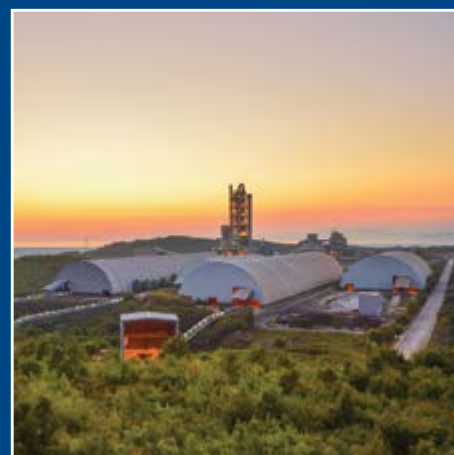
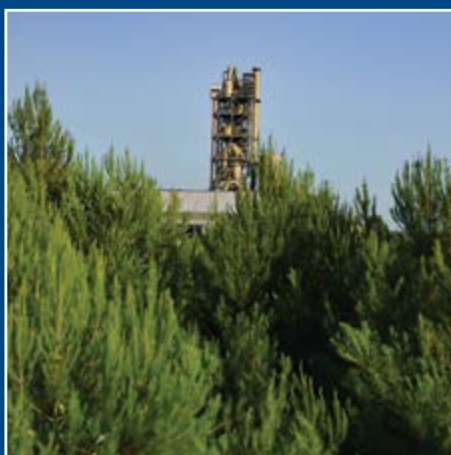


ANTEA CEMENT SH. A

# INTEGRATED ANNUAL REPORT 2021





# About the Report

The ANTEA Integrated Annual Report 2021 covers the period from January 1<sup>st</sup> until December 31<sup>st</sup>, 2021 (referenced herein as 'Report'). It provides an overview of our company's performance and achievements in the preceding year. 'ANTEA' is used for the purposes of consistency throughout the Report and covers all operations of the ANTEA Cement Plant and related quarries, also incorporating the operation of two fully owned subsidiaries, the Alba Cemento Shpk and the Cementi ANTEA Srl, which respectively operate the terminals of Tirana (Albania) and Ortona (Italy), regarding the production and distribution of cement and cementitious products.

The Report, being the 8<sup>th</sup> consecutive annual report of ANTEA for this purpose of disclosures, was certified by the independent auditor Grant Thornton Albania on limited assurance level, for the presentation of materiality assessment process and outcomes, and the disclosures on sustainability performance related to Environmental, Social and Governance areas (in short: 'ESG'). The Report also meets the requirements of the UN Global Compact Communication on Progress for the Criteria Advanced Level.

The Report complies with TITAN Cement International S.A. (hereinafter referred to as TITAN Group or simply TITAN) sustainability reporting standards, as specified in reference to the implementation of the principles of the International Integrated Reporting Council (IIRC), the UN Global Compact Communication on Progress Guidelines, the Global Cement and Concrete Association Guidelines (GCCA), and the UN Sustainable Development Goals (SDGs) 2030. Furthermore, ANTEA has integrated in its approach the Guidance of the United Nations Conference on Trade and Development (UNCTAD), in order to connect its sustainability reporting with Targets for the SDGs, following TITAN Group approach. Since 2020, the Group also started reporting according to the Sustainability Accounting Standards Board (SASB), and ANTEA has adopted the same practice for providing connection of the ESG Statements (KPIs) with SASB Standards.

The Report has been developed to meet stakeholders' needs and expectations regarding the ESG issues and introduced this year a new section of ESG Performance Statements, with improved structured. ANTEA is aligned with TITAN Group global sectorial approach in monitoring, reporting, and verifying its disclosures on performance in the ESG Performance Statements. For more information about TITAN Group approach and standards, please visit 2021 TITAN Group Integrated Annual Report <https://www.titan-cement.com/newsroom/annual-reports/>. The 2021 TITAN Group and ANTEA IAR are also available in ANTEA's website [www.anteacement.com](http://www.anteacement.com).



**Note for the use of the Logo of the UNGC 'We Support':**

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





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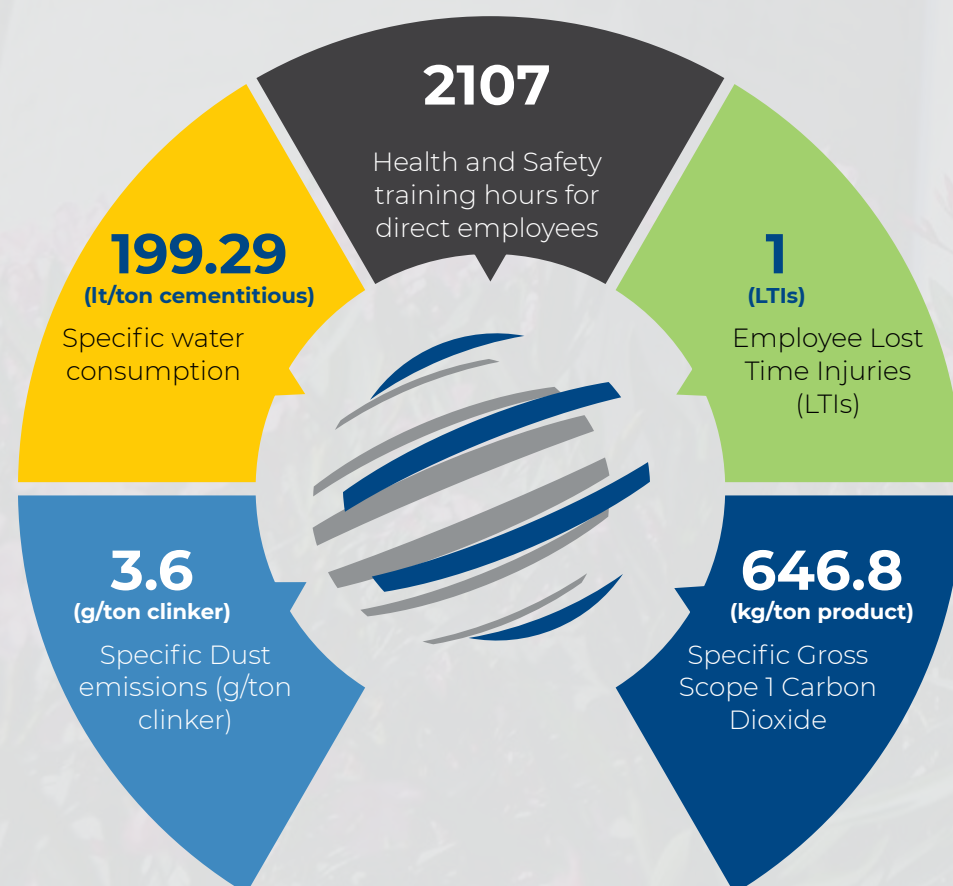
## 2021 at a Glance

### Financial



in millions EUR

### Non-Financial



## 2021 Highlights

Financial		2020	2021
Consolidated Revenue <sup>1</sup>	in mil. EUR	61.42	74.88
Stand Alone Revenue <sup>2</sup>	in mil. EUR	60.50	73.26
Consolidated EBTIDA	in mil. EUR	22.48	20.82
Stand Alone EBTIDA	in mil. EUR	21.95	20.00
Consolidated Salaries & employees' benefits	in mil. EUR	3.30	3.49
Stand Alone Salaries & employees' benefits	in mil. EUR	3.25	3.44
Consolidated Suppliers' expenditure	in mil. EUR	37.57	58.20
Stand Alone Supplier's expenditure	in mil. EUR	37.12	57.34
Stand Alone Tax to central & local government <sup>3</sup>	in mil. EUR	6.61	8.58
Consolidated Capital Expenditures	in mil. EUR	1.26	1.39
Stand Alone Capital Expenditures	in mil. EUR	1.26	1.39

ESG			
Donations in cash to local community and stakeholders	in mil. EUR	0.15	0.13
Donations in kind to local community and stakeholders	in mil. EUR	0.01	0.02

Environment			
Specific waste production (kg/t clinker)		18.66	21.25
Specific Nitrogen oxides NOx emissions (g/ton clinker)/ EM-CM-120a.1		743.8	793.6
Specific Sulfur oxides SOx emissions (g/ton clinker) / EM-CM-120a.1		13.7	13.6
Specific Dust emissions (g/ton clinker) / EM-CM-120a.1		4.0	3.6
Specific Gross Scope 1 Carbon Dioxide CO2 (kg/ton product) / EM-CM-120a.1		640.4	646.8
Specific water consumption (lt/ton cementitious)		186.50	199.29
Investments for Environment / EM-CM-120a.1		0.20	0.29

Health and Safety			
Fatalities / SP01L		0	0
Employee Lost Time Injuries (LTIs) /		0	1
Employee Lost Time Injuries Frequency Rate (LTIFR) / SP06L		0.00	2.90
Employee Lost Time Injuries Severity Rate (LTISR) / SP08L		0.00	177.19
Training hours for direct employees / SP40L		802	2107

1) Consolidated figures relate to the Consolidated Financial figures of ANTEA Cement Sh.a and its two Subsidiaries Alba Cemento Shpk and Cementi ANTEA SRL, as extracted from its annual financial statements and converted to Euro Currency for the presentation in this report, using the exchange rate Euro/ ALL 122.52 for the year 2021 and 123.74 for the year 2020.

2) Stand Alone figures relate to the Antea Cement Sha figures standing alone, as extracted from its annual financial statements and converted to Euro Currency for the presentation in this report, using the exchange rate Euro/ ALL Euro /ALL 122.52 for the year 2021 and 123.74 for the year 2020.

3) The Stand-Alone Taxes to Central and Local Government have been taken from the company's Statutory Financial Statements and are prepared following the guidelines in Article 21 of Law on Accounting and Financial Statements No. 25/2018 dated 10.05.2018, as applicable for reporting periods starting from 2019. These numbers have been converted to Euro Currency utilizing the same exchange rates as defined above.



# Message from the CEO

## Dear Stakeholders,

The Covid-19 pandemic has increased the pace of changes even further, and the effects of the pandemic has influenced our lives going forward, with changes from the way we live and work to the way we operate our business. Health and safety remain always a top priority for the Company, and it is not only about our employees, but also about our business partners, customers and suppliers, and pour communities. We aim to enhance our corporate value by addressing growing challenges in all the issues related to health & wellbeing.

We adapted to changing market conditions and continued to make progress toward our sustainability goals in the face of the pandemic. Considering the stress factors associated with Covid-19, we implemented initiatives to promote physical and mental health for our employees. We are committed to prioritizing the safety of our employees and their families by acting quickly and implementing a variety of measures in collaboration with local authorities and public health institutions. We launched vaccination awareness campaigns and encouraged our employees to get immunized and we are constantly implementing various actions to educate employees and business partners about workplace health and safety issues.

The war in Ukraine can be unpredictable, impacting market trends and increasing risks for companies, but we remain optimistic because TITAN Group has no direct exposure to Ukraine, Russia or affected regions. We expect to keep the company growing and we are diligently working with TITAN Group's Group Finance and Group ESG Performance Departments to ensure that all our (financial and sustainability) targets for 2030 are met.

Despite the challenging circumstances, 2021 financially-wise resulted as a positive year, leading to a stabilized and positive demand for cement in the Albanian market as well as in the export markets, compared to the levels of year 2020. This positive market condition led to growth in the company's consolidated turnover by 22%, amounting a total consolidated turnover of €74.88mil.

ANTEA has further improved its sustainability performance during 2021 and recorded substantial



progress towards ESG targets, demonstrating strong commitment to sustainability and long-term value creation for our customers, local communities, employees, and other stakeholders. Each year, we transmit our company's progress on meeting UNGC principles. ESG targets for 2025 and beyond remained at the top in alignment with the commitment to the UN Sustainable Development Goals (SDGs) and the Ten Principles of the UN Global Compact.

Throughout 2021, our employees' engagement, dedication, and performance aided the company in achieving reliable results. Our employees are committed to upholding our culture of ethics and integrity in their support of our company, communities, and customers. Their dedication and outstanding achievements make us one of the leading companies in our sector, in Albania. By investing in employee engagement, we increase productivity, improve work quality, and retain talent. Since our company is constantly growing and innovating, our company culture is evolving too. Our corporate culture is based on trust, innovation, and our efforts, to address social issues and bring a vision of respect, self-improvement, and sustainable development. Consistent with the United Nations Guiding Principles on Business and

Human Rights, ANTEA supports human rights of employees, communities where it operates and business partners and implements respective Group policy with managements systems certified according to SA 8000. We are grateful to our employees, to our business partners and to our local communities for their support and collaboration to meet international standards and promote respect for human and labor rights in the country.

We have continued to strengthen and refresh our Sustainability Strategy, inspiring a better world of inclusion & equity; protecting the environment; and supporting our communities. Our community engagement plans were aligned with the material issues for our stakeholders and the UN SDGs 2030. Guided by the leadership of top management, we are committed to fulfilling our commitments by considering the needs of our key stakeholders. Together with our stakeholders, we work to implement community engagement plans and it is our priority to inspire and empower our youth through quality education and new skills for personal and professional development.

TITAN Group is among the first cement companies worldwide with decarbonization targets validated by the Science Based Targets initiative (SBTi). Addressing climate change remained at the top of sustainability agenda for TITAN Group and ANTEA, as Ahead of COP26, TITAN Group signed the "Business Ambition for 1.5°C" Commitment letter, joining leading companies seeking to keep warming to 1.5°C and reach net-zero emissions by 2050. We will seek innovative ways to create value by transforming our business, to serve our customers more efficiently as we move towards a carbon-neutral world. On environmental issues, we are on track on all our targets, which relate to SOx, NOx and dust emissions, water consumption and energy efficiency.

At ANTEA, we pursue the creation of economic, social, and environmental value, as our actions affect people's lives in the present and in the future and most importantly in the generations that will inherit this world. We are focused to develop the strength of our company in helping our clients, creating innovation, and bringing positive change to the communities where we work. ANTEA continue to build on feedback from

stakeholders and the outcomes of materiality assessment shape the contents of the annual Report and guide the process for setting future targets.

ANTEA has started operations in Albania 12 years ago. It has contributed to the well-being of the country and society and its endeavor is to continue building a better future. Setting future targets related to SDGs 2030 and the Group respective targets is a driver of change for the country as it is for the Group. Energy becomes number one priority for the people, for the business and for the societies in Europe and the world and this is more understandable due to the war in Ukraine.

Thank you for your ongoing trust in ANTEA. I feel grateful and proud of ANTEA's progress throughout 2021. As we look forward to 2022, we will continue to overcome challenges and take our purpose to improve employee's lives, build on our success, and create more opportunities for growth of ANTEA and our customers.

**Mario Bracci**  
CEO



# Overview

## Our Business Approach

- Our Approach to Climate change
- Our Approach to Digital transformation
- Our Approach to Increasing demand for sustainable products and services
- Creating value for all stakeholders



TITAN Group is an international cement and building materials producer with 119 years of industry experience and commitment to sustainable growth and serving customers in more than 25 countries through a network of 14 integrated cement plants and three cement grinding plants.

TITAN also operates quarries, ready-mix plants, terminals, and other production and distribution facilities. ANTEA is the subsidiary of the Group coordinating the operations in Albania ... (link to the section of the report describing the “operations of ANTEA.”



### Our Approach to Climate change

We are working with our customers, supply chain partners, peers, and our other stakeholders across geographies, to help limit global warming to 1.5°C and achieve a net-zero economy by 2050. Committed to ambitious science-based targets, we are continuously reducing our carbon footprint by increasing the use of alternative fuels, improving energy efficiency, developing low-carbon products, and adopting innovative technologies and solutions.



### Our Approach to Digital transformation

Our digital journey so far has been powered by our innovative, enterprising spirit and willingness to test and learn. With Artificial Intelligence solutions tailored to the needs of the cement industry, we are transforming our operations for ultimate efficiency and the delivery of high-quality products, with an eye on the present and future needs of our customers. At the same time, we help minimize energy consumption and reduce CO<sub>2</sub> emissions, supporting our net-zero goal. Amidst accelerating shifts and disruptive events, such as the COVID-19 pandemic, we effectively address critical challenges and play our part in building a better, more sustainable future together with our stakeholders.



### Our Approach to Increasing demand for sustainable products and services

As the world is transitioning to a net-zero, circular economy, we are playing an active role in the development of the sustainable, green building materials and solutions of tomorrow. We focus on their affordability, durability, and recyclability as well as on their carbon footprint. When designing them, we evaluate the environmental impact that they have throughout their entire life cycle, meeting the increasing needs of our customers for sustainable products and services. At the same time, we encourage our partners to incorporate sustainability considerations in their business decisions and daily behaviors, promoting responsible sourcing across the built environment value chain.



### Creating value for all stakeholders

Sustainability is at the heart of our strategy, as reflected on our everyday business practices and the behaviors of our people. With clear, measurable ESG targets and concrete plans in place across our regions, we are focusing our efforts on the areas where our actions and sustainable solutions can have the biggest positive impact, directly and indirectly, in line with the UN Sustainable Development Goals (SDGs). To address sustainability challenges, we have joined forces with local and global stakeholders.



# Our Strong Values

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



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

# TITAN Group Strategy



## Decarbonize

We seek to grow by transforming our business, focusing on resilience and innovation to serve our customers more efficiently as we move towards a carbon-neutral world. Our decarbonization strategy includes a comprehensive set of levers to reduce emissions of cement production, while offering new innovative products to our customers that will meet their needs for durable and sustainable building materials, leveraging the Group’s unique assets and competencies.

## Digitize

We have been among the pioneers in our sector in implementing innovative Artificial Intelligence (AI) digital solutions in our operations. Significant innovations have already been implemented, with measurable impact in operational efficiency. Leveraging this momentum, we aim to continue improving our operating performance and customer experience, by leveraging big data and AI to develop a digitally empowered and efficient operating model, provide cutting-edge digital solutions for our customers, reduce production inputs and energy consumption, and decrease CO<sub>2</sub> emissions.

## Deliver

We aim to leverage our continuous performance improvement record to deliver operational excellence in manufacturing, supply chain and customer experience. We will continue to focus on cost-to-produce and cost-to-serve as well as on providing solutions and a superior customer experience across all our businesses.

## Building capabilities and developing talent

The foundation of our growth-oriented strategic plan is our long tradition of building capabilities and developing talent, with an entrepreneurial mindset and a values-driven culture. Our strategic plan encompasses, and is powered by, an accelerated drive to transform by further building and developing our talent, in our core competences as well as in new skillsets.

## Developing our growth platform

Leveraging operational excellence, superior customer engagement, the decarbonization of our operations and our digitally enabled operational model, we will develop our growth platform by capitalizing on opportunities to strengthen and extend our current core business as well as by pursuing opportunities in new sources of value in the building materials value chain.



# TITAN Group Global Prensence

TITAN Group reports the performance and activities based on USA, Southeastern Europe, Eastern Mediterranean, Greece & Western Europe and separately on the joint venture in Brazil.

USA

2

Integrated cement plants

8

Quarries

82

Ready-mix plants

3

Import terminals

7

Concrete block plants

4\*

Fly ash processing plants

Principal products/activities

TITAN

Ready-mix concrete

Aggregates

Dry mortars

Building blocks

Fly ash

Wastemanagement and alternative fuels

€

Revenue

983.6m

EBITDA

158.0m

Assets

1,133.3m



USA  
Integrated cement plants  
1. Roanoke - Virginia  
2. Pennsuco - Florida



Brazil (Joint venture)  
Integrated cement plant  
1. Quixere  
Cement grinding plant  
2. Pecem

Brazil \*\*

1

Integrated cement plant

1

Cement grinding plant

3

Quarries

4

Ready-mix plants

Principal products/activities

TITAN

Ready-mix concrete

Aggregates

Dry mortars

Building blocks

Fly ash

Wastemanagement and alternative fuels

\* 1 facility in Canada is included

\*\* The joint venture in Brazil is incorporated in the financial statements using the equity method of consolidation. In the ESG performance



Southeastern Europe  
Integrated cement plants  
1. Kosjeric – Serbia  
2. Zlatna – Bulgaria  
3. Sharr – Kosovo  
4. Usje – North Macedonia  
5. Antea – Albania

Southeastern Europe

5

Integrated cement plants

20

Quarries

6

Ready-mix plants

1

Processed engineered fuel facility

Principal products/activities

TITAN

Ready-mix concrete

Aggregates

Dry mortars

Building blocks

Fly ash

Wastemanagement and alternative fuels

€

Revenue

290.6m

EBITDA

81.9m

Assets

467.1m



Eastern Mediterranean  
Integrated cement plants  
1. Tokat  
Cement grinding plant  
2. Marmara



Integrated cement plants  
1. Alexandria  
2. Beni Suef



Greece & Western Europe  
Integrated cement plants  
1. Thessaloniki  
2. Kamari  
3. Patras  
Cement grinding plant  
4. Elefsina

Greece & Western Europe

3

Integrated cement plants

1

Cement grinding plant

25

Quarries

28

Ready-mix plants

1

Import terminals

1

Dry mortar plant

2

Processed engineered fuel facilities

3

Processed engineered fuel facilities

Principal products/activities

TITAN

Ready-mix concrete

Aggregates

Dry mortars

Building blocks

Fly ash

Wastemanagement and alternative fuels

€

Revenue

267.6m

EBITDA

23.6m

Assets

549.4m

EU Taxonomy Regulation eligible economic activities	Turnover	OpEx	CapEx
% of total TITAN Group	58.6	60.5	58.9

Eastern Mediterranean

3

Integrated cement plants

1

Cement grinding plant

13

Quarries

7

Ready-mix plants

2

Processed engineered fuel facilities

Principal products/activities

TITAN

Ready-mix concrete

Aggregates

Dry mortars

Building blocks

Fly ash

Wastemanagement and alternative fuels

€

Revenue

172.8m

EBITDA

11.8m

Assets

447.2m



# Creating and sharing value

We strive to be a responsible company, by identifying our impact in society and taking actions to create value for our stakeholders, by minimizing the adverse ones, while increasing care and wellbeing for our employees, local communities, and partners. We use our capital resources efficiently to drive sustainable, long-term shared value creation, through our products and services. We help address global societal and environmental challenges and contribute to the attainment of the UN SDGs 2030. We draw on, transform, and add our capital resources to provide our products and services, creating value for all our stakeholders.



# About ANTEA Cement

ANTEA Cement is one of the largest manufacturers of building materials and applies the highest international standards in Albania. The integrated operations of ANTEA Cement Plant include two cement terminals, in Tirana and Ortona. The cement plant is located 50 km from the capital city, Tirana, and is positioned in Boka e Kuqe, Borizanë. The main activities of ANTEA Cement include the production and distribution of cement with a capacity of 1.4 million/ton cement yearly and 3,300 ton/clinker per day.

The plant serves primarily local market demands and exports to other markets in the region. Since the foundation of the ANTEA cement plant, corporate social responsibility and sustainability have been embedded in business strategy and provided the framework to build relations with all key stakeholders. ANTEA cement plant is one of the biggest ‘greenfield’ investments, with the highest standards applied in terms of construction and operation in Albania and a total value exceeding € 200 million.

From the initial stages of operation, ANTEA applies international standards and best practices to improve on all sustainability issues that are material for the business but also for the stakeholders. Among else, we have built appropriate systems to ensure energy management and efficiency, while

the implementation of an integrated approach to environmental management has led to achieve best industry practices in various aspects, as for example enriching biodiversity, new environmental technologies for controlling and reducing air emissions, noise and other specific impacts.

ANTEA invests and applies the latest technology, with vertical grinding mills, which occupy less space and can ensure better environmental performance and higher efficiency in electricity consumption. ANTEA also uses bag filters, which, despite their higher operational cost can guarantee improved environmental performance.

Having sustainability as an integral part of our business, our commitment to corporate social responsibility goes beyond compliance; it is a voluntary pledge to make a positive impact on the world around us.

