w/w	0.0	0.0	0.0		●	●		EM-CM-150a.1	
4.53 Incineration	% w/w	0.0	0.0	0.0		●	●		EM-CM-150a.1	
4.54 Landfilled	% w/w	23.7	17.4	3.0		●	●		EM-CM-150a.1	
4.55 Composted	% w/w	0.0	0.0	0.0		●	●		EM-CM-150a.1	
4.56 Other (incl. storage)	% w/w	0.0	0.0	0.0		●	●		EM-CM-150a.1	

## Cement production activities

	Unit	2022	2021	2020	GCCA	UNGC	UNCTAD	TCFD	SASB	SDGs
4.57 Integrated cement plants with "Zero Waste to Landfill" certification	%clinker production	0.0	0.0	0.0						12.2 12.4

### 2.4.2 Material Issue: Reliable and Sustainable Supply Chain

#### All activity

4.58 Key suppliers meeting TITAN ESG standards <sup>5,6</sup>	%	See Note below	n/a	n/a						6 7 12 13
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## Notes

### Notes for specific KPIs

- 1.New indicator. More details can be found in the section "TITAN's approach to ESG Performance reporting".
- 2.Total withdrawal also includes quantities of water withdrawn by TITAN and supplied to third parties without being used in any of TITAN facilities
- 3.Total discharge also includes quantities of water withdrawn by TITAN and supplied to third parties without being used in any of TITAN facilities.
- 4.Refers to the quantities of water withdrawn by TITAN and supplied to third parties without being used in any of TITAN facilities.
- 5.Relevant information is not available for the specific years denoted as 'n/a'.
- 6.TITAN progressed in 2022 according to the internal Roadmap for Sustainable Supply Chain as described in the management report under the focus area "Responsible Sourcing", and material issue "Reliable and sustainable supply chain".

### Connection of KPIs with the SASB Standards

Connection of ESG performance indicators with metrics according to SASB Standards, specifically:

-EM-CM-130a.1 under the area "Energy Management" for total energy consumed, percentage grid electricity, percentage alternative, and percentage renewable.

-EM-CM-140a.1 under the area "Water Management" for total fresh water withdrawn, percentage recycled, percentage in regions with high or extremely high baseline water stress. See also Table "TITAN Group Cement Plant Sites within water-stressed Areas" part of the ESG performance statements.

-EM-CM-150a.1 under the area "Waste Management" for amount of waste generated, percentage hazardous, percentage recycled.

-Connection of the disclosures under Note 7 of the above "Notes for specific KPIs", about the 2022 progress aligned with the Sustainable Supply Chain Roadmap of TITAN cover the requirements for reporting according to the SASB Standards for the area "Business Ethics and Transparency" and more specifically the metric (KPI) EM-MM-510a.1. The connection concerns the description of the management system for prevention of corruption and bribery throughout the value chain.

## Notes

1. The water risk assessment for all TITAN Group sites was conducted in 2020 with the use of the World Resources Institute's (WRI) Aqueduct tool.
2. The above table presents the cement plant sites (as the larger water users among Group activities) that operate within water-stressed areas, namely the areas where the Baseline Water Stress Indicator is >40%, as classified by the Aqueduct tool.
3. The Water Stress Indicator measures the ratio of total water withdrawals to available renewable surface and groundwater supplies. Higher values indicate more competition among users.
4. This information for the activities that operate in water-stressed areas, combined with the disclosures under the section 'Non-financial performance overview' of this report, also covers the requirements for reporting according to the SASB Standards for 'Water Management' and more specifically the KPI EM-CM-140a.1 (1) Total fresh water withdrawn, (2) percentage recycled, (3) percentage in regions with High or Extremely High Baseline Water Stress.

