

WE BUILD CONNECTIONS

2022 Integrated Annual Report



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ABOUT THE 2022 INTEGRATED ANNUAL REPORT

We herewith present the 13th consecutive Integrated Annual Report published by TITAN Cementara Kosjerić (in short: TCK¹). This Report is aligned with international standards and TITAN Group's ESG performance criteria and standards (ESG – Environmental, Social and Governance), and includes key figures provided in the Consolidated Financial Statements. TITAN Cementara Kosjerić is a pioneer in terms of integrated reporting practices at the national level. TCK's Integrated Report (in short: the Report) covers all material aspects of the business, identified by the Company through a systematic process of collaboration and engagement with its stakeholders.

The 2022 Report covers the integrated operations of the cement plant in Kosjerić, including its quarries (located in the municipality of Kosjerić, Serbia) and the subsidiary in Montenegro – TCK Montenegro, a company engaged primarily in commercial activities. TCK's primary focus is on cement production and distribution. TITAN Cementara Kosjerić is a company incorporated in the Republic of Serbia and is a subsidiary of TITAN Cement Group (in short: TITAN Group). Titan Cementara Kosjerić holds 100% ownership over the assets of its subsidiary in Montenegro and the plant in Serbia.

The 2022 Report is aligned with sustainable reporting standards of the TITAN Group, compatible with the International Integrated Reporting Council (IIRC) Guidelines, Global Cement and Concrete Association (GCCA) approach, Sustainability Accounting Standards Board (SASB) and United Nations Global Compact Sustainable Development Goals (SDGs 2030) and adheres to the Ten Principles of the UN Global Compact. Furthermore, our Company applies an integrated approach adapted to the United Nations Conference on Trade and Development Guidelines² for Sustainability Reporting to align sustainability reporting with UN Sustainable Development Goals, in keeping with the Group's approach³.

To ensure timely, aligned, and accurate reporting, the Company applies the Group's Human Resources Management System (GHRMS) and ESG Performance System to consolidate and report ESG performance. Group guidelines ensure the implementation of both international standards, such as SASB and the United Nations Global Compact, as well as standards specific to the cement industry – Global Cement and Concrete Association Guidelines and the Sustainability Charter.

The 2022 Report has been verified by the independent auditors of Grant Thornton Serbia and their Independent Limited Assurance Report is an integral part of this document.

More information, questions & suggestions:

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More information about TCK:

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More information about TITAN Group:

www.titan-cement.com

TITAN Cement International responds to the global challenges of sustainable development, with versatile engagement, creating value for our stakeholders, while respecting people, society, and the environment in which it operates. The dedication of the Group to these goals is confirmed through our corporate policies and practices, as well as through collaboration with international and local organizations and associations. TCK supports the Group and participates in these efforts.⁴



¹ TITAN Cementara Kosjerić will be referred to in short as TCK, Cementara or the Company.

² "Guidance on Core Indicators for Sustainability and SDG Impact Reporting", United Nations Conference on Trade and Development (UNCTAD, 2022).

³ For more information concerning the global sectoral approach and standards, see the TITAN Group Integrated Annual Report for 2022:

https://www.titan-cement.com/TITAN_Cement_Group_IAR_2022_EN.pdf

⁴ Disclaimer for the use of the Logo 'We Support': We acknowledge that our parent company TITAN Cement International S.A. participates in the UN Global Compact, and we support the Ten Principles and advancement of the Sustainable Development Goals as well as broader UN goals. We consolidate our support for this initiative fully under our parent company's commitment.

MESSAGE FROM THE GENERAL MANAGER

Dear Stakeholders,

It is my pleasure to present TCK's Integrated Annual Report for 2022. The Report aligns with international reporting standards and provides insight into relevant information concerning our business results in the year behind us. Our commitment to sustainable business growth and willingness to face various challenges with resilience has enabled the Company to achieve more than favorable results.

The war in Ukraine has had consequences that have affected all global markets, causing economic instability, inflation, and uncertainty with regard to energy supply. Despite these undesirable circumstances, TCK produced nearly 650,000 tons of cement, making 2022 the second most successful year in our history in terms of production volume. Consolidated revenue increased by 30.2% and we experienced an increase of consolidated EBITDA of 16.3%, in comparison to 2021.