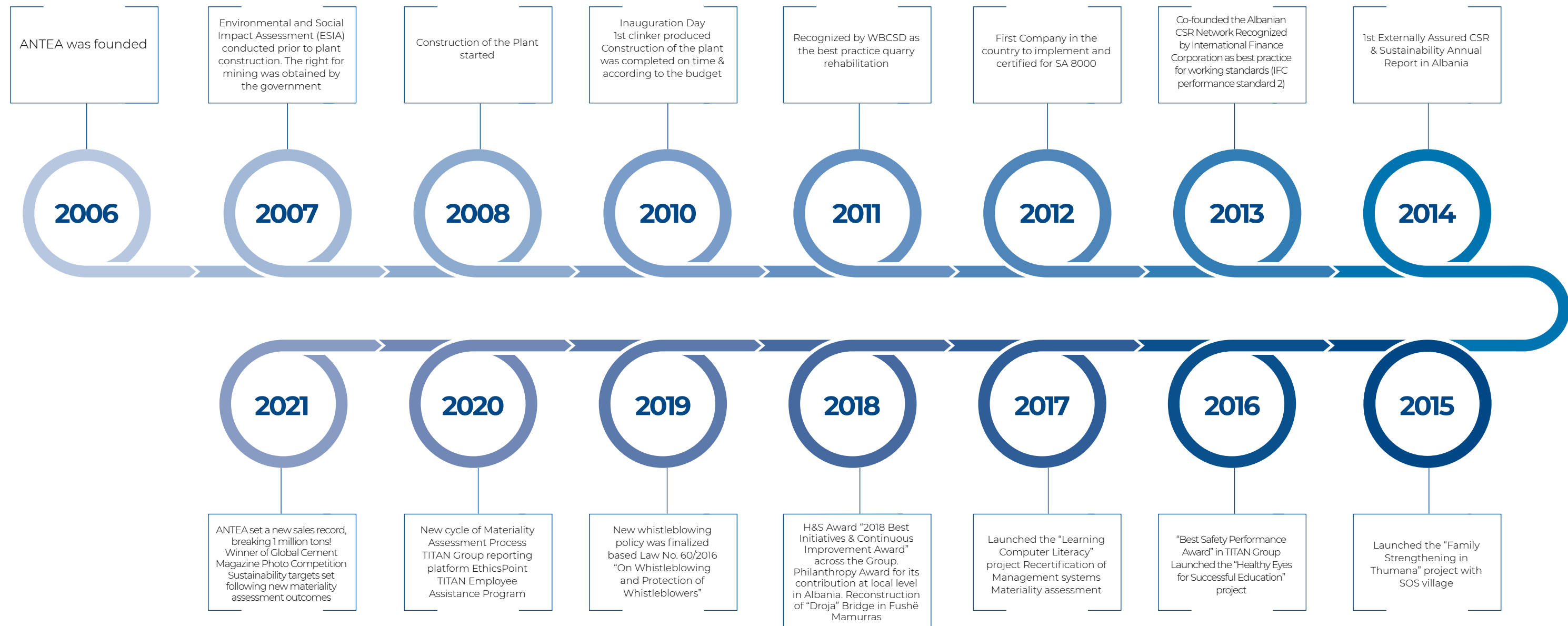
We are accelerating our endeavors to promote sustainability throughout our value chain, by empowering our people to grow within an inclusive and safe environment and fostering collaborations to address local community needs. ANTEA Cement markets served Italy, Kosovo, Libya, Montenegro, and Malta.

## Our Products

<b>Cem I /42.5 R:</b> <i>Portland Cement with the main constituents 95-100% Clinker and minor additional constituents 0-5%</i>	<b>Cem II / A-LL 42.5 R:</b> <i>Portland Limestone Cement with the main constituents 80-94% Clinker, 6 -20% Limestone and minor additional constituents 0-5%</i>
<b>CEM II/B-LL 42,5 R:</b> <i>Portland Limestone Cement with main constituents 65-79% Clinker, 21-35% Limestone and minor additional constituents 0-5%</i>	<b>Cem II / B-LL 32.5 R:</b> <i>Portland Limestone Cement with main constituents 65-79% Clinker, 21-35% Limestone and minor additional constituents 0-5%</i>



## ANTEA's Milestones



## ANTEA Memberships and Associations:

- A Member and co-founder of Albanian CSR Network
- Member of Foreign Investments Association in Albania (FIAA)
- Member of American Chamber of Commerce in Albania (AmChAM)
- Member of Hellenic Business Association in Albania HBAA
- Member of Albanian Producer Association





# Focusing on Material Issues

In 2021 we completed the review of materiality assessment outcomes conducted at the end of 2020. We have developed a new plan to verify the outcomes of this process with direct feedback from our key stakeholders and we are seeking to build trust and more transparency through this process in the short and the longer term.

ANTEA's approach to sustainability is an on-going process of mapping and assessing the impact of our operations on society and the environment, as well as the financial impacts of socio-environmental risks. A full cycle of materiality assessment has a duration of five years. In 2021, we updated our priorities following

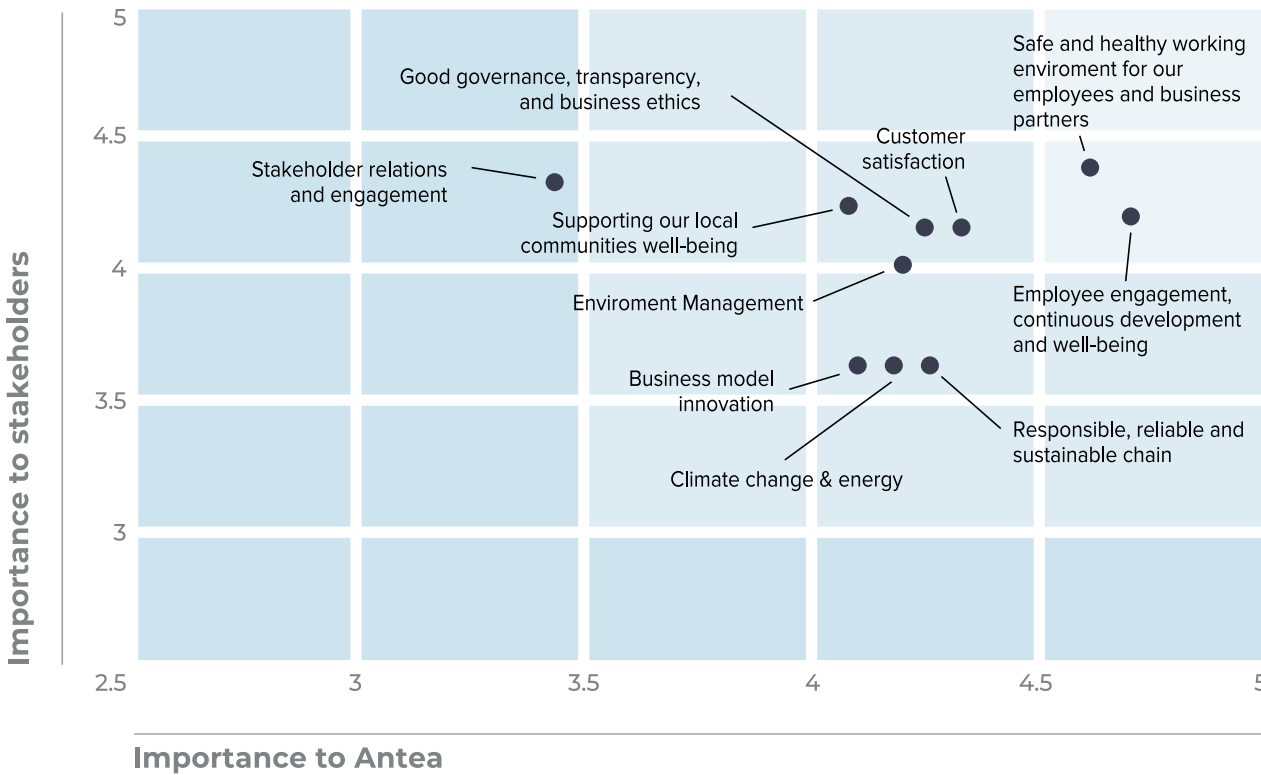
the process established by the Group in 2020. TITAN Group materiality assessment process is in alignment with the ten principles of the UN Global Compact and the SASB Materiality Map for our sector. At Group level, we report our sustainability performance to stakeholders annually, including the outcomes of an independent assurance.

Safe and healthy working environment for our employees and business partners, Employee engagement, continuous development and well-being are the issues that are most material for our business.

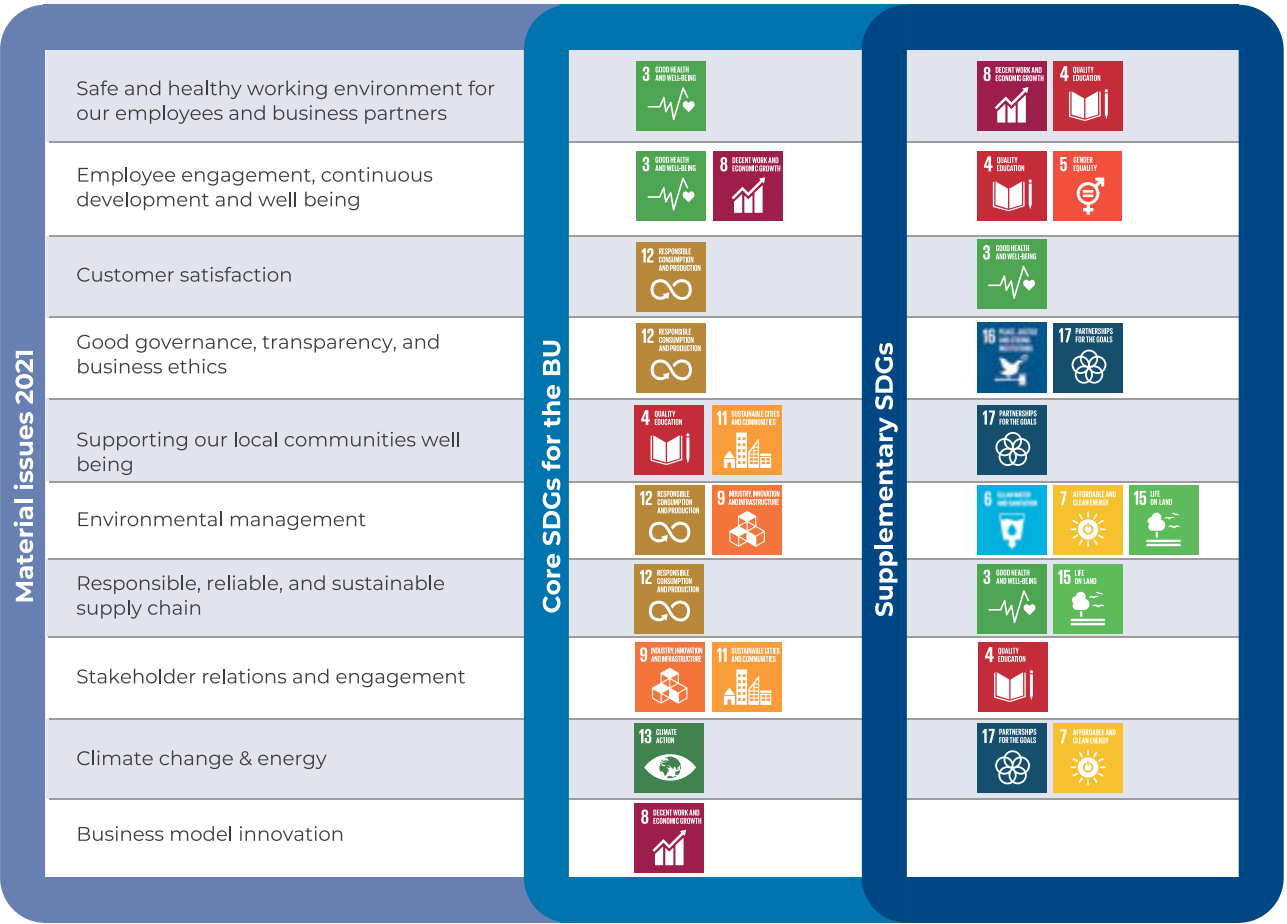
## Sustainability reporting Structure includes:

- Setting Our Strategy: Overall business strategy ► double materiality assessment
- Implementation: Policies and Targets ► Action Plans and Resources
- Performance Measurement: Current Achievements ► Forward looking progress report against targets
- Review and report performance to stakeholders: Entity as a whole ► Topics and Subtopics

## Materiality Matrix



## Relevant SDGs for each Material Issue



We will continue our assessment process throughout 2022, taking into consideration the consultations with stakeholders, considering that we develop and promote SDGs where we are presently operating. Given the significant changes that all businesses have experienced over the last five years, we have revisited our sustainability strategy, expanded our scope and objectives, while focused on the implementation of collaborative efforts. Since 2015, we have followed the key steps of the UNGC SDG Compass tool ("The guide for business action on the SDGs", issued by UNGC and GCCA, see reference in the ESG Performance Statements), starting with understanding and identifying the relevant SDGs for our business and how we can meaningfully contribute to their achievement.

ANTEA's materiality assessment and connection with the 2030 SDGs was updated in 2021 and will be validated further with feedback from its stakeholders.

We strive for continuous improvement through the materiality assessment process, and we hold ourselves to global standards. The same logic governs how we report on our sustainability performance. The results of the annual assessments were used to feed the ongoing dialogue with stakeholders, allowing for mutual understanding, building trust and consensus, and ultimately collaboration in support of long-term solutions at all levels. This Report was drafted with the intention of covering all material issues identified by the aforementioned process.

Furthermore, we continue to invest in setting the foundations for continuing long-term success: mitigating the risks and leveraging the opportunities that climate change creates for our business, taking advantage of the possibilities afforded by the digital revolution, and continuing to build on our long tradition of stakeholder engagement".



# ESG targets for 2025 and beyond

In 2021 TITAN Group launched Environmental, Social and Governance (ESG) targets for 2025 and beyond, focusing on four areas:

### Decarbonization and Digitalization

**Ambition**

We will TRANSFORM our business, focusing on resilience, innovation and building solutions to serve our customers more efficiently as we move towards a carbon-neutral, digital world

**Targets**

- we will reduce our CO<sub>2</sub> emissions<sup>1</sup> by 2030, and will have our targets validated by the Science Based Targets Initiative (SBTi) as follows:
- Scope 1 (net): -35% vs. 1990 level
- Scope 2: -45% vs. 2020 level
- we commit to drive down the CO<sub>2</sub> footprint of our operations and products aspiring to deliver society with carbon-neutral concrete by 2050
- we will monitor and independently verify our supply chain (Scope 3) emissions
- we will increase our annual investment in Research and Innovation to €20m

**SDGs**

7 AFFORDABLE AND CLEAN ENERGY

9 INDUSTRY, INNOVATION AND INFRASTRUCTURE

13 CLIMATE ACTION

17 PARTNERSHIPS FOR THE GOALS

**Material Issue**

- Future ready business model in a carbon-neutral world
- Innovation with emphasis on digitalization and decarbonization

### Growth-enabling work environment

**Ambition**

We will CULTIVATE an inclusive culture with equal opportunities for all our people to grow professionally within a safe and healthy work environment

**Targets**

- we strive for zero fatalities and for an employee LTIFR performance which consistently places us among the three best in our peer group<sup>2</sup>
- we will implement initiatives addressing the physical, mental, social and financial dimensions of wellbeing for our employees, in all countries
- we commit that 1/3 of our BoD members will be women
- we will promote equal opportunities and inclusion and will grow by 20% the participation of women in senior roles, talent pools and new hires
- we will offer upskilling and reskilling opportunities to 100% of our employees, especially in areas vital for sustainable growth, such as health and safety, digitalization, and decarbonization

**SDGs**

3 GOOD HEALTH AND WELL-BEING

4 QUALITY EDUCATION

5 GENDER EQUALITY

8 DECENT WORK AND ECONOMIC GROWTH

10 REDUCED INEQUALITIES

17 PARTNERSHIPS FOR THE GOALS

**Material Issue**

- Safe and healthy Working environment
- Diverse and inclusive workplace
- Continuous Development of our People

### Positive local Impact

**Ambition**

We will ENABLE our business operations and our people worldwide to contribute to the prosperity of our local communities with respect to their social and environmental concerns

**Targets**

- we will sustain and further improve our strong performance in cement production-related specific dust, NOx and SOx emissions
- we will have quarry rehabilitation plans at 100% of our sites<sup>3</sup> and will rehabilitate 25% of the affected areas
- we will have quarry biodiversity management plans at 100% of our sites<sup>3</sup> in high biodiversity value areas
- we will have community engagement plans that are aligned with material issues for stakeholders and UN SDGs 2030 at 100% of our key operations
- we will ensure that 2/3 of our total spend is directed to local suppliers and communities

**SDGs**

1 NO POVERTY

3 GOOD HEALTH AND WELL-BEING

4 QUALITY EDUCATION

6 CLEAN WATER AND SANITATION

8 DECENT WORK AND ECONOMIC GROWTH

11 SUSTAINABLE CITIES AND COMMUNITIES

15 LIFE ON LAND

17 PARTNERSHIPS FOR THE GOALS

**Material Issue**

- Positive local social, economic, and environmental impact

### Responsible Sourcing

**Ambition**

We will EMPOWER our business ecosystems to incorporate sustainability considerations in their business decisions and daily behaviors, while using natural resources responsibly

**Targets**

- we commit to a water consumption of 280 l/t cementitious products and to covering 70% of our water demand with recycled water
- we will have 85% of our production<sup>4</sup> covered by ISO 50001 or energy audits
- we will have 50% of our production<sup>4</sup> covered by "Zero Waste to Landfill" certification
- we will ensure that 70% of our key suppliers<sup>5</sup> meet TITAN ESG supplier standards

**SDGs**

6 CLEAN WATER AND SANITATION

7 AFFORDABLE AND CLEAN ENERGY

12 RESPONSIBLE CONSUMPTION AND PRODUCTION

17 PARTNERSHIPS FOR THE GOALS

**Material Issue**

- Resource efficiency, recycling and recovery, contributing to the circular economy
- Reliable and sustainable supply chain

All underpinned by:  
Good governance, transparency and business ethics

Scope 1: direct CO<sub>2</sub> emissions; Scope 2: indirect CO<sub>2</sub> emissions from electricity; Scope 3: indirect CO<sub>2</sub> emissions of the supply chain  
<sup>2</sup> Peer group definition: Cemex, Holcim, Argos, HeidelbergCement, CRH, Cementir, Vicat, Buzzi  
<sup>3</sup> Active wholly-owned sites  
<sup>4</sup> Production of our integrated cement plants  
<sup>5</sup> Key suppliers: critical suppliers according to the GCCA Guidance for Sustainable Supply Chain management with a meaningful level of spend for TITAN



# Working together for sustainable development

TITAN Group is an active participant in global collaborative initiatives and international organizations, aiming to contribute to the shaping of the sustainable world of tomorrow.

TITAN Group participations

- UN Global Compact (UNGC)
- Science Based Targets initiative (SBTi)
- “Business Ambition for 1.5°C”
- “We Mean Business Coalition”
- “Race To Zero” global campaign

- Global Cement and Concrete Association (GCCA)
- CSR Europe
- Energy Transition and Climate Change
- European Cement Research Academy (ECRA)



WE SUPPORT  
UN GLOBAL COMPACT



SCIENCE  
BASED  
TARGETS  
DRIVING AMBITIOUS CORPORATE CLIMATE ACTION



BUSINESS  
AMBITION FOR 1.5°C



WE MEAN  
BUSINESS  
COALITION



RACE TO ZERO



gcc  
ca



CSR  
EUROPE



ERT



ecra  
EUROPEAN CEMENT RESEARCH ACADEMY

An aerial photograph of a large industrial facility, likely a cement plant. Several tall, cylindrical storage silos are visible, surrounded by a complex network of metal walkways, stairs, and pipes. The facility is situated in a green area with trees and a paved road in the foreground.

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23



# Antea's Performance Highlights

## Financial Performance Financial Performance review

The financial performance of ANTEA is monitored and assessed throughout the entire year. Year 2021 was characterized by a stable and solid performance for ANTEA Cement and its subsidiaries. ANTEA Cement successfully addressed the challenges of cement demand both in the domestic and export markets and capitalized its result on such demand. At the same time, ANTEA remained focused on the enduring objective of balanced, responsible, and sustainable long-term growth, embracing change as an organization, and innovating at an accelerated pace. Some of the key financial indicators are reviewed below, by comparing the current reporting period to the previous reporting period.

During 2021, consolidated revenues from sales of products were increased by €13,459 thousand or 22% vs prior year. Out of €74,879 thousand of consolidated revenues from Sales of Products 66% is derived from the sales in Domestic Market and 34% from the sales in Export Markets. Main markets where the company is exporting are in the neighboring countries and in the Mediterranean Region. Consolidated Operating Profit decreased by €2,059 thousand or -14% vs prior year, thus contributing to a decrease of the Consolidated EBITDA vs prior year by €1,899 thousand attributed mainly to the significant increase in fuel and electricity costs in the second half of 2021. Consolidated Profit before Tax for the year amounted to €10,186 thousand, which was higher than the previous year by €1,452 thousand mainly affected by the decrease in finance costs and favorable exchange rates.

The above-consolidated operation results coupled with the movement in the company's working capital led to a Consolidated Net Cash Flow from Operating activities in the amount EUR 16,752 thousand which was EUR 1,463 thousand lower compared to prior year. The company utilized these resources to invest in new Capex in the Amount of EUR 1,393 thousand and have Net Cash Flow used in repaying borrowings in the amount of EUR 12,465 thousand during the period. The company closed the financial year in a satisfactory and stable liquidity position.

During 2021, our local community and stakeholders

under our development programs have benefited the amount of €187 thousand as donations.

## TITAN's progress towards ESG targets

Our commitment for the continuous improvement concerning Local Impacts, and our continuous engagement with our Key Stakeholders with specific initiatives and actions, which aim at strengthening the Sustainability of Local Communities, are core elements of our Business Strategy. In this framework, ANTEA has achieved most of its local sustainability targets, for the Environmental and Social Performance, thus positively contributing to the achievement of the respective TITAN Group sustainability targets 2025 and beyond. With tangible progress on all focus areas, we are on track to contribute to the achievement of Group ESG targets for 2025 and beyond.

## Decarbonization and Digitalization

We at ANTEA are focused on resilience, innovation and building solutions to serve our customers more efficiently as we move towards a carbon-neutral, digital world. Following TITAN Group as a signatory to the "Business Ambition for 1.5°C" commitment, a worldwide campaign led by the Science Based Targets initiative (SBTi), we are committed to contribute to limiting global warming to 1.5°C and to reach net-zero emissions by 2050. By increasing the use of alternative fuels, accelerating efforts in energy efficiency, developing low-carbon products, and adopting innovative technologies and solutions, we further improved our performance to meet the ESG targets we have set for 2025 and beyond.

In 2021, TITAN Group worked on identifying and assessing the risks from climate change, and the opportunities from the transition to a low-carbon economy, in alignment with the TCFD Framework. transparency and actions to mitigate climate change and transition to a net-zero economy with an "A-" score. TITAN Group supports the digitalization through internal and external capability-building efforts and by creating an ecosystem of partners comprising start-ups, academic institutions, equipment and

systems manufacturers and specialized advisers. In the related field of digitalization, we see big data, analytics, and artificial intelligence (AI) of Industry 4.0 as an opportunity to transform the industry. To improve customer experience and create a more efficient commercial operating model, we worked on digitalizing how we interact with our customers, deploying digital customer applications. ANTEA has invested in digitalizing its operations to compete successfully in the new operating model that technology is bringing to the building materials industry.

In addition, ANTEA has implemented and maintains a telematics solution for managing its outbound truck fleet management, which helps to improve fleet performance by providing real-time data.

## Resilience of IT infrastructure and cyberattacks

ANTEA has implemented security systems and mechanisms to better protect its infrastructure and Data from cyber-attacks.

ANTEA operates based on TITAN's Information Security framework, policies, and the overall IT-related risk management, which are all in compliance with Group IT policies and procedures.

ANTEA provides interactive training to its employees on a yearly basis, to better inform all end users, decreasing risks by enhancing existing proactive prevention capabilities and establishing new ones for rapid detection and reaction.

To strengthen the security and resilience of critical infrastructure against cyber-attacks, we are constantly implementing best practices and upgrading our business continuity plans.

Furthermore, ANTEA has already started the preparation to implement the common Group ERP system.

## Growth enabling work environment

The promotion of an inclusive culture with equal chances for all of our people to flourish professionally in a safe and healthy work environment is key to our

mission. We responded to the pandemic's challenge by assisting our people & local communities.

We started vaccination awareness campaigns and encouraged our employees to get immunized. We systematically strengthened our accident prevention and health promotion systems, guided by our Group Health and Safety policy. In 2021, Lost Time Injuries Frequency (LTIFR) for our own personnel was 2.90 LTI per hours worked.