## 2.5 Focus area: Good governance, transparency and business ethics

### 2.5.1 Material Issue: Governance Core Indicators

Compliance and business ethics	Notes	Performance 2022	Reporting Standards
5.1 Percentage of unionised employees (%)		76.4%	SDG 5.5 SDG 16.5
5.2 Percentage of employees covered by Collective Bargain Agreements (CBAs)	2	100.00%	SDG 16.6 SDG 16.7 UNGC
5.3 Average number of hours of training on subjects related to Compliance, per employee	3	1.10	
5.4 Anti-bribery and corruption training	1.3	103.00	

#### Notes for specific KPIs

1. New indicator.
2. In 2022 this percentage reached 50.33% [Group figure], slightly decreased compared to 52.3% [Group figure] in 2021.
3. Average number of hours of training per employee and per year, on policies & internal procedures of TITAN (priority being on the Code of Conduct, Policies for Human Rights, Anti-Bribery, GDPR, although this list should not be considered as exhaustive). The KPI is calculated as total hours of training in the subject areas, divided by the total number of employees. TITAN categorizes these training subjects under the overall subject area: "Compliance" (see Table 2.2 "Focus area: Growth-enabling work environment", for the KPI "Training hours per subject, Group total"). TITAN also provides the total number of hours for anti-bribery and corruption training in 2022, connected with the above. This information is extracted from the human resources management system in each country and consolidated on Group level following the same rules and practices as the above data for compliance trainings.

Additional Notes

- 4. TITAN does not operate in or near areas of conflict, according to data of the Uppsala Conflict Data Program UCDP - see the website: Uppsala Conflict Data Program (uu.se).
- 5. In 2022 TITAN followed an enhanced process of receiving feedback from our stakeholders in each country of operation by promoting the principles of open and structured communication and implemented a project for validating the existing materiality matrix on the level of each BU. For details see the section "Focusing on material issues" of this report, and more specific the "Dynamic Materiality". About outcomes of the BUs Validation Materiality Project 2022 see Table 1.1 "Material issues", part of the ESG performance statements. About background work: Preparatory work on the analysis and the assessment of the Materiality Assessment for all countries of operation was completed in 2020, including focused research in each country by a third party. This process enabled the engagement of TITAN's management in each country, and the due diligence at BU level with respect to human rights and indigenous peoples' rights and possible related conflicts. The country-level research concluded that no matters of conflict with respect to the above had emerged or are expected. No new information on the subject matter was noted in the press/media in any of the countries of our operations, either in 2021 or in 2022.
- 6. In 2022 TITAN continued the development by operating a dedicated Group e-platform to record our community initiatives and actions at each BU level, as well as to facilitate the self-assessment and alignment of BUs with Group targets and key priorities. Community Engagement Plans are implemented in all countries where we operate, covering programs of initiatives for contributing to the sustainability of local communities and enhance the engagement with our stakeholders, aiming at long-term positive impacts for communities and the society. See the section "Social Positive Impact" in the Management Report for the assessment of TITAN's community engagement initiatives across all countries of operations in 2022. No incidents were recorded in 2022 concerning site shutdowns or project delays due to non-technical factors, such as those resulting from pending regulatory permits or other political delays related to community concerns, community or stakeholder resistance or protest, and armed conflict.

**Connection of KPIs and other disclosures with the SASB Standards**

- The disclosures of Note 6 (above) about the percentage of employees covered by collective bargaining agreements and number and duration of strikes and lockouts cover the requirements for reporting according to the SASB Standards for the topic (area) of "Labor Relations" and in more specific the metrics (KPIs) EM-MM-310a.1 and EM-MM-310a.2.

2.5.3 ESG Policies and Code of Conduct

TITAN Focus Areas mostly relevant

	New or Updated in 2022	Decarbonization and Digitalization	Growth-enabling work environment	Positive local impact	Responsible sourcing	Good governance, transparency and business ethics
Code of Conduct			●			●
Code of Conduct of Procurement	✓			●	●	●
Group Policies						
Anti-Bribery and Corruption Policy						●
Competition Law Compliance Policy						●

