

SHARRCEM

a  TITAN Group Company

CSR AND SUSTAINABILITY ANNUAL REPORT 2019

www.sharrcem.com

 contact@sharrcem.com

 www.sharrcem.com

 Adem Jashari 280
71510 Hani i Elezit
Kosovo

 +383 290 385 500

 +383 290 385 510



Sharrcem SH.P.K.
**CSR AND
SUSTAINABILITY
ANNUAL REPORT**
2019



ABOUT THE REPORT

Since 2018, Sharrcem is fully aligned with TITAN Cement International S.A. (in short: TITAN Group) Global Sectoral Approach in: monitoring, reporting and verifying its environmental, social and governance performance. Sharrcem also introduced the Sustainability Performance KPIs Index, covering an extensive number of performance indicators related to its material issues and Sustainable Development Goals 2030 and will use them in defining its approach for reporting in the future.

This Report complies with TITAN Group sustainability reporting standards as defined in reference to the implementation of the principles of the International Integrated Reporting Council (IIRC), the UN Global Compact Communication on Progress Guidelines, the Global Cement and Concrete Association Guidelines (GCCA), and the UN Sustainable Development Goals (SDGs) 2030. This Report is assured by independent Business Assurance Company at Advanced Level of Communication on Progress, in accordance with the UNGC criteria.

Sharrcem also integrated in its approach the Guidance of the United Nations Conference on Trade and Development (UNCTAD) for connecting its reporting on Sustainability with Targets for the SDGs, thus following the TITAN Group approach. For more information about the TITAN Group Global Sector Approach and Standards please visit 2019 TITAN Group Integrated Annual Report: <https://www.titan-cement.com/newsroom/annual-reports/>.

In October 2019, TITAN Group updated its internal sustainability glossaries and guidelines for social performance, and environmental performance in order to align them with the development of new internal Group -wide reporting systems, in specific the TITAN Group Human Resources Management System (GHRMS) aligned with the GCCA Sustainability Charter and Framework Guidelines.

The two documents are accessible for all TITAN Group operations through the Group's social and environmental data collection systems - "CSR Databank", and "EPIs Database", used to manage key performance indicators on health and safety and environmental considerations.



This is the 8th consecutive Sharrcem CSR and Sustainability Annual Report (henceforth the: 'Report'), which covers the period from January 1st until December 31st 2019. The Non-Financial Performance Overview and statements were independently verified by Grant Thornton. The adequate procedures were carried out to provide limited assurance of this report with "International Standard on Assurance Engagements (ISAE) 3000.

The title 'Sharrcem' in this Report implies the combined and integrated operations of the Sharrcem SH.P.K. cement plant and the integrated and related quarry (ies). It also encompasses the operation of the fully owned subsidiaries "Esha Material LLC" and "Kosovo Construction Materials LLC" managing respectively the terminals of "Cement Plus" (in Lipjan), Duhle and Klina Terminals, with regard to the production of quarry raw materials, and the distribution of cement and cementitious products.

The term Sharrcem is used throughout the Report for denoting the above for simplicity purposes. This Report includes the consolidated figures, of the non-financial information regarding Sharrcem's environmental performance, social performance, and governance.

We acknowledge that our parent company 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 consolidate our support for this initiative fully under our 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.

WE SUPPORT



CONTENTS

About the Report	04
2019 Highlights	08
Message from the Managing Director	10
Titan Global Presence and Sharrcem Economic Activities	14
1. OVERVIEW	16
About Sharrcem	18
Transformation Process	19
Timeline History	20
About TITAN	22
Delivering Value for All	25
Focus on Sharrcem	26
- A. Financial Performance	26
- B. Non-Financial Performance	26
Materiality and Stakeholders Engagement	27
Targets 2020	30
Corporate Governance and Risk Management	31
Sustainability through Certified Systems	36
Products and Business Partners	37
- Customers	37

- 2. HUMAN AND SOCIAL CAPITAL ----- 40**
 - Occupational Health and Safety ----- 42
 - Our People: Development and Engagement Programs ----- 47
 - Engagement with Local Stakeholders ----- 56
 - Contractors ----- 58
 - Laboratory For Business Activities (LAB) ----- 59
 - Independent Local Advisory Board (BOPAL) ----- 68
 - Other Engagement Activities ----- 69
 - Social Contributions ----- 75

- 3. CONTRIBUTION TO KOSOVO'S TRANSITION ----- 76**
 - Human Rights ----- 78
 - Code of Conduct; Policies and Procedures; Supply Chains and SA 8000 ----- 78
 - Suppliers ----- 79
 - Collaboration with National and International Organization and Networks ----- 80

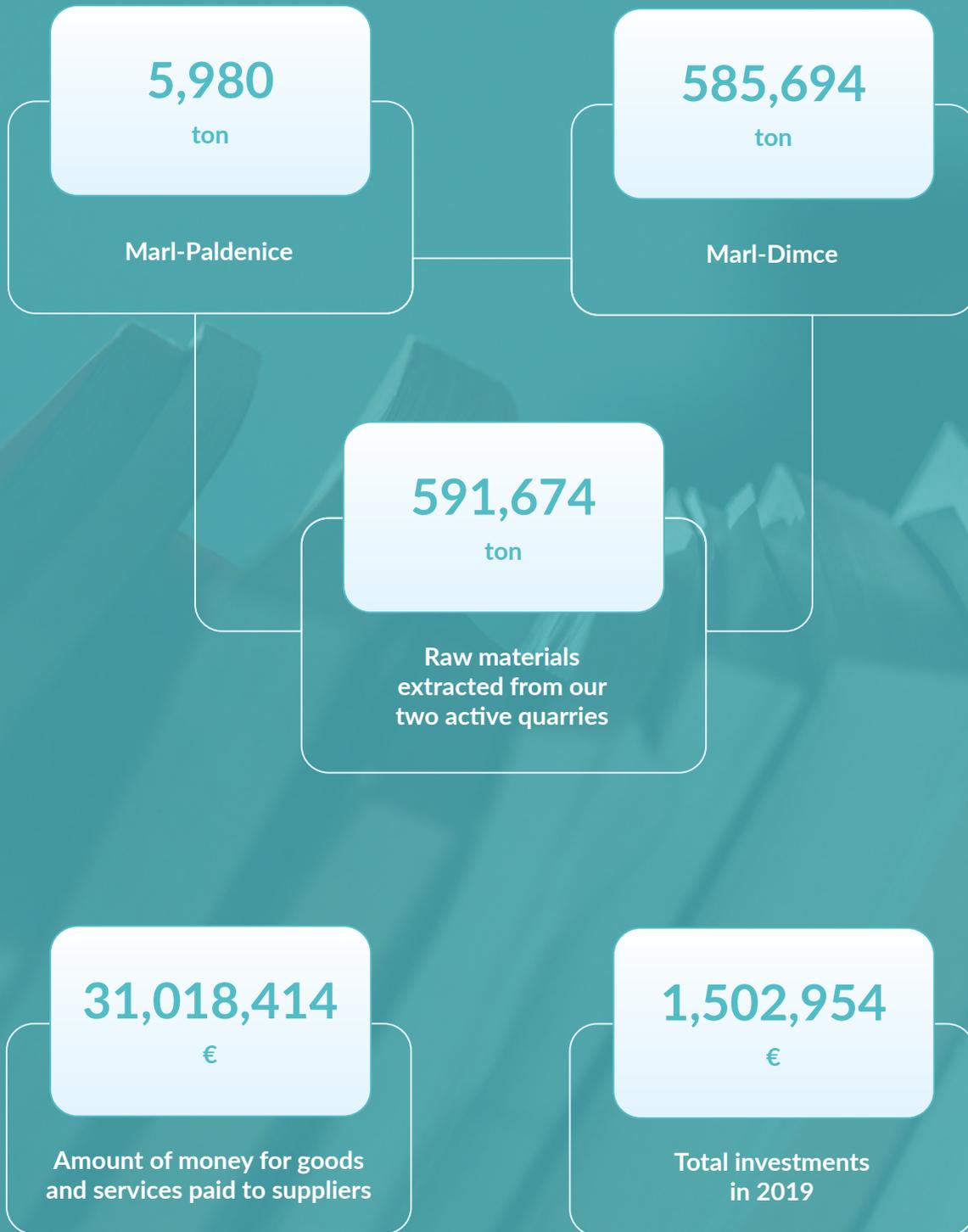
- 4. NATURAL ENVIRONMENT ----- 86**
 - Sharrcem's Integrated Environmental Management ----- 88
 - Improvements for the Environment ----- 90
 - Quarry Rehabilitation and Biodiversity ----- 90
 - Circular Economy as part of Sharrcem's Operations ----- 91
 - Environmental Performance ----- 92
 - Climate Change ----- 93
 - Water Management ----- 94
 - Waste Management ----- 96
 - Awareness through Trainings ----- 97

- 5. INDEPENDENT LIMITED ASSURANCE REPORT ----- 98**

- 6. GLOSSARY & ANNEXES ----- 102**



2019 HIGHLIGHTS



51,682

€

Local taxes (municipal
and property, paid)**274,396**

€

Income corporate
taxes**208,082**

€

Employee pension
contributions, paid
(5% of contribution
paid from Sharrcem)**697,104**

ton

Total cement
production**176,071**

€

Total investment,
(social benefits)

MESSAGE FROM THE MANAGING DIRECTOR



THOMAS GLAVAS

Managing Director

Dear Stakeholders,

Considering myself as deeply honored for having the privilege of introducing to your good selves the 2019 Report, I would like to use this opportunity in order to share with you the main CSR and Sustainability activities of Sharrcem SH.P.K. - operating as an affiliated member of TITAN Group of Companies. Paying an outmost respect to Company policies and living the values of our Group, which are at the core of who we are and guide whatever we do, we remain focused on close partnership with all our stakeholders, including but not limited to our employees, customers, suppliers, service providers and the communities in which we operate, constantly aiming to continue serving their interests and long-term expectations, whilst being always aligned to our business priorities for creating value to the society, both by adopting ethos as the absolute principle

governing our business practices as well as by enhancing clarity as the most efficient and productive way of communication.

Driven by our initiative to promote continuous self-improvement, transparency, proficiency and excellence in core competencies, we are always developing internal plans of actions and regularly updated them in order to follow the varying conditions that may be occasionally prevailing, in a straight forward way that can meet the need for implementing targeted activities and projects, aiming to encourage the engagement of our stakeholders, to develop a healthy and safe working place, to optimize our environmental footprint and to facilitate our long-term business sustainability.

In this respect and throughout its' long history, TITAN has been successful in delivering business results for the

shareholders, but with respect to people, society and the environment, whilst always combining operational profitability with sustainable growth and sharing the raised value with the stakeholders at all levels. To this effect, collaborative actions have been in place so far, in terms of an active participation and in some case of even a leadership, in a number of National, European, International and Sectoral initiatives, such as the Corporate Social Responsibility (CSR) Europe and the Kosovo CSR Network and Global Cement & Concrete Association focusing on SDGs

Since its' initial acquisition by TITAN Group back in 2010, Sharrcem has invested more than forty (40) million euros for the necessary technological upgrade of the installation, the introduction of best available production techniques and the application of high standards at all operating levels, whilst a significant part of this heavy investment program was designed and implemented in order to improve our environmental footprint, following which Sharrcem managed to not only fully meet the European environmental standards, but also to perform in excess of the standards required by Kosovo legislation.

The company applies certified Management Systems according to international standards systems (ISO, IPPC and ASI) and discloses annually sustainability performance voluntarily, enabling open and transparent communication with all stakeholders and initiating on-going progress at all fronts.

Since 2016, Sharrcem is also certified with Social Accountability International Standard Certification SA 8000, as one more step towards fulfillment of our continuous dedication to manage through certified systems, periodically witnessed and verified by external authorized organizations, so as to safeguard the principles of good governance and transparency. In the local level and being the sole local cement producer and leading supplier of Kosovo market, Sharrcem is currently employing almost 250 direct and more than 200 indirect employees, continuously being among the major employers and top tax payers in Kosovo.

It is also noted that up to the end of 2019 and following our social responsibility and sustainability practices, we have already invested about 7.3 million euros for environmental protection projects, drastically improving our operations' footprint accordingly, whilst our contributions to the local society of Hani i Elezit has already amounted to approximately 1.9 million euros so far, including direct and indirect financial support, materialization of infrastructure projects as well as municipal taxes.

On top of that, the numerous private property transactions that continued to be in place, along with our intense operational activities, have created valuable income for the local individuals and companies so far, thus contributing even further to the economy of the local Municipality and the well-being of its' citizens. In order to take further steps towards increasing the effectiveness of our social performance, certain actions were taken during 2019 within the framework of our CSR and Sustainability strategy, namely:

- Driven by our orientation to the UNGC Ten Principles, we are collaborating at both local and global level towards the achievement of the Sustainable Development Goals 2030, in accordance with our commitment under the UN Global Compact. This year our report has been assured by independent Assurance Company at Advanced Level for the Communication on Progress, in accordance with the UNGC Criteria.
- Following our initiative for making our organization a better place to work, we have launched a TITAN Group Employee Survey, inviting all employees to participate and provide their feedback, whilst sufficiently assuring them that all responses would be anonymous and confidentially treated.
- Dedicated to providing material support to initiatives that can contribute to promote the cultural activities, we have donated a part of our own land property to the Municipality, in order to be used for the erection of a Youth Center, also providing technical assistance during the site construction.

Generally speaking, several going forward steps are required in order to establish mutual trust and confidence between businesses and stakeholders. The most effective path towards this scope is passing through the social accountability, the sustainable growth, the people-oriented benefit creation, as well as the close cooperation with related interested parties, all of them exercising their best to avoid acting as opponents and be aligned to this combined effort as creative and supportive partners.

This is the behavior that contributes to an advanced level of social development and this is exactly the attitude we follow, being always determined and dedicated to earn the acknowledgement and enjoy the social license to operate.

Closing this message, a specific reference is made to a “post - balance sheet” event, namely the recent pandemic and the business care taking measures that have been in place in order to deal with the associated risks involved, in both TITAN Group worldwide and Sharrcem local level.

Early in March 2020, due to the rapid spread of COVID-19 virus, in most countries large-scale social-distancing measures have been imposed, disrupting the global economy and resulting in downfall in demand. From the emergence of the coronavirus crisis, TITAN has taken measures to protect the health and safety of our people and to ensure operational continuity and satisfaction of our customer needs.

The health and safety of our staff, customers and suppliers is a top priority and several precautionary measures have been taken to this effect. Business continuity plans have also been implemented and all our cement manufacturing plants and other integrated activities' businesses remain operational.

Although we have yet to see any significant impact on our operations and the first quarter's sales volumes were at normal levels, it is inevitable that as the COVID-19 crisis is spreading, we will also be impacted in the short term.

The construction and building materials sectors are, in the short term, less exposed to this crisis, as according to Moody's they are “low risk” sectors, but, nevertheless, are also expected to suffer from reduced sales volumes, particularly and more severely in Q2.

The Titan Group has created contingencies and flexibilities and have strengthened our liquidity position to four hundred (400) million euros in combination of cash and committed bank credit facilities.

The Group management believes that, although COVID-19 may have a significant impact on the Group's operations in 2020, such impact will be absorbable and the Group can weather the storm and temporary decline in profitability.

In the light of the above the Management of Sharrcem remains vigilant, and we work closely with the Group Finance and other Corporate functions of TITAN Group for exploring best strategies to mitigate the impacts and ensure business continuity in all aspects, including the Sustainability of our communities.

Thank you,

Thomas Glavas
Managing Director



SHARP

TITAN GLOBAL PRESENCE AND SHARRCEM ECONOMIC ACTIVITIES

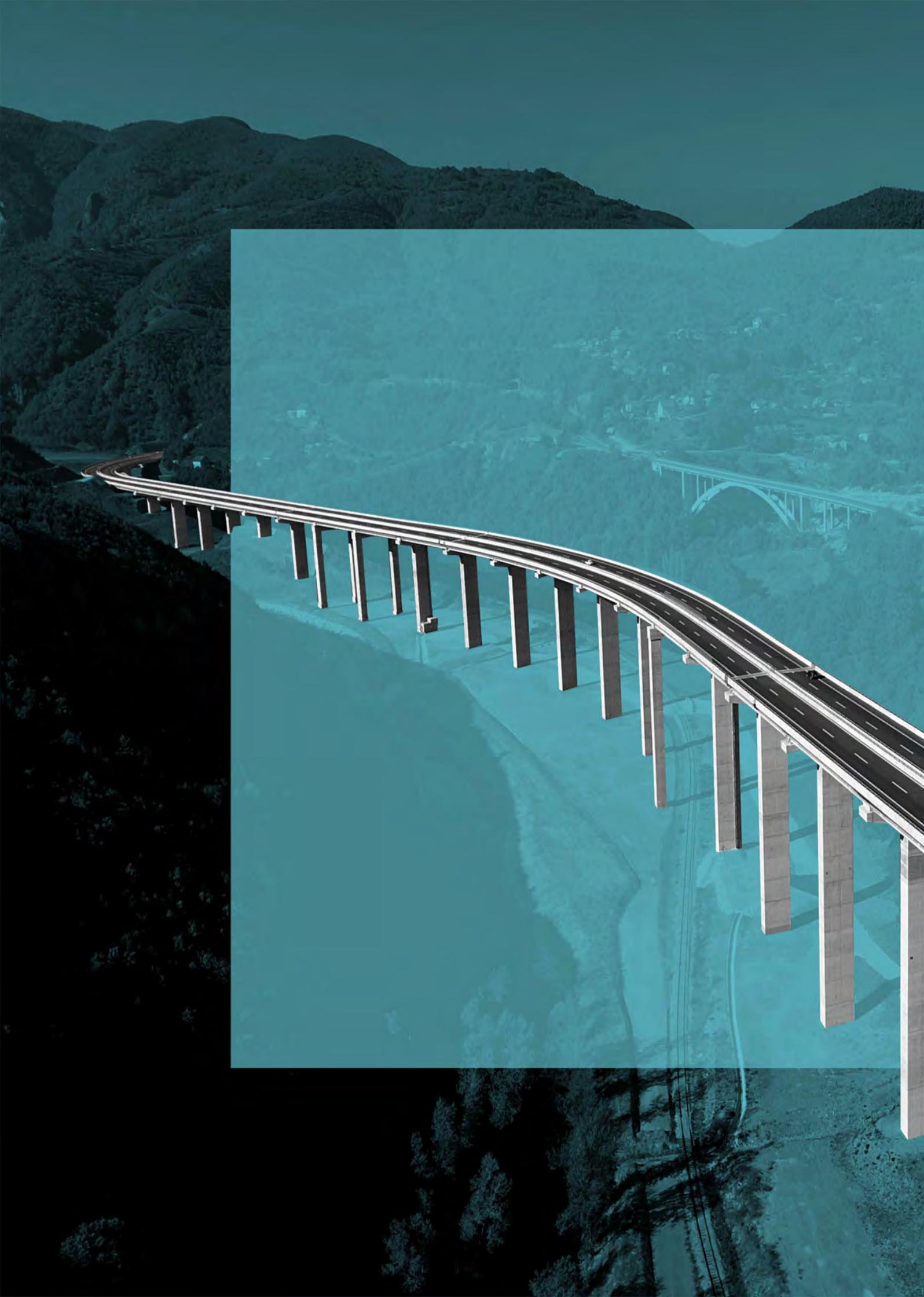
Sharrcem SH.P.K.
Adem Jashari 280
71510 Hani i Elezit
Kosovo
Tel. 00383 290 385 500
Fax. 00383 290 385 510
contact@sharrcem.com

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

Associate and joint venture name	Country	Nature of business	Comment
Sharr Beteiligungs GmbH (2)	Germany	Investment holding company	Sharrcem is owned 100% by SHARR BETEILIGUNGS GmbH of Hamburg, Germany, a member of TITAN Group
Cement Plus LTD (2)	Kosovo	Trading company	Owned by Sharrcem SH.P.K.
Esha Material LLC (2)	Kosovo	Quarries & aggregates	Owned by Sharrcem SH.P.K.
Kosovo Construction Materials L.L.C. (2)	Kosovo	Quarries & aggregates	Owned by Sharrcem SH.P.K.

The independent limited assurance report is issued by an independent auditor, Grant Thornton. It is included in the CSR and Sustainability Annual Report of 2019 and is available online at our webpage: www.sharrcem.com

You may enter the link of the 2019 Report by scanning the QR code with your mobile device. Your feedback regarding our performance presented in this Report is very important to us as we consider this Report a tool to help us combine focus and interests, and to effectively contribute to a shared growth between business and society.





1. OVERVIEW

ABOUT SHARRCEM



Sharrcem, is a company with 84 years of industry experience and being acquired in 2010 by TITAN Group, a company with 117 years of industry experience and driven by its commitment to sustainable growth, it has significantly upgraded its technology and techniques for the production of raw materials and cement and initiated the application of high standards, integrated at all operating levels, whilst, social responsibility and sustainability practices remain as the integral components of our day to day work and professional behavior, as initiatives incorporated in the way we run our business.