Our people are at the heart of our business, and we are constantly implementing initiatives addressing the physical, mental, social, and financial dimensions of wellbeing for our employees, as part of our 2025 commitment to cultivate a safe and healthy work environment. ANTEA has been part of TITAN Group's mental health campaign launched in October 2021 with initiatives to raise awareness and encourage good mental health. The campaign included useful resources, such as relevant articles, videos, and self-assessment questionnaires, and promoting TITAN Group's consulting support service, TITAN EAP (Employee Assistance Program). The three pillars of TITAN's people strategy are learning, talent, and organization, which are supported by a foundation of an engaging and inclusive work environment that is fair and transparent. Reward management, effective human resource management, upskilling and reskilling programs, as well as the enhancement of leadership, functional, health and safety, decarbonization, and digital skills, are all encouraged by the emphasis on learning. ANTEA Leadership Academy was relaunched in 2021. We will provide chances for upskilling and reskilling to all of our employees, particularly in areas critical to long-term growth, such as health and safety, digitalization, and decarbonization.

ANTEA intends to continuously increase the number of women in talent pools and new hires by 2025.

## Positive local Impact

Enabling our business operations and our people worldwide to contribute to the prosperity of our local communities with respect to their social and environmental concerns is a major pillar of our ESG targets. At ANTEA, management systems monitor and



report on the reduction of air emissions, the protection of biodiversity, water management and recycling and quarry rehabilitation. Furthermore, the percentage of quarry land areas rehabilitated out of the total affected land was increased compared to last year. Our community engagement plans were aligned with the material issues for our stakeholders and the UN SDGs 2030.



## Responsible Sourcing

ANTEA is committed to the principles of the circular economy, taking actions to minimize, reuse, recycle or recover materials and energy in order to preserve natural resources, reduce CO<sub>2</sub> emissions and manage waste efficiently.

Having recognized the circular economy as fundamental to the development of a more sustainable business model, the company systematically adopts and applies good practices in order to minimize its footprint and ensure a sustainable future for coming generations.



## Expectations towards our supplier base

We place the same exacting demands on our suppliers and business partners worldwide. We expect them to conduct themselves in a manner consistent with our sustainability requirements. In selecting and working with our business partners/suppliers, we consider alongside key commercial and operating indicators their performance with regards to safety, health, environment, social standards, and fair business practices as decisive criteria.



## Good governance, transparency and business ethics

Good governance, transparency and business ethics Through sound corporate governance, we aim to ensure that every management decision is aligned with our purpose and core values, takes due account of our sustainability considerations and serves the best interests of our stakeholders. By proactively identifying,

assessing and managing all our potentially significant risks and opportunities, we ensure that we are prepared to achieve our strategic objectives and address issues that may affect the long-term sustainability of our business.



## Sustainability governance

Sustainability is embedded firmly in our strategy through the regular review of all issues that are material to the business and our stakeholders, the definition of appropriate actions and targets, and the adherence to environmental, social and governance policies.



## Group policies and Code of Conduct

To ensure that we conduct our business with respect, accountability, and responsibility, TITAN Group developed Code of Conduct and Group Policies, which cover all strategic areas and provide guidelines to employees and external business collaborators, to ensure compliance with the applicable internal and statutory rules. Group Policies include, but are not limited to, Anti-Bribery and Corruption, Conflict of Interest, Competition Law, Sanctions, Corporate Social Responsibility, Whistleblowing. All our policies are available on the Group corporate website (<https://www.titan-cement.com/about-us/corporate-governance/group>)



## TITAN Group's Compliance Program and business ethics

A TITAN Group Compliance Program has been in place since 2020, as an integrated system of activities, mechanisms and controls, aiming to provide adequate assurance that compliance risks are timely identified, properly assessed and effectively mitigated, so that the possibility of a significant compliance failure is minimized. The Compliance Program facilitates the effort to maintain and foster a strong compliance culture, ensuring adherence to compliance requirements and promoting consistent and responsible ethical behavior. It is a risk-based program with dynamic elements and incorporates monitoring and oversight, compliance awareness,

training, risk assessment and third-party due diligence components. Consistent with our values and culture, and as clearly articulated in the TITAN Code of Conduct and relevant Group Policies, the Group follows a zero-tolerance approach towards bribery, fraud and any other corruptive practice. The Anti-Fraud Program Framework was developed during 2021 and widely communicated throughout the Group promoting openness and transparency, providing standards and guidelines, and clarifying roles, expectations and responsibilities on the subject of occupational fraud. In 2021, TITAN launched the second phase of its "Group Policies Awareness" program, with the aim to raise awareness and understanding of our Code of Conduct and the set of Sustainability and Social Responsibility Policies – the tools that foster ethical behavior and represent "Our Culture in Practice".



## Commitment to human rights

Consistent with the United Nations Guiding Principles on Business and Human Rights, TITAN is committed to respecting and supporting human rights with regard to its employees, the communities where it operates and its business partners. Human rights are one of the key subject areas of the TITAN Group Compliance Program, which provides a well-structured framework to address relevant activities in a disciplined and holistic way across the Group. In order to intensify our efforts to ensure compliance not only with regulatory but also with ESG requirements, and to ensure a responsible supply chain, a comprehensive Third-Party Due Diligence system, supported by an online tool, was developed in 2021 and is ready to be put into operation. Our Whistleblowing Policy, introduced in 2020, encourages employees to report possible misconduct, fraud or abuse. In parallel, EthicsPoint, the Group reporting platform launched in 2020, provides a uniform, anonymous and strictly confidential channel, through a globally available digital tool, to facilitate the confidential reporting of any concern and ensure that incidents are reported, examined and resolved with a remedy plan, if and when necessary, thus fostering a culture of integrity and ethical conduct.



## Outlook 2022

In 2022, aspiring to bring a carbon-neutral concrete society we will continue to use the advantages offered by decarbonization, digital transformation and business model innovation in order to benefit our customers, employees, suppliers, and communities.

The current situation in Ukraine creates geopolitical uncertainties with macroeconomic implications, the extent of which cannot yet be assessed. TITAN Group has no exposure to Ukraine, Russia or affected regions. The impact of the ongoing war in Ukraine may lead to more uncertainties in Europe overall. There is a negative impact already on the energy sector, the severity of which, as well as the duration, cannot yet be assessed. The European economies are entering a difficult phase, with increased risks of rising inflation and a slowdown of economic growth.



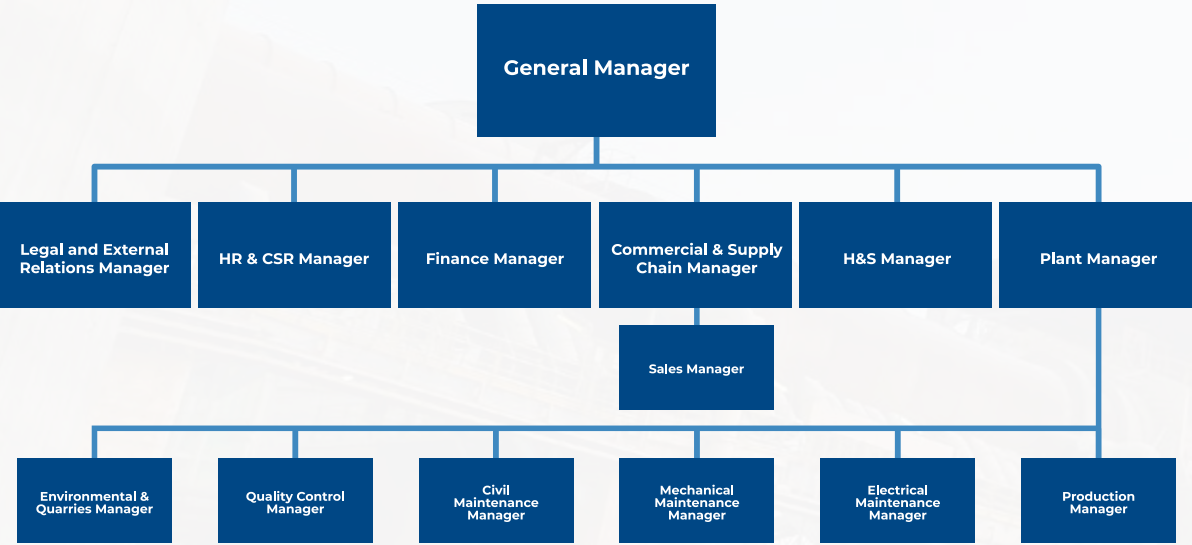
# Management Report

## Corporate governance and risk management

ANTEA is committed to the highest governance principles, seeking consistent enhancement of its corporate governance performance and promoting transparency, sustainability and long-term value creation. ANTEA Cement complies with reliable corporate governance procedures, in accordance with applicable Albanian Laws and regulations, as well as the Titan Code of Conduct and Group Policies. Corporate Governance in our company includes and promotes transparency, accountability, and security, in line with our values and mission.

ANTEA Cement's Board is committed to ensuring a strong governance framework, recognizing that good corporate governance is a vital component to support management in delivering the Company's strategic objectives, and operating a sustainable business for the benefit of all stakeholders.

### ANTEA Cement Organizational Structure, Boards and Committee:



## ANTEA Boards and Committees

### Quality Board:

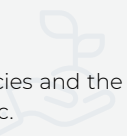
The Company's Management engages in the Quality System through the Quality Board. In general, the Quality Board has the following responsibilities:

- Establishing the Company's Quality Policy
- Adopting the Quality System's and specifications
- Conducting the internal quality audits
- Conducting reviews of the Quality System
- Establishing quality targets



### Environmental Board:

The Environmental Board is responsible to identify the environmental aspects, determine the emergencies and the need for preparing emergency plans, review the Environmental Management System on annual basis, etc.



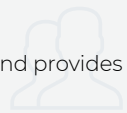
### Social Accountability Board:

The Social Accountability Board is responsible to identify SA8000 Standard's issues, determine the required preventive or corrective actions and review the SA8000 Standard on annual basis.



### Conflict of Interest Committee:

The Conflict-of-Interest Committee is in charge for the implementation of Conflict-of-Interest procedure and provides resolution to all reported or identified conflicts of interest.



### Health & Safety Central Committee:

H&S Central Committee provides strategic and tactical guidance to Health and Safety improvement initiatives at ANTEA plant. It shall establish effective business processes, to promote the full implementation of TITAN's Group Health & Safety Policy.



### Credit Control Committee:

This Committee oversees the receivables and debts from the Clients and its main tasks include:

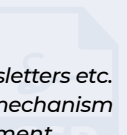
- Evaluation and approval of credit
- Customer's Appraisal forms/customer rating
- Settlement of customers' debts
- Debt coverage / Guarantees
- Credit Monitoring and Control
- Definition of provisions linked to credit risk



### CSR Committee:

The main task of CSR Committee is to prepare and implement the CSR Action Plan, which reflects the material issues of the company and their proper management. CSR Committee also conducts the following tasks:

- Proposing, drafting and approving CSR related policies and procedures
- Assessing and deciding upon CSR Projects
- Preparing the Annual Integrated Report
- Preparing other publications such as fact sheets, newsletters etc.
- Engaging with Local Community through grievance mechanism
- Developing and implementing Community Engagement Action Plan



## Diversity and Inclusion

We at ANTEA are focused on inclusion and on creating a working environment that maximizes the potential of all employees. ANTEA is committed to offering equal opportunities and encourages diversity and inclusion at every level of employment in the Company. Diversity includes gender, age, nationality, disability, ethnic origin, sexual orientation, culture, education and professional background. At Group level, particular attention is given to monitoring the implementation of Human Rights Policy, part of which refers to the promotion of diversity and to ensuring consistent improvement of diversity across the organization. Improving the gender mix at all levels is always an area of focus.



Audits of ANTEA and Risk Management

Audits of ANTEA

ANTEA monitors all material issues identified and prioritized both at Group and at local level. Among else, issues related to Human Rights, Gender Equality and freedom of association, are only few of the matters that are closely monitored and reported in detail in the ESG Performance Statements section of this Report. Independent auditors are testing and assessing the implementation of the respective management systems and procedures every year while recording areas for further improvement.

ERM Certification and Verification Services Ltd. (ERM CVS) ERM CVS performed a complete audit of ANTEA's sustainability performance, and also management systems and practices, according to the agreement with TITAN Group to provide assurance in relation to the information presented in TITAN Group's Integrated Annual Report 2021.

Internal auditing is also a standardized process covered by both Group and local experts on specific matters, for example regarding health or safety at work, environmental management, energy management. For Health and Safety, the Group ESG Performance Department is responsible for the execution of internal audits both annually and in 3-year extended periods on all relevant aspects of Health, Safety and Environment.

The Group Health & Safety annual audit includes all the plant operation and the permanent contractors as well. The focus is to ensure the accuracy of H&S procedures, equipment integrity, new projects etc.

- The TITAN Group 360 Audit
- The continuance of ISO 45001:2018 (OHSAS) certificate

Following the H&S action plan, the internal inspection and audits were focused on:

Lototo energy sources isolation procedures, near miss investigation Processes, blasting activities, Confined Spaces, Interview of employees in regards to their knowledge, Solid fuel grinding procedures, Emergency preparedness such as firefighting drills, Transportation means, shifts change over, work permits application on site.

ANTEA Cement is certified to ISO 45001:2018 by July 2021 and has already adapted all Health & Safety Procedures to the new Standard. Last, but not least about audits, on country level, the Competent Authorities make regular audits whereby no non-compliances or fines related to non-compliance of ANTEA operations with labor-by-Labor Inspectorate, environment by National Agency of Environment, mining exploitation by National Agency for Natural Resources, National Authority for Safety and Emergency in the Mines regarding the mining activities or competition laws were indicted. Public Local Health authorities performs a yearly basis inspection monitoring the legal compliance in regards to health legislation. In addition, local firefighting inspector performs an annual inspection to ensure that all firefighting means of ANTEA are fully operational.

In addition to authorities' inspections, periodic audits are conducted internally by TITAN Group Head Quarters. In regards to H&S were performed four (4) audits by Group Occupational Health, Safety & Environment Director and Regional H&S Director SEE & Turkey. In total 89 actions were proposed for improvement including H&S Management system, plant equipment's and plant operations.

Periodical audits are conducted by third parties and ANTEA Cement was found in compliance with the standard requirements.

H&S Central Committee and Plant H&S meetings were held regularly, to monitor the H&S issues, plan and coordinate necessary actions especially with respect to COVID-19. The expected results have been achieved by completing 90% of Health and Safety 2021 targets.

The H&S Council of Employees elections took place in compliance with pandemic measures. The elections are held every two years. Due to the pandemic situation the new team held its first meeting online. Related to SA8000:2014 Social Accountability Standard, ANTEA is audited twice per year by an independent auditor (Eurocert) ensuring the correct implementation of Human Rights.

Risk Management

The Management Board is responsible to oversee the outcomes of a systematic risk assessment process that covers both financial, social and environmental risks and opportunities. Risks are identified and addressed on a day-to-day basis at various levels in the organization, according to the nature of each risk. ANTEA's Risk Management approach focuses on identifying the risks and employing the management practices that will effectively address the risk and ensure alignment of policies, practices and management systems throughout the Group. The Board has the overall responsibility to determine the nature and extent of the principal risks that the Company is willing to assume in achieving the strategic objectives of the Group, whereas the responsibility to monitor the effectiveness of ANTEA's risk management and internal control systems is delegated by the Board to the Audit and Risk Committee.

Our policies, management systems and measures to appropriately address and control risks include among else:

- Internal and systems' audit to comply with current management systems' requirements
- Code of Conduct training to enforce anti-corruptive measures
- Creation of various committees in the company to address various challenges and issues
- Maintaining communication with employees and other relevant stakeholders
- Performing, facilitating, and monitoring the engagement with the local community

As of December 2018, ANTEA fully complies with the new Unified "Regulation on the procedure of administrative investigation on whistleblowing, protection of Confidentiality, personal data protection and protection from revenge" pursuant to Law No. 60/2016 "On Whistleblowing and Protection of Whistleblowers" as in 2019 a new Group whistleblowing policy was finalized and implemented by ANTEA to safeguard access to independent and safe mechanisms of anonymously reporting incidents for further investigation.

Grievance mechanisms and Complaints from external stakeholders

Since the beginning of its operation, ANTEA had in place a Grievance mechanism for its employees, making available to not only our people a safe mechanism to report the concerns and grievances. In early 2020, a Group-wide platform (Ethics Point) was launched to facilitate access of all our employees to the new Grievance mechanism operating at Group level.

ANTEA has developed a procedure related to Complaints from external stakeholders. The TITAN Group CSR Databank, a data collection system, is used regularly to record & report annually for all Business Units the various complaints raised by stakeholders at local level, either by individuals or by community representatives, NGOs or others.

The on-going constructive dialogue with ANTEA's stakeholders, at all levels -national and local level - enables the implementation of our long-term sustainability strategy and empowers collaboration on material issues addressed by stakeholders.

Management Systems

From the beginning of its operation, ANTEA has developed and implemented several independent certified integrated management systems. This set is comprised by the ISO 9001 Quality management system, ISO 14001:2015 for the Environmental Management System, ISO 45001:2018 (OHSAS) Occupational Health & Safety Management System, and SA8000:2014 Social Accountability Standard. SA8000 encourages organizations to develop, maintain and apply socially acceptable practices in the workplace.

Since 2012, ANTEA has had in place an integrated management system and has been certified for:

**SA8000:2014** that covers all core international labor rights contained in the International Labor Organization conventions, The International Declaration of Human Rights, and the United Nations Convention on the Rights of the Child. Through SA8000 standard, we are ensuring that ANTEA complies with all standard requirements to manage labor relations according to international standards. We monitor and assist our contractors in fulfilling their human rights obligations. Each of our contractors is inspected also on the requirement related to non - engaging child labor, since ANTEA is overly sensitive and focuses most of its controls in relation to age documentation. Significant contractors are being inquired on the requirement of forced and compulsory labor, where working hours, remuneration and insurance contributions payments are monitored. The Company actively promotes the freedom of employee association, not only by creating its employee union, but also going beyond legal requirements, by applying SA8000 working standard, where the workers representatives can have access to management levels. The Union's President and employee representatives can freely discuss with the management every possible issue related to obligations, improvements and suggestions on health and safety, and any other topic affecting employees working conditions. ANTEA is audited by an independent auditor Eurocert twice a year, ensuring the correct implementation and monitoring of the above standard. Antea has been recertified to the SA8000 Standard in December 2021.

**ISO 9001:2015** Quality Management System aiming to have as a final objective the application of total quality principles in all Company's activities. The satisfaction of the Company's customers by the effective communication and feedback on their requests and complaints is one of the main objectives. The range of application of the Company's Quality System is extended to all factors contributing to the Company's activities (personnel, equipment, materials), including all its suppliers, aiming to form mutually beneficial relationships between them and the Company.

**ISO 14001:2015** for the Environmental Management System covering and overseeing all environmental aspects. The system includes air emissions, quarries, landscapes, groundwater, wells and water waste, liquid and solid waste, natural resources & energy consumption, noise, etc. We aim at promoting environmentally responsible attitudes and behaviors to all employees and encouraging suppliers, customers, and other business associates to adopt similar practices.

**ISO 45001:2018 (OHSAS)** Occupational Health & Safety Management System providing a framework for the effective management of OH&S, including all aspects of risk management and legal compliance. It addresses occupational health and safety rather than any specific product safety matters.

Human Resources Management Systems (HRMS) by improving HR performance and the ability to manage human resources more efficiently. Several modules of Human Resource Management System (HRMS) are launched to digitize various HR processes, including employees central, performance management, succession planning, learning management system, compensation module, recruitment & onboarding.

ANTEA is audited every year by an independent auditor (Eurocert), ensuring the correct implementation and monitoring of the above standards.



# ESG Performance Overview

With ambitious Environmental, Social, and Governance (ESG) commitments for 2025 and beyond as a part of TITAN Group, ANTEA Cement demonstrates its ongoing dedication to sustainability and value creation for all. Titan ESG targets focus on four pillars: Decarbonization and digitalization; Growth-enabling work environment; Positive local impact; and Responsible sourcing, all underpinned by good governance, transparency, and business ethics. In the ESG performance review section of the Management report, we provide a detailed overview of our annual performance and progress towards meeting our ESG targets. In 2021 we promoted a culture of openness, transparency, and accountability, which is essential to safeguarding good governance and integrity. We are committed to implement and monitor our ESG performance, utilizing both global and sector-specific sustainability standards, and communicating the progress made to our stakeholders in a transparent manner.

For each of the issues that have been identified as material ones for ANTEA and its stakeholders, we present the foundations that we have built on and describe our management approach to addressing them, highlighting important achievements recorded throughout the year.

Sustainability is becoming more important for ANTEA and its strategy is essential for us to be competitive at present and to foster its longevity. In collaboration with all relevant stakeholders, local authorities, regulators, communities, business partners and customers, ANTEA is contributing to cement industry with innovative approaches to business sustainability.

In 2021 Climate change remained undoubtedly one of the major challenges and critical issues for the sector and we are committed to play our part towards a carbon neutral future by reducing CO2 emissions. People management and development, occupational health and safety, sustainability of communities, environmental management remained at the top of the list of ANTEA's material issues. In 2021, taking care of our employees, safeguarding the health and wellbeing of our people, equipping them with the skills to be successful in a diverse and inclusive environment has been an enduring commitment for our company. We remained confident in our business model and are effectively addressing critical challenges such as the COVID-19 pandemic, by playing our part in building a better and sustainable future together.





## ANTEA's material issues related to TITAN Group Focus Areas:

### Decarbonization and Digitalization

- » Climate Change & Energy
- » Business model innovation



### Growth-enabling work environment

- » Safe and healthy working environment for our employees and business partners
- » Employee engagement, continuous development and wellbeing



### Positive local Impact

- » Environmental Management
- » Supporting our local communities wellbeing
- » Stakeholders' relations and engagement



### Responsible Sourcing

- » Responsible, reliable, and sustainable supply chain
- » Customer satisfaction



## Focus Area: Decarbonization and Digitalization

### Material Issue: Climate Change & Energy

Following Titan Group policy, Antea Cement is committed to the COP21 Paris Agreement goal of keeping the increase in global average temperature to well below 2°C, and preferably to 1.5°C above pre-industrial levels, and to the UN Sustainable Development Goals 2030. The company also supports the European Green Deal vision of carbon neutrality by 2050 and endorses the Global Cement and Concrete Association (GCCA) 2050 Climate Ambition, the cement industry's joint effort towards carbon neutrality. Furthermore, TITAN Group signed the "Business Ambition for 1.5°C" Commitment, a global campaign led by the Science Based Targets initiative (SBTi), joining a number of leading companies worldwide that are committed to keeping global warming to 1.5°C and reaching net-

zero emissions by 2050.

In 2021, the GCCA launched "Concrete Future", the industry roadmap to net-zero concrete that will guide all GCCA members through their decarbonization process, a journey that has already started at TITAN with ambitious, science-based targets and concrete actions across all our regions and operations.

Antea Cement aspires to reduce its carbon emissions by starting the use of alternative fuels, continuing its efforts in energy efficiency, developing low-carbon products, and adopting innovative technologies and solutions. We have planned to change the cement types in 2022 and the expected CO2 reduction will be 5% annually.

### ANTEA's Scope 1: CO<sub>2</sub> emissions performance

In 2021, net Scope 1 specific emissions slightly increased, reaching 646.8 kg per ton of cementitious product compared to 640.4 kg per ton of cementitious product in 2020 while clinker to cement ratio was 77.7%.

### Alternative fuels (Co-processing)

The increased use of lower-carbon fuels that replace non-renewable fossil fuels is a key lever towards achieving TITAN's decarbonization targets. Co-processing contributes to the conservation of natural resources, the reduction of CO<sub>2</sub> emissions, and the cement industry's long-term competitiveness while it also provides a low-cost circular-economy solution to society.

The company is committed to the use of alternative fuels, has an environmental permit for this purpose and is ready to make further investments for new installations, but the available quantities of alternative fuels in the country are few or non-existent and for this reason the use of AF has so far been negligible. In addition, since 2014 the import of RDF/SRF in our country is prohibited.

To facilitate the possibility of producing alternative fuels in our country and using them in our plant, we have participated in a common project together with Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) in this field where local businesses, local and central authorities, and other stakeholders (NGO's, local community, universities etc.) are involved. Bearing the experience from other countries, both in Europe and in other continents, we have proposed to the relevant authorities the inclusion of waste management plans & innovative strategies to facilitate both mechanical and biological waste treatment plants in Albania. These plants can contribute to maximize recycling, minimize landfilling, and secure the availability of alternative fuels, providing a solution to the critical environmental issue of municipal solid waste (MSW).