	New or Updated in 2022	Decarbonization and Digitalization	Growth-enabling work environment	Positive local impact	Responsible sourcing	Good governance, transparency and business ethics
Conflict of Interest Policy						●
Corporate Social Responsibility (CSR) Policy				●		
Protection of Personal Data Policy			●			●
Diversity Equity and Inclusion (DE&I) Policy	✓		●			
Environmental Policy (Climate change incl.)		●		●	●	
Human Rights Policy			●	●	●	●
Information Security Policy		●				●
Occupational Health and Safety (OH&S) Policy			●			
Procurement Policy				●	●	
Sanctions Policy						●
Whistleblowing Policy						●

## 2.5.4 Group Management Systems

Area	Health & Safety	Environment	Quality	Energy	Social
Kosovo	ISO 45001 All operations (3 terminals excluded)	ISO 14001 All operations	ISO 9001 All operations		GHRMS/SF and SA 8000 All operations

## 2.5.6 Environmental Audits

Area	Kosovo	
Environmental Management System	External	1
	Internal	1
Energy Management System/Energy audits	External	1
	Internal	1
CO2 emissions	External	1
	Internal	1
Waste Management	External	1
	Internal	1
Complaints	External	0
	Internal	0
Permitting	External	0
	Internal	0
Other	External	0
	Internal	0
<b>TOTAL</b>	External	4
	Internal	4

## 2.5.7 Consolidated Report on Payments to Governments for extractive operations

Legal entity	Country	Payment type	Amount (€)
SHARRCEM SH.P.K.	Kosovo	Extraction Royalties	226,640
<b>TOTAL</b>			<b>226,640</b>

### Notes

TITAN Cement International S.A. hereby reports, in accordance with article 3:33 of the Belgian Companies and Associations Code, that TITAN Cement Group has paid to municipal authorities of EU Member States and third countries the total amount of €206,903 for extractive operations in 2021 as presented in the above table. As specified in article 6:2 par. 2 of the Royal Decree dated 29 April 2019 on the execution of the Belgian Companies and Associations Code, the limit for disclosing the respective data is set at 100,000€ as a single payment or as a series of related payments.

## 2.5.9 Sector and Other Standards for the Non-financial disclosures in 2022

Sector Association or Initiative	Guidelines and other documents of reference	Published
GCCA <sup>1</sup>	<ul style="list-style-type: none"> <li>-Sustainability Charter</li> <li>-Sustainability Framework Guidelines</li> <li>-Sustainability Guidelines for the monitoring and reporting of safety in cement and concrete manufacturing. This document has been agreed within the GCCA to have extended application to concrete and other related activities [Pillar 1]</li> <li>-Sustainability Guidelines for the monitoring and reporting of CO<sub>2</sub> emissions from cement manufacturing [Pillar 2]</li> <li>-Sustainability Guidelines for the monitoring and reporting of water in cement manufacturing [Pillar 4]</li> <li>-Sustainability Guidelines for the monitoring and reporting of emissions from cement manufacturing [Pillar 4]</li> <li>-Sustainability Guidelines for co-processing fuels and raw materials in cement manufacturing [Pillar 5]</li> <li>-Sustainability Guidelines for quarry rehabilitation and biodiversity management [Pillar 4]</li> </ul>	Latest edition (publications between 2019 and 2021)
Supplementary to the GCCA standards: (Previously) WBCSD/CSI	<ul style="list-style-type: none"> <li>-Guidance for Sustainable Supply Chain Management [Pillars 1, 3 and 5]</li> <li>- Recommended Good Practices for: (a) Contractor Safety, and (b) Driving Safety</li> <li>-Cement Sector Scope 3 GHG Accounting and Reporting Guidance</li> </ul>	2009 2016
UNCTAD <sup>2</sup>	Guidance on Core Indicators for Sustainability and SDG Impact Reporting	2022
UNGC COP <sup>3</sup>	Questionnaire Guidebook for the COP	2022