Our commitment to continuously improve upon the Health and Safety culture at TCK and the engagement of all employees in creating a safer and healthier work environment were recognized as exceptional. TITAN Cementara Kosjerić is the winner of the regional safety award for 2022 and we bear the title of Best Plant with pride. Once again, in 2022, we had no lost time injuries and received the highest 'green' rating at the Group internal 360° safety audit, thus confirming consistently sound H&S results.

We make unceasing efforts and significant investments to reduce our impact on the environment. Thus, in the past year, we had two new devices for continuous measurement of dust emissions installed on our kiln and cement mill stacks, aiming to improve result reliability. Owing to the new bag filter, the recorded dust emission of the kiln was below 1 mg/Nm³, which is 10 times below our internal target goal and 20 times below the legally prescribed limit. Additional reduction of air emissions has been achieved by installing a new bag filter on the bulk cement loading system. In addition to these technical improvements, we launched a new type of eco-efficient cement, with significantly lower CO₂ emissions.

The Employee Engagement Survey we conducted in 2022 disclosed excellent results at par with best performers worldwide. This has inspired us to invest further in the personal and professional growth of our collective, continuing to make TCK a great place to work. We are proud to be members of this team, whose intention is to build long-term relationships with the Company. This provides a solid base from which to act on our improvement areas, enhancing communication, collaboration, and performance management.

We were very happy to re-launch our Internship Program after a two-year break, welcoming 26 interns. This Program provided them with the opportunity to learn and work in different departments and thereby gain their first corporate experience. After Program completion, three were presented with employment opportunities with us.

As an organization, we successfully adapt to the changes and challenges we face and continue to run our business responsibly, committed to constant development. We thank our employees, business partners and stakeholders for their trust and support, hoping to continue successfully collaborating in the years to come.

Miroslav Gligorijević
General Manager

2022 IN KEY FIGURES

Turnover

€ 76.8m

NET Profit (after taxes)

€ 19.8m

Investments in Environmental Protection

€ 436,000

EBITDA

€ 25.0m

Capital Expenditure⁵

€ 7.5m

Employees (Dec. 31, 2022)