Sharrcem is a member of the European Investors Council, Kosovo CSR Network, Kosovo-German Chamber of Commerce and Kosovo Chamber of Commerce.



TRANSFORMATION PROCESS



The Group's readiness and willingness for investments to further improve Sharrcem's operational conditions continued in 2019. Significant amounts of financial and technical resources were allocated in upgrading and modernizing the cement production line and associated machinery from the first day after TITAN's acquisition, resulting in Sharrcem being the first company in the country to have received the Integrated Pollution Prevention and Control - (IPPC) Permit. This permit was established by the European Union and issued by the Kosovo Government.

Also, through the establishment of the Laboratory for Business Activities - (LAB) project, offering financial and technical support to efforts to create and support small and medium enterprises, we have been able to address some of the most critical issues that matter to our community.

We continue to work very hard in order to remain a leading company in terms of maintaining high standards in production line processes, with regular significant investments made in the interest of the health and safety of our employees, contractors, and business partners as well as environmental protection.

TIMELINE HISTORY

1936	Foundation of the 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 schedule and a ten year lease period begins.
2010	TITAN Group acquires Sharrcem and launches an ambitious modernization program to meet international standards in quality, technology and environmental protection.
2011	Sharrcem takes a leading role in the foundation of the Kosovo CSR Network and commits to modernization of investment in full swing.
2012	Sharrcem completes the first phase of the technological upgrade and improves its efficiency and environmental footprint. The plant receives its first certification for quality ISO 9001 and implements a CO ₂ Management System. The company serves mainly the market of Kosovo with occasional sales in North Macedonia and Serbia.
2013	Sharrcem is additionally certified according to the ISO 14001 - Environmental Management System, and the OHSAS 18001 - Occupational Health and Safety Management System. Beyond certifications, Sharrcem received important awards for its CSR initiatives in 2013. The company implemented a web-portal for public disclosure of emissions, incidents and CSR reporting. In terms of technology, the upgrade of process automation and full introduction of (EAMS) - Enterprise Asset Management System was completed. First CSR Report publication and CSR Audit by a certified third party organization (DNV) was issued.
2014	Sharrcem received the IPPC permit - the first one ever issued in the country. Furthermore, Sharrcem launched the World Business Council/CSI project for incorporating its guidelines on contractors and traffic safety. Similarly, in respect of health and safety, the company organized the first NEBOSH course on Operational Health and Safety in Balkans (excluding Greece), held in Kosovo. A groundbreaking design for the full automation of the clinker hall cranes operation was completed, as an innovative solution that eliminates both hazardous working positions and fugitive dust, while numerous stakeholder engagement activities were conducted, in terms of its ambitious investment program aiming to produce fuel locally. Financing of LAB was implemented, to facilitate its' first operating year, including support in providing the necessary administrative resources.

2015	<p>Sharrcem introduced 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-SME's successfully placed their product in the market. TITAN Group joined Pact 4 Youth in Brussels, and Sharrcem representatives had the pleasure to be part of the event.</p>
2016	<p>Sharrcem was additionally certified with the SA 8000 standard. This standard supports social responsibility and accountability, by ensuring the implementation of reliable systems designed to protect people and community. In addition, during this year, two projects were completed. The new stretch hood machine for covering the pallets was installed successfully and the operations started immediately, thus - improving customer service. Meanwhile the wastewater treatment plant (WWTP) - a major investment aiming to improve the quality of water outflows, comprising a concern for the environment, the health of Sharrcem employees and the nearby community. In an effort to ensuring our employees' safety, wellbeing, as well as their personal and professional development, the VDZ - online course training program was offered for employees in the cement industry, incorporating blended learning methods.</p>
2017	<p>Our main sustainable local community project, LAB, received two grants: 1. Empowerment of Agroforestry Sector in Hani i Elezit - a grant received from (USAID) Agricultural Growth and Rural Opportunities (AGRO) for the project aiming to expand support for 15 new startup businesses; and 2. Farm Diversification in Milk Processing - a grant received from the Ministry of Agriculture, Forestry, and Rural Development (MAFRD) - for the project aiming to improve the diversification of the farm and further development of its business. Due to investments made and owing to the high working performance of our people, the highest record as of 1936 was reached during this year in terms of quantity of cement production. During this reporting year, Sharrcem was awarded best taxpayer in the country, and our Health and Safety Manager was the first one certified from the Government of Kosovo in the field of health and safety.</p>
2018	<p>Sharrcem's employees benefitted from the full roll out of the "unTe people" platform and the launch of the diversity and inclusion action plan by the Group in 2018. During this reporting year, Sharrcem received many awards and recognitions from different institutions and NGOs for its commitment to health and safety, environmental sustainability and CSR.</p>
2019	<p>Sharrcem was recertified with SA 8000, and this certificate is valid up to April 2022. Two new youth initiatives were also introduced: 1. Market assessment for employment opportunities, by Sharrcem through LAB, in collaboration with Business Process Outsourcing Sector; and 2. Land given/donated to the Municipality of Hani i Elezit in order to build/construct the culture house for the youth. As part of our continuous effort to ensure our staff's safety, wellbeing and professional development, in 2019 Sharrcem organized trainings for its employees, provided through the Austrian Institute of Excellence. Our main CSR project, LAB, was also recognized as a best practice by the International Journal of World Economics. Sharrcem received an award for health and safety commitment during the European week for health and safety at work.</p>

ABOUT TITAN



An overview of TITAN Group in a changing global landscape. TITAN's approach to value creation for its stakeholders and to corporate governance.

A CHANGING GLOBAL LANDSCAPE

With the global landscape marked by accelerating shifts, we are actively monitoring the new dynamics described below. We are rising to the challenge and are participating, in collaboration with our stakeholders, in the efforts to effectively address the major challenges that the cement industry is facing today.

SUSTAINABLE INFRASTRUCTURE DEVELOPMENT

According to the United Nations, 68% of the world population is projected to live in urban areas by 2050, up from 55% today.

The continuous shift in residence from rural to urban areas presents society with the pressing challenge to build the necessary infrastructure to accommodate people's needs, including shelter, transportation and energy systems. Given other global challenges, such as climate change and the depletion of natural resources, urban development cannot happen without addressing these serious sustainability considerations. Society expects that all those who are responsible for building the world of tomorrow will respond and play their part today.

Cement use is set to rise and the cement industry has a significant role to play, contributing through innovation to the shaping of sustainable and livable cities, in collaboration with all relevant stakeholders; local authorities, regulators, communities, business partners and customers.

INCREASED SOCIETAL EXPECTATIONS REGARDING SUSTAINABILITY

Sustainability is becoming more important for all companies, across all industries. A sustainability strategy is essential for any company seeking to be competitive today and to foster its longevity. Following the call to action of the UN Sustainable Development Goals for 2030 (SDGs), an increasing number of companies are aligning their goals with the SDGs and are measuring, managing and disclosing their sustainability risks and opportunities. What started as a voluntary pledge is gradually becoming mandatory, as investors are taking due account of environmental, social and governance (ESG) considerations when making investment decisions, and society at large has greater expectations of ESG commitment and transparency from the private sector. Aiming to identify its potentially high ESG impact and efficiently manage the related risks, the cement industry has introduced and is continuously updating sustainability guidelines, through the Global Cement and Concrete Association (GCCA), while many companies are reporting their non-financial performance in accordance with global and national practices. These practices are in turn also evolving to address the increasing transparency and accountability requirements of stakeholders.

BUSINESS APPROACH

Building on 117 years of industry experience and driven by its commitment to sustainable growth, TITAN has become an international cement and building materials producer, serving customers in more than 25 markets worldwide through a network of 14 cement plants in 10 countries, as well as quarries, ready-mix plants, terminals and other production and distribution facilities.

SUSTAINABILITY DEVELOPMENT GOALS (SDGs)

Among the 17 SDGs 2030, TITAN has identified in 2015 four as most relevant to our business and eight as complementary to our main priorities, as per the table below, and we have linked our 2015 material issues and 2020 sustainability targets to most of them. We map TITAN's contribution to all SDGs throughout the 2019 IAR and in more detail in the non-financial statements. Following the materiality assessment outcomes in 2019 we work on setting targets for all material issues, in alignment with SDGs 2030.

SDGs MOST RELEVANT TO OUR BUSINESS



SDGs COMPLEMENTARY TO OUR MAIN PRIORITIES



TITAN GROUP VALUES

The Group Values are at the core of what TITAN is; they guide of TITAN's strategy and provide the foundations for all its operations. They have provided to its people with a strong bond and supported the growth that has sustained TITAN for over a century, stemming directly from the principles, beliefs and vision of its founders back in 1902. They remain the solid basis of TITAN's culture and family spirit.

 <p>INTEGRITY</p> <ul style="list-style-type: none"> ▪ Ethical business practices ▪ Transparency ▪ Open communication 	 <p>DELIVERING RESULTS</p> <ul style="list-style-type: none"> ▪ Shareholder value ▪ Clear objectives ▪ High standards
 <p>KNOW-HOW</p> <ul style="list-style-type: none"> ▪ Enhancement of knowledge base ▪ Proficiency in every function ▪ Excellence in core competencies 	 <p>CONTINUOUS IMPROVEMENT</p> <ul style="list-style-type: none"> ▪ Learning organization ▪ Willingness to change ▪ Rise to challenges
 <p>VALUE TO THE CUSTOMER</p> <ul style="list-style-type: none"> ▪ Anticipation of customer needs ▪ Innovative solutions ▪ High quality of products and services 	 <p>CORPORATE SOCIAL RESPONSIBILITY</p> <ul style="list-style-type: none"> ▪ Safety first ▪ Sustainable development ▪ Stakeholder engagement

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

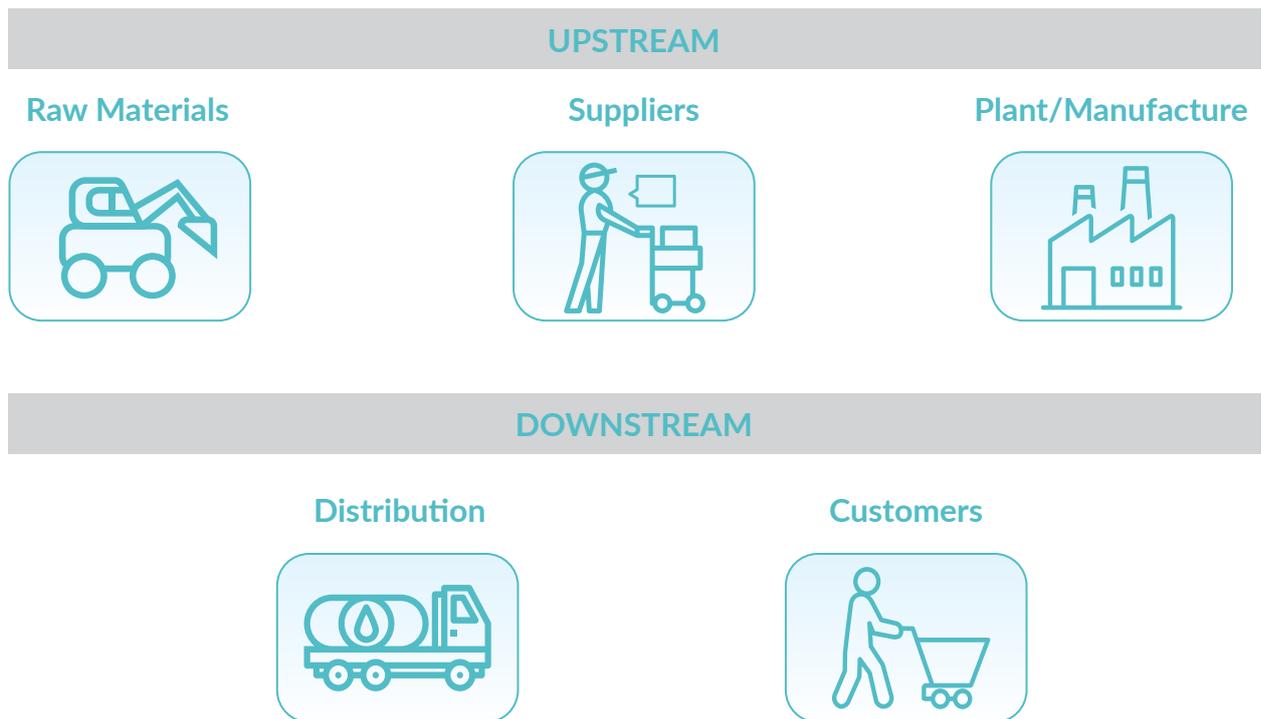
DELIVERING VALUE FOR ALL

Drawing the inspiration from our mother company to draw on, transform and add to the capital resources to provide the products and services and achieve sustainable business growth, creating value for all our stakeholders and contributing to the attainment of the global sustainable development goals, we remain determined on contributing to the prosperity of the country both by conducting our business based on best international industry standards and by taking initiatives and assuming responsibility towards fostering a fair and transparent market. We consider our own growth sustainable only when it is accompanied by a proportional growth of our community and the society at large.

VALUE CHAIN

Sharrcem’s business activities are carried out by the company itself, or by subsidiaries wholly owned company. These activities cover the production, transportation and distribution of cement, fly ash, and other raw materials.

At our cement plant in Hani i Elezit, we crush, grind, heat and cool raw materials to produce clinker, which is then processed further to produce cement. At our two active quarries (Dimce and Paldenice), we extract raw materials such as limestone.



CSR

Corporate social responsibility is one of our mother’s company values and underlines its enduring commitment to engage with stakeholders for sustainable development. The CSR policy focuses on understanding material issues for key stakeholders and delivering value for all, using available resources, thus, Sharrcem’s business practices are guided and based on TITAN values and code of conduct.

FOCUS ON SHARRCEM

A. FINANCIAL PERFORMANCE, MAIN FIGURES IN SUMMARY

Turnover	42,007,011 €
Total Assets	54,163,247 €
EBITDA	10,678,352 €
Profit (loss) after Taxes	4,278,655 €
Capital Expenditure	1,502,954 €
Investments in Environment and Occupational Health and Safety	245,405 €

B. NON-FINANCIAL PERFORMANCE

Sharrcem's commitment to operate based on Group values from the beginning has proved that sustainability remains one of the most important components of the way that we do business. We regularly seek new ways for mitigating our environmental footprint, enhancing our safety culture, and engaging the community. We remain involved in the most up to date sustainability initiatives in which TITAN is an active member.

Engagement and communication with our stakeholders in a direct and transparent manner helped us establish shared values and contribute to sustainable growth. We take care of our employees and we continue to invest in their development.

We protect human rights, affirm decent work conditions, and promote safety and health of people within the plant and in the area of all our activities.

For more details on non-financial disclosure, please see the ANNEXES as per the following tables with three-year history of consolidated data (2017-2018-2019) related to relevant SDGs (Sustainable Development Goals) 2030 in a standardized and concise manner:

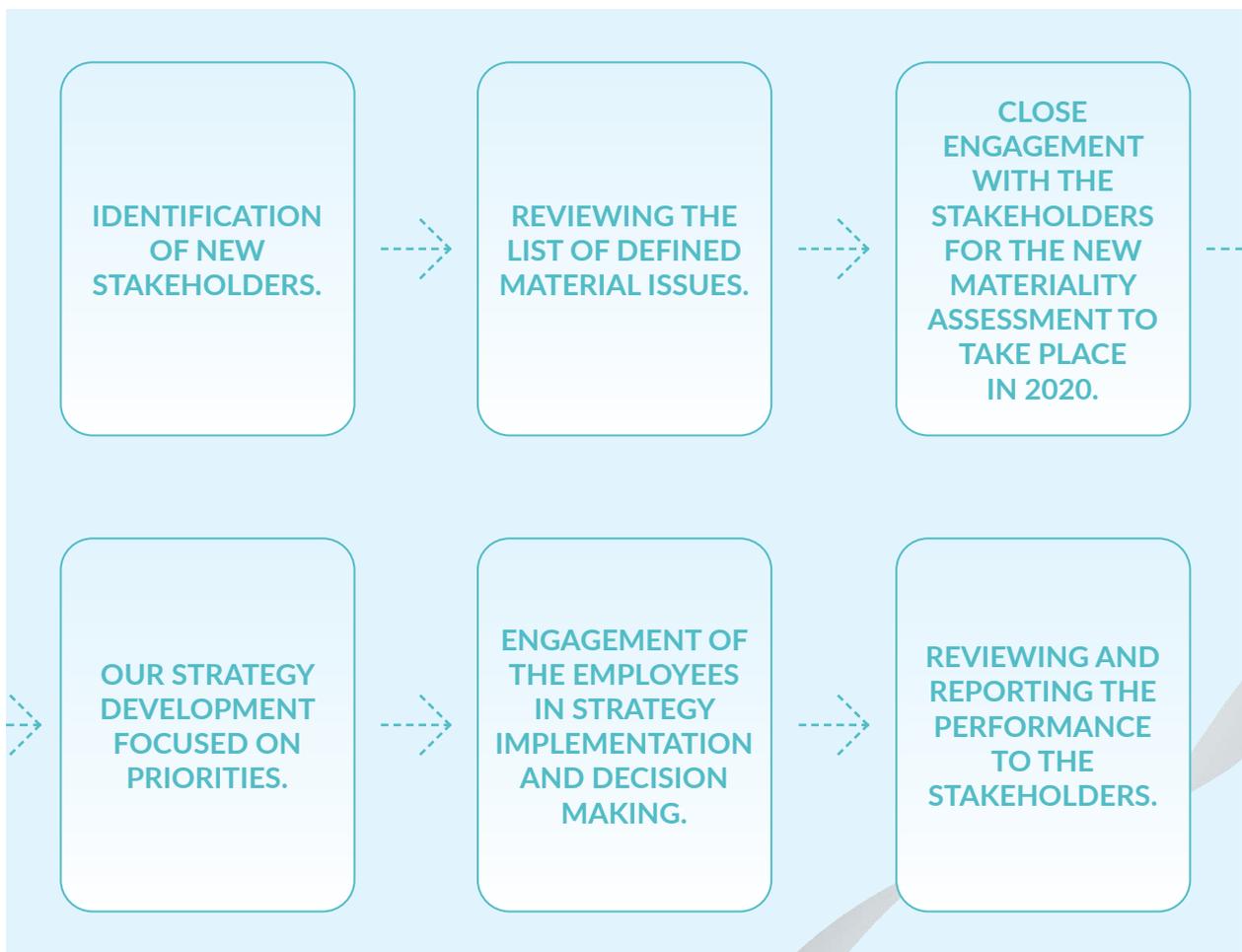
1. Environmental Performance Index.
2. Social Performance Index, which includes as 'cardinal' the Safety Performance KPIs, the Employment and People Development KPIs, as well as the Stakeholder Engagement KPIs.

MATERIALITY AND STAKEHOLDERS ENGAGEMENT

Through continuous communication, we stay close and engaged with our stakeholders. Listening and responding to their concerns is considered a driving force in our efforts to effectively meet corporate social responsibility challenges. In addition, following the principles of proximity, relevance and materiality, our company has included employees, local communities, customers, suppliers, civil society and Governmental authorities in the list of key stakeholders. Different initiatives in collaboration with our stakeholders have been initiated for sustainable growth.

COLLABORATION AND PROCESS OF ENGAGEMENT

At any moment, in any stage, in every plan and strategy, collaboration and cooperation with our stakeholders represents a key element of our daily business, as we consider close cooperation and communication with our stakeholders crucial to planning and reacting accordingly. We also continue to strive to improve our organization through the implementation of certified systems that enable keeping track of and reporting our sustainability performance and are obviously connected with our values and sustainable growth priorities. The process of our engagement with our stakeholders includes:



THIS TABLE SUMMARIZES THE OUTCOMES OF STAKEHOLDERS DIALOGUE AND ENGAGEMENT

KEY STAKEHOLDERS	ENGAGEMENT PROCESS	KEY ISSUES PER STAKEHOLDER GROUP
Employees - Unions	<ul style="list-style-type: none"> Employee opinion survey 2019 Dinner with all employees Collective agreement Different acknowledge events Whistleblower policy Grievance mechanism Hot lines Communication days, etc. 	<ul style="list-style-type: none"> CSR Occupational Health and Safety; Inclusion (communication, participation, recognition)
Customers	<ul style="list-style-type: none"> Meetings Open door for visits Interviews Studies Grievance mechanism 	<ul style="list-style-type: none"> Close collaboration Quality products and services Sustainable construction
Contractors	<ul style="list-style-type: none"> Meetings Open door for visits Information letters 	<ul style="list-style-type: none"> Occupational Health and Safety Close collaboration Skills and competences
Communities	<ul style="list-style-type: none"> Meetings Open days Interviews Studies Forums Workshops 	<ul style="list-style-type: none"> Health and Safety Local environmental impacts
Suppliers	<ul style="list-style-type: none"> Meetings Interviews Study visits Information letters 	<ul style="list-style-type: none"> Close collaboration Transparency Future growth
Local authorities	<ul style="list-style-type: none"> Programs Meetings Interviews Studies Open days Forums, and Workshops 	<ul style="list-style-type: none"> CSR - Community support and development/infrastructure Future growth and employment

MATERIAL ISSUES IDENTIFIED FOR SHARRCEM

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

TARGETS 2020

Sharrcem has further improved its sustainability performance in 2019, specifically in the areas of: health and safety, environmental protection and employment, as presented in the sustainability KPI's index (see ANNEX "A"). Our commitment for the continuous improvement with respect to local impacts, and our continuous engagement with our key stakeholders with specific initiatives and actions which aim at strengthening the sustainability of local communities are crucial elements of our business strategy. Under this framework Sharrcem has achieved most of its targets with horizon 2020, for the environmental and social performance, thus positively contributing to the achievement of the respective TITAN Group targets for 2020. Future outlook: A new target-setting process is underway in 2020 on Group level and also on BU level, for committing to new targets for sustainability with horizon 2025. One of the key areas for the sustainability performance of Sharrcem is the contribution to the sustainability of our communities. In this respect, and as published in the TITAN Group IAR 2019 - (page 78): In 2019, we continued to analyze our impact at local level and we expanded the methodology provided by UNCTAD to estimate local spend. By setting the criteria aligned with our business model and sustainability strategy to encourage the focus on material issues in our community engagement initiatives, we launched a new web-based platform for self-assessment of all actions already taken following stakeholders feedback. Sharrcem will be actively participating to the assessment of our (BU) initiatives and actions for community engagement in 2020, by responding with input inside the Group platform, being a new module of the Group data collection system (TITAN Group CSR Databank).