## Notes

1. The Global Cement and Concrete Association (GCCA) has built its Sustainability Charter around five (5) Sustainability Pillars, to encompass the full sustainability spectrum for its work purposes: Pillar 1: Health and Safety, Pillar 2: Climate Change and Energy, Pillar 3: Social Responsibility, Pillar 4: Environment and Nature and Pillar 5: Circular Economy. The terminology of the 'Pillars' is specific to the GCCA Charter of commitments for member companies, and details are available in the Charter and Framework Guidelines in the GCCA website: <https://gccassociation.org/sustainability-innovation/sustainability-charter-and-guidelines/> TITAN continued efforts in 2022 for implementing the GCCA 2050 Roadmap to Net Zero Concrete "Concrete Future" and focused on SBTi Targets for the 1.5 degrees scenario, while continuing active participation in various working groups and contributing with knowhow and expertise, in line with its practice since the foundation of the Sectoral Association. In 2022 TITAN participated in the first GCCA Compliance Charter Audit, with purposes including (a) supporting members in developing implementing their sustainability strategy (focused but not limited to GCCA obligations), (b) enabling the assessment of members' sustainability performance and benchmark with peer companies, (c) Identifying areas where the GCCA guidelines and charter need to be clarified or strengthened.

2. The UNCTAD Guidance provides meaningful connections of KPIs with the most relevant SDGs and specific targets for each SDG, and is leveraged under the reporting approach of TITAN for all focus areas of De-carbonization and Digitalization, Growth-enabling work environment, Positive local impact focus area, Responsible sourcing, and Good governance, transparency, and business ethics.

3. The Guidance of the UNGC COP was enhanced in 2022 and is considered essential for reporting on progress with respect to TITAN's commitments for the UNGC Ten Principles. See Table 2.5.11 for details on the UNGC COP guidance and specific connections with KPIs and other disclosures in this Report.

Overall: Tables 2.1, 2.2, 2.3, 2.4, 2.5.1, 2.5.10, and 2.5.11 provide references and connections for the standards under the above Notes (1), (2) and (3).

### 2.5.10 Value creation indicators

Value Creation Core Indicators <sup>1</sup>	Unit	2022
Total spend on suppliers, local, national and international for goods and services <sup>2a</sup>	million €	3.76
% local spend of TITAN <sup>2 b</sup>	%	82.2
Taxes to national and local authorities <sup>3</sup>	million €	0.07
Payments in cash to shareholders and minorities <sup>3</sup>	million €	15.0
Social investment (in cash and in kind) for community initiatives <sup>4</sup>	million €	0.19
Alternative fuels and raw materials	million €	0.63
Salaries, (contributions to) pensions, and social benefits, including additional benefits beyond those provided by law <sup>5</sup>	million €	3.74
Investments in training of direct employee <sup>6</sup>	million €	0.04
Internships	#	15
Capital expenditures <sup>7</sup>	million €	3.86

## Notes

The following Notes are inclusive of definitions for terms used specifically for value creation and distribution to stakeholders.

### Notes for the standards, guidance, and terms used

Most terms related to the Value Creation Core Indicators were adopted from the "Guidance on Core Indicators for entity reporting on the contribution towards the attainment of the Sustainable Development Goals" (in short: UNCTAD Guidance, 2022), and incorporated under the TITAN standards. The related terms are outlined here and connected with the KPIs in the Index above. The figures for the Value Creation Core Indicators are provided in "Understanding TITAN, Creating and sharing value".