187

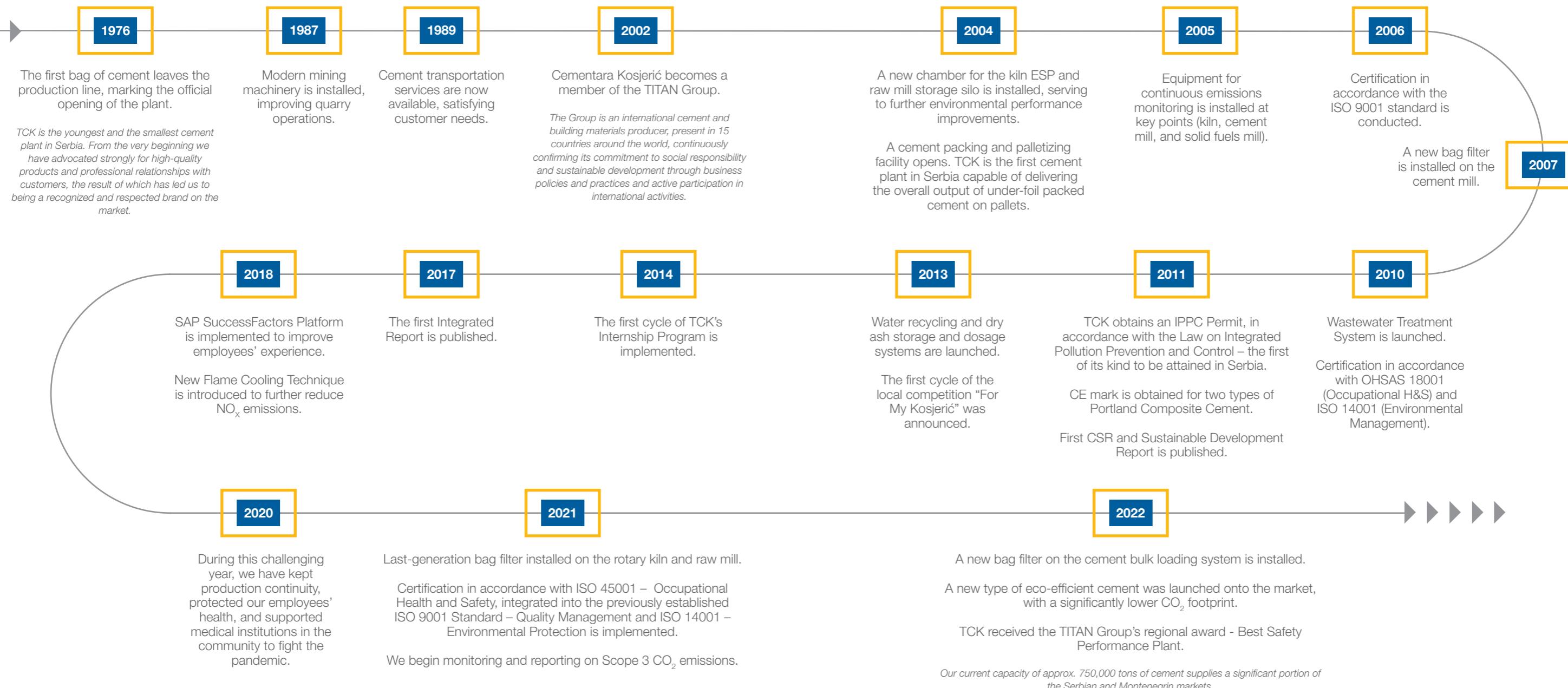
Total Assets

€ 48.7m

⁵ Capital Expenditures amount is here adapted to follow the TITAN Group methodology. The comparable data for 2021 is 1.9 million euro.

ABOUT OUR COMPANY

Responsible Business Throughout History



DELIVERING RESULTS

Shareholder value
Clear objectives
High standards
Performance focus

LEARNING ORGANIZATION

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

INTEGRITY

Ethical business practices
Transparency
Open communication
Good governance

CONTINUOUS IMPROVEMENT

Focus on innovation
Willingness to change
Rise to challenges
Team collaboration

VALUE TO THE CUSTOMER

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

SUSTAINABLE DEVELOPMENT

Safety first
Climate change mitigation
Strong environmental performance
Stakeholder engagement and CSR

How We Create Value

At TITAN Cementara Kosjerić, we strategically invest in resources to create sustainable, long-term and shared value for our stakeholders and to contribute to achieving the 2030 Sustainable Development Goals. TCK value creation is represented through capitals, as defined by the International Integrated Reporting Council (IIRC). The KPIs are aligned with the UNCTAD approach, for more effective connection with the Sustainable Development Goals.

TCK VALUE CREATION		
Intellectual and Human Capital	We value the contributions our employees have made to our achievements and demonstrate this by constantly supporting their professional development and engagement in an inclusive work environment, one based on collaboration and trust.	<p>€ 5.4m to employees through salaries and other benefits</p> <p>€ 1.25m invested in Health and Safety</p> <p>€ 113,000 invested in the development of employees' knowledge and skills</p>
Financial Capital	Economic resources are used efficiently to ensure the continued growth of the business and to secure the Company's market competitiveness.	<p>16.3% growth of consolidated EBITDA</p> <p>The Company paid € 13.5m⁶ in taxes directly to the state and local authorities</p>
Manufacturing Capital	Our cement is produced using the best technologies and we secure reliable delivery to our customers.	<p>We produced almost 650,000 tons of cement for our customers</p>
Social & Relationship Capital	We nurture collaboration with our stakeholders, building long-term relationships based on trust and partnership through projects which have a positive impact on society and the local community.	<p>The Company invested more than € 163,000 toward projects within the local community</p> <p>Share of domestic suppliers in total procurement amounts to 74.36%⁷</p> <p>€ 11.6m⁸ was the value of procurement from suppliers from Kosjerić</p>
Natural Capital	Protecting nature means handling resources with care and the responsible execution of operational activities, with minimal impact on the environment.	<p>€ 436,000 invested in environmental performance improvement</p>

