

2023 ANNUAL SUSTAINABILITY REPORT



TITAN
SHARRCEM







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ABOUT THE REPORT

Welcome to the Annual Sustainability Report of Sharrcem (hereinafter the “Report”).

In an era marked by heightened awareness of environmental challenges and social responsibilities, the cement industry stands at the forefront of sustainable development efforts. As a leading player in this sector, Sharrcem recognizes the vital importance of integrating sustainability into its core operations. This report serves as a testament to our ongoing commitment to transparency, accountability, and the pursuit of a more sustainable future.

Throughout these pages, we aim to provide a comprehensive overview of our sustainability initiatives, performance, and progress made over the past year. Our commitment to sustainability extends beyond mere compliance with regulations; it is deeply ingrained in our corporate ethos and guides every decision we make. We understand that the long-term viability of our business is intrinsically linked to our ability to operate in harmony with the environment, support the communities where we operate, and uphold the highest standards of governance and ethics.

In the following sections, you will find detailed insights into our sustainability performance during the period of January 1 – December 31, 2023, across key areas such as environmental stewardship, social impact, and corporate governance. From reducing our carbon footprint and enhancing resource efficiency to promoting employee well-being and fostering community development, we are proud to showcase the positive contributions Sharrcem, which is a subsidiary company of TITAN Cement International S.A. (hereinafter referred to as TITAN Group or simply TITAN) in Kosovo, is making towards a more sustainable future.

The operations of Sharrcem comprise of the Sharrcem SH.P.K. cement plant located in Hani i Elezit, three quarries in the vicinity of the plant for the production of raw materials which are supplied to the plant, and the fully-owned subsidiaries of ‘Esha Material LLC’ and ‘Kosovo Construction Materials LLC’, which manage the terminals of: ‘Cement Plus’ in Lipjan, and the terminals in Duhël and Klina.

The report aligns with established sustainability reporting standards set forth by TITAN, adhering to the principles advanced by the United Nations Global Compact (UNGC) Principle 1, and the sector-specific reporting guidance provided by the Global Cement and Concrete Association Guidelines (GCCA). Additionally, it is in harmony with the UN Sustainable Development Goals (SDGs) 2030.

Furthermore, the reporting standards mirror the best practices of our parent company, TITAN, and incorporate guidance from the United Nations Conference on Trade and Development (UNCTAD), along with the standards outlined by the Sustainability Accounting Standards Board (SASB), particularly in terms of connecting Key Performance Indicators (KPIs). These standards are reflected in the ESG Statement. The report has been prepared with reference to the Global Reporting Initiative (GRI) standards.



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

2023 HIGHLIGHTS

A photograph of an industrial facility, possibly a water treatment plant, featuring large cylindrical tanks, a complex network of metal walkways and stairs, and a tall vertical structure. The entire image is overlaid with a semi-transparent green gradient that is darker at the top and lighter at the bottom. The bottom portion of the image has a fine, repeating pattern of the word 'together' in a light green color.

Building a better
world together



➤ **758,930 TONS**

Raw materials extracted from our quarries

➤ **77,914,899 EURO**

Amount of money for goods and services paid to suppliers

➤ **177,862 EURO**

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

➤ **3,147,455 EURO**

Total investments (CAPEX) in 2023

➤ **694,219 TONS**

Total cement production

➤ **78,535 EURO**

Local taxes (municipal and property, paid)

➤ **203,915 EURO**

Social Investments



MESSAGE FROM THE CEO

Dear Stakeholders, Partners, and Friends.

We concluded 2023 filled with pride and appreciation, both for what we accomplished as a team as well as for our tenacity. This is especially important in view of the global uncertainties continuously testing the economic and environmental frontiers.

During 2023, our company demonstrated consistent and robust sales performance, reflecting our commitment to excellence and market stability. We further made substantial investments in technological advancements and innovation, central to maintaining our competitive edge.

In 2023, critical milestones were attained. That demonstrates our commitment to excellence and integration with the broader TITAN Cement Group. We successfully concluded the SAP project, which resulted in improved management processes and integration capacities of the group. This system rationalized our operations and improved our responsiveness, putting forward a new standard of operational excellence within our industry.

This was in line with the noticeable technological developments achieved through completion of Real Time Optimization (RTO) Project in Raw Mill and Cement Mill areas. This project will use Artificial Intelligence for the Raw Mill, Kiln, and Cement Mill process so they are more efficient in real time, helping our production capabilities and environmental performance.

We remain committed to meet environmental, social, and governance (ESG) criteria and we persevere with sustainability initiatives. By adopting greener technologies and practices we have substantially reduced our carbon emissions. These are testimonies affirming our full compliance with the environmental management standards, EN ISO 14001:2015, demonstrating our commitment to being responsible environmental stewards.

Embedded in our operational philosophy is Corporate Social Responsibility (CSR). Since its inception, several initiatives have been launched every year with the aim of raising the standard of quality education, fostering local entrepreneurship, and community infrastructure improvement, which, in turn, substantially benefit the people and the communities where we serve.

Safety remains a paramount focus within Sharrcem. We are pleased to share that in 2023 our dedication to enhancing safety was rewarded, and we received the title of Best Plant at the Annual TITAN Southeastern Europe Health & Safety Awards in Athens, Greece. This recognition acknowledges our persistent commitment to providing a secure and healthy work environment for all our employees and contractors.

With an outlook towards 2024, we can continue carrying out our mission in the areas of innovation, operational efficiency, and strategic investment. These remain our objectives, firmly based upon in our core values of sustainability, ethical conduct of business, and social engagement to continue delivering value to our stakeholders and remain a good corporate citizen.

Sharrcem is committed to deepening our community impact through social initiatives to support local communities across the areas where we operate. We will continue to uphold the highest standards of governance and ethical conduct, ensuring that our growth is both responsible and sustainable.

As we look toward a future filled with potential, the role of stakeholders, partners, employees, customers, and community members is more important than ever in shaping this future.

I take this opportunity to extend my most sincere thanks to all members of the Sharrcem family, our esteemed customers, stakeholders, and community members for the continued support and commitment accorded to us. Together, we shall be able to build a bright future from what we have achieved.

Mario Bracci
Managing Director

UNDERSTANDING TITAN GROUP

Overview

An overview of our Group, our purpose and values, and our strategy. Our approach to value creation for our stakeholders, our materiality assessment process, and our partnerships for sustainable development.

The forces shaping our industry and the opportunities ahead

TITAN is a leading international business in the building and infrastructure materials industry. Our passionate teams are committed to providing innovative construction materials, solutions and the services needed for safe and sustainable homes, buildings and infrastructure that enable people to enjoy life.

We are building our talent and our organization's capabilities to seize opportunities in a dynamic world. This involves empowering our teams across our markets to progress alongside TITAN within a safe, nurturing, inclusive, and equitable work environment.

With a rich history of over 120 years, our legacy is rooted in innovation and an unwavering commitment to responsible growth. We approach every challenge with an entrepreneurial spirit, focusing on three key areas: ensuring low-carbon operations and supply chains, digitalizing our organization for ultimate efficiency, and delivering cutting-edge solutions to meet our customers' needs.

TITAN employs more than 5,700 people and is present in over 25 countries, through a network of more than 240 operational sites on four continents. It holds prominent positions in the USA, Greece, the Balkans, and the Eastern Mediterranean. The Group also has a joint venture in Brazil.

A purpose-driven company with a strong set of core values

Our purpose which is to *"make the world around us a safe, sustainable and enjoyable place to live"* reflects our core values and aspirations, and embodies the broader, profound "why" behind our endeavors – to make the world a better place to live in.

TITAN's purpose statement strikes the balance between humility and ambition, defining why the company exists, how it operates inclusively, and the innovative solutions it delivers to the world around us.

Our values "We care, We dare, We build to last, We walk the talk" reflect our daily behaviors and guide us in the pursuit of our purpose, while they also unify us, foster trust, and connect us with our team members, communities, partners, and customers.

TITAN's purpose and values are set to be influential catalysts for fostering commitment, building trust, enhancing our distinctiveness, and guiding the development of our Strategy 2026, which is centered on sustainable, green growth.

WE CARE

For us, care isn't just a word; it's a responsibility that shapes how we engage with the world around us and the ethos that guide our every action.

We care about:

- Our people
- Our costumers
- Our communities and the environment

WE DARE

Challenges and ambitious goals don't daunt us; they energize us.

We dare to:

- Do challenging work
- Be candid
- Innovate
- Learn

WE BUILD TO LAST

We believe that true success is built on a foundation of enduring value.

Building to last comes with:

- A long-term, mid-term and short-term perspective
- Teamwork and collaboration
- Continuous improvement

WE WALK THE TALK

At the heart of everything we do lies a simple but powerful belief: actions speak louder than words.

This value is underpinned by three elements:

- We deliver results
- We live our values
- We keep our promises

UNDERSTANDING SHARRCEM

01
1936

Sharr Cement Plant was founded in 1936 consisting from one vertical kiln with a production capacity of 4,415 tons per year.

02
1972

Sharrcem was upgraded with a rotary kiln with a clinker production capacity of 180,000 ton/year.

03
1980

The largest investment was made in 1980 with a rotary kiln with a clinker production capacity of 525,000 ton/year.

04
2000

Sharrcem was included in the state privatization schedule at which time Holcim, a Swiss based Cement Production Company, entered into a 10-year leasing contract to operate the plant.

05
2010

Titan Group acquired Sharrcem and launched an ambitious modernization program to meet the highest international standards in quality, technology and environmental protection.

06
2011

Sharrcem took a leading role in the foundation of the Kosovo CSR Network and committed to engage with key stakeholders, while the modernization investment was in full swing.

07
2012

Sharrcem completed the first phase of the technological upgrade and improved its efficiency and environmental footprint. The plant received its first certification for quality (ISO 9001) and implemented a CO2 Management System.

08
2013

Sharrcem was additionally certified with the ISO 14001 – Environmental Management System and the OHSAS ISO 18001 – Occupational Health and Safety Management System. Beyond certifications, Sharrcem received important awards for our CSR initiatives in 2013. The company implemented web-portal disclosure of emissions to public, as well as local, accident and CSR reporting. In technology terms, the Upgrade of Process Automation and full introduction of EAMS-Enterprise Asset Management System were completed. First CSR Report publication and CSR Audit by a certified third party organization.

09
2014

Sharrcem received the IPPC permit – the first one to be issued in the country. Further to this, Sharrcem launched the World Business Council / CSI project for incorporating its guidelines on Contractors and Traffic Safety. In the same field of Safety, the company has organized the first NEBOSH in Kosovo. Completed a ground-breaking design for the full automation of the clinker hall cranes operation, an innovative solution that eliminates both hazardous working positions and fugitive dust. Conducted numerous Stakeholder Engagements for its ambitious investment programme aiming to produce fuel locally. Completed the financing of the first operating year of the LAB. Additionally it supported the Foundation with administrative and financial resources.

OUR MILESTONES

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

10
2015

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

11
2016

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

12
2017

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

13
2018

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

14
2019

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

15
2020

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

16
2021

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

17
2022

Sharrcem continues its commitment to safety enhancement. During the 2023 Annual TITAN Southeastern Europe Health & Safety Awards ceremony, Sharrcem received the Best Plant award. In addition, in 2023, Sharrcem finalized the SAP project, which aims to streamline management and enhance integration within the TITAN Cement Group. Moreover, Sharrcem finalized the RTO (Real Time Optimization) Project for the Raw Mill and Cement Mill area, during 2023, which aims to improve the operation of the process of the Raw Mill, Kiln and Cement Mill, in real time, through AI (Artificial Intelligence).

18
2023



SHARRCEM TODAY

In 1936, amidst the scenic beauty of Kosovo, a small town emerged as the birthplace of a modest cement factory nestled between the Sharr and Karadak mountain ranges. Initially, the factory boasted a single vertical kiln, standing against the backdrop of rolling hills, with a modest annual production capacity of slightly over 4000 tons.

Today, the evolution of the factory represents a remarkable journey of growth and transformation. From its humble origins, Sharrcem has emerged as a beacon in the industry, in terms of production capacity and technological advancement.

Recognizing the pressing challenges of our era—from climate change to economic volatility—Sharrcem has embraced a profound commitment to sustainability and community upliftment. In a world grappling with multifaceted crises, we firmly believe that businesses bear a moral imperative to foster a healthier, more equitable ecosystem for future generations.



Since 2012, we have diligently pursued pioneering practices in sustainability reporting. This includes transparent disclosure of material issues and robust engagement with stakeholders to grasp their expectations and concerns.

From embracing cleaner energy sources to digitizing our processes, and from ethically sourcing materials to cultivating safe work environments, Sharrcem remains steadfast in its quest to innovate and set new standards for responsible business conduct.

Moving forward, we remain unwavering in our commitment to these core values, dedicated to leaving a positive imprint in all our endeavors.

This report additionally functions as a tool to steer the company's involvement in alignment with our values and standards, facilitating the realization of the company's vision across pertinent areas of operation.

MEMBERSHIPS



BOARD/COUNCIL ACTIVITIES



OPERATIONS

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



> PLANT/HQ

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contact@sharrcem.com



> PRISHTINA OFFICE

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



> SKOPJE OFFICE

Representative Office
Mitropolit Teodosij
Gologanov 32
North Macedonia
Tel. 003823111544



> TERMINALS

Terminal in Duhle
Duhle
23000 Suhareka Kosovo

Terminal in Klina
Highway Pristina – Peja
32000 Klina Kosovo

PRODUCTS AND VALUE CHAIN

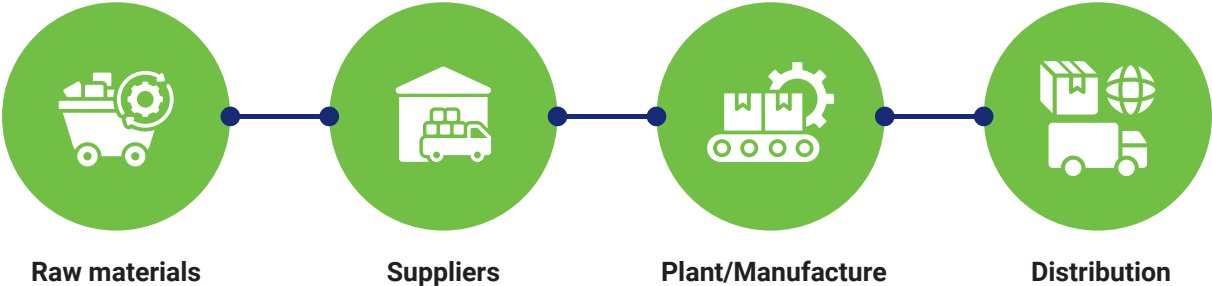
Products

At Sharrcem, our foremost focus lies in providing our customers with exceptional products. Every aspect of our manufacturing process, starting from the initial design phase to the final delivery, is meticulously executed, garnering us a reputation for excellence. Our commitment to delivering excellence transcends our supply chain, which is carefully structured and sustainable, guaranteeing the delivery of top-notch products to our customers. Additionally, we have instituted precise procurement and recruitment policies and procedures, prioritizing local stakeholders whenever feasible, all while adhering to internationally and European certified management systems.