Thermal energy efficiency

Energy efficiency, the conscious use of raw materials and fossil fuels and their replacement with alternative ones, and the implementation of efficient waste management systems are proven means of adding value throughout the value chain as well as providing waste management solutions at a local level. ANTEA thoroughly monitors energy consumption and efficiency to reduce its environmental footprint and curtail costs. As energy management is intricately connected to the sector's decarbonization roadmap, as well as resource efficiency, the investments during the

plant construction phase were performed in low energy demand equipment and in energy efficiency management.

Also, the careful selection of fuels, use of mineralizers and process optimization helped sustain the company strong performance in thermal energy consumption.

As a result, in 2021, specific heat consumption (SHC) was reduced compared to 2020 (764 kcal/kg clinker vs 768.2 kcal/kg clinker).

Climate change mitigation performance indicators	2021	2022
Scope 1 net CO <sub>2</sub> emissions (kgCO <sub>2</sub> /t cementitious product)	646.8	640.4
Alternative fuel thermal substitution rate (%)	-	-
Clinker-to-cement ratio (%)	77.7	76.5

ANTEA's Scope 2 : CO2 emissions performance

In 2021, Scope 2 specific emissions were almost in the same level compared to 2020 while the specific electrical energy consumption slightly increased, reaching 93.5 kWh per ton of cement compared to 92.2 kWh per ton of cement in 2020.

ANTEA's Scope 3: Thermal energy efficiency

Monitoring our supply chain (Scope 3) CO<sub>2</sub> emissions is critical to achieving TITAN's long-term ambition for carbon-neutral concrete by 2050. In mid-2021, after two pilot tests in Greece and Serbia, following the Titan Group guideline we ran a full-scale exercise to measure Scope 3 emissions. Our analysis covered 6 of the 15 Scope 3 emissions categories. The selected categories, namely purchased goods and services, fuel and energy-related activities, upstream transportation and distribution, business travel, employee commuting and downstream transportation and distribution, are considered relevant to cement activities according to the GCCA analysis, with only 4 of them being mandatory.

Emissions related to downstream transportation and distribution were independently verified

and disclosed for the first time in the context of publication of second Titan Group CDP 2021 report. ERM CVS reviewed our methodology to ensure that it is aligned with the GCCA guidance (Cement Sector Scope 3 GHG Accounting and Reporting Guidance) as well as the GHG protocol. In addition, ERM CVS verified our Scope 3 emissions, in all selected categories, in 2021. Scope 3 specific emissions were 59.86 kg CO<sub>2</sub> per ton of cementitious product, representing about 8.5% of the total GHG emissions.

Fuel-related activities are the main contributor, accounting for more than 55% of the total Scope 3 emissions. Downstream transportation and distribution are the second most crucial factor, contributing to about 29.6% of the total, whereas purchased goods and services is the third most important category, at about 8.7%.

Decarbonization roadmap until 2030

In 2021, net Scope 1 specific emissions slightly increased, reaching 646.8 kg per ton of cementitious product compared to 640.4 kg per ton of cementitious product in 2020 while clinker to cement ratio was 77.7%.

- 1 Reducing clinker content in the final product (Clinker-to-cement ratio)
- 2 Increasing the thermal substitution rate of conventional fossil fuels by alternative fuels
- 3 Reducing specific heat consumption through process optimization and improvements in energy efficiency

Material Issue: Business Model Innovation

In 2021, we continued to harness the advantages offered by business model innovation to benefit our customers, employees, suppliers, and communities.

ANTEA continued to engage with its stakeholders and contribute to the sustainability of the local communities by promoting open dialogue and collaborative actions with stakeholders by implementing sustainability initiatives aligned with material issues for stakeholders and UN SDGs 2030 at 100% of its key operations by 2025.

With a view to the continuous improvement of the

environmental impact of ANTEA, we monitor and report environmental impact, while also setting targets for the reduction of air emissions, the protection of biodiversity, quarry rehabilitation, and water management and recycling.

In line with our environmental policy, ANTEA engages in a long-term process with experts and stakeholders, seeking meaningful ways to understand society's needs and contribute to a net positive local impact for the communities we operate in.

Focus Area: Growth-enabling work environment

To ensure a growth-enabling work environment we at ANTEA care for our employees by creating an inclusive culture with equal opportunities. In order to support people in reaching their goals, ANTEA manages diversity and inclusion as a distinctive factor of competitiveness, talent attraction, which is key to ANTEA's sustainable growth. The context and working environment, have a strong impact on individual behavior, generating trust and increasing the involvement of employees with a direct impact on customers and productivity. As a part of 2025 ESG commitments, safeguarding our people and operations against COVID-19 remained a priority throughout 2021. In close cooperation with medical experts, action plans were implemented at all sites to establish protective measures for people working on-site, both employees and contractors, and promote remote working, where possible. In addition, we stood by our neighboring communities

and acted to help local partners and contractors to sustain their business.

Learning, talent, and organization are three important pillars where the group focuses to ensure an engaging and inclusive work environment, fair and transparent reward management, and effective human resource management systems. The focus on learning encourages the development of upskilling and reskilling programs and strengthens leadership, functional as well as health and safety, decarbonization and digital skills across the Group. The focus on talent ensures the attraction, retention, and development of the talent necessary to meet the strategic workforce needs of the company and the fulfillment of the career aspirations of employees. Finally, the focus on organization ensures that the structures, processes, and workflows enable our talent to perform.





### Material Issue: Safe and healthy working environment for our employees and business partners

Ensuring health and safety and preventing accidents at work is a top priority for ANTEA. We are strengthening our accident prevention and health promotion systems in all production and distribution operations, guided by the Group Occupational Health and Safety policy, which envisions a work environment that ensures the health and safety of employees, contractors, and third parties. The processes of health and safety certification, site auditing, and incident investigation all play a part in lowering workplace risks and improving safety behavior in this goal.

In 2021 ANTEA was certified with the ISO 45001:2018 Occupational Health & Safety Management System providing a framework for the effective management of OH&S, including all aspects of risk management and legal compliance. It addresses occupational health and safety rather than any specific product safety matters.

Excellence in the area of health and safety is embedded in ANTEA operations and activities. The company has implemented detailed policies and procedures to continually identify workplace hazards, evaluate risks and further promote Health and Safety, including the coverage by an adequate number of safety engineers in all production units, by showing strong leadership and commitment to Health & Safety activities.

Particular emphasis is placed on training and raising safety awareness and on the strict application of safety systems and processes. Health monitoring of employees is performed regularly. In parallel with all the other preventive measures, ANTEA is regularly audited by the Group's safety specialists. In 2021, more than 141 audits (internal and external) were performed in our cement plant.

Health and safety audits are performed on a regular basis at all plant departments, third-party providers, and contractor facilities. Safety, behaviors, and procedures are evaluated, and specific recommendations are made. Plant management implements these recommendations, as well as those derived from the investigation of accidents and significant near misses.

In 2021, no fatality was recorded either among our employees, or among contractor employees, or third parties. The frequency of lost time injuries (LTIFR) for our own personnel was 2.90. Contractors' LTIFR has been reduced slightly, from 4,72 to 2,02. There were no fatalities overall.

Despite the ongoing challenges posed by the pandemic, the average number of training hours per person for both employees and contractors increased throughout 2021. For ANTEA employees

and contractors, weekly trainings and additional ones on new topics are a continuous process. In 2021, the effort to maintain safety awareness in relation to specific tasks and hazards continued by focusing on safe work at silo truck unloading. The plant's Health and Safety department prioritized safety during silo-truck unloading. This was accomplished with the assistance of Group HSE, which created a detailed audit guide that covered both the unloading silo truck and the receiving installation. The group also provided refresher training in Root Cause Analysis, a valuable tool in incident investigation. The Next Step Group Program launched in our region aimed at improving and sustaining safety performance. We developed training modules based on our supervisors' GAP analysis to meet the specific needs of each employee.

The key word to excellence in COVID-19 Pandemic circumstances was our commitment to overpass, which we accomplished with the cooperation of responsible authorities while continuing to manage the situation.

We continued to respond appropriately to the rapid adaptation in the way people live, behave, operate, and approach. Based on the authority's constraints, the highest level of responsibility made the necessary decisions regarding operations and maintenance activities. Plant Management also took other preventive measures to minimize the impact on daily and near-future operations. Daily communications with employees and contractors were among the first significant actions taken to reduce the impact of uncertainty caused by pandemic situation. ANTEA cooperated closely with governmental authorities and health centers. Furthermore, regular communication with the epidemiology task force was maintained.

ANTEA Cement, as one of the region's largest business units, has continued to support the local community and authorities. This crucial "cornerstone" of cooperation with them remains strong. Even in 2021, authorities recognized ANTEA Cement as the best example of continuity and seriousness in its commitment.

We successfully ensured our business continuity in 2021 as a result of the dedication, commitment and cooperation. Serologic and PCR tests assisted the doctor in tracking down new cases and determining the spread of the new Omicron Variant.

Despite the presence of Covid-19, the yearly objectives were met. Regular H&S Central Committee and Plant H&S meetings were held to monitor H&S issues and plan and coordinate necessary actions.

We continued to work on Health and Safety as a team, and by completing 90% of the Health and Safety 2021 targets, we achieved the expected results.

In 2021, there were no fatalities among direct employees or contractors. Unfortunately, there was one (1) Lost Time Injury (LTI) among direct personnel recorded in 2021, and there was one (1) LTI recorded for contractors.

Emergency preparedness has been assessed, and several drills for first aid and fire response have been held, with a plan for improving confined space and work at height emergency rescue scheduled for 2022.

The Evaluation of Gaps was successfully completed in collaboration with all departments, and we moved together on to the next step by providing training sessions for all our plant personnel.

A certain priority for ANTEA is safe working conditions among contractors' employees, particularly under the extraordinary conditions of COVID-19. ANTEA responded to the challenges through several measures, including promoting social distancing, increasing hygiene standards, making mask use mandatory, offering PCR and rapid testing. In addition, medical and physiological support were provided by experts or health care programs.



### Material Issue: Employee engagement, continuous development and well being

Our governing objectives and strategy rely on our people performance and development, as part of TITAN multi-regional leading Group in the cement industry and its primary focus is to attract, retain and motivate employees.

Engaging our employees is a continuous process for ANTEA, which incorporates feedback in structured and organized ways, via group-wide surveys, focus groups and local surveys. In 2021, we continued to implement action plans that were developed to address the results of the 2019 Employee Engagement Survey. As a result, a number of initiatives were introduced, from more frequent employee communications on strategic priorities and a focus on employee health and wellbeing, simplification of work processes, focused development programs, and the enhancement of local communication tools and processes.

In 2021, the headcount of ANTEA at the end of the year reached 190 people. ANTEA employee turnover rate was 6.8%. In 2021, 75 employees (39% of our workforce) participated in annual performance reviews. The Human Resources Management Systems (HRMS) helped us to use data and effectively manage all key processes throughout the employee life cycle, from talent acquisition to performance management, learning and development, career planning and reward management. The system paved the way to a standardized way of working and ensuring harmonization in Talent Management processes, in bringing seamless integration, sharing information, and encouraging collaboration.

We invest in upskilling our people and building the required capabilities for our organization's long-term

growth. New opportunities through digitization of processes and expanding activities in view of the implementation of our decarbonization and sustainability targets offer new areas to invest in reskilling and upskilling our employees but also young people in the country.

During 2021 more virtual training hours were recorded comparing to 2020, corresponding to different courses. E-learning courses developed from TITAN Group were implemented to consolidate practical and advanced in-house knowledge. These courses also aim to improve the operation of our cement plant, resulting in more sustainable use of natural resources, significant fuel savings, and improved and consistent product performance.

In 2021, following Employee Engagement Action Plan, ANTEA Leadership Academy II was reactivated for employees participating in annual performance reviews. ANTEA Leadership Academy II is focused on Leadership skills and behaviors and will continue throughout 2022.

The average training hours number is 5416 and the ratio was approximately 29 hours per employee. The investment for Training per employee reached €205. Most of training hours in 2021 were dedicated to Health and Safety, Technical Know-How, and Compliance. Different development programs and learning courses were addressed to employees to better understand each policy's context, support their further dissemination, and track the learning participation rates.

Through its actions ANTEA is eager to provide qualitative trainings, by focusing on growing



demand for skills to all employees. Freedom of association is part of the human and labor rights that are respected in our operations. Standard meetings between management and elected representatives of the employees' union are organized every year or in any other occasion to discuss proposals from both sites and particularly issues regarding health and safety, wages and benefits, collective agreement issues and other employee matters.

In 2021, the percentage of unionized employees has remained stable.

We at ANTEA have created an environment where all differences are valued and where everyone has the opportunity to experience a sense of belonging. During 2021 we have seen the benefits

of a diverse and inclusive workplace resulting with higher employee retention and greater readiness to innovate. Having an inclusive workplace culture helped us to attract a diverse set of talent and also retain them. Following the identification of equality, diversity and inclusion as material issues for 2020–2025, specific targets were set to increase female participation the company. In the end of 2021, ANTEA counted 17 females employed, which accounted for 8.9% of the total number of employees. Meanwhile the share of women in management is 4%.

Achieving our aspirations for diversity and inclusion in the work we do and the way we work is an on-going process that requires awareness, action, responsibility, and accountability from everyone in our business.

Wellbeing initiatives

In October 2021, on World Mental Health Day, TITAN Group launched a Mental Health campaign, aiming to raise awareness and promote good mental health for the employees. TITAN's legacy of caring for its people continues to evolve through our 2025 commitment to cultivate a safe and healthy work environment and implement initiatives addressing the physical, mental, social and financial dimensions of wellbeing.

During 2021 we at ANTEA addressed local needs and supported our employees, sharing all the relevant information, live talks, explaining and advising them. The campaign included useful resources, such as relevant articles, videos, and self-assessment questionnaires, and promoted TITAN Group's consulting support service, TITAN

EAP (Employee Assistance Program) offered to all employees and their families, making available expert advice on personal, family, or work-related issues.

The company provides benefits for its staff, such as a free meal, transportation, and drinkable water for each of its employees. The company continues to provide Medical, Life Insurance & Work accident Plan for all its employees and keeps collaborating with the largest Private Hospital in Albania to other medical care to its employees. The minimum monthly salary provided by ANTEA for semi-skilled or unskilled personnel is 1.4 times higher, compared to the minimum wage established by the domestic applicable legislation.

Focus Area: Positive Local Impact

Material Issue: Environmental Management

In line with TITAN Group's priority, to continuously mitigate the environmental impact of its operations and the increasingly stringent restrictions imposed on land use, rehabilitation, air emissions, waste management and water use, ANTEA strictly applies a management system in its plant, to monitor and report environmental impact against specific targets set by Titan Group.

With a view to continuous improvement of the environmental impact of its operations all TITAN's business units monitor and report their environmental impact, while also setting targets for the reduction of air emissions, the protection of biodiversity, quarry rehabilitation, and water management and recycling.

At a glance:



Since the beginning of our operations, in line with our environmental policy, the company has disclosed measurable qualitative and quantitative targets to monitor progress in respect to its environmental impact.

ANTEA is implementing environmental management systems (EMS) across its operations, realizing solutions that best fit local needs as well as international commitments. The environmental management system ISO 14001:2015 has been established since the beginning of company operation and has been implemented strictly, according to the requirements set forth in standards. We are promoting best practices at local level, through standard communication with all key stakeholders on environmental performance issues. Although it is not required under the local legislation, ANTEA operates according to BAT (Best Available Technique), in alignment with industrial Emissions Directive 2010/75/ EU.

The systematic monitoring of fugitive dust emissions safeguards the health of employees and reduces the impact on nearby areas. The company ensures the proper maintenance and optimal functioning of machinery and equipment and applies rigorous rules on the transport of materials within its plant sites and beyond.

Combustion at high temperatures leads to the creation and emission of nitrogen oxides (NOx). Guided by the company's commitment, to keep the emission levels under the limits required by the legislation, the installation of an 'SNCR' system (Selective Non-Catalytic Reduction) was established. This equipment allows the effective control of our NOx emissions.

The presence of sulfur (S) in raw materials is the primary cause of sulfur dioxide (SOx) emissions but so far in our raw materials the % of sulfur were exceptionally low, therefore the SOx were negligible.

Monitoring and reporting air emissions are part of the company effort to mitigate its impact on the environment. Aligning with legal and sectoral requirements, ANTEA monitors and reports dust, NOx, SOx, CO, HCl, HF and NH<sub>3</sub> mostly through continuous emissions monitoring systems. In order to assure and validate the data which are continuously collected, CEMS is calibrated and tested for validity of the monitored data from third party accredited laboratories. Minor emissions like TOC, PCDD/PCDF and heavy metals are spot measured by accredited independent laboratories at a frequency equal or higher than that mentioned in the permits.



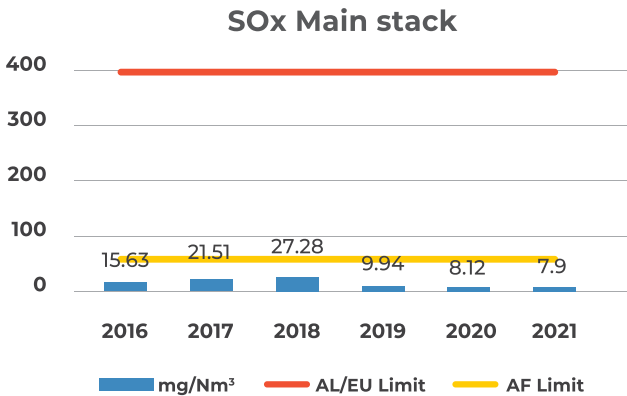
The company's environmental performance in main air emissions is presented in the table below:

Specific NOx emissions	2021	2020
Specific dust emissions	3.6	4.0
Specific NOx emissions	793.8	743.8
Specific SOx emissions	13.6	13.7

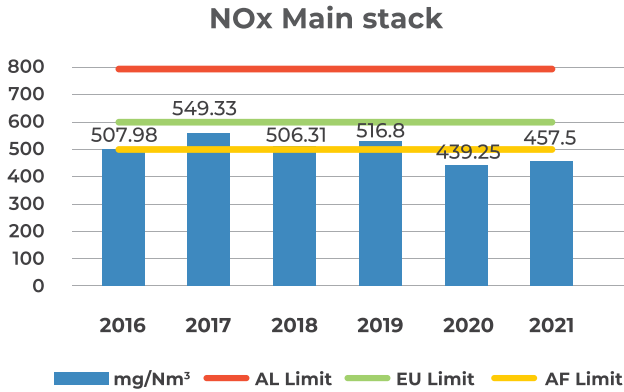
Compared to 2020, the SOx remained at a similar level, NOx emissions were increased while dust emissions were decreased. However, all the results were within the Group target set for 2025.

The company's environmental performance in main air emissions from point sources is presented in the table below:

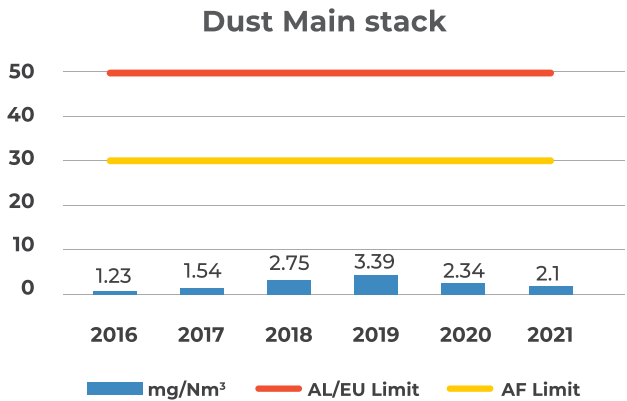
SOx emissions (mg/Nm3)



NOx emissions (mg/Nm3)



SOx emissions (mg/Nm3)



As the result of our authentic long-term commitment, to create and operate a responsible and sustainable business model, as projected by global and EU standards, we have managed to be one of the best performers in the country in terms of environmental performance.

Biodiversity, Quarry Rehabilitation and Land Stewardship

In October 2021, on World Mental Health Day, TITAN Group launched a Mental Health campaign, aiming to raise awareness and promote good mental health for the employees. TITAN's legacy of caring for its people continues to evolve through our 2025 commitment to cultivate a safe and healthy work environment and implement initiatives addressing the physical, mental, social and financial dimensions of wellbeing.

During 2021 we at ANTEA addressed local needs and supported our employees, sharing all the relevant information, live talks, explaining and advising them. The campaign included useful resources, such as relevant articles, videos, and self-assessment questionnaires, and promoted TITAN Group's

consulting support service, TITAN EAP (Employee Assistance Program) offered to all employees and their families, making available expert advice on personal, family, or work-related issues.

The company provides benefits for its staff, such as a free meal, transportation, and drinkable water for each of its employees. The company continues to provide Medical, Life Insurance & Work accident Plan for all its employees and keeps collaborating with the largest Private Hospital in Albania to other medical care to its employees. The minimum monthly salary provided by ANTEA for semi-skilled or unskilled personnel is 1.4 times higher, compared to the minimum wage established by the domestic applicable legislation.

Water Management

Although the cement production is not a process that requires intensive use of water, we seek to conserve the quantity and sustain the quality of water resources in our facility and neighboring areas, and to reduce the withdrawal and consumption of freshwater, by establishing recycling and promoting responsible and efficient practices for water usage and discharge. Effective water management inside and outside the premises of our sites is an important aspect of our environmental performance.



Since the beginning of its operation, ANTEA has developed and applied an Integrated Water Management System, to monitor and optimize water consumption and to disclose water data in a consistent way, according to the international practices and guidelines of the cement sector. Furthermore, we continuously work to optimize water consumption through the appropriate maintenance of water network that ensures leak-free systems and recycling the used water.

Water risk assessment constitutes a significant component of TITAN's sustainable management of water resources, and it is regularly conducted at all locations in which TITAN Group operates, by using the Aqueduct tool of the World Resources Institute (WRI) and the Water Risk Filter of WWF.

According to the water risk assessment that was made in 2020 on Group level, the ANTEA Plant is within a water-stressed area. The results of this assessment will be used for the evaluation of local conditions, to identify related risks and opportunities and make appropriate decisions to further enhance our practices for sustainable water management. The specific water consumption for 2021 was 199.3 l/t cementitious product, increased by approx. 7% from last year, but still below the target set by ANTEA and the TITAN Group overall. Water recycled as a percentage of overall water demand declined slightly to 56% but is still on track to reach 60% that is the respective target for 2025.



Waste Management

In the context of the global transition towards a circular economy, TITAN Group has worked steadily on the reduction of landfill waste.

ANTEA has a waste management system in place following the waste hierarchy where our goal is to reduce, reuse and recycle as much of our waste as possible.

Waste produced by the company as part of its everyday activities is collected, stored and disposed of through authorized contractors for reuse, recycling or recovery, with the aim to promote higher levels of waste management and minimize landfill.

A good practice worth mentioning is that grease and used oils generated by our activities and subcontractor's activities, are processed in the plant

where the energy is recovered in our kiln. ANTEA Cement has put major efforts on waste management, by investing and performing the thermal destruction by recuperating waste streams (Oil-containing drilling muds and wastes) that were generated from a drilling process by the oil exploration companies.

For this purpose, a new installation was constructed, by using the best available technology (BAT) and as a result, we have managed the treatment of these wastes in a safe and environmentally friendly way as well as by complying with all the requirements of the applicable legislation.

In this way we are solving the problem of pollution resulting from the exploration and exploitation activities in the areas where the oil companies operate in Albania.

Material Issue: Supporting our local community wellbeing

We at ANTEA Cement recognize the benefits of strong long-term relationships with our stakeholders. ANTEA has been committed to contributing towards the local, social and economic development of the communities in which we operate. This commitment is supported by a proactive stakeholder engagement that focuses on awareness, sustainable educational programs and collaboration in order to create shared value. Our various ESG policies and directives include provisions for engagement with stakeholders and communities. Well-planned and focused community engagement initiatives is a standard practice for ANTEA, aiming to strengthen collaboration with employees and communities within the framework of the sustainability targets set for 2025 and beyond. Bringing together diverse stakeholders is never simple but we engage with both internal and external stakeholders through interviews and focus groups in order to identify local impacts, risks and opportunities. Our Materiality Assessment in place provides an

essential lens through which we determine our approach for building long-term value for all our stakeholders. During 2021, ANTEA's stakeholder engagement practices have been more active due to the less restrictive measures of Covid-19 that allowed us implementing the CSR action plan in the local community as planned. Stakeholder analysis is often considered the first step in strategic planning activities on an organizational level, and as such all our implemented activities in 2021 are part of the local community, internal and external stakeholders' feedback. All the activities designed have also been aligned with some of the SDGs that the company is working to tackle.