NEW MATERIALITY ASSESSMENT

TITAN opened a new cycle of materiality assessment at Group level in order to incorporate up-to-date stakeholder perspectives in our strategic planning and we are going to publish our new materiality matrix and sustainability targets in 2020. TITAN's main priority is the reduction of the carbon footprint of our own operations and our participation in the de-carbonization of the construction value chain, contributing towards the global effort of climate change mitigation. The Group expects to meet its 2020 target of a 20% reduction of specific emissions compared to the base year 1990 with a short delay, due to regulatory and market conditions that influence product and fuel mix. Furthermore, TITAN continues to invest in setting the foundations for continuing long-term success: mitigating the risks and leveraging the opportunities that climate change creates for our business, taking advantage of the possibilities afforded by the digital revolution, and continuing to build on our long tradition of stakeholder engagement. Sharrcem will open the new materiality assessment cycle on Business Unit (BU) level in 2020, and the outcomes for the key material issues will be presented in Sharrcem's 2020 Annual Sustainability Report. Sharrcem recognizes that conditions with respect to the identification and prioritization of material issues for the internal and the external stakeholders were changed since the previous cycle of the materiality Assessment in our BU during 2016. New conditions include of course the impacts of the public health crisis due to the COVID-19 pandemic in 2020. In 2019, the decision of TITAN Group was to open a new cycle of materiality assessment, the outcomes of which will be presented in the Integrated TITAN Group Annual Report 2020.

CORPORATE GOVERNANCE AND RISK ASSESSMENT

Through sound corporate governance TITAN aims to ensure that every management decision lives up to our purpose and core values, takes due account of sustainability considerations and is in the best interest of its stakeholders. By proactively identifying, assessing and managing all its potentially significant risks and opportunities, TITAN is able to prepare for issues that may affect the long - term sustainability of its business and achieve its strategic objectives.

GOVERNANCE AND TRANSPARENCY WITHIN SHARRCEM

During the previous year, our company made a lot of effort in upgrading the framework of disclosure for all KPIs, which was also the case in 2019 - respectively for the Environmental and Social Performance by introducing the Index System of KPIs, (see ANNEX "B"). This Report also includes an Index of disclosures for the adherence of Sharrcem to the UNGC Ten Principles (see ANNEX "C"), also with clear references to the KPIs Index in the Report. Through sound corporate governance, Sharrcem also aims to ensure that every management decision lives up to our purpose and core values, takes due account of sustainability considerations and is in the best interest of its stakeholders.

There is a disciplinary committee in place within Sharrcem. The committee works under the written policy regarding any kind of violation, incidents or misuses of working responsibilities/duties, etc. In case someone has an issue to report, he/she must fill out the respective form and address to the committee, and the committee will review the matter, propose the necessary disciplinary measures and submits to the BoD for final decision.

COMPLIANCE AND DUE DILIGENCE

The Executive Committee of TITAN Group is responsible for setting Group policies and ensuring that they are implemented throughout the Group. In parallel, the ethics and compliance programs implemented throughout TITAN's operations ensure that the Group's principles and values are integrated in the day-to-day operations and the risk management culture is reinforced across the TITAN Group. The effectiveness of the systems and policies implemented at Group and business unit level is systematically reviewed by the Executive Committee of TITAN Group and the business units' management, including in terms of compliance with relevant standards of the Group.

All compliance processes are supervised by the Internal Audit Department of TITAN Group, taking over responsibility for risk and compliance, in addition to the internal audit. The Internal Audit of TITAN Group is an independent department reporting directly to the Audit and Risk Committee. Internal Audit's scope of responsibilities also includes:

- Monitoring implementation and compliance with the company's internal regulation, code of conduct and applicable laws in all jurisdictions in which the Group operates.
- Providing consulting services (e.g. new procedures review, new IT systems post-implementation reviews).
- Undertaking special assignments (e.g. fraud investigations).

An additional element of TITAN Group integrated approach and the established practices in Sharrcem, is the continuous

efforts to record, assess, and report to the larger audience, the incidents and related penalties and fines for the areas of:

- Laws and Regulation related to human rights (incl. breaching of regulations of Health & Safety, and other for Human Rights, Anti-corruption)
- Laws and regulation related to the environment.
- Laws and regulations related to provisions of products and services.

Furthermore, another key achievement to worth of highlighting in this report is the award of the Social Accountability International Standard - SA 8000 to Sharrcem, as part of its commitment to be managed Sharrcem by certified systems, thus putting transparency and reporting in practice. In 2019, the company underwent audit and recertification which marks our determination to function and report as good neighbor among our peers, within the organization and externally, all the while respecting the terms of equality and impartiality. No incidents and no fines or other penalties related to human rights and corruption or legal action for anti-competitive behavior, breaching of anti-trust or anti-monopoly practices, were recorded for Sharrcem during 2019.

TITAN - CODE OF CONDUCT

In the accomplishment of its business objectives, Sharrcem conscientiously implements its ethical principles found in the company's code of conduct. The document deals with ethical issues and provides guidance which defines our operating principles. This ensures that our employees are familiar with the highest standards applied by the company in the way it conducts business.

This includes strict adherence to laws, human rights, international conventions combating corruption, protection of

confidential information, promoting sustainable development, as well as relationships with key associates.

In compliance with ongoing efforts to improve Sharrcem's open and honest communication at all levels, the grievance mechanism has been established for reporting violations to the code of conduct as well as an email address provided: complaints@sharrcem.com which employees can use to forward any comments, questions and suggestions regarding the code of conduct and any violation of ethical principles within the company. No inquiries or reports of violation of the code of conduct were reported within the period covered by this Report.

Sharrcem monitors a variety of human rights related issues, such as gender equality and participation in the Trade Union. The relevant KPIs are presented in more details within the Social Performance Index, please see ANNEX "A".

EMBEDDING SUSTAINABILITY

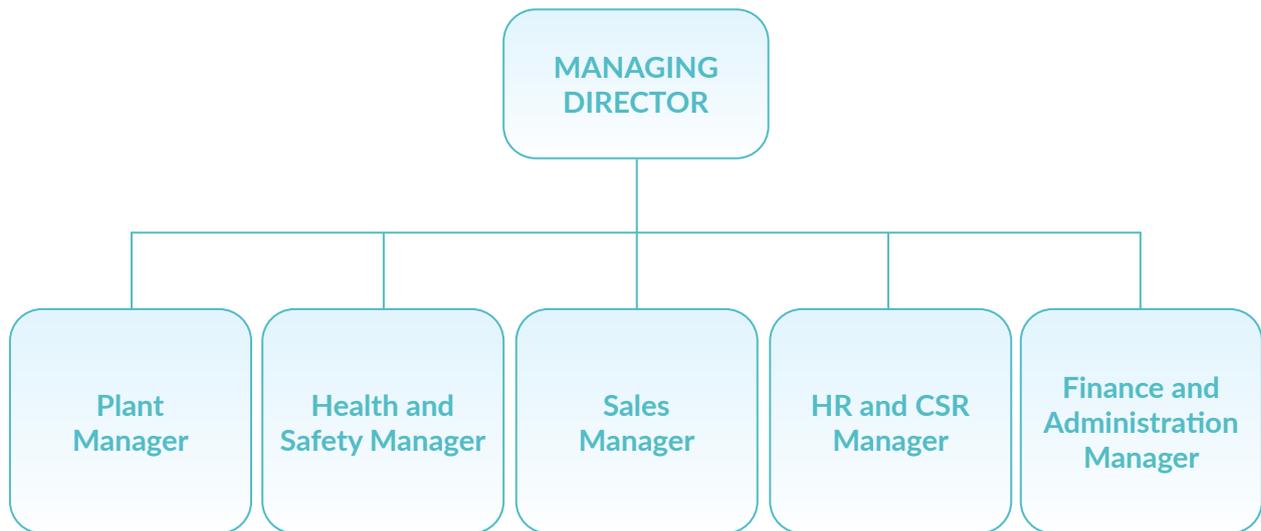
The sustainability is a high priority for Sharrcem and is embedded firmly within our strategy through a regular review of all issues of materiality to our stakeholders, the definition of appropriate actions and targets and the implementation of relevant environmental and social policies.

The CSR policy aims to embed sustainability in the organization while at the same time supporting a better balance of long and short-term interests, adapting policies and practice to local market needs and priorities in order for driving sustainability across the value chain.

We strive to improve our company also through the implementation of certified systems that enable keeping track of and reporting our sustainability performance.

SHARRCEM'S SUSTAINABILITY GOVERNANCE STRUCTURE

BOARD OF DIRECTORS



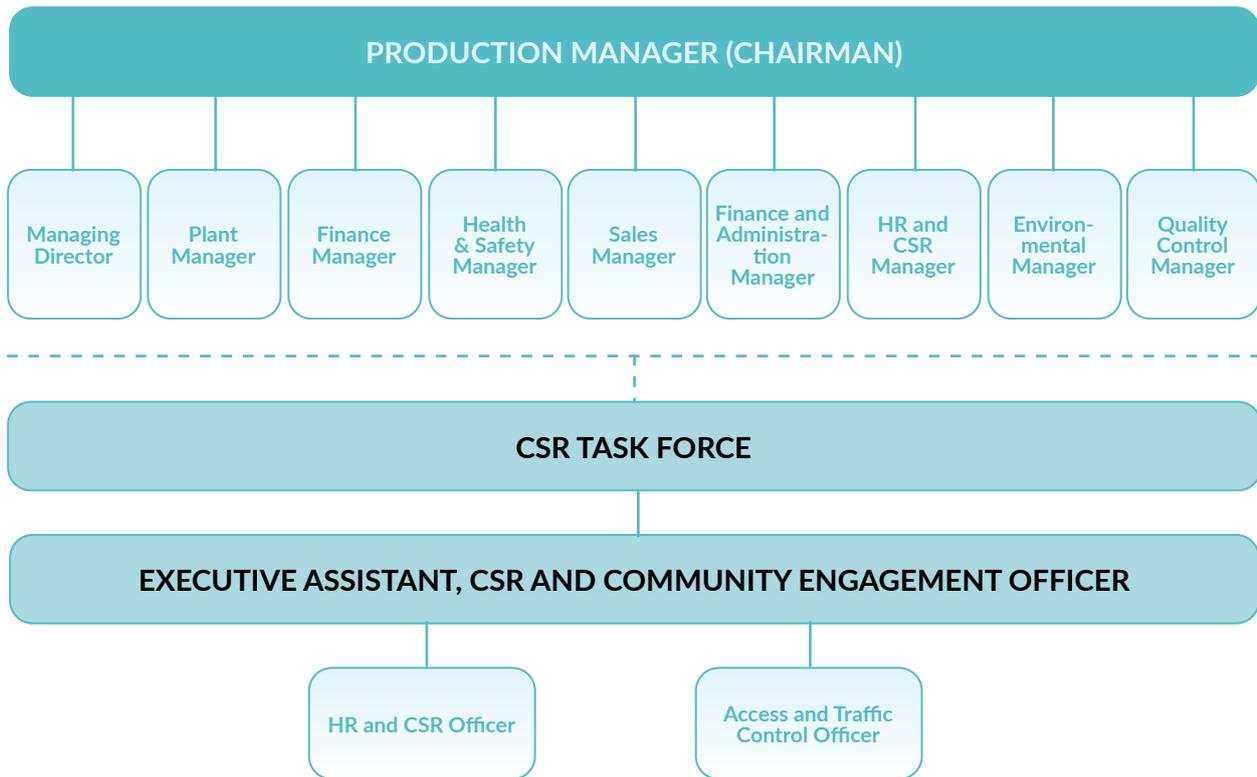
OTHER BOARDS, COMMITTEES/COUNCILS WITHIN SHARRCEM



WE STRIVE TO ENSURE THE FOLLOWING:

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

CSR COMMITTEE ORGANIZATIONAL STRUCTURE



PRIORITIES

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



COVID-19 / RISK ASSESSMENT

Beginning in March 2020, due to the rapid spread of COVID-19 virus, in most countries large-scale social-distancing measures have been imposed, disrupting the global economy and resulting in downfall in demand. From the emergence of the coronavirus crisis, TITAN has taken measures to protect the health and safety of our people and to ensure operational continuity and satisfaction of our customer needs. The health and safety of our staff, customers and suppliers is a top priority and several precautionary measures have been taken to this effect. Business continuity plans have also been implemented and all our cement manufacturing plants and other integrated activities' businesses remain operational.

Although we have yet to see any significant impact on our operations and the first quarter's sales volumes were at normal levels, it is inevitable that as the COVID-19 crisis is spreading, we will also be impacted in the short term.

The construction and building materials sectors are, in the short term, less exposed to this crisis (according to Moody's they are "low risk" sectors) but, nevertheless, are also expected to suffer from reduced sales volumes, particularly and more severely in Q2. TITAN have created contingencies and flexibilities and have strengthened our liquidity position to €400 million in combination of cash and committed bank credit facilities.

The Group management believes that, although COVID-19 may have a significant impact on the Group's operations in 2020, such impact will be absorbable and the Group can weather the storm and temporary decline in profitability.

In the light of the above the Management of Sharrcem remains vigilant, and we work closely with the Group Finance and other corporate functions of TITAN for exploring best strategies to mitigate the impacts and ensure business continuity in all aspects, including the sustainability of our communities.

SUSTAINABILITY THROUGH CERTIFIED SYSTEMS

Our company continues to be committed to providing adequate working conditions, in all aspects and by all parties. Thus, as a result of this commitment, Sharrcem has in place and implements International and European Certified Management Systems and also has been awarded the first ever IPPC (Integrated Prevention Pollution and Control) permit issued in the country. In addition, Sharrcem became the first company to have received the Certification

from Eurocert accounted to the SA 8000, and was recertified during the reporting year.

We remain determined to contributing to the prosperity of the country, not only by conducting our business based on best international industry standards, but also by taking different initiatives and assuming responsibility towards fostering a fair and transparent market.

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

PRODUCTS AND BUSINESS PARTNERS



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

CUSTOMERS

Sharrcem established its position in the country's market through its high-quality product and professional approach to its

customers, and this has been achieved through large investments made in the technology as well as human resources. Numerous investments were also made in different projects resulting in a positive impact on process optimization, environmental protection and occupational health and safety. Moreover, the level of care provided for our employees is also extended to our customers.

Customers are properly registered and provided with all safety and access clauses which are compulsory by the company. There is a regular communication and collaboration with the view to develop the best mechanisms and make sure we are in compliance with the highest standards. In collaboration with our customers, Sharrcem was part of the highway project - connecting Prishtina and Skopje which consists of numerous overpasses and underpasses. Due to its qualitative work and continued

success, Sharrcem has been a significant factor of this large project. We are proud to state that Sharrcem's cement has been part of every single concrete construction element of the bridges. The last segment of the highway involves one of the longest bridges in Kosovo, as well as in the region. Regarding production of concrete, which is the essential element of civil construction works, thorough prior analyses were conducted in selecting the appropriate quality of the used products. For a project of this magnitude, the best fit type of cement had to be used, as Sharrcem's cement grades CEM I 52.5 and CEM II 42.5. To this day, thousands of concrete cubic meters have been produced with Sharrcem's cement and used for the construction of the longest bridge in the region, respectively - (5.7 km / length), which will connect Kosovo with the regional countries and provide road access to the rest of the world.

In the last 3 years, our company continued to be a significant factor to Kosovo Government's large infrastructure project - the highway and the bridge. We hope

that a construction of this kind of highway will help to address issues of the society as this highway will connect our country with the regional countries and provide road access to the rest of the world which is very important for the economy of the country by linking producers to markets, opportunities for jobs, etc. - in one word, the roads are very important for the development of each country. We continue to be committed to: working closely with our customers and ensuring the proper supply, handling different communication events and questionnaire regarding customers satisfaction and technical support service, arranging regular health and safety trainings and being involved with our CSI driving campaign.

EVENT WITH CUSTOMERS

The celebration of the yearly success has been cherished also with our customers by the end of the year. Same as the previous years, there was a recall to all interactions and engagements that occurred within the calendric year. Different types of



engagements were prevalent this year too, including CSI driving, handling different type of complains and requests, meetings in person, visiting customers' sites and many other interactions, but this kind of gathering and celebration over the drinks with our customers continues to be a valued tradition for Sharrcem.

CUSTOMER SATISFACTION QUESTIONNAIRE

The customer satisfaction questionnaire has continuously helped the company to understand customers' needs. Alongside with the company's dedication to quality of products and services, the questionnaire remains one of the keys for understanding the needs of our customers, thus enhancing our cooperation with them. Through the questionnaire, we can find ways we could get better in terms of quality of products, quality of packing and of course facilitating and making more practical the loading and unloading processes within the factory, always mindful of the value of their time. Our customers are our most important

stakeholders and stand at the real heart of our business, therefore, we will also continue in the future to administer said questionnaire, as it provides not only means for interaction and exchange of opinions and considerations, but also a tool that can help us combine focus and interests, thus effectively contributing to a shared growth.

CONTRIBUTION AND SHARING KNOW HOW WITHIN THE NETWORK

Sharrcem's engagement on supporting the Kosovo CSR Network's different initiatives for youth and sustainability was present at all times. There were different events held during the year with the purpose to bring together businesses operating in Kosovo to contribute for SDGs, support start-ups and invest in youth and volunteering opportunities, but also invest in environmental protection. Apart from financial the contribution, it is important to note that our company contributed by sharing its know-how and experience and being directly involved on SDGs.





A photograph of an industrial facility, likely a cement plant, featuring a tall, dark chimney and a large, light-colored building with the word 'SHARCEM' visible on its side. The scene is set against a clear blue sky, with green trees in the foreground. A teal-colored semi-transparent overlay covers the middle portion of the image, where the text is placed. A teal curved shape is also visible in the bottom-left corner.

2. HUMAN AND SOCIAL CAPITAL

OCCUPATIONAL HEALTH AND SAFETY

More can always be done in the area of health and safety, thus our organization regularly invests in improving occupational health and safety standards at all times, considering it a top business priority both within the plant and in external activities. Apart from meeting all identified legal obligations with respect to health and safety, addressing them in a satisfactory manner and defining all necessary occupational health and safety functions required by national and local legislation, numerous other initiatives are taken in that respect with the main purpose to create a living culture about operational safety.

The company also engages significantly in awareness raising efforts towards best safeguarding occupational health and safety for all our direct employees and contractors in all activities. The management of Sharrcem is aware that this represents a never-ending effort and strives to remain alert and constantly improve the company's performance in this respect. Health and safety measures to be applied for the employees, contractors, suppliers and/or the local community remain a high priority in our daily agenda. For more details, please refer to the ANNEXES under Social Performance Index KPI's with last three-year history of consolidated data (2017- 2019).

In 2019, we have seen encouraging signs in our health and safety performance indicators, with trends showing sustained improvement. Zero fatalities and LTIs were recorded within the year and there has been very good progress in the application of new systems and guidelines, in addition, the necessary trainings and audits were carried out.

- Sharrcem was audited by the Group HSE and reviewed by the Regional Health and Safety Director.
- An internal audit on environmental and health and safety reporting was conducted by Audit Manager, SE Europe and Turkey / Group Internal Audit.
- Health and safety management system was recertified from the Eurocert.
- Sharrcem remains committed to drive up standards for the whole BU.
- The health and safety legislation register continues to be monitored and reviewed to ensure that the BU is meeting its statutory obligations.
- Communication and cooperation between the staff was fostered through the BL and BU health and safety council.
- Control of risk is achieved through coordinated actions by all departments of the BU.
- We have to increase assurance that the clients and contractors we deal with are in compliance with the appropriate health and safety requirements.