Value Chain

Sharrcem, as an integral component of Kosovo’s value chain, is deeply committed to fulfilling the needs of our community through the provision of secure, eco-conscious, and economically viable housing and construction solutions. Our expansive operations encompass the production, conveyance, and distribution of cement.

Situated in Hani i Elezit, our cement plant adheres to a meticulous sequence involving the crushing, homogenizing, grinding, heating, and cooling of raw materials. These materials, comprising marl and limestone, are procured from our quarries in Dimce and Seqishte. Additionally, we incorporate alternative raw materials like bottom ash, fly ash, and pyrite ashes from other local industries, aiming to curtail our environmental impact and enhance eco-efficiency.



OUR CUSTOMERS






At Sharrcem, every decision we make is driven by the influence of our customers, motivating us to pursue excellence in product quality, service, and sustainability.

Our reputation, as a reliable provider, stems from substantial investments in technology, human resources, and operational initiatives aimed at efficiency, environmental protection, and occupational health and safety. We prioritize our clients and partners, actively listening to their needs and delivering solutions that surpass their expectations. Our commitment to transparency, honesty, and responsibility, guarantees that our clients remain informed and engaged throughout the process.

POLICIES AND MANAGEMENT VALUES

Sharrcem’s dedication to providing optimal working conditions for its employees is evident through the full implementation of International and European Certified Management Systems. As the pioneer in Kosovo, Sharrcem secured the IPPC permit from the Kosovo Government, aligning with European Union Directive standards. Additionally, the company takes pride in obtaining the Eurocert SA 8000 Certification, underscoring its commitment to upholding social accountability and ensuring the welfare of its workforce. Moreover, Sharrcem’s establishment of the Laboratory for Business Activities (LAB) serves to offer financial and technical support to small and medium-sized enterprises, effectively addressing critical community concerns. By spearheading these initiatives and assuming responsibility for fostering a fair and transparent market, Sharrcem is resolute in its mission to contribute to the sustainable growth of the country.

In order to guarantee the adherence to principles of respect, accountability, and responsibility in our business operations, Titan Group has devised the Code of Conduct and Group Policies, which extend to all Group endeavors, including Sharrcem. These policies span across strategic domains, furnishing employees and external business partners with directives to ensure conformity with both internal regulations and legal statutes. Among the Group Policies are measures addressing Anti-Bribery and Corruption, Conflict of Interest, Competition Law, Sanctions, Occupational Health and Safety, Environmental and Climate Mitigation, Corporate Social Responsibility, Human Rights, Whistleblowing, Protection of Personal Data, Information Security, and Procurement Policy.

ITEM	MGT SYSTEM / CERTIFICATION	STATUS
All Products/ Cement Types	CEM II/B-M (W-L)42.5R } CEM IV/B-M (P-W)42.5N } EN197-1:2011 CEM IV/B-M (P-W)32.5R } CEM II/C-M (W-P-L)42.5R } EN197-5:2021 MC5 Sharmall (Outsourced production to Usje plant)	
CO2 Footprint	CO2 Managment Style	Incorporated in EMS ISO 14001
Water	Water management system	Incorporated in EMS ISO 14001
Environment	ISO 14001	
Quality	ISO 9001:2015 CE MARK Accreditation ISO 17025:2018	
Safety	ISO 45001:2018	
Accountability	Social Accountability / SA 8000	

DELIVERING VALUE FOR ALL

Sharrcem’s dedicated team is devoted to improving the world through ethical business practices. Inspired by TITAN Cement group’s leadership in social and environmental progress, we allocate significant resources towards benefiting stakeholders and supporting the UN Sustainable Development Goals 2030. Our belief in genuine growth emphasizes the importance of prioritizing community and societal advancement. This principle shapes our daily operations and decision-making. We understand that our prosperity is intertwined with the welfare of others, driving us to positively influence stakeholders and the global community.

Total investments (CAPEX) in 2023 (€)	3,147,455 EURO
Local taxes (municipal and property, paid)	78,535 EURO
Income corporate taxes	2,821,324 EURO
Employee pension contributions, paid (5% of contribution paid from Sharrcem)	177,862 EURO
Social Investments	203,915 EURO
Investments in environment, and occupational health and safety	542,809 EURO

MATERIALITY ASSESSMENT AND STAKEHOLDER ENGAGEMENT

Material Issues

At Sharrcem, we recognize the significance of identifying and addressing material issues to ensure our company's long-term success and sustainability, while also fulfilling our responsibilities to the communities and environments we serve.

In our 2020 Materiality Assessment cycle, we identified and addressed eight high-priority material issues grouped within the four Focus Areas established by the TITAN Cement Group. Each initiative is guided by principles of good governance, transparency, and business ethics.

Our assessment ranked these material issues based on their impact and importance to both internal and external stakeholders. By prioritizing these issues, we affirm our commitment to sustainable practices and responsible business operations.

Stakeholders

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

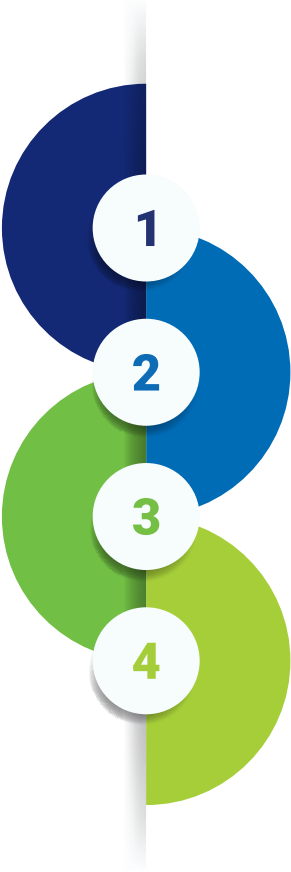
TITAN Cement Company has established ambitious Environmental, Social, and Governance (ESG) targets for 2025 and beyond, outlined in their report. These targets reflect a steadfast dedication to sustainability and value creation across four key pillars:

De-carbonization and Digitalization

Growth-Enabling Work Environment

Positive Local Impact

Responsible Sourcing

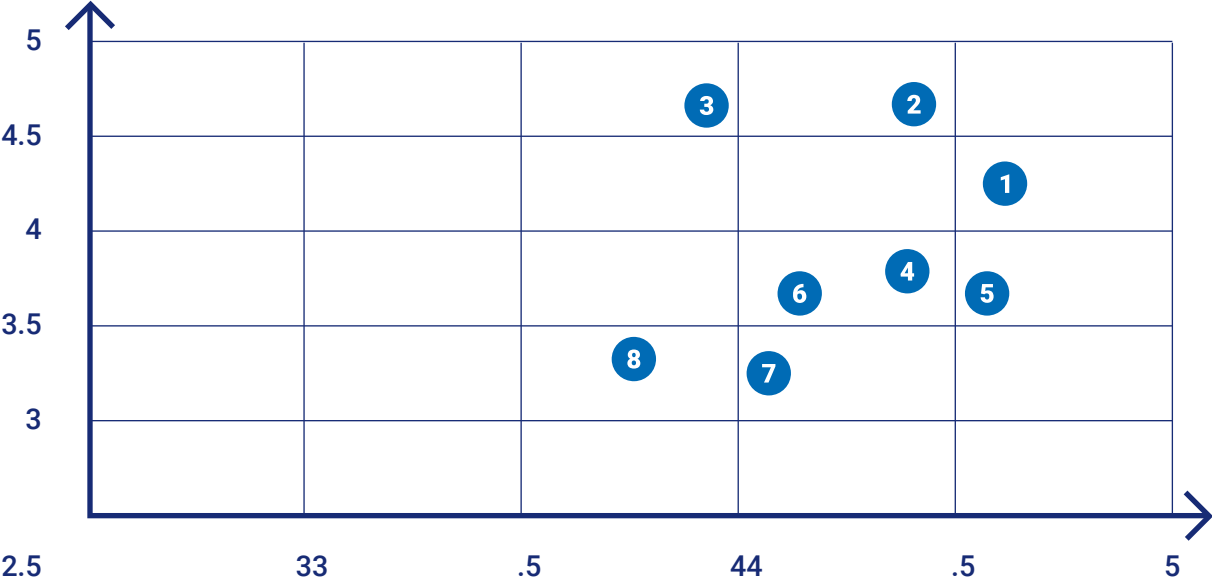


These pillars are reinforced by principles of good governance, transparency, and business ethics. With unwavering support from the TITAN Cement Group, particularly the Group’s ESG Performance Department, Sharrcem has developed the necessary skills and competencies to effectively manage, monitor, and report sustainability performance.

Aligned with the outcomes of the 2020 materiality assessment process, Sharrcem has set targets that address the most critical issues while aligning with TITAN Group Sustainability Targets for 2025 and 2030.



MATERIALITY MATRIX 2021-2025



↑ IMPORTANT TO STAKEHOLDERS

→ IMPORTANT TO SHARRCEM

- 1 Safe and healthy working environment for our employees and business partners along the value chain
- 2 Environmental Performance
- 3 Engaging and contributing to our local communities
- 4 Good Governance, transparency and business ethics

- 5 Employee engagement and development
- 6 Climate change and energy efficiency
- 7 Diverse and inclusive workplace
- 8 Responsible, reliable, and sustainable supply chain

MANAGEMENT REPORT

Corporate Governance and Risk Management

At Sharrcem, we prioritize effective governance to ensure the successful achievement of our company's objectives. Our single-tier governance structure empowers the Management Board to make decisive decisions toward these objectives.

In addition to our Management Board, we have established various boards and committees to oversee different aspects of our operations. Our Corporate Social Responsibility (CSR) structure plays a crucial role in prioritizing the well-being of people, society, and the environment in all our endeavors.

The CSR board actively maintains open lines of communication with our employees and key stakeholders to ensure that our activities align with their expectations and contribute positively to our shared goals.

Sharrcem's Sustainability Governance Structure

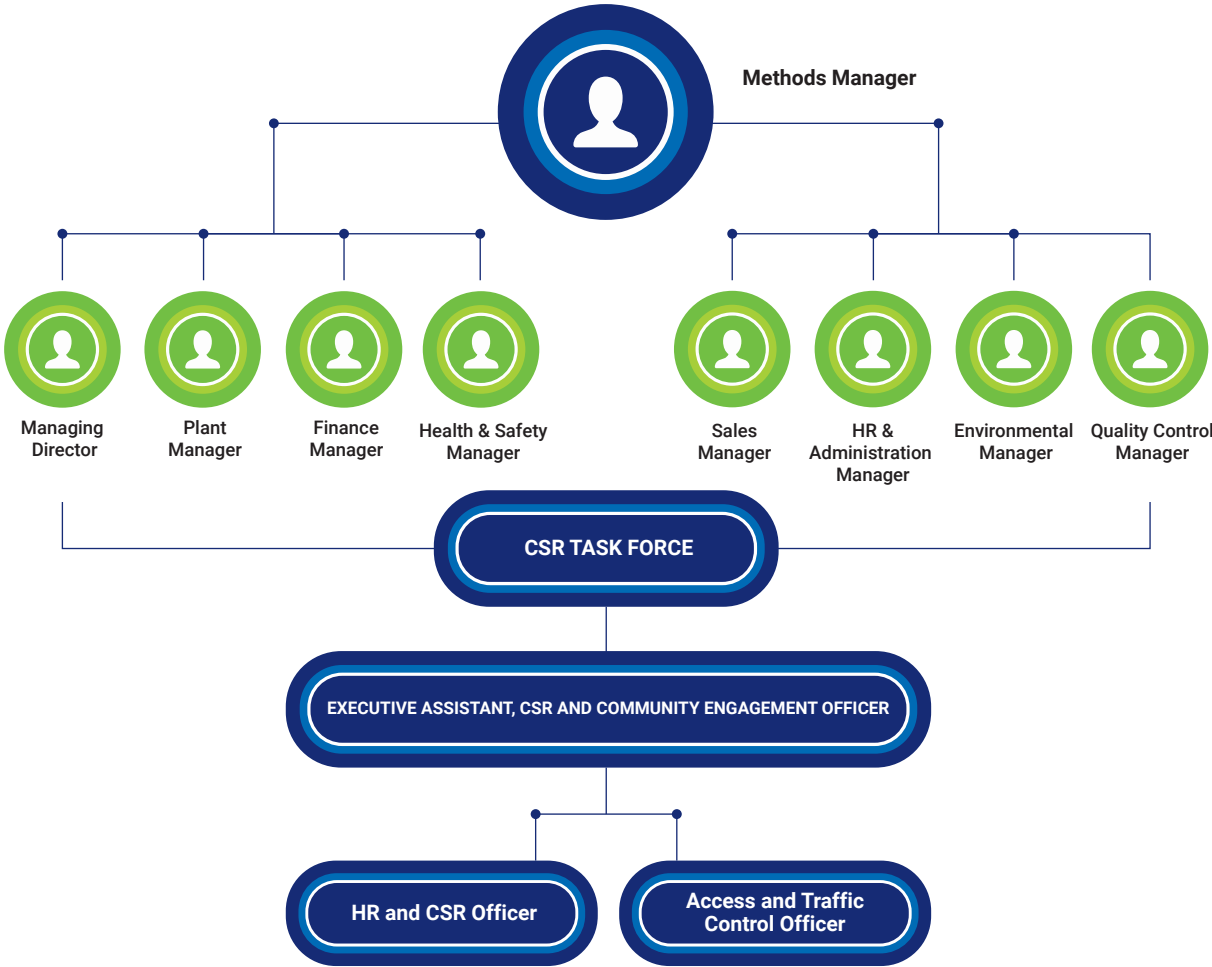


Legal Structure of Sharrcem

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

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

CSR Committee Organizational Structure





ESG Performance Review

During 2023, Sharrcem has made remarkable strides in continuing to enhance ESG performance, underscoring a steadfast dedication to ethical business conduct. Throughout the year, we initiated a series of impactful projects, achieving noteworthy advancement across all pivotal domains. Central to our ethos is the meticulous planning, execution, and active involvement in sustainable practices, deeply integrated with meaningful community interaction. Our commitment to fostering sustainability transcends mere rhetoric, as evidenced by our concerted efforts to cultivate a conducive and inclusive workplace environment. Furthermore, we have embarked on initiatives aimed at curtailing our ecological footprint, aligning our operations with environmentally responsible practices.

Focus area: De-carbonization and digitalization

Material issue: Climate change and energy efficiency Climate change and decarbonization

The pressing issue of climate change poses a significant danger to our world, with the cement industry emerging as a substantial contributor to greenhouse gas emissions. Sharrcem recognizes the urgent need to mitigate our environmental footprint and has therefore devised an internal blueprint for decarbonization, aligning closely with the decarbonization roadmap laid out by the TITAN Cement Group.