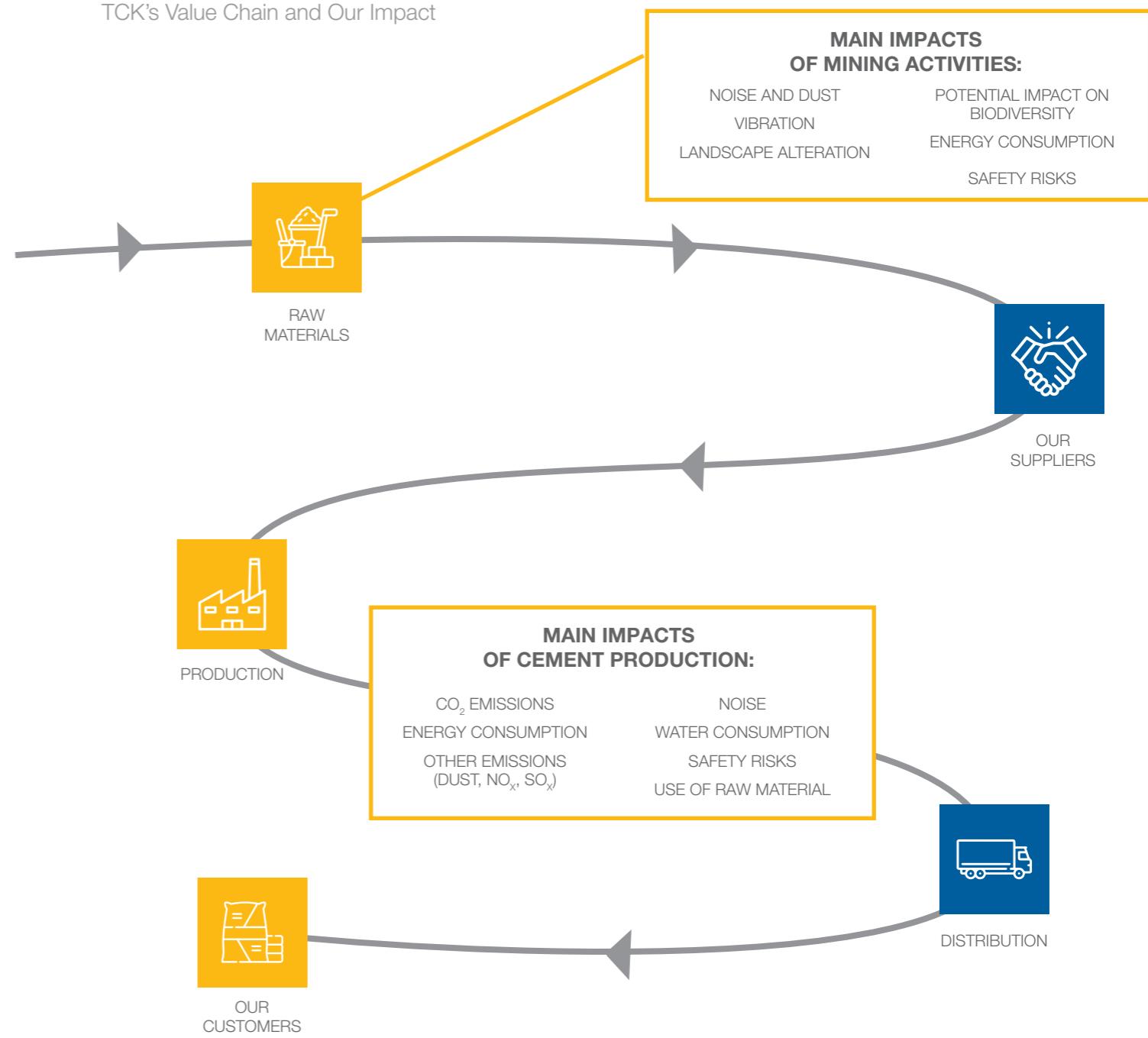


⁶ Out of which taxes directly paid to the state and local authorities of TCK (in Serbia) amount to € 9,200,000, whereas direct taxes paid for TCK Montenegro (in Montenegro) amount to € 4,300,000.

⁷ The figure is defined as "Local Spend" and shows the consolidated results in accordance with TITAN Group reporting standards – for more information see "ESG Performance Statements". Local Spend in Serbia (for TCK) was 71.68%, i.e. 74.36% consolidated with TCK Montenegro.

⁸ The amount includes VAT.

TCK's Value Chain and Our Impact



We are addressing – reducing or eliminating – environmental impacts by implementing a model that balances economic, social, and environmental objectives.

We create long-term value for the Company and stakeholders by including highly recognized domestic and international standards to our regulatory framework. Our management system has been established on the basis of implementing the following integrated ISO standards: 9001 – Quality, 14001 – Environmental Management and 45001 – Occupational Health and Safety. At the same time, TITAN's policies concerning ethical business practices, social responsibility, human rights, anti-corruption and anti-bribery as well as anti-competitive behavior are embedded in all decision-making, and work processes.