KEY ACTIONS

Developing safety management processes (Permit to Work (PtW) and Lock Out, Tag Out, Try Out (LOTOTO) certification procedure), raising awareness on health and safety matters at work, improving communication on health and safety objectives and programs, training and awareness, performance measurement and monitoring, non-conformities, corrective and preventing actions, legal and other requirements, operational control, emergencies response.

EMERGENCY TEAM

The team was certified on first aid, and firefighting.

INCIDENTS, ACCIDENTS

0

Zero LTIs within 2019

KPIs IN 2019

0

Lost time Injuries
Frequency Rate
(LTI FR) for directly
Employed personnel

0

Lost time Injuries
Severity Rate (LTI SR)
for direct Employed
personnel

0

Lost time Injuries
Frequency Rate
(LTI FR) for
contractors personnel

HAZARD HUNTING

100%

Number of hazards reported (19) out of (19)

CRITICALLY OBSERVE SAFETY AT WORK

95%

Number of safety walks
(20) out of (21)

93%

Number of audits
(14) out of (15)

116%

Facility inspection and
activity inspection
(331) out of (285)

PROACTIVELY BUILD ON FINDINGS

89%

Findings from the safety walks, audits and inspections,
unsafe conditions were (446) acted upon (395)

PROMOTE OPEN COMMUNICATION



TRAININGS FOR OUR EMPLOYEES



TRAININGS FOR OUR CONTRACTORS



IMPROVE SAFETY SKILLS

In 2019, one fire drill was conducted in cooperation with competent local municipal authorities. The awareness raising on health and safety is very important to Sharrcem, so as to perform even better in safeguarding the occupational health and safety of all our direct employees and contractors.

FIRE DRILL EVENT

We continued with our commitment to health and safety at work and performed different activities throughout the year to this end. The fire drill events were held within our premises, in cooperation with the relevant stakeholders. We consider that any kind of safety training is beneficiary and important for all involved. Fire drills represent an important part of our fire safety procedures for many reasons. Not only do we want to ensure that all of our employees, customers and visitors to our premises understand what they need to do in case of a fire, but also want to help everyone witness how effective our fire evacuation plan is and improve certain aspects of our fire management provisions. Such training is a test to verify that our fire alarms are working, and also helps us

to check our equipment. Such education/training programs have proven to be effective in reducing inefficiencies and in addressing critical related factors.

TRAINING WITH MUNICIPALITY REPRESENTATIVES, POLICE AUTHORITIES AND FIRE BRIGADE TEAM

Sharrcem, continuously strives to embed safe and sound behavior throughout the organization in our everyday activities and to create an environment in which everyone and all of us are responsible for our own and our colleagues' safety. Apart from ensuring identification of all legal obligations with respect to health and safety and addressing them in a satisfactory manner, defining all necessary occupational health and safety functions required by national and local legislation, our commitments to health and safety continue to represent a top priority for Sharrcem. We want to share our know-how and commitment on Health and Safety with our stakeholders as well. In 2019, a training session was organized for representatives of public institutions, on the topic "Protection from the Fire". The training was conducted in the premises of the Municipality of Hani i Elezit by our Health and Safety Manager.



AWARD TO OUR COMMITMENT FOR HEALTH AND SAFETY

During the European week for health and safety at work, respectively from 21 to 25 October 2019, as part of the project "Support the Labor Inspectorate for Fighting against Undeclared Work", KOSHA NGO organized a campaign on healthy workplaces, respectively on how companies can improve their working conditions by managing hazardous substances within their premises. Sharrcem participated in this campaign with two

best practices and our company was the winner of the good practice award for storage and disposal of chemicals in of the Sharrcem laboratory. This initiative was related to our commitment to reduce risk, respect legal requirements, as well as to take advanced measures for health and safety culture and promote our corporate values. The event in question was supported by very important institutions and held in October in Prishtina, with numerous participants from the public and private sector.



TRAINING/LECTURE ON CONSUMING HEALTHY FOOD

One of the Sharrcem's objectives is to organize trainings and other activities to raise the voice about concerns faced by Kosovar society, as well as to influence key stakeholders to act. During the reporting year, Sharrcem also dedicated a two-day training with an emphasis on the prevention of different diseases caused as a result of not consuming healthy food.

This training activity highlights the importance of consuming healthy food and of investing in education and research to address this problem among the employees, thus, in this respect, we invited a specialist/ nutritionist to provide this training/lecture to all our employees. The training and the discussions targeted all employees, educating them on the necessity and importance of consuming healthy food.

OUR PEOPLE: DEVELOPMENT AND ENGAGEMENT PROGRAMS



The most important factor for the success and performance of the company in achieving its goals and targets is its workforce, therefore Sharrcem regularly acknowledges the capacity and commitment of its employees.

Thus, our company continues to remain committed to providing the best possible conditions for work, increasing the safety in their working environment, and offering career development opportunities. We respect the employees' rights and provide wages that meet good business practices. Our workforce consists of 244 direct employees.

Since our people are the key element of our success, we offer to them not only a safe working environment but also provide them with opportunities where they can learn new things every day and empower them to tackle challenges.

Their development is also part of the company's sustainable growth, thus, in 2019 our employees attended a variety of trainings that serve their technical and professional development.

More details are presented in the Annexes section under Social Performance Index KPI's with the last three-year history of consolidated data (2017-2019).



HUMAN RIGHTS, LABOUR ISSUES AND EQUAL OPPORTUNITIES

The protection of human rights remains a very important topic at Sharrcem. Our company also implements the SA 8000 international standard in all aspects of the rights and relationships with our employees.

- Completed draft job evaluation for all employees.
- Gender pay gap per job level (completed).

ETHOS and TITAN LEADERSHIP PLATFORM

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

EMPLOYEE ENGAGEMENT AND THE PEOPLE DEVELOPMENT PROCESS

Through our performance and development process, as well as through performance assessment, we have established an open communication and transparency channel within Sharrcem.

SOCIAL ACCOUNTABILITY STANDARD (SA 8000)

Sharrcem has been recertified in 2019 with the international standard (SA 8000), and is the first and only company in the country to have received such certification. This standard supports social responsibility and accountability by ensuring the implementation of reliable systems designed to protect people and the community. We consider this standard as one step further in our continuous commitment to manage through certified systems, so as to safeguard good governance and transparency.

GROUP HUMAN RECOURSES MANAGEMENT SYSTEM (GHRMS)

- Employee central.
- Performance and goals.
- Succession and career development planning.
- Learning management system.

ONLINE TRAININGS THROUGH LINKEDIN

Taking into consideration that the aim of the GHRMS is to improve employee experience and simplify people management operations, to promote information sharing and global networking among employees, to provide learning resources that accelerate progress, to enhance employee development, and to ensure organizational alignment that contributes to the group's growth, under the umbrella of this platform, Sharrcem launched the LinkedIn online platform where all the Group's employees can access thousands of online trainings.

"unITe PEOPLE"

This platform is in place and provides different HR processes, thus, the employees will benefit from the full roll-out of this platform. The module for recruitment was developed in 2019.

CONTINUOUS EDUCATION

- 5 employees granted scholarships in 2019 (part of 23 in total in last years)
- 25 Internships for the period of Jan-Dec 2019

TRAINING HOURS

EMPLOYEES TRAINED BY SUBJECT	MALE	HOURS	FEMALE	HOURS	TOTAL	HOURS
CSR	0	24	0	1	0	25
Compliance	1	258	0	6	1	264
Digital	10	427	2	11	12	438
Environment	1	89	9	0	1	89
Foreign languages	0	104	0	0	0	104
Functional competence	1	18	0	0	1	18
Generic competence	8	896	0	80	8	976
Health and safety	215	5,166	11	174	226	5,340
Managerial skills	2	304	1	48	3	353
Other	5	114	0	30	5	144
Technical know-how	0	134	0	36	0	170

*** The calculation of the total number of trained employees does not take into account any multiple participations of any person (repetition due to same employees participating in more than one programs). In this case, only training hours are calculated.

TRADE UNION

The collective agreement that Sharrcem has in place covers all employees. The retirement process is legally addressed but Sharrcem also showed its will to support employees willing to join the voluntary early leave program - VELP, in compliance with

the Group regulations. In 2019, Sharrcem also organized an iftar dinner for all its employees, an event used to congratulate the employees that were about to leave through the VELP program for their work with Sharrcem over the years.



EVENTS AND MEETINGS

- Regular extended management board meetings.
- Different meetings / committees.
- One to one meetings / HR - open door policy.
- Selection of best health and safety crew, best employee for health and safety.

VOLUNTEERING ACTIVITIES

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

ENGAGING WITH OUR EMPLOYEES: 2019 EMPLOYEE SURVEY

The Group employee survey 2019 has been completed. The survey was administered with the purpose to have all participants in this survey express their opinion. The feedback of the participants was very important for making the organization a better place to work. The results were communicated to the Management and will be communicated to all employees early next year. The Group will continue to use the survey insights to identify priorities and develop relevant actions.

GRIEVANCES MECHANISM (PROCEDURE)

The integrated system of policies, procedures and programs for managing all matters concerning our direct employees are in place within our company. The external assurance of the SA 8000 standard guarantees that all our processes and procedures in place are adequate and in line with the Group CSR policy, code of conduct, and the people management framework. A new grievance mechanism has been completed and communicated to all employees. This grievances mechanism is important for our employees as it provides guidance and job security, and as a result, increases the efficiency of our organization.

OTHER BENEFITS

- Additional payments to all employees for religious holidays.
- Coverage of 50% of the costs for summer vacations for Sharrcem employees, through the union.

COMMUNICATION

- Billboards
- Suggestion boxes etc.

HEALTH AND WELLBEING

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

In addition to the medical insurance we have in place, in 2019, Sharrcem has initiated/arranged also the life insurance for all its employees.

TASK FORCE

Sharrcem continues to consider all its personnel a great asset that contributes to Sharrcem CSR activities and hence provides appropriate conditions for everyone to take part in the decision-making process. Sharrcem maintains the established CSR Taskforce to represent the company in the CSR Network and to implement the company's CSR strategy. In order for the team to maintain the communication and relationship with other stakeholders for the implementation of planned activities, they also participated in different events with the view of sharing their know-how and experience and, in turn, obtaining useful information.

BEST EMPLOYEE AWARD

An event was organized to award employees who best respect the safety at work rules. It was attended by different stakeholders and used to discuss at length regarding the best practices for health and safety, rules and regulations, and Sharrcem was acknowledged to have been engaged and committed to health and safety.

On the same day, the Sharrcem employee, manager and team that best complied with the safety rules at work were selected and awarded. With the organization of such initiatives, Sharrcem aims to develop and continuously improve good relationships with all internal and external stakeholders for mutual respect and understanding.



ADDITIONAL DEVELOPMENT PROGRAM

Sharrcem has initiated another internal program for the development of its employees. This program has shown results in preparing employees for their current and future assignments, and resulted in increased loyalty and dedication towards the company, while helping individuals in their career growth. There was a high encouragement among employees in 2019 to attend different training sessions, in order to acquire new skills and knowledge.

Thus, reacting over their encouragement and willingness, the company has organized several types of trainings based on the employees needs for their development. As a result, we have signed an agreement with the Austrian Institute of Excellence (AIEEx) to provide trainings and to have specialist trainers. The trainings provided by the AIEEx were very welcome, practical and beneficiary for the employees attending.

CONFERENCE ON THE GUIDING PRINCIPLES FOR BUSINESS AND HUMAN RIGHTS

Under the umbrella of the project of "Fostering Business and Human Rights Principles", funded by the European Union in North Macedonia, a one-day conference was organized on the "Guiding Principles for Business and Human Rights". The aim was gathering all relevant stakeholders and giving them the opportunity to express their commitment to United Nations Guiding Principles on Business and Human Rights and to raise the awareness of the importance of human rights from a business perspective.

The event was used as an open discussion for implementation of the UNGP in the public policies of the state and in the internal policies of the companies. In addition, findings from the research "Respect of the Human Rights in the Business Sector", as well as information on project activities were shared at the conference.

Present at the conference were numerous participants, including: companies that committed to social responsibility, public institutions (ministries, agencies, working groups, representatives from organizations (trade unions, chambers, media partners. Our sister company, Usje - TITAN in North Macedonia played a very significant role in this conference by sharing with the participants their commitment and know-how on human rights.

The TITAN Group CSR Director, Mrs. Alexiou gave her contribution to the conference as key note speaker. Due to the high importance of the conference and the networking opportunities, various stakeholders, including the team of Sharrcem have participated in the conference.

INVOLVEMENT WITH THE TEAM OF GROUP ENGINEERING & TECHNOLOGY (GET), CSR AND GROUP CORPORATE COMMUNICATIONS

The regular communication, collaboration and their readiness to support all BUs is considered a very important mechanism to achieve CSR plans and goals on time and in an effective manner. The face-to-face meetings, telephone conferences, shared new guidelines, experiences, best practices, etc. help us better respond to our stakeholders on time, being aligned and professional.

The current Group internal platform has also been very helpful for us in running daily business activities. There was also a close cooperation with the Group regarding the new Group Intranet to be launched in 2020, which will help us get and stay connected.

We expect that the new platform will provide us with all Group and Business Units news, inspire us with interesting stories, give us access to practical information and also help us get to know each other better!

connections
THE TITAN GROUP INTRANET

FIRST AID

During 2019, Sharrcem made various investments for the wellbeing of everyone in the plant. Apart from the diagnostic, preventive and routine care provided by the company in order to identify potential health risks and to address them in a timely manner, we also provide first aid services within the company premises, full-time, as well as health insurance for all employees. In late 2018, the company equipped the first aid center with an emergency vehicle, taking into the account that emergencies can strike anyone at any time and it is very important for emergency vehicles to reach the scene as early as possible. Our doctor and nurse attended the training Mega-Code on subjects: 1. Respiratory tract management; 2. CPR; 3. Pharmacology in

reanimation - based on the suggestions of ERC (European Resuscitation Council) 2015 and GRC (German Resuscitation Council), and was certified accordingly.

Meantime, other important trainings were organized within the company regarding human wellbeing, but apart from that the doctor and nurse 8 more individuals considered as responsible staff for the emergency vehicle during the year of 2019 have attended one professional training at Poliklinika Rezonanca in Prishtina and were issued a certificate for the following subjects: Reanimation; Defibrillation, and Trauma. Sharrcem will continue to make investments on this very important matter.



ENGAGEMENT WITH LOCAL STAKEHOLDERS

High rates of unemployment, poverty and lack of structured support for development remain a critical part for our community. It is of capital importance to understand the actual hardship and problems the society we operate is facing. In early 2010, Sharrcem carefully surveyed the situation in the country and in particular in Hani i Elezit using all available sources of information.

Since then, the company has prepared strategic plans to address local problems and sensitivities. We closely cooperate with our local community towards improving life by increasing the wellbeing of its citizens. Our implemented initiatives and the ones in progress have been initiated with the aim to improve the living conditions in the area we operate.

THE ACTIONS OF 2019 ARE OUTLINED AS FOLLOWS:

We have offered numerous internship opportunities for younger generations by supporting especially the more vulnerable groups who have had no previous employment or workplace training opportunities.

We have also been engaged with the youth in order to increase the awareness on different issues, such as: promoting environmental protection, health and safety and, through the LAB project, helped create new small and medium enterprises, in a word - new jobs, which still continues to be one of the most pressing issues in the community economy and for the country.



CHARACTERISTICS OF THE MUNICIPALITY OF HANI I ELEZIT



Location	Territory	Population	Employment	
			Emplo.	Unemplo.
Hani i Elezit is located in the south eastern part of Kosovo close to the border with North Macedonia	The territory of Hani i Elezit Municipality is composed from these villages, settlements and urban neighborhoods: Hani i Elezit, Gorance, Paldenice, Krivenik, Seçishte, Pustenik, Dimce, Rezhance, Neçavc, Vertomice, Dromjak, Laç, Lagjia Uji i Thart, Lagjia e Re	According to the data from field surveys the population is estimated to be around 10,000 inhabitants, who are predominately ethnic Albanians	33%	67%



MUTUAL COOPERATION, MONITORING AND ENGAGING WITH THE LOCAL COMMUNITY THROUGH INITIATIVES/ PROGRAMS ON ONGOING PROCESS

Following the TITAN Group's CSR Policy, we continue to work diligently on the implementation of internal and external projects and processes to improve our corporate responsibility performance and social footprint. Thus, we make a lot of effort to ensure environmental protection, the creation of a safety culture and a healthier society, and the creation of employment opportunities. Stakeholders are a key element to achieving our plans and goals, so - we continue to build trust with our stakeholders by being open and transparent in our communication. The importance of engagement with our stakeholders is proven by our commitment to report our sustainability performance with external assurance by a third party and on-going dialogue with all key stakeholders on material issues. Our company has managed to build trust and substantial cooperation with the community and continues to stay close with them in order to contribute to

their sustainable living and development. During 2019, our company was part in different meetings and business groups to ensure knowledge sharing, collaboration and public awareness raising regarding local issues and priorities.

CONTRACTORS

Sharrcem's contractors are a critical and direct part of the generation of business activity in every region and Sharrcem follows a standard policy encouraging collaboration with local suppliers and contractors. This is important for our operations but also our own contribution to economic growth and value creation at local level. We share know-how and expertise with our contractors building trustworthy and effective relationships. The improvement of relations with our contractors is systemized through Internal Policies, Purchasing Manual Procedures, ISO's and the Group Code of Conduct for Procurement, which also regulates Human Rights issues and corruption. There is also direct contribution through our SA 8000 in terms of sustainability and development.

LABORATORY FOR BUSINESS ACTIVITIES (LAB)

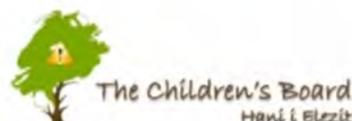
- Aims to educate the local community in entrepreneurship.
- Create and develop SME's, especially in the sectors of forestry, agriculture and dairy production.
- Builds collaboration and long-term engagements with local stakeholders.

INDEPENDENT LOCAL ADVISORY BOARD (BOPAL)

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

CHILDREN'S BOARD

- Building Awareness
 1. Health and Safety
 2. Environment



LABORATORY FOR BUSINESS ACTIVITIES (LAB)



A collaborative effort operative in Kosovo near the border with North Macedonia since we invite all potential business partners at local level to respect and commit to Titan Standards as described in relevant Group policies and particularly H&S, Human Rights and Anti-Corruption. Unemployment and poverty rates were considerable and job opportunities were scarce for the population and this problem continues to be more prevalent in the Municipality of Hani i Elezit, where our company operates. In this respect, Sharrcem initiated this project in 2014 with the aim to create new small and medium sized enterprises with the goal to reduce poverty and unemployment. The education of local community members in entrepreneurship and business management and agriculture aimed to help them in establishing new small and medium sized enterprises and thus create employment possibilities. Sharrcem has allocated a substantial budget to this project since the beginning, respectively for the creation of the project as well as for the implementation of the project's planned activities over the years. LAB is highlighted as one of our company achievements, as it continues to investments, beneficiaries of which are first and foremost the citizens

and it has allocated a considerable amount of money to this project/initiative, thus enabling the creation of Small and Medium Enterprises in the field of agriculture where there was creation of jobs. The LAB project is contributing to the economic development of the Municipality of Hani i Elezit through the sustainable use of the natural agro-forestry resources of the area in line with the TITAN Group CSR strategy. The results of LAB are being disclosed regularly with the stakeholders, thus, they have also emphasized that positive results are achieved only through communication and the cooperation.

Results to-date, since 2014: 97 farming activities benefited from this project. 2019 was also categorized a year in which in addition to Sharrcem, other donors have also participated in funding the LAB, thus increasing the impact on the community by reducing unemployment through joint collaborative initiatives in different agricultural sectors. LAB operates with a grant representing 90% of the investments with 10% participation fee covered by the beneficiaries. For more details please visit: www.lab-ks.org



HYSEN SHABANAJ

Chief Executive Officer - LAB

Dear Readers,

It is my pleasure to introduce to you the developments, as well as the achievements of LAB since its establishment. First of all, I would like to use the opportunity as the Executive Director to express my thanks and appreciation for an excellent working relationship with the management of Sharrcem and the TITAN Group in the implementation of project objectives which aim to contribute to the economic development in the Municipality of Hani i Elezit through sustainable use of the natural agro-forestry resources of the area in line with the Group's (CSR) strategy.

This unique long-term project initiated by the management of Sharrcem for the establishment of the foundation (Donation Agreement) concluded on 6 February 2014 awarded to LAB, aims supporting individual farmers living in rural areas to create start-up businesses in agro-forestry sectors especially by investment in livestock farming, greenhouse cultivation, cultivation of small fruits and berries,

beekeeping, mushroom cultivation, collection of wild forest fruits and forest maintenance and biomass production for heating.

It is worth to mention that in general the stakeholders' engagement, contributing in different ways, was at a very high level, especially that of representatives from the Municipality of Hani i Elezit. The project established 97 new farming activities, small and medium enterprises (SMEs), and represents a significant contribution helping farmers to generate self-employment and income security for their families as well as funding their start-up businesses.