In December 2023, Sharrcem underwent the Environmental Management System Audit according to the EN ISO 14001:2015 standard, by the external certification company EUROCERT. In addition, we diligently monitored emissions originating from primary sources and implemented preemptive actions to maintain optimal air quality and minimize environmental noise within and adjacent to our facilities and quarries. Regular monitoring of groundwater and discharge water from our wastewater treatment facility were also conducted to safeguard against any adverse effects on the local ecosystem resulting from our operations.

Plant managed to decrease the CO₂ emissions through various efforts such as replacement of CEM II B 42.5 N with CEM IV B 42.5 N, reducing clinker factor by more than 4% for this type, contributing to reduction of CO₂ by more than 35 kg CO₂/t for this cement and further optimizing the clinker factor for CEM IV B 32.5 R and CEM II B 42.5 R. Additionally, the plant has successfully lobbied with authorities to adopt the new EN 197-5 standard and has successfully certified CEM II C-M 42.5 N and CEM II C-M 32.5 R, which will fully replace CEM IV types in 2024, further optimizing clinker factor in these two types.



SAP

Initiated in 2021 and finalized in 2023, the SAP project aims to streamline management and enhance integration within the TITAN Cement Group. SAP, an acronym for Systems Applications and Products, stands as a preeminent enterprise resource planning (ERP) software solution. By furnishing a centralized platform, SAP facilitates seamless data access and exchange across departments, fostering an optimal workplace environment. As the leading ERP software globally, SAP boasts a vast array of fully integrated modules encompassing diverse facets of business administration.

Replacing preceding ERP SUNSYSTEM and Cowin, SAP spans all departments within Sharrcem. Its implementation unfolded concurrently across five Balkan countries affiliated with the TITAN Group, including Kosovo. With over 20 active participants involved in the project, Sharrcem's investment exceeded 1 million Euros. SAP's deployment heralds a unified data consolidation system across the Group.

Preceding its implementation, preparatory measures including workshops, training sessions, testing, and data migration were meticulously orchestrated.

RTO (Real Time Optimization) Project

RTO project has started through other projects such as PID Controllers (Proportional-Integral-Derivative Controller) Operation, the improvement and replacement of additional sensors and the creation of databases for storing data process – PLG. All these projects and activities are connected in the creation of the RTO structure, which aims to improve the operation of the process of the Raw Mill, Kiln and Cement Mill, in real time, through AI (Artificial Intelligence). RTO works on the basis of the forecast based on the calculation of current data, at the same time making a comparison between them (predicted values and current data). This process is made possible through the OPTIBAT System, which makes the connection between AI and data from PLC – CEMAT.

A RTO provides setpoints that optimize target KPIs while ensuring constraints satisfaction. It works on top and supported on existing controls (basic control or advanced control). MVC (Multivariable Control) or MPC (Model-Based Predictive Control) is in charge of making controllable variables reach their setpoints accurately, in minimum time and with minimum standard deviation.

RTO based on AI-based non-linear models - is the most advanced and innovative approach. It makes use of Machine Learning (ML) Algorithms to achieve highly accurate nonlinear models to optimize economic KPIs.

Machine learning is a branch of artificial intelligence (AI) that involves creating algorithms and statistical models that allow computers to learn from and make predictions or decisions based on data. Instead of explicitly programming rules for specific tasks, machine learning algorithms are trained using large amounts of data to recognize patterns and make informed predictions or decisions. In essence, machine learning enables computers to learn and improve from experience without being explicitly programmed for every possible scenario.

In 2023, RTOs for the Raw Mill and Cement Mill at Sharrcem were finalized. The Kiln's RTO is expected to be completed early next year, making Sharrcem the first plant in the Group, outside of America, to implement and employ RTOs for the Raw Mill, Cement Mill, and Kiln parallelly. In addition to the support from the Titan Group and Optimity, the departments of Maintenance, Quality, IT, Environment and Production were also included in this project.

Focus area: Growth-enabling work environment

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

Health and Safety

Safety is a primary focus at Sharrcem. We are aware of the risks associated with cement production and quarry operations, and we take precautions to protect our personnel and prevent accidents and prevent re-occurrence of incidents. We have adopted policies and procedures supporting health and safety with the help of TITAN Group, including the presence of health and safety engineers across manufacturing units. Incident investigation, proactive planning, creating stated goals, safety training, and progress monitoring are all required under our Health and Safety Policy. Our certified safety professionals conduct frequent safety assessments on our production and construction sites, for all our operations. We stress the importance of safety training and raising awareness, as well as strict adherence to our established safety systems and processes. Furthermore, we regularly monitor our employees' health to ensure their continued well-being.

We have been more focused on improving contractor H&S performance, setting them KPI's, providing more training and, implementation of the new group contractor guideline for contractor management.

During 2023, Sharrcem achieved notable advancements in improving further the health and safety performance indicators, with zero LTI's for our personnel and contractor personnel.

H&S Performance Highlights

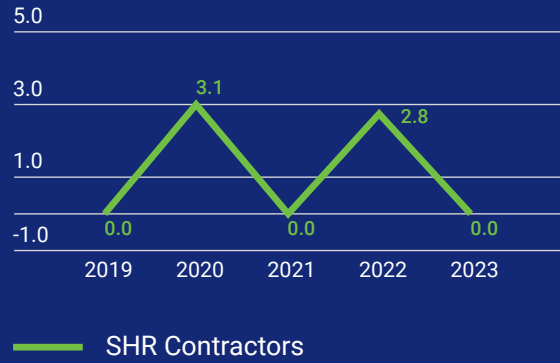
- Zero LTI-s for our personnel & contractors
- Zero fatalities for own personnel, contractors & 3rd parties.
- Good progress in our health and safety performance indicators
- Rescue plans for Confined space & working at height project.
- Lone working equipment project
- Upgrade of Personnel Elevators
- Installation of the new safety flaps at gas duct for hot gases at Raw Mill
- Installation of Automatic Fire fighting in the Cement Mill MCC, packing plant & pet coke.
- Entrance System with ID Cards in the MCC rooms
- Installation of the Lifeline at the Cement Mill nr:2
- Installation of the safety relays for twin motors 6 kV
- Installation of the new Electrical Hoist in the Burner platform

KPIs-Lagging

LTIFR-Our Personnel

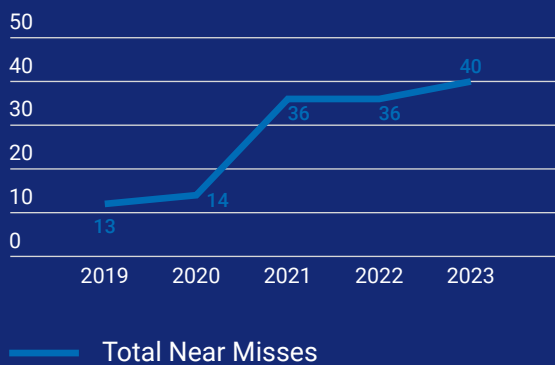


LTIFR-Contractors

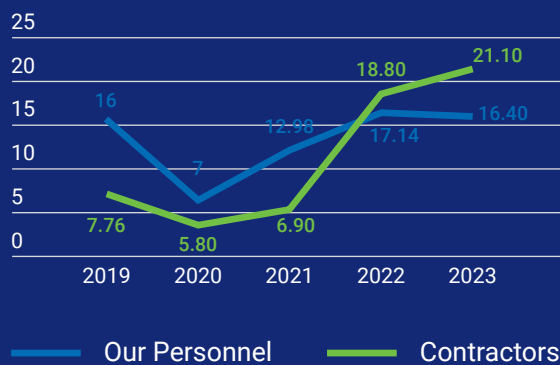


KPIs-Leading

Near Misses Our Personnel & Contractors



H&S Training hours Our personnel & Contractors





WELLBEING INITIATIVES

At Sharrcem, we uphold TITAN Cement Group's commitment to fostering a secure and nurturing workplace for our staff, prioritizing their physical, mental, social, and financial welfare. Our dedication to this objective remains steadfast.

The Employee Assistance Program (EAP) stands as a valuable asset accessible to all employees and their families, offering expert support for personal, familial, or work-related challenges. Building upon our group's longstanding tradition of employee support, the EAP serves as a cornerstone in Sharrcem's endeavors to enhance health, mental and emotional wellness, and employee productivity.



PHYSICAL	SOCIAL	FINANCIAL	MENTAL
<ul style="list-style-type: none">- Company Doctor- Medical checkups- Training for Healthy Food- Preventive Checkups designed for Female Employees (PAP test and breast ultrasound)	<ul style="list-style-type: none">- Blood Donation	<ul style="list-style-type: none">- Health Insurance- Life Insurance- Free meals- Vouchers- Religious Holiday Gift- Free coffee and tea	<ul style="list-style-type: none">- EAP- Thrive

Employee Engagement and Development

Our company thrives on the collective efforts of our employees, and we prioritize their growth and development. Our Human Resources Management System (HRMS) attracts, retains, and nurtures talent aligned with our values. Insights from TITAN HRMS inform decisions and drive improvements. We prioritize local hiring to support community growth. Our culture values diversity, fairness, and collaboration, fostering an environment for everyone to excel. Our focus on people, engagement, and HR management underscores our commitment to maximizing potential.

In 2023, Sharrcem demonstrated a strong commitment to employee development by investing an impressive 282 Euros per employee in training. Our company provided a total of 9,928 training hours, which marks a substantial increase in total training hours compared to 6,429 hours in 2022. Out of these, 1,212 hours were dedicated to training female employees, while 8,716 hours were allocated to training male employees. We successfully trained a total of 231 employees, including 13 female employees and 218 male employees.

Leadership Academy

Sharrcem established the Leadership Academy with the aim of fostering the development and mastery of our employees, who serve as the cornerstone of the organization. The Leadership Academy program continued throughout 2023 as well, immersing participants in various learning modules. These modules encompassed communication, essential leadership principles, transformative strategies, core competencies, and the behaviors characteristic of transformative leaders. In an ever-changing business environment, the Leadership Academy holds particular importance. Equipping and empowering employees with new skills is crucial for staying abreast of industry progressions. Through this investment in our workforce, Sharrcem is laying the groundwork for its future success, ensuring a team that is proficient, motivated, and fully aligned with the company's vision and objectives.

The Leadership Academy consisted of seven modules and two retreats. In 2023, five modules and one retreat were successfully organized. A total of 46 employees, divided into three groups, participated in these modules.

Training Retreat in Albania - Strengthening Bonds and Empowering Growth

At Sharrcem we believe in the continuous development and growth of our staff, empowering them to reach new heights in their professional journeys. As part of this exceptional training program, a significant milestone was marked by a retreat in Albania. The retreat provided a remarkable experience that transcended the realm of a regular training event. It became a pivotal moment that deeply impacted our team dynamics and strengthened the bond between colleagues. Our employees engaged in various team-building activities, problem-solving exercises, and workshops that encouraged open communication, empathy, and mutual support. 45 employees of SHARRCEM participated in this training retreat.

Women Empowerment and Motivation: Our Journey of Growth and Fulfillment

A group of our amazing women, surrounded by nature's serenity, participated in specialized training sessions led by experts in various fields, aimed at enhancing their skills and knowledge both personally and professionally. Throughout the retreat, our dedicated team members engaged in activities that encouraged self-reflection, mindfulness, and emotional intelligence. They learned how to strike a balance between their work and personal lives, finding strength in building a strong support network among themselves.

Additionally, they benefited from yoga and meditation classes that promoted physical and mental wellness, empowering them to tackle everyday challenges with renewed vigor. 14 female employees from SHARRCEM benefited from this opportunity. The retreat also facilitated team-building exercises, helping forge stronger bonds among the participants, thereby fostering a sense of camaraderie and unity.

Kosovo Generation Unlimited

Remaining steadfast in its dedication to empowering Kosovo's youth, Sharrcem continued to be part of the "Kosovo Generation Unlimited" endeavor. Spearheaded by the CSR Kosovo Network and bolstered by the UNICEF Kosovo Program and SIDA, this initiative provides invaluable practical experience to young individuals, bridging the gap between interns and employers across diverse sectors. This year, Sharrcem welcomed 10 interns, 5 females and 5 males, through this program, providing them with hands-on learning opportunities and access to expertise from our team. One of the interns was accommodated in the IT/Administration department, while nine were placed in the plant/technical side. In addition, they received a symbolic payment (half from the program and half from Sharrcem), and Sharrcem also covered their transportation and food expenses.

Global Engineer Girls Kosova Programme

GEG Kosova was established in 2022, in partnership with Limak Kosovo and United Nations Development Programme in Kosovo. This initiative supports female students enrolled in engineering education by providing scholarships and access to mentorship programs, networking opportunities and courses for personal and professional development. In 2023, with the invitation of Limak Kosovo, Sharrcem supported the GEG Kosova initiative, by providing internship opportunity for one student (girl), who performed a three months internship in the Maintenance department.

Material issue: Diverse and Inclusive Workplace

As part of the TITAN Cement Group, Sharrcem is committed to cultivate an inclusive and bias-free culture where the power of "we" thrives and all people are treated fairly with equal opportunities for growth. In March 2023, reaffirming our commitment to Diversity Equity and Inclusion, TITAN Group proudly became signatories of the United Nations Women's Empowerment Principles (WEPs) which strengthen TITAN's dedication to advancing gender equality and women's empowerment in the workplace.

Additionally, we have established clear objectives to enhance female engagement across the organization, concurrently advocating for parity and inclusion. Our collective aim is to augment female presence in leadership positions, talent reservoirs, and fresh recruits by 20% relative to the foundational year of 2020.

During this year, there were no new female hires, however the company is actively working towards the development of its female employees. As part of these efforts, one of our female employees was promoted to a higher position in 2023, demonstrating our commitment to fostering internal growth and advancement for women within the organization.



FOCUS AREA: POSITIVE LOCAL IMPACT CHAIN

Material issue: Environmental performance

Environment

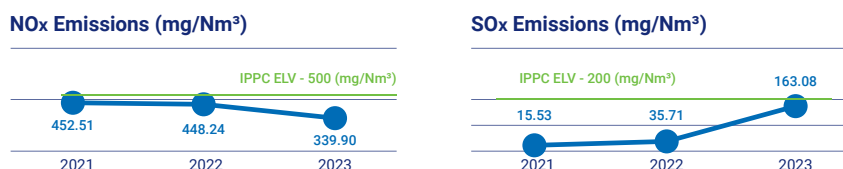
Sharrcem cares for a clean and healthy environment. To best serve this purpose, Sharrcem also invests in educating towards preserving a clean, safe, and sustainable environment.

As part of our daily operations, we strive to provide effective environmental management, operating in line with environmental standards, minimizing pollution and taking the necessary restorative measures to prevent damage to the environment.

