


**SHARRCEM**

a  TITAN Group Company

**Corporate Social  
Responsibility  
and Sustainability**  
REPORT 2013

**SHARRCEM SH.P.K.**

Adem Jashari p.n.  
71510 Hani i Elezit  
Kosovo  
Tel. 00 381 290 385 500  
Fax. 00 381 290 385 510  
[www.sharrcem.com](http://www.sharrcem.com)

Contact person: Emine Imishti  
E-mail. [emine.imishti@sharrcem.com](mailto:emine.imishti@sharrcem.com)



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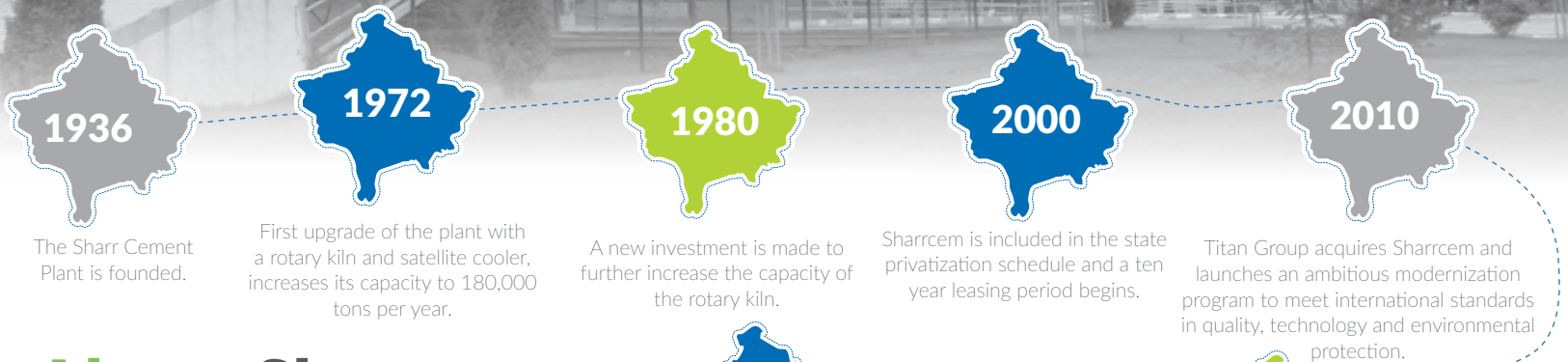
This is the 2nd CSR and Sustainability of Sharrcem SH.P.K. covering the period from the 1st of January to the 31st of December 2013. The report follows the Titan Group reporting standards, aligned with GRI principles and WBCSD/CSF reporting guidelines. All data presented in the report were included in the sample of independent external verification contacted on behalf of Titan Group (see website: [www.titan.com](http://www.titan.com) Report 2013)

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



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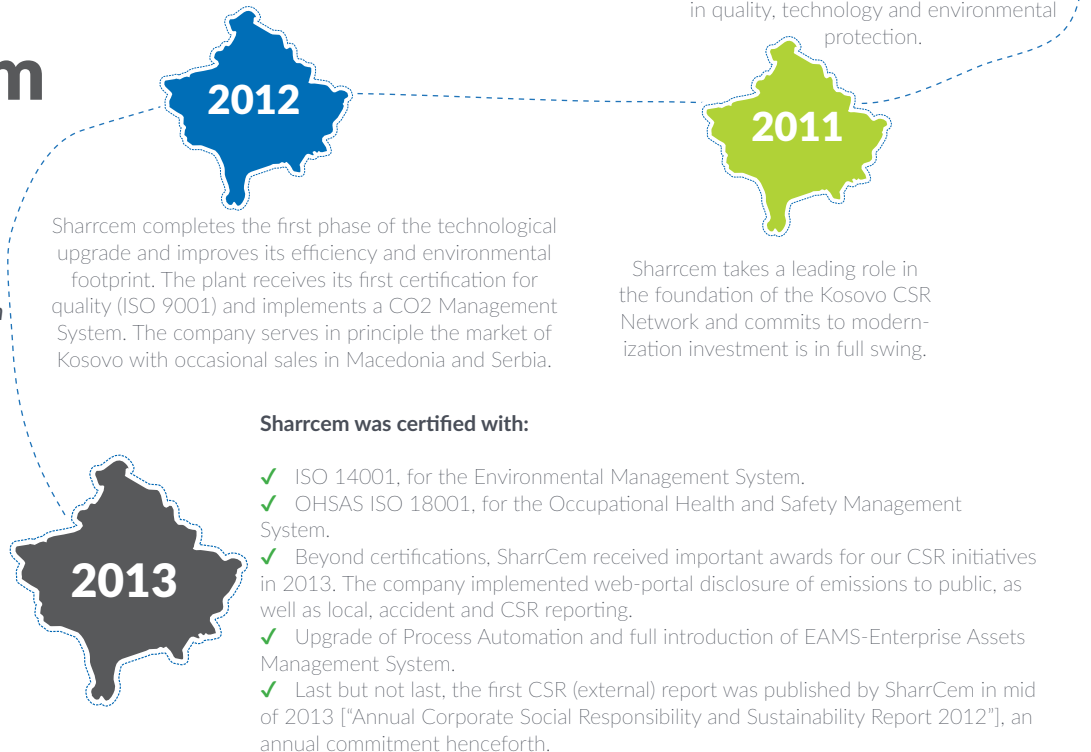


## About Sharrcem

Sharrcem was founded in 1936 operating one vertical kiln with a production capacity of 4,415 tons per year. Sharrcem was acquired by TITAN Group in 2010, following Kosovo's privatization process. It is the only cement plant in the country, located on the southern border. In 2010, Sharrcem became a member of TITAN Group and remains the leading supplier of cement in Kosovo.

One year after being acquired by TITAN Group, Sharrcem has significantly upgraded its technology and techniques for the production of raw materials and cement and initiated the application of high standards, integrated at all operating levels.

Sharrcem is a member of:



**573,014 t**  
of raw materials  
extracted from two  
active quarries

**497**  
the number of  
employees that  
attended various  
development  
programs

**712,157 m<sup>2</sup>**  
the total area of  
active quarries

**28,552,795 Euros**  
for goods and  
services, paid to  
suppliers

**420,747 Euros**  
contribution to  
employee  
pension fund

**56,231 Euros**  
of local  
(municipal +  
property)  
taxes paid

**543,500.7 t**  
the total amount  
of cement  
production

**20,418,775 Euros**  
total investments  
up to 2013

**266,421.94 Euros**  
for social contributions

**617,500 Euros**  
corporate income  
taxes paid





At our 61 quarries, we extract raw materials such as limestone, clay, aggregates and gypsum.

## Titan Group in brief

TITAN provides building materials for homes, offices, schools and major infrastructure projects, such as highways, ports, etc.

The quality of TITAN's products, their durability and the long-term sustainability of the resulting constructions represent an ongoing responsibility. This responsibility to society has driven the progress of the Group's intellectual and technical capabilities.

Throughout its 111-year history, TITAN has lived up to many other responsibilities.

These include the wellbeing of its people and the communities around its operations, the success of its customers and the satisfaction of shareholders. Meeting these diverse needs has brought about positive change, enabled resilience and continued success.

Today, these commitments are even more important. While taking pride in our achievements, we continue to improve how we operate by focusing on the most material issues. In this way, we can face the future with confidence.

We combine cement, water and aggregates at our 127 ready-mix concrete plants. At seven of our plants, we also process fly ash which is used as an ingredient to make concrete denser, stronger and more durable.



At our fifteen cement plants and grinding plants in nine countries, we crush, grind, heat and cool raw materials to produce clinker, which is then processed further to produce cement.

TITAN Group  
Global Locations



# Our Company

Titan Group considers sustainability to be one of the most important matters of our time. As such the group has deeply embedded social responsibility and sustainability practices into its operations. The group is closely involved in the most up to date sustainability initiatives by being part of WBCSD and CSI. Directly with a strong representation in all the task forces of the CSI and co-chairing two of them, the Group is taking as leading role in contributing to the development of the latest practices in sustainable cement production.

## SHARRCEM

a  TITAN Group Company

Continuing the commitment to operate based on Group Values since 2010, **sustainability remains one of the most important components of the way Sharrcem does business as well.**

As a result in 2013 the company proceeded to get certified in ISO 18001 (for Occupational Health and Safety) & ISO 140001 (for Environment) demonstrating the commitment to sustainable development. Also, that the same year, the company was awarded the draft IPPC License (Integrated Pollution Prevention and Control), the first of its kind in the country setting the standard for the rest of the heavy industry sector in Kosovo to follow.

To follow up on the commitment and ensure full compliance of all the business units of the Titan Group the company proceeded to

complete a full Audit of its sustainability and corporate responsibility performance initiatives conducted by an independent third party (DNV).

The company continues to develop new ways of decreasing our environmental footprint and increasing our safety culture and community engagements.



World Business Council for Sustainable Development

**Cement Sustainability Initiative**

The Cement Sustainability Initiative (CSI), a global effort of cement producers-members of the WBCSD, involving operations in more than 100 countries in the world is the spearhead of the industry toward responsible and sustainable growth and sets methods, practices and measurable targets to this end.

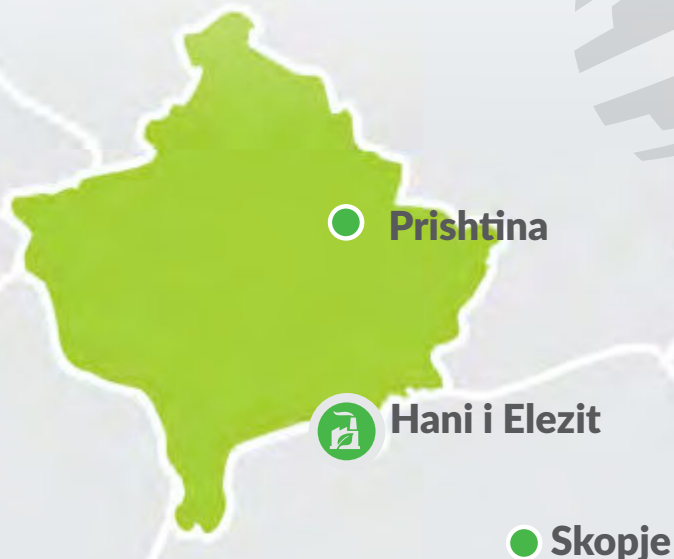
CSI Task Forces:

- TF1: Climate Protection
- TF2: Co-processing
- TF3: Health and Safety
- TF4: Air Emissions
- TF5: Biodiversity
- TF6: Communications
- TF8: Concrete Sustainability
- TF9: Water
- TF10: Supply Chain



wbcscd

The World Business Council for Sustainable Development is a CEO-led organization of forward-thinking companies that galvanizes the global business community to create a sustainable future for business, society and the environment.



# Message from the Managing Director

## Dear Stakeholders,

It is my great pleasure to present, on behalf of all our employees, the second Annual CSR Report; thus setting a standard – and hopefully a legacy – that links the company, its stakeholders and the society through disclosure and transparent communication. The latter, we consider at Sharrcem, is the *conditio sine-qua-non* for sustainable growth and responsible behaviour.



We are glad to state that in 2013, Sharrcem has been able to materialize a series of priority certifications over and above the local regulatory framework, but, nonetheless, extremely important, as they are part of our way of doing business; in this degree, Sharrcem has been certified with the ISO 14001 OHSAS on Operational Health and Safety and the ISO 18001 EMS on Environment Management. We even made one step further, a very significant one, by finalizing an IPPC application draft in cooperation with local authorities. This, without any doubt, will have the company ready for receiving (early in 2014) the Integrated Pollution Prevention & Control license which is the industry standard for the developed countries.

The condition of the economy in our region was not the best for the year elapsed. The neighbouring countries face long-lasting stagnancy and shrinking construction markets, while Kosovo has still to deal with the high unemployment and poverty rates as well as with low levels of international and local invest-

ment. In such conjuncture, social responsibility is of capital importance for all citizens.

Although honoured by being presented in 2013 with a Local and a European award for CSR, we have not scaled down our social responsibility efforts the least; on the contrary, the company engaged in preparing a very consistent program to generate SME's and employment which we believe can be a model for replication in other communities in need.

The CSR Committee of Sharrcem has been busy to break – again – new ground in the country by adopting and preparing to implement the WBCSD/CSI guidelines and methods. Indeed, it presented a plan for 2014 which includes transport safety, water and biodiversity management, social inclusion, RM/ risk assessment, all focal points for the global industry today. In 2013, the company has invested and put in place all required systems, in both process automation and ICT management applications (EAM) so as to be able to support

said functions.

In this report, which, by the way, has been audited by DNV-GL (Det Norske Veritas – Germanische Lloyd) and integrated in Titan Group Report, you will be able to find the full CSR imprint of our company, by sections: our people, supply chain, environment and community. We believe that this information opens a path for transparent communication and efficient interaction and we welcome all remarks and suggestions.

I hope that you will find this report useful and invite all readers for their input; this latter, will prove that this document has served its purpose.

Sincerely,

Emmanuel Mitsou,  
Managing Director.

# Our Values and CSR Policy

## Corporate Social Responsibility

- Safety first
- Sustainable development
- Stakeholder engagement

## Continuous improvement

- Learning organization
- Willingness to change
- Rise to challenges

## Integrity

- Ethical business practices
- Transparency
- Open communication

## Value to the customer

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

## Know-how

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

## Commitment to results

- Shareholder value
- Clear objectives
- High standards

“ TITAN Group aims to grow as a multi-regional, vertically-integrated cement producer, combining entrepreneurial spirit and operational excellence with respect for people, society and the environment. ”



## TITAN Group CSR Policy

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

To achieve our Vision

- Our business practices are guided and based on our Titan Values and our code of conduct.
- Safety is our top business priority aiming to achieve an accident and incident free work environment.
- We are committed to sustainable growth, integrating human, environ-

mental and social elements into our business decisions.

- We aim to continuously improve our environmental and social performance, measuring our impacts and contributions, and assessing our environmental and social footprint.
- We aim to build trust with all our stakeholders by communicating openly and transparently, and seeking engagement to understand the impact of our operations and their concerns.
- We share our know-how, experience and best practices in areas relevant

to our business to add value and contribute to the well-being of our neighboring communities.

- We value our employees and follow human resources practices that promote equal opportunity in recruitment, employment and development, regardless of gender, ethnic origin, religion etc., respect individuality and are consistent with national laws and international voluntary guidelines, such as the UN Universal Declaration of Human Rights.
- We deal with our supply chain in accordance with our Group and Regi-

onal Procurement Code of Conduct.

- We voluntarily engage in and support partnerships and business networks that promote our business goals and CSR vision, such as the U.N. Global Compact, WBCSD/CSI, the E.U. Alliance for CSR, the U.S.
- We aim to be active in civic efforts and the process to advance the use and benefits of our products and preserve the long term viability and economic prosperity of our industry.
- We encourage and recognize individual initiative and voluntarism in community and civic activities .