Throughout 2021, ANTEA was able to perform the designed action plan bringing value to its stakeholders, raising awareness about different important topics, by showing commitments towards local stakeholders, readiness to support and contribute not only in the local level.

Sustainable Cities Talk

"Sustainable Cities" was the keyword and the title of the talk organized by Pik Ark platform, with the support of ANTEA Cement. The focus of the talk was to exchange know-how on different topics in order to contribute in and ensure the sustainability of our cities as well. The discussion was rightfully oriented in bringing to surface concrete actions and initiatives by both private and public institutions so as to gradually establish a mentality on grounding the future upon sustainable pillars. This initiative also triggers the attention of the audience on how to be inclusive and to tackle the sustainable development goals, set out in the 2030 United Nations agenda.



ANTEA Cement joins the Blood Donation campaign



For the fourth consecutive year, ANTEA staff has joined the Blood Donation volunteer initiative. In cooperation with the National Blood Transfusion Center, ANTEA staff gave their contribution by donating blood to help children with Thalassemia at a dedicated environment in the factory's premises.

Each year, Albania needs over 30,000 units of blood but only 20,000 units manage to be collected. According to official figures, there are over 300 Thalassemia patients who need to receive blood every month; without mentioning the injured persons involved in car accidents, and those who are in urgent need of blood due to undergoing surgical interventions. In order to assist people in these situations, ANTEA staff and its contractors have turned the blood donation campaign into a time-honored initiative.

The company has effectively created its own blood bank, which serves to its employees and contractors who can use it for their needs or those of their families, in case of emergencies. The established annual initiative is mediated by the Health and Safety Department, also part of the company's Annual Corporate Social Responsibility Action Plan.



ANTEA supports the "Clean and Promote" initiative!



"Throw your garbage in the bin," was the slogan of the "Vizion" NGO, during a cleaning up action carried out on Mount of Kruja, supported by ANTEA Cement. The activity was organized in the framework of the "Clean and Promote" initiative, aiming at having a clean environment and enhancing local tourism. Mount of Kruja is a highly frequented, touristic site in the area and this was the reason why this destination was selected by the coordinators.

The initiative joined several volunteers from this region and its surroundings but also by other local organizations that focus on the environment. The amounts of trash collected on the mountain were transported to the licensed regional landfill, thus contributing to a cleaner environment.

Such activities aim at raising awareness for a more efficient and effective waste management and also at improving communities' people lives.



Stakeholder meeting at ANTEA plant

The latest stakeholder meeting ANTEA plant brought together company management, representatives from municipalities of Kruja and Kurbin, school directors, elders of villages, NGOs and students from the community. The sessions served to exchange views, discuss future collaboration and collect direct feedback for us to design a coherent CSR action plan that supports our local community.

Engagement with stakeholders is a key priority for ANTEA. We were impressed by the positive feedback that we received from the community. This is proof of the excellent work performed despite the tough times that we all are leaving behind. Building our future together is not just a simple motto, but a call for togetherness for future challenges.

Empowering youth professionally

ANTEA Cement in partnership with Young Professionals Network, during this summer organized the “Empowering Youth Professionally” program. The program consisted in the soft skills training and internships for young students from Thumana and Borizana high schools. The internships took place in businesses and non-profit organizations.

Agency and Regional Youth Cooperation Office (RYCO).

During the program, the students had the opportunity to visit several museums in Tirana and also visited TUMO Technology Centre, which informed them about the opportunities and the scholarships offered for the youngsters.

The scope of this pilot program, funded by ANTEA Cement, was to introduce the youngsters from rural areas to vocational and personal training, in the meantime to raise awareness of their role as active citizens. During this journey, the selected students had the opportunity to be introduced and meet with youth-related institutions such as: National Youth

The closing ceremony of the program was also attended by the Minister of State for Youth and Children Bora Muzhaqi. She expressed her gratitude for businesses that want to contribute to the communities where they operate, affirming the Government support for such initiatives.



Summer School for the local community students

“Summer School” for the students of the community where ANTEA operates is one of the most sustainable long-term programs in our company.

Two programs, “Computer Literacy” and “Learning English Language,” were organized during this summer, implemented by Liburnetik organization and supported by ANTEA. The innovative methods made the educational programs more effective, comprehensive, and easy to assimilate, focusing on advanced learning, individual and group assignment, tutorials, creative videos, etc. A knowledge test was also applied at the end of each program to evaluate the level of progress achieved by the participants.

The courses were delivered throughout summer months and were attended by 81 students from the schools of Thumana, Borizana, Fushë Mamurras, and Shpërdhet. Each of the students that participated in the summer programs was awarded with a Certificate of Participation. An award ceremony was organized at the end of the summer school and several prizes were awarded to the best-performing students, as a token of recognition.

The summer school is part of the company’s Corporate Social Responsibility Action Plan and enjoys positive feedback as well as a great support by the local community.



Road safety, a social responsibility of us all!

The wellbeing of the community and the education of younger generations are of imperative importance, key qualities that add up to the heart of ANTEA Cement CSR’s foundation. The “Road Safety” is the latest educational program realized with the partnership of SSC DDAER in community schools, where the company exerts its activity.

In the framework of this project, students at community schools were able to attend the organized information and awareness sessions on “Road Safety and Incident Prevention.” The focus of these sessions was education; introducing a culture of road safety, where safety measures, signage, and respecting the road’s code of conduct, is particularly important in children’s daily life.

Some of the sessions were attended by pre-school

teachers, professors, parents, and ANTEA’s senior executives who became part of the educational project by talking about the Road Safety initiative and the importance of being acquainted with it. ANTEA brought its experience in this topic where the Manager of Health and Safety joined the sessions by lecturing and discussing incident prevention with school students.

These informative and awareness sessions took place on school premises and were conducted in the form of an alternative education, illustrated with educational videos, pictures and drawings, accompanied by various fun games with program themes adapted to students’ age groups. SSC DDAER invited DPSHTRR to join this initiative which gave its contribution in educating the younger generations in relation to road safety.



“Hellenic Park”, the new green space for Tirana citizens.

Residents of Tirana from now on will have another recreational green space located on the outskirts of the Albanian capital, near Farka Lake. The new park, named the “Hellenic Park”, is a recent investment with the support of the Greek Embassy in Tirana and the Municipality of Tirana. ANTEA Cement is one of the companies which has contributed to the implementation of the “Hellenic Park”, as part of its community support programs.

The inauguration ceremony of the park was attended by the Ambassadors accredited in Albania, representatives from Tirana Municipality, the Mayor of Tirana, the Mayor of Athens, and representatives from Antea Cement, politicians, as well as other

representatives of Greek businesses operating in Albania.

The “Hellenic Park” is located in Farka, only 12 km from the center of capital Tirana, and covers an area of 5500 m2, conceived as a multidimensional and comprehensive space for sports activities. This Park is decorated with typical Mediterranean vegetation, as a unifying element between Albania and Greece. This park will serve for entertainment, sports, culture, and other recreational activities. The two mayors also unveiled the inauguration plaque of the park while thanking the companies, which made possible this green space in the capital.

Inauguration of the Sports Corner

Is there a better way to celebrate National Children's Day than by inaugurating a new sport facility for the children of the surrounding community?

On June 2nd, ANTEA Cement inaugurated the new sports corner within the premises of “Ismail Dema” public school in Fushë-Mamurras, consisting of a football, basketball and a volleyball field. This project is part of the CSR sustainability action plan, which after numerous impediments caused by the November 2019 earthquake and the COVID-19 pandemics was finalized successfully. If there is one thing that this pandemic taught us, it was precisely the importance of the physical health and the wellbeing of our community, of all children and grown-ups living in the area where we operate.

The inauguration ceremony was attended by ANTEA's representatives, accompanied by local

public authorities such as the mayor of Kurbin, and representatives of the Regional Education Directorate, who have supported this long-awaited project. The ceremony focused on the importance of community investments and on his behalf, Mr. Mario Bracci reaffirmed ANTEA's continued commitment to this direction by emphasizing the company's concrete initiatives to the community. Parents, teachers, and students joined ANTEA staff to take a closer look at the sports facilities located within the school grounds.

“ANTEA as a joint is mindful and attentive on how important children are, and on their imperative role in the progress and shape of society's future. This is why we will proudly continue to contribute to their development and well-being and to the development and well-being of the entire community where we operate.”



ANTEA Cement provides Covid-19 vaccines for its staff and daily contractors

Thanks to its insistence on the efficient management of the situation caused by the pandemic, ANTEA Cement, in close collaboration with public health officials, has managed to administer the Covid-19 vaccine to its staff and daily contractors. This vaccination campaign is in accordance with the priorities of the public authorities of the district of Kruja, who have declared the region a high risk “Covid-19” area due to the numerous companies that operate in it and the considerable workforce that they employ. This process was accompanied by a communication and information campaign on preventive measures

against the virus and on the importance of health and safety in the workplace. The whole campaign lasted for five days and as of today, 75 % of ANTEA's staff and daily contractors have received the vaccine. Safety protocols such as the wearing of masks, social distancing, the use of disinfectants, etc. will continue to be implemented with great rigor. Since the onset of the pandemic, ANTEA Cement, as part of TITAN Group, has launched the Employee Assistance Program, which is focused on the health and well-being of its employees and their family members.

Material Issue: Stakeholder relations and engagement

ANTEA engages in a long-term process with experts and stakeholders, seeking meaningful ways to understand society's needs and contribute to positive local impact for the communities in which it operates. We promote open dialogue and collaborative actions with stakeholders by implementing sustainability initiatives.

Our Stakeholders



Ongoing engagement with our stakeholders helps us identify issues that are important to them and prioritize our efforts on initiatives and program activities that matter to local stakeholders and helps us achieve our purpose. In order to continue contributing to the local community and to the society at large, ANTEA uses every possible means to gather the opinions and feedback of stakeholders, report these to the company's person in charge, and reflect them in the management committees, all with a focus on responding to and engaging with stakeholders needs and expectations. We use stakeholder feedback to direct our efforts on specific initiatives as well as on an ongoing basis, and this helps us to improve our approach and performance outcomes. ANTEA aims at building trust with all our stakeholders, by communicating openly and transparently, and seeking feedback to better understand the potential impact of our operations and their concerns. Furthermore, we share our knowledge, experience, and the best practices in the areas relevant to our business, to add value and contribute to the well-being of our neighboring communities. The development of significant relations with the key stakeholders has enriched ANTEA operations values by

reducing constraints on business, minimizing risks and enhancing opportunities, by better understanding the fast-changing context. We believe our commitment and achievements in terms of empowerment, sustainability and good governance have allowed us to establish a good relationship with our stakeholders. Despite an ever-changing world and business environment, the investment in CSR activities has surely improved our position towards our stakeholders. We try to communicate with our stakeholders in a direct and transparent way and ultimately succeed in carrying on and evolving together, for mutual growth and better living conditions. The most important thing to be emphasized is that we take care of our employees and invest in their development in a dedicated manner. We continue to foster different collaborations with key stakeholders, between private and public organizations for the implementation of the SDGs. As a founding member of CSR Albania Network since 2013, ANTEA strives to contribute through its expertise to the latter by running multi-stakeholder dialogue for the implementation of the Sustainable Development Goals 2030.



 Focus Area: Responsible Sourcing

 Material Issue: Responsible, reliable, and sustainable supply chain

In 2021 the market experienced high growth due to the election and significant investment in the public and residential sector.

ANTEA became the partner of choice for the largest public and private projects implemented in Albania in 2021, such as bridges, tunnels, hydropower's, roads, and post-quake reconstructions.

The company strategically aligned itself with market expansion and established ANTEA as the leading provider of cement in the country, making it stand out from the other players due to the great coordination between sales and production.

Thanks to this harmony our company achieved Record Sales Volumes since the commencement of our operation in Albania.

Despite a fierce competition, the company maintained its competitiveness and managed to balance cost increase with selling price to maintain the optimum profitability of the company.

These results came out thanks to an incredibly good team that has been restructured during this year to adapt to a constantly demanding market. ANTEA offered to people that have been working for a long time in the company the opportunity to take new challenges out of their comfort zone, and successfully prove that they can perform even better than before.

The proper focus has been placed so our customers could always receive technical support and advice thanks to our very advanced Lab and highly competent engineers, but we can also receive their feedback through open communications and customers satisfaction process.

2021 Procurement Challenges

Procurement has had a relatively good ride through the crisis of last year. This required a new level of engagement with stakeholders, better business alignment and a real sense of urgency that was developed following the much higher profile for the supply side, during the crisis.

ANTEA's Procurement Team have faced the following four core challenges:

1

Sourcing balance

Throughout the year, it was a priority to rebalance the trade-offs in sourcing decisions of the past, around cost versus risk. We had to decide whether it was still best to capture cheaper prices by sourcing overseas (particularly), yet also accept the heightened risk of non-delivery from far-away sources. Driven by securing operational supply (certainly for raw materials) to ensure business continuity, some of the priorities were reweighted. On some occasions, it was considered worth sourcing much closer to home in order to ensure delivery. A new factor in this logic was not just the risk of non-supply (China and USA), but also the increase of the cost of shipping (container shipping process has increased by up to 600% during 2021).

A new factor in this logic is not just generic risk of non-supply (it is a long way to ship goods from China, Europe or the Americas) but also the sheer cost of shipping (container shipping process have reportedly increased by up to 600% during 2021).

2

Managing inflationary times - Buying during inflation times has changed our approach to negotiation:

» We have negotiated the price increases down, not the prices down.

» We have applied stockpiling, or spot to buy to protect profitability.

» New price variation formulas have been included in the contracts, to allow managed controlled increases.

An enlarged sourcing of substitute products was introduced.

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3

Realigning to new stakeholder needs

Part of our team's success during the pandemic was building stronger stakeholder relations. Levering on this relationship was the key of determining the business priorities in 2021. The main questions our team had to address were:

» How can we utilize agile procurement approaches to speed up the sourcing (or re-sourcing) process?

» How can we determine which of our sustainable procurement strategies is more important, or and therefore more worthy of resources (time, money and effort) than others?

» How can we agree which supply lines are inherently higher risk and greater impact than others so that we can re-source more assuredly?

4

Digitizing procurement

This was one of the key challenges for procurement, during 2021. We have tried to better define the gaps between our available supply-side data and the new information & reporting demanded by our internal and external shareholders. Managing the opportunity of redefining our perfect procurement process and digitizing/automating it for ease of user experience (UX), better supply-side service, enhanced risk protection, increased compliance to policy, improved efficiency and greater spending control (and savings).



Material Issue: Customer Satisfaction

ANTEA offers a wide range of cement and concrete products to its customers, meeting the growing demand for sustainable construction. It is widely accepted that concrete exhibits some of the lowest carbon footprints among construction materials, allowing for durable construction with increased service life. In addition, responsible use of concrete enables further reductions in CO<sub>2</sub> emissions across multiple sectors.

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Good Governance, transparency, and business ethics

The way the company performs its business activities, is in line with its key governing objectives of sustainability and social responsibility. ANTEA adheres to international human rights, labor and anti-corruption standards, operating with integrity, transparency, and ethical business practices.

Compliance with high governance standards to address and manage risks related to bribery and corruption and human rights throughout the Group's operations is considered fundamental in the implementation of TITAN's sustainability strategy.

TITAN's Code of Conduct and Policies ensure, beyond compliance with applicable laws and regulations, the commitment to international norms and standards, including the UN Guiding Principles for Business and Human Rights and International Law against Bribery and Corruption. It is imperative that governance and ethics considerations are properly addressed at Group level, and this is ensured through a consistent management approach and a strong governance structure, prescribed by the Group Corporate Governance Charter.

Anti-bribery and corruption

ANTEA has continued the implementation of the TITAN Group Anti-bribery and Corruption Policy. Consistent with our values and culture, and as clearly articulated in the TITAN Code of Conduct and relevant Group Policies, the Group follows a zero-tolerance approach towards bribery, fraud and any other corruptive practice. ANTEA respects the view of the stakeholders that Anti Bribery and corruption is a significant material issue for our Country. Bribery and corruption constitute a threat for businesses and societies across the world, one that impairs ethical values, enables crime and illegal activity, undermines equal opportunities in doing business and imposes a huge financial cost on societies.

All initiatives and efforts to fight corruption are supported by and implemented through a strong organizational structure that sets clear roles and responsibilities and provides increased assurance for good governance and solid ESG performance. The Audit and Risk Committee, a Board Committee comprised by non-executive, independent board members, is delegated to oversee, among others, the risk of corruption and fraud. The Group Compliance and Anti-Fraud Department, as part of the Group Internal Audit, Risk and Compliance Department, maintains the overall responsibility to monitor compliance risks and to coordinate relevant controlling activities, in cooperation with management and the Legal Department. Our Anti-Bribery and Corruption Policy sets forth principles, rules and responsibilities, specifies high-

risk areas in which bribery and corruption may most often occur during business activities and provides guidance for preventive and detective procedures, including the performance of risk assessment activities and due diligence of third parties who perform services for or on behalf of TITAN Group.

The TITAN Group Anti-Fraud Program sets out our strategic priorities and efforts to deter and detect occupational fraud and corruption throughout the Group, aiming to provide a protection shield for assets and resources, corporate reputation and credibility, cultural strengths and operational efficiency. A comprehensive structure of anti-fraud initiatives and controls is deployed, contributing to the prevention and detection of occupational fraud as well as the response of the Group in such event.

Responding to the need for enhanced anti-fraud awareness, the Anti-Fraud Program Framework was developed during 2021 and widely communicated throughout the Group. The Framework promotes openness and transparency, provides standards and guidelines, and clarifies roles, expectations, and responsibilities on the subject of occupational fraud.

Among preventive actions, the **Fraud Risk Assessment projects**, conducted in risk areas, aim to identify and remediate potential gaps and weaknesses in the applied anti-fraud preventive controls, through consistent and effective action plans.

Compliance Program and Group Policies

Compliance risks are proactively addressed at Group level through the TITAN Group Compliance Program, an integrated system of relevant activities, mechanisms and controls that aim to provide adequate assurance that compliance risks are timely identified, properly assessed and effectively mitigated. The Compliance Program reinforces compliance culture, ensures adherence to compliance requirements and fosters ethical behavior.

The Code of Conduct and a set of Group Policies, applicable to ANTEA, covers all strategic areas and provides guidelines to employees and external business collaborators (i.e., vendors, customers), to ensure compliance with the applicable internal and statutory requirements.

Group Policies include, but are not limited to:



All TITAN Group employees have free and unrestricted access to the Group Policies, which are available on the Group Policies Repository in the Group Intranet. A separate section offers translations of Group policies in all local languages. Group policies are also communicated to our internal and external stakeholders through our website (<https://www.titan-cement.com/about-us/corporate-governance/group-policies>).

A key hallmark of the TITAN Group Compliance Program is awareness, training and continuous advice, as we consider it imperative that our people are adequately informed and supported in this continuous effort. To this end, the second phase of the TITAN Group Policies Awareness Program, comprising e-learning, and assessment tests for the Code of Conduct and the set of Sustainability and Social Responsibility Policies, was implemented during 2021.

Human rights

Human rights are a material issue for employees and TITAN suppliers, local communities, but also regulators and civil society organizations. TITAN Group is committed to respecting fundamental human and labor rights, in full alignment with international norms and standards in all operations. Accordingly, an overview of potential risks to be addressed both in the workplace and in the supply chain is an integral part of the materiality assessment process that covers all countries in which the Group currently operates. As a follow up, a country-specific risk assessment is planned for 2022, as there are considerable differences in the enforcement of international human rights norms from country to country. A certain priority for the Group is the protection of labor rights and safe working conditions among contractors' employees, particularly under the extraordinary conditions of COVID-19.

We have not identified consequences in the areas of environment, human rights or/and anti-bribery and corruption compared to the pre-pandemic period. We measure the progress on these objectives through a set of key performance indicators, corresponding to advanced criteria which satisfy the Communication on Progress requirements of the UN Global Compact Network.

Human rights are one of the key subject areas of the TITAN Group Compliance Program, which provides a well-structured framework to address relevant activities in a disciplined and holistic way across the Group. The set of commitments are clearly articulated in the TITAN Group Human Rights Policy. Among the practices that are strictly prohibited are forced labor (including slave labor), human trafficking, and inhumane treatment of workers, child labor and discrimination.

The TITAN Group Procurement Policy, released in

2021, clearly sets as a prerequisite for our suppliers to comply with all laws and regulations and respect human and labor rights in their business activities, and to establish a safe working environment. Contractual clauses embedded in contracts describe in detail the above requirements.

Diversity and inclusion are also identified as priorities for the Group, acknowledging their importance of this issue both for the business and for key stakeholders, including suppliers, customers and local communities in addition to our employees. Our strong commitment is to maintain an environment where everyone has a strong sense of belonging and inclusion, preserve ethnic diversity and not tolerate discrimination, bullying or harassment. In 2021, our Diversity, Equity and Inclusion Policy was approved by the Group Executive Committee and launched in 2022.

Intensifying our efforts to ensure compliance not only with regulatory but also with ESG requirements, and a responsible supply chain, a comprehensive Third-Party Due Diligence system, supported by an online tool, was fully developed in 2021 and is ready to put in operation. The objective is to provide across the Group the possibility for effective, fast, reliable and efficient due diligence, through a risk-based selection of counterparties, to provide adequate assurance and ongoing monitoring over sanctions risks, ESG risks, other regulatory concerns and reputational risks.

The EthicsPoint platform is an anonymous and strictly confidential channel for reporting incidents of non-compliance, reiterating TITAN's openness and transparency, safeguarding good governance and integrity. Some members from management team oversee the investigation and handling of reports, ensuring confidentiality and non-retaliation for whistleblowers.



# ESG Performance Statements

## TITAN's approach for ESG Performance reporting and adopted by ANTEA Cement SH.A. in this Report

In 2021 the approach of TITAN Group for integrated ESG Performance reporting on the basis of voluntary commitments to IIRC principles, UNGC Communication on Progress according to Criteria Advanced Level, GCCA Charter and Guidelines, and connection with the Sustainability Accounting Standards Board (SASB) Framework, was expanded for covering the Regulatory requirements of the EU Taxonomy Regulation (in brief: EU Taxonomy), and the TCFD requirements for climate-related risks.

In more specific about the EU Taxonomy: TITAN encompassed in the TITAN Integrated Annual Report 2021 (in brief: TITAN IAR 2021) the requirements of the EU Taxonomy (Regulation (EU) 2020/852), as supplemented with the respective Commission Delegated Regulation EU 2021/2178 of 6 July 2021 in specific for climate change mitigation and adaptation. The Regulation specifies the content and presentation of information to be disclosed by undertakings concerning environmentally sustainable economic activities, and the methodology to comply with that disclosure obligation. TITAN complies in the TITAN IAR 2021 with the requirements on disclosures pursuant to Article 8 of the Regulation, for its EU Taxonomy-eligible economic activities in their total turnover, capital, and operational expenditures, these being the key performance indicators (KPIs) set by the Regulation and provides qualitative information (description) for its Taxonomy-eligible activities and investments. TITAN acknowledges that the requirements for the EU Taxonomy reporting is linked to the EU Non-Financial Reporting Directive (NFRD), which allows subsidiaries to meet their reporting obligations if the reporting is addressed by the 'mother' company. In this case, no separate report from the ANTEA Cement SH.A. as TITAN's subsidiary is required for the requirements of the EU Taxonomy.

Baseline years: For committing on targets 2025 and reporting on progress for all other environmental parameters except CO2, the base line year is 2020. Also 2020 is used as base line for SBTi Targets on CO2 emissions. For CO2 emissions other than SBTi the baseline year for relevant target(s) is 1990 in line with the Kyoto Protocol.

Changes in the structure and content of this Report: Materiality: TITAN's framework of material issues, as outcomes of the last cycle for materiality assessment

for the Group (2019), is presented in in Table below of the ESG Statements. In this framework we have connected the outcomes of BUs' materiality, again following the outcomes of assessment in the most recent cycle for each country/BU level completed between 2020-2021. The connections provide a more inclusive approach of materiality for TITAN, which is seen as a bottom-up and top-down approach and combines the merits of BU level analysis and engagement with the Group level blueprint and guidance. Restructuring of the ESG KPIs Index: All disclosures for the performance KPIs for the areas of Environment, Social and Governance, were restructured by following the outcomes of materiality assessment on Group level, with using the "compass" of TITAN's Focus Areas. The respective KPIs for ESG performance were aligned according to material issues mostly relevant under each of the Focus Areas. The new approach for our ESG Statements aimed at providing to the external as well as internal stakeholders an efficient flow of metrics around disclosures of performance focused on TITAN's materiality framework and connected with TITAN's targets 2025 and beyond. See Tables below aligned with the focus areas of TITAN's materiality: 1. Decarbonization and Digitalization, 2. Growth-enabling work environment, 3. Positive local impact, and 4. Responsible sourcing. All underpinned by 5. Good governance, transparency, and business ethics.