As part of TITAN's commitment to "do less harm and do better", managing and improving our environmental performance is a key to foster sustainability, even during exceptionally difficult economic circumstances. We aim to continuously improve our performance by increasing our understanding of the significant challenges that Sharrcem faces towards environmental sustainability. We try to establish effective environmental management to measure and monitor our performance, and continuously seek to improve and promote best practices in our plant by engaging our stakeholders and reporting publicly on compliance, performance and progress. We also promote our commitment through training and integration into business processes. Sharrcem has been awarded the first ever IPPC (International Pollution Protection and Central) permit issued in Kosovo. The permit issued by the Ministry of Environment and Spatial Planning, represents a contractual obligation to measure and mitigate the environmental impact; it is a guideline and testimony to the transparency of our work in respecting the industry applicable standards. In August 2023, our environmental performance assessment found no non-conformities. Moreover, the Environmental Management System Audit was held in December 2023 according to the EN ISO 14001:2015 standard, by the external certification company EUROCERT; as a result, no non-conformities were found.

Air Emissions

In addition to meeting regulatory obligations, the company proactively implemented and maintains a Continuous Emission Monitoring System (CEMs) since 2013. Sharrcem adheres to the principles of Best Available Technique (BAT), aligning with both the Industrial Emissions Directive 2010/75/EU and its IPPC permit. In 2023, both SO_x and NO_x emissions were below the limits set by local and EU regulations.



Quarries Rehabilitation and Biodiversity

In 2023, the Dimce quarry underwent rehabilitation, which involved filling the pit with 31,008 tons of overburden and planting approximately 1,125 trees. The total cost for the entire rehabilitation process, encompassing both the filling and reforestation activities, amounted to roughly 38,876€.

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

Material issue: Engaging and Contributing to our Local Communities

Our commitment to community engagement drives our initiatives to enhance the value we bring. Our local community grapples with poverty, high unemployment rates, and inadequate access to public services and infrastructure. In line with the CSR policy of TITAN Cement Group, we implement long-term engagement plans tailored to local needs. Sharrcem demonstrates this commitment through strategic projects aligned with local conditions. Our efforts encompass knowledge sharing, technical support, and financial aid for initiatives supporting social and environmental development in Hani i Elezit. We've already completed numerous projects and will continue to initiate new ones, reflecting our dedication to CSR for both employees and the community.

Moreover, at SHARRCEM, we understand that our success depends on the prosperity of our community, and we are committed to working closely with our suppliers to support their needs.

Through SA8000 certification, we aim to strengthen our supplier relationships and improve service quality. We are dedicated to enhancing living standards in our region, recognizing this as a continual, long-term effort.

LAB (Laboratory for Business Activities)

In 2014, Sharrcem initiated the LAB project in response to the prevalent poverty and unemployment in the Hani i Elezit community. The primary aim was to cultivate the growth of new small and medium enterprises (SMEs) as a means to tackle unemployment challenges. This multifaceted project encompasses education in entrepreneurship, business administration, and agriculture for local community members. Through tailored support, participants are empowered to establish their own SMEs, thereby fostering job creation. Sharrcem’s steadfast commitment is evident through its consistent allocation of a substantial budget to sustain this impactful initiative over the years.

LAB’s ongoing efforts aim to stimulate economic growth, create employment opportunities, and enhance public services in Hani i Elezit. Through transparent and accessible application processes, LAB continues to support initiatives that contribute to the region’s development, with a budget of €85,660 allocated for 2023.

In 2023, LAB supported 31 rural development projects, aiding family businesses in various agricultural sub-sectors with a funding ratio of 70% from LAB and 30% from participants. Additionally, LAB backed an innovative 24-hour Car Wash Self Service, covering 50% of the setup costs. The successful implementation of these initiatives resulted from the collaboration between SHARRCEM’s management, LAB, municipal authorities, smallholder farmers, the business community, and entrepreneurs. This partnership fostered innovation, addressed agroforestry sector needs, and promoted regional economic development.

SHARRCEM’s LAB project has significantly impacted rural development in Hani i Elezit over the past decade. This initiative has supported the establishment and expansion of family-run businesses in agriculture and primary processing, leading to increased productivity and income for rural households. During this 10 years period, the total value of grants and the participation of approved applications have amounted to €1,447,065. SHARRCEM has been instrumental in this achievement, contributing over 82% of the total grants.

The investments and costs were distributed across various business activities as follows:

- **Agricultural Sector:** 181 grants were approved for establishing small or family businesses in agriculture, spanning twelve sub-sectors within the agroforestry sector. This support was provided with 70% funding from LAB (for purchasing equipment and necessary inputs) and 30% contribution from beneficiaries.
- **Public Sector:** 2 grants were approved to cover the full cost of purchasing and installing modern central heating systems using local renewable wood biomass.
- **Private Sector Competitiveness:** 5 grants were approved to enhance the competitiveness of existing businesses that had been operational for up to one year since the LAB Public Call 2023. These grants aimed to improve business operations, productivity, and profitability.
- **Innovation and Job Creation:** 4 grants were approved for implementing innovative ideas and establishing new business activities and products in Hani I Elezit Municipality. These grants were allocated for purchasing and installing equipment that would generate at least 2 new job opportunities within the first year of operation.



Independent Local Advisory Board (ILAB/BOPAL)

Establishing trust and cooperation with stakeholders and local communities is crucial for fostering lasting social progress. In 2011, Sharrcem introduced the Independent Local Advisory Board (ILAB), comprising representatives from the Municipality, NGOs, and individuals. ILAB oversees the fair allocation of Sharrcem's community development fund in areas requiring assistance. Throughout 2023, Sharrcem collaborated closely with ILAB to execute various initiatives aimed at enhancing community development, cultural enrichment, and sporting endeavors. ILAB's accomplishments exemplify our unwavering commitment to transparent communication and cooperation with local communities.

This year, Sharrcem, from its community development fund, contributed 15,000 Euros for community development, with needs identified by ILAB. These funds were allocated to culture, sport, and humanitarian efforts, focusing on helping those in need.

Children's Board

The Children's Board program by Sharrcem is committed to instilling awareness of health, safety, and the environment among local children. Through collaboration with local authorities and stakeholders, the initiative prioritizes delivering top-tier education, focusing on promoting clean surroundings, well-being, and road safety. With the aim of impacting approximately 2500 youths, this project aspires to cultivate positive habits and attitudes in the younger generation.

Psychologist initiative

In support of the Hani i Elezit community, during 2023, Sharrcem continued the psychologist initiative, by funding a psychologist to serve all six schools of the municipality. This professional will offer crucial social and emotional assistance to children, especially those facing challenges like parental separation or bullying. This initiative is set to benefit approximately 2500 children, showcasing our commitment to the community's well-being. Through collaboration with local authorities and the education sector, we aim to create a nurturing environment for the community's children.

Early Identification Training for Teachers: Fostering Children's Well-being

Our company has taken a proactive stance in enhancing the well-being of children in Hani i Elezit (HIE) by providing training for teachers on the early identification of mental and health issues. This initiative aims to create a supportive learning environment within HIE's educational institutions, emphasizing the importance of timely intervention and support for children facing such challenges. In today's dynamic world, children's mental and physical health significantly influences their overall development and academic performance. By addressing these issues early, we can offer timely assistance to those in need. By supporting the training of teachers for early identification, we reflect our commitment to the well-being and success of all children in Hani i Elezit. Around 60 teachers benefited from this training.

Oral Hygiene Awareness Initiative: Promoting Health Education for Children

Through Oral Hygiene Awareness initiative, Sharrcem aimed at promoting health education among children. Through financial support, we provided toothbrushes, toothpaste, and seasonal fruits for each child, enhancing their access to oral hygiene essentials. Additionally, educational sessions were organized to raise awareness about the importance of oral hygiene practices, with a focus on instilling lifelong habits in children from an early age. The initiative has been highly effective in achieving its goals, with nearly 200 children benefiting from the program. By emphasizing the importance of oral hygiene, we are contributing to the overall well-being of the children in our community and promoting a healthier future generation.

Access to Dental Services

In support of the community in Hani i Elezit, Sharrcem has financed six months' salaries for a dentist and nurse to serve at the public medical health center. This initiative addresses the pressing need for accessible dental services in the area, as the community has faced challenges in accessing basic dental care due to the absence of a dentist at the local health center. By providing financial support for these vital positions, we aim to ensure that residents have access to essential dental services, fulfilling a critical need within the community. SHARRCEM contributed around 6,162 € on this initiative.

Annual Blood Donation Campaign

In 2023, Sharrcem joined the annual blood donation campaign, on which occasion, employees voluntarily donate blood to the national blood transfusion center. This year, 94 dedicated employees participated, underscoring our commitment to supporting crucial healthcare initiatives and saving lives within our community.

Moreover, 22 people of business partners joined the campaign organized in our premises.



Students Visiting and Exploring Our Production Company

In addition to receiving interns, during 2023, Sharrcem opened the doors and gave the opportunity to High School and University students to visit the company. Technical schools and university students toured our production company, delving into our innovative projects. They received an introductory presentation from our top management, followed by a tour of our facilities, including labs and manufacturing units. Engaging with our engineers, they explored the future of technology. A live demonstration showcased our latest project, sparking discussions on its potential impact. During lunch, students networked with our team, discussing internships and career opportunities. We recognize the importance of nurturing future tech leaders and are honored to have inspired them. During 2023, around 50 students visited and had the opportunity to explore our company.



Supporting School Personnel: Clothing and Shoes Provision Initiative

In our ongoing commitment to supporting the community, particularly the public schools in Hani i Elezit, Sharrcem has taken steps to enhance the well-being of the school's housekeeping personnel. Recognizing the importance of their role in maintaining the cleanliness and organization of the school environment, we have provided essential clothing and shoes to ensure their comfort and safety while carrying out their duties. SHARRCEM provided proper clothing and shoes for 12 people from the school personnel. By providing these necessary items, we aim to demonstrate our appreciation for their hard work and dedication, ultimately contributing to a more positive and supportive school environment for everyone involved.

Celebrating Sharrcem's Birthday together with World Children's Day

On June 1st, 2023, we implemented our initiative aimed at celebrating Sharrcem's birthday alongside World Children's Day. We had the privilege of hosting children from our community, aged 5, 6, and 7, for a day filled with joy, creativity, and inclusion. The primary objective of this event was to celebrate with the youth, our future leaders, while also fostering awareness and inclusion for children with special needs. Furthermore, we aimed to highlight the importance of environmental consciousness through engaging activities like painting. All children from the Hani i Elezit community, including surrounding villages, were invited to participate, with a special emphasis on inclusion for children with special needs.

Our initiative exemplifies our commitment to supporting and integrating all members of our society without discrimination, while also promoting environmental stewardship. Around 470 participants were present during this event.

Throughout the event, children enjoyed various activities including face painting, interacting with mascots, and indulging in refreshments such as drinks and cakes.



World Water Day

To mark World Water Day, Sharrcem organized an event for children at the House of Culture in Hani i Elezit, which aimed at educating them about the importance of water conservation. We prepared a presentation to introduce the children to the importance of water and the significance of saving it. Moreover, Sharrcem team prepared brochures and water themed hats, which provided a tangible reminder of the water conservation. Together, we have made a positive impact on the young minds, laying the foundation for a more water-conscious future. 150 children participated in this event.

Earth Day

We marked the occasion by planting 13 trees at the martyrs' cemetery, a cherished spot in our community. Alongside primary school students, we tidied up the city and the area surrounding the factory. Additionally, we distributed 100 Earth Day-themed t-shirts to students. Deforestation and climate change pose significant risks to our planet and its inhabitants. 61 participants were present in this activity, from which will benefit all the inhabitants of Hani i Elezit. Our efforts, including tree planting, aim to foster environmental protection for a greener, more sustainable future.

World Environment Day

Sharrcem's Environment Department have organized an exciting initiative to celebrate World Environment Day. Our team took the initiative to plant vibrant flowers in 'Veli Ballazhi' school yard in Gorance village, coupled with engaging environmental lecture on the topic "The future can be survivable only if it is green", to celebrate the beauty of nature and underscore the significance of environmental preservation. Our goal was to not only add a splash of color to the school grounds but also to encourage students to embrace the natural world around them and appreciate the wonders of biodiversity. Around 80 participants joined this activity, to mark together the World Environment Day.

Spreading Joy: New Year Gifts for Community Children and New Year Postcards from SOS Children Village

Sharrcem continued its annual tradition of distributing New Year's gifts to children of our community, including children of our employees, families registered in the social assistance scheme of the municipality, children with disabilities identified through Handikos, as well as kindergarten children. 770 children benefited New Year gifts from SHARRCEM. Moreover, Sharrcem purchased New Year's greeting cards from SOS Children Village in Kosovo, in the amount of 1,000 €, thus providing sound financial support to this group.

Initiative or Action Title	Total Number of Participants	Participants who are TITAN Employees	Beneficiaries	Cost in cash
BOPAL - Independent Local Advisory Board	7	3	134	25,000 €
Childrens Board - Psychologist	7	2	2200	3,915 €
Access to Dental Services	5	2	10.000	6,162 €
LAB – Laboratory for Business Activities	7	3	/	85,660 €
Open Day 2023	40	15	250	25,000 €
Sharrcem's Birthday & World Children's Day	22	7	470	1,205 €
World Water Day	10	15	150	115 €
Internship program	8	6	4	2,760 €
Early Identification Training for Teachers: Fostering Children's Well-being	60	2	/	18,000 €
Oral Hygiene Awareness Initiative: Promoting Health Education for Children	225	/	200	1,000 €
Annual Blood Donation Campaign	116	94	/	0 €
Earth Day	61	6	10.000	300 €
World Environment Day	80	2	70	1,100 €
Training Retreat in Albania	45	45	45	18,000 €
Women Empowerment and Motivation: Our Journey of Growth and Fulfillment	14	14	14	4,610 €

FOCUS AREA: RESPONSIBLE SOURCING

Material issue: Environmental performance

Water Management

The Water Management system that we implement in our Cement Plant describes the water network, water supplying, water discharge, and it assigns roles and responsibilities for a reliable monitoring, data collection and reporting system of the Plant water balance, whereas it finally provides recommendations for the efficient management of the complete water cycle.

Investments in water recycling systems and improvements of existing water over the past years have led to more efficient use of water, while the development and implementation of the water management system has improved overall monitoring and has rendered the reporting of water use and consumption more consistent and in line with the Titan Group and cement industry standards.

From this year (2023), we have been using the water from the drainage pits in the Dimce quarry for our operations. This practice is essential for ensuring the safety and efficiency of our quarry, especially since it extends below the groundwater level. By utilizing the water collected in these drainage pits, we have reduced our reliance on groundwater resources. This approach not only conserves groundwater but also embodies our commitment to making the most of all available resources. Implementing this practice at Dimce quarry highlights our dedication to sustainable resource management and operational efficiency.

A wastewater treatment plant (WWTP) has been operating since 2016. SHARRCEM monitors the quality of liquid effluents on a quarterly basis through accredited laboratories. The WWTP has been in continuous operation and during this time all results from the chemical analysis of discharge water were within targets and limits, according to the Limits Value for water discharge from treatments facility set in the Administrative Instruction AI-30/2014. Also, monitoring of the quality of the water - the Dimce stream – where the treated water from the WWTP is discharged, is made on a regular basis.