Drawing inspiration from the TITAN Group's CSR heritage code of conduct, Sharrcem, as a Group company, works diligently on the implementation of internal and external projects and processes to improve its corporate responsibility performance and social footprint. In this regard most of the company's efforts are directed towards environmental protection, the creation of a safety culture and a healthier society, and to the generation of employment (see page 20).

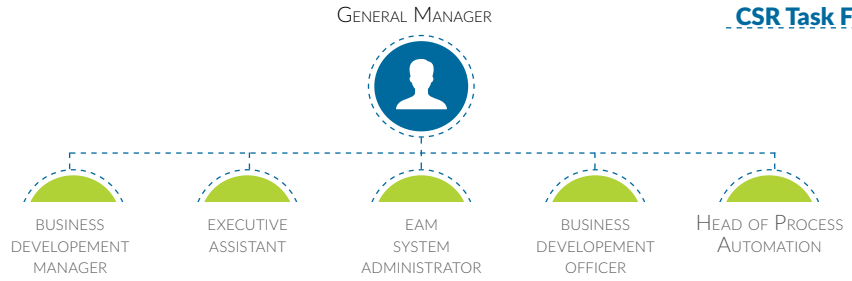
## Commitment Across the Organization

Sharrcem commitment to CSR is not applied only by Senior Management but includes engagement and contribution by everyone working at the company. In order to have everyone's voice heard and have everyone included in the decision making, the company carries out all of the CSR activities under the guidance and leadership of a CSR Committee and CSR Task Force which are comprised of employees from all different positions within the organization.

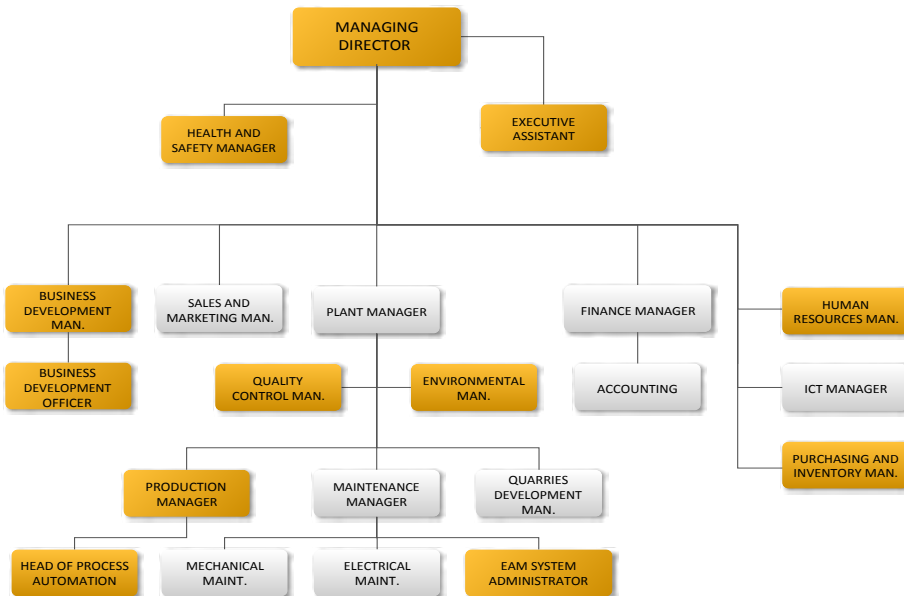
### CSR Committee



### CSR Task Force

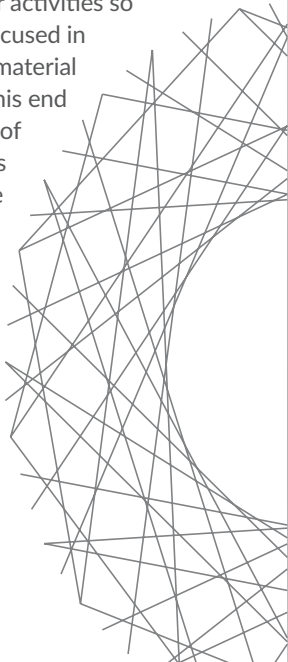


## Participation Across the Organization



## Our Goals and Key-Priorities

Although we take pride in our activities so far, at Sharrcem, we remain focused in responding by priority to the material issues of our community. To this end we diligently maintain our list of stakeholders and a continuous communication with the same - a clear-out assignment to our CSR Task Force, so as to plan accordingly. At the same time, we strive to improve our organization through the implementation of certified systems that enable keeping track of and reporting our sustainability performance.



# Our Stakeholders

*“We aim to build trust with all our stakeholders by communicating openly and transparently, and seeking engagement to understand the impact of our operations and their concerns”*

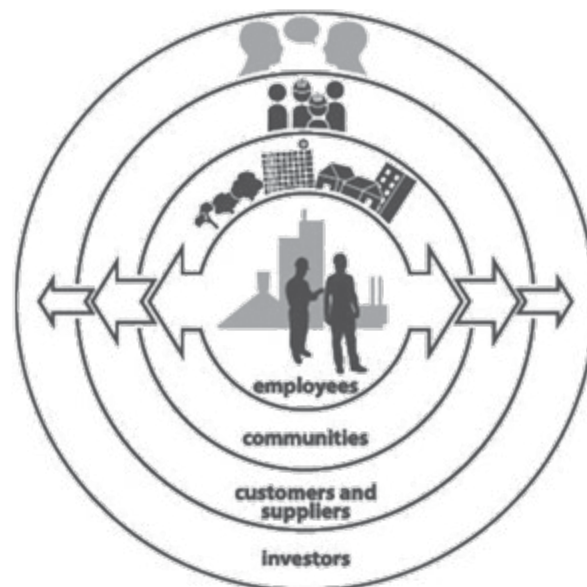
We do listen and respond to our stakeholders and we always try to make sure approaches are designed to meet their interests and needs. We believe that only by receiving encouraging feedback from them we can consider a CSR job or activity well done. Understanding our role as one more citizen in our community, the CSR Committee of Sharrcem has formed a permanent Task Force to act as its antenna that would receive the signals of the society at both local and national level. They remain in constant communication with the stakeholders, analyze issues by importance and relevance and finally, present the findings to the committee. The Task Force is adequately manned and equipped to carry out the decisions of the committee. The latter, chaired by a local manager-citizen, and endowed with a dedicated budget works under an official operating charter that enables to take final and binding decisions.

Albeit we are operating in a developing country and marketplace, we seek as much feedback and interaction from it as possible to regularly check and balance the full impact of our operations and ensure that we are properly aligned with the Group standards and international undertakings.

As a key part of our CSR rules of engagement we have conducted a thorough identification of our local and national stakeholders among the following categories:

- **Employees**
- **Supply Chain (customers, suppliers, contractors)**
- **Local Communities**
- **Government**
- **Financial Institutions**
- **International Institutions**
- **NGO's**
- **Academia**
- **Industry and Trade Associations**

Sharrcem held several meetings with the Independent Local Advisory Board. During these meetings twenty five (25) different proposals were implemented in the fields of community support, cultural and athletic activities, educational support, philanthropic donations, etc. The ILAB has served as an excellent instrument of communication in 2013 and continues to do so.



## Key-Priorities

- Continuous Engagement with key stakeholders: Disclosure and transparency
- Focus on material issues of the Community
- Empowerment of the Independent Local Advisory Board
- Implementation of the LAB project
- Waste water treatment
- Trainings and continuous improvement
- Employee development, training for skill + safety culture
- Support and contribute to the Kosovo CSR Network
- Meet high sustainability standards through Certified Systems
- Continuous awareness raising on CSR within the company, community and beyond
- IPPC permit issuing including use of alternative fuels
- SA 8000 alignment

## Stakeholders Engagement

*The Sharrcem cement factory in Hani i Elezit continues to make investments whose beneficiaries are first and foremost the citizens. This factory has allocated a substantial budget for the Laboratory for Business Activities project (LAB) enabling the creation of Small and Medium Enterprises in the field of agriculture.*

Sharrcem presented the LAB project, the largest of its kind in Kosovo, in front of a large number of citizens of the Hani i Elezit community. The main goal of this project is the creation of new jobs for residents of Hani Elezit, through the creation of new, small and medium-sized enterprises. Agriculture was identified as the key sector for investments.

During the presentation of the project, the production manager of Sharrcem, Enver Curri, said that this project will prove to be profitable for the community. „The company is always committed to the community where it operates. Through the Laboratory for Business Activities, new enterprises will be created which in turn

will generate new jobs and work sites that will be very useful“, said Curri.

While addressing the citizens, the Managing Director of the company, Mr. Emmanuel Mitsou assured them that the LAB project will always have the support of Sharrcem. „Even if no other funds become available we will continue to support the project. The first phase of this project alone has seen half a million euros allocated for it. I am certain that good cooperation with the Ministry of Agriculture and other stakeholders will make the project even more successful“ said Mr. Mistou.

On the other hand, the political advisor in the Ministry of Agriculture, Forestry and Rural Development, Mr. Halit Hoxhaj, emphasized that the ministry has a deep association with the project in question and that it supports this initiative. „This fund will affect the economic development of the municipality and will create sustainable businesses. This is not charity, but a helping hand which creates integrated jobs through the laboratory“, stressed Hoxhaj in his speech.

Present at the meeting was also, Mr. Evangelos Vergos, from the American school of Agriculture in Thessaloniki which has been engaged as the Scientific Advisor to the project. In



his speech for the citizens, he gave concrete examples of what approaches to take in order to be successful in projects, especially for new enterprises. Mr. Vergos emphasized that positive results are achieved only through cooperation.

Many citizens who were present at the forum welcomed this project and expressed their willingness to cooperate for anything that leads to a better community as a whole .

The Laboratory for Business Activities (LAB) is solely initiated to support new, small and medium-sized enterprises in Hani Elezit, to create new employment and reduce poverty. The project will focus on educating, training and equipping enterprises in the field of agriculture. (read more about the project in page 45, 46, 47)

## 1st Stakeholders Forum in Hani i Elezit

On the 28th of October, Sharrcem organized a local stakeholders event, hosted by the Chairman of the CSR Committee, Mr Enver Curri wrapped by members of the CSR task Force.

The event was held in the Community Culture Centre of the Municipality and was attended by the Mayor, Mr Rufki Suma and other high-ranking officials of the Municipality as well as a large number of citizens.

The Task Force has presented its 2012 CSR Report in full detail and its 2013 activities to the

date, while the MD of the company has given a glimpse into the future plans and identified priorities for social contribution.

Under the note of the Chairman that this event aims to establish transparency through disclosure, the floor was given to the citizens and a fruitful exchange of ideas and information took place. It was for the first time that such an event has taken place in the community and we consider it a successful one, too, as the broad participation and interaction from the citizens side implied.

## Continuous Improvement - Internal Workshop



At Sharrcem, we also consider it of essence that the awareness about social engagement spreads broadly within our own organization. With the support of the Group, a two-day regional workshop has taken place under the theme “Learning, Engaging, Improving” led by the Corporate CSR Director, Ms Maria Alexiou and delivered to an audience that covered several departments across the organization.



## Sharrcem is honoured with the European CSR Award for its ILAB Initiative

“In October 2011 the European Commission published a new communication on corporate social responsibility (CSR). It defines CSR as “the responsibility of enterprises for their impacts on society.” In the Commission’s view, a coherent strategic approach to CSR is increasingly important to the competitiveness of enterprises and the development of CSR should be led by enterprises themselves. To enhance the visibility of successful CSR activities and to disseminate good practices the Commission, alongside CSR Europe and Business in the Community UK, launched the European CSR Award Scheme for CSR partnerships between enterprises and other stakeholders.

The overall objective the European CSR Award Scheme is to give higher visibility to excellent practice in the field of CSR and to share such practice across the EU, thus encouraging more enterprises to follow these successful examples and cooperate with their stakeholders to better fulfil their social responsibility. Thus, this “Golden Book” is a compendium of know-how and great source of inspiration. I hope it will also serve as a rich source of good practice and encourage many more CSR partnerships between enterprises and their stakeholders.”

**Antonio Tajani**

*Vice-President of the European Commission*

## European CSR Award Scheme

*Inspiring partnerships for innovation and impact*

Co-led by



Supported by



Organized by



## First European CSR Awards Projects 2013

**WINNING PARTNERSHIP IN THE LARGE COMPANY CATEGORY:  
INDEPENDENT LOCAL ADVISORY BOARD**

**SHARRCEM**  
a  Group Company



## Stakeholders Meetings

Sharrcem held several meetings with the Kosovo CSR Network in support of network activities. As a member of the Board of Directors of the Network Sharrcem took part in 8 different meetings over the course of 2013. In preparation for their 2014 CSR project aimed at creating new Enterprises and Employment in the community where they operate, Sharrcem held numerous meetings with a number of important NGO's in 2013. Meetings took place with the following organizations:

1. **HELVETAS – Swiss Intercooperation**
2. **NOAKOS – New Opportunities for Agriculture in Kosovo**
3. **USAID**
4. **KFOS – Kosovo Foundation for Open Society**
5. **UNDP**
6. **World Bank**
7. **IFC – International Finance Co.**
8. **EBRD – European Bank for Reconstruction and Development**
9. **GIZ– German Society for International Cooperation**
10. **KfW – German Cooperation**
11. **SDC – Swiss Cooperation**
12. **ADA – Austrian Development Agency**
13. **DANIDA – Danish International Development Agency**
14. **Kosovo CSR Network**
15. **ICK – Innovation Centre Kosovo**

## Building consensus with key stakeholders

In our demanding environment, being Kosovo, a developing market, the need for establishing sustainability and responsibility principles within the barriers commitments, the public

authorities and social network becomes more accurate. Sharrcem is a participative citizen, striving to contribute in the evolution process of the country at the highest degree.

**In 2013, Sharrcem has actively participated in various events of major significance.**



**The responsibility of the Heavy Industry Sector towards the Environment / Organized by AmCham, coordinated by Sharrcem**

The event, sponsored by Sharrcem, was linked to the joint initiative of Sharrcem and the American Chamber to create a local industry cluster with the task to form a competent advisory body that would, then, convey its experience, based on international best practices, to the National Council for Economic Development of Kosovo.

## EU Investors Meeting / Organized by EU Office in Prishtina

Creation of an Association of European Businesses with three major tasks: (1) advocacy - in order to resolve legal administrative impediments, (2) enforcement of rule of law and (3) improve the business environment in the country so that it would become more attractive for FDI.

Close cooperation with the EU and constant alignment in view of the SAA and its monitoring processes.



## Support to MESP for Environment and Climate Change / UNDP

Sharrcem has participated through its Environmental Manager, acting as national consultant for drafting a National Adaptation Strategy for Kosovo.

As a contribution in building capacity and aligning the mid and long term strategies, the scientific team was put together to provide support to the Ministry of Environment and Spatial Planning of Kosovo.