New disclosures under the Focus Area Decarbonization and Digitalization, Page 58: Scope 1 gross and net direct CO2 emissions, also with regional performance data and % clinker production emissions coverage rate, Scope 2 CO2 emissions, and Scope 3 emissions, also with regional performance data, % clinker production emissions coverage rate, and specific CO2 emissions per t cementitious product. Also, we report on Sustainable products as part of our cement production, disclosed as %cement production, and annual investment in Research and Innovation.

New disclosures under the Focus Area Growth-enabling work environment, Page 62: We added the KPIs for Wellbeing initiatives for employees, % Turnover breakdown by gender and age structure, %share of employees with performance evaluation and % Share female employees with performance evaluation.

Under the Focus Area Positive local impact, Page 70, we added the KPIs: % employees from local communities, % Share of Internships from local community, total number of Initiatives under community engagement plans, total number of

participants to community engagement plans, TITAN employees as volunteers to community engagement plans, total amount of "social investment" for the implementation of these community engagement plans, and blood donations (TITAN employees, business partners and communities)

Under the Focus Area Responsible sourcing, Page 74, we added KPIs for: water withdrawal and discharge, % water demand covered with recycled water, also regional performance in water consumption, regional performance in specific thermal energy consumption, Group performance and regional performance in specific electrical energy consumption, % renewable energy as part of total electrical energy consumption, number of integrated cement plants with "Zero Waste to Landfill" certification, and Key suppliers meeting TITAN ESG standards.

Last, under the Focus Area Good governance, transparency, and business ethics, we added the information for: KPI for Grievance mechanism (EthicsPoint) coverage, % Unionized employees, and % Employees covered by Collective Bargain Agreements.

New and revised Tables under the ESG Statements as new KPIs and supplementary information supporting

our disclosures for Governance: ESG Policies, Political contributions & Fines and other non-monetary sanctions, Environmental Audits, Management Systems, Report on Payments to Governments for extractive operations, and Notes for Value Creation Indicators.

See Notes below for facilitating the ESG performance statements review.

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

UNGC: TITAN follows the reporting requirements for meeting the criteria of UN Global Compact concerning to a Communication on Progress (COP) Advanced Level.

UNCTAD: TITAN has adopted under its reporting framework the applicable KPIs according to the Guidance of UNCTAD, as supplementary to the above Reporting Standards.

SASB: TITAN aligns its reporting on ESG performance with the Sustainability Accounting Standard Board (SASB).





1. Material Issues

TITAN Group

Future-ready business model for a carbon neutral world
Safe and healthy working environment
Good Governance, transparency and business ethics
Diverse and inclusive workplace
Positive local social, economic and environmental impact
Innovation with emphasis on digital and de-carbonization
Continuous development of our people
Reliable and sustainable supply chain
Resource efficiency, recycling and recovery, contributing to circular economy

Albania

Safe and healthy working environment for our employees and business partners
Employee engagement, continuous development and wellbeing
Customer satisfaction
Good governance, transparency, and business ethics
Supporting our local communities well-being
Environmental management
Responsible, reliable, and sustainable supply chain
Stakeholder relations and engagement
Climate change and energy
Business model innovation

Material Issues Antea / TITAN Group FOCUS AREAS	1. De-carbonization and digitalization	2. Growth-enabling work enviroment	3. Positive local impact	4. Responsible sourcing	5. Good governance, transparency and business ethics
1 Safe and healthy working environment for our employees and business partners		x			
2 Employee engagement, continuous development, and well-being		x			
3 Customer satisfaction				x	
4 Good governance, transparency, and business ethics					x
5 Supporting our local communities well-being			x		
6 Environmental management			x	x	
7 Responsible, reliable, and sustainable supply chain				x	
8 Stakeholder relations and engagement			x		
9 Climate change & energy	x				
10 Business model innovation	x				
x strong connection with TITAN Group Focus Area					
x connection with TITAN Group Focus Area					

Notes

The first column of the Table above provides the order of prioritization of the material issues for TITAN and ANTEA Cement SH.A., according to the outcomes of the materiality assessment of the last cycle in 2020 and 2021.

About definitions:

The boundaries of reporting for each material issue are defined by the principles of “materiality”, “relevance”, “conciseness”, “consistency”, and “connectivity” aligned with the guidance of the International Integrated Reporting Council (IIRC):

Materiality

A matter is material if it is of such relevance and importance2 that it could substantively influence the assessments of providers of financial capital with regard to the organization's ability to create value over the short, medium and long term. In determining whether or not a matter is material, senior management and those charged with governance should consider whether the matter substantively affects, or has the potential to substantively affect, the organization's strategy, its business model, or one or more of the capitals it uses or affects.

Relevance

Relevant matters are past, present or future matters that impact or may impact the organization's strategy, its business model or one or more of the capitals and thus ultimately affect the organization's ability to create value over time. Identifying relevant matters for inclusion in the integrated report includes identifying the population of potentially relevant matters and narrowing these down to matters that are relevant for inclusion in the integrated report. Information about relevant matters will have either, or both, predictive value or confirmatory value with respect to intended users' decisions.

Conciseness

Disclosures about material matters should include concise information that provides sufficient context to make the disclosures understandable and should avoid information that is redundant in nature.

Consistency and comparability

Reporting policies should be followed consistently from one period to the next unless a change is needed to improve the quality of information reported. This includes using the same KPIs to report on the same matters if they continue to be material across reporting periods. When a significant change has been made, the organization explains the reason for the change, describing (and quantifying if practicable and material) its impact. Comparability of reported information is intended to enable comparison with other organizations to the extent it is material to the organization's own ability to create value over time.

Connectivity

Connectivity is intended to address the connection between financial and non-financial information, in order to provide a holistic view of the combination, interrelatedness and dependencies between all the factors that affect the organization's ability to create value over time.

1. Sources: 'Materiality Background Paper for <IR>' (IIRC, 2013), and 'The International <IR> Framework' (IIRC 2013). Further information about the IIRC can be found on its website [www.theiirc.org](http://www.theiirc.org).

2. TITAN uses the equivalent term 'significance'.





## 2. ESG Key Performance Indicators (KPIs)

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

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

##### Cement and cementitious production activities

code	ESG Performance Indicators	Unit	2021	2020	2019	GCCA	UNGC	UNCTAD	SASB	SDGs and Targets
1.1	Scope 1 gross CO2 emissions <sup>2</sup>	million t	0.8	0.7	0.7	•	•	•	EM-CM-110a.1	SDG 9.4 SDG 9.4
1.2	Scope 1 gross CO2 emissions covered under limiting regulations	%	0.0	0.0	0.0		•	•	EM-CM-110a.1	
1.3	Scope 1 gross CO2 emissions coverage rate <sup>1</sup>	% Clinker production	100.0	100.0	100.0					
1.4	Scope 1 net CO2 emissions	million t	0.8	0.7	0.7	•	•	•		
1.5	Scope 1 net CO2 emissions coverage rate <sup>1</sup>	% Clinker production	100.0	100.0	100.0					
1.6	Scope 1 specific gross CO2 emissions	kg/t Cementitious Product	646.81	640.41	638.22	•	•			
1.7	Scope 1 specific net CO2 emissions	kg/t Cementitious Product	646.81	640.40	637.64	•	•			
1.8	Scope 2 CO2 emissions <sup>3</sup>	million t	0.0	0.0	0.0	•	•	•		
1.9	Scope 2 CO2 emissions coverage rate <sup>1</sup>	% Clinker production	100.0	100.0	100.0					
1.10	Scope 2 specific CO2 emissions <sup>1</sup>	kg/t Cementitious Product	1.44	1.40	1.40					
1.11	Scope 3 CO2 emissions <sup>1,4,5</sup>	million t	0.1	n/a	n/a					
1.12	Category 1 - Purchased goods and services <sup>1,5</sup>	million t	0.0	n/a	n/a					
1.13	Category 3 - Fuel and energy related activities <sup>1,5</sup>	million t	0.0	n/a	n/a	•	•			
1.14	Category 4 - Upstream transportation and distribution <sup>1,5</sup>	million t	0.0	n/a	n/a	•	•			
1.15	Category 6 - Business travels <sup>1,5</sup>	million t	0.0	n/a	n/a		•	•		
1.16	Category 7 - Employee commuting <sup>1,5</sup>	million t	0.0	n/a	n/a	•	•	•		
1.17	Category 9 - Downstream transportation and distribution <sup>1,5</sup>	million t	0.0	n/a	n/a					
1.18	Scope 3 CO2 emissions coverage rate <sup>1,5</sup>	% Clinker production	100.0	n/a	n/a					
1.19	Scope 3 specific CO2 emissions <sup>1,5</sup>	kg/t Cementitious Product	59.86	89.86	n/a					
1.20	Conventional fossil fuels substitution rate	% Heat	100.0	100.0	99.7					
1.21	Alternative fuel substitution rate	% Heat	0.0	0.0	0.3					
1.22	Biomass in fuel mix <sup>6</sup>	% Heat	0.0	0.0	0.0					
1.23	Fuel mix, energy consumption for clinker and cement production	% Heat	100.0	100.0	100.0					SDG 7.2 SDG 12.2 SDG 13.1
1.24	Conventional fossil fuels	% Heat	100.0	100.0	99.7					
1.25	Coal, anthracite, and waste coal	% Heat	72.5	0.0	0.0					
1.26	Petroleum coke	% Heat	0.0	72.6	76.0					
1.27	Lignite	% Heat	0.0	0.0	0.0					



code	ESG Performance Indicators	Unit	2021	2020	2019	GCCA	UNGC	UNCTAD	SASB	SDGs and Targets
1.28	Other solid fossil fuel	% Heat	27.2	27.1	23.3					
1.29	Natural gas	% Heat	0.0	0.0	0.0					
1.30	Heavy fuel (ultra)	% Heat	0.2	0.3	0.4					
1.31	Diesel oil	% Heat	0.1	0.0	0.0					
1.32	Gasoline, LPG (Liquified petroleum gas or liquid propane gas)	% Heat	0.0	0.0	0.0					
1.33	Alternative fossil and mixed fuels	% Heat	0.0	0.0	0.3					
1.34	Tyres	% Heat	0.0	0.0	0.0					
1.35	RDF	% Heat	0.0	0.0	0.0					
1.36	Impregnated saw dust	% Heat	0.0	0.0	0.0	•	•	•		
1.37	Mixed industrial waste	% Heat	0.0	0.0	0.3	•	•	•	EM-CM-130a.1	
1.38	Other fossil based and mixed wastes (solid)	% Heat	0.0	0.0	0.0	•	•	•	EM-CM-130a.1	
1.39	Biomass fuels	% Heat	0.0	0.0	0.0		•			
1.40	Dried sewage sludge	% Heat	0.0	0.0	0.0		•			
1.41	Wood, non-impregnated saw dust	% Heat	0.0	0.0	0.0		•			
1.42	Agricultural, organic, diaper waste, charcoal	% Heat	0.0	0.0	0.0		•			
1.43	Other	% Heat	0.0	0.0	0.0		•			
1.44	Alternative fuels consumption (total)	t	0.0	6.0	356.0		•			
1.45	Clinker to cement ratio	%	77.74	76.50	77.16		•			
1.46	Lower carbon products as part of our cement production <sup>1,5,7</sup>	% Cement production	80.6	85.1	n/a		•			

### Notes

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

Standards: For the reporting standards under TITAN's Global Sectoral Approach, namely the GCCA, UNGC, UNCTAD and SASB, please refer to the section "TITAN's approach for ESG Performance reporting" in the ESG performance statements.  
Guidance: TITAN follows the GCCA Sustainability Framework Guidelines, and the Sustainability Guidelines for the monitoring and reporting of CO<sub>2</sub> emissions from cement manufacturing, and coprocessing fuels and raw materials. The above Guidelines had superseded before 2021 the previous – and respective – Guidelines of the WBCSD/CSI, which were the guidance for measuring, reporting and verifying environmental performance until (and including) year 2018. For the Sector standards, see details in Table 2.5.7 "Sector Standards for the Non-financial disclosures in 2021".

#### Notes on specific KPIs

**1.** New indicator.

**2.** Direct CO<sub>2</sub> emissions related to the operation of TITAN's cement production facilities.

**3.** Indirect CO<sub>2</sub> emissions related to emissions released for the production of the electrical energy consumed at TITAN's cement production facilities. For their calculation, we use emission factors provided by the supplier of the electrical energy or other publicly available data sources.

**4.** Indirect CO<sub>2</sub> emissions related to the emissions of the supply chain.

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

**6.** Biomass rate corresponds to the percentage of total thermal energy consumption that comes from renewable energy sources.

**7.** Lower carbon products refer to produced cement types with a carbon footprint that is at least 10.0% lower than that of a typical OPC type as well as any cementitious product sold to be used as cement or concrete additive.

#### Notes for connection of KPIs with the SASB Standards

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

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



2.2 Focus area: Growth-enabling work environment

2.2.1 Material issue: Safe and healthy working environment

All activities

code	ESG Performance Indicators	Unit	2021	2020	2019	GCCA	UNGC	UNCTAD	SASB	SDGs and Targets
2.1	Employee fatalities	#	0	0	0	•	•	•		SDG 3.6
2.2	Employee fatality rate	#/104 persons	0.00	0.00	0.00	•	•	•		SDG 3.8
2.3	Contractors fatalities	#	0	0	0	•	•	•		SDG 4.3
2.4	Third-party fatalities	#	0	0	0	•	•	•		SDG 8.8
2.5	Employee Lost Time Injuries (LTIs)	#	1	0	1	•	•	•		
2.6	Employee Lost Time Injuries Frequency Rate (LTIFR)	#/10 <sup>6</sup> h	2.90	0.00	3.99	•	•	•	EM-CM-320a.1	
2.7	Employee lost working days <sup>1</sup>	d	61	0	110	•	•			
2.8	Employee Lost Time Injuries Severity Rate <sup>1</sup>	d/10 <sup>6</sup> h	177.2	0.0	325.0	•	•	•		
2.9	Contractors Lost Time Injuries (LTIs)	#	1	2	1	•	•	•		
2.10	Contractors Lost Time Injuries Frequency Rate (LTIFR)	#/10 <sup>6</sup> h	2.02	4.72	2.03	•	•	•	EM-CM-320a.1	

All activities

2.11	Near misses	#	28	14	26		•		EM-CM-320a.1	SDG 3.6
2.12	Training man-hours on health and safety per employee <sup>2</sup>	h/person	10.97	4.20	15.06		•	•		SDG 3.8
2.13	Training man-hours on health and safety per contractor <sup>2</sup>	h/person	2.86	2.36			•	•		SDG 4.3
2.14	Expenditures for Health and Safety <sup>3,6</sup>	€	390,431	296,861	n/a		•	•		SDG 8.8

Cement production activities

2.15	Employee fatalities	#	0	0	0	•	•	•		SDG 3.6
2.16	Employee fatality rate	#/104 persons	0.00	0.00	0.00	•	•	•		SDG 3.8
2.17	Contractors fatalities	#	0	0	0	•	•	•		SDG 4.3
2.18	Third-party fatalities	#	0	0	0	•	•	•		SDG 8.8
2.19	Employee Lost Time Injuries (LTIs)	#	1	0	1	•	•	•		
2.20	Employee Lost Time Injuries Frequency Rate (LTIFR)	#/10 <sup>6</sup> h	2.90	0.00	3.99	•	•	•	EM-CM-320a.1	
2.21	Employee lost working days	d	61	0	110	•	•			
2.22	Employee Lost Time Injuries Severity Rate <sup>1</sup>	d/10 <sup>6</sup> h	177.2	0.0	325.0	•	•	•		
2.23	Contractors Lost Time Injuries (LTIs)	#	1	2	1	•	•	•		
2.24	Contractors Lost Time Injuries Frequency Rate (LTIFR)	#	7	n/a	n/a					



## 2.2.2 Material issue: Diverse and Inclusive workplace

code	ESG Performance Indicators	Unit	2021	2020	2019	GCCA	UNGC	UNCTAD	SASB	SDGs and Targets
2.25	Average employment, BU total <sup>4</sup>	#	192	191	192		•			SDG 5.4 SDG 8.5 SDG 8.6 SDG 8.8 SDG 10.3
2.26	Number of employees as of 31 December, BU total	#	190	190	193		•			
2.27	Employee turnover per gender, BU average <sup>3</sup>	%	6.84	6.84	8.81		•			
2.28	Females	%	3.68	1.05	2.07					
2.29	Males	%	3.16	5.79	6.74					
<i>Employee turnover per age group</i> <sup>3,5,6</sup>										
2.30	Under 30	%	15.00	62.00	35.00					
2.31	Between 30-50	%	85.00	38.00	65.00					
2.32	Over 50	%	0.00	0.00	0.00					
2.33	Employees left, BU total <sup>5</sup>	#	13	13	17		•			
<i>Employees left per age group</i> <sup>3</sup>										
2.34	Under 30	#	2	8	6					
2.35	Between 30-50	#	11	5	11					
2.36	Over 50	#	0	0	0					
<i>Employees left per gender</i> <sup>3</sup>										
2.37	Females	#	7	2	4					
2.38	Males	#	6	11	13					
2.39	Employee new hires, BU average <sup>5</sup>	%	6.84	6.00	7.77		•			
2.40	Employee new hires, BU total <sup>5</sup>	#	13	12	15		•			
<i>Employee new hires per gender</i> <sup>5</sup>										
2.41	Females	#	3	3	4		•			
2.42	Males	#	10	9	11		•			
<i>New hires per age group</i> <sup>5</sup>										
2.43	Under 30	#	7	7	10		•			
2.44	Between 30-50	#	6	5	5		•			
2.45	Over 50	#	0	0	0		•			
<i>Employment per type</i> <sup>5</sup>										
2.46	Full time	#	189	189	192		•			
2.47	Part Time	#	1	1	1		•			
2.48	Temporary	#	0	0	0		•			



code	ESG Performance Indicators	Unit	2021	2020	2019	GCCA	UNGC	UNCTAD	SASB	SDGs and Targets
<i>Employment per category<sup>5</sup></i>										
2.49	Managers	#	22	21	21		•			SDG 5.4
2.50	Senior managers	#	3	3	3		•			SDG 8.5 SDG 8.6 SDG 8.8 SDG 10.3
2.51	Administration/technical	#	70	70	74		•			
2.52	Semi skilled/unskilled	#	95	96	95		•			
<i>Employment per gender<sup>5</sup></i>										
2.53	Females	#	17	21	21		•			SDG 5.4 SDG 8.5 SDG 8.6 SDG 8.8 SDG 10.3
2.54	Males	#	173	169	172		•			
2.55	Share of women in employment, BU average <sup>5</sup>	%	8.95	11.05	10.88		•			
2.56	Share of women in management, BU average <sup>5</sup>	%	4.00	4.17	8.33		•	•		
2.57	Share of women in Senior Management, BU average <sup>5</sup>	%	0.00	0.00	0.00		•	•		
<b>2.2.3 Material issue: Continuous development of our people</b>										
2.58	Training investment per (trained) employee, BU average <sup>3,5</sup>	€	205	56	181		•	•		SDG 4.3 SDG 4.4 SDG 5.1 SDG 5.5 SDG 8.5 SDG 10.2 SDG 10.3 SDG 16.5
2.59	Training investment, BU total <sup>3</sup>	€	40,240	10,272	35,772		•	•		
<i>Training investment per gender, BU total<sup>3,5</sup></i>										
2.60	Females	€	2,020	591	8,266		•	•		
2.61	Males	€	38,220	9,681	27,506		•	•		
2.62	Trained employees, BU total <sup>5</sup>	#	196	182	198		•			
2.63	Share of trained employees (in total workforce), BU average <sup>5</sup>	%	103.00	96.00	100.00		•			
2.64	Share of trained female employees (in total female employees), BU average <sup>5</sup>	%	118.00	95.24	100.00		•			
<i>Trained employees per category, BU total<sup>5</sup></i>										
2.65	Managers	#	23	22	22					
2.66	Senior Managers	#	3	4	3					
2.67	Administration/technical	#	74	67	78					
2.68	Semi skilled/Unskilled	#	96	89	95					
<i>Trained employees per age group, BU total</i>										
2.69	Under 30	#	36	35	47		•			SDG 4.3 SDG 4.4 SDG 5.1 SDG 5.5 SDG 8.5 SDG 10.2 SDG 10.3 SDG 16.5
2.70	Between 30-50	#	123	114	116		•			
2.71	Over 50	#	37	33	35		•			
2.72	Training hours, BU total	#	5,416	2,018	5,913		•	•		



code	ESG Performance Indicators	Unit	2021	2020	2019	GCCA	UNGC	UNCTAD	SASB	SDGs and Targets
<i>Trained employees per age group, BU total</i>										
2.73	Average training hours per employee (over the total number of direct employees), and breakdown per gender, BU total <sup>5</sup>	#	29.00	11.00	31.00		•	•		
2.74	Average female	#	24.00	13.00	36.00					
2.75	Average male	#	29.00	10.00	30.00					
<i>Training hours per subject, BU total</i>										
2.76	Company on-boarding <sup>3,6</sup>	#	0	0						
2.77	Compliance	#	709	465	366				•	
2.78	CSR and Sustainability	#	137	5	113				•	
2.79	Digital <sup>3,6</sup>	#	144	0						
2.80	Environment	#	359	178	278					
2.81	Foreign languages	#	122	120	65					
2.82	Functional competence	#	70	2	293					
2.83	Generic competence	#	590	4						
2.84	Health and safety	#	2,107	802	2,898					
2.85	Managerial skills	#	170	0	152					
2.86	Other	#	149	190	206					
2.87	Security	#	0	0						
2.88	Technical know-how	#	859	253	1,542					
2.89	Share of employees with performance evaluation, BU average <sup>3</sup>	%	39.00	26.00	n/a					
2.90	Share of female employees with performance evaluation, BU average <sup>3</sup>	%	16.00	14.00	n/a					

**Notes**  
**Notes for the external verification, standards, guidance, and terms used**  
Standards: For the reporting standards under TITAN's Global Sectoral Approach, namely the GCCA, UNGC, UNCTAD and SASB, please refer to the section 'TITAN's approach for ESG Performance reporting' in the ESG performance statements.  
Guidance: TITAN follows the GCCA Sustainability Framework Guidelines, and the Sustainability Guidelines for the monitoring and reporting of safety in cement and concrete manufacturing (last edition in February 2020). This document has been agreed within the GCCA to have extended application to concrete and other related activities.

**Notes on specific KPIs**

- Figure for 2020 was adjusted to include previously unreported data.
- The KPI was calculated for closing of the reporting period 2020 in accordance with the practice for all Safety data, being the use of "Average Employment" (see Note 3 below). This is consistent with all years prior to 2021.
- New KPIs and other notes:
  - "Wellbeing initiatives" was introduced in this report for providing the total number of initiatives which aim to support employees on all dimensions of the TITAN Health and Wellbeing framework (the four dimensions are: physical, mental, social, and financial), in a holistic and integrated way. The KPI aims to strengthen our reporting on performance for the Material Issue Safe and healthy working environment, under the Focus Area Growth-enabling work environment.
  - "Employee turnover per gender" (females and males), "Employee turnover per age group" (under 30, between 30-50, and over 50), "Employees left per age group", and "Employees left per gender", were introduced for the first time in this report, to enlarge the coverage of TITAN's disclosures on performance related to the Material Issue Material Issue Diverse and Inclusive workplace.

- Also new KPIs were introduced for TITAN's disclosure of performance related to the Material Issue Continuous development of our people, in specific: "Share of employees with performance evaluation", and "Share of female employees with performance evaluation". TITAN follows an inclusive approach for increasing the coverage of employees under the performance evaluation programs on each BU level and engages employees from all categories or employment (managers and senior managers, administration/technical, and employees in the category semi-skilled/unskilled).
- Last, for the definition of KPI "Training Investment" see the section 2.5.8 "Notes for Value Creation Indicators".

- The calculation of the KPI "Average Employment" was made according to Belgian Law (sec. 165 XIVB of RD of 30 January 2001).
- Other notes for KPIs calculated on the basis of "Average Employment": As of 2019, the specific KPIs are calculated on the basis of the number of employees as of 31 December. Figures for the KPI "Share of trained female employees (in total female employees)" which were calculated above 100% (because of the Turnover for Females, or other reasons) needed to be reported as 100%. The total hours of training under the subject area "Environment" cover also the hours of training for the topics related to "Decarbonization" which was introduced as a new subject area in the last quarter of 2021 and accounted for insignificant in the total hours of training on Group level.
- Relevant information is not available for the specific years denoted as 'n/a'.