Risk assessment is also an essential item of our approach to responsible sourcing and sustainable use of water. According to the updated water risk assessment that was completed at corporate level in 2023 for all Titan Group sites, with the use of the Aque-duct tool of the World Resources Institute (WRI), SHARRCEM Plant is not within a water-stressed area

Waste Management and Circular Economy

In 2023, significant investments were directed towards waste management. The refurbishment of the former clinker building, repurposing it into a facility for the final disposal of bottom ash and pyrite, proved to be a highly valuable venture. Additionally, renovations were carried out on the steam boiler building, adapting it for the storage of electronic devices, toners, and oils, with all necessary measures taken to ensure their safekeeping.

Furthermore, interventions have also been made in the waste area, dividing them into special areas depending on the type of waste, and categorizing them with special tables. Mixed municipal waste - disposal by the licensed company - landfill; Scrap - removal from the licensed company - recycled; bricks from the furnace wall - deposited in the mine; torn bags of cement - removal from the licensed company - recycled; Demolition waste – Used for quarry refilling; plastic packaging - removal from the licensed company - recycled. Wooden pallets are reused by the company to supply pallets for finished products.

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

Supply Chain and Local Contractors and Suppliers

At Sharrcem, we highly value our supply chain and local partners. They play a vital role in our operations, and their welfare is paramount to us. We, as part of the TITAN Group, are approaching sustainability holistically both within our organization and beyond. While we are providing a more sustainable product portfolio with exceptional performance throughout the entire life cycle, from extraction to delivery to the customer, at the same time we are continuously improving our ESG performance in alignment with the United Nations Sustainable Development Goals (SDGs). Concurrently, we are encouraging our supply chain partners to adhere to our sustainability and ESG supplier criteria.

In 2023 most key suppliers for global categories of procurement and separate business units across all countries where TITAN Group operates, were introduced to the qualification process using specific criteria under TITAN's ESG standards, aiming to ensure a responsible and sustainable supply chain.

Out of Sharrcem's 14 key suppliers, 12 of them have entered the qualification process and 12 were assessed in 2023 as either adhering to the ESG standards or having an improvement plan in place. Moreover, these 12 key suppliers have been introduced to TITAN's ESG standards and trained in the application of ESG criteria. All these 12 key suppliers have incorporated TITAN's ESG criteria into their contractual obligations.

Circular Economy

Our dedication lies in embracing the circular economy, implementing measures to reduce, reuse, recycle, or recover materials and energy, aiming to safeguard natural resources, mitigate CO2 emissions, and effectively handle waste.

In our sustainability strategy, optimizing resource utilization is paramount, and at Sharrcem, we recognize the importance of harnessing resources like fly ash, bottom ash, and pyrite ash. Since 2011, we've been investing in third-party facilities to maximize the utilization of these resources. In 2023, our utilization of dry fly ash from the Energy Corporation of Kosovo exceeded 99,018 tons. Cumulatively since 2011, we've consumed an impressive 1,282,276 tons of this material. Furthermore, in 2023 alone, we utilized over 6,201 tons (or 8,146 tons on a wet basis) of bottom ash from the same source, bringing our total consumption since 2011 to more than 93,356 tons. Additionally, our consumption of pyrite ash from the Trepca mine surpassed 3,507 tons (or 4,235 tons on a wet basis) in 2023, with our total consumption since 2016 exceeding 59,665 tons. Through the strategic use of these resources, we actively minimize waste generation and reduce our environmental impact. We are also committed to partially substituting fossil fuels with alternative fuels. Our goal is to use Refuse Derived Fuels and Alternative Fuels as an additional energy source in the clinker kiln, which we obtain from municipal, commercial, and industrial waste. By promoting the usage of alternative fuels across the country, we hope to increase our company's sustainability while also bringing considerable social benefits to the community.



GOOD GOVERNANCE, TRANSPARENCY AND BUSINESS ETHICS

Sharrcem's compliance framework follows TITAN Group's robust risk-based Compliance Program. It includes training, ongoing monitoring, and oversight. TITAN's Due Diligence System enables thorough analysis, assessment, and screening of third parties, identifying potential risks like sanctions and integrity issues. Additionally, there were 0 cases of incidents of bribery and corruption found in SHARRCEM during the reporting period.

Code of Conduct

Our Code of Conduct and TITAN Cement Group's policies address key operational areas comprehensively. They outline rules, standards, and guidance for employees, vendors, and customers to comply with internal and regulatory standards. These include anti-bribery, human rights, and health and safety measures.

Efforts on Human Rights

Sharrcem upholds human rights across all aspects of our operations, following UN guidelines and internal policies. We utilize tools like EthicsPoint® for confidentially addressing workplace misconduct. Our commitment to governance and transparency is evident through SA 8000 certification, focusing on improving working conditions in line with international human rights norms. As Kosovo's first SA 8000 certified company, we undergo biannual third-party audits to ensure compliance, extending this standard to contractors. This certification aligns with our Group's human rights policy. Sharrcem received the re-certification SA 8000 on 2022, and the planned yearly audits were performed in 2023 by Eurocert.

Effort, Communication and Compliance with Policies

Our policies aim to promote integrity, ethics, and sustainability, ensuring compliance with internal and external regulations by employees, vendors, and customers. These policies, including the Code of Conduct and TITAN Cement Group's regulations, cover all key areas and are regularly communicated to stakeholders, supported by training and resources to facilitate compliance.

As awareness and training are considered imperative, the regulatory compliance training activities continued with training sessions delivered for subjects including Compliance, Anti-Bribery and Corruption, D&I. During 2023, Sharrcem delivered 95 hours of training regarding Compliance, including in D&I, and 3 for Anti-bribery.

Sharrcem's Open Day Event

Sharrcem proudly hosted an Open Day Event. This event served as an opportunity to highlight our commitment to achieving our established ESG objectives for 2025.

Additionally, we celebrated the contributions of our employees' children by inviting them to join the festivities within their parents' working environment. The event commenced with addresses from the Managing Director and the Mayor of the Municipality of Hani i Elezit, emphasizing our dedication to transparency and collaboration with local authorities. Attendees were then presented with the annual sustainability report for 2022, showcasing our progress and achievements in ESG initiatives.

A guided plant tour provided stakeholders with a firsthand look at our operations and sustainability practices, fostering deeper understanding and engagement. In a special segment dedicated to the children of our employees, entertainment activities were organized, further reinforcing our commitment to fostering a family-friendly workplace environment. In addition, around 470 people benefited from this activity.



EIC

The European Investors Council – EIC, is a not-for-profit association, founded by Investors from European Union member states and EFTA countries. EIC is a unique business association that unites European investors from EU and EFTA countries under a common mission - to enhance the investment climate in Kosovo by advocating for improved legislation and better business practices at the technical level. It aims to identify and address critical barriers that European investors encounter in Kosovo. EIC was established with the goal of facilitating investment initiatives in Kosovo and responsibly contributing to the creation of an efficient business environment. Sharrcem takes pride in its significant contribution to the EIC, aligning with our dedication to fostering a thriving and resilient Kosovo.

During 2023, among other events and developments, EIC hosted the event with the Ministry of Industry, Entrepreneurship and Trade (MIET) in Kosovo, sponsored by the European Bank for Reconstruction and Development (EBRD), which focused on the Strategy for Industrial Development and Business Support 2030, a document prepared by MIET aimed at promoting industrial growth in Kosovo. The event was attended by members of the EIC, representatives from EU member embassies, and other stakeholders.

Kosovo CSR Network

Sharrcem proudly co-founded and holds a leadership role in the Kosovo CSR Network, a community of businesses and organizations dedicated to sustainable development and CSR. We believe in proactive measures beyond legal requirements to fulfill our societal responsibility. Through the network, we engage in various initiatives to raise awareness and take actions that positively impact society, addressing challenges like human rights, labor rights, the environment, corruption, and social issues. Our involvement in the Kosovo CSR Network reflects our commitment to responsible business practices, enabling us to lead by example and inspire positive change in our industry and beyond.

During the Annual Meeting of the Assembly of Members held in July 2023, the network voted for the Board of Directors of the Kosovo CS Network. Mr. Vigan Sylejmani, HR and Administration Manager in Sharrcem was re-elected Deputy Chairman of the Network. Moreover, during 2023, Sharrcem participated in the 'Kosovo Generation Unlimited' program, initiated by Kosovo CSR Network, in partnership with the Ministry of Finances, Labor and Transfer, and UNICEF, aiming to unlock the potential of young people by scaling-up investment in opportunities for and with them. During the reporting period, Sharrcem as part of Kosovo CSR Network, within the aforementioned program, hosted 10 young interns, supporting them in gaining practical knowledge/experience and have more opportunities to apply for particular jobs in the future.



FINANCIAL PERFORMANCE REVIEW

Turnover	106,022,871 €
Total assets	46,903,947 €
EBITDA	31,688,272 €
Profit (loss) after taxes	23,767,775 €

ESG PERFORMANCE STATEMENTS

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

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

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

- Growth-enabling work environment: Parental leave programs, and Employees with disabilities KPIs in Table 2.2.
- Positive local impact: Total use of land related to quarries rehabilitation in Table 2.3.
- Responsible sourcing: Energy consumption and production for total amount of energy consumed within the organization, % share of electricity consumed. Waste management as % per type of treatment (composted, recycled, or landfilled). See Table 2.4.
- Good governance, transparency, and business ethics: for training hours on anti-bribery and corruption (Table 2.5.1), revenues from sustainability-related products and % share of net sales from sustainability-related products in Table 2.5.2. We added Table 2.5.10 'Value Creation Indicators', and introduced the new Table 2.5.11 'Connecting our Disclosures with TITAN COP according to the enhanced platform of the UNGC'. Our COP is a stand-alone report and publicly available under the UNGC platform (references and link to the web site in Table 2.5.11).

The use of 'average yearly' exchange rate for all TITAN subsidiaries', the Sharrcem SH.P.K. currency in 2022 was in accordance with TITAN's accounting policy for the foreign currency translation, in specific for the income and expenses for statements of profit or loss and comprehensive income.

See the Notes below for facilitating the ESG performance statements review (in connection with KPIs under Tables 2.1, 2.2, 2.3, 2.4, and 2.5.1).

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

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

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

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

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

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

Guidelines for KPIs and other disclosures

Table 2.5.9 "Sector and Other Standards for the Non-financial disclosures in 2022" provides detailed references for guidance documents for the sector (GCCA) and other global institutions (UNCTAD and UNGC) which are incorporated in the reporting approach of TITAN. Connections of KPIs are exemplified under the ESG performance statements for all focus areas of Decarbonization and Digitalization (see Table 2.1), Growth-enabling work environment (Table 2.2), Positive local impact focus area (Table 2.3), Responsible sourcing (Table 2.4), and Good governance, transparency, and business ethics (Tables 2.5.1 and 2.5.10), specifically for the reporting guidance according to UNGC COP see Table 2.5.11."

ESG PERFORMANCE STATEMENTS - TABLES

1. Material Issues

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

Additional issues material to stakeholders based on the last materiality validation in 2022		
		Kosovo
1.		<ul style="list-style-type: none"> •Customer Welfare •Customer Privacy •Data Security •Access & Affordability •Product Design & Lifecycle Management

Level of Material Issues:

NOTES

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

About definitions:

The boundaries of reporting for every material issue are defined by the principles of 'strategic focus and future orientation', 'connectivity of information', 'stakeholder relationships', 'materiality', 'conciseness', 'reliability and completeness', and 'consistency and comparability', aligned with the guidance of the International Integrated Reporting Council (IIRC)¹:

Strategic focus and future orientation

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

Connectivity of information

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

Stakeholder relationships

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

Materiality

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

Conciseness

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

Reliability and completeness

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

Consistency and comparability

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

1. Source: 'The International <IR> Framework' (IIRC, January 2021). Further information about the IIRC can be found on its website www.theiirc.org.

2. TITAN uses the equivalent term "significance".

2. ESG Key Performance Indicators (KPIs)

2.1 Focus area: De-carbonization and Digitalization

Code	ESG Performance Indicators	Unit	2023	2022	2021	2020	GCCA	UNGC	GRI	UNCTAD	TCFD	SASB	SDGs and Targets
2.1.1 Material Issue: Future-ready business model in a carbon-neutral world													
Cement and cementitious production activities													
1.1	Scope 1 gross CO ₂ emissions ²	million t	0.4	0.3	0.3	0.3	●	●	305-1	●	●	EM-CM-110a.1	SDG 9.4
1.2	Scope 1 specific gross CO ₂ emissions	kg/t cementitious product	566.9	597.9	578.2	596.7	●	●	305-4		●		
1.3	Scope 1 gross CO ₂ emissions coverage rate	% clinker production	100.0	100.0	100.0	100.0			305-1				
1.4	Scope 1 gross CO ₂ emissions covered under limiting regulations	%	0.0	0.0	0.0	0.0		●		●			
1.5	Scope 1 net CO ₂ emissions	million t	0.4	0.3	0.3	0.3	●	●		●	●		
1.6	Scope 1 specific net CO ₂ emissions	kg/t cementitious product	566.8	597.9	578.2	596.7	●	●	305-4		●		
1.7	Scope 1 net CO ₂ emissions coverage rate	% clinker production	100.0	100.0	100.0	100.0			305-1				
1.8	Scope 2 CO ₂ emissions ³	million t	0.1	0.1	0.1	0.1	●	●		●	●		
1.9	Scope 2 specific CO ₂ emissions	kg/t cementitious product	79.0	125.3	129.3	125.7	●	●	305-4		●		SDG 9.4
1.10	Scope 2 CO ₂ emissions coverage rate	% clinker production	100.0	100.0	100.0	100.0			305-2				
1.11	Scope 3 CO ₂ emissions ^{4,8}	kt	48.4	59.8	52.6	37.2	●		305-3		●		
1.12	Category 1 - Purchased goods and services ⁹	kt	9.8	6.6	14.1	6.5	●				●		
1.13	Category 3 - Fuel and energy related activities	kt	24.8	36.1	25.0	16.1	●				●		
1.14	Category 4 - Upstream transportation and distribution	kt	7.0	8.8	6.4	5.5	●				●		
1.15	Category 6 - Business travels	kt	0.0	0.0	0.0	0.0	●				●		
1.16	Category 7 - Employee commuting	kt	0.0	0.2	0.1	0.1	●				●		
1.17	Category 9 - Downstream transportation and distribution	kt	6.8	8.1	7.1	9.0	●				●		
1.18	Scope 3 specific CO ₂ emissions ⁸	kg/t cementitious product	74.7	102.3	95.5	67.0	●		305-4		●		
1.19	Scope 3 CO ₂ emissions coverage rate	% clinker production	100.0	100.0	100.0	100.0			305-3				
1.20	Conventional fossil fuels substitution rate	% Heat	100.0	100.0	100.0	100.0	●	●	302-3	●	●		
1.21	Alternative fuel substitution rate	% Heat	0.0	0.0	0.0	0.0	●	●		●	●	EM-CM-130a.1	
1.22	Biomass in fuel mix ⁹	% Heat	0.0	0.0	0.0	0.0	●	●		●	●	EM-CM-130a.1	
1.23	Fuel mix, energy consumption for clinker and cement production	% Heat	100.0	100.0	100.0	100.0		●			●		
1.24	Conventional fossil fuels	% Heat	100.0	100.0	100.0	100.0		●			●		SDG 7.2
1.25	Coal, anthracite, and waste coal	% Heat	0.0	0.0	0.0	0.0		●			●		SDG 12.2