- 1.** 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 (2022 edition).
- 2a.** According to TITAN Standards and the application of the IFRS, and in accordance with the approach for "% local spend of TITAN".
- 2b.** The ratio of spend on local suppliers over the total spend on all suppliers, as a percentage. Costs of local procurement are a general indicator of the extent of an entity's linkages with the local economy (UNCTAD Guidance, 2022). Local are those suppliers which provide goods or services to TITAN and have company tax registration inside the country of interest, same as the country of TITAN BUs location and tax registration. For countries with a governmental structure characterized as federation-of-states this applies specifically today to the USA, where different states have local governments and vast geographical extent, the term local refers to those suppliers with company tax registration in the same state with the tax registration of the BU or location of operations, and also in the states which are neighboring to the state of the BU or location of operations (the definition is applicable to TITAN's operations in the USA, for the above KPI figure). TITAN discloses the respective KPI with historical data in Table 2.3 of the ESG Performance Statements.
- 3.** According to TITAN Standards and the application of the IFRS, see Financial Statements.
- 4.** "Social investment" as total expenditures incurred in cash and in kind, and investments of funds (both capital expenditures and operating ones) for TITAN BUs' community initiatives. See Table 2.3.2 related to Community Engagement Plans for details. Target beneficiaries were stakeholders in the broader communities, while TITAN employees from local communities were included as beneficiaries of specific initiatives for community engagement. Also, with reference to Table 2.3.2 the amount of "Donations" is reported as equivalent to charitable/voluntary donations and investments of funds (the approach is in line with the UNCTAD Guidance, 2022).
- 5.** According to TITAN Standards and the application of the IFRS, see Financial Statements.
- 6.** Total expenditures including the direct and indirect costs of training for direct employees (including costs such as trainers' fees, training facilities, training equipment, related travel costs etc.) reported also per employee and per year, and broken down by employee category (UNCTAD Guidance, 2022). TITAN discloses the respective KPI with historical data in Table 2.2 of the ESG Performance Statements.
- 7.** Capital expenditures, commonly known as CapEx, are funds used by a company to acquire, upgrade, and maintain physical assets such as property, buildings, an industrial plant, technology, or equipment.

## 2.5.11 Connecting our disclosures with the TITAN COP according to the enhanced platform of the UNGC

Sections <sup>1</sup>	Question <sup>1</sup>	UNGC Principles <sup>1</sup>	Reference to the Report <sup>1</sup>
Governance	G1: Board/senior management engagement	1, 7, 10	Understanding TITAN About the report Overview Performance highlights: Good governance, transparency, and business ethics Management report Corporate Governance and risk management: Corporate Governance Statement ESG Performance review: Good governance, transparency, and business ethics ESG performance statements: TITAN's approach for ESG Performance reporting, and Tables 2.5.1, 2.5.3.
	G2: Publicly stated commitment		
	G3: Code of conduct		
	G4: Individual or group responsible		
	G5: Formal structure		
	G6 and G.6.1: Risk assessment processes		
	G7 and G7.1: Due diligence		
	G9: Lessons		
	G10: Executive pay linked to sustainability performance		
	G12: Sustainability reporting		
	G8 and G8.1: Raising concerns about the company's conduct	1, 3, 7, 10	
	G11: Board composition	16	
	G13: Information assurance	10	

Sections <sup>1</sup>	Question <sup>1</sup>	UNGC Principles <sup>1</sup>	Reference to the Report <sup>1</sup>
Human Rights <sup>2</sup>	HR1: Material topics	1, 2	Understanding TITAN Overview Performance highlights: Focusing on material issues and stakeholder engagement Management report Corporate Governance and risk management ESG Performance review: Good governance, transparency, and business ethics ESG performance statements: Tables 1.1, 2.5.1, 2.5.3 - 2.5.7, 2.
	HR2 and HR2.1: Policy commitment		
	HR3: Stakeholder engagement		
	HR4: Prevention/mitigation		
	HR5: Training		
	HR6: Prevention/mitigation progress assessment		
	HR8: Practical actions		
Labour	L1 and L1.1: Policy commitment	3, 4, 5, 6	Understanding TITAN Overview Performance highlights: Focusing on material issues and stakeholder engagement Management report Corporate Governance and risk management ESG Performance review: Good governance, transparency, and business ethics ESG performance statements: Tables 1.1, 2.5.1, 2.5.3 - 2.5.7, 2.
	L2: Stakeholder engagement		
	L3: Prevention/mitigation		
	L4: Training		
	L5: Prevention/ mitigation progress assessment		
	L9: Injury frequency		
	L10: Incident rate		
	L11: Remedy		
	L12: Practical actions		
	L1.2: Freedom of association and collective bargaining	3, 4, 6	
	L6: Collective bargaining agreements		
	L7: Women in managerial positions	6	