## Business Climate in Kosovo / German-Kosovar Chamber

The canvassing of South East European businesses takes place each year by German chambers of commerce (AHK) in the region of central and eastern Europe (EQL). This is then presented at the international level as an important means of assessing the southeastern European economic area.

As a result of all AHK offices in 16 countries participating we have received the feedback of 1,623 companies, of which 31 were from Kosovo.

After the completion of the canvassing the OEGJK presented the results at a press conference.



The press conference was attended by representatives of the German embassy as well as other partners such as local chambers of businesses and other members of OEGJK.



## International Conference on Economics of Education in Kosovo / GIZ-German Cooperation

The conference focused on the education system in Kosovo aiming into identifying its shortcomings and needs for adaptation to serve as a roadmap for policy-making. The aim of the conference was to develop a set of recommendations for Kosovo with a strong participation of all stakeholders from politics, economy, education sector, academia, media and civil society. Sharrcem has participated as industry representative in the roundtable „On the needs of the labour-market and businesses responsibilities towards education quality“ and showcased its experience.



## Raising Awareness for CSR / AmCham and Kosovo CSR Network

Kosovo CSR Network with the cooperation of the Ministry of Economic Development and the American Chamber of Commerce in Kosovo, organized the event „CSR - A Smart Investment that Gives You a Business Advantage.“

In this event, Robert Wright, Chair of the Board of Kosovo CSR and the General Director of Raiffeisen Bank, presented the achievements of Kosovo CSR Network.

He emphasized that „there have been many individual CSR projects implemented by our members throughout the past two years and that now we can say that CSR Kosovo is really catching up and having a positive effect on business and social environments in Kosovo. However, there is still much to be done before we can say that Kosovo really represents CSR“ Wright added that „I should say that the CSR Network cannot do anything that is needed for CSR to be really effective in Kosovo and to make important and visible changes. Government, business community and other stakeholders must take ownership of our objectives and contribute to the development of their initiatives.“

„We need you, and you need CSR!“ concluded Wright.



## Certifications

Our commitment to continuous improvement is reflected in prompt and full integration of international management systems.

Certification for ISO 9001 was achieved as a first step in 2011. Soon after, on November 14th, 2013, Sharrcem, has obtained by the "European Inspection and Certification Company" the certificate for environmental management system.

This certificate is issued in accordance with the standard „EN ISO 14001:2004“ and is valid in the field of cement manufacturing and quarrying.

Through this certification, the commitment of Sharrcem towards environmental protection is

further underlined while valued for the way we conduct our activities to the highest ecological standards.

On December, 2013, Sharrcem was also certified for Occupational Health and Safety Management System, in accordance with the standard BS OHSAS 18001:2007 and is valid in the field of cement manufacturing and quarrying.

The evaluation with this certificate has exalted even more the contribution of Sharrcem, taking into account that the health and safety of employees is of utmost importance for Sharrcem and that the factory aims to create a safe and healthy working environment. The Management of Sharrcem, remains conscious of the constant effort that has to be dedicated in improving the culture of safety but also

extending it to the contractors and suppliers of the company.

*"With this certification, the comprehensive investments of the company are evaluated, which are raised from our commitment for environmental protection. It should be emphasized that the environmental protection is one of the main pillars and objectives of the company, and hence, Sharrcem will continue to modernize its manufacturing process, which improve our activities with environmental impact, by Halil Berisha, Environmental manager of Sharrcem".*



ITEM	MGT SYSTEM / CERTIFICATION	STATUS
ALL PRODUCTS / CEMENT TYPES	CEM IV/B (P-W) 32.5R	✓
	CEM II/B-M (W-L) 42.5R	} EN 197-1: 2000
	CEM I 52.5N	
	MC 5 SHARRMALL	✓
CO2 FOOTPRINT	CO2 MGT SYSTEM ACCORDING TO THE WBCSD PROTOCOL	✓ Incorporated in EMS ISO 14001
QUALITY	ISO 9001	✓
ENVIRONMENTAL	ISO 14001	✓
ENVIRONMENTAL	IPPC	Draft permit received
SAFETY	ISO 18001 / OHSAS	✓
ACCOUNTABILITY	SA 8000	Gradually in 2014
FINANCE	VOLUNTARY MID-YEAR INDEPENDENT	✓
DNV	AUDIT	✓



The Kosovo Corporate Social Responsibility (CSR) Network as the first business network established in Kosovo for CSR by its founding members is continuing their job to increase the public's awareness on CSR and also incorporate CSR best practices into their own member companies.

Although currently a relatively small organization, the Network seeks to grow and become a stimulating network to attract new businesses in promoting CSR across Kosovo. On their first business days there were 14 members and so far the number has been increased up to 22 members, which encourages the Network to persist on its tasks and undertakings.

Becoming a member of the European Business Network for Corporate Social Responsibility (CSR Europe), is another step of the Network to further integrate Kosovar organizations in European structures.



## Action Plan 2013-2014

The Network has presented an action plan for its members and their respective supply chain. The plan tackles, a) the Global Compact Principles of Child Labour and b) the basic rules of fair contracting (and contract consciousness), which are still an issue in the country. With this initiative the Network pretends to launch a hopefully ever growing, list of companies subscribing to abolish Child Labour and observe contractual undertakings.

## Mission

*The Kosovo Corporate Social Responsibility Network is a not-for-profit, nongovernmental organization founded by its Members for the purpose of supporting the overall economic development by enforcing best CSR practices in the society and also by complying with the aforementioned Global Compact Principles.*

## Vision

*The CSR Network is determined to embrace responsibility for the company's actions and the encouragement of a positive impact through our activities on the environment, consumers, employees, communities, stakeholders, and the wide public.*

## Members of Kosovo CSR Network



# Occupational Health and Safety (OH&S)



As one of the most important issues, especially taking into consideration the fact that Sharrcem is a heavy industry company, safety continues to be one of the primary focuses of our daily operations. Continuous establishment and development of a responsible safety culture remains our top business priority.

To achieve this goal the company continues to spare no resources and continues to invest increasing amounts in this regard, which benefits all our key stakeholders including our employees, contractors and the community within which we operate.

Some of the investments that affect safety included in 2013 involved: water treatment, noise reduction, continuous dust monitoring system, closure of eastern part of clinker hall, cement mill # 1 rehabilitation, stretch hood, traffic safety etc.

The company will continue to employ best practices and develop new and sophisticated ways in improving the safety of our employees and other important stakeholders.

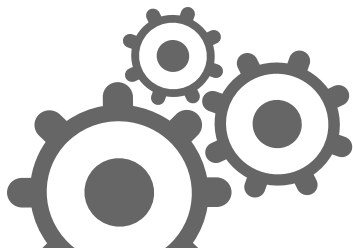
Sharrcem effected implementation of the Safety Management System OHSAS ISO 18001 in 2013 and achieved certification in December of 2013.

Sharrcem maintains Health and Safety as a first priority through training every employee. For that purpose, we developed Thursday's training program which is implemented by the Health and Safety department and is attended by all employees in the company.

- **Compulsory safety induction training for all persons accessing the plan.**
- **Establishment of safe work instructions/emergency procedure.**
- **Implementation of (i) contractors/drivers management through training in the workplace, (ii) safe work methods as well as (iii) initiation of introduction of WBCSD/CSI contractor safety guidelines.**
- **Annual medical check-up for company's personnel.**
- **Installation of a new hydrant system for the whole plant.**
- **Installation of VCS cut-off switches in along the full production line.**
- **Installation of LOTO software.**
- **Insulation of inter-compartment cable routing.**
- **360° company assessment**
- **Employee programs – Safety Culture Development.**  
In 2013 the company has assigned an ISCI (Involvement for Continuous Safety Improvement) contract to the specialist provider Management Force Group LLC aiming to enhance its operational safety culture; this dedicated coaching program creates among employees successive nuclei of advanced sensitivity in the field of detection of hazards and unsafe acts and provides relevant know - how for their elimination. The program runs on groups (CCT's) of employees who become the change agents for the upgrade of the whole work force in terms of OH&S. CCT1 was launched in 2013 and has made significant advance, while CCT2 shall start early 2014.
- **CSI Progress**  
Also during the year, the company has engaged in complying with the CSI best practices about traffic safety and contractors safety. A huge task which demands revisions and alignments in a number of systems of the company (access management, procurement and contracting, work requests and planning), will keep the company busy up to 2015.

## OH&S Performance

Sharrcem personnel is required to monitor, record, and report occupational health and safety incidents and workplace conditions (air quality and physical parameters, which are potentially impacted by industrial processes) throughout the reporting period.



## Kosovo Compliance

No inspection was performed by the local labor agency or other relevant State authority in 2013. The plant is required to inform the authorities only in case of an accident. During 2013, no accident occurred thus no report was made to the authorities.



## Workplace monitoring

During 2013, Management Force (an external consultant) was awarded by Sharrcem a project to perform measurements of dust, noise, lighting, chemicals and WBGT at selected points and workplaces in the plant area. For all measurements they provide us:

- Details of methodologies applied to perform the measurements and equipment used for this purpose.
- Measurements results.
- Suggestions/proposals on improving health and safety and the protection of employees.

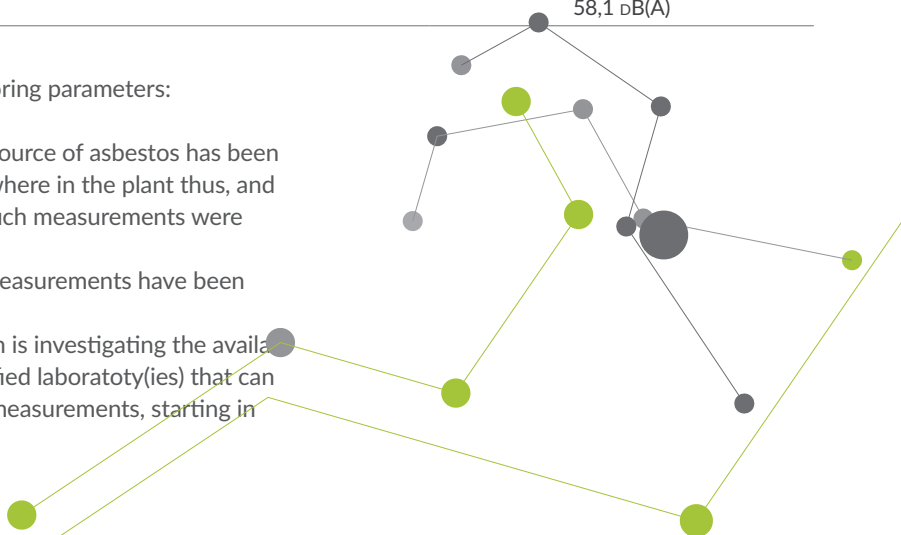
WORKPLACE MONITORING PARAMETER	SAMPLE COLLECTION AND ANALYSIS FREQUENCY	MAXIMUM THRESHOLD LIMIT VALUE (TLV-TWA)	SHARRCEM PERFORMANCE
<b>WORKPLACE RESPIRABLE AIR CONCENTRATIONS</b>			
ASBESTOS (IF PRESENT)	QUARTERLY	0.5 MG/M <sup>3</sup>	NOT PRESENT
CARBON MONOXIDE	QUARTERLY	40 MG/M <sup>3</sup>	28.64 MG/M <sup>3</sup>
NITROGEN DIOXIDE	QUARTERLY	6 MG/M <sup>3</sup>	0.94 MG/M <sup>3</sup>
PARTICULATE (INERT OR NUISANCE DUST) MAXIMUM	QUARTERLY	10 MG/M <sup>3</sup>	17.39 MG/M <sup>3</sup>
PARTICULATE (INERT OR NUISANCE DUST) MINIMUM	QUARTERLY		0.05 MG/M <sup>3</sup>
SILICA, CRYSTALLINE (AS RESPIRABLE DUST)	QUARTERLY	0.1 MG/M <sup>3</sup>	N/A
HEAVY INDUSTRY (NO DEMAND FOR ORAL COMMUNICATION)	QUARTERLY	85 dB(A)	84,8 dB(A)
MAXIMUM NOISE LEVEL			109,9 dB(A)
MINIMUM NOISE LEVEL			58,1 dB(A)

Exceeding of limits in both dust and noise was recorded in 2013. Sharrcem has already produced action plans for improvement in those two areas.

About the frequency issue: During 2013 Sharrcem made the respective measurements of dust and noise only in one period, in July. The plan for 2014 is to perform quarterly measurements.

About other monitoring parameters:

1. Asbestos: No source of asbestos has been identified anywhere in the plant thus, and therefore no such measurements were performed.
2. Particulates: Measurements have been made.
3. Silica: Sharrcem is investigating the availability of a certified laboratoty(ies) that can perform such measurements, starting in 2014.



During 2013 only one (1) fire drill was performed, because of the deficit of human resources and equipment from the local municipalities, and the low level of infrastructure of the competent authorities.

Sharrcem has a plan to look further for resources within the Country (municipalities away from Hani Elezit, but with availability of fire-fighting trucks and personnel), and increase the number of fire drills to three (3) per year at least, starting in 2014.

### Sharrcem activities related to fire safety operations

TITAN DANUBE FIRE SAFETY VERIFICATION ACTIVITIES	MANDATORY FREQUENCY	DATE(S) PERFORMED	OBSERVED DEFICIENCIES	CORRECTIVE ACTIONS AND SCHEDULE FOR IMPLEMENTATION
FIRE DRILLS	MINIMUM THREE (3)/YEAR	APRIL 2013*	NONE	3 DRILLS PLANNED FOR 2014.
INSPECT AND CERTIFY FIRE DETECTION AND SUPPRESSION ELECTRICAL AND MECHANICAL SYSTEMS.	MINIMUM ONE (1)/YEAR	MARCH 2013	NONE	CONTINUE WITH SAME SCHEDULE LIKE 2013.
INSPECT, REFILL/RECHARGE PORTABLE FIRE EXTINGUISHER	MINIMUM TWO (2) INSPECTIONS/YEAR	APRIL 2013 OCTOBER 2013	NONE	CONTINUE WITH SAME SCHEDULE LIKE 2013.

### Significant OH&S Events

- Scheduled audits (2 internal and 1 external) were performed according to the OHSAS 18001 / (Procedure p. 11)
- OH&S working instructions for significant activities (during routine and maintenance activities) are under development, in conformity with the recommendations of the Group 360° H&S Audit.
- Job descriptions for all levels are finalized.
- Medical checks of employees scheduled for 2013 (every 2 years) were performed.
- Improvement of lighting all around the plant.
- Certification of air tanks, hoists & personnel elevators is completed.
- An ATEX study at solid fuel line was performed and its recommendations were implemented.
- 103 VCS (Visible Cut-Off Switches) were installed, as part of the LOTO system.
- A new fire-fighting main line (1,122m long) and hydrants was installed.
- More than 1km hand rails, 500m<sup>2</sup> of safety platforms and ladders were installed.
- SharrCem effected implementation of the Safety Management System SMS ISO 18001 in 2013 and achieved certification in December of 2013.
- A digital system to accurately clear and record access and presence respectively of own and contractors' employees was installed in 2013 and linked to the EAM maintenance system. The latter has been appropriately configured to embed all job request and job permit procedures.