Code	ESG Performance Indicators	Unit	2023	2022	2021	2020	GCCA	UNGC	GRI	UNCTAD	TCFD	SASB	SDGs and Targets
1.26	Petroleum coke	% Heat	98.4	98.0	97.9	96.8		●			●		SDG 13.1
1.27	Lignite	% Heat	0.0	0.0	0.0	0.0		●			●		
1.28	Other solid fossil fuel	% Heat	0.0	0.0	0.0	0.0		●			●		
1.29	Natural gas	% Heat	0.0	0.0	0.0	0.0		●			●		
1.30	Heavy fuel (ultra)	% Heat	1.6	1.9	2.0	3.2		●			●		
1.31	Diesel oil	% Heat	0.0	0.1	0.1	0.1		●			●		
1.32	Gasoline, LPG (Liquified petroleum gas or liquid propane gas)	% Heat	0.0	0.0	0.0	0.0		●			●		
1.33	Alternative fossil and mixed fuels	% Heat	0.0	0.0	0.0	0.0	●	●		●	●		
1.34	Tyres	% Heat	0.0	0.0	0.0	0.0	●	●		●	●		
1.35	RDF	% Heat	0.0	0.0	0.0	0.0	●	●		●	●		
1.36	Impregnated saw dust	% Heat	0.0	0.0	0.0	0.0	●	●		●	●		
1.37	Mixed industrial waste	% Heat	0.0	0.0	0.0	0.0	●	●		●	●		
1.38	Other fossil based and mixed wastes (solid)	% Heat	0.0	0.0	0.0	0.0	●	●		●	●		
1.39	Biomass fuels	% Heat	0.0	0.0	0.0	0.0	●	●		●	●		
1.40	Dried sewage sludge	% Heat	0.0	0.0	0.0	0.0	●	●		●	●		
1.41	Wood, non-impregnated saw dust	% Heat	0.0	0.0	0.0	0.0	●	●	302-3	●	●		
1.42	Agricultural, organic, diaper waste, charcoal	% Heat	0.0	0.0	0.0	0.0	●	●		●	●		
1.43	Other	% Heat	0.0	0.0	0.0	0.0	●	●		●	●		
1.44	Alternative fuels consumption (total)	t	0	0	0	0	●	●	302	●	●	EM-CM-130a.1	
1.45	Clinker to cement ratio	%	66.8	67.5	67.5	68.3	●	●			●		
1.46	Moderate carbon products ⁶	% cement production	100.0	100.0	99.0	98.2					●		
1.47	Green (lower carbon) products ^{1,7}	% cement production	16.7	9.4	2.9	3.4					●		

NOTES

Notes for Specific KPIs

1. New indicator. More details you may find in the section "TITAN's approach for ESG Performance reporting" section.
2. Direct CO₂ emissions related to the operation of TITAN's clinker, cement, and cementitious production facilities.
3. Indirect CO₂ emissions related to emissions released for the production of the electrical energy consumed at TITAN's clinker, cement and cementitious production facilities. For their calculation, we use emission factors provided by the supplier of the electrical energy (market based) or other publicly available data sources (location based).
4. Indirect CO₂ emissions related to the emissions of the supply chain.
5. % of energy originated from biomass over the total thermal energy consumption.
6. Moderate carbon products refer to produced cement types with a carbon footprint that is at least 10.0% lower than that of a typical OPC type as well as any cementitious product sold to be used as cement or concrete additive.
7. Green (lower carbon) products refer to produced cement types with a carbon footprint that is at least 25.0% lower than that of a typical OPC type as well as any cementitious product sold to be used as cement or concrete additive.
8. Scope 3 analysis covers 6 (out of 15) categories, namely purchased goods and services, fuel and energy-related activities, upstream transportation and distribution, business travel, employee commuting and downstream transportation and distribution, that are considered relevant to cement activities according to the GCCA analysis.
9. Scope 3 Category 1 emissions do not include emissions related to services like data services, professional services, maintenance services, catering services, security services, cleaning services, etc. as there are not considered to contribute significantly to the overall Scope 3 emissions while reliable relevant information are not readily available.

Connection of KPIs with the SASB Standards

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

-EM-CM-110a.1 under the topic "Greenhouse Gas Emissions" for Gross global Scope 1 emissions, percentage covered under emissions-limiting regulations.

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

2.2 Focus area: Growth-enabling work environment

Code	ESG Performance Indicators	Unit	2023	2022	2021	2020	GCCA	UNGC	GRI	UNCTAD	TCFD	SASB	SDGs and Targets
2.2.1 Material Issue: Safe and healthy working environment													
All Activities													
2.1	Employee fatalities	#	0	0	0	0	●	●	403-9	●			SDG 3.6
2.2	Employee fatality rate	#/10 ⁴ persons	0.0	0.0	0.0	0.0	●	●		●			SDG 3.8
2.3	Contractor fatalities	#	0	0	0	1	●	●		●			SDG 4.3
2.4	Third-party fatalities	#	0	0	0	0	●	●		●			SDG 8.8
2.5	Employee Lost Time Injuries (LTIs)	#	0	2	0	1	●	●		●			
2.6	Employee Lost Time Injuries Frequency Rate (LTIFR)	#/10 ⁶ h	0.0	4.2	0.0	2.1	●	●		●		EM-CM-320a.1	
2.7	Employee lost working days ⁴	d	0	22	0	29	●	●					
2.8	Employee Lost Time Injuries Severity Rate ⁴	d/10 ⁶ h	0.0	46.4	0.0	59.6	●	●		●			
2.9	Contractor Lost Time Injuries (LTIs)	#	0	1	0	1	●	●		●			
2.10	Contractor Lost Time Injuries Frequency Rate (LTIFR)	#/10 ⁶ h	0.0	2.8	0.0	3.1	●	●		●		EM-CM-320a.1	
All Activities													
2.11	Near misses	#	40	36	36	14		●				EM-CM-320a.1	SDG 3.6
2.12	Training man-hours on health and safety / employee ⁵	h/person	16.7	15.1	22.2			●	403-5	●			SDG 3.8
2.13	Training man-hours on health and safety / contractor ⁵	h/person	21.1	18.8	6.9	5.8		●		●			SDG 4.3
2.14	Expenditures for Health and Safety ²	€	778,829	669,673	524,537	332,556		●	201-2	●			SDG 8.8
Cement Production Activities													
2.15	Employee fatalities	#	0	0	0	0	●	●	403-9	●			SDG 3.6
2.16	Employee fatality rate	#/10 ⁴ persons	0.0	0.0	0.0	0.0	●	●		●			SDG 3.8
2.17	Contractor fatalities	#	0	0	0	1	●	●		●			SDG 4.3
2.18	Third-party fatalities	#	0	0	0	0	●	●		●			SDG 8.8
2.19	Employee Lost Time Injuries (LTIs)	#	0	2	0	1	●	●		●			
2.20	Employee Lost Time Injuries Frequency Rate (LTIFR)	#/10 ⁶ h	0.0	4.2	0.0	2.1	●	●		●		EM-CM-320a.1	
2.21	Employee lost working days	d	0	22	0	29	●	●					
2.22	Employee Lost Time Injuries Severity Rate	d/10 ⁶ h	0.0	46.4	0.0	59.6	●	●			●		
2.23	Contractor Lost Time Injuries (LTIs)	#	0	1	0	1	●	●			●		
2.24	Wellbeing initiatives for employees ^{1,2}	#	13	17	9	7							

Code	ESG Performance Indicators	Unit	2023	2022	2021	2020	GCCA	UNGC	GRI	UNCTAD	TCFD	SASB	SDGs and Targets
2.2.2 Material Issue: Diverse and Inclusive workplace													
2.25	Average employment ⁶	#	243	242	237	241		●	2-7b				SDG 5.4
2.26	Number of employees by year end,	#	244	246	236	239		●					SDG 8.5
Employee turnover / gender, avg.													SDG 8.6
2.27	Females	%	1.6	4.5	2.1	1.7		●	401-1				SDG 8.8
2.28	Males	%	1.8	4.8	2.2	1.8							SDG 10.3
Employee turnover / age^{2,7}													
2.29	Under 30 ²	%	0.0	7.7	0.0	0.0			401-1				
2.30	Between 30-50 ²	%	0.0	2.4	0.0	1.1							
2.31	Over 50 ²	%	2.6	5.3	3.4	2.1							
2.32	Employees left ⁷	#	4	11	5	4		●					
Employees left / age													
2.33	Under 30	#	0	1	0	0			401-1				
2.34	Between 30-50	#	0	2	0	1							
2.35	Over 50	#	4	8	5	3							
Employees left / gender													
2.36	Females	#	0	0	0	0			401-1				
2.37	Males	#	4	11	5	4							
2.38	Employee new hires, avg. ⁷	%	0.8	8.1	0.8	0.0		●					
2.39	Employee new hires ⁷	#	2	20	2	0		●					
Employees left / gender													
2.40	Females	#	0	5	1	0		●	401-1				
2.41	Males	#	2	15	1	0		●					
New hires / age⁷													
2.42	Under 30	#	2	10	2	0		●	401-1				
2.43	Between 30-50	#	0	7	0	0		●					
2.44	Over 50	#	0	3	0	0		●					

Code	ESG Performance Indicators	Unit	2023	2022	2021	2020	GCCA	UNGC	GRI	UNCTAD	TCFD	SASB	SDGs and Targets
Employment / type⁷													
2.45	Full time	#	2	20	2	0		●	2-7f				SDG 5.4
2.46	Part Time	#	0	0	0	0		●					SDG 8.5
2.47	Temporary	#	0	0	0	0		●					SDG 8.6
Employment / category⁷													
2.48	Senior managers	#	2	1	2	2		●	2-7.				SDG 10.3
2.49	Managers	#	16	17	16	16		●					
2.50	Administration/technical	#	63	62	55	54		●					
2.51	Semi-skilled/unskilled	#	163	166	163	167		●					
Employment / age													
2.52	Under 30	#	8	13	5	7			2-7.				
2.53	Between 30-50	#	80	83	82	87							
2.54	Over 50	#	156	150	149	145							
Employment / gender⁷													
2.55	Females	#	17	17	12	11		●	2-7.				
2.56	Males	#	227	229	224	228		●					
2.57	Share of women in employment, avg. ⁷	%	7.0		5.1	4.6		●	405-1				
2.58	Share of women in management, avg. ⁷	%	5.6		5.6	5.6		●		●			
2.59	Share of women in Senior Management, avg. ⁷	%	0.0		0.0	0.0		●		●			
2.60	Number of employees with disabilities, Group ^{1,2}	#	5		5	5							
2.61	Number of parental leaves ^{1,2}	#	1		0	1							
2.2.3 Material Issue: Continuous development of our people													
2.62	Training investment / (trained) employee, avg. ^{3,7}	€	309		96	38		●	404-1	●			SDG 4.3
2.63	Training investment ³	€	71,477		22,600	8,126		●		●			SDG 4.4
Training investment / gender⁷													
2.64	Females	€	11,399		3,755	1,560		●	404-1	●			SDG 5.5
2.65	Males	€	60,078		18,845	6,566		●					SDG 8.5
2.66	Trained employees, total ⁷	#	231		236	213		●					SDG 10.2
2.67	Share of trained employees, avg. ⁷	%	95.0		100.0	89.1		●					SDG 10.3

Code	ESG Performance Indicators	Unit	2023	2022	2021	2020	GCCA	UNGC	GRI	UNCTAD	TCFD	SASB	SDGs and Targets
2.68	Share of trained female employees (in total female employees), avg. ⁷	%	76.5		91.7	81.8		●					SDG 16.5
Trained employees / category⁷													
2.69	Senior Managers	#	1		2	17			404-1				SDG 4.3
2.70	Managers	#	16		16	2							SDG 4.4
2.71	Administration/technical	#	61		53	54							SDG 5.1
2.72	Semi-skilled/Unskilled	#	153		165	140							SDG 5.5
Trained employees / age group													
2.73	Under 30	#	10		5	7		●	404-1				SDG 10.2
2.74	Between 30-50	#	74		90	85		●					SDG 10.3
2.75	Over 50	#	147		141	121		●					SDG 16.5
2.76	Training hours	#	9,928	6,429	5,622	3,673		●		●			
2.77	Average training hours / employee (over the total number of direct employees), and breakdown per gender ⁸	h/person	40.7	43.8	23.8	15.4		●	404-1	●			
2.78	Average female	#	71	27	15	11							
2.79	Average male	#	38	28	24	16							
Training hours / subject													
2.80	Company onboarding	#	0	24	0	0			404-1				
2.81	Compliance	#	95	271	879	201				●			
2.82	Sustainability	#	20	8	6	5				●			
2.83	Decarbonization ^{1,2}	#	0	20	N/A	N/A							
2.84	Digital & IT ²	#	776	119	47	94							
2.85	Environment	#	112	4	21	0							
2.86	Foreign languages	#	0	66	0	52							
2.87	Functional competence	#	78	79	34	20							
2.88	Generic competence	#	181	0	1	0							
2.89	Health and Safety	#	3,969	3,708	4,150	2,910							
2.90	Managerial skills	#	3,938	1,193	90	24							
2.91	Other	#	299	754	104	247							
2.92	Security	#	20	28	0	0							
2.93	Technical know-how	#	440	154	291	120							

Code	ESG Performance Indicators	Unit	2023	2022	2021	2020	GCCA	UNGC	GRI	UNCTAD	TCFD	SASB	SDGs and Targets
2.94	Share of employees with performance evaluation, avg.	%	27.9	28.9	30.1	27.2			404-3				
2.95	Share of female employees with performance evaluation, avg. ²	%	47.1	47.1	58.3	54.5			405-1				