During the year of 2017, LAB received two grants: 1. Empowerment of Agroforestry Sector in Hani i Elezit - grant received from (USAID) Agricultural Growth and Rural Opportunities (AGRO) - project to expand support for 15 new startup businesses. 2. Farm Diversification in Milk Processing - grant received from the Ministry of Agriculture, Forestry, and Rural Development (MAFRD) - a project aiming to improve the diversification of the farm and the further development of those businesses.

In 2019, there was also one initiative for the youth: 1. Market assessment for employment opportunities, by Sharrcem through LAB in collaboration with Business Process Outsourcing Sector. Also, it is very important to mention that other donors have also participated to fund the LAB, increasing the impact on the community by reducing unemployment through joint collaborative initiatives in different agricultural sectors.

LAB was also recognized as a best practice during the ESEE seminar at Mediterranean Agronomic Institute of Chania in Greece in 2017, and during the International Conference on The Economics of Balkans and the Eastern European Countries held

in Bucharest in 2019. LAB received also ongoing special dedication from its partners through customized training, meetings and cooperation, in this particular case with IADK in Vushtrri and AFS in Thessaloniki, with which LAB used to have agreements.

The Board of LAB continued its operation under governance principles and mechanisms established by IFC Advisory Services. We also closely cooperated since the outset with Baker Tilly, who have contributed to our operations with financial advice, and financial auditing services.

Additionally, investments have generated strong interest among the community, which resulted in increased confidence in the program. Importantly, the transparent and rigorous selection process used in the selection of farmers sent a powerful message to the founding community confirming the program as a serious initiative and great example of a positive change.

OVERVIEW OF SIX YEARS LAB DEVELOPMENTS (2014-2019)

- The total of contracted grants for co-financing of the eligible cost of goods and necessary inputs for creating 97 business activities is: 580,970.38 €, and additional 262,602.23€ represent non-financial investments for covering consulting services, office administration and providing free training and technical support for all beneficiaries. This allows them access to basic training and practical knowledge for implementation of innovative farming and successfully run the established business.
 - The sixth year of investment is concluded with establishment of 97 starts-ups in 12 different sub agroforestry sectors: greenhouse, small fruits (raspberries and strawberries), beekeeping, mushrooms, nuts orchard, livestock (milk production and milk processing), vineyards, forestry-wood biomass for energy production, poultry - egg production, medical, and aromatic herbs.
 - Technical support provided to 785 LAB beneficiaries and other interested individual farmers in the area.
 - As of now, 132 various types of thematic vocational and field practical trainings has been arranged for landowners to up skill them in advanced technology in intensive agriculture and farming with standards.
 - Total net income reported from 2014 to 2019 has reached the amount of 610,220.87 €, which is equivalent to over 60 % of LAB project's target goals.
 - Women's participation as beneficiaries of LAB support is promising. So far, 97 beneficiaries or 15% of the total LAB beneficiaries are women.
- I consider that there are still things to be done in order to expand investments, and continue to practice the principles of success that were gained during these years.

COMMUNITY ECONOMIC GROWTH

- 97 new start-ups created.
- Grants received.
- Trainings.
- Woman empowerment.



NUMBER OF TRAINING SESSIONS ORGANIZED AND PEOPLE TRAINED



MONITORING

In order to track and understand the full impact of these interventions, the LAB team develops internal forms for systematically obtaining data from the beneficiaries regarding their annual performance.

The importance of analyzing this data helps to identify the weaknesses and strengths of this support, as well as the opportunity to intervene when necessary to ensure sustainability of business activities and meet agreement requirements.

PROCESSES

The process of support and use of grants is being developed in accordance with the TITAN Group - CSR Strategy and applicable policies, as well as with the administrative directions of Republic of Kosovo for NGOs. The process set up by LAB, constitutes a collaboration work by involving the key stakeholders in taking decisions for offering funding opportunities over the last six years as an appropriate method to speed up still largely undeveloped agroforestry sector and to implement program objectives.

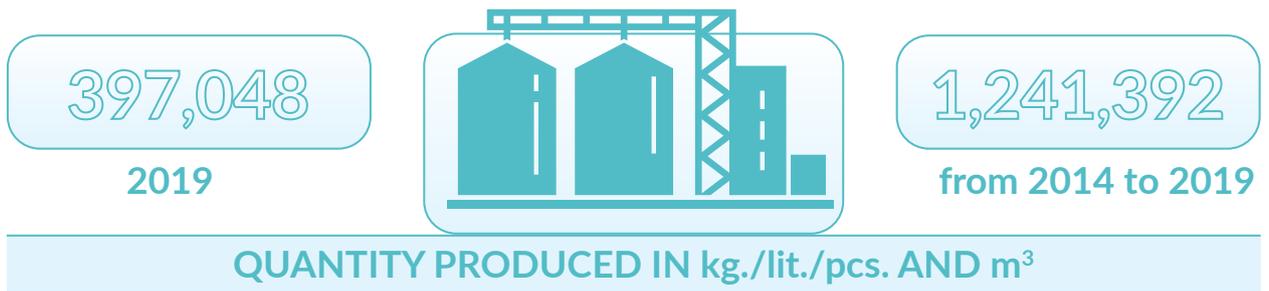
COMPLIANCE

Since its establishment, the project constitutes a collaborative work with all key stakeholders and provides a supportive environment for the implementation of the planned objectives in a fully transparent and compliant manner in order to ensure the quality and sustainability of the already established and new start-ups.

TRANSPARENCY WITHIN LAB

LAB is built on the partnership framework between private and public sectors. It is a unique example of stakeholder engagement and collaboration with tangible positive results 6 years after its foundation. LAB continues the performance of its duties applying defined standard procedures and involving all stakeholders/interest groups (municipal institutions and local community partners), in order to ensure that the decisions taken are transparent and acceptable by all stakeholder groups, especially for those living in rural areas. Due to this collaborative work, LAB gained acceptance and trust from all relevant groups, which demonstrates that the project has created a strong relationship with the local community and set a foundations for sustainable development in the area of agroforestry sector. During this period there was no grievance or objection recorded.

QUANTITY PRODUCTION AND VALUE OF SALES



LAB PARTNERS AND FRIENDS

During 2019, LAB received an ongoing special dedication from its partners and friends through customized training, continued meetings and cooperation. The Board has continued its operation under the established governance principles and mechanisms and showed its willingness and commitment to the project. Sharrcem resources were also available at any time in order to contribute and support, respectively by offering administrative and logistical support to LAB, while the Municipality of Hani i Elezit has also provided its full availability to them. It is important to note that for the sixth year in a row, LAB cooperated closely with Baker Tilly regarding the financial advice, and they have offered free financial auditing services to LAB.

MEMORANDUM OF UNDERSTANDING FOR CO-FINANCING / LAB

LAB, in cooperation with the Municipality of Hani i Elezit and DST company from Ferizaj, signed a memorandum of understanding in 2019 for co-financing a project on strawberry cultivation. LAB was responsible to finance the fence of the area including the pillars, while the Municipality took the responsibility to finance the irrigating system and DST company provided the strawberry plants, as well as plastic film. Noteworthy for the year is the fact that other donors participated in funding the LAB project.

LAB RECOGNITION

During 2019, LAB was also recognized as a best practice by the International Journal of World Economics. Practically, the Economies of the Balkan and the Eastern European Countries in the Changing World organized the 11th International Conference that took place in May 2019, in Bucharest, and LAB together with the American Farm School - Perrotis College in Thessaloniki participated in the event. LAB was recognized as a best practice, respectively the impact of Sharrcem's CSR initiatives on rural community development..



NUMBER OF WORKING DAYS CREATED (MALE/FEMALE)





INDEPENDENT LOCAL ADVISORY BOARD (BOPAL)

In 2011, Sharrcem had built the initiative of the “Independent Local Advisory Board” (in short: “I-LAB”), which was re-named after 2016 and uses the Albanian acronym translation “BOPAL”. The purpose of this CSR initiative and program of actions was to prioritize the needs of the local community, the absolute focus being on the Municipality of Hani i Elezit, and to accordingly allocate funds for supporting community development and improving the community living standards. From the early start of the operation of BOPAL, the Sharrcem Management has played the role of the ‘enabler’, first and foremost by developing governance and procedures for deciding in the Board with unanimity, and further by ensuring a high degree of involvement and collaboration. The Board of the BOPAL meets regularly in the Municipal facilities and enjoys an excellent reputation, and support from its stakeholders. Sharrcem was honored to have received the European CSR Award in 2013 for its BOPAL CSR initiative (named ILAB at that time), and did not scale down its social responsibility efforts at all since then. On the contrary, Sharrcem remained engaged through other initiatives as well, especially through the (LAB) CSR initiative.

In 2019, Sharrcem, through BOPAL, supported the local community with a variety of initiatives/activities, like: culture, sports, and individual solidarity help. The funding to the local community through the BOPAL in 2019 was 15.000 Euros out of total of 176.071 Euro in Social Investments, which were generally recorded in as ‘Donations’. The total funding of BOPAL since the commissioning of the initiative in 2011 was 172,927 Euros (cumulative amount between 2011-2019).

Through the continuation of this initiative, Sharrcem aims to deepen cooperation and communication with the community in which it operates, with the aim of strengthening transparency and direct involvement of key stakeholders. Sharrcem considers the extension of the invitation to the local community and stakeholders to participate in the created board a step further in this engagement. This is an innovative approach toward meeting more efficiently the needs of our community with the resources we make available for improving its well-being. We remain convinced that this initiative best addresses local challenges through wide-scale consensus and fair prioritization and, therefore, enhances the long-term sustainability factor of our community’s development.



OTHER ENGAGEMENT ACTIVITIES

DRINKING WATER

We have continued the implementation of this project also in 2019 by providing drinking water to the primary school, secondary school, the ambulance of Hani i Elezit and the Municipality. Through this activity/project, Sharrcem is improving the living conditions of pupils and citizens in general, by providing safe drinking water. This initiative also increases awareness on realizing the importance of providing such services and of raising the voice when appropriate services are lacking.

SKILLS FOR YOUTH / YOUTH MATTERS

We joined the Pact 4 Youth initiative and built a long-term commitment to address youth matters and provide opportunities for build future skills. The Pact 4 Youth continues to be listed in our top agenda and is a very important topic for our plans and actions. Within 2019, 25 youth were accommodated in internships and traineeships in our company. They started by first going through health and safety induction training and then allocated in the fields of their interest.



LET'S DO IT KOSOVA

We are all aware that this worldwide initiative has an important aim to increase the awareness of pupils for preserving a clean environment. In expression of our good will, we also joined this campaign in 2019 and encouraged the community to provide its support and join forces, in creating a cleaner environment for all. Through this initiative and the cooperation with the relevant stakeholders, we contribute positively to the environment.

VISIT OF STUDENTS FROM SECONDARY SCHOOL

In order to inform and educate the young generation, respectively students in the field of environmental protection and with the aim to provide knowledge on cement production technology, in cooperation with Hani i Elezit schools, we accommodated students and organized a lecture providing to them general knowledge on the cement production process through a presentation prepared by our Environmental Manager. The overall environmental projects and our commitment towards its protection were presented to them in order to raise awareness, especially among students, on environmental issues.

VISIT OF STUDENTS FROM THE UNIVERSITY

We are open to welcome stakeholders at our premises at all times, especially students. A study visit was organized from students of the Faculty of Chemistry from the Public University of Prishtina. They were able to see firsthand the technology of cement production, environmental

activities and commitments, quality control and laboratory equipment. During this visit, students had access to information about the environment and environmental components, such as air, water, soil, biodiversity, climatic conditions, changes due to global warming, thinning of the ozone layer etc. - and we hope that we managed to advance their skills and knowledge on this very important sphere



CHILDREN'S VILLAGE (SOS)

Sharrcem continued to support in 2019 direct social contributions to the community and the country. These contributions are either financial or in kind. This year's recipients include various local and national individuals and organizations, including the SOS Children's Village, which we supported through the purchase of season's greetings cards prepared by children of this institution. By purchasing these cards we strive make a necessary financial contribution for children without parental care, but we also supported the initiative in order to encourage others to contribute to something positive.

NEW YEAR GIFTS

Beyond the community development programs that Sharrcem has in place, the company also makes direct social contributions to the community and the country. For the season holidays, we have distributed to Handikos (Association of Paraplegics and Paralyzed Children of Kosova) and the local community social cases New Year's gifts for children.



BLOOD DONATION

Our company joined this campaign in 2019, and many of our direct employees and contractors responded to the call. Similar

to previous years, each donor received a free meal in our canteen. We can freely state that the employees of Sharrcem are strongly encouraged to continue and donate blood voluntarily and regularly.



PROJECT WITH PRIMARY SCHOOLS CHILDREN

Good habits tend to last a lifetime if children are taught in the early days of their childhood. To provide lectures/trainings to children about any important topic, and especially about health and safety and teach them how to behave was always a key goal for Sharrcem. So, one of the steps towards increasing their awareness on fire protection was taken this year through a lecture/training organized by our team from the health and safety department. In addition to the lecture/training provided to students and to the housekeeping employees at schools on the subject of Fire Protection, we have equipped all the schools in the area with the fire extinguisher equipment. During this event, we distributed promotional materials regarding health and safety in

general to all students, and to all children in kindergartens in the Municipality of Hani i Elezit the New Year gifts were accompanied with educational books.



THE MENTORSHIP SCHEME

Kosovo CSR Network is implementing a UNICEF project titled The Mentorship Scheme, which aims to contribute to empowering and developing young people by increasing the capacity and the ability to participate in the workforce, policy-making and decision-making processes, through private sector mentors or young mentors. The Mentorship Scheme has different objectives and models depending on the circumstances of the youth they are targeting. For example, the advice and support that a young person who is starting a business requires is markedly different to the support a youth who is at-risk of dropping out of school will need. The Mentorship Scheme connects young people participating in UNICEF’s initiatives with volunteer mentors coming from the private sector and alumni associations. Sharrcem, as a founding member of the CSR Network, continues to be very active in the Network by contributing in its initiatives, including taking part in this project. Respectively, one of our employees was

tasked with delivering training to youth members. First, he attended the Train the Trainer workshop organized by UNICEF, and then mentored the final workshop, “Generation Unlimited Youth Challenge”.



Note: This certificate is issued by UNICEF through the Agora platform. It may not be recognized by other institutions - including third party vendors or universities from which content may be offered in this course or programme.

LAND TO THE MUNICIPALITY

Our community also suffers from the lack of structured support for entrepreneurship to blossom. This has been a strategic objective for TITAN Group in Kosovo and the policy followed by Sharrcem underlines the commitment to meet this aim. We have been open and transparent by communicating with our key stakeholders in order to do the best and mitigate the concerns of our community.

One project proposal which derived from the Municipality directly, was on the construction of the culture house in the Municipality of Hani i Elezit but to do so, they have requested from us to provide/donate a plot (land) inside our fence in order to be able to construct the building.

Until now, the youth of Hani i Elezit were using an old building to conduct their favorite activities, which did not give to the youth their deserved activity space. We are always interested in investing on youth advancement and we believe that such an important task starts by making them feel happy, engaged and active.

What can be more relaxing for the youth than having their spot/area where they can go and enjoy an array of diverse games, activities, slides, and other cultural initiatives. Thus, after the request of the Municipality and some official meetings between Sharrcem and the Municipality, we agreed to provide/donate the required land parcel to the Municipality in order to construct the new and bigger building that fulfills the needs of our community for different cultural youth activities.



SOCIAL CONTRIBUTIONS

In 2019, we also responded by giving priority to the material issues that are most relevant to our business and the community. The CSR and Sustainability Annual Report 2019 will be published next year, covering the period from the 1st of January to the 31st of December 2019 and following the TITAN Group reporting standards, where we will disclose Sharrcem's priorities that are linked with the relevant SDG's. Social contribution comprises an important part of our business plans, hence we remain committed to different sustainable initiatives.

SUPPORTED SDGs THROUGH PROJECTS/INITIATIVES CONDUCTED IN 2019







3. CONTRIBUTION TO KOSOVO'S TRANSITION

HUMAN RIGHTS

Everyone can and should promote and protect human rights. Sharrcem has been very active to collaborate with relevant stakeholders through its mechanism to jointly take actions which will put human rights at the center of its business strategies. Sharrcem is always ready to share its know-how experience by highlighting the importance of human rights in our daily lives. By being committed and engaged, we can bring sustainable change and create a better environment.

CODE OF CONDUCT WITHIN SHARRCEM

By adapting Group procedures, and through its fully integrated programs, procedures, internal policies, purchasing manual procedures, ISO's and the Group Code of Conduct, which also relates to human rights issues and corruption, Sharrcem aims to promote ethical business practices and ensure that our suppliers do the same.

CODE OF CONDUCT



POLICIES AND PROCEDURES

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

SUPPLY CHAIN AND LOCAL SUPPLIERS

Sharrcem has in place a clear internal policy for local hiring and for giving preference to local contractors and suppliers, which supports local contractors and suppliers as a way to build trustworthy relationships and increase the creation of value in the local community.

Apart from other policies, Sharrcem has in place the standard (SA 8000) considers it a new tool with additional responsibilities imposed for continuously working to improve local supplier relationships and provide technical assistance for them, to enhance the level of cooperation and quality of service. By giving preferences to our local suppliers, we strive to improve the living conditions, in regard to employment in the area we operate, as this problem is prevalent within the community.

INTERNATIONAL STANDARD (SA 8000)

Sharrcem has been recertified with SA 8000 and this certificate is valid up to April 2022, an international standard - system for improving working conditions based on the principles of international human rights norms as described in International Labor Organization Conventions, the United Nations Convention on the Rights of the Child and the Universal Declaration of Human Rights. In addition to other initiatives, our company promotes the Group's Human Rights Policy through this standard as well.



COLLABORATION WITH NATIONAL AND INTERNATIONAL ORGANIZATION AND NETWORKS

EFFORT AGAINST CORRUPTION

IMPROVEMENT OF THE BUSINESS CLIMATE IN THE COUNTRY

EUROPEAN INVESTORS COUNCIL (EIC)

Sharrcem continues to have a strong seat in the EIC and supports the council initiatives to work together in order to make Kosovo a better place for doing business by addressing key business barriers in different sectors and partnering with the Government of Kosovo and relevant ministries to eliminate any possible barriers.

THE EIC:

- Actively supports economic integration in the EU and has a unique capability to be a private sector focal point in the EU integration process as 100% of members come from EU.
- Promotes EU best business practices.
- Gives concrete and practical recommendations on how to improve business climate.

9
EU countries represented

18
working paper recommendations were presented to the Government

During 2019, the EIC showed its commitment and engagement towards the creation of a more favorable environment for foreign direct investments in the country, and it was an important voice regarding the importance of investing in the private sector.

They have also been very active raising the awareness on the importance of foreign investments for the economic development in the country.

EIC members:



EIC Honorary Members



PROMOTION FOR WORK TOWARDS ACHIEVING THE SUSTAINABLE DEVELOPMENT GOALS

COLLABORATIVE EFFORTS CONTINUE WITH THE KOSOVO CSR NETWORK

The Kosovo CSR Network was founded on 2011, as the first business network established in Kosovo for CSR by its founding members, was very active in 2019. The Network has been engaged to attract new businesses in promoting CSR as much as possible across Kosovo. Being a member of the CSR Europe represents yet another step for the Network towards further integration of Kosovar organizations in European structures.

The CSR Network complies with the Ten Global Compact Principles which is a principle-based framework for businesses, stating ten principles in the areas of human rights, labor, the environment, and anti-corruption.

The Network continued with its aim to increase the awareness of businesses on the need for a responsible and proactive behavior towards the community and the

environment in which a given company operates. Following the strategic plan in place, in 2019, the Network implemented several projects in cooperation with a great focus on the empowerment of the youth, the wellbeing of children and youth, supporting youth and sustainability and promotion of work towards achieving the Sustainable Development Goals (SDGs).

UNICEF project

The Mentorship Scheme, is a UNICEF project implemented by the Kosovo CSR Network which aims to contribute to empowering and developing young people by increasing their capacity and ability to participate in the workforce, policy-making and decision-making processes, through private sector mentors or young mentors.

The mentorship scheme has different objectives and models, which depend on the circumstances of the youth it is targeting. The mentorship scheme connects young people participating in UNICEF's initiatives with volunteer mentors coming from the private sector and alumni associations.



Mentors participating in these initiatives are considered UNICEF volunteers and they received certificates from UNICEF and the implementing partner in recognition of the volunteer work they do. Before officially becoming a mentor, everyone undergoes child protection and sexual harassment online courses and Human Centered Design Training.

Sharrcem also contributed to this project by sending one of its employees, an IT engineer, Mr. Isa Qajani. The participation of our employee was of a high importance for him personally since it was an opportunity to interact with different stakeholders and support the CSR Network initiatives through different ways.



EARTH DAY

The Kosovo CSR Network, continues to be engaged with the society through relevant activities in various fields that address many challenges faced by our society. A hiking event was organized to mark the Earth Day with the aim to raise funds for planting pines in different municipalities and raising

awareness by promoting the importance of environmental protection. Sharrcem contributed to this event by purchasing tickets to participate in the hiking and the Network has shown its commitment by organizing and supporting activities that affect the wellbeing of the society.