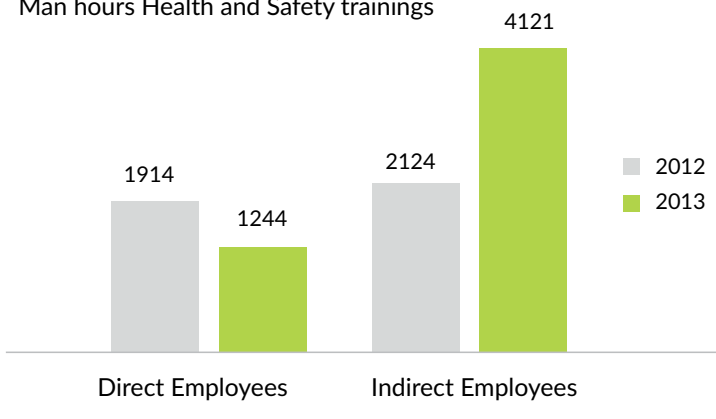


### Health and safety trainings:

In this reporting period, the realized trainings and topics are given below

	DESCRIPTION OF TRAINING	NUMBER OF EMPLOYEES THAT ATTENDED
SHARRCEM EMPLOYEES	WORKING AT HIGH	14
	HOT WORK	129
	MANUAL HANDLING	26
	ELECTRICAL SAFETY	26
	PERMIT TO WORK	11
	OXY ACETYLENE CUTTING	82
	PPE (PERSONAL PROTECTIVE EQUIPMENT)	299
	OFFICE SAFETY	30
	FIRE FIGHTING BASIC	11
	INSPECTION CHECKLIST	25
	CRANE HAND SIGNALIZATION	10
	HAZARDOUS MATERIAL	16
	TAG IN TAG OUT	171
RISK ASSESSMENT	7	
CONTRACTORS EMPLOYEES	PET COKE	12
	PPE	32
	SCAFFOLD TRAINING	6
	DRIVING SAFETY	20

Man hours Health and Safety trainings



Near Misses

- ✓ Fully Investigated
- ✓ Awareness through trainings



Near Misses

NUMBER OF "NEAR MISSES" (DIRECTLY EMPLOYED)	27
NUMBER OF "NEAR MISSES" (INDIRECTLY EMPLOYED)	15
TOTAL NUMBER OF "NEAR MISSES" (DIRECTLY AND INDIRECTLY EMPLOYED)	42
TOTAL NUMBER OF "NEAR MISSES" PROPERLY INVESTIGATED	42
NUMBER OF "CORRECTIVE ACTIONS TAKEN" BASED ON ALL NEAR MISS	42

KPIs	2010	2011	2012	2013
LOST TIME INJURIES FREQUENCY RATE (LTI FR) FOR DIRECTLY EMPLOYED PERSONNEL	0	0	0	0
LOST TIME INJURIES SEVERITY RATE (LTI SR) FOR DIRECT EMPLOYED PERSONNEL	0	0	0	0
LOST TIME INJURIES FREQUENCY RATE (LTI FR) FOR INDIRECTLY EMPLOYED PERSONNEL	0	1	0	0





## Our People

Being one of the most important stakeholders, our workforce is always at the forefront of our decision making. As a result the company continues to invest heavily in improving the safety culture not only within the company but also through our supply chain.

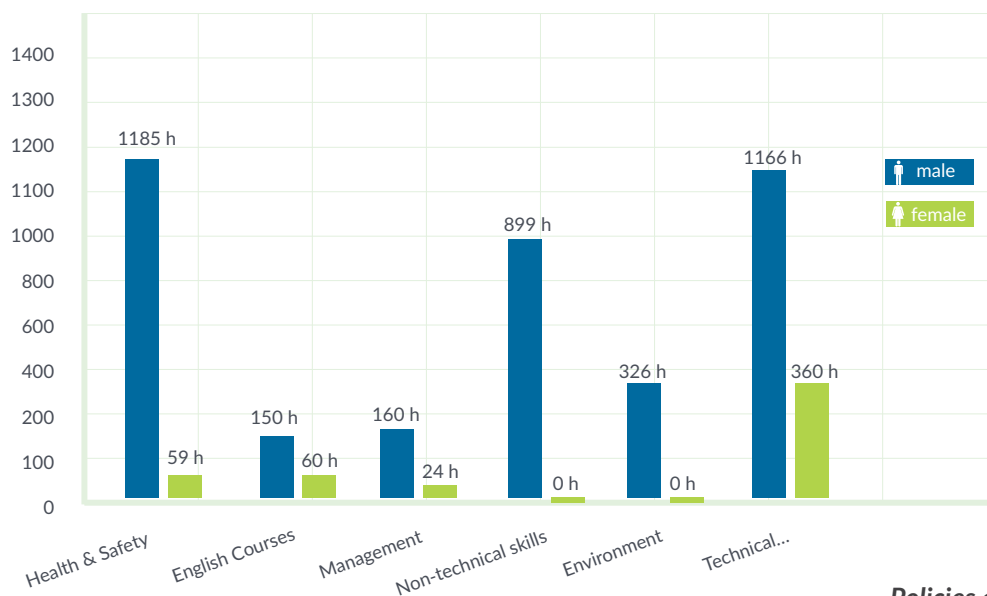
Besides caring for our employees' safety we also want to ensure their wellbeing as well as their personal and professional development.

This being the case the company has initiated negotiations with insurance companies to provide our employees and their families with health insurance to make sure that they have access to good health care.

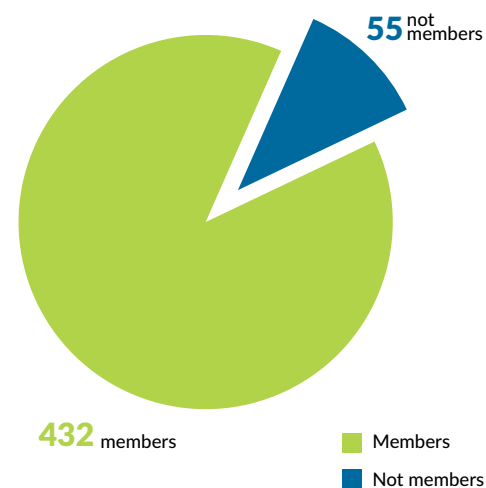
Considering education as one of the pillars of personal and professional development the company continued to support the development of our employees in 2013 through scholarships, tuition reimbursement, different trainings etc.

As we moved forward the company will continue to enhance these engagements to ensure the healthy and safe development of our workforce which is the life blood of the company.

### Hours Training



### Employees Members of Trade Union (average 2013)



### Policies and procedures

POLICIES AND PROCEDURES 2013 – EC6	KOSOVO
HUMAN RIGHTS ISSUES	SA 8000, SCREAMLINED, (SEE PAGE 12 AND 18)
LABOR RIGHTS AND FREEDOM OF ASSOCIATION	SA 8000, SCREAMLINED, (SEE PAGE 12 AND 18)
EQUAL OPPORTUNITIES	SA 8000, SCREAMLINED, (SEE PAGE 12 AND 18)
SPONSORSHIP, DONATIONS AND COMMUNITY INVOLVEMENT	ACTIVE TWO LOCAL MOU's / FOUNDATION
SUPPLY CHAIN/PROCUREMENT	GROUP CoCP
PREFERENCE TO LOCALLY BASED SUPPLIERS	✓
PREFERENCE TO LOCAL RESIDENTS, WHEN HIRING	✓
HIRING LOCAL CONTRACTORS/SUBCONTRACTORS	✓
COPY OF THE GROUP'S PURCHASING MANUAL	✓
NEW HIRES / 2013	4 (THEREOF 2 LOCALS, 1 NATIONAL AND 1 EXPATS)
RESIGNATIONS / 2013	6
ASSIGNMENT EXPIRED / 2013	3 EXPATS

BENEFITS PROVIDED TO FULL-TIME EMPLOYEES		2012	2013
HEALTH CHECK		YES	YES
LABOR INSURANCE		YES	YES
GIFTS	ON RELIGIOUS HOLIDAYS INTERNATIONAL WOMEN'S DAY NEW YEAR	YES YES YES	YES YES YES
EDUCATION	MBA ENGLISH COURSES CONFERENCES (#)	5 3 12/15 MANAGERS	4 4 10/17 MANAGERS
TRADE UNION	ORDINARY 50% CONTRIBUTION EXTRAORDINARY DIRECT CONTRIBUTION	YES YES	YES YES
COMMUNICATION	FACT SHEETS BILLBOARD SUGGESTION BOXES	YES YES YES	YES YES YES

## Health Checks

Continuing our traditional health care services for our employees, Sharrcem organized another annual checkup ensuring that all our employees complete a full examination to make sure their health is protected.

This kind of preventative care we believe creates the platform for foreseeing any hidden health issues and for ensuring that the employees are aware of their situation and take the best care for their health.

We also continue to employ a full time primary care physician at our premises that offers primary care and first aid services to all our employees. To extend the care for our employees'

health, Sharrcem has initiated negotiations with health insurance provider so that we can secure good health coverage for our employees and their spouses' even beyond Sharrcem premises.

## Blood Donation

On June 13th, 2013, as in the past, Sharrcem organized a blood donation drive. This year we had 54 donors of which 48 were male and 6 were female.

And as before, this year as well, they were given a free meal at our cantina. Sharrcem will continue this tradition in the future as well.

## 2012

### 39 donors

30 from previous year  
31 male  
8 female

## 2013

### 54 donors

39 from previous year  
48 male  
6 female

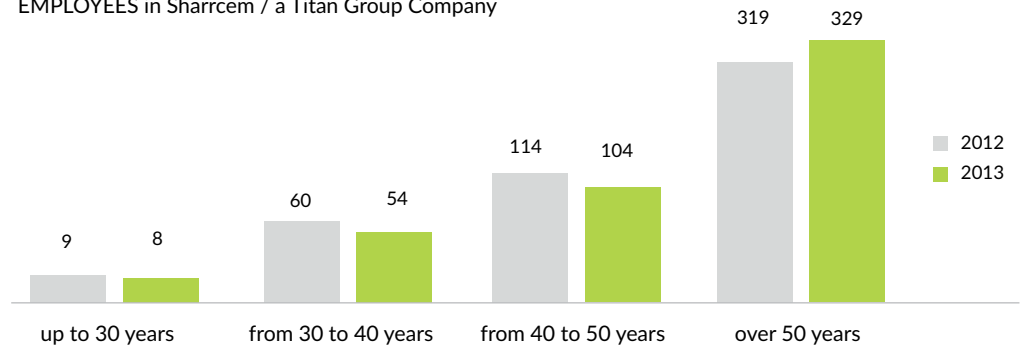
### Employees per category

Senior managers	6
Managers	12
Administration/Technical	73
Semi Skilled/Unskilled Labor	404

### Gender Structure

	2012	2013
Male	484	478
Female	18	19

### EMPLOYEES in Sharrcem / a Titan Group Company

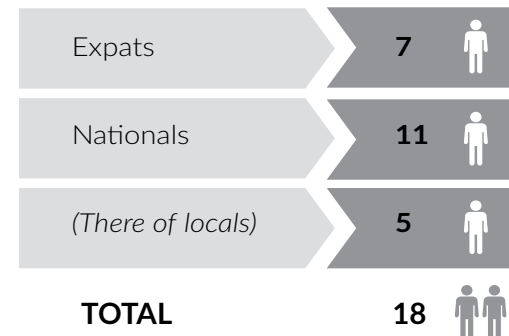


EMPLOYEES in Sharrcem / a Titan Group Company	2012	2013
Number of full-time employees	502	497
Number of temporary employees	0	0
Total number of employees	502	497
Number of employees by Gender	%	%
female	3,6	3,8
male	96,4	96,

### MONTHLY SALARIES

	KOSOVO	SHARRCEM	
MINIMUM	130 - 171.6 € (1)	350 €	(1) WORLD BANK
AVERAGE	400 - 450 € (2)	790 €	(2) COMPANY ESTIMATION

### Local Managers / Extended Management Board



## Engagement with suppliers

In 2013, the procurement department processes have been fully integrated in the EAM System of the company. At this point, contractors and suppliers contracts are properly registered and completed with all Safety and Access Clauses which are compulsory by the company. Separate registries exist for the Exclusive

Contractors, approved and maintained by the Technical management of the Plant, as well as for all services that have been rendered under the status of urgency for which a detailed record is kept with a post-dated approval.

Furthermore, thanks to the abovementioned integration, the company has adapted to the Group procedures and now controls and records the whole spectre of the suppliers and contractors relations.

## Cement Sustainability Initiative (CSI) Guidelines Adoption

The CSI recommended practices and guidelines have been adopted as strategic choice of the Titan Group and Sharrcem has started with the preparatory works in order to achieve soon a high degree of implementation. These recommendations set a system of measurable actions which involve all contracted jobs within the limits of our plant and quarry operations as well as the complete spectre of transports related to our supplies and deliveries. As such, training and know-how transfer have to be employed to a wide set of activities and partners.

### Mission for Driving Safety

CSI member companies are committed to eliminating driving-related injuries and fatalities.

### Mission for Contractor Safety

CSI member companies are committed to giving contractor safety equal priority as employee safety. While our contractors are always responsible for their own safety, we now commit to setting an example for their safety management through our own activities and contract mgt.



## The “Landmark Projects”

The concept of Landmark Projects was born in Sharrcem already by the end of 2012. In 2013, the first application was possible. Sharrcem, with the cooperation of its Customer Al-Trade ShpK, have signed an agreement of contribution to the public health sector in Prishtina by donating 0.5 euro each for every ton of cement used and consumed during the works of the New Prishtina Airport (apron works).



## Suppliers Policy

Suppliers, including contractors, are a critical and direct part of the generation of business activity in a region and, therefore. Sharrcem has a clear policy through its procurement and recruitment procedures in providing preferences to the local factor.

### Significant contractors and subcontractors

TOTAL	65
LOCAL	40

We define significant contractors and subcontractors by product or service contracted and yearly turn over.



# Our Environment

Caring for the environment, for Sharrcem, goes beyond the basic implementation of policies and procedures within operations. The company believes that this engagement needs to include all the key stakeholders so that not only the plant but also the community within which it operates works and lives with high environmental care awareness.

For the first time in 2013 the company has run the IUCN „ibat tool“ to examine the impact on biodiversity at the location of its operations.



IUCN - International Organization for Conservation of Nature / United Nations

# Environment

Given that cement production involves the use of natural resources which causes air and noise disturbances and landscape alteration, it is imperative for us that we reduce as much as possible the negative impacts on the environment and do as much as possible to mitigate such effects.