NOTES

Notes for specific KPIs

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

Connection of KPIs with the SASB Standards

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

2.3 Focus area: Positive local impact

Code	ESG Performance Indicators	Unit	2023	2022	2021	2020	GCCA	UNGC	GRI	UNCTAD	TCFD	SASB	SDGs and Targets
2.3.1 Material issue: Environmental positive impact													
Air Emissions													
Cement production activities													
3.1	Coverage rate continuous measurement	%	100.0	100.0	100.0	100.0	●	●	305-7			EM-CM-120a.1	SDG 3.9
3.2	Specific dust emissions	g/t clinker	1.3	3.1	3.8	10.4	●	●				EM-CM-120a.1	SDG 9.4
3.3	Specific NOx emissions	g/t clinker	790.4	1,306.0	1,055.0	1,294.4	●	●				EM-CM-120a.1	
3.4	Specific SOx emissions	g/t clinker	379.2	104.1	36.2	91.8	●	●				EM-CM-120a.1	
3.5	Integrated cement plants and cement grinding plants with certified Environmental Management System (ISO 14001 or similar)	% of plants	100.0	100.0	100.0	100.0		●	3-3				
All activities													
3.6	Environmental complaints ²	#	0	2	1	0			3-3				
Rehabilitation													
Cement production and aggregates activities													
3.7	Sites with rehabilitation plans ³	%	100.0	100.0	100.0	100.0	●	●	304-3			EM-CM-160a.1	SDG 15.3
3.8	Total land use ^{1,3}	million m ²	0.3	0.3	N/A	N/A			304-1a			EM-CM-160a.2	SDG 15.4
3.9	Rehabilitated areas over affected areas (cumulative) ^{1,3,6}	%	23.2	21.1	21.2	21.8		●	304-1			EM-CM-160a.2	SDG 15.9
3.10	Sites with Environmental Management System (ISO14001 or similar) ⁹	%	100.0	100.0	66.0	75.0		●	304-3			EM-CM-160a.1	SDG 15a
Biodiversity													
Cement production and aggregates activities													
SDG 15.3													
3.11	Sites in high biodiversity value areas ^{3,4}	#	0	0	0	0	●	●	304-1			EM-CM-160a.1	SDG 15.4
3.12	Sites with biodiversity management plans ^{3,5}	#	0	0	0	0	●	●	304-3			EM-CM-160a.1	SDG 15.9
3.13	Sites with biodiversity management plans	%	-	-	-	-	●	●				EM-CM-160a.1	SDG 15a
Investments in environmental protection													
All activities													
3.14	Environmental expenditures across all activities ⁷	million €	0.5	0.1	0.1	0.7	●	●	201-2av				SDG 7b
3.15	Environmental management	million €	0.1	0.1	0.0	0.0	●	●					SDG 9.4
3.16	Reforestation	million €	0.0	0.0	0.0	0.0	●	●					
3.17	Rehabilitation	million €	0.1	0.0	0.0	0.3	●	●					
3.18	Environmental training and awareness building	million €	0.0	0.0	0.0	0.0	●	●					

Code	ESG Performance Indicators	Unit	2023	2022	2021	2020	GCCA	UNGC	GRI	UNCTAD	TCFD	SASB	SDGs and Targets
3.19	Application of best available technologies	million €	0.3	0.0	0.0	0.0	●	●					
3.20	Waste management	million €	0.0	0.0	0.0	0.3	●	●					
2.3.2 Material issue: Social positive impact													
3.21	Donations ⁸	€	203,915	194,125	159,071	166,262		●	2-29.		●		SDG 2.1
3.22	Donations in cash ⁸	€	203,915	194,125	159,071	166,262		●	413-1		●		SDG 2.3
3.23	Donations in kind ⁸	€	0	0	0	0		●			●		SDG 4.3
3.24	Employees from local community, avg.	%	65.2	65.4	67.8	67.4			2-29.				SDG 4.4
3.25	Internships	#	10	15	8	3		●	2-8.				SDG 9.3
3.26	New entry level jobs from internships/traineeships	#	0	0	1	0		●	2-29.				
3.27	Internships from Local Community, avg.	%	70.0	73.3	87.5	100.0							
3.28	Key operations with Community Engagement Plans related to material issues and Group policies	#	1	1	1	1		●	2-29.		●		
3.29	Total number of Initiatives under Community Engagement Plans ¹	#	9	15	15	9							
3.30	Total number of Participants to Community Engagement Plans ^{1,2}	#	71	229	182	181							
3.31	TITAN Employees, volunteers to Community Engagement Plans ¹	#	20	96	88	N/A							
3.32	Social investment (in cash and in kind) for community initiatives ^{1,2}	million €	149,818	136,890	129,188	140,155			2-29.				
3.33	Blood donations (TITAN employees, business partners and communities) ¹	#	116	87	50	51			203-2.				
2.3.3 Material issue: Economic positive impact													
3.32	Local Spend, avg. ^{1,8}	%	76.9	82.2	77.2	75.7		●	204-1		●		

NOTES

Notes for Specific KPIs

1. Relevant information is not available for the specific years denoted as 'n/a'.

2. Specifically, with regard to the KPIs of Total number of Participants to Community Engagement Plans (CEPs), TITAN Employees as volunteers to Community Engagement Plans, and Total amount of 'social investment' for the implementation of Community Engagement Plans related to the KPI Key operations with CEPs connected with material issues and Group policies these were incorporated for the first time in the ESG performance statements in the TITAN IAR 2020. In 2022 TITAN progressed further with the alignment of BUs for implementing the Framework Guidance for CEPs which was introduced for the first time in 2021. Actions were focused on the collection and consolidation of data for the KPIs of "Participants" and "Beneficiaries" of CEPs, with respective definitions as below: "Participants" are persons who had active involvement (engagement) in the initiatives for Community Engagement, and the figure includes the sum of the number of persons of two sub-categories: (a) Direct Employees who volunteered, or/and had active role because of their position/role in the BU organization, and (b) Partners (Local Authorities, Specialists e.g., Academia or other Experts, NGOs, Suppliers and Contractors, and possibly also Customers etc.). "Beneficiaries" are persons who – directly or indirectly – have received or will receive benefits from the initiatives for Community Engagement. In order to estimate this figure, the BU requires to have an overall view of the initiative, and the impacts this has in the local community. The number of Beneficiaries may include also some of the Participants.

3. Coverage includes all quarries attached to cement plants and quarries for aggregates production, which are wholly-owned and under full management control of TITAN. Since 2021, all Titan Cement Egypt quarries have been excluded from the baseline and the calculations of the respective local impact indicators, as they are no longer considered to be under full management control of TITAN due to changes in mining legislation in the country.

4. Active quarries within, containing or adjacent to areas designated for their high biodiversity value, see Table "TITAN Group Quarry Sites with High Biodiversity Value".

5. Active quarries with high biodiversity value where biodiversity management plans are actively implemented, see Table "TITAN Group Quarry Sites with High Biodiversity Value".

6. Calculated as the percentage of the impacted/disturbed quarry areas that have been rehabilitated (total and cumulative), aggregated at Group level. 2020 was the initial year for disclosing data for this indicator.

7. Total amount of expenditures (capital and operational) for those investments whose primary purpose is the prevention, reduction and elimination of pollution and other forms of degradation to the environment (UNCTAD Guidance, 2022). In 2022 TITAN incorporated in this disclosure the figure of total capital expenditures (Capex) which are aligned with the EU Taxonomy Regulation, in specific projects for meeting the Technical Screening Criteria for the environmental objectives of climate change mitigation and climate change adaptation.

8. For definitions related to "Social investment" (in cash and in kind) for community initiatives", "Donations", and "Local Spend", see Table 2.5.10.

Connection of KPIs with the SASB Standards

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

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

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

2.4 Focus area: Responsible sourcing

Code	ESG Performance Indicators	Unit	2023	2022	2021	2020	GCCA	UNGC	GRI	UNCTAD	TCFD	SASB	SDGs and Targets
2.4.1 Material issue: Resource efficiency, recycling and recovery, contributing to circular economy													
All Activities													
4.1	Water consumption (total)	million m ³	0.1	0.1	0.1	0.1	●	●					SDG 6.3
4.2	Water withdrawal (total, by source) ²	million m ³	0.1	0.2	0.1	0.1	●	●		●		EM-CM-120a.1	SDG 6.4
4.3	Groundwater	million m ³	0.1	0.2	0.1	0.1						EM-CM-120a.1	SDG 6.5
4.4	Municipal water	million m ³	0.0	0.0	0.0	0.0						EM-CM-120a.1	
4.5	Rainwater	million m ³	0.0	0.0	0.0	0.0						EM-CM-120a.1	
4.6	Surface water	million m ³	0.0	0.0	0.0	0.0						EM-CM-120a.1	
4.7	Quarry water used (from quarry dewatering)	million m ³	0.0	0.0	0.0	0.0							
4.8	Ocean or sea water	million m ³	0.0	0.0	0.0	0.0							
4.9	Waste water	million m ³	0.0	0.0	0.0	0.0							
4.10	Water discharge (total, by destination) ³	million m ³	0.0	0.0	0.0	0.0	●	●		●			
4.11	Surface (river, lake)	million m ³	0.0	0.0	0.0	0.0							
4.12	Sub-surface water (well)	million m ³	0.0	0.0	0.0	0.0							
4.13	Ocean or sea	million m ³	0.0	0.0	0.0	0.0							
4.14	Off-site treatment	million m ³	0.0	0.0	0.0	0.0							
4.15	Other ^{4,5}	million m ³	0.0	0.0	0.0	N/A							
4.16	Water recycled (total) ¹	million m ³	0.7	0.7	0.6	0.6							
4.17	Water demand covered with recycled water ¹	%	84.1	78.2	87.5	85.1							
Cement and cementitious production activities													
4.18	Water consumption (total)	million m ³	0.1	0.1	0.1	0.1	●	●					SDG 6.3
4.19	Water withdrawal (total) ²	million m ³	0.0	0.0	0.0	0.0						EM-CM-140a.1	
4.20	Water discharge (total) ³	million m ³	0.0	0.0	0.0	0.0							
4.21	Water recycled (total)	million m ³	0.0	0.0	0.0	0.0	●	●		●		EM-CM-140a.1	
4.22	Specific water consumption	l/t cementitious product	0.0	0.0	0.0	N/A	●	●		●			
4.23	Specific water consumption	l/t cement	0.7	0.7	0.6	0.6	●	●		●			
4.24	Water demand covered with recycled water	%	84.1	78.2	87.5	85.1							

Code	ESG Performance Indicators	Unit	2023	2022	2021	2020	GCCA	UNGC	GRI	UNCTAD	TCFD	SASB	SDGs and Targets
All Activities													
4.25	Thermal energy consumption	TJ	1,432	1,268	1,224	1,237	●	●		●		EM-CM-130a.1	SDG 7
4.26	Thermal energy consumption ¹	% of total	85.6	85.1	85.7	85.8							SDG 12
4.27	Electrical energy consumption	TJ	240	222	204	205	●	●		●		EM-CM-130a.1	
4.28	Electrical energy consumption ¹	% of total	14.4	14.9	14.3	14.2							
4.29	Total energy consumption ¹	TJ	1,672	1,489	1,428	1,442							
Cement production activities													
4.30	Percentage of production covered by ISO50001 or energy audits	% clinker production	0.0	0.0	0.0	0.0		●			●		SDG 7.2
4.31	Specific thermal energy consumption	kcal/kg clinker	820	810	843	809	●	●		●	●		SDG 7.3
4.32	Specific electrical energy consumption	kWh/t cement	96.2	94.8	90.1	94.9					●		SDG 9.4
4.33	Renewable energy as part of total electrical energy consumption ²	% Electrical energy consumed	6.5	5.4	5.3	5.3					●		SDG 12.2
All Activities													
4.34	Natural raw materials extracted (total, wet)	million t	0.8	0.8	0.5	0.5		●					SDG 12.2
4.35	Raw materials extracted for clinker and cement production	million t	0.8	0.8	0.5	0.5		●					
4.36	Raw materials extracted for clinker and cement production	million t	0.0	0.0	0.0	0.0		●					
Cement production activities													
4.37	Materials consumption (total, dry)	million t	0.9	0.8	0.8	0.8		●		●			SDG 12.2
4.38	Extracted (natural) raw materials consumption (dry)	million t	0.8	0.7	0.7	0.7							SDG 12.4
4.39	Alternative raw materials consumption (dry)	million t	0.1	0.1	0.1	0.1							SDG 12.5
4.40	Alternative raw materials use (of total raw materials consumed)	% Dry	11.9	13.3	12.0	13.4	●			●			
4.41	Alternative raw materials rate (based on clinker-to-cement equivalent factor)	% Dry	15.2	16.4	14.3	13.4	●	●		●			
All Activities													
4.42	Waste disposal (total, wet)	t	327	283	370	110		●		●		EM-CM-150a.1	SDG 12.2
4.43	Non-hazardous waste (total)	t	327	283	370	110		●		●		EM-CM-150a.1	SDG 12.4
4.44	Hazardous waste (total)	t	0	0	0	0		●		●		EM-CM-150a.1	SDG 12.5
4.45	Externally recycled waste materials (total, wet)	t	243	216	306	106		●		●			
4.46	Reused	t	31	4	22	18							
4.47	Recycled	t	212	212	284	88							
4.48	Recovered	t	0	0	0	0							

Code	ESG Performance Indicators	Unit	2023	2022	2021	2020	GCCA	UNGC	GRI	UNCTAD	TCFD	SASB	SDGs and Targets
4.49	Waste disposal (total, wet)	% w/w	100.0	100.0	100.0	100.0		●		●		EM-CM-150a.1	SDG 12.2
4.50	Non-hazardous waste (total)	% w/w	9.5	1.5	6.0	16.4		●		●		EM-CM-150a.1	SDG 12.5
4.51	Hazardous waste (total)	% w/w	64.8	74.8	76.6	80.6		●		●		EM-CM-150a.1	
4.52	Externally recycled waste materials (total, wet)	% w/w	0.0	0.0	0.0	0.0		●		●		EM-CM-150a.1	
4.53	Reused	% w/w	0.0	0.0	0.0	0.0		●		●		EM-CM-150a.1	
4.54	Recycled	% w/w	25.6	23.7	17.4	3.0		●		●		EM-CM-150a.1	
4.55	Recovered	% w/w	0.0	0.0	0.0	0.0		●		●		EM-CM-150a.1	
4.56	Recovered	% w/w	0.0	0.0	0.0	0.0		●		●		EM-CM-150a.1	
Cement production activities													
4.57	Integrated cement plants with "Zero Waste to Landfill" certification	% clinker productio	0.0	0.0	0.0	0.0							SDG 12.2 SDG 12.4
2.4.2 Material Issue: Reliable and Sustainable Supply Chain													
All Activities													
4.58	Key suppliers meeting TITAN ESG standards ^{5,6}	%	See Note below	N/A	N/A	N/A							SDG 6 SDG 7 SDG 12 SDG 13

NOTES

Notes for Specific KPIs

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

Connection of KPIs with the SASB Standards

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

- EM-CM-130a.1 under the area "Energy Management" for total energy consumed, percentage grid electricity, percentage alternative, and percentage renewable.
 - EM-CM-140a.1 under the area "Water Management" for total fresh water withdrawn, percentage recycled, percentage in regions with high or extremely high baseline water stress. See also Table "TITAN Group Cement Plant Sites within water-stressed Areas" part of the ESG performance statements.
 - EM-CM-150a.1 under the area "Waste Management" for amount of waste generated, percentage hazardous, percentage recycled.
- Connection of the disclosures under Note 7 of the above "Notes for specific KPIs", about the 2022 progress aligned with the Sustainable Supply Chain Roadmap of TITAN cover the requirements for reporting according to the SASB Standards for the area "Business Ethics and Transparency" and more specifically the metric (KPI) EM-MM-510a.1. The connection concerns the description of the management system for prevention of corruption and bribery throughout the value chain."