Sections <sup>1</sup>	Question <sup>1</sup>	UNGC Principles <sup>1</sup>	Reference to the Report <sup>1</sup>
Environment	E1 and E1.1: Policy commitment	7, 8	Understanding TITAN Overview Performance highlights ESG Performance Management report Corporate Governance and risk management ESG Performance review: Focus areas: De-carbonization and Digitalization, Growth-enabling work environment, Positive local impact, Responsible sourcing Good governance, transparency, and business ethics ESG performance statements: Tables 2.1.1, 2.3.1. and TITAN Group Quarry Sites with High Biodiversity Value supplement table, also Tables 2.4.1, 2.5.2, 2.5.3.
	E2: Stakeholder engagement		
	E3: Prevention/mitigation		
	E4: Prevention/mitigation progress assessment		
	E4.1: Goals and targets		
	E4.2: Measuring progress against targets		
	E6: Greenhouse gas emissions		
	E6.1: Scope 3 emissions detail		
	E14: Conversion of natural ecosystems		
	E16: Air pollution		
	E17: Waste		
	E18: Hazardous waste		
	E7: R&D investment in low-carbon products and services		
	E8: Climate adaptation		
	E9: Renewable energy		
	E10: Low carbon products/services		
	E11: Water withdrawal and consumption		
	E12: Water intensity		
	E13: Sites in or adjacent to key biodiversity areas		
	E15: Ecosystem restoration and protection		
E20: Practical actions			
E: Sector (Construction & materials)			

Sections <sup>1</sup>	Question <sup>1</sup>	UNGC Principles <sup>1</sup>	Reference to the Report <sup>1</sup>
Anti-corruption	AC1 Compliance programme	10	Understanding TITAN Performance highlights Management report Corporate Governance and risk management ESG Performance review: Good governance, transparency and business ethics ESG performance statements: Tables 2.5.1, 2.5.3-2.5.7, 2.5.9.
	AC1.1 Year of programme review		
	AC2 Policy		
	AC3 Training		
	AC3.1 Training frequency		
	AC4 Compliance monitoring		
	AC5 Incidents of corruption		
	AC6 Measures to address suspected incidents of the corruption		
	AC7 Collective action against corruption		
	AC8 Practical actions		

## Notes

1. The connection among the 'Questions' under the COP with specific codification under the different areas of the Questionnaire, and the Ten Principles of the UNGC is facilitated by references in the Report (including the ESG performance statements). About connection to the SDGs, see the references to Tables 2.1, 2.2, 2.3, 2.4, and 2.5, of the ESG performance statements.
2. With reference the area of Human Rights: TITAN does not operate in or near areas of conflict, according to data of the Uppsala Conflict Data Program UCDP - see the web site: Uppsala Conflict Data Program (uu.se). In 2022 TITAN implemented a project for validating the existing materiality matrix on the level of each BU (see section "Focusing on material issues"), which enabled the engagement of TITAN's management in each country, and the due diligence on BU level with respect to human rights and indigenous peoples' rights and possible related conflicts. No matters of conflicts with respect to the above emerged or are expected. No new information on the subject matter was noted in the press/media in any of the countries of our operations. No incidents were recorded in 2022 concerning site shutdowns or project delays due to non-technical factors, such as those resulting from pending regulatory permits or other political delays related to community concerns, community or stakeholder resistance or protest, and armed conflict.

### Connection of KPIs and other disclosures with the SASB Standards

- With reference to above Note 4, we cover the requirements for reporting according to the SASB Standards for two topics (areas): "Security, Human Rights and Rights of Indigenous Peoples" and in more specific the metrics (KPIs) EM-MM-210a.1, EM-MM-210a.2, and EM-MM-210a.3, and "Community Relations", in more specific the metrics (KPIs) EM-MM-210b.1, and EM-MM-210b.2, concerning the discussion of processes to manage risks and opportunities associated with community rights and interests.
- Concerning the topic (area) of "Business Ethics and Transparency" and in specific the connection with the metric (KPI) EM-MM-510a.2, see supplement Table "Transparency International - Corruption Perception Index 2022".