ISO 9001
since 2006

ISO 14001
since 2010

ISO 45001
since 2021

FOCUSED ON MATERIAL ISSUES

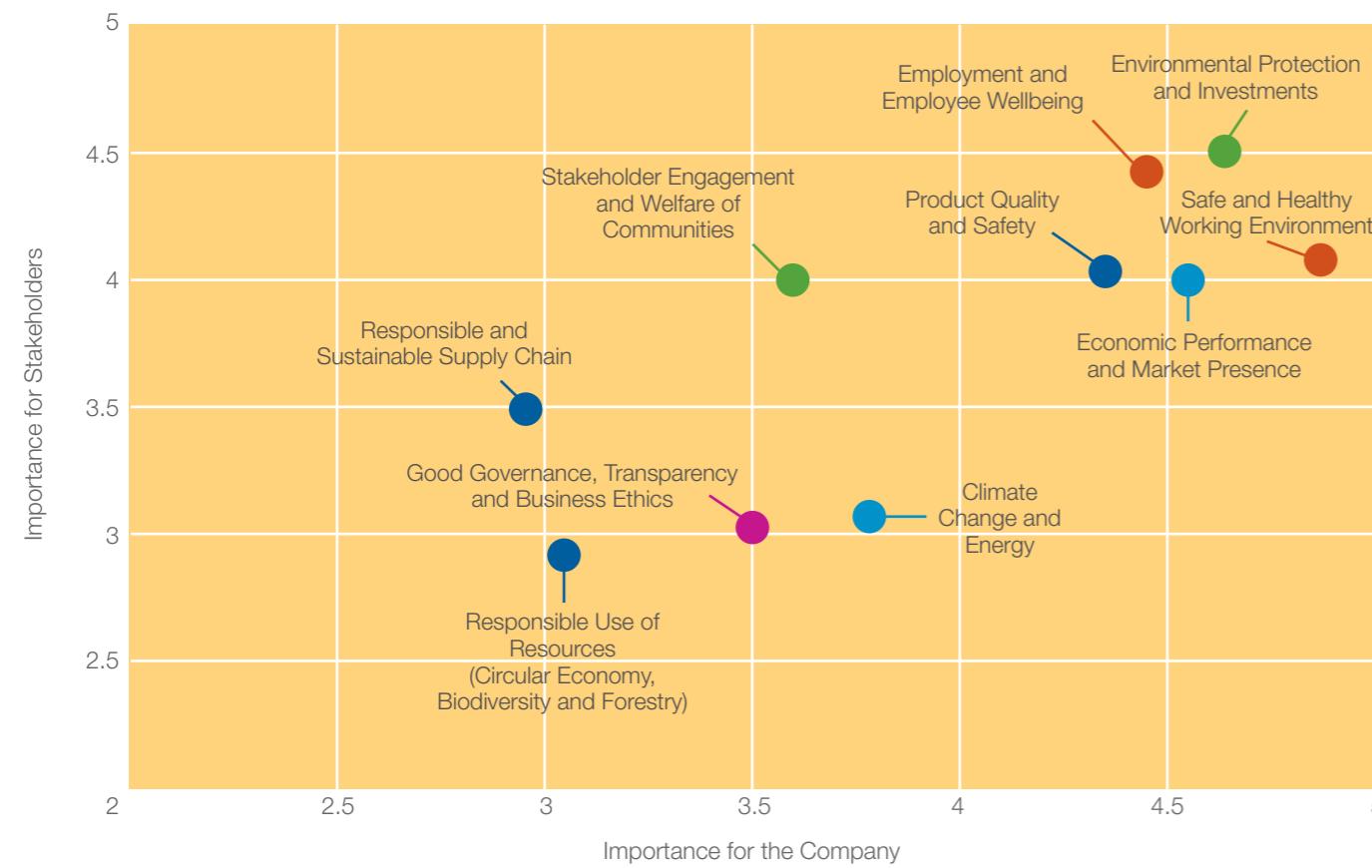
TCK's Key Stakeholders

Customers	Employees	Business partners and suppliers
Local community and local authorities	Regulatory authorities	Youth
Shareholders	Contractors	Media

The Materiality Assessment process involves the participation of our stakeholders in mapping material issues, taking into account their expectations, views, and needs. We prioritize topics and issues of importance to our stakeholders, within the context of our focus areas, our policies and results.