NOTES

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

2.5 Good governance, transparency and business ethics

2.5.1 Governance Core Indicators				
Code	Governance Core Indicators	Notes	Performance 2023	
Compliance and business ethics				
5.1	Percentage of unionised employees (%)		75.4%	SDG 5.5 SDG 16.5 SDG 16.6 SDG 16.7 UNGC UNCTAD SASB
5.2	Percentage of employees covered by Collective Bargain Agreements (CBAs)	2	100.00%	
5.3	Average number of hours of training on subjects related to Compliance, per employee	3	2.97	
5.4	Anti-bribery and corruption training	1, 3	3.30	

NOTES

Notes for Specific KPIs

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

Additional Notes

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

Connection of KPIs and other disclosures with the SASB Standards

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

2.5.3 ESG Polices and Code of Conduct						
	New or Updated in 2023					
		Decarbonization and Digitalization	Growth-enabling work environment	Positive local impact	Responsible sourcing	Good governance, transparency and business ethics
Code of Conduct			•			•
Code of Conduct of Procurement	✓			•	•	•
Group Policies						
Anti-Bribery and Corruption Policy						•
Competition Law Compliance Policy						•
Conflict of Interest Policy						•
Corporate Social Responsibility (CSR) Policy				•		
Protection of Personal Data Policy			•			•
Diversity Equity and Inclusion (DE&I) Policy	✓		•			
Environmental Policy (Climate change incl.)		•		•	•	
Human Rights Policy			•	•	•	•
Information Security Policy		•				•
Occupational Health and Safety (OH&S) Policy			•			
Procurement Policy				•	•	
Sanctions Policy						•
Whistleblowing Policy						•

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

2.5.5 Political contributions and fines and other non-monetary sanctions			
Country	Political contributions ¹ (in Euros)	Significant fines ² (in Euros)	Total number of non-monetary sanctions ²
Kosovo	0	0	0

NOTES

Connection of KPIs and other disclosures with the SASB Standards

The above disclosures cover the requirements for reporting according to the SASB Standards for 'Pricing Integrity and Transparency' and in more specific the metric (KPI) EM-CM-520a.1. 'Total amount of monetary losses as a result of legal proceedings associated with cartel activities, price fixing, and anti-trust activities'.

2.5.6 Environmental Audits		
Area	Kosovo	
Environmental Management System	External	1
	Internal	1
Energy Management System/Energy audits	External	0
	Internal	0
CO ₂ emissions	External	1
	Internal	1
Waste Management	External	1
	Internal	1
Complaints	External	1
	Internal	1
Permitting	External	1
	Internal	1
Other	External	1
	Internal	1
TOTAL	External	6
	Internal	6

2.5.7 Consolidated Report on Payments to Governments for extractive operations			
Legal entity	Country	Payment type	Amount (€)
SHARRCEM SH.PK.	Kosovo	Extraction Royalties	251,635
TOTAL			251,635

NOTES

TITAN Cement International S.A. hereby reports, in accordance with article 3:33 of the Belgian Companies and Associations Code, that TITAN Cement Group during 2022 has paid to Governments (i.e. national, regional or municipal authorities of EU Member States and third countries) the total amount of €251,635 for extractive operations as presented in the above table. As specified in article 6:2 par. 2 of the Royal Decree dated 29 April 2019 on the execution of the Belgian Companies and Associations Code, the limit for disclosing the respective data is set at 100,000€ as a single payment or as a series of related payments.

2.5.9 Sector and Other Standards for the Non-financial disclosures in 2022		
	Guidelines and other documents of reference	Published
GCCA ¹	Sustainability Charter Sustainability Framework Guidelines Sustainability Guidelines for the monitoring and reporting of safety in cement and concrete manufacturing. This document has been agreed within the GCCA to have extended application to concrete and other related activities [Pillar 1] Sustainability Guidelines for the monitoring and reporting of CO2 emissions from cement manufacturing [Pillar 2] Sustainability Guidelines for the monitoring and reporting of water in cement manufacturing [Pillar 4] Sustainability Guidelines for the monitoring and reporting of emissions from cement manufacturing [Pillar 4] Sustainability Guidelines for co-processing fuels and raw materials in cement manufacturing [Pillar 5] Sustainability Guidelines for quarry rehabilitation and biodiversity management [Pillar 4] Guidance for Sustainable Supply Chain Management [Pillars 1, 3 and 5]	Latest edition (publications between 2019 and 2021)
Supplementary to the GCCA standards: (Previously) WBCSD/CSI	Recommended Good Practices for: (a) Contractor Safety, and (b) Driving Safety	2009
	Cement Sector Scope 3 GHG Accounting and Reporting Guidance	2016
UNCTAD ²	Guidance on Core Indicators for Sustainability and SDG Impact Reporting	2022
UNGC COP ³	Questionnaire Guidebook for the COP	2022

NOTES

1. The Global Cement and Concrete Association (GCCA) has built its Sustainability Charter around five (5) Sustainability Pillars, to encompass the full sustainability spectrum for its work purposes:

Pillar 1: Health and Safety, Pillar 2: Climate Change and Energy, Pillar 3: Social Responsibility, Pillar 4: Environment and Nature and Pillar 5: Circular Economy. The terminology of the 'Pillars' is specific to the GCCA Charter of commitments for member companies, and details are available in the Charter and Framework Guidelines in the GCCA website: <https://gccassociation.org/sustainability-innovation/sustainability-charter-and-guidelines/> TITAN continued efforts in 2022 for implementing the GCCA 2050 Roadmap to Net Zero Concrete "Concrete Future" and focused on SBTi Targets for the 1.5 degrees scenario, while continuing active participation in various working groups and contributing with knowhow and expertise, in line with its practice since the foundation of the Sectoral Association.

In 2022 TITAN participated in the first GCCA Compliance Charter Audit, with purposes including (a) supporting members in developing implementing their sustainability strategy (focused but not limited to GCCA obligations), (b) enabling the assessment of members' sustainability performance and benchmark with peer companies, (c) Identifying areas where the GCCA guidelines and charter need to be clarified or strengthened.

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

3. The Guidance of the UNGC COP was enhanced in 2022 and is considered essential for reporting on progress with respect to TITAN's commitments for the UNGC Ten Principles. See Table 2.5.11 for details on the UNGC COP guidance and specific connections with KPIs and other disclosures in this Report. Overall: Tables 2.1, 2.2, 2.3, 2.4, 2.5.1, 2.5.10, and 2.5.11 provide references and connections for the standards under the above Notes (1), (2) and (3)

2.5.10 Value creation indicators		
Value Creation Core Indicators ¹	Unit	2023
Total spend on suppliers, local, national and international for goods and services ^{2a}	million €	77.9
% local spend of TITAN ^{2b}	%	76.9
Taxes to national and local authorities ³	million €	30.09
Payments in cash to shareholders and minorities ³	million €	24.90
Social investment (in cash and in kind) for community initiatives ⁴	million €	0.20
Alternative fuels and raw materials	million €	0.11
Salaries, (contributions to) pensions, and social benefits, including additional benefits beyond those provided by law ⁵	million €	4.01
Investments in training of direct employee ⁶	million €	0.07
Internships	#	10
Capital expenditures ⁷	million €	3.15

NOTES

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

Notes for the standards, guidance, and terms used

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

1. The economic value created and distributed to key stakeholders has been calculated using the United Nations UNCTAD Guidance on Core indicators for entity reporting on the contribution towards the attainment of the Sustainable Development Goals (2022 edition).

2a. According to TITAN Standards and the application of the IFRS, and in accordance with the approach for "% local spend of TITAN".

2b. The ratio of spend on local suppliers over the total spend on all suppliers, as a percentage. Costs of local procurement are a general indicator of the extent of an entity's linkages with the local economy (UNCTAD Guidance, 2022). Local are those suppliers which provide goods or services to TITAN and have company tax registration inside the country of interest, same as the country of TITAN BUs location and tax registration. For countries with a governmental structure characterized as federation-of-states this applies specifically today to the USA, where different states have local governments and vast geographical extent, the term local refers to those suppliers with company tax registration in the same state with the tax registration of the BU or location of operations, and also in the states which are neighboring to the state of the BU or location of operations (the definition is applicable to TITAN's operations in the USA, for the above KPI figure). TITAN discloses the respective KPI with historical data in Table 2.3 of the ESG Performance Statements.

3. According to TITAN Standards and the application of the IFRS, see Financial Statements.

4. "Social investment" as total expenditures incurred in cash and in kind, and investments of funds (both capital expenditures and operating ones) for TITAN BUs' community initiatives. See Table 2.3.2 related to Community Engagement Plans for details. Target beneficiaries were stakeholders in the broader communities, while TITAN employees from local communities were included as beneficiaries of specific initiatives for community engagement. Also, with reference to Table 2.3.2 the amount of "Donations" is reported as equivalent to charitable/voluntary donations and investments of funds (the approach is in line with the UNCTAD Guidance, 2022).

5. According to TITAN Standards and the application of the IFRS, see Financial Statements.

6. Total expenditures including the direct and indirect costs of training for direct employees (including costs such as trainers' fees, training facilities, training equipment, related travel costs etc.) reported also per employee and per year, and broken down by employee category (UNCTAD Guidance, 2022). TITAN discloses the respective KPI with historical data in Table 2.2 of the ESG Performance Statements.

7. Capital expenditures, commonly known as CapEx, are funds used by a company to acquire, upgrade, and maintain physical assets such as property, buildings, an industrial plant, technology, or equipment.

2.3.2 Material issue: Social positive impact

Sections ¹	Question ¹	UNGC Principles ¹	Reference to the Report ¹
Governance	G1: Board/senior management engagement	1,7,10	<p>Understanding TITAN About the report Overview Performance highlights: Good governance, transparency, and business ethics</p> <p>Management report Corporate Governance and risk management: Corporate Governance Statement ESG Performance review: Good governance, transparency, and business ethics ESG performance statements: TITAN's approach for ESG Performance reporting, and Tables 2.5.1, 2.5.3.</p>
	G2: Publicly stated commitment		
	G3: Code of conduct		
	G4: Individual or group responsible		
	G5: Formal structure		
	G6 and G.6.1: Risk assessment processes		
	G7 and G7.1: Due diligence		
	G9: Lessons		
	G10: Executive pay linked to sustainability performance		
	G12: Sustainability reporting		
	G8 and G8.1: Raising concerns about the company's conduct	1,3,7,10	
	G11: Board composition	16	
	G13: Information assurance	10	
Human Rights ²	HR1: Material topics	1,2	<p>Understanding TITAN Overview Performance highlights: Focusing on material issues and stakeholder engagement</p> <p>Management report Corporate Governance and risk management ESG Performance review: Good governance, transparency, and business ethics ESG performance statements: Tables 1.1, 2.5.1, 2.5.3 - 2.5.7, 2.5.9.</p>
	HR2 and HR2.1: Policy commitment		
	HR3: Stakeholder engagement		
	HR4: Prevention/mitigation		
	HR5: Training		
	HR6: Prevention/mitigation progress assessment		
	HR8: Practical actions		
Labour	L1 and L1.1: Policy commitment	3,4,5,6	<p>Understanding TITAN Overview Performance highlights: Good governance, transparency, and business ethics ESG Performance</p> <p>Management report Corporate Governance and risk management ESG Performance review: Good governance, transparency, and business ethics ESG performance statements: Tables 2.2.1, 2.2.2., 2.2.3, 2.5.1, 2.5.3-2.5.7, 2.5.9.</p>
	L2: Stakeholder engagement		
	L3: Prevention/mitigation		
	L4: Training		
	L5: Prevention/ mitigation progress assessment		
	L9: Injury frequency		
	L10: Incident rate		
	L11: Remedy		

Sections ¹	Question ¹	UNGC Principles ¹	Reference to the Report ¹
Labour	L12: Practical actions	3,4,5,6	Understanding TITAN Overview Performance highlights: Good governance, transparency, and business ethics ESG Performance Management report Corporate Governance and risk management ESG Performance review: Good governance, transparency, and business ethics ESG performance statements: Tables 2.2.1, 2.2.2, 2.2.3, 2.5.1, 2.5.3-2.5.7, 2.5.9.
	L1.2: Freedom of association and collective bargaining	3,4,6	
	L6: Collective bargaining agreements		
	L7: Women in managerial positions	6	

Environment	E1 and E1.1: Policy commitment	7,8	Understanding TITAN Overview Performance highlights ESG Performance Management report Corporate Governance and risk management ESG Performance review: Focus areas: De-carbonization and Digitalization, Growth-enabling work environment, Positive local impact, Responsible sourcing Good governance, transparency, and business ethics ESG performance statements: Tables 2.1.1, 2.3.1. and TITAN Group Quarry Sites with High Biodiversity Value supplement table, also Tables 2.4.1, 2.5.2, 2.5.3.
	E2: Stakeholder engagement		
	E3: Prevention/mitigation		
	E4: Prevention/mitigation progress assessment		
	E4.1: Goals and targets		
	E4.2: Measuring progress against targets		
	E6: Greenhouse gas emissions		
	E6.1: Scope 3 emissions detail		
	E14: Conversion of natural ecosystems		
	E16: Air pollution		
	E17: Waste	7,8,9	
	E18: Hazardous waste		
	E7: R&D investment in low-carbon products and services		
	E8: Climate adaptation		
	E9: Renewable energy		
	E10: Low carbon products/services		
	E11: Water withdrawal and consumption		
	E12: Water intensity		
	E13: Sites in or adjacent to key biodiversity areas		
	E15: Ecosystem restoration and protection		
E20: Practical actions			
E: Sector (Construction & materials)			

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

NOTES

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

Connection of KPIs and other disclosures with the SASB Standards

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

Transparency International - Corruption Perception Index

Countries with TITAN key operations sorted by Transparency International CP Index 2023			
Country	CPI 2023 rank	CPI 2022 rank	Change in rank ²
Kosovo	83	84	▲

NOTES

1. According to the above Table there were no operations of TITAN's subsidiaries in countries with lower ranking than Egypt, in 2023. There were in total 45 countries which ranked lower, in positions between 136 and 180 in 2023. This disclosure covers the requirements for reporting according to the SASB Standards for 'Business Ethics and Transparency' and in more specific the metric (KPI) EM-MM-510a.2 'Production in countries that have the 20 lowest rankings in Transparency International's Corruption Perception Index'.

2. Symbols for the change in rank explained:
- ▲ Improving conditions in the country reflected by the decrease of rank
 - ▼ Deteriorating conditions in the country reflected by the increase of rank

GLOSSARY

Financial

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

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

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.

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

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

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

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

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

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

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



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