Monitoring, measuring, reporting, cooperating, continuity acting and improving is how we address environmental issues.

**In 2013, we have run for the first time the IBAT, the tool that permits proactive approach to biodiversity issues.**



**THE ibat VISION:** "Decisions affecting critical natural habitats are informed by the best scientific information and in turn decision-makers support the generation and maintenance of that scientific information."



CONSERVATION  
INTERNATIONAL



In 2013 Sharrcem put into operation its Environment Management System EMS ISO 14001. During this initial period, the necessary modifications and adaptations were taken according to the Sharrcem plant needs.

**First internal audit was organized in April 2013 by an external consultant. During the audit, procedures, instructions and forms were reviewed related to:**

- Environmental aspects
- Objectives and targets
- Legal and other requirements
- Control of documents
- Emergency preparedness and response
- Monitoring and measurement
- Operational control

The audit did not identify any non-conformity and as a result there was no need for any preventive-corrective action.

Certification audit by EUROCERT, an external certification body, started on October 11th, 2013. The second site review was performed on October 23rd and 24th, 2013. EMS ISO 14001 Certification was awarded on November 14th, 2013.

As part of the program of Group environmental audits undertaken by GET/PT (Group HQ), the Sharrcem plant and its associated quarries were reviewed during the period of October 16th-18th, 2013.

- In total 207 topic areas that are related to the plant and associated quarries environmental performance were examined during the audit.
- The overall site score (cement plant and associated quarries) arises to a 82,4%, which is considered to be very good.

During 2013, plant site visits were organized as part of the process of issuing our IPPC by the authorities. Four (4) such visits were organized during the period May to December 2013, each one of them covering different environmental aspects. The IPPC application was completed and filed in 2013 and issuance is expected by April 2014.

In alignment with TITAN Group policy and commitment to the environment, Sharrcem installed in January 2013 a additional continuous dust monitoring device at the clinker cooler stack.

This system provides continuous information about the dust emissions and the data derived from the measured values are processed using MEAC 2000 system, licensed software provided by SICK, Germany. SICK also manufactured and supplied the monitoring device.

A hydro-geological study was completed in 2013, after a two-year period of desk and field work and the involvement of experts in this field. The scope of the study was the overall assessment of the hydro-geological conditions in Hani i Elezit area (surface and groundwater flows, dynamic, quality etc.), with focus on the system of aquifers which is the source of freshwater supply for the plant needs.

The study concluded with a clear path for the sustainable management of groundwater in line with the overall water management system applied in Sharrcem.

The company has eliminated all fluid discharges to the river Lepenci. For the track record, no fine was issued to the company in 2013.



In line with ESAP requirements, a Rehabilitation Plan for Dimce marl quarry has been developed, based on the approved Mining Project and the EIAS. The Rehabilitation Plan covers: the operation phase with the progressive rehabilitation of depleted benches with soil application and trees planting plus creation of green zones with reforestation along the western quarry boundaries, and also the after-closure phase ('end of usable lifetime') that involves the backfilling and leveling of the depleted closed pit and returning to community for other uses (i.e. agricultural or other). A presentation of the Dimce Quarry Rehabilitation Plan with an indicative 5-year progressive plan of rehabilitation,

plus the 'end-of-usable-lifetime. Waste water treatment plant project was approved by CAPEX and will be implemented during 2014.

#### Major changes that occurred during the year 2013 are:

- false air solving in kiln ducts, impact dryer and raw mill exit / energy saving
- clinker storage east site closing by metal parts / reduction of fugitive dust
- installing a new system for irrigation in the quarry using the collected underground water from the quarry / sustainable water supply

#### Production data

CLINKER PRODUCED	T/Y	345,380
CEMENT PRODUCTION	T/Y	543,503
CLINKER/CEMENT RATIO	%	66.82

#### Quarry raw materials extraction data

QUARRY DIMCE (MARL)	520,116 TONS
QUARRY PALDENICE (MARL)	52,900 TONS

## Environmental Modules

Sharrcem has been continuously monitoring main air emissions at main emission locations as required. Monitoring took place while the facility was operating during reporting period.

Monitoring results of air emissions during reporting period as well as the local maximum levels in the corresponding local units are given in the tables below.

#### Point source Air Emissions - kiln & raw mill stack

POINT SOURCE AIR EMISSIONS PARAMETERS	COLLECTION FREQUENCY	WBG/IFC MAXIMUM LEVELS (WBG/IFC UNITS)	SHARRCEM PERFORMANCE ANNUAL AVERAGE	KOSOVO MAXIMUM LEVELS
NITROGEN OXIDES (NO <sub>x</sub> )	CONTINUOUSLY	600MG/NM <sup>3</sup>	471.41 MG/NM <sup>3</sup>	800 MG/NM <sup>3</sup>
DUST PARTICULATE MATTER (PM <sub>10</sub> ) AS SPECIFIED IN ESAP	CONTINUOUSLY	50MG/NM <sup>3</sup>	4.26 MG/NM <sup>3</sup>	50 MG/NM <sup>3</sup>
SULFUR OXIDES (SO <sub>x</sub> )	CONTINUOUSLY	400MG/NM <sup>3</sup>	7.00 MG/NM <sup>3</sup>	400 MG/NM <sup>3</sup>

#### Total Heavy metals

TOTAL HEAVY METALS (Sb,As,Pb,Cr,Co,Cu,Mn,Ni,V)	ONCE PER YEAR	0.5 MG/NM <sup>3</sup>	0.145 MG/NM <sup>3</sup>	0.5 MG/NM <sup>3</sup>
Cd+Tl	ONCE PER YEAR	0.05 MG/NM <sup>3</sup>	0.002 MG/NM <sup>3</sup>	0.05 MG/NM <sup>3</sup>
Hg	ONCE PER YEAR	0.05 MG/NM <sup>3</sup>	0.0045 MG/NM <sup>3</sup>	0.05 MG/NM <sup>3</sup>

#### Point source Air Emissions - clinker cooler stack

POINT SOURCE AIR EMISSIONS PARAMETERS	COLLECTION FREQUENCY	WBG/IFC MAXIMUM LEVELS (WBG/IFC UNITS)	SHARRCEM PERFORMANCE ANNUAL AVERAGE	KOSOVO MAXIMUM LEVELS
DUST	CONTINUOUSLY	100 MG/NM <sup>3</sup>	4.6 MG/NM <sup>3</sup>	50 MG/NM <sup>3</sup>

In relation to the Hg contribution in the raw materials and potential emissions: Since 2012 Sharrcem has followed an extensive investigation of its raw materials usage, starting from the quarry raw material sources, and focusing

on the (main) operating marl quarry Dimce. Between the 2nd half of 2012 and the end of 2013, Sharrcem implemented an inclusive program of geological sampling from the drill cores, and also from the active (and future)

excavation benches.

The results of analysis on quarry raw materials, as feed to the cement plant, where used in combination with spot measurements of emissions of Hg (all found below the limit level of 0.05 mg/Nm<sup>3</sup>), and can ensure Sharrcem that the future Hg emissions are expected at low levels, not exceeding the limit value of 0.05mg/Nm<sup>3</sup> for co-incineration.

## Liquid Effluent

Sharrcem collected representative samples of liquid effluent at two (2) discharge points during 2013, namely P1 and P2. Monitoring took place while facility was operating.

Sanitary water was discharged from two points of the Sharrcem plant (see also map below)

- P1- water discharge to Dimce stream (crossing the plant area)
- P2- water discharge from a point before connection with public sewage network



### Liquid Effluent - Water Outfall P1 (Dimce stream)

POINT SOURCE AIR EMISSIONS PARAMETERS	COLLECTION FREQUENCY	WBG/IFC MAXIMUM LEVELS (WBG/IFC UNITS)	SHARRCEM PERFORMANCE ANNUAL AVERAGE	KOSOVO MAXIMUM LEVELS
BIOCHEMICAL OXYGEN DEMAND (BOD5)	MONTHLY	50 MG/L	7.3 MG/L	80 MG/L
COLIFORM BACTERIA	MONTHLY	<400MPN PER 100ML	>6000 MPN PER 100 ML	6000 TC PER 10 OML
OIL AND GREASE	MONTHLY	10 MG/L	5.3 MG/L	10 MG/L
pH	MONTHLY	6.0-9.0	8.1	6.0-8.5
TOTAL SUSPENDED SOLIDS (TSS)	MONTHLY	50 MG/L	47 MG/L	150 MG/L

Note:

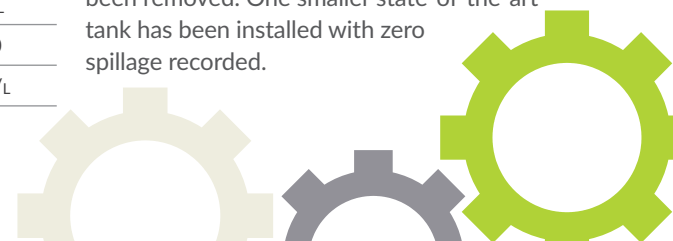
Under the current plant permit there are no limits regarding the effluent liquids. The above max levels refer to effluents that are discharged to the receptor from the plant water outfall of Point P1.

### Liquid Effluent - Water Outfall P2 (other local streams-collectors, connected to Lepenci River)

POINT SOURCE AIR EMISSIONS PARAMETERS	COLLECTION FREQUENCY	WBG/IFC MAXIMUM LEVELS (WBG/IFC UNITS)	SHARRCEM PERFORMANCE ANNUAL AVERAGE	KOSOVO MAXIMUM LEVELS
BIOCHEMICAL OXYGEN DEMAND (BOD5)	MONTHLY	50 MG/L	11.75 MG/L	250 MG/L
COLIFORM BACTERIA	MONTHLY	<400MPN PER 100ML	4500 MPN PER 100ML	NOT APPLICABLE
OIL AND GREASE	MONTHLY	10 MG/L	8.21 MG/L	50 MG/L
pH	MONTHLY	6.0-9.0	8.59 MG/L	5.5-9.0
TOTAL SUSPENDED SOLIDS (TSS)	MONTHLY	50 MG/L	58 MG/L	300 MG/L

In 2013 Sharrcem measured only two (2) times per year. Starting from 2014, Sharrcem has developed a plan to increase the frequency of the measurements on monthly basis as per the IFC requirements. The analyses on all samples are made strictly by certified laboratory (or laboratories) in Kosovo.

The project and CAPEX for the installation of a waste water treatment plant is approved and will be implemented during 2014. The objective of the project is to treat water and meet all quality requirements before discharging to natural recipients (Dimce stream and eventually Lepenci river). The treated water could also be re-used in the Plant for irrigation, roads watering etc. As of 2012 the old liquid fuel storage tank has been removed. One smaller state-of-the-art tank has been installed with zero spillage recorded.



## Ambient Noise

Sharrcem monitors the ambient noise at relevant locations and reports the results. Ambient noise refers to noise levels outside of facility's boundaries. The ambient noise monitoring points A, B, C, D, E, and F of Sharrcem plant and nearby quarry are shown in the following map, and measurement results for 2013 are presented in the tables that follow, including also the local maximum levels.



### Point A

AMBIENT NOISE PARAMETERS	COLLECTION FREQUENCY	WBG/IFC MAXIMUM LEVELS (WBG/IFC UNITS)	SHARRCEM PERFORMANCE ANNUAL AVERAGE	KOSOVO MAXIMUM LEVELS
NEAREST RESIDENTIAL, INSTITUTIONAL OR EDUCATIONAL RECEPTORS DAYTIME (07:00-22:00 HOURS)	QUARTERLY	55dB(A)	58,1 dB(A)	59 dB(A)
NEAREST RESIDENTIAL, INSTITUTIONAL OR EDUCATIONAL RECEPTORS NIGHTTIME (22:00-07:00 HOURS)	QUARTERLY	45dB(A)	58,6 dB(A)	49 dB(A)
NEAREST RECEPTORS OUTSIDE PROPERTY BOUNDARY	QUARTERLY	70dB(A)	N/A	N/A

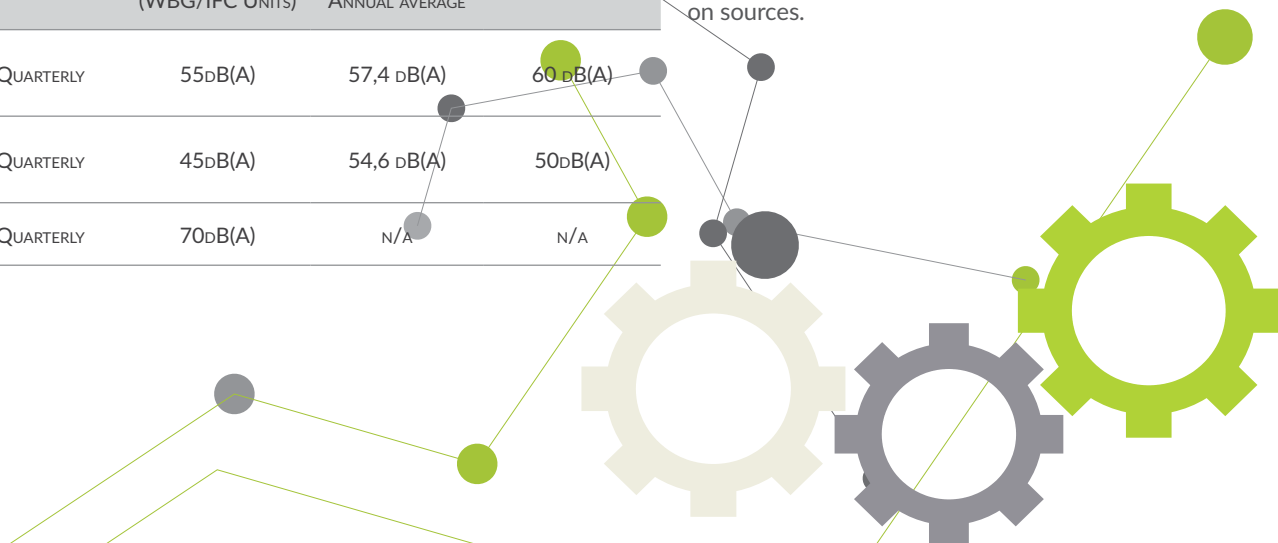
Measurements of ambient noise in 2013 were made by a certified, third-party company namely: "Management Force" from Greece, specialized in Occupational Health and Safety measurements.

Quarterly measurements are already planned by Sharrcem for implementing in 2014. The above measurements were made only in one (1) period of investigation in 2013 (July 11th).