**Notes for connection of KPIs with the SASB Standards**  
Connection of ESG performance indicators with the metric EM-CM-320a.1 according to SASB Standards, under the area "Workforce Health and Safety", and in specific for the near misses and frequency rate for full-time employees, and contract employees.



2.3 Focus area: Positive local impact

Air emissions

Cement production activities

code	ESG Performance Indicators	Unit	2021	2020	2019	GCCA	UNGC	UNCTAD	SASB	SDGs and Targets
3.1	Coverage rate continuous measurement	%	100.0	100.0	100.0	•	•		EM-CM-120a.1	SDG 3.9 SDG 9.4
3.2	Specific dust emissions	g/t Clinker	3.6	4.0	5.4	•	•		EM-CM-120a.1	
3.3	Specific NOx emissions	g/t Clinker	793.6	743.8	830.2	•	•		EM-CM-120a.1	
3.4	Specific SOx emissions	g/t Clinker	13.6	13.7	16.0	•	•		EM-CM-120a.1	
3.5	Integrated cement plants and cement grinding plants with certified Environmental Management System (ISO 14001 or similar)	% of plants	100.0	100.0	100.0		•			

All activities

3.6	Environmental complaints <sup>1,2</sup>	#	0	0	0		•	•		
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Rehabilitation

Cement production and aggregates activities

3.7	Sites with rehabilitation plans <sup>3,6</sup>	%	100.0	100.0	100.0	•	•		EM-CM-120a.1	SDG 15.3 SDG 15.4 SDG 15.9 SDG 15a
3.8	Sites rehabilitated areas over affected areas (cumulative) <sup>3,6,7</sup>	%	17.2	14.9	n/a	•	•		EM-CM-120a.1	
3.9	Sites with Environmental Management System (ISO14001 or similar)	%	100.0	100.0	100.0	•	•		EM-CM-120a.1	

Biodiversity

Cement production and aggregates activities

3.10	Sites in high biodiversity value areas <sup>3,4</sup>	#	0	0	0		•	•		SDG 15.3 SDG 15.4 SDG 15.9 SDG 15a
3.11	Sites with biodiversity management plans <sup>3,5</sup>	#	0	0	0	•	•		EM-CM-120a.1	
3.12	Sites with biodiversity management plans	%	-	-	-	•	•		EM-CM-120a.1	

Investments in environmental protection

All activities

3.13	Environmental expenditures across all activities <sup>8</sup>	million €	0.3	0.2	0.4	•	•		EM-CM-120a.1	SDG 7b SDG 9.4
3.14	Environmental management	million €	0.1	0.1	0.4	•	•		EM-CM-120a.1	
3.15	Reforestation	million €	0.0	0.0	0.0	•	•		EM-CM-120a.1	
3.16	Rehabilitation	million €	0.0	0.0	0.0	•	•		EM-CM-120a.1	
3.17	Environmental training and awareness building	million €	0.0	0.0	0.0	•	•		EM-CM-120a.1	
3.18	Application of best available technologies	million €	0.2	0.0	0.0	•	•		EM-CM-120a.1	
3.19	Waste management	million €	0.0	0.0	0.0	•	•		EM-CM-120a.1	



2.3.2 Material issue: Social positive impact

code	ESG Performance Indicators	Unit	2021	2020	2019	GCCA	UNGC	UNCTAD	SASB	SDGs and Targets
3.20	Donations <sup>9</sup>	€					•	•	EM-CM-120a.1	SDG 2.1
3.21	Donations in cash <sup>9</sup>	€	190,079	194,398	257,231		•	•	EM-CM-120a.1	SDG 2.3
3.22	Donations in kind <sup>9</sup>	€					•	•	EM-CM-120a.1	SDG 4.3
3.23	Employees from local community <sup>10</sup>	%	49.47	48.00	47.00				EM-CM-120a.1	SDG 4.4
3.24	Internships	#	3	-	10		•			SDG 9.3
3.25	New entry level jobs from internships/traineeships	#	-	-	1		•			
3.26	Internships from Local Community <sup>2</sup>	%	1.00	0.00	5.00					
3.27	Total number of Initiatives under Community Engagement Plans <sup>1</sup>	#	12	n/a	n/a					
3.28	Blood donations (TITAN employees, business partners and communities) <sup>1</sup>	#	30.0	n/a	n/a					

2.3.3 Material issue: Economic positive impact

3.29	Local Spend <sup>9</sup>	%	59.20	61.94	62.84		•	•		
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Notes

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

Standards: For the reporting standards under TITAN's Global Sectoral Approach, namely the GCCA, UNGC, UNCTAD and SASB, please refer to the section "TITAN's approach for ESG Performance reporting" in the ESG performance statements.  
Guidance: TITAN follows the GCCA Sustainability Framework Guidelines, and the Sustainability Guidelines for the monitoring and reporting of emissions from cement manufacturing, and quarry rehabilitation and biodiversity management. The above Guidelines had superseded before 2021 the previous – and respective – Guidelines of the WBCSD/CSI, which were the guidance for measuring, reporting and verifying environmental performance until (and including) year 2018. For the Sector standards, see details in Table "Sector Standards for the Non-financial disclosures in 2021".

Notes on specific KPIs

1. New indicators. More details:  
- "Internships from Local Community", "Total number of Initiatives under Community Engagement Plans", "Total number of Participants to Community Engagement Plans", "TITAN Employees, volunteers to Community Engagement Plans", "Total amount of 'social investment' for the implementation of the Community Engagement Plans", and "Blood donations (TITAN employees, business partners and communities)" were introduced as new KPIs in this report for strengthening our disclosures on performance related to the Material Issue "Social positive impact".  
In more specific:

- The number of "Internships from Local Community" is calculated as %share of Interns (students or other) who are residents from the local communities, over the total number of Internships, as reported by the KPI "Internships".
- The KPIs of "Total number of Participants to Community Engagement Plans", "TITAN Employees, volunteers to Community Engagement Plans", and "Total amount of 'social investment' for the implementation of the Community Engagement Plans" are related to the KPI "Key operations with Community Engagement Plans related to material issues and Group policies" which was incorporated for the first time in the ESG performance statements in the TITAN IAR 2020. In 2021 TITAN progressed with the implementation of a new framework guidance for Community Engagement Plans across all BUs and strengthened its approach. The discussion on performance in 2021 is provided in the Management report, section "ESG performance review", for Material issue: "Social positive impact". Few definitions for providing more clarity about TITAN's approach to stakeholders engagement in communities, are as follows:
  - "Inform" refers to: Provide (local) Stakeholders with info on the BU Materiality Assessment outcomes and the ESG targets, and assist in understanding problems, alternatives, and solutions, as well as exploring opportunities for win-win collaborative initiatives.
  - "Consult" refers to: Obtain Stakeholders feedback following the 'Inform' stage, and explore synergies of the BU with the local community.
  - "Involve" refers to: Work directly with Stakeholders, and consider their concerns, aspirations, and expectations from the company (BU).
  - "Collaborate" refers to: Listen to the input of Stakeholders as part the decision-making of the BU, following the previous 3 stages. Identify best option(s) for solutions, and agree on win-win opportunities for the local community and the company. Plan for implementation jointly with Stakeholders, and agree on the adequate level of advocacy for your decisions and actions.
  - "Empower" refers to: Stakeholders and the local community can make their decisions and plan for their actions, for leading (their) solution-based efforts. The company aims to be the 'enabler' or 'facilitator'.

2. Relevant information is not available for the specific years denoted as 'n/a'.  
3. Coverage includes all wholly-owned quarries attached to cement plants and quarries for aggregates production.  
4. Active quarries within, containing or adjacent to areas designated for their high biodiversity value. See also Table "Quarry Sites with

- High Biodiversity Value".  
5. Active quarries with high biodiversity value where biodiversity management plans are actively implemented. See also Table "Quarry Sites with High Biodiversity Value".  
6. Performance figures of previous years have been re-calculated and adjusted to reflect the revised baseline (scope) (see Note 2).  
7. 2020 is the initial year for disclosing data for this indicator.  
8. The definition of "Environmental expenditures across all activities" is equivalent to the definition of "Investment in the Environment", see section 2.5.8 "Notes for Value Creation Indicators".  
9. For definitions related to "Donations", and "Local Spend", see section 2.5.8 "Notes for Value Creation Indicators" (see the equivalent definitions, respectively: "Total spend on donations and social engagement initiatives", and "% local spend of TITAN").  
10. Specific information is not available for the operations of TITAN in USA. The percentages for the Group Average are calculated excluding the employment of TITAN in USA. For specific method of calculation see respective Note under the Table 2.2 "Growth-enabling work environment", part of the ESG performance statements.

Notes for connection of KPIs with the SASB Standards

Connection of ESG performance indicators with metrics according to SASB Standards, in specific:  
- EM-CM-120a.1 under the area "Air Quality" for air emissions of pollutants including NOx, SOx, particulate matter (PM10), dioxins/furans, volatile organic compounds (VOCs), polycyclic aromatic hydrocarbons (PAHs), and (7) heavy metals,  
- EM-CM-160a.1 and EM-CM-160a.2 under the area "Biodiversity Impacts" for the environmental management policies and practices for active sites, and terrestrial acreage disturbed, percentage of impacted area restored (see also Table "TITAN Group Quarry Sites with High Biodiversity Value" part of the ESG performance statements).

Quarry Sites with High Biodiversity Value						
Site	Country	Raw Material use	Location	Status	Biodiversity Management Plan	Notes

Notes

1. The above Table is complementary to the Table 2.3, "Focus area: Positive local impact" , and in specific for the KPIs: a) Active quarries with biodiversity issues, b) Active quarry sites with biodiversity management plans (number), c) Active quarry sites with biodiversity management plans (percentage).  
2. The above Table includes the needed disclosures for supporting TITAN's performance monitoring and reporting according to the sectoral commitments (GCCA Sustainability Guidelines for Quarry Rehabilitation and Biodiversity Management, May 2020). Also this information, combined with the disclosures under the respective section of this report, cover the requirements for reporting according to the SASB Standards for 'Biodiversity Impacts' and in more specific the KPI EM-CM-160a.1 'Description of environmental management policies and practices for active sites'.  
3. In 2020 an updated biodiversity risk assessment was made for all TITAN Group sites with the use of the Integrated Biodiversity Assessment Tool (IBAT).



2.4 Focus area: Responsible sourcing

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

All Activities

code	ESG Performance Indicators	Unit	2021	2020	2019	GCCA	UNGC	UNCTAD	SASB	SDGs and Targets
4.1	Water consumption (total)	million m3	0.2	0.2	0.2	•	•			SDG 6.3 SDG 6.4 SDG 6.5
4.2	Water withdrawal (total, by source) <sup>2</sup>	million m3	0.2	0.2	0.2	•	•	•	EM-CM-140a.1	
4.3	Ground water	million m3	0.2	0.2	0.2				EM-CM-140a.1	
4.4	Municipal water	million m3	0.0	0.0	0.0				EM-CM-140a.1	
4.5	Rain water	million m3	0.0	0.0	0.0				EM-CM-140a.1	
4.6	Surface water	million m3	0.0	0.0	0.0				EM-CM-140a.1	
4.7	Quarry water used (from quarry dewatering)	million m3	0.0	0.0	0.0					
4.8	Ocean or sea water	million m3	0.0	0.0	0.0					
4.9	Waste water	million m3	0.0	0.0	0.0					
4.10	Water discharge (total, by destination) <sup>3</sup>	million m3	0.0	0.0	0.0	•	•	•		
4.11	Surface (river, lake)	million m3	0.0	0.0	0.0					
4.12	Sub-surface water (well)	million m3	0.0	0.0	0.0					
4.13	Ocean or sea	million m3	0.0	0.0	0.0					
4.14	Off-site treatment	million m3	0.0	0.0	0.0					
4.15	Other <sup>4</sup>	million m3	0.0	n/a	n/a					

Cement and cementitious production activities

4.16	Water consumption (total)	million m3	0.2	0.2	0.2	•	•			SDG 6.3 SDG 6.4 SDG 6.5
4.17	Water withdrawal (total) <sup>2</sup>	million m3	0.2	0.2	0.2				EM-CM-140a.1	
4.18	Water discharge (total) <sup>3</sup>	million m3	0.0	0.0	0.0					
4.19	Water recycled (total)	million m3	0.3	0.3	0.3	•	•	•	EM-CM-140a.1	
4.20	Specific water consumption	l/t Cementitious Product	199.29	186.50	203.92	•	•	•		
4.21	Specific water consumption	l/t Cement	207.27	196.44	210.95	•	•	•		
4.22	Water demand covered with recycled water	%	56.0	58.4	60.2					

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

All Activities

4.23	Thermal energy consumption (total)	TJ	3,056	2,651	2,588				EM-CM-140a.1	SDG 7 SDG 12
4.24	Electrical energy consumption (total)	TJ	394	335	336					



code	ESG Performance Indicators	Unit	2021	2020	2019	GCCA	UNGC	UNCTAD	SASB	SDGs and Targets
Cement production activities										
4.25	Integrated cement plants with certified Energy Management System (ISO 50001 or similar)	% Clinker production	0.0	0.0	0.0	•	•	•	EM-CM-140a.1	SDG 7.2 SDG 7.3 SDG 9.4 SDG 12.2
4.26	Specific thermal energy consumption	kcal/kg Clinker	764.0	768.2	766.1	•	•	•		
4.27	Specific electrical energy consumption <sup>1</sup>	kWh/t Cement	93.5	92.2	93.3		•			
4.28	Renewable energy as part of total electrical energy consumption <sup>1,5</sup>	% Electrical energy consumed	100.0	100.0	n/a					
All Activities										
4.29	Natural raw materials extracted (total, wet)	million t	1.7	1.4	1.4	•	•	•	EM-CM-130a.1	SDG 12.2
4.30	Raw materials extracted for clinker and cement production	million t	1.7	1.4	1.4	•	•	•	EM-CM-130a.1	
4.31	Raw materials extracted for aggregates	million t	0.0	0.0	0.0		•			
Cement production activities										
4.32	Materials consumption (total, dry)	million t	1.7	1.5	1.4	•	•	•	EM-CM-130a.1	SDG 12.2 SDG 12.4 SDG 12.5
4.33	Extracted (natural) raw materials consumption (dry)	million t	1.6	1.4	1.4	•	•	•		
4.34	Alternative raw materials consumption (dry)	million t	0.0	0.0	0.0					
4.35	Alternative raw materials use (of total raw materials consumed)	% Dry	1.0	1.4	1.2					
4.36	Alternative raw materials rate (based on clinker-to-cement (equivalent) factor)	% Dry	1.0	1.3	1.8					
All Activities										
4.37	Externally recycled waste materials (total, wet)	t	24	25	8	•	•	•	EM-CM-130a.1	SDG 12.2 SDG 12.4 SDG 12.5
4.38	Reused	t	0	0	0				EM-CM-130a.1	
4.39	Recycled	t	24	25	8					
4.40	Recovered	t	0	0	0					
4.41	Waste disposal, break down by destination-usage (wet)	% By mass	100.0	100.0	100.0					
4.42	Reuse	% By mass	0.0	0.0	0.0					
4.43	Recycled	% By mass	22.0	7.4	3.5					
4.44	Recovered (including energy recovery)	% By mass	0.0	0.0	0.0					
4.45	Incineration	% By mass	0.1	6.8	0.0		•	•		
4.46	Landfilled	% By mass	64.3	16.1	22.6		•			
4.47	Other (incl. storage)	% By mass	13.7	69.7	74.0		•			
4.48	Waste disposal (total, wet)	t	108	337	227		•			
4.49	Non-hazardous waste	t	107	260	199		•			
4.50	Hazardous waste	t	1	77	28					SDG 12.2 SDG 12.5



code	ESG Performance Indicators	Unit	2021	2020	2019	GCCA	UNGC	UNCTAD	SASB	SDGs and Targets
Cement production activities										
4.51	Integrated cement plants with “Zero Waste to Landfill” certification <sup>15</sup>	% Clinker production	0.0	0.0	n/a					SDG 12.2 SDG 12.4

2.4.2 Material Issue: Reliable and Sustainable Supply Chain

All Activities										
4.52	Key suppliers meeting TITAN ESG standards <sup>56</sup>	%	See Note below	n/a	n/a					SDG 6 SDG 7 SDG 12 SDG 13

<div> <div>Notes</div> <div> Notes for the external verification, standards, guidance, and terms used Standards: For the reporting standards under TITAN's Global Sectoral Approach, namely the GCCA, UNGC, UNCTAD and SASB, please refer to the section “TITAN's approach for ESG Performance reporting” in the ESG performance statements. Guidance: TITAN follows the GCCA Sustainability Framework Guidelines, and the Sustainability Guidelines for the monitoring and reporting of monitoring and reporting of water in cement manufacturing. The above Guidelines had superseded before 2021 the previous – and respective – Guidelines of the WBCSD/CSI, which were the guidance for measuring, reporting and verifying environmental performance until (and including) year 2018. For the Sector standards, see details in Table “Sector Standards for the Non-financial disclosures in 2021”. Notes on specific KPIs 1. New indicator. 2. Total withdrawal includes also the water quantities withdrawn by TITAN and supplied to third parties without being used in any of TITAN facilities. 3. Total discharge includes also the water quantities withdrawn by TITAN and supplied to third parties without being used in any of TITAN facilities. 4. Refers to the water quantities withdrawn by TITAN and supplied to third parties without being used in any of TITAN facilities. 5. Relevant information is not available for the specific years denoted as 'n/a'. 6. TITAN progressed in 2021 with building an internal Sustainable Supply Chain Roadmap and establishing: (a) New Group Procurement Policy, and (b) Foundations for ESG criteria to evaluate key suppliers, as defined in accordance with the GCCA Guidance for Sustainable Supply Chain management, and with a meaningful level of spend for TITAN. Notes for connection of KPIs with the SASB Standards Connection of ESG performance indicators with metrics according to SASB Standards, in specific: - EM-CM-130a.1 under the area “Energy Management” for total energy consumed, percentage grid electricity, percentage alternative, and percentage renewable, - EM-CM-140a.1 under the area “Water Management” for total fresh water withdrawn, percentage recycled, percentage in regions with high or extremely high baseline water stress (see also Table “TITAN Group Cement Plant Sites within water-stressed Areas” part of the ESG performance statements), and - EM-CM-150a.1 under the area “Waste Management” for amount of waste generated, percentage hazardous, percentage recycled. </div> </div>										
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Cement Plant Sites within water-stressed Areas		
Site	Country	Water Stress (Baseline)
Antea	Albania	>80%

**Notes**

1. The water risk assessment was conducted in 2020 with the use of the World Resources Institute’s (WRI) Aqueduct tool.

2. ANTEA Cement SH.A. belongs in the scope of Cement Plant sites (among the larger water users in the TITAN Group activities) that operate within water-stressed areas, namely the areas where the Baseline Water Stress Indicator is > 40%, as classified by the Aqueduct tool.

3. The Water Stress Indicator measures the ratio of total water withdrawals to available renewable surface and groundwater supplies. Higher values indicate more competition among users.

4. This information for the activities that operate in water-stressed areas, combined with the disclosures under the section ‘Non-financial performance overview’ of this report, cover also the requirements for reporting according to the SASB Standards for ‘Water Management’ and in more specific the KPI EM-CM-140a.1 ‘(1) Total fresh water withdrawn, (2) percentage recycled, (3) percentage in regions with High or Extremely High Baseline Water Stress’.

2.5.1 Good governance, transparency and business ethics

code	Governance Core Indicators	Notes	Performance 2022	Reporting Standards
	Compliance and business ethics			SDG 5.5 SDG 16.5 SDG 16.6 SDG 16.7
5.1	Grievance mechanism (EthicsPoint) coverage	1	100%	
5.3	Percentage of unionised employees (%)		41.05%	UNGC UNCTAD SASB <sup>5</sup>
5.4	Percentage of employees covered by Collective Bargain Agreements (CBAs)	2	47.20%	
5.5	Average number of hours of training on subjects related to Compliance, per employee	3	3.69	

**Notes**

**Note for the standards, guidance, and terms used**

The KPIs referred in ESG Performance Statements as Governance core indicators are in line with the requirements of the UNCTAD Guidance on reporting of Core Indicators (UNCTAD, 2019), and are connected with the most relevant SDGs and specific Targets for each SDG. Specific KPIs from this list are also essential to reporting on progress with respect to TITAN Group commitments for the UNGC Ten Principles.

**Notes for specific Governance core indicators**

1. The EthicsPoint is accessible to all Employees of TITAN. For each of the substantiated cases an action plan for remediation was implemented.

2. TITAN Group: In 2021 this percentage reached 52.3%, slightly increased compared to 51.7% in 2020. TITAN keeps annual records of number and duration of strikes and lockouts inside internal data collection systems (zero cases recorded in 2021). These disclosures cover the requirements for reporting according to the SASB Standards for ‘Labor Relations’ and in more specific the metrics (KPIs) EM-MM-310a.1 and EM-MM-310a.2.

3. Average number of hours of training per employee and per year, on Policies & internal regulations of TITAN (priority being on the Code of Conduct, Policies for Human Rights, Anti-Bribery, GDPR, but without considering this list as exhaustive). The KPI is calculated as total hours of training in the subject areas, divided by the total number of employees. TITAN categorizes these training subjects under the overall subject area: “Compliance” (see Table 2.2, for the KPI “Training hours per subject, Group total”).



2.5.2 ESG Polices

Group Polices	New or Updated in 2021	TITAN Focus Areas mostly relevant				
		Decarbonization and Digitalization	Growth-enabling work environment	Positive local impact	Responsible sourcing	Good governance, transparency and business ethics
Environmental Policy	√	•		•	•	
Occupational Health and Safety (O&S) Policy	√		•			
Code of Conduct Policy	√		•			•
Diversity and inclusion Policy			•			
CSR Policy	√			•		
Procurement Policy				•	•	
Whistleblowing Policy	√					•
Human Rights Policy	√		•	•	•	•
Anti-Bribery and Corruption Policy	√					•
Competition Law Compliance Policy	√					•
Conflict of Interest Policy	√					•
Data Protection Policy	√		•			•
Information Security Policy	√	•				•
Sanctions Policy	√					•

2.5.4 Political contributions and Fines and other non-monetary sanctions

Cement production activities			
Country	Political contributions¹ (in Euros)	Significant fines²³ (in Euros)	Total number of non-monetary sanctions²
Albania	0	10,900	0

Notes

1. Total value of political contributions by country, including the total monetary value of financial and in-kind contributions made directly and indirectly. In 2021, no cases of political contributions were recorded, neither financial nor in-kind, directly, or indirectly.

2. Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with laws and regulations, including but not limited to environmental laws and regulations, laws and regulations concerning the provision and use of products and services, labor laws and regulations, and laws and regulations concerning anti-corruption, anti-competitive behaviour and anti-trust or monopoly practices. Whereas: TITAN considers 'significant fine' any fine over 10,000 Euros. In 2021, there was one case of significant fine paid: A penalty imposed to Antea Cement (Albania) by the General Customs directorate for unmarked diesel, and related to unpaid Excise tax, in the amount of 10,900 Euros. The case was sent to administrative court in the country for ungrounded claim by the Customs directorate.

In 2021, there were four cases of fines imposed and paid by Antea in Albania and its subsidiaries, for different violations of legal requirements for administrative matters, but not considered significant. in specific: An amount of 3,600 EUR imposed by the General Customs directorate for unmarked diesel, related to the above case related to unpaid Excise tax. Also, three fines in the amount of 3,300 Euros each, imposed by the National Business Centre of Albania due to delays in the registration of the Ultimate Beneficiary for each of the companies. The registration was completed in 2021, and the case was attributed to unclear ruling for the pertinent legal requirements, administrative documentation, and applicable deadlines by the state.

3. No corruption-related fines were imposed by regulators and courts in the reporting period. The above disclosures cover the requirements for reporting according to the SASB Standards for 'Pricing Integrity and Transparency' and in more specific the metric (KPI) EM-CM-520a.1. 'Total amount of monetary losses as a result of legal proceedings associated with cartel activities, price fixing, and anti-trust activities'.