KOSOVO ENTERPRISES DISCUSS THEIR COMMITMENT TO THE PEOPLE AND THE ENVIRONMENT

During the Kosovo Sustainable Development Week, the Network in cooperation with GIZ (The Deutsche Gesellschaft für Internationale Zusammenarbeit) organized a high-level round table on the topic of, “Responsible Business”. The event attracted the participation of numerous organizations and companies willing and being ready to contribute to Kosovo’s society and environment thought different CSR initiatives. The roundtable focused on ways in which the concept of Corporate Social Responsibility can contribute to sustainable development and environmental protection. Participants talked about the efforts that companies can make in managing the social, environmental and economic effects of their operations responsibly and in socially accountable manner.

They also assessed opportunities for transforming businesses to pursue social and environmental innovations. The Kosovo CSR Network emphasized the importance of contributing to sustainable development by promoting the concept, ideas and concrete actions that contribute to CSR advancement in Kosovo’s society. It also stressed the importance of the network as a platform to bring together socially responsible companies and organizations in Kosovo with the purpose of creating positive change in the society. During the conference, Sharrcem presented the CSR policies, the approach and activities that the company undertakes regarding the environmental protection.

BRUSSELS SDGs SUMMIT

Kosovo CSR Network together with representatives of member businesses of the network, including Sharrcem attended the Brussels Summit on SDGs. Speeches and the sharing of sustainable development practices by inclusive speakers served as an inspiration for the Network to work more towards “Sustainable Development Goals”. At the Brussels Summit, the Executive Director, Linda Tahiri, was a speaker at the 21st Century Youth Employment Roundtable, where she shared our practices and activities that served as guides for the developing countries. The CSR Kosovo was represented at the CSR Europe General Assembly, where the Executive Director had the right to vote on activity planning and other key issues of the European Network.

SUSTAINABLE DEVELOPMENT GOALS (SDGs)

In December, at the invitation of the UN Coordinator for Kosovo, the team of the CSR Network celebrated together with the UN and other partners the work carried out in 2019 towards achieving the Sustainable Development Goals (SDGs) of the UN 2030 Agenda. The UN Office in Kosovo is one of the main supporters of Kosovo CSR Network, and the Network is happy and delighted for its partnership and looks forward for cooperating in more projects in the future. The Network was also present in different meetings, workshops and roundtables and was very active in discussing the importance of the sustainability.

SHARRCEM WITHIN THE NETWORK

Sharrcem had a very strong voice in the Board and showed commitment to support the Kosovo CSR Network by sharing its experience/projects focusing on practical solutions and sustainable growth. Sharrcem

remains convinced that implementing CSR policies and strategies in its daily business agenda represents an important mechanism for everyone to address the numerous challenges faced by our society.

THE NETWORK MARKS THE INTERNATIONAL ANTI-CORRUPTION DAY

Kosovo CSR Network and its members are fully committed to demonstrate their

readiness for joint mobilization to fight corrupt behavior. We strongly believe that #CorporateSocialResponsibility practitioners must prioritize the battle against corruption.



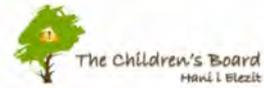
Kosovo CSR Network Members



WORKING TOGETHER FOR SUSTAINABLE GROWTH



INITIATIVE FOR AGRICULTURAL DEVELOPMENT OF KOSOVO
INICIATIVA PËR ZHVILLIMIN E BUJQËSISË SË KOSOVËS
INICIATIVA ZA POLJOPRIVREDNI RAZVOJ KOSOVA







4. NATURAL ENVIRONMENT

SHARRCEM'S INTEGRATED ENVIRONMENTAL MANAGEMENT

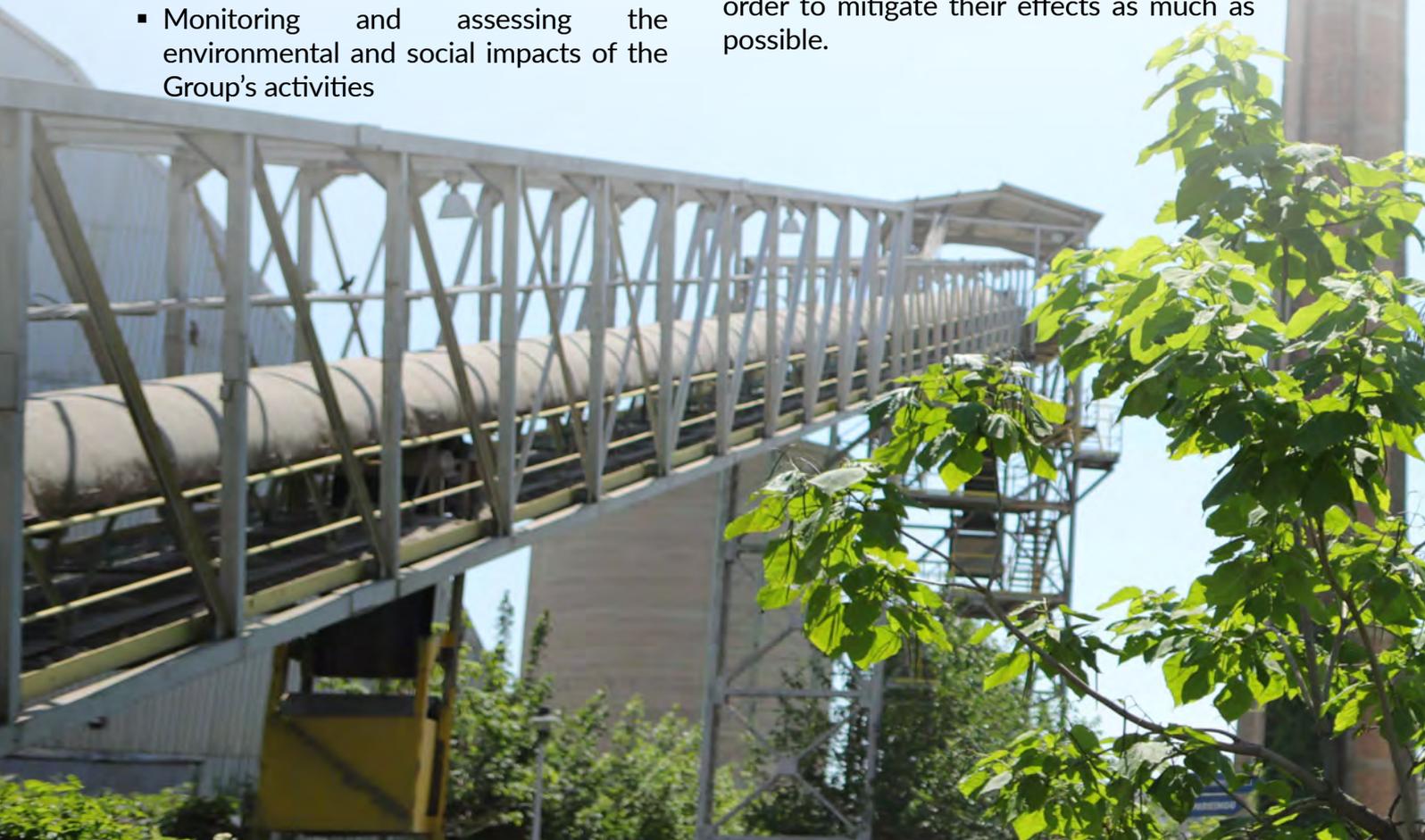
Since the beginning of 2010, Sharrcem acknowledged the importance environmental protection and since then a number of initiatives have been implemented to encourage stakeholder dialogue and seek feedback on material issues, such as the environmental impact of our operations. In 2018, TITAN published the revised Group Environmental Policy replacing the one issued in 2008. The updated version signifies a more holistic approach towards environmental sustainability, in alignment with the company's pledge to the UN SDGs Agenda 2030, stakeholders' expectations and material issues. Climate change mitigation and adaptation is part of the revised policy.

The new Group Policy aims to strengthen further the culture of environmental responsibility across the organization and addresses more specifically issues related to the environmental management, integrating international, industry standards, and best practices, with regard to the following:

- Monitoring and assessing the environmental and social impacts of the Group's activities

- Stewarding the land through quarry rehabilitation
- Protecting the local biodiversity and ecosystems
- Conserving and stewarding the water resources
- Accelerating efforts for resource recovery, waste reduction and responsible waste management
- Embedding innovation in the environmental strategy
- Promoting sustainability in the supply chain by incorporating sustainability criteria in the procurement process

Taking into consideration our business nature that affects the environment but also dependent on the use of natural resources, care to the environment remains one of our utmost priorities in all aspects in our business plan strategy. Air emissions, noise, energy, natural materials and water consumption are issues related to our day-to-day performance and as a result, we put efforts and investments continuously, in order to mitigate their effects as much as possible.



Engagement with key stakeholders is also very important and our aim is to stimulate the environmental awareness of the community we operate in. Sharrcem addresses these main environmental issues through our CSR approach.

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

Sharrcem complies with all local and national regulations on environmental protection and is, moreover, awarded the IPPC permit from the Ministry of Environment and Spatial Planning. This was the first ever permit issued in Kosovo and we have to stress that the immense state-of-the-art investment of the company and the excellent co-operation with the Authorities have enabled this very important process to conclude. Sharrcem cares for a clean and healthy environment, so - we stay alert and committed as part of TITAN Group to “do less harm, and do more good” in managing and improving our environmental performance even during difficult economic circumstances. For more details, please refer to ANNEXES - section

under Environmental Performance Index of KPIs with the last three-year history of consolidated data (2017-2019).

THE ANNUAL COMPANY ENVIRONMENTAL COMMITTEE (CEC)

The CEC meeting was held in the beginning of the year in order to analyze, discuss and approve the environmental programs, action plans, annual report of the previous year and the environmental performance indicators for the respective year.

KEY ACTIVITIES THAT HAPPENED IN 2019

- Recertification of Environmental Management System ISO 14001:2015 was done in November 2019.
- Sharrcem went through an internal audit process between the 25th of November until 06th of December 2019 regarding the environmental performance and the reporting in the country.

No non-conformity observed.



IMPROVEMENTS FOR THE ENVIRONMENT

Sharrcem has developed since 2011 a plan of measures to address its stakeholder's issues/concerns through environmental improvements programs. These programs in 2019 refer to the following activities:

- The cladding project for the clinker and raw materials storage continued with the closure of the north and south sections and was completed in March 2019. So far the total investment has reached 0.388 million Euros (cumulatively since the beginning of the improvement program).
- Installation of the dust suppression system during the discharge of the raw material - limestone into the receiving hopper and its sealing with rubber strips enabling the reduction of transient dust from this source of emissions. So far more than 0.015 million Euros has been invested (cumulatively).
- The rehabilitation plan of the Dimce marl quarry (15 years rehabilitation plan) continued with full implementation in the third bench E-450 through technical rehabilitation and planting of 300 new seedlings. So far more than 1200 young trees have been planted, since the beginning of the quarry rehabilitation program in 2014 (cumulatively).

QUARRY REHABILITATION AND BIODIVERSITY

The improved/successive Quarry Rehabilitation Plan for Dimce quarry, for the 5-year period 2016-2020 is in progress, and the planned activities for 2019 were done accordingly. The objective of the rehabilitation plan at Dimce quarry is to restore the depleted pit, by planting trees at depleted benches and backfilling and leveling of the quarry plateau. The implementation of the rehabilitation plan at the quarry has turned out to be a real composite and practical example of preserving and returning back the natural area in a state compatible with the surrounding environment and with respect

to the needs of the local stakeholders. For the first time since 2013, the company runs the Integrated Biodiversity Assessment Tool (IBAT) to examine the biodiversity value at the location of its operations. The Sharrcem operating sites will be part of the Group project in 2020 for the assessment of the status and value of biodiversity in all Group quarries, again with the use of IBAT. Although our sites have not been recognized for high biodiversity value so far, this assessment will help Sharrcem update the status and potential risks, so as to decide specific actions where appropriate.

CIRCULAR ECONOMY AS PART OF SHARRCEM'S OPERATIONS

Taking into consideration that the waste management has been recognized as one of the major challenges for Kosovo for many years now, Sharrcem has invested and continues to invest with aiming to contribute to:

- (a) Reduction of the use of natural raw materials (from SharrCem quarries and third party supplied raw materials).
- (b) Reduction of the burning of heavy oil, coal, lignite, and other natural fuels (mined from the earth), as sources for energy to the production operations, also reduction of other industrial fuels such as pet coke (being by-product of refineries).
- (c) Recovery of industrial by-products (including waste by-products of other industries), and replacement of natural raw materials and fuels by such industrial by-products, for co-processing and producing clinker and cement as final product.
- (d) Resources efficiency for Kosovo (contributing to national plans for reducing the dependency from imported raw materials and fuels).
- (e) Waste minimization from own operations, and also contribution to the local and national plans for minimizing the needs to landfill any such waste.

Given the above commitment and ambition, SharrCem has started since 2011 to invest in own facilities and third-party installations and facilities (such as the KEK*) the purpose being to consume/co-process/utilize a portfolio of resources, in specific:

- Fly ash, from KEK industrial plants in the area of Obiliq (Kosovo): SharrCem consumed more than 94,800 tons in 2019, and has exceeded 915,862 tons of total consumption since 2011 (cumulatively). This industrial by-product is used as a substitute material instead of natural (raw materials) puzzolanas and limestone, in the processing of cement grinding.

- Bottom ash, again from KEK industrial plants in the area of Obiliq: This material is used as a substitute of natural fuels or/ and pet coke, and also as a substitute of natural raw materials such as limestone, in the co-processing of clinker production in the cement kiln. SharrCem consumed more than 9,643 tons in 2019, and has exceeded 58,706 tons of total consumption since 2011 (cumulatively).
- Pyrite ashes, from the Trepca industrial facilities in the area of Mitrovica (Kosovo): SharrCem consumed more than 6,030 tons in 2019, and has exceeded 42,579 tons of total consumption since 2016 (cumulatively). This industrial by-product has high iron content and is used as a substitute material instead of other (raw) materials which are rich in iron, such as clays, marls. It is also a perfect substitute for similar but imported by-products of high iron content from neighboring countries (which was the practice in the past, with sources of similar pyrite ashes imported e.g. from Albania). For more details, please see page "96".

Furthermore, to protect the environment and to increase competitiveness, Sharrcem is addressing the partial substitution of fossil fuels by alternative fuels. Sharrcem is intending to use RDF (Refuse Derived Fuels) and also other (AF) Alternative Fuels originating from municipal, commercial and industrial wastes for the utilization as a supplementary energy source in the clinker kiln. We are willing and aiming to promote the use of alternative fuels in the country, thus improving its business standing, viability and sustainability, also providing important environmental, economic and social benefits to all.

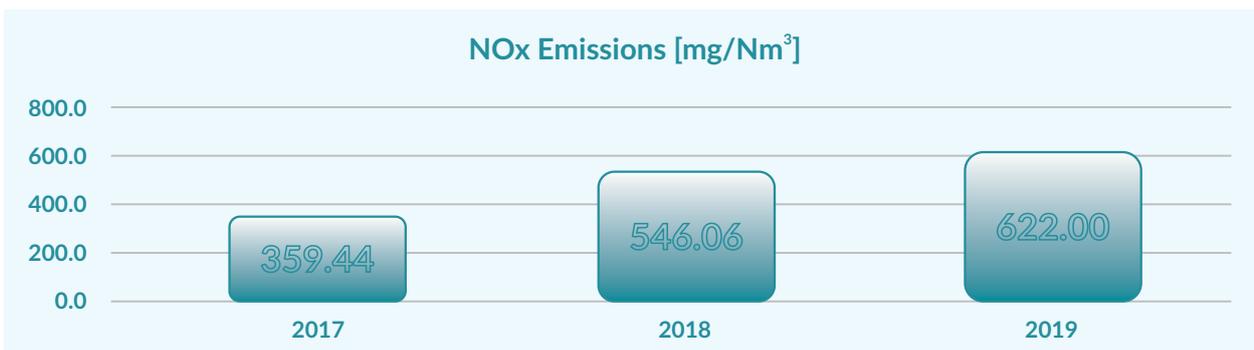
ENVIRONMENTAL PERFORMANCE

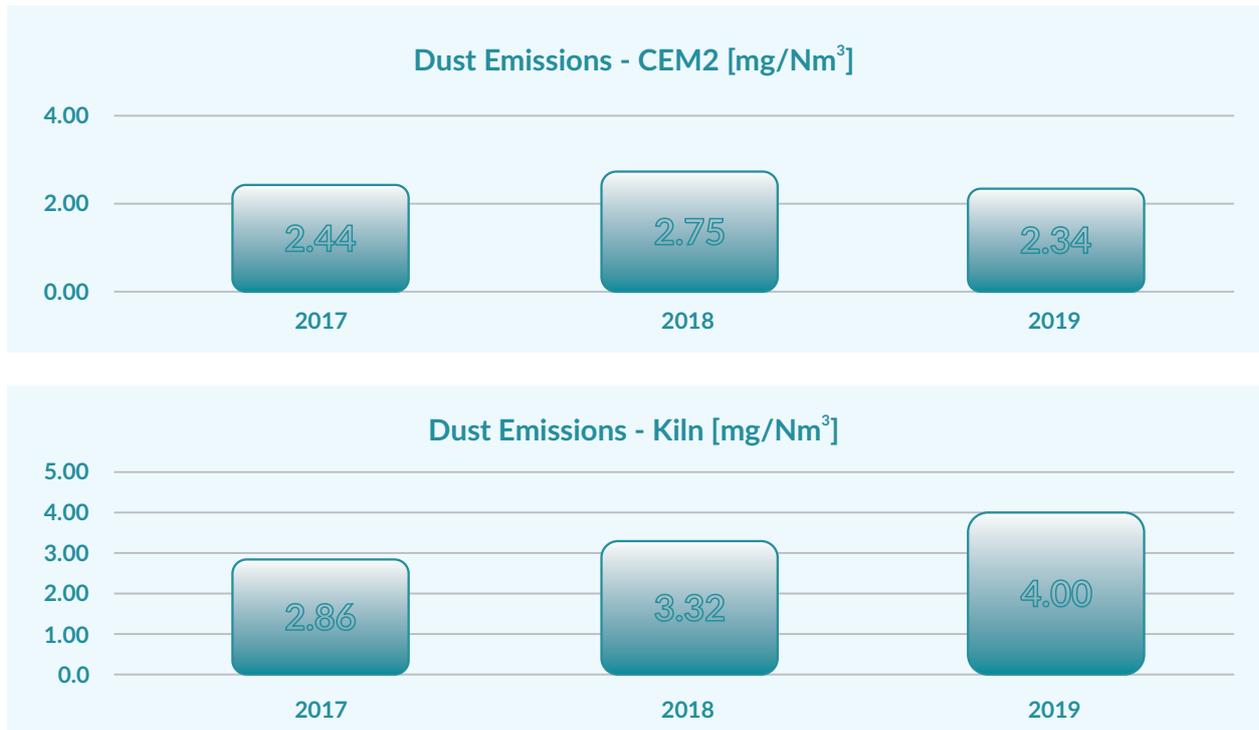
CONTINUOUS EMISSIONS MONITORING SYSTEM

The monitoring of emissions is a pre-condition for controlling and reducing environmental impacts from cement production. Our company was the first company in Kosovo to introduce independent continuous monitoring systems, operating 24 hours a day through an automatic continuous

monitoring system installed since 2012 which is calibrated and certified by an independent party according to European Standards. The data derived from the measured values is processed using the licensed software which has been upgraded in June 2019 - MEAC 300. The processed values are presented in conformity with the legal requirements and are submitted regularly to the Ministry of Environment and Spatial Planning (MESP).

AIR EMISSIONS





CLIMATE CHANGE

Climate change continues to be considered as the most important environmental challenge of our time. The nature of the cement industry is such that it produces and emits carbon dioxide (CO₂), thus contributing to the greenhouse effect and climate change. Sharrcem continuously strives to address the defined environmental challenges through careful planning and actions taking, accompanied with the necessary investments.

In 2013, Sharrcem represented by its Environmental Manager acting as national consultant, participated in drafting a National Adaption Strategy for Kosovo. As a contribution to capacity building and

aligning the mid and long term strategies, the scientific team was put together to provide support to the Ministry of Environment and Spatial Planning of Kosovo.

We follow the adopted climate change mitigation strategy of TITAN which is reflected in their environmental policy and drives our Group CO₂ Initiative.

In 2019, we achieved a reduction of our specific CO₂ emissions mainly due to clinker factor reduction in cement achieved by using increased quantities of suitable alternative raw materials.

WATER MANAGEMENT

Following the most valid international standards and guidelines of the cement sector (GCCA Sustainability Guidelines for the monitoring and reporting of water in cement manufacturing), Sharrcem monitors constantly the total quantity of water used in the plant and it ranks at a very good level according to such standards. Investments in

water recycling systems and improvements of existing water networks have led to more efficient use of water, while the development and implementation of water management systems improved overall monitoring and has rendered the reporting of water use and consumption more consistent.