## Transparency International - Corruption Perception Index

Countries with TITAN key operations sorted by Transparency International CP Index 2022

Country	CPI 2022 rank	Payment type	Change in rank <sup>2</sup>
Kosovo	84	87	▼

### Notes

1. According to the above Table there were no operations of TITAN's subsidiaries in countries with lower ranking than Egypt, in 2022. There were in total 45 countries which ranked lower, in positions between 136 and 180 in 2022. This disclosure covers the requirements for reporting according to the SASB Standards for 'Business Ethics and Transparency' and in more specific the metric (KPI) EM-MM-510a.2 'Production in countries that have the 20 lowest rankings in Transparency International's Corruption Perception Index'.

<sup>2</sup>. Symbols for the change in rank explained:

- ▼ Improving conditions in the country reflected by the decrease of rank
- ▲ Deteriorating conditions in the country reflected by the increase of x'.

INDEPENDENT  
LIMITED  
ASSURANCE  
REPORT

## Independent limited assurance report

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To the management of SharrCem SH.P.K.

### Introduction

The Board of Directors of SharrCem SH.P.K. (the “Company”) engaged Grant Thornton LLC Prishtina (“Grant Thornton”) to review the non-financial disclosures presented in the Annual Sustainability Report 2022 of the Company (further referred to in this Independent Limited Assurance Report as “the Sustainability Report”) for the fiscal year ended on 31 December 2022 (“selected data”), in order to provide limited assurance in relation to the criteria as described below (Scope of work). For the purposes of this Independent Limited Assurance Report, the selected data relate to the Company’s activity in 2022 and do not include information pertaining to other cooperating companies or third-party activities / performance.

### Scope of work

The assurance engagement has been planned and performed in accordance with the International Standard on Assurance Engagements 3000: Assurance Engagements other than Audits or Reviews of Historical Financial Information (“ISAE 3000”), in order to provide limited level assurance opinion on:

- ☒ The methodology of materiality assessment with regard to the guidelines of AA1000 Standard and more specifically the process followed by the Company with respect to identifying and prioritizing the most relevant Material Issues.
- ☒ The completeness and accuracy of qualitative and quantitative non-financial disclosures, in specific for the areas of Environment and Social performance and regarding the criteria applicable in 2022 on Group level, (the “Reporting Criteria”, as exemplified in the TITAN Group Integrated Annual Report 2022), which are aligned with the sectoral guidelines and reporting standards and with the specific framework guidance and reporting standards developed by TITAN Group. All disclosures for reporting on Environmental and Social Performance on BU level are aligned with the TITAN Group Standards, which are embedded into the processes in place. More specific the disclosure and indicators for:
  - Environmental Performance have been established in all material aspect in accordance with the Reporting Criteria, and in specific with the respective GCCA Sustainability Framework Guidelines,
  - Social performance, covering the following: Health & Safety, where TITAN BUs follow the GCCA Sustainability Framework Guidelines, People Development (for Training hours of Employees) and Community Engagement (according to the Group Target for all key operations having in place community engagement plans aligned with material issues for stakeholders and the Sustainable Development Goals).
- ☒ The consistency of qualitative and quantitative non-financial disclosures presented which provide evidence for adherence to the Ten Principles of the UNGC, and in specific for the areas of Environment and Social performance.

## Management responsibility

The Company SharrCem SH.P.K. is responsible for the preparation, presentation, completeness and accuracy of the non-financial data provided to us, as incorporated in the Sustainability Report. This responsibility also includes the selection and application of appropriate methods to prepare the Sustainability Report and the use of assumptions and estimates for the individual sustainability disclosures which are reasonable in the circumstances. Furthermore, the Company's Management is responsible for maintaining records and adequate internal controls that are designed to support the reporting process. In particular, the Company's Management is responsible for internal controls being designed and implemented to prevent the Sustainability Report from being materially misstated.

## 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 Ethical 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 Sustainability 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 Sustainability Report:

- Read the 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;
- Interviews with key personnel responsible for the preparation of the 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 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

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 Independent Limited Assurance Report and which arise from our mutually agreed methodology.
- No additional 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.