We launched a Materiality Assessment Cycle in 2020 by integrating our internal evaluation process with the TITAN Group's guidelines and enhanced it using the SASB Materiality Map®. We linked selected key topics to the United Nations Sustainable Development Goals (SDGs). By validating material issues in 2022, we have confirmed that the top priority Material Issues for us and our stakeholders remain: environmental protection and green investments, followed by a safe and healthy working environment, employment and employee wellbeing, economic performance and market presence, and product quality and safety. As the result of the validation process, we identified three more issues material to some of our stakeholders: access and affordability, competitive behavior and data security.

TITAN Cementara Kosjerić's Materiality Matrix



* A scale for rating material topics from 1 to 5 was applied.

TITAN Group Focus Areas:

Decarbonization and Digitalization

Good Governance, Transparency and Business Ethics

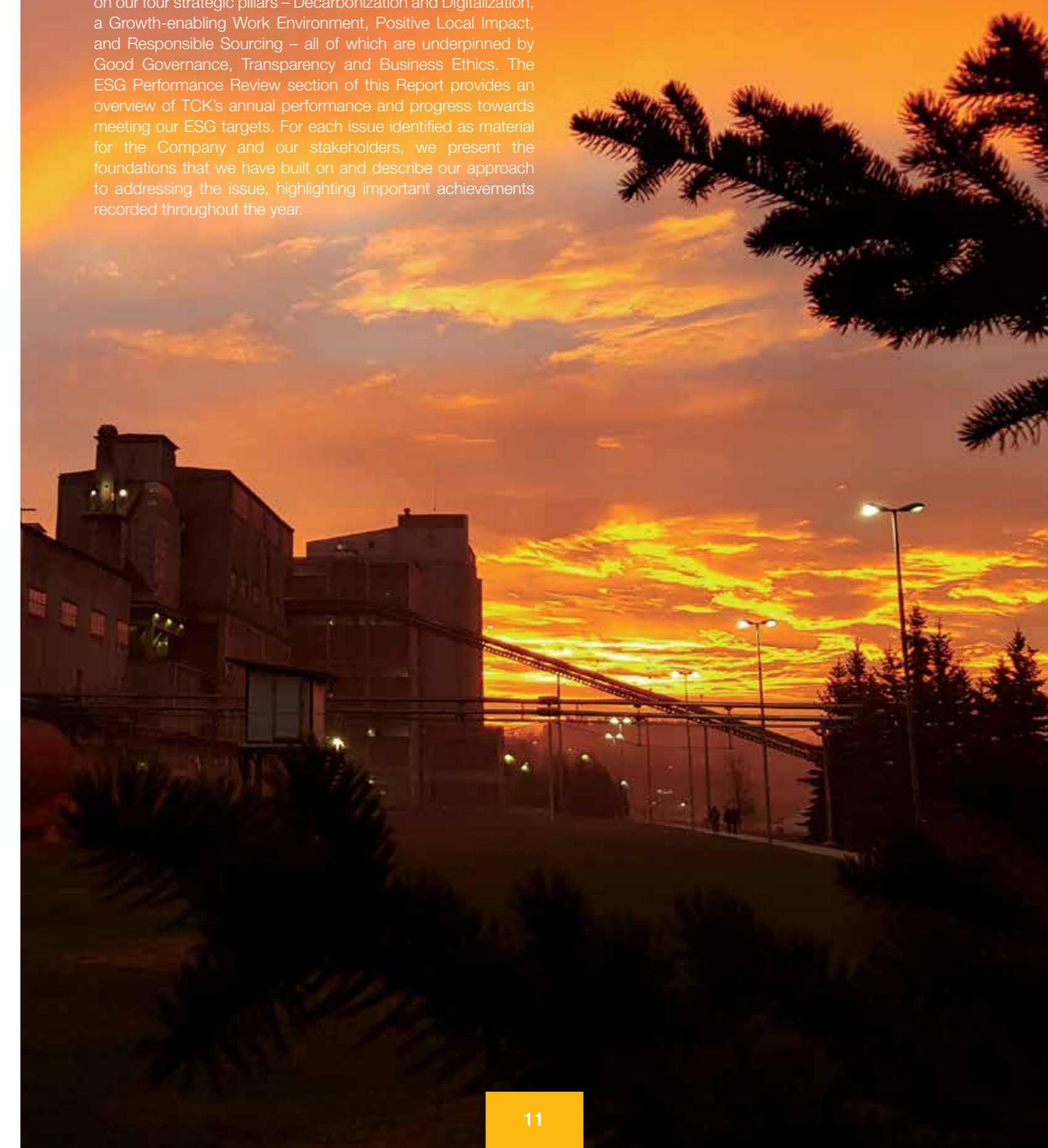
Growth-enabling Work Environment

Responsible Sourcing

Positive Local Impact

ESG PERFORMANCE REVIEW

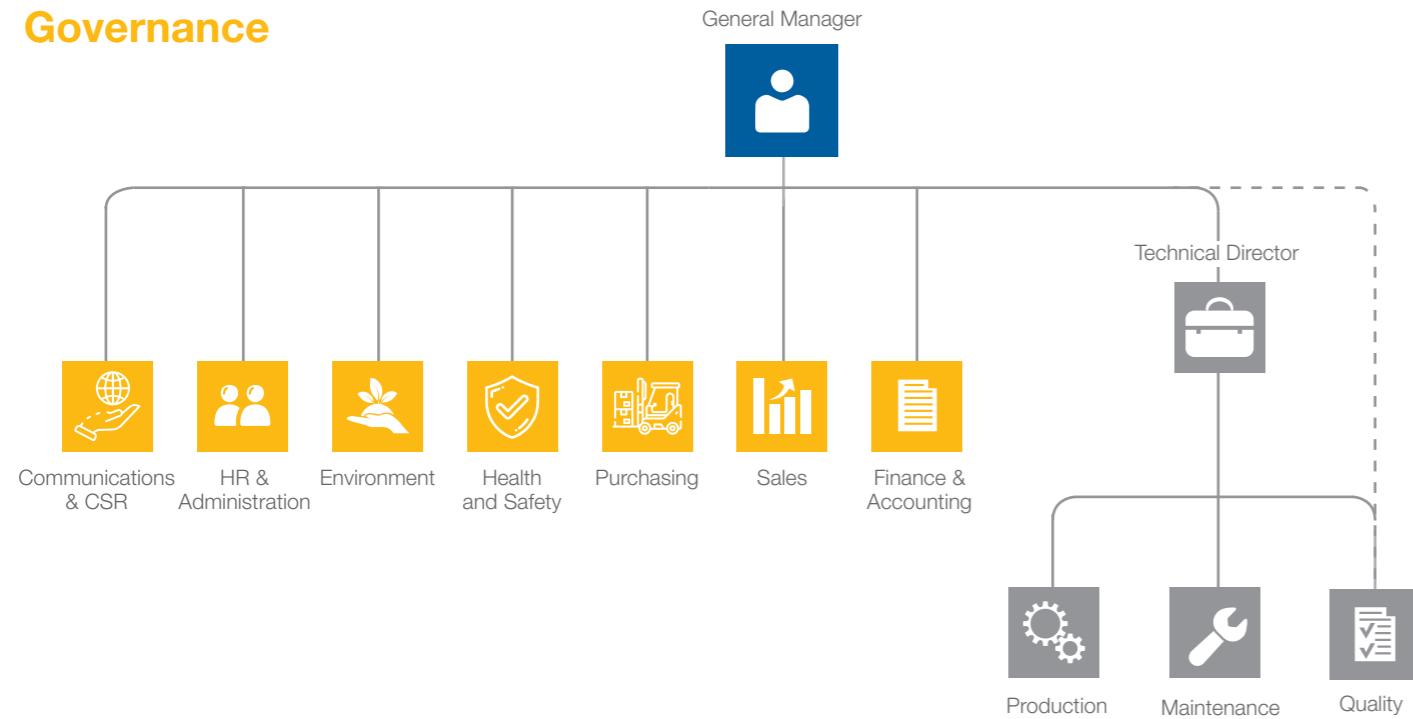
Underscoring our enduring commitment to sustainability and value creation for all, we set ambitious Environmental, Social and Governance (ESG) targets for 2025 and beyond. They focus on our four strategic pillars – Decarbonization and Digitalization, a Growth-enabling Work Environment, Positive Local Impact, and Responsible Sourcing – all of which are underpinned by Good Governance, Transparency and Business Ethics. The ESG Performance Review section of this Report provides an overview of TCK's annual performance and progress towards meeting our ESG targets. For each issue identified as material for the Company and our stakeholders, we present the foundations that we have built on and describe our approach to addressing the issue, highlighting important achievements recorded throughout the year.