### Point F (Quarry)

AMBIENT NOISE PARAMETERS	COLLECTION FREQUENCY	WBG/IFC MAXIMUM LEVELS (WBG/IFC UNITS)	SHARRCEM PERFORMANCE ANNUAL AVERAGE	KOSOVO MAXIMUM LEVELS
NEAREST RESIDENTIAL, INSTITUTIONAL OR EDUCATIONAL RECEPTORS DAYTIME (07:00-22:00 HOURS)	QUARTERLY	55dB(A)	57,4 dB(A)	60 dB(A)
NEAREST RESIDENTIAL, INSTITUTIONAL OR EDUCATIONAL RECEPTORS NIGHTTIME (22:00-07:00 HOURS)	QUARTERLY	45dB(A)	54,6 dB(A)	50dB(A)
NEAREST RECEPTORS OUTSIDE PROPERTY BOUNDARY	QUARTERLY	70dB(A)	N/A	N/A

Sharrcem's action plan for reducing the noise emission impact due to the operations in the cement plant, can be found at our environmental department and includes the necessary actions with a time frame implementation of 1 year (2014) in different points of noise emission sources.



## Stakeholders Opinion About Us

Kosovo is passing through an important phase of transition, decentralization and economic development where the environment begins to be recognized as one of the country priorities.

Unfortunately, Kosovo has inherited a large number of environmental problems, which accumulated for decades as a consequence of uncontrolled use of natural and mineral resources, industrial production coupled with a high level of pollution. This situation demands responsible action from all relevant institutions including Government, industry, energy, business etc.

Industry is the key to the economic development of Kosovo, but at the same time has a major impact on the environment. Industrial activities cause the release of emissions in the air, water and ground. Industrial accidents represent a continuous threat to the environment and human health. Nowadays, the major contributors to air pollution in Kosovo are industrial facilities including different factories, quarrying sites, cement factories etc.

The Sharrcem cement factory is aware regarding the impact on air pollution therefore environment is inserted in the factory's work strategy as one of the first priorities. Sharrcem is a good sample of successful measures that management undertook in order to decrease the level of air pollution especially on SO<sub>2</sub> and NO<sub>x</sub>.

The Regional Environmental Center – REC, as specialized international environmental organization, since two years is sharing ideas and experiences with Sharrcem in order of improving cooperation in the different fields of environment especially on reducing of air

pollution, public awareness and local environmental plan.

REC encourages Sharrcem to continue with a good and regular cooperation with the Ministry of Environment and Spatial Planning and other relevant Government and International Institutions.

ISO 14001, Integrated Pollution Protection Control (IPPC), CO<sub>2</sub> Management System, independent 24 h monitoring system etc., are several concrete activities which have shown that Sharrcem complies with local and national laws and regulation on environmental protec-

Best Regards,

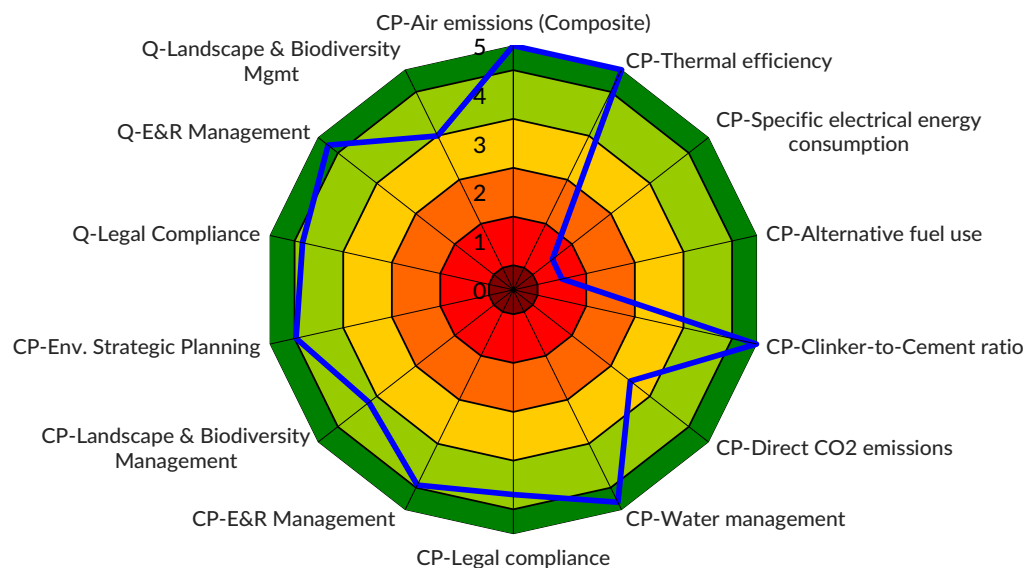
Agron Bektashi  
Director

Regional Environmental Center (REC) - Kosovo/a ●●●

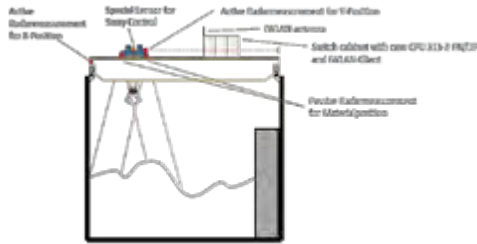


## Environmental Performance Audit

### Results



## The Sharrcem clinker Storage Hall Project



### Project Description

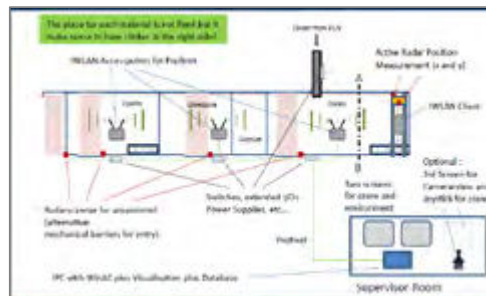
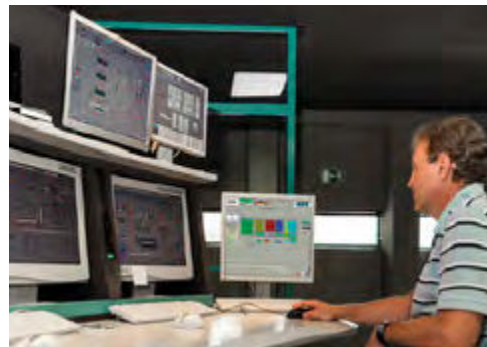
Due to the limited space in the plant, the elimination of fugitive dust from the clinker hall is non-feasible. Therefore solutions have been sought related to the complete closing and cladding of the hall. A first attempt by underground feeding of the cement mills was extremely disruptive and partly inefficient.

The Clinker storage is separated in four stages depending on the material which is stored in each stage Opalite, Limestone, Gypsum and Clinker. The loading of materials to storage is done by trucks. Additionally the loading of clinker is done by clinker transport chain which comes from kiln area.). The final project provides for an automated remote operation, in a man-free environment within the hall. This is a quite innovative technical solution and will completely eliminate the fugitive dust.

### Project Objectives

- High reliability in dust environment
- Enormous flexibility.
- Safety behavior in all operation modes.
- Fully automated mode based on recipes or assigned tasks.
- Fast operations because of sway control.

After the solid investments of 2012 in process emission control, the hall remains the only source of fugitive dust.



## The Sharrcem Water Management Action Plan

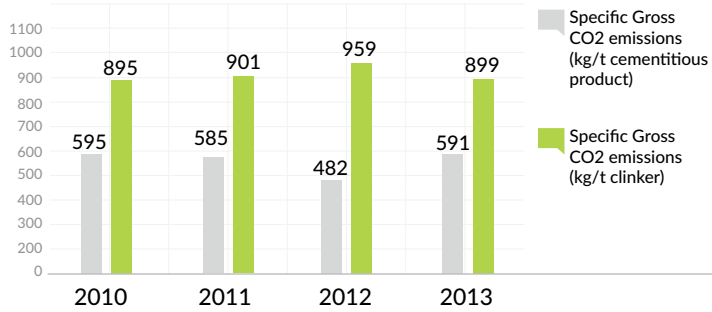
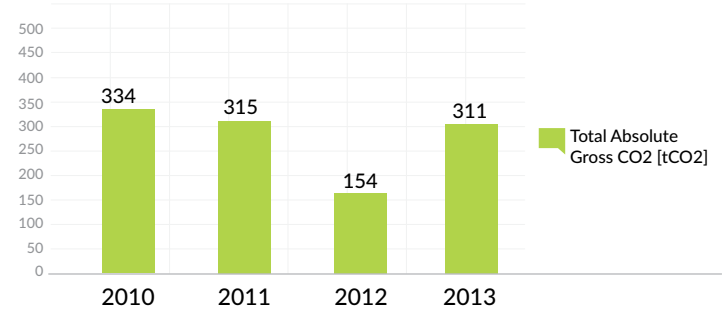
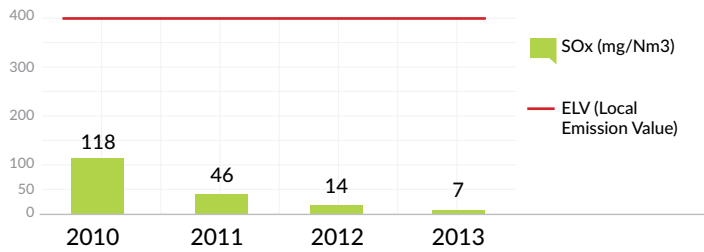
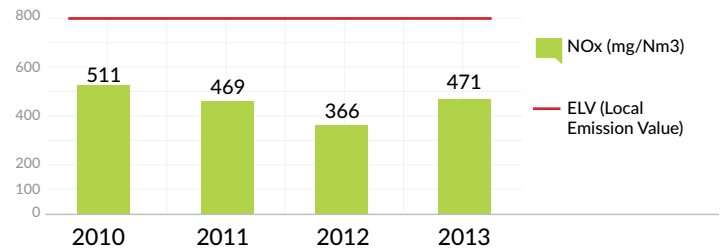
The following projects are currently streamlined in the greater region of Sharrcem's location of operations.

- EU/MESP Lepenci Basin Project
- Hani i Elezit sewage network and waste water secondary treatment plant
- Sharrcem project for waste water treatment plant for its own facilities / design stage
- Sharrcem project for providing sanitary water to the Hani i Elezit community / design stage

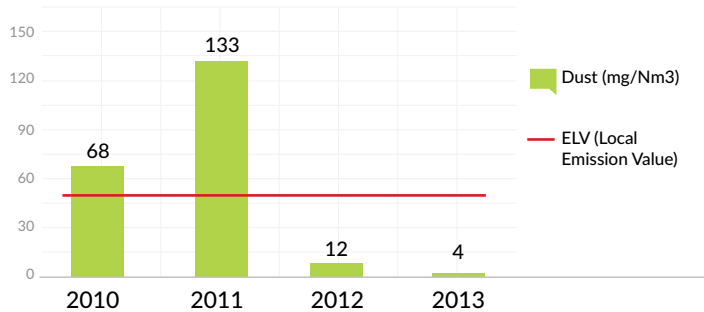
Sharrcem has also completed a full hydrogeological survey of the region of its quarrying and manufactory operations, including studies of aquifer sustainability, surface and groundwater flow dynamics as well as water quality analysis.

Furthermore, the company agreed with the Municipality to connect 15 household sewage ducts to the company's treatment system.

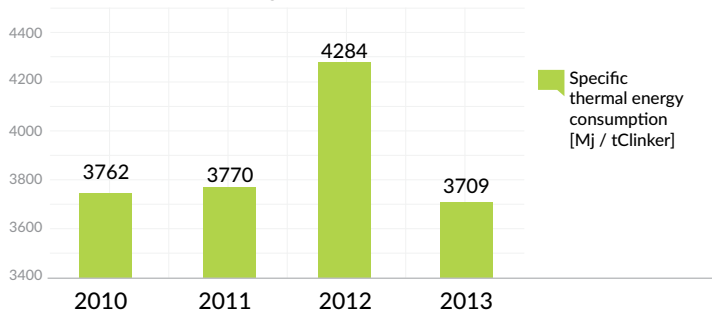
Sharrcem understands that only a holistic view would bring the best results and has already formed an internal „water team“ to best provide for the project.

Specific Gross CO<sub>2</sub> EmissionsTotal Absolute CO<sub>2</sub> EmissionsSO<sub>x</sub> EmissionsNO<sub>x</sub> Emissions

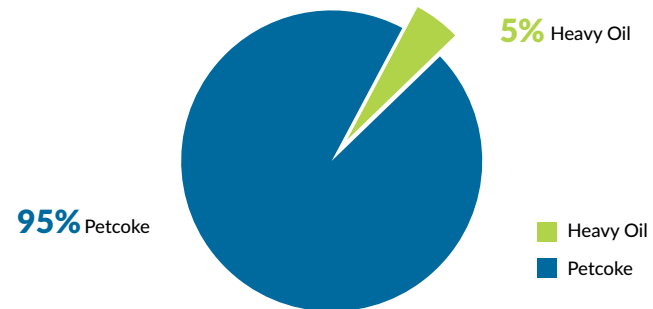
## Dust Emissions



## Specific thermal energy consumption



## Fuels consumption



Thermal Energy Consumption: 1,249,000 GJ

Electrical Energy Consumption: 59,439 MWh

Water Consumption: 105,740 m<sup>3</sup>/an

- single source: underground water drills (5)
- zero industrial water discharge

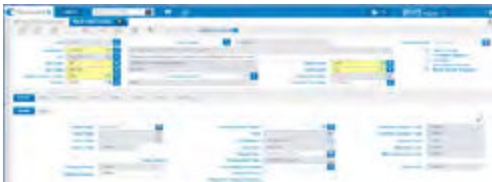
## Implementation of Managing System COSWIN 8.2 (EAMS)

Sharrcem has implemented a very sophisticated Managing system which helps a lot in the process of operation in the maintenance department such as tracking, efficient planning, execution control that contributes to greater uptime and higher equipment performance and thus better production performance. The EAMS manages equipment, procurement and warehouse.

The maintenance management system covers:

- Asset history
- Portal for job request, incident reporting
- Health and Safety Permits
- Preventive and Corrective Maintenance
- New Works and Projects
- Diagnostics
- Stock and Purchasing management
- Indicators and Reports

**Benefits: Safety, Supply Chain**



## Water treatment

One of the plant's major responsibilities concerning environmental obligations and improvements regarding CSR is the treatment of waste water before they exit plant's premises. To be more specific, Sharrcem's sanitary waste water is being discharged via two separate branches.

The First branch P-1 goes towards stream Dimce , where the point of discharge is next to the Cement Mill No.3, and the second branch P-2 goes towards Saloniti where 25(m) west of south entrance is being merged with Saloniti waste water line.

The idea is to implement a collecting point C1, where sanitary water from point P-1 and P-2 can be gathered through an individual piping network to a centralized tank and then through appropriate water treatment to reduce or eliminate the bacteria load and either discharge the water in Lepenci river or recycle it and use it for operational purposes within the plant.

**Benefits: Health, Environment**

(see page 13, 20, 30, 31, 34)

## Closure of eastern part of clinker hall

The project aims to help us improve our environmental impact by reducing dust emissions from their main source and in the same time avoiding a difficult and potentially unhealthy work position by closing the clinker hall.