THE TOTAL WATER USED FOR CEMENT PRODUCTION



SPECIFIC WATER CONSUMPTION FOR CEMENT PRODUCTION



TOTAL WATER DISCHARGE FROM WWTP



LIQUID EFFLUENT DISCHARGE QUALITY

A waste water treatment facility has been installed and operating since 2016 for the treatment of all sewage water. Sharrcem monitors the quality of liquid effluents on quarterly basis through accredited laboratories. The WWTP has been in continuous operation in the reporting year and during

this time no operational issues occurred. The results from the chemical analysis of discharged water were within targets and limits according to the limits value for water discharge from treatment facilities as set in the administrative instruction, (AI-30/2014).

Through the operation of the WWTP, Sharrcem assisted some families around the plant, in the Municipality of Hani i Elezit, by providing to them sewage water connectivity and treatment in the company premises. A considerable number of families of the Municipality benefited from having their water pipes fixed and properly linked to the company sewage systems. The investment in this WWTP contributed not only to the environmental protection but also to the health of the surrounding local communities.

WWTP QUALITY PARAMETERS		LV - ACCORDING TO THE AI-30/2014	QUALITY BEFORE TREATMENT	QUALITY AFTER TREATMENT
			2019	
pH		6-8.5	8.02	7.38
Chemical Oxygen Demand (COD)	mg/l O ₂	125	438.38	45.60
Biochemical Oxygen Demand (BOD ₅)	mg/l O ₂	25	224.25	12.40
Total Suspended Solids (TSS)	mg/l	60	164.08	30.70
OIL and Grease	mg/l	10	1.22	0.45
TOC	mg/l	40	149.43	23.25

WASTE MANAGEMENT

A specially designated area, in the vicinity of places where wastes are generated, is used for the temporary storage of solid wastes kept in properly selected boxes, containers or places intended and specifically marked/ labeled for such purpose.

Waste disposal is carried out by legally permitted subcontractors, and they provide services related to waste collection and/or

transportation. Handling and management of non-hazardous wastes follow the rule of priority given to: reusing, recycling and reprocessing.

The amount of waste generated and disposed in 2019 as well as the waste utilized by the plant in the same year.

WASTE GENERATION

Year	Mix domestic waste (t/y)	Scrap (t/y)	Refract. Bricks (t/y)	Cem. torn bags (t/y)	Paper and packag. waste (t/y)	Waste from demolition	Wooden pallets (m ³ /y)	Waste oil (t/y)
2019	46.14	118.96	200	33.48	11.3	194	43.83	2

WASTE UTILIZATION (IN DRY BASIS)

Year	Fly ash (t/y)	Bottom ash (t/y)	Pyrite (t/y)	Refract. bricks (t/y)
2019	94,800	9,643	6,030	0

AWARENESS THROUGH TRAININGS

Sharrcem, as part of an industry which has an environmental impact continues the close cooperation with its stakeholders also through the environment department by organizing trainings and having its own doors open to welcome interested parties for visits.

The environment department, under the planned activities, organized different training programs and activities with the focus on education and social contribution

by raising the awareness regarding the importance of environmental protection. Sharrcem also gave its contribution in public awareness raising for environmental protection in the country by providing materials and a lecture with the aim of offering capacity building and sharing the know-how for the impacts of climate change on the earth. For more information please see the ANNEX "A", Section on Social Performance Index - KPIs "SP39L".



The background image shows a complex industrial structure, possibly a refinery or chemical plant, with various pipes, walkways, and towers. The image is overlaid with a semi-transparent teal rectangle. Inside this rectangle, the text '5. INDEPENDENT LIMITED ASSURANCE REPORT' is written in white, bold, uppercase letters. The text is centered and occupies the middle portion of the teal area. The overall color palette is dominated by the teal of the overlay and the blue-green tones of the industrial scene.

5. INDEPENDENT LIMITED ASSURANCE REPORT

Independent limited assurance report

Grant Thornton LLC
Rr. Rexhep Mala 18
10 000 Pristina
Kosovo
T +381 38 247 771
+381 38 247 801
F +381 38 247 802
www.grantthornton-ks.com

To the management of Sharrcem SH.P.K.

Introduction and scope of work

We were engaged by Sharrcem SH.P.K. (further referred as to “the Company”), to provide limited assurance in relation to the following information, presented in Sharrcem SH.P.K. Corporate Social Responsibility and Sustainability Annual Report for 2019 (further referred as to “the CSR and Sustainability Report”):

- The consistency of qualitative and quantitative sustainability disclosures presented, with regard to the UN Global Compact principles and specifically to the Advanced Level of Communication on Progress Report criteria.
- The completeness and accuracy of qualitative and quantitative sustainability disclosures, in specific for the areas of Environment and Health & Safety and regarding the criteria applicable in 2019, which are aligned with the sectoral guidelines and reporting standards (GCCA¹ Sustainability Charter, GCCA Sustainability Framework Guidelines, and other relevant and applicable GCCA Guidelines, and the guidelines of the World Business Council for Sustainable Development / Cement Sustainability Initiative (WBCSD/CSI) only as applicable in 2019), and with the TITAN Group² Standards for Reporting on Group level and Business Unit level.
- The methodology of materiality assessment with regard to the guidelines of AA1000 Standard.

Management responsibility

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

¹ Global Cement and Concrete Association (GCCA)

² TITAN Cement International (referred to as “TITAN Group”) is the Owner of the Company.

Our Independence and Quality Control

We have complied with the independence and other ethical requirements of the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants (IESBA), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior. In this context, the assurance team is independent from the Company and has not participated in the preparation of the Company's CSR and Sustainability Report for the year 2019.

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

Our responsibility

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

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

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

Summary of work performed

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

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

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

Limitations

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

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

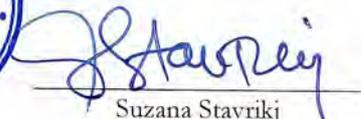
- No work has been conducted on data for previous reporting periods, as well as on data related to forecasts and targets.
- No work has been conducted on anything other than the agreed scope and consequently, our opinion is limited to that scope.

Limited assurance conclusion

Based on the procedures performed and evidence obtained, nothing has come to our attention that caused us to believe that there are any errors or misstatements that would materially affect the data and information as presented in the CSR and Sustainability Report (including explanatory notes and relevant references) and that the CSR and Sustainability Report for 2019 of Sharrcem SH.P.K. was not prepared, in all material respects, in accordance with the criteria mentioned above, in the "Introduction and scope of work" section.

Grant Thornton LLC

Prishtina,
7 August 2020



Suzana Stavrikj
Statutory auditor





6. GLOSSARY AND ANNEXES

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.

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 Compact.

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 sustainability principles ('Ten Principles') and to 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.

CONNECTING OUR PERFORMANCE REVIEW IN THE ANNUAL REPORT WITH THE SDGs

Related to Value Creation:

- **Local Spend:** Defined according to TITAN Group standards for reporting, see KPIs Index for Social Performance, KPI SP45L. This new KPI, related to Value Creation, is connected with the UNGC Ten Principles, and the SDG9/Target 9.3, according to the UNCTAD Approach (ed. 2019).
- **Donations:** Defined according to TITAN Group standards for reporting, see KPIs Index for Social Performance, KPI SP40L.
- **Green Investment or equivalent:** 'Investments for the Environment': Defined according to TITAN Group standards for reporting, see KPIs Index for Social Performance, KPI EP40L.

Related to Social Performance:

We connect our 2019 performance and provide a 3-year data history in the Social Performance KPIs Index for:

- **Health & Safety (SP01L-SP12L),** see Appendix A. We connect also our performance with our commitment to the UNGC Ten Principles and the SDG8/Target 8.8, according to the UNCTAD Guidance (ed. 2019).
- **Employment (SP14L-SP29L),** see Appendix A. We connect also our performance with our commitment to the UNGC Ten Principles and the UN SDG5/Target 5.5, according to the UNCTAD Guidance (ed. 2019).
- **People Development (SP30L-SP39L),** see Appendix A. We connect our performance with our commitment to the UNGC Ten Principles and the SDG4/Target 4.3, according to the UNCTAD Guidance (ed. 2019).
- **Stakeholder Engagement (SP40L-SP45L),** see Appendix A.

We connect also our performance with the UNGC Ten Principles and the SDG9/Target 9.3, and SDG17/17.17, according to the UNCTAD Guidance (ed. 2019).

- **Internships as part of our Stakeholder Engagement (SP43L-SP44L),** see Appendix A.

We connect also our performance with our commitment to the UNGC Ten Principles and the European Pact for Youth.

Related to Environmental Performance:

We connect our 2019 performance and provide a 3-year data history in the Environmental Performance KPIs Index for:

- Overall for our Environmental Performance, see KPIs Index (EP01L-SP40L), Appendix B. We connect also our performance with our commitment to the UNGC Ten Principles and the UNCTAD Guidance (ed. 2019).

In more specific:

- **Energy and Climate Change:** See KPIs Index (Appendix B), EP18L-EP22L, and EP34L-EP37L, connected with the GCCA Charter, Guidelines and Sector KPIs, and the SDG7/Targets 7.2, 7.3, and 7a, SDG9/Target 9.4, and SDG12/Target 12.2.
- **Use of Alternative Fuels:** See KPIs Index (Appendix B), EP22L, EP36L, and EP37L, connected with the GCCA Charter, Guidelines and Sector KPIs, and the SDG7/Targets 7.2, 7.3, and 7a, and SDG12/Target 12.2.
- **CO₂ Emissions:** See KPIs Index (Appendix B), EP18L-EP20L, connected with the GCCA Charter, Guidelines and Sector KPIs, and the SDG9/Target 9.4.
- **Air Emissions:** See KPIs Index (Appendix B), EP30L-EP33L, connected with the GCCA Charter, Guidelines and Sector KPIs, and the SDG3/Target 3.9, and SDG9/Target 9.4.
- **Natural Resources (Preservation):** See KPIs Index (Appendix B), EP01L-EP05L, and EP27L and EP28L, connected with the GCCA Charter, Guidelines and Sector KPIs, and the SDG12/Target 12.2.
- **Water:** See KPIs Index (Appendix B), EP07L-EP09L, and EP29, connected with the GCCA Charter, Guidelines and Sector KPIs, and the SDG6/Targets 6.3, 6.4, and 6.5.
- **Waste Management:** See KPIs Index (Appendix B), EP06L, EP38L, and EP39L, connected with the GCCA Charter, Guidelines and Sector KPIs, and the SDG12/Targets 12.4, and 12.5.
- **Biodiversity Preservation:** See KPIs Index (Appendix B), EP10L-EP15L, connected with the GCCA Charter, Guidelines and Sector KPIs, and the SDG15/Targets 15.3, 15.4, 15.5, 15.9, and 15.a.

ANNEX A

SOCIAL PERFORMANCE INDEX

Kosovo Key Performance Indicators		2019	2018	2017	SDGs & Targets	Codes	Global Sectoral Approach	
Health and safety (SG)	All activities performance acc. to the TITAN Global Sectoral Approach							
	Employee fatalities	0	0	0	SDG 3; Target 3.6	SP01L	GCCA & UNC-TAD 8.8.1	
	Employee fatality rate	0.00	0.00	0		SP02L		
	Contractors fatalities	0	0	0		SP03L		
	Third-party fatalities	0	0	0		SP04L		
	Employee Lost Time Injuries (LTIs)	1	1	1		SP05L		
	Employee Lost Time Injuries Frequency Rate (LTIFR)	0.00	1.72	1.75		SP06L		
	Employee lost working days	0	20	8	SDG 8; Target 8.8	SP07L	GCCA	
	Employee Lost Time Injuries Severity Rate	0.00	34.4	14.0		SP08L	GCCA & UNC-TAD 8.8.1	
	Contractors Lost Time Injuries (LTIs)	0	1	0		SP09L	UNC-TAD 8.8.1	
	Contractors Lost Time Injuries Frequency Rate (LTIFR)	0.00	3.09	0.00		SP10L		
	All activities performance leading indicators							
	Near misses	13	10	9		SP11L	UNGC	
	Training man-hours on health and safety per employee	20.9	21.1	19.6		SP12L	UNGC	
Em- p- l- o- y- m- e- n- t	Number of employees as of 31 December	244	282	284	SDG 5; Targets: 5.1, 5.4, and 5.5	SP14L	UNGC	
	Employee turnover (%)	15.57%	2%	2%		SP15L	UNGC	
	Employees left	38	5	7		SP16L	UNGC	
	Employee new hires (%)	0%	1%	1%		SP17L	UNGC	
	Employee new hires	0	3	2		SP18L	UNGC	
	New hires per age group ³					SP19L	UNGC	
	Under 30	0	0	0				
	Between 30-50	0	3	0				
	Over 50	0	0	2				
	New hires per gender						SP20L	UNGC and D&I
	Females	0	0	0				
	Males	0	3	2				
	Employment per age group					SDG 8; Targets: 8.5, 8.6, and 8.8	SP21L	UNGC
	Under 30	7	-	-				
	Between 30-50	97	-	-				
	Over 50	140	-	-				
	Employment per type ³					SDG 10; Target 10.3	SP22L	UNGC
	Full time	244	282	284				
	Part Time	0	0	0				
	Temporary	0	0	0				
	Employment per category ³				SDG 10; Target 10.3	SP23L	UNGC	
	Managers (incl. Senior managers)	19	18	18				
	Administration/technical	56	78	79				
Semi skilled/unskilled	169	189	188					
Employment per gender ³					SP24L	UNGC and D&I		
Females	11	15	16					
Males	233	267	268					
Share of women in employment (%) ³	4.51%	6%	6%		SP25L	UNGC and D&I		
Share of women in management (%) ³	5.26%	11%	11%		SP26L	UNGC and D&I, and UNC-TAD 5.5.2		
Employees from local community (%) ^{3,4}	66.80%	65%	65%		SP28L	UNGC & Local		
Unionized employees (%)	81.56%	79%	78%		SP29L	UNGC		

People Development	Training investment per (trained) employee (Euros) ^{3,4,5}	145	112	141		SP30L	UNGC & UNC-TAD 4.3.1
	Training investment per gender (Euros) ^{3,4,5}					SP31L	UNGC and D&I, and UNC-TAD 4.3.1
	Females	2,678	252	4,663			
	Males	34,579	31,571	35,739			
	Trained employees ³	257	285	287		SP32L	UNGC
	Share of trained employees (% in total workforce) ^{3,4}	100%	100%	100%		SP33L	UNGC
	Share of trained female employees (% in total trained) ^{3,4}	100%	94%	100%		SP34L	UNGC and D&I
	Trained employees per category ³					SP35L	UNGC
	Managers	17	13	13			
	Senior managers	2	3	2			
	Administration/technical	63	76	81	SDG 4; Targets: 4.3, 4.4, and 4.5		
	Semi skilled/unskilled	175	193	191			
	Trained employees per age group					SP36L	UNGC and D&I
	Under 30	9	23	32	SDG 5; Targets: 5.1, and 5.5		
	Between 30-50	100	106	74			
	Over 50	148	156	181			
	Training hours ⁴	7,920	7,560	9,884	SDG 8; Target 8.5	SP37L	UNGC & UNC-TAD 4.3.1
	Average training hours per employee, and breakdown per gender ^{3,4}	32	27	35		SP38L	UNGC and D&I, and UNC-TAD 4.3.1
	average female	35	18	43	SDG 10; Target: 10.2, and 10.3		
	average male	32	27	34			
	Training hours per subject ⁴					SP39L	UNGC
	Company on-boarding	264	0	0			
	Compliance (previously: TITAN Group Code of Conduct)	25	0	0	SDG 16; Target 16.5		
	CSR and Sustainability (previously: Human Rights)	438	0	0			UNGC & UNC-TAD 16.5.2
	Digital	89	399	280			
	Environment (previously: Environment: care and management systems)	104	0	555			
	Foreign languages	18	0	0			
Functional competence (previously: Non-technical skills and specialization)	976	0	0				
Generic competence (previously: Non-technical skills and specialization)	5,340	6,017	5,604				
Health and safety	0	0	544				
Managerial skills (previously: Management and managerial skills)	352	0	544				
Other	144	555	1,681				
Security	0	0	0				
Technical know-how (previously: Technical know-how and core competence)	170	589	1,220			UNGC & UNC-TAD 16.5.2	

Stakeholder Engagement	Donations (Euros) ⁵	176,071	295,285	258,256	SDG 2; Targets 2.1, and 2.3 SDG 4; Targets: 4.3, and 4.4 SDG 8; Targets: 8.5, and 8.6 SDG 9; Targets: 9.1, and 9.5 SDG 11; Target 11.4 SDG 16; Target 16.5 SDG 17; Target 17.17	SP40L	UNGC & UNC-TAD 17.17.1
	Donations in cash (Euros)	176,071	295,026	258,256		SP41L	
	Donations in kind (Euros)	0	259	0		SP42L	
	Internships	25	7	3		SP43L	UNGC and EP4Y
	New entry level jobs from internships/traineeships	0	1	0		SP44L	
Local Spend (%)	-	-	78.81%		SP45L	UNGC & UNC-TAD 9.3.1	

NOTES Notes for the external verification, standards, guidance, and terms used

Health and safety performance indicators for 2019 was reported following the GCCA Sustainability Guidelines for the monitoring and reporting of safety in cement manufacturing (last edition in October 2019), which had superseded in 2019 the Guidelines of the WBCSD/CSI. This document has been agreed within the GCCA to have extended application to concrete and other related activities. For the Sector Standards see details in Table of 'Sector Standards for the Non-financial disclosures' (required).

Notes for specific Social Performance indicators

1. The reported figures of 'Near misses' are the total figures for both direct employee and contractors. This is should be clear to All involved in the Social Performance, and in conjunction with the last revised and communicated Guidance by the Group Corporate Dept. for H&S.
2. KPIs based on the new definition(s) of TITAN Group (according to the Sustainability Glossary & Guidelines for Social Performance, ed. 2019). The figures for the KPI SP33L ("Share of trained employees") and KPI SP34L ("Share of trained female employees") were adjusted by re-calculation for years before 2019, in order to reflect the performance acc. to the new definition. Figures for the KPI SP33L and SP34L which were calculated above 100% needed to be reported as 100% (adjusted), for avoiding confusion of the larger audience of this report.
3. KPI calculated on the basis of the 'Average' number of Employees. No change in this Index for the 2019 data, compared to previous practices, either on Group level or BU level.
4. KPIs calculated on the basis of 'Average' number of Employees for years 2017 and 2018. As of 2019, the specific KPIs are calculated on the basis of the number of employees as of 31 December.
5. KPIs based on the new definition(s) of TITAN Group (according to the Sustainability Glossary & Guidelines for Social Performance, ed. 2019). The figures for the KPI
6. For the definition of Training Investment, Donations, and Local Spend see 'Glossary' (required). Note in specific for the Local Spend: TITAN launched an improved methodology in 2019, following the approach of the UNCTAD (see Glossary), and building on bench strength and the technical capacity of internal systems (coordinated by the Group Procurement). It is implied that comparable figures for the Local Spend were not available for years before 2019.