MATERIAL ISSUE:

Governance



By maintaining healthy and balanced corporate governance processes, TCK aims to ensure clear lines of responsibility and decision-making. All our decisions consider our values, sustainable development, and the expectations of our stakeholders.

The most important business decisions in line with TITAN Group's policies and guidelines are implemented by the Management Committee, led by the Company's General Manager. The Sustainable Development Goals are formed by the CSR Committee, while coordination of CSR activities and day-to-day communication with the Corporate Center and stakeholders is the responsibility of the CSR & Communication Department.

The sector boards (Quality, Environmental, H&S, Training and CSR Board) have a significant role in ensuring successful corporate governance and their work is supported by the Management Committee.

The Company ensures that conflicts of interest are prevented, and that there is a fair approach to the awards system, guided by clear procedural guidelines, and the policies of the TITAN Group. Policies are regularly communicated, and employees are trained accordingly. The updated Group Diversity, Equity and Inclusion Policy was distributed in 2022, underlining our commitment to creating an environment where everyone is able to experience a sense of belonging. All our employees have access to the **EthicsPoint** platform, a tool used for anonymous and confidential reporting of incidents. This software is an additional tool supporting transparency, which thereby safeguards good governance and integrity.

Risk Management

By establishing targets, we monitor identified risks, which in turn, allows to respond quickly and efficiently. Our Company implements risk management procedures within the framework of integrated ISO 9001, 14001 and 45001 systems. This methodology serves to accurately and continually consider identified risks, but also to take advantage of opportunities that improve business processes.

The negative impacts of the war in Ukraine on the global and domestic economies have led to unstable financial conditions, inflation and the disruption of the commodity market. We carefully monitor developments, cooperating closely with colleagues from corporate functions, aiming to find the best strategies to alleviate the influence of the circumstances and facilitate continuity in all business aspects. In 2022, we managed to mitigate the risks and did not face major disruptions in business, including supply chains.

Decarbonization and Digitalization

Decarbonization provides opportunities for innovation and growth, as it requires the profound reshaping of energy and construction materials sectors, the cement industry among them. Our Company aspires to reduce carbon emissions by developing low-carbon products, accelerating its energy efficiency efforts and adopting innovative technologies and solutions. By applying the best available technologies, practices and innovations which aim to digitalize the cement production process, we improve our plant's level of reliability and efficiency, thus providing quality services to our customers, better working conditions and long-term value.



MATERIAL ISSUE:

Economic Performance and Market Presence



MATERIAL ISSUE: Climate Change and Energy

Decarbonization

New Eco-Efficient Cement

Continuing with our strategy to improve and develop new products with the lowest possible carbon footprint, we have developed a new type of eco-efficient cement, CEM II/C-M(V-L) 42.5N. This new product has replaced our previous CEM II/C-M(V-L) 32.5R type cement and exceeds its performance. At the same time, the reduction of total CO₂ emissions stands on par with the reduced CO₂ emissions achieved in the production of its predecessor – which is approx. 4% per year.

Our Company's target is to reduce CO₂ emissions by 12% by 2025 year-end, compared to 2021. We plan to do this through innovation and further product optimization while at the same time providing sound and stable product quality to our customers.

Climate Change & Energy

Climate change is one of the most pressing issues and a key element in the long-term sustainability of our business, given the high carbon-intensity of the cement-making process. Titan Group is actively engaged in global efforts to mitigate climate change, placing the reduction of its carbon footprint at the forefront of the sustainability agenda, while participating in the decarbonization of the construction value chain.

TITAN Cementara Kosjerić aspires to reduce carbon emissions by investing its efforts in energy efficiency, developing low-carbon products, adopting innovative technologies and solutions as well as by incorporating the use of alternative fuels. Regardless of the fact that Serbian law has not legislated reporting on CO₂ emissions, TCK monitors and reports on these emissions regularly.

Reporting is in accordance with the sectorial guidance document developed by the GCCA and the methodology applied complies with the Greenhouse Gas Protocol, developed by the WRI and the WBCSD.

TCK's Scope 1: CO₂ emissions performance

TCK's total direct CO₂ emissions in 2022 amounted to 0