2.5.6 Consolidated Report on Payments to Governments for extractive operations

Group Companies	Country	Payment type	Amount
Cementi Antea Sha	Albania	Extraction Fees	491,543.00
TOTAL			491,543.00

TITAN Cement International S.A. hereby reports, in accordance with article 3:33 of the Belgian Companies and Associations Code, that TITAN Cement Group has paid to municipal authorities of EU Member States and third countries the total amount of €491.543 for extractive operations in 2021 as presented in the above table. As specified in article 6:2 par. 2 of the Royal Decree dated 29 April 2019 on the execution of the Belgian Companies and Associations Code, the limit for disclosing the respective data is set at 100,000€ as a single payment or as a series of related payments.

2.5.7 Sector Standards for the Non-financial disclosures in 2021

Sector Association or Initiative	Guidelines and other documents of reference	Published
GCCA	Sustainability Charter	Latest edition (publications between 2019 and 2021)
	Sustainability Framework Guidelines	
	Sustainability Guidelines for the monitoring and reporting of safety in cement and concrete manufacturing. This document has been agreed within the GCCA to have extended application to concrete and other related activities [Pillar 1]	
	Sustainability Guidelines for the monitoring and reporting of CO2 emissions from cement manufacturing [Pillar 2]	
	Sustainability Guidelines for the monitoring and reporting of water in cement manufacturing [Pillar 4]	
	Sustainability Guidelines for the monitoring and reporting of emissions from cement manufacturing [Pillar 4]	
	Sustainability Guidelines for co-processing fuels and raw materials in cement manufacturing [Pillar 5]	
	Sustainability Guidelines for quarry rehabilitation and biodiversity management [Pillar 4]	
(Previously) WBCSD/CSI	Guidance for Sustainable Supply Chain Management [Pillars 1, 3 and 5]	
	Recommended Good Practices for: (a) Contractor Safety, and (b) Driving Safety	2009

Notes

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

Pillar 1: Health and Safety, Pillar 2: Climate Change and Energy, Pillar 3: Social Responsibility, Pillar 4: Environment and Nature and Pillar 5: Circular Economy.

The terminology of 'Pillars' is specific to the GCCA Charter of commitments for member companies, and details are available in the Charter and Framework Guidelines in the GCCA website: <https://gccassociation.org/sustainability-innovation/sustainability-charter-and-guidelines/>

TITAN was actively participant in 2021 in various working groups of the GCCA, contributing with knowhow and expertise, in line with its practice in the previous years.



2.5.8 Notes for Value Creation Indicators

The following Notes are inclusive of definitions for terms used in specific for Value creation and distribution to stakeholders and serves as index of Notes for Table "Creating and sharing value".

Notes for the standards, guidance, and terms used

1. The economic value created and distributed to key stakeholders has been calculated using the United Nations – UNCTAD “Guidance on Core indicators for entity reporting on the contribution towards the attainment of the Sustainable Development Goals” (2019 edition).
2. Gross Value added. Revenue minus costs of bought-in materials, goods, and services (called also: Value Added, according to the UNCTAD Guidance, 2019). TITAN's approach is based on the verified and disclosed Financial Statements for the same reporting period, acc. to the IFRS.
3. Net value added. Revenue minus costs of bought-in materials, goods and services and minus depreciation on tangible assets (UNCTAD Guidance, 2019). TITAN's approach is based on the verified and disclosed Financial Statements for the same reporting period, acc. to the IFRS.
- 4a. Total spend on Suppliers, local and international, for goods and services. According to TITAN Standards and the application of the IFRS, see Financial Statements.
- 4b. % local spend of TITAN. The ratio of spend to local suppliers over the spend to all suppliers, as a percentage. Costs of local procurement are a general indicator of the extent of an entity's linkages with the local economy (UNCTAD Guidance, 2019). TITAN uses a bottom-up approach of raising awareness, guiding, and supporting the local BUs, in the direction of gathering – from the respective data sources – all such information, and consolidating on Group level. 'Local' are those suppliers which provide goods or services to TITAN and have company tax registration inside the country of interest, same as the country of TITAN BUs' location and tax registration. For cases of countries with governmental structure characterized as 'Federation-of-states' – in specific applies today to USA where different states have 'local' governments and vast geographical extent – the term 'local' refers to those suppliers with company tax registration in the same state with the tax registration of the BU or location of operations.
5. Taxes to national and local authorities. According to TITAN Standards and the application of the IFRS, see Financial Statements.
6. Payments in cash, to shareholders and minorities. According to TITAN Standards and the application of the IFRS, see Financial Statements.
7. Totals spend on donations and social engagement initiatives. Total amount of charitable/voluntary donations and investments of funds (both capital expenditures and operating ones) in the broader community where the target beneficiaries are external to the enterprise incurred in the reporting period, in absolute amount (UNCTAD Guidance, 2019). TITAN discloses this amount as "Donations", as equivalent to "charitable/voluntary donations and investments of funds",
8. Investments in environmental protection. Total amount of expenditures (capital and operational) for those investments whose primary purpose is the prevention, reduction and elimination of pollution and other forms of degradation to the environment (UNCTAD Guidance, 2019
9. Salaries (contributions to) pensions, and social benefits, including additional benefits beyond those provided by law. According to TITAN Standards and the application of the IFRS, see Financial Statements.
10. Investments in training of direct employees. Total expenditures including the direct and indirect costs of training for direct employees (including costs such as trainers' fees, training facilities, training equipment, related travel costs etc.) reported also per employee and per year, and broken down by employee category (UNCTAD Guidance, 2019).
11. Capital expenditures. Capital expenditures, commonly known as CapEx, are funds used by a company to acquire, upgrade, and maintain physical assets such as property, buildings, an industrial plant, technology, or equipment.

UNGC 10 Principles Progress Review Index

UNGC Area	UNGC Related Principle(s)	Our Commitments	Reference in 2021 ANTEA Corporate Social Responsibility and Sustainability Report
Human Rights	Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights within the scope of their influence.	a. TITAN Corporate Values b. TITAN Group Code of Conduct c. TITAN Group CSR Policy d. TITAN Group Code of Conduct for Procurement e. Occupational Health and Safety Policy and guidelines f. TITAN Group Anti-Bribery and Corruption policy g. SA 8000:2014	Strategic Review and Assessment of Material Issues: Timeline History, TITAN Values, TITAN Group CSR Policy, Material Issues, Sustainability through our Certified Systems, Focus of ANTEA on Material Issues and SDG's  HEALTH and SAFETY: Occupational Health and Safety and ESG performance statements, page , ESG performance Indicator KPIs PEOPLE DEVELOPMENT: ESG performance statements, page 54 , ESG performance Indicator KPIs  ENGAGING WITH LOCAL COMMUNITIES: ESG performance statements, page 54 , ESG performance Indicator KPIs  HUMAN RIGHTS: Code of Conduct, Policies and Procedures, SA 8000, TITAN Group Code of Conduct for Procurement, Governance within ANTEA, TITAN Group Anti-Bribery and Corruption Policy, Whistleblowing Policy, European Investors Council, Albanian CSR Network  ESG Performance Statements: Environmental Performance Index of KPIs (EP KPIs), and Social Performance Index of KPIs (SP KPIs). The SP KPIs Index includes the KPIs for Health & Safety.
	Principle 2: Business should make sure that they are not complicit in human rights abuses.		
Labor Standards	Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;	a. TITAN Human Rights Policy b. TITAN Corporate Values c. TITAN Group Code of Conduct d. TITAN Group CSR Policy e. TITAN Group Code of Conduct for Procurement f. TITAN Occupational Health and Safety Policy and guidelines g. TITAN Group Anti-Bribery and Corruption policy h. OHSAS 45001 i. SA 8000: 2014	STRATEGIC REVIEW: Timeline History, TITAN Values, TITAN Group CSR Policy, Material Issues, Sustainability through our Certified Systems, Focus of ANTEA on Material Issues and SDG's, Non-financial Performance,  HEALTH and SAFETY: TITAN Group Health and Safety Guidelines, OHSAS 45001, and ESG performance statements, page 54 , ESG performance Indicator KPIs  PEOPLE DEVELOPMENT: Human Rights Labor Issues and Equal Opportunities, Trade Union, SA 8000, Continuous Education, Employee Benefits, Group Code of Conduct ENGAGING WITH LOCAL COMMUNITIES: Our Stakeholders and Engagement, ESG performance statements, page , ESG performance Indicator KPIs  ESG Performance Statements: Social Performance Index of KPIs (SP KPIs). The SP KPIs Index includes the KPIs for Health & Safety.
	Principle 4: Businesses should uphold the elimination of all forms of forced and compulsory labor		
	Principle 5: should uphold the effective abolition of child labor		
	Principle 6: Businesses should uphold the elimination of discrimination in respect of employment and occupation		
Environment	Principle 7: Businesses should support a precautionary approach to environmental challenges	a. TITAN Corporate Values b. TITAN Group Code of Conduct c. TITAN Group CSR Policy d. TITAN Group Environmental Policy e. ISO 14001 f. IPPC Permit	STRATEGIC REVIEW: Timeline History, TITAN Values, TITAN Group CSR Policy, Material Issues, Sustainability through our Certified Systems, Focus of ANTEA on Material Issues and SDG's, Non-financial Performance  PERFORMANCE HIGHLIGHTS: Non-financial Performance  ENVIRONMENTAL PERFORMANCE, ISO 14001, IPPC and ESG performance statements, page 54 , ESG performance Indicator KPIs  ENGAGING WITH LOCAL COMMUNITIES: Increasing the awareness through Environmental Education by planting trees for Earth Day, and SP KPIs  ESG Performance Statements: Environmental Performance Index of KPIs (EP KPIs) and Social Performance Index of KPIs (SP KPIs). The SP KPIs Index includes the KPIs for Health & Safety.
	Principle 8: Businesses should undertake initiatives to promote greater environmental responsibility		
	Principle 9: Businesses should encourage the development and diffusion of environmentally friendly technologies		
Anti-corruption	Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery	a. TITAN Corporate Values b. TITAN Group Code of Conduct c. TITAN Conflict of Interest Policy d. TITAN Group CSR Policy e. TITAN Group Code of Conduct for Procurement f. TITAN Group Anti-Bribery and Corruption policy g. TITAN Whistleblowing Policy h. Antea's Whistleblowing Policy	STRATEGIC REVIEW: Timeline History, TITAN Values, TITAN Group CSR Policy, Material Issues, Focus of ANTEA on Material Issues and SDG's,  OUR CONTRIBUTION TO: Participation & Memberships in Albanian Associations.

Notes

1. There were in total 66 countries which ranked lower, in positions between 115 and 180 in 2021. This disclosure covers the requirements for reporting according to the SASB Standards for 'Business Ethics and Transparency' and in more specific the metric (KPI) EM-MM-510a.2 'Production in countries that have the 20 lowest rankings in Transparency International's Corruption Perception Index'.
2. Symbols for the change in rank explained:  
▼ Improving conditions in the country reflected by the decrease of rank  
▲ Deteriorating conditions in the country reflected by the increase of rank



# Financial Statements

(Amounts in ALL thousand unless otherwise stated)			
	Notes	Year ended 31 December 2021	Year ended 31 December 2020
Revenues	7	9,174,096	7,600,078
Cost of sales	8	6,975,496	(5,092,654)
<b>Gross Profit</b>		<b>2,198,600</b>	<b>1,803,916</b>
Other operating income		63,723	60,406
Other operating expenses	9	(25,064)	(75,221)
Selling and marketing expenses	10	(77,923)	(77,651)
Administrative expenses	11	(605,578)	(611,042)
<b>Operating Profit</b>	12	<b>1,553,758</b>	<b>1,803,916</b>
Finance costs		(315,968)	(742,611)
<b>Profit before tax</b>	14	<b>1,237,790</b>	<b>1,061,305</b>
Income tax expense		(158,001)	(197,754)
<b>Profit for the year</b>	15	<b>1,079,789</b>	<b>863,551</b>
<b>OTHER COMPREHENSIVE INCOME</b>			
Exchange difference on translation of foreign operations	30	(4,620)	2,648
<b>Total Comprehensive Income for the year</b>		<b>1,075,169</b>	<b>866,199</b>
<b>NET PROFIT ATTRIBUTABLE TO:</b>			
Owner of the parent		1,075,169	866,199
Non-controlling interest		-	-
		<b>1,075,169</b>	<b>866,199</b>
<b>TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:</b>			
Owners of the parent		1,075,169	866,199
Non-controlling interest		-	-
<b>Total comprehensive income for the year</b>		<b>1,075,169</b>	<b>866,199</b>

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Notes	31 December 2021	31 December 2020
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant, and equipment	16	16,368,210	17,093,427
Right-of-use assets	18	242,025	296,341
Intangible assets	17	33,725	58,111
Other non-current assets	19	9,537	9,537
Deferred tax asset		47,295	-
<b>Total Non-Current Assets</b>		<b>16,700,792</b>	<b>17,457,416</b>
<b>CURRENT ASSETS</b>			
Inventories	20	2,185,085	1,525,869
Trade receivables	21	541,854	647,317
Other receivables	22	251,524	111,352
Receivables from related parties	31	12,064	58,633
Cash and cash equivalents	23	1,070,950	884,463
<b>Total Current Assets</b>		<b>4,061,477</b>	<b>3,227,634</b>
<b>TOTAL ASSETS</b>		<b>20,762,269</b>	<b>20,685,050</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Share capital	24	10,686,510	10,686,510
Share-based options	25	6,215	1,826
Accumulated deficit		(2,398,982)	(3,478,771)
Translation reserve	30	(14,127)	(9,507)
<b>TOTAL EQUITY</b>		<b>8,279,616</b>	<b>7,200,058</b>
<b>NON-CURRENT LIABILITIES</b>			
Interest bearing loans and borrowings	26	7,129,644	9,485,406
Lease liabilities	18	182,819	236,565
Deferred income tax liabilities, net	15	1,115,012	1,151,490
<b>Total Non-Current Liabilities</b>		<b>8,427,475</b>	<b>10,873,461</b>
<b>CURRENT LIABILITIES</b>			
Trade payables	28	1,608,071	885,839
Other payables	29	159,824	120,822
Income tax payable		17,496	73,545
Interest bearing loans and borrowings	26	1,918,497	1,278,413
Lease Liabilities	18	63,554	64,570
Payables to related parties	31	287,736	188,342
<b>Total Current Liabilities</b>		<b>4,055,178</b>	<b>2,611,531</b>
<b>TOTAL LIABILITIES</b>		<b>12,482,653</b>	<b>13,484,992</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>20,762,269</b>	<b>20,685,050</b>



CONSOLIDATED STATEMENT OF CHANGES IN EQUITY						
<i>(Amounts in ALL thousand unless otherwise stated)</i>	Share capital	Share Based Options	Accumulated deficit	Translation reserve	Non-controlling interests	Total Equity
<b>As of 1 January 2020,</b>	<b>10,686,510</b>	-	-	<b>(12,155)</b>	-	<b>6,332,033</b>
Net profit for the year	-	-	-	-	-	863,551
Other comprehensive loss	-	-	-	2,648	-	2,648
Total comprehensive income for the year	-	-	-	2,648	-	866,199
Share Based Options (note 25)	-	1,826	1,826	-	-	1,826
<b>As of 31 December 2020,</b>	<b>10,686,510</b>	<b>1,826</b>	<b>1,826</b>	<b>(9,507)</b>	-	<b>7,200,058</b>
Net profit for the year	-	-	-	-	-	1,079,789
Other comprehensive loss	-	-	-	(4,620)	-	(4,620)
Total comprehensive income for the year	-	-	-	(4,620)	-	1,075,169
Share Based Options (note 25)	-	4,389	4,389	-	-	4,389
<b>As of 31 December 2021,</b>	<b>10,686,510</b>	<b>6,215</b>	<b>6,215</b>	<b>(14,127)</b>	-	<b>8,279,616</b>

CONSOLIDATED STATEMENT OF CASH FLOWS			
<i>(Amounts in ALL thousand unless otherwise stated)</i>			
	Notes	31 December 2021	31 December 2020
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
<b>Profit before taxes</b>		<b>1,237,790</b>	<b>1,061,305</b>
<i>Adjustments for:</i>			
Depreciation of property, plant, and equipment	16/18	972,594	953,625
Amortization of intangible assets	17	24,386	23,925
Loss on disposal of property, plant, and equipment	16,18	(327)	3,785
Movement in bad debt provision		9,679	2,934
Movement in other provisions		4,793	53,820
Shared Bases options	25	4,389	1,826
Interest income		(11)	(10)
Interest expense		414,697	592,403
Deferred tax	15	(47,295)	-
Foreign exchange loss/(gains)	30	(117,673)	136,284
<b>Working Capital Adjustments</b>			
(Increase)/Decrease in inventories	20	(651,306)	41,535
(Increase) in trade and other receivables	21,22	(40,853)	(241,370)
Increase in trade and other payables	28,29	867,719	92,669

<b>Cash generated from operations</b>	<b>2,678,582</b>	<b>2,722,731</b>
Interest paid	(382,129)	(323,901)
Income tax paid	(273,534)	(199,263)
Interest received	11	10
<b>Net cash flows from operating activities</b>	<b>2,022,930</b>	<b>2,199,577</b>
<b>Cash flows from investing activities</b>	<b>16</b>	
Acquisition of property, plant, and equipment	17	
Acquisition of intangible assets	(170,740)	(154,543)
Proceeds from sales of property, plant, and equipment	-	(1,208)
<b>Net cash flows used in investing activities</b>	<b>5,788</b>	-
<b>Cash flows from financing activities</b>	<b>(164,952)</b>	<b>(155,751)</b>
Proceeds of borrowings	1,097,564	11,121,318
Repayment of borrowings	(2,602,844)	(12,957,175)
Principal elements of lease payments	(79,661)	(69,234)
Payment of Fees	(59,024)	(57,699)
<b>Net cash flows used in financing activities</b>	<b>(1,643,965)</b>	<b>(1,962,790)</b>
<b>Net increase in cash and cash equivalents</b>	<b>23</b>	<b>81,036</b>
Cash and cash equivalents on 1 January	884,463	809,428
Translation effect of foreign exchange currency	<b>23</b>	(6,001)
<b>Cash and cash equivalents on 31 December</b>	<b>1,070,950</b>	<b>884,463</b>

The above table has been extracted from the Annual Consolidated Financial Statements of the company for the year ended 31 December 2021. A complete set of the Annual Consolidated Financial statements for the year 2021, together with the report of the independent auditor and other disclosures attached to the financial statements, in accordance with Law Nr. 25/2018 "On accounting and Financial Statements" is published in the website of the company (<https://www.anteacement.com/publications/reports-antea/>).

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# Auditor's Report



## Independent limited assurance report on Integrated Annual Report 2021

23 September 2022



23 September 2022

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### Independent limited assurance report

To the management of Antea Cement sh.a.

#### Introduction and scope of work

We were engaged by Antea Cement sh.a. (further referred to as "the Company"), to provide limited assurance in relation to the following information, presented in the Integrated Annual Report for 2021 (further referred to as "the Report"):

- The consistency of qualitative and quantitative sustainability disclosures presented, with regard to the UN Global Compact principles and specifically to the Advanced Level of Communication on Progress Report criteria.
- The completeness and accuracy of qualitative and quantitative sustainability disclosures, in specific for the areas of Environment and Social performance, and regarding the criteria applicable in 2021 on Group level (the "Reporting Criteria", as exemplified in the Group Integrated Annual Reports of 2021), which are aligned with the sectoral guidelines and reporting standards (GCCA<sup>1</sup> Sustainability Charter, GCCA Sustainability Framework Guidelines, and other relevant and applicable GCCA Guidelines, and the guidelines of the World Business Council for Sustainable Development / Cement Sustainability Initiative (WBCSD/CSI) only as applicable in 2021), and with the specific framework guidance and reporting standards developed by TITAN Group<sup>2</sup> and have been adopted by the Group also for the individual BUs, within the audit scope. All disclosures for reporting on Environmental and Social Performance on BU level are aligned with the Group Standards, which are embedded into the processes in place.
- The methodology of materiality assessment with regard to the guidelines of AA1000 Standard and more specifically the process followed by the company with respect to identifying and prioritising the most relevant Material Issues, considering the impact which each Material Issue has on the company and its stakeholders.

#### Management responsibility

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

#### Our Independence and Quality Control

We have complied with the independence and other ethical requirements of the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants (IESBA), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality, and professional behaviour. In this context, the assurance team is independent from the Company and has not participated in the preparation of the Company's Integrated Annual Report for the year 2021.

<sup>1</sup> Global Cement and Concrete Association (GCCA)

<sup>2</sup> TITAN Cement International referred to as "TITAN Group" is the Owner of the Company.





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

#### Our responsibility

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

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

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

#### Summary of work performed

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

- Read the Report (in its entirety) to ensure it is in accordance with the criteria detailed in the "Introduction and scope of work" section in this Independent limited assurance report;
- Review of external media reports to identify relevant sustainability issues in the reporting period, if any;
- Interviews with key personnel responsible for the preparation of the Report, providing the sustainability performance information to understand and evaluate the processes, internal controls and information systems relating to the preparation of the aforementioned information;
- Understanding the Company regarding to its sustainability organizational structure, stakeholder dialogue and development process of the sustainability program;
- Review the materiality process followed by the Company and in addition, review the Desk research/study provided by Group ESG Performance Department and the Benchmark external studies (GCCA), validating the material issues assessed during the internal materiality workshop;
- Participate in the Company's materiality workshop ensuring the implementation of the AA1000 AS requirements during the analysis and development of the Materiality Matrix 2021 finalization;
- Comparing text and data (on a sample basis) presented in the Report to underlying sources. This included considering whether all material issues had been included and whether the reported text and data was accurately drawn from the underlying information.



#### Limitations

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

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

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

#### Limited assurance conclusion

Based on the procedures performed and evidence obtained, nothing has come to our attention that caused us to believe that there are any errors or misstatements that would materially affect the data and information as presented in the Report (including explanatory notes and relevant references) and that the Report for the year ended 31 December 2021 was not prepared, in all material respects, in accordance with the criteria mentioned above, in the "Introduction and scope of work" section.

Tirana, Albania

23 September 2022

*Adrian Krasniqi, FCCA*

*[Signature]*





# Glossary

**CAPEX:** Acquisitions/additions of property, plant and equipment, right of use assets, investment property and intangible assets. It allows management to monitor the capital expenditure.

**EBITDA:** Operating profit before impairment losses on goodwill plus depreciation, amortization and impairment of tangible and intangible assets and amortization of government grants. It provides a measure of operating profitability that is comparable among reportable segments consistently.

**Aqueduct:** The World Resource Institute's (WRI) Aqueduct Water Risk Atlas is a publicly available online global database of local level water risk indicators and a global standard for measuring and reporting geographic water risk. The World Resources Institute is a global, independent, non-partisan and non-profit research organization, whose mission is to encourage human society to live in ways that protect Earth's environment and its capacity to provide for the needs and aspirations of current and future generations.

**CDP:** CDP Global is an international non-profit organization composed of CDP Worldwide Group, CDP North America, Inc. and CDP Europe AISBL, founded in 2000. CDP runs a global environmental disclosure system supporting companies, cities, states and regions to measure and manage their risks and opportunities on climate change, water security and deforestation. CDP takes the information supplied in its annual reporting process and scores companies and cities based on their performance progress using an independent scoring methodology.

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

**CSR Europe:** The leading European business network for Corporate Sustainability and Responsibility. The network supports businesses and industry sectors in their transformation and collaboration towards practical solutions and sustainable growth. The ambition is the systemic change; therefore, following the SDGs, the network seeks to co-build with the European leaders and stakeholders an overarching strategy for a Sustainable Europe 2030.

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

**SASB:** The Sustainability Accounting Standards Board is an independent standards board that is accountable for the due process, outcomes, and ratification of its

standards, the application of which (being the SASB's mission) is to help businesses around the world identify, manage and report on sustainability topics that matter most to their investors.

**SBTi:** The SBTi is a partnership between CDP, the United Nations Global Compact, World Resources Institute (WRI) and the Worldwide Fund for Nature (WWF). SBTi's aim is to mobilize companies to take the lead on urgent climate actions and guide them in setting science-based targets that could limit global warming to 1.5oC, achieve a net-zero world by no later than 2050 and prevent the worst effects of climate change.

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

**TCFD:** Established by the Financial Sustainability Board in 2016, the Task Force on Climate-related Financial Disclosures is a market-driven coalition whose mission is to develop voluntary, consistent climate-related financial risk disclosures for use by companies in providing information to stakeholders (like investors, lenders and insurers).

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

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

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

**WRI:** The World Resources Institute is a global, independent, non-partisan and non-profit research organization, whose mission is to encourage human society to live in ways that protect Earth's environment and its capacity to provide for the needs and aspirations of current and future generations.





SCAN ME

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