## Our Independence and Quality Control

Grant Thornton implements the requirements of International Standard on Quality Management 1. Based on this, it maintains an integrated quality control system that includes policies and procedures for compliance with moral principles, professional standards and relevant legal and regulatory requirements. We comply with the independence requirements and other ethical standards of the IFAC Code of Ethics for Professional Accountants of the International Ethics Standards Board for Accountants (IESBA), which is based on the fundamental principles of integrity, impartiality, professional adequacy, confidentiality and professional conduct. In this context, the assurance team is independent from the Company and has not participated in the preparation of the Sustainability Report.

## Limited assurance conclusion

Based on the procedures performed and evidence obtained, nothing has come to our attention that causes us to believe that there are any errors or misstatements that would materially affect the non-financial disclosures (including explanatory notes and relevant references) as presented in the Sustainability Report of SharrCem SH.P.K. for the year ended 31 December 2022. Moreover, nothing has come to our attention that causes us to believe that the non-financial data presented, are not prepared, in all material aspects, in accordance with the criteria mentioned above, in the "Scope of work" section.

Prishtina,

09 June 2023

Grant Thornton Sh.p.k., Prishtina



Suzana Stavrikj  
Statutory Auditor

# GLOSSARY

## FINANCIAL

**CAPEX:** is defined as acquisitions of property, plant and equipment, right of use assets, investment property and intangible assets.

**EBITDA:** corresponds to operating profit plus depreciation, amortization and impairment of tangible.

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## NON-FINANCIAL

**COP:** the Communication on Progress is intended as a mechanism to inform, in a standardized format of an annual report, company stakeholders (e.g., investors, consumers, civil society, and governments) on progress made in implementing the Ten Principles of the United Nations Global

**CSR Europe:** the leading European business network for Corporate Sustainability and Responsibility. The network supports businesses and industry sectors in their transformation and collaboration towards practical solutions and sustainable growth. The ambition is the systemic change; therefore, following the

**GCCA:** The Global Cement and Concrete Association is a CEO-led industry initiative established in 2018, representing the global voice of the sector. The GCCA took over the role of the former CSI Project of the WBCSD and has carried, since January 1 2019, the work programs and sustainable development activities of the CSI, with key objectives to develop and strengthen the sector's contribution to sustainable construction across the value chain, and to foster innovation in collaboration with industry, associations and key experts-stakeholders.

**IBAT:** The Integrated Biodiversity Assessment Tool, developed through a partnership of global conservation leaders including BirdLife International, Conservation International and IUCN, provides key decision-makers with access to critical information on biodiversity priority sites, to inform decision-making processes and address potential impacts.

**IIRC:** The International Integrated Reporting Council is a global coalition of regulators, investors, companies, standard setters, the accounting profession, academia and NGOs. The coalition promotes communication about value creation as the next step in the evolution of corporate reporting.

**SDGs:** the Sustainable Development Goals are a collection of 17 global goals designed to be a "blueprint to achieve a better and more sustainable future for all". The SDGs, set in 2015 by the United Nations General Assembly and intended to be achieved by the year 2030, are part of UN Resolution 70/1, the 2030 Agenda.

**UNCTAD:** The United Nations Conference on Trade and Development is a United Nations body responsible for dealing with economic and sustainable development issues with a focus on trade, finance, investment and technology, in particular for helping developing countries to participate equitably in the global economy.

**UNGC:** the United Nations Global Compact is a voluntary initiative based on CEO commitments to implement universal commitments to implement universal take steps to support UN goals. 'Ten Principles' are derived from the Universal Declaration of Human Rights, the International Labour Organization's Declaration on Fundamental Principles and Rights at Work, the Rio Declaration on Environment and Development, and the United Nations Convention Against Corruption.

**WBCSD:** the World Business Council for Sustainable Development is a global, CEO-led organization of over 200 leading businesses working together to accelerate the transition to a sustainable world, helping member companies to become more successful and sustainable by focusing on the maximum positive impact for shareholders, the environment and societies.





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