ANNEX B

ENVIRONMENTAL PERFORMANCE INDEX

ENVIRONMENTAL PERFORMANCE			2019	2018	2017	SDGs & Targets	Codes	Global Sectoral Approach
1. All Activities - Environmental Performance (acc. to the Sectoral Approach adopted by TITAN)								
LOCAL IMPACTS Impact on natural raw materials recourses	Natural raw materials extracted (total, wet)	million t	0.7	0.8	0.7	SDG 12 Target 12.2	EP01L	GCCA
	Raw materials extracted for clinker and cement production	million t	0.7	0.8	0.7		EP02L	GCCA
	Raw materials extracted for aggregates	million t	0.0	0.0	0.0		EP03L	GCCA
	Raw materials consumed (total)							GCCA
	Raw materials consumed for clinker and cement production (dry)	million t	0.9	0.9	0.9		EP04L	GCCA
	Raw materials consumed for ready mix, dry mortar and block production (wet)	million t	0.0	0.0	0.0	EP05L	GCCA	
	Externally recycled waste materials (total, wet)	t	216	171	292	SDG 12 Targets 12.4 and 12.5	EP06L	TITAN standards & UNCTAD 12.5.1
	Recycled	t	164	137	265			
	Reused	t	53	34	0			
	Recovered	t	0	0	27			
Impact on water recourses	Water consumption (total)	million m ³	0.1	0.1	0.2	SDG 6 Targets 6.3, 6.4 and 6.5	EP07L	GCCA
	Water withdrawal (total, by source)	million m ³	0.1	0.2	0.2		EP08L	GCCA
	Ground water	million m ³	0.1	0.2	0.2			GCCA
	Municipal water	million m ³	0.0	0.0	0.0			
	Rain water	million m ³	0.0	0.0	0.0			
	Surface water	million m ³	0.0	0.0	0.0			
	Quarry water used (from quarry dewatering)	million m ³	0.0	0.0	0.0			
	Ocean or sea water	million m ³	0.0	0.0	0.0			
	Waste water	million m ³	0.0	0.0	0.0			
	Water discharge (total, by destination)	million m ³	0.0	0.0	0.0		EP09L	GCCA
	Surface (river, lake)	million m ³	0.0	0.0	0.0			GCCA & UNCTAD 12.5.1
	Ocean or sea	million m ³	0.0	0.0	0.0			
	Off-site treatment	million m ³	0.0	0.0	0.0			
Impact on biodiversity and land stewardship	Active quarry sites with biodiversity issues ^{1,3}		0	0	0	SDG 15 Targets 15.3, 15.4, 15.5, 15.9 and 15.a	EP010L	WBCSD/CSI
	Active quarry sites with biodiversity management plans ^{2,3}		-	-	-		EP011L	
	Active quarry sites with biodiversity management plans	%	-	-	-		EP012L	
	Sites with community engagement plans ⁴	%	100.0	100.0	100.0		EP013L	
	Sites with quarry rehabilitation plans ³	%	100.0	100.0	100.0		EP014L	
	Active quarry sites (wholly owned) with Environmental Management System (ISO14001 or similar)	%	75.0	75.0	100.0		EP015L	
FUELS AND ENERGY Impact on energy recourses	Thermal energy consumption (total)	TJ	1,498	1,587	1,499	SDG 7 Target 7.2	EP016L	GCCA & UNCTAD 7.3.1 & 7.3.2
	Electrical energy consumption (total)	TJ	250	267	254		EP017L	

ENVIRONMENTAL PERFORMANCE			2019	2018	2017	SDGs & Targets	Codes	Global Sectoral Approach
2. Cement Activities - Environmental Performance (acc. to the Sectoral Approach adopted by TITAN)								
CLIMATE CHANGE	Specific gross direct CO ₂ emissions	kg/t Cementitious Product	604.2	610.1	580.1		EP018L	GCCA
	Specific net direct CO ₂ emissions	kg/t Cementitious Product	604.2	610.1	580.1		EP019L	GCCA
	Indirect CO ₂ emissions (total) ⁽⁶⁾	million t	0.1	0.1	0.1		EP020L	GCCA & UNCTAD 9.4.1
Alternative fuels and materials	Alternative fuel substitution rate	% _{Heat Basis}	0.0	0.0	0.0		EP021L	GCCA & UNCTAD 7.2.1
	Biomass in fuel mix	% _{Heat Basis}	0.0	0.0	0.0		EP022L	
	Clinker to cement ratio		0.684	0.711	0.700	SDG 7 Targets 7.2, 7.3 and 7.a	EP023L	GCCA
Impact on energy recourses	Thermal energy consumption							
	Cement and grinding plants and attached quarries	TJ	1,498	1,587	1,499	SDG 12 Target 12.2	EP024L	GCCA
	Alternative fuels consumption (total)	t	0	0	0		EP025L	GCCA
	Electrical energy consumption (total)							
	Cement plants and attached quarries	GWh	69.6	74.3	70.7		EP026L	GCCA
LOCAL IMPACTS Impact on natural raw materials recourses	Materials consumption (total, dry)	million t	0.9	0.9	0.9		EP027L	GCCA
	Extracted (natural) raw materials consumption (dry)	million t	0.8	0.8	0.8	SDG 12 Target 12.2		
	Alternative raw materials consumption (dry)	million t	0.1	0.1	0.1			
	Alternative raw materials use (of total raw materials consumed)	% _{Dry}	12.2	10.9	12.8		EP028L	TITAN standards
	Alternative raw materials rate (based on clinker-to-cement (equivalent) factor)	% _{Dry}	15.2	13.3	14.8		EP029L	GCCA
Impact on water recourses	Water consumption (total)	million m ³	0.1	0.1	0.2	SDG 6 Targets 6.4 and 6.5	EP029L	GCCA
Other air emissions	Coverage rate continuous measurement	%	100.0	100.0	100.0		EP030L	GCCA
	Specific dust emissions	g/t _{Clinker}	10.5	9.1	11.4	SDG 3 Target 3.9	EP031L	GCCA
	Specific NOx emissions	g/t _{Clinker}	1,636.7	1,492.3	1,427.6	SDG 9 Target 9.4	EP032L	GCCA
	Specific SOx emissions	g/t _{Clinker}	73.3	122.6	186.4		EP033L	GCCA

ENVIRONMENTAL PERFORMANCE		2019	2018	2017	SDGs & Targets	Codes	Global Sectoral Approach		
3. All Activities - Disclosures concerning materials, fuels and wastes									
Impact on fuels and energy resources	Fuel mix, energy consumption for clinker and cement production	% _{Heat Basis}	100.0	100.0	100.0	SDG 7 Target 7.2	EP034L	GCCA	
	Conventional fossil fuels	% _{Heat Basis}	100.0	100.0	100.0		EP035L	GCCA	
	Coal, anthracite, and waste coal	% _{Heat Basis}	0.0	0.0	0.0				
	Petrol coke	% _{Heat Basis}	91.1	96.4	94.2				
	Lignite	% _{Heat Basis}	0.0	0.0	0.0				
	Other solid fossil fuel	% _{Heat Basis}	0.0	0.0	0.0				
	Natural gas	% _{Heat Basis}	0.0	0.0	0.0				
	Heavy fuel (ultra)	% _{Heat Basis}	0.9	3.5	5.6				
	Diesel oil	% _{Heat Basis}	0.1	0.1	0.2				
	Gasoline, LPG (Liquified petroleum gas or liquid propane gas)	% _{Heat Basis}	-	0.0	0.0				
	Alternative fossil and mixed fuels	% _{Heat Basis}	0.0	0.0	0.0	SDG 12 Target 12.2	EP036L	GCCA	
	Tyres	% _{Heat Basis}	0.0	0.0	0.0				
	RDF including plastics	% _{Heat Basis}	0.0	0.0	0.0				
	Impregnated saw dust	% _{Heat Basis}	0.0	0.0	0.0				
	Mixed industrial waste	% _{Heat Basis}	0.0	0.0	0.0				
	Other fossil based and mixed wastes (solid)	% _{Heat Basis}	0.0	0.0	0.0				
	Biomass fuels	% _{Heat Basis}	0.0	0.0	0.0		EP037L	GCCA	
	Dried sewage sludge	% _{Heat Basis}	0.0	0.0	0.0				
	Wood, non-impregnated saw dust	% _{Heat Basis}	0.0	0.0	0.0				
Agricultural, organic, diaper waste, charcoal	% _{Heat Basis}	0.0	0.0	0.0					
Other	% _{Heat Basis}	0.0	0.0	0.0					
Management of waste	Waste disposal (total, wet)	t	262.5	235.0	356.6	SDG 12 Targets 12.4 and 12.5	EP038L	TITAN standards & UNC-TAD 12.4.2 and 12.5 According to the Group database figure is 263t not 677t	
	Hazardous waste	% _{By mass}	0.0	0.0	0.0			TITAN standards & UNC-TAD 12.4.2 and 12.5	
	Waste disposal, break down by destination-usage (wet)	% _{By mass}	100.0	100.0	100.0			EP039L	
	Reuse	% _{By mass}	20.0	14.5	0.0				TITAN standards & UNC-TAD 12.5.1
	Recycled	% _{By mass}	62.4	58.2	74.4				
	Recovered (including energy recovery)	% _{By mass}	0.0	0.0	7.5				
	Incineration	% _{By mass}	0.0	0.0	0.0				
	Landfilled	% _{By mass}	17.6	27.4	18.1				
Other (incl. storage)	% _{By mass}	0.0	0.0	0.0					

ENVIRONMENTAL PERFORMANCE		2019	2018	2017	SDGs & Targets	Codes	Global Sectoral Approach
4. All Activities - Investments for the Environment							
Impact on fuels and energy resources	Environmental expenditures across all activities million €	0.3	0.2	0.1		EP040L	TITAN standards & UNC-TAD 12.5.1
	Environmental management million €	0.1	0.1	0.1	SDG 7 Target 7.b		UNC-TAD 7.b.1
	Reforestation million €	0.0	0.0	0.1	SDG 9 Target 9.4		
	Rehabilitation million €	0.1	0.0	0.0			
	Environmental training and awareness building million €	0.0	0.0	0.0			
	Application of environmental friendly technologies million €	0.0	0.0	0.0			
	Waste management million €	0.1	0.1	0.0			

NOTES

Notes for the external verification, standards, guidance, and terms used

TITAN follows the GCCA Sustainability Framework Guidelines (last edition 2019), and the Sustainability Guidelines for the monitoring and reporting of CO₂ emissions from cement manufacturing, co-processing fuels and raw materials, monitoring and reporting of emissions, and monitoring and reporting of water in cement manufacturing (for all documents the reference is to the last edition in 2019). The above Guidelines had superseded in 2019 the previous – and respective – Guidelines of the WBCSD/CSI, which were the guidance for measuring, reporting and verifying environmental performance until (and including) year 2018. Further, TITAN has used in 2019 the Guidelines of the (previously) WBCSD/CSI for the monitoring and reporting of our performance in the areas of: quarry rehabilitation, biodiversity management, and environmental and social impact assessment. This was necessary because of the absence of any such (superseding or equivalent) documents of the GCCA. For the Sector standards see details in Table of 'Sector Standards for the Non-financial disclosures' (required).

Notes for specific Environmentalak Performance indicators

1. Active quarries within, containing or adjacent to areas designated for their high biodiversity value. See also Table zz (optional).
2. Sites with high biodiversity value where biodiversity management plans are actively implemented. See also Table zz (optional).
3. Coverage includes both quarries attached to cement plants and quarries for aggregates production.
4. Indicator on "Sites with community engagement plan" is related only to quarries and is reported for 2019.
5. Indirect CO₂ emissions are related to emissions released for the production of the electrical energy consumed at TITAN's facilities. For their calculation, we use emission factors provided by the supplier of the electrical energy or other publicly available data sources.
6. Biomass rate corresponds to the percentage of total thermal energy consumption that comes from renewable energy sources.
7. The definition of Environmental expenditures across all activities is equivalent to the definition of Green Investment. See 'Glossary' (required).

SECTOR STANDARDS FOR THE NON-FINANCIAL DISCLOSURES

Sector Association or Initiative	Guidelines and other documents of reference	Published
GCCA	GCCA Sustainability Charter	Latest edition in October 2019
	GCCA Sustainability Framework Guidelines	
	GCCA Sustainability Guidelines for the monitoring and reporting of safety in cement manufacturing. This document has been agreed within the GCCA to have extended application to concrete and other related activities [Pillar 1]	
	GCCA Sustainability Guidelines for the monitoring and reporting of CO2 emissions from cement manufacturing [Pillar 2]	
	GCCA Sustainability Guidelines for the monitoring and reporting of water in cement manufacturing [Pillar 4]	
	GCCA Sustainability Guidelines for the monitoring and reporting of emissions from cement manufacturing [Pillar 4]	
	GCCA Sustainability Guidelines for co-processing fuels and raw materials in cement manufacturing [Pillar 5]	
(Previously) WBCSD/CSI	Guidelines for Environmental and Social Impact Assessment (ESIA)	2016
	Biodiversity Management Plan Guidance	2014
	Guidelines on Quarry Rehabilitation	2011
	Recommended Good Practices for: (a) Contractor Safety, and (b) Driving Safety	2009

NOTES

The GCCA has built its Sustainability Charter around five (5) Sustainability Pillars

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

ANNEX C

UNGC 10 PRINCIPLES PROGRESS REVIEW INDEX

UNGC Area	UNGC Related Principle(s)	Our Commitments	Reference in 2018 Sharrcem Corporate Social Responsibility and Sustainability Report
Human Rights	<p>Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights within the scope of their influence.</p>	<ul style="list-style-type: none"> a. TITAN Corporate Values b. TITAN Group Code of Conduct c. TITAN Group CSR Policy d. TITAN Group Code of Conduct for Procurement e. Occupational Health and Safety Policy and guidelines f. TITAN Group Anti-Bribery and Corruption policy g. SA 8000 	<p><u>Strategic Review and Assessment of Material Issues: Timeline History, TITAN Group Values, TITAN Group CSR Policy, Material Issues, Sustainability through Certified Systems, New materiality assessment</u></p> <p>HEALTH and SAFETY: Occupational Health and Safety and SP KPIs (SP01L-SP12L).</p> <p>PEOPLE DEVELOPMENT: SP KPIs (SP14L-SP39L).</p>
	<p>Principle 2: Business should make sure that they are not complicit in human rights abuses.</p>		<p><u>ENGAGING WITH LOCAL COMMUNITIES:</u> SP KPIs (SP40L-SP45L).</p> <p>HUMAN RIGHTS: Code of Conduct, Policies and Procedures, SA 8000, TITAN Group Code of Conduct for Procurement, Governance within Sharrcem, TITAN Group Anti-Bribery and Corruption Policy, European Investors Council, Kosovo CSR Network</p> <p>ANNEXES: Environmental Performance Index of KPIs (EP KPIs), and Social Performance Index of KPIs (SP KPIs). The SP KPIs Index includes the KPIs for Health & Safety.</p>

Labor Standards	Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;	<ul style="list-style-type: none"> a. TITAN Corporate Values b. TITAN Group Code of Conduct c. TITAN Group CSR Policy d. TITAN Group Code of Conduct for Procurement e. TITAN Occupational Health and Safety Policy and guidelines f. TITAN Group Anti-Bribery and Corruption policy g. OHSAS 18001 h. SA 8000 	<p>STRATEGIC REVIEW: Timeline History, TITAN Values, TITAN Group CSR Policy, Material Issues, Sustainability through our Certified Systems, Focus of Sharrcem on Material Issues and SDG's, Non-financial Performance,</p> <p>HEALTH and SAFETY: TITAN Group Health and Safety Guidelines, OHSAS 18001, and SP KPIs (SP01L-SP12L).</p> <p>PEOPLE DEVELOPMENT: Human Rights Labour Issues and Equal Opportunities, Trade Union, SA 8000, Continuous Education, Employee Benefits, Group Code of Conduct</p> <p>ENGAGING WITH LOCAL COMMUNITIES: Our Stakeholders and Engagement, SP KPIs (SP13L-SP43L).</p> <p>ANNEXES: Social Performance Index of KPIs (SP KPIs). The SP KPIs Index includes the KPIs for Health & Safety.</p>
	Principle 4: Businesses should uphold the elimination of all forms of forced and compulsory labor		
	Principle 5: should uphold the effective abolition of child labor		
	Principle 6: Businesses should uphold the elimination of discrimination in respect of employment and occupation		
Environment	Principle 7: Businesses should support a precautionary approach to environmental challenges	<ul style="list-style-type: none"> a. TITAN Corporate Values b. TITAN Group Code of Conduct c. TITAN Group CSR Policy d. TITAN Group Environmental Policy e. ISO 14001 f. IPPC Permit 	<p>STRATEGIC REVIEW: Timeline History, TITAN Group Values, TITAN Group CSR Policy, Material Issues, Sustainability through Certified Systems, New materiality assessment, Non-financial Performance,</p> <p>HEALTH and SAFETY: TITAN Group Health and Safety Guidelines, OHSAS 18001, and SP KPIs (SP01L-SP12L).</p> <p>PEOPLE DEVELOPMENT: Human Rights Labour Issues and Equal Opportunities, Trade Union, SA 8000, Continuous Education, Employee Benefits, Group Code of Conduct</p> <p>ENGAGING WITH LOCAL COMMUNITIES: Stakeholders and Engagement, SP KPIs (SP14L-SP45L).</p> <p>ANNEXES: Social Performance Index of KPIs (SP KPIs). The SP KPIs Index includes the KPIs for Health & Safety.</p>
	Principle 8: Businesses should undertake initiatives to promote greater environmental responsibility		
	Principle 9: Businesses should encourage the development and diffusion of environmentally friendly technologies		
Anti-corruption	Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery	<ul style="list-style-type: none"> a. TITAN Corporate Values b. TITAN Group Code of Conduct c. TITAN Group CSR Policy d. TITAN Group Code of Conduct for Procurement 	<p>STRATEGIC REVIEW: Timeline History, TITAN Group Values, TITAN Group CSR Policy, Material Issues, Sustainability through Certified Systems, New materiality assessment,</p> <p>OUR CONTRIBUTION TO KOSOVO'S TRANSITION: Governance within Sharrcem, Our Effort against Corruption, European Investors Council, Kosovo CSR Network.</p>

ANNEX D

MEMBERSHIPS 2019

Country	Memberships	Website
Kosovo	EIC - (European Investors Council)	www.eic-ks.eu
Kosovo	German-Kosovo Chamber of Commerce	www.kdww.eu
Kosovo	Kosovo Chamber of Commerce	www.oek-kcc.org
Kosovo	Kosovo CSR Network	www.csrkosovo.org
Kosovo	CIGRE Kosovo	www.cigre.org

ANNEX E

COOPERATION 2019

Country	Cooperation	Website
Kosovo	EIC - (European Investors Council)	www.eic-ks.eu
Kosovo	German-Kosovo Chamber of Commerce	www.kdww.eu
Kosovo	Kosovo Chamber of Commerce	www.oek-kcc.org
Kosovo	Kosovo CSR Network	www.csrkosovo.org
Kosovo	CIGRE Kosovo	www.cigre.org
Kosovo	Trade Union of Sharrcem	-
Kosovo	Municipality of Hani i Elezit	www.kk.rks-gov.net/hanielezit
Kosovo	LAB	www.lab-ks.org
Kosovo	BOPAL	-
Kosovo	Children's Board	-
Kosovo	Government of Kosovo	www.rks-gov.net
Kosovo	European Union Office	www.eeas.europa.eu
Kosovo	Labor Inspectorate	www.ip.rks-gov.net
Kosovo	Ministry of Health	www.msh-ks.org
Kosovo	Ministry of Labor and Social Welfare	www.mpms.rks-gov.net
Kosovo	Ministry of Environment and Spatial Planning	www.mmph-rks.org
Kosovo	Ministry of Agriculture, Forestry and Rural Development	www.mbpzhr-ks.net
Kosovo	Education Department - Hani i Elezit	-
Kosovo	Infrastructure Department - Hani i Elezit	-
Kosovo	Agriculture and Forestry Dpt. - Hani i Elezit	-
Kosovo	Elementary Schools - Hani i Elezit, (including villages)	-
Kosovo	High School - Hani i Elezit	-
Kosovo	Medical Health Center - Hani i Elezit	-
Kosovo	Fire Fighting Brigade - Hani i Elezit	-
Kosovo	Police Authorities - Hani i Elezit	-
Kosovo	University of Prishtina	www.fna.uni-pr.edu
Kosovo	German Embassy	www.pristina.diplo.de
Kosovo	HELLENIC Republic Liaison Office in Prishtina	www.mfa.gr
Kosovo	GIZ	www.giz.de
Kosovo	IADK	www.iadk.org
Kosovo	AFS	www.afs.edu.gr
Kosovo	HELVETAS	www.easterneurope.helvetas.org

Kosovo	UNDP	www.ks.undp.org
Kosovo	UNICEF	www.unicef.org
Kosovo	Raiffeisen BANK	www.raiffeisen-kosovo.com
Kosovo	ProCredit Bank	www.procreditbank-kos.com
Kosovo	AL TRADE	www.altrade-ks.com
Kosovo	KOSHA	www.oshkosova.webs.com
Kosovo	Kosovo Manufacturing Club	www.klubiprodhuesve.org
Kosovo	TOKA	www.toka-ks.org
Kosovo	Handikos	www.handi-kos.org
Kosovo	SOS Children's Village	www.sos-childrensvillages.org

ANNEX F

RECOGNITIONS 2019

Country	Award, Recognition or Other	Who was awarded	By Whom	Name of the Award or Recognition	Why this award/ recognition was awarded	First time? yes/ no	If not, specify	Other related information or further details
Kosovo	Recognition	Sharrcem SH.P.K.	By the Centre for Social Work, Hani I Elezit Municipality	Thank You Letter	For the contribution and support	Yes	-	For the contribution and support given/provided to the people with special needs, who belong to the Municipality of Hani i Elezit.
Kosovo	Recognition	Sharrcem SH.P.K.	By the HandiKOS Kaqanik, Association of Persons with Disability	Gratitude	For the contribution and support	No	This is not the first time to have received such a gratitude	For the contribution and support given/provided to the people with special needs, who belong to the Municipality of Kaqanik.

ANNEX G

PARENTAL LEAVE 2019

Parental Leave 2019 - PL												
Country	Male Entitled PL	Female Entitled PL	Male Took PL	Female Took PL	Male Return After PL	Female Return After PL	Male Took PL Stay12	Female Took PL Stay12	Male Reten. Rates After PL	Female Reten. Rates After PL	Male Return TWork Pers.	Female Return TWork Pers.
Kosovo	0	3	0	3	0	2	0	2	0	0	0	0

ANNEX H

POLICIES RELATED TO NFP

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

SHARRCEM

a  TITAN Group Company

CSR AND SUSTAINABILITY ANNUAL REPORT 2019



TITAN Group have long recognized the importance of the circular economy, so that Sharrcem follows its strategy to take different initiatives to Contributing to the Circular Economy, and of the initiatives is the printing of this Report on recycled paper.