**Benefits: Safety, Environment**

(see page 20, 34)



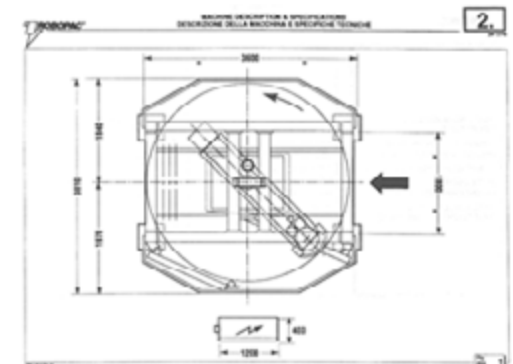
## Stretch hood

Currently only one packing machine has automatic stretch hood equipment (PM no 3) whilst for the other, nylon covers are being positioned manually by workers which can be removed easily even during transportation. The problems associated with the above are not negligible.

1. We have serious complaints from customers concerning this and the fact that competitors use stretch hood

2. The protection of the product against environmental conditions cannot be certified
3. In case we try to produce pallets of 2 tons the transportation is dangerous due to insufficient stability of the bags on the pallet. Stretch film works as a support and keeps the bags in place

**Benefits: Supply Chain, Safety**



## Cement mill # 1 rehabilitation

As a result of a poor condition of the Cement Mill nr.1 and taking into consideration the request of the management for rehabilitation of the Cement Mill nr. 1 there was a need for a project to rehabilitate and improve our services and needs to our costumers.

So our scope was to prepare and implement a plan project to insert in the process of production the Cement Mill Nr. 1 even through the production was not going to be with full capacity but to do that there was a need to

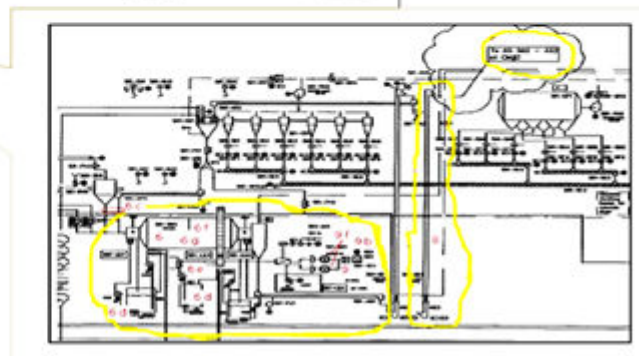
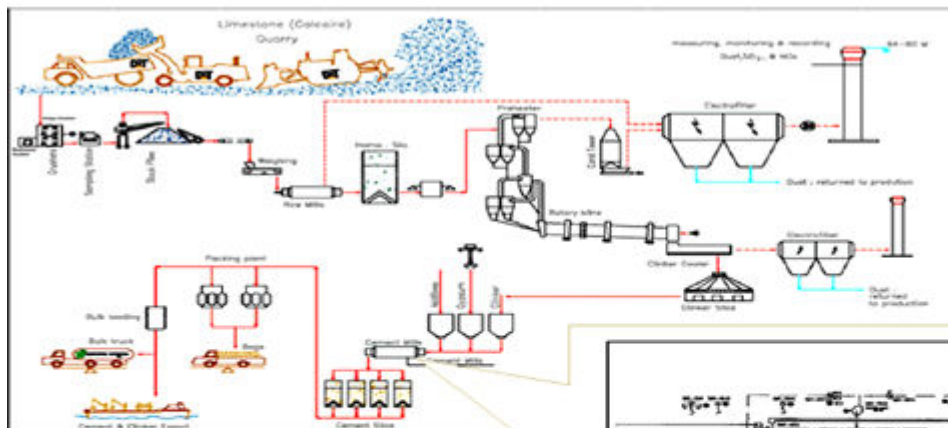
re-design the production line.

**This re-designing covered:**

- Reconstructing the entering nozzle of the Clinker
- Installing new Weight feeder and transporter to the throat of the Cement Mill
- Installing the Main Motor of Gearbox
- Water Installation (piping all the water pumps at CM1 including)
- Installation of high and low oil pressure

pumps all around the CM1 line

- Connecting the Dedusting Pipes form outside of CM1 to the Bag Filter of CM2
- Re constructing the Bucket elevator and connecting that with the Bucket elevator of CM2 through Air slide
- Installing new Air Slide from Separator to the throat of the Cement Mill
- Demolishing and removing completely the old Separator



# Our Community

Drawing inspiration from the TITAN Group's CSR code of conduct, Sharrcem, as a group company, works diligently on the implementation of internal and external projects and processes to improve its corporate responsibility and social footprint.

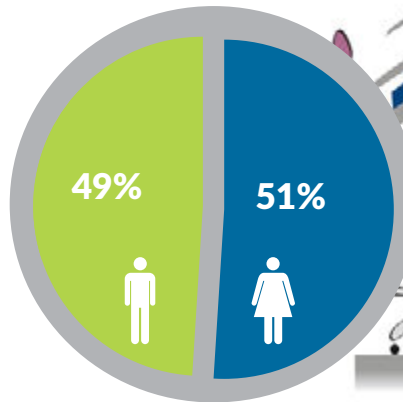
In this regard most of the company's efforts are directed towards environmental protection, the creation of a safety culture and a healthier society. Sharrcem is proud that it has completed numerous projects and continues to engage in new ones that show its commitment towards CSR engagement for its employees and the community at large.

Taking into consideration that one of the biggest problems plaguing the community is unemployment, Sharrcem has focused on addressing this issue through the imitation of the project for the creation and development of the agriculture sector that would create new jobs for the community. **(For more information please refer to pages: 45, 46 and 47)**

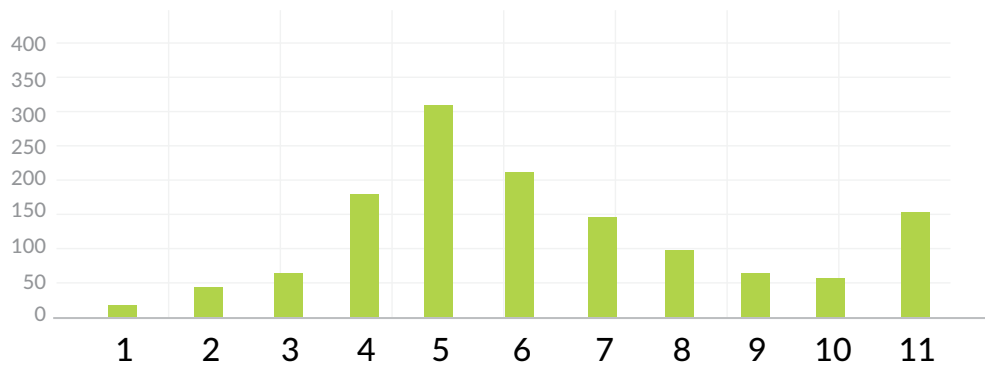
COUNTRY KOSOVO		
UNEMPLOYMENT RATE	30.9	
VACATION DAYS PER YEAR	22 AVERAGE	
PARENTAL LEAVE	12 MONTHS	
AGE OF RETIREMENT	65 YEARS OLD	
UNEMPLOYMENT RATE:	MEN	WOMEN
	28.1	40.0
YOUTH UNEMPLOYMENT RATE:	55.3 IN GENERAL FROM 15-24 YEARS OLD (NO DATA AVAILABLE BY GENDER)	



Total Population in the surrounding community by gender: **10651**

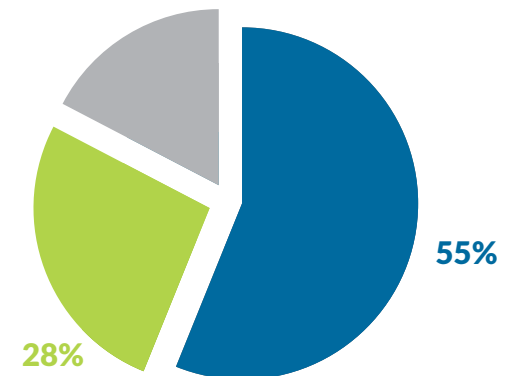


Family size by number



Poverty rate percentage

17%



## Social Contribution activities

In the framework of the company's capital investment priority is given on additional investments for continued improvements in the environment and fulfilling the legal obligations which are regulated environmental issues in Kosovo. In this respect, these investments are addressed in the following areas

- **Published its first annual Corporate Social Responsibility report for 2012.**



- **Worked to improve local supplier relationships or provide technical assistance to suppliers.**

*Sharrcem operates under a written policy which supports local contractors and suppliers as a way to build trustworthy relationships and increase the creation of value in the local community. On top of that Sharrcem engages in continuous communication through regular meetings and trainings (safety, environment, knowledge transfer) to enhance the level of cooperation and quality of service.*

- **Programs to benefit the local community.**

As detailed described on the 2012 CSR report, Sharrcem has established the Independent Local Advisory Board (ILAB), which is a body comprised of stakeholders from the local community such as the Municipality, NGO's and Citizens designed to independently invest Sharrcem's community development fund where they find the greatest needs. In 2012 Sharrcem won the Kosovo CSR Award for Large Business in the framework of the 1st European

wide initiative, undertaken by the Kosovo CSR Network and CSR Europe.

*(More details on page 14)*

Sharrcem has also signed a MoU with the local Elementary school to support safety, environmental and cultural education of the kids. The program met great support from the community and ranged from safety infrastructure for the school and traffic safety initiatives to ecosystem preservation learning and cultural heritage trips. *(More details on page 39,40,41,42)*

- **Donations**

Beyond the community development fund Sharrcem also makes direct social contributions to the community and the country. These contributions are either financial or in kind. Last year's recipients include various local and national individuals and organizations such as: SOS's Children's Village, Handikos, local community social cases, internal employee support, etc.

1. Day of Good Will at "SOS Children's Village"
2. Event with children at SOS Children's Village with games, activities etc.
3. Postcard's project of SOS Children's Villages in Kosovo

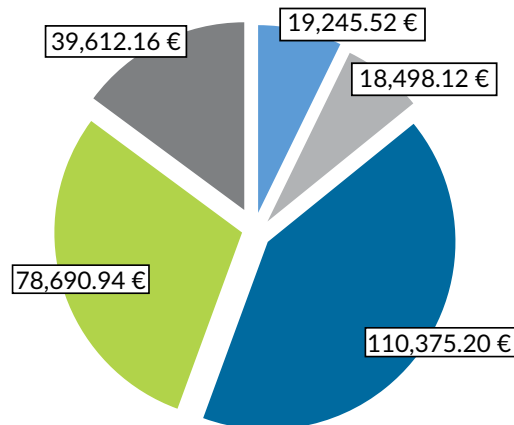


- **LAB**

Sharrcem, continues to make investments whose beneficiaries are first and foremost the citizens. This factory has allocated plenty fund for the Laboratory for Business Activities project (LAB) enabling the creation of Small and Medium Enterprises in the field of agriculture. Sharrcem disclosed the LAB project, in front of a large number of citizens of the Hani i Elezit community, which is the largest of its kind in Kosovo.

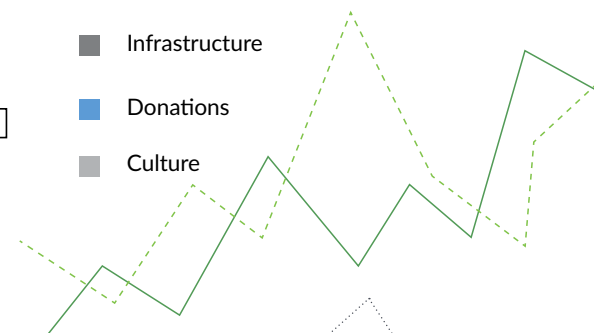
The main goal of this project is the creation of new jobs for residents of Hani Elezit, through the creation of new, small and medium enterprises. Agriculture was identified as the key sector for investments.

*(More details on page 43)*



### Breakdown of social contribution in 2013

- Benefits
- Education
- Infrastructure
- Donations
- Culture



# A walk in the nature with the children of Hani i Elezit

November, 2013 - The cement producing company, Sharrcem, with the proposal of the Children's Board of the Municipality of Hani i Elezit, in the course of joint activities aimed at contributing to the welfare of the citizens of the Municipality, organized a walk in nature with the children of all kindergartens of Hani i Elezit.

Over 100 children of various preschool grades took part in this walk under the guidance of educators, representatives of Sharrcem and the municipal doctor. During this walk they visited the verdant nature of Nika's Wells in Hani i Elezit.

The representative from Sharrcem, Halil Berisha, Environmental Manager, during the walk along the nature, held an informative lecture for the children, informing them about the environment in general, thus helping in

their awareness of the role and importance of environmental protection.

Children excited for the walk did not hesitate to answer questions that the lecturer made in regards to the environment, the importance of nature, trees, and flowers.

The student who answered the questions best was a 5 year old boy, **Florian Kuka**, who was happy that he won a school book and an umbrella. „I am very happy that I have visited the nature and through my knowledge, won these gifts. Now I know that I should care about the environment, and I will always help my mother water the flowers together“, said Florian Kuka.

Educators of the municipality kindergartens, on behalf of the children, thanked Sharrcem for

organizing this visit so that children can enjoy, visit and have contact with the nature.

In addition, this initiative was positively assessed by the municipal officials of Hani i Elezit who expressed their appreciation for the fact that the company continues to contribute to the community in which it operates, and always tries to engage in various projects that also benefit the little ones of the municipality.

Sharrcem also gave company's hooded sweatshirts and hats to all children, and during the walk in the nature, they ensured to provide enough food and drinks for everyone.

Once again, the company has shown that through such organizations, it is always attentive to contribute to the benefit of Hani i Elezit, not forgetting to beatify the younger residents of the municipality.



The student who answered the questions best is:  
Florian Kuka



# Childrens Board

Sharrcem is proud that it has completed numerous projects and continues to engage in new ones that show its commitment towards CSR engagement.

To serve such goals, on top of other ongoing CSR engagements, Sharrcem initiated the foundation of a children's board (by means of an MoU) from the elementary school "Ilaz Thaçi" that consists of 7 members of the local community, aged 10 to 15, responsible in the fields of environment & safety in the community.

The main goal of the board is to cooperate

with the Sharrcem CSR team and environment & safety departments in order to create conditions for a safe and clean environment, presenting different ideas and preparing the most varied projects in these areas to respond better to the needs of the local community.

The creation of this board was made official by the signing of the agreement, where a detailed listing of all the different commitments and responsibilities for both sides can be found.

This board has proven to be very popular with the children and with Sharrcem as well. Even

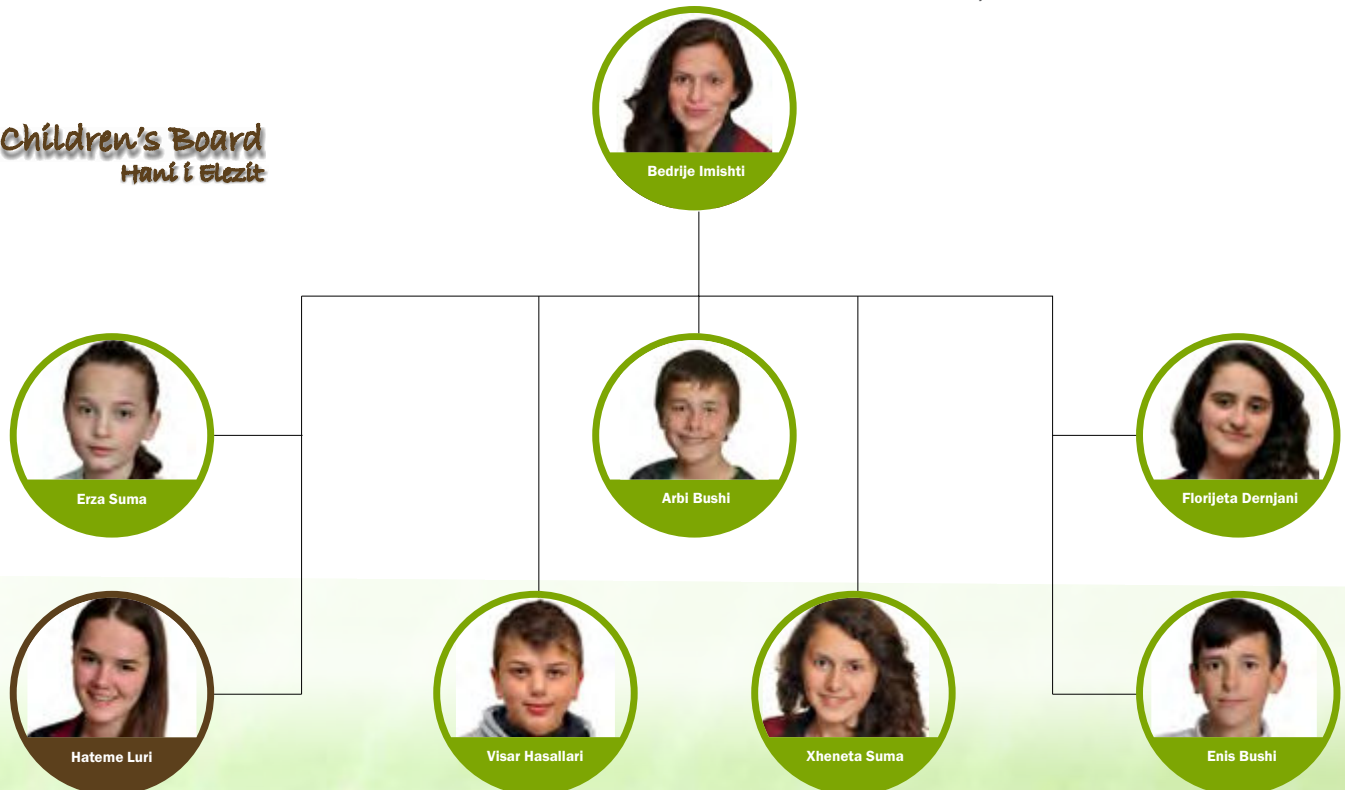
though all such engagements come with different challenges, working with the children has been a pleasure. They continuously surprise us with their level of interest and engagement and especially with their ideas and proposals. This has initiated a discussion among the children of the school regarding these important topics and is already raising awareness in the community.

Sharrcem reviewed their project proposals and adopted several ones that were found to be as reasonable and beneficial for the children and the rest of the community.

As a result of this initiative, Sharrcem and the children's board were recognized by the Mayor and the Municipality of Hani i Elezit for a successful and beneficial engagement for the community.



**The Children's Board**  
Hani i Elezit





## Traffic Safety - ZEBRA Crossing

April 24, 2013 - Sharrcem continues to support and develop the local community through different activities, whereby working diligently on the implementation of internal and external projects.

The project ZEBRA, is the first children's board project proposals implemented/financed by Sharrcem.

Sharrcem decided to help on financing the project "Traffic Safety" (painting the road crossings - ZEBRA and placing traffic safety signs near the elementary school "Ilaz Thaçi", in the Municipality of Hani i Elezit).

Participants who assisted in this project,

initiated by the children members of the board, were representatives of the municipality of Hani i Elezit, several police officers of Kosovo, and Sharrcem representatives.

The Managing Director of Sharrcem, Mr. Emmanuel Mitsou expressed his pleasure for being able to commit Sharrcem's work for the community of Hani i Elezit and stated that the safety is a top business priority aiming to achieve an accident and incident free environment.

Further, Mr. Enver Curri, Production Manager, considered this project one of high importance for the community, which helps to secure pupils the safe crossing of streets, especially

around the area that surrounds the elementary school.

The main goals of the project were to create conditions for a safe traffic environment and to cooperate with the community, whereby placing the necessary traffic signs in these areas to respond better to the needs of the local community facilitated such goals perfectly.

Having as an objective to encourage a positive impact through its activities on communities, Sharrcem embraces its responsibility to provide support for important initiatives; hence, providing traffic safety for the citizens of Hani i Elezit.

# Childrens Board: an impression



Së bashku me SHARRCEM-in për të mirën e vendit tîm!

I, Bedrije Imishti, student of the 9th grade of "Ilaz Thaçi" Elementary School, have the pleasure to speak on behalf of the children's board founded in cooperation between our school and the factory in our town.

Our duties were to cooperate with the staff of the Sharrcem plant, especially those in the Corporate Social Responsibility, Environment and Safety Departments.

Our board worked on several projects sharing our ideas regarding changes in order to create the conditions for a safer and cleaner environment for our town!

Sharrcem supported, on a voluntary basis, many of our activities and projects in 2013, for which we are extremely grateful.

We believe that this cooperation will continue even further and are convinced that the community of Hani i Elezit will benefit in a positive manner.

This letter was approved by:

Nazmi Lasi  
School Directory  
"Ilaz Thaçi", Hani i Elezit

Drejtori:  
H. Lasi



Bedrije Imishti



As a country still in transition and development, Kosovo, suffers from significant socio-economic problems. Unemployment and poverty rates are considerable and job opportunities are scarce for the population. This problem is even more prevalent in the Municipality of Hani i Elezit, the community within which Sharrcem operates.

Mitigating these issues carries a great deal of importance for Sharrcem and Titan Group. The development of the company and our business has to be accompanied by the development of the society around us, so improving the economic climate is of paramount importance to us. Tackling these issues, however, proved to be more challenging than first thought. Economic activity in the municipality is almost non-existent when taking Sharrem and our contractors

and suppliers out of the equation. There was a great need for the creation and development of a new sector, one that would have a sustainable future with sufficient growth opportunities to ensure a significant improvement of the situation.

After careful deliberation and review of numerous studies of the region that included comprehensive work done by USAID, Booz Allen Hamilton and other reputable organizations, a great opportunity was discovered in the development of agricultural activities. High quality unexploited agricultural land was being grossly underutilized by the community, missing great chances to create meaningful employment and income generation opportunities.



To facilitate this Sharrcem decided to establish an association in the municipality of Hani i Elezit. This association would be tasked with raising entrepreneurship awareness in the community and training and equipping beneficiaries to start their own agro businesses in the community, thus creating new employment and relieving the difficult socio-economic situation.





The project was to be carried out in three phases, where by beneficiaries would first be educated in the craft and in business management.

During the second phase new SME's would be established and financed to begin working in food and dairy production. And in the third phase these businesses would be monitored and mentored to grow and develop further creating more employment along the way.

In order to establish such an association it was very important for both Sharrcem and the Group that full transparency and inclusiveness of all relevant stakeholders was taken into consideration.

Good governance being the foundation of transparency Sharrcem engaged IFC's Governance Arm to draft the Governance structure and paperwork of the association. After a detailed analysis by IFC and extensive work by their experts a Governance Advisory Document was generated, that included a comprehensive proposal on the structure of the association.

With inclusiveness in mind Sharrcem wanted to ensure that all relevant stakeholders are informed of the project and are invited to participate. After several group meetings and bilateral meetings with local and national stakeholders a list of volunteers that would contribute to the project was drafted.

These individuals, representing government, NGO's as well as the private sector, would become future members of the Board of Direc-



tors of the association in question.

On February 13th of 2014 the association was registered under the name "Laboratori per Aktivitete te Biznesit" also known as LAB, which stands for The Laboratory for Business Activities.

The Board of Directors of the association comprised of representatives from the Municipality of Hani i Elezit, the Ministry of Agriculture and Rural Development, HELVETAS Swiss Inter-cooperation, NOAKOS (New Opportunities for Agriculture in Kosovo), Raiffeisen Bank Kosovo and of course Sharrcem.



NEW OPPORTUNITIES FOR AGRICULTURE



# Interview for LAB



Kosovo's agricultural sector was almost totally destroyed during the conflict of 1999. The assets of land and water remain, but farmers have not been connected to a viable market nor had access to new technologies of production for more than 15 years. Production is at the level of subsistence and it is impossible to feed a commercial market off the back of such producers. In order to generate income and transform the sector, investments need to be made in people in order to bring agriculture up to a level that can compete in the market place. Unemployment is the most critical issue facing the economy and one of the only solutions is the upgrading of agribusiness.

Sharrcem, understanding these problems well, initiated a project that would aid the creation of new small and medium sized agro businesses, with the aim of reducing unemployment and poverty in the community where they operate. Sharrcem saw the opportunity to

use agricultural development as the driver of economic growth.

I have worked for 30 years in agricultural development, the last 4 being in Kosovo. Opportunities to make huge impacts are present everywhere in Kosovo, so when I was invited to be part of this project, along with the Ministry of Agriculture, Municipality of Hani i Elezit, Helvetas and Raiffeisen Bank, I was happy to accept, since this ties closely with my mission here in Kosovo and I see much potential in the community of Hani I Elezit.

I would like to sincerely commend Sharrcem for their strong commitment to Corporate Social Responsibility and their continued care and engagement with their local community and beyond. Their intervention and investment will I am sure pay huge dividends for the people of Hani I Elezit.



**Mark Wood**

Project Director USAID  
New Opportunities for Agriculture in Kosovo



## EC – Economic Performance

#	INDICATOR	DEFINITION	PAGE IN THIS REPORT
1	EC1	DIRECT ECONOMIC VALUE GENERATED AND DISTRIBUTED	7
2	EC5 *ADD	RATIO OF THE MINIMUM SALARY IN THE COMPANY AND MINIMUM SALARY IN KOSOVO	26
3	EC6	POLICY, BUSINESS PRACTICES AND PERCENTAGE OF LOCAL SUPPLIERS IN TOTAL NUMBER OF COMPANY SUPPLIERS	27
4	EC7	PROCEDURES FOR LOCAL EMPLOYMENT AND PERCENTAGE OF TOP MANAGEMENT FROM THE LOCAL COMMUNITY	26
5	EC8	INVESTMENT IN THE LOCAL COMMUNITY	7, 40

## EN - Environment

#	INDICATOR	DEFINITION	PAGE IN THIS REPORT
6	EN1	MATERIALS USED BY WEIGHT AND VOLUME.	7
8	EN3	DIRECT ENERGY CONSUMPTION BY PRIMARY SOURCE	35
9	EN8	TOTAL WATER CONSUMPTION BY SOURCE	35
10	EN16	TOTAL DIRECT AND INDIRECT EMISSION OF GASES WITH "GREENHOUSE EFFECT"	35
11	EN20	NOX, SOX AND OTHER SIGNIFICANT AIR EMISSIONS	35
12	EN21	WASTE WATERS	31, 34, 35
14	EN23	TOTAL NUMBER AND VOLUME OF SIGNIFICANT SPILLS	31
15	EN28	MONETARY VALUE OF SIGNIFICANT FINES AND TOTAL NUMBER OF NON-MONETARY SANCTIONS FOR NONCOMPLIANCE WITH ENVIRONMENTAL LAWS AND REGULATIONS	29

## LA - Labour

#	INDICATOR	DEFINITION	PAGE IN THIS REPORT
16	LA1	TOTAL WORKFORCE	26
17	LA2	TOTAL NUMBER AND RATE OF EMPLOYEES TURNOVER	25
18	LA3	BENEFITS PROVIDED TO FULL-TIME EMPLOYEES	25, 40
19	LA6 *ADD	EMPLOYEES INVOLVED IN MUTUAL BOARDS AND OCCUPATIONAL HEALTH AND SAFETY	20, 21
20	LA7	INJURIES AT WORK	23
21	LA10	TRAINING HOURS	22, 23, 25
23	LA13	WORKFORCE STRUCTURE	23, 26

## HR – Human Rights

#	INDICATOR	DEFINITION	PAGE IN THIS REPORT
25	HR4	TOTAL NUMBER OF DISCRIMINATION INCIDENTS AND PERFORMED CORRECTIVE ACTIVITIES	26

## SO – Society

#	INDICATOR	DEFINITION	PAGE IN THIS REPORT
26	SO1	APPLIED PROGRAMS AS FOR LOCAL COMMUNITY INVOLVEMENT, IMPACT ASSESSMENT AND DEVELOPMENT PROGRAMS	40, 47

## PR – Product Responsibility

#	INDICATOR	DEFINITION	PAGE IN THIS REPORT
29	PR2 *ADD	NUMBER OF INCIDENTS OF NON-COMPLIANCE WITH REGULATIONS CONCERNING PRODUCTS	18
30	PR3	TYPE OF PRODUCT AND SERVICE INFORMATION REQUIRED BY PROCEDURES	18
31	PR4 *ADD	TOTAL NUMBER OF INCIDENTS OF NON-COMPLIANCE WITH REGULATIONS	18

## 1. Strategy and Analysis

#	DISCLOSURE	PAGE IN THIS REPORT
1.1.	GENERAL MANAGER MESSAGE	10
1.2.	KEY IMPACTS	7

## 2. Organizational Profile

#	DISCLOSURE	PAGE IN THIS REPORT
2.1.	NAME OF THE ORGANIZATION 3	2
2.2.	PRIMARY BRANDS, PRODUCTS, AND/OR SERVICES	18
2.4.	LOCATION OF THE ORGANIZATION`S HEADQUARTERS	2
2.6.	NATURE OF OWNERSHIP AND LEGAL FORM	3
2.7.	MARKETS SERVED	6
2.9.	SIGNIFICANT CHANGES DURING THE REPORTING PERIOD	14, 18, 29, 45
2.10.	AWARDS RECEIVED IN THE REPORTING PERIOD	15


## 3. Report Parameters

#	DISCLOSURE	PAGE IN THIS REPORT
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3.3.	REPORTING CYCLE	6
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4.14.	LIST OF STAKEHOLDER GROUPS	13
4.16.	INVOLVEMENT OF STAKEHOLDERS	13 - 17, 27, 42, 45, 46

**SHARRCEM**

a  **TITAN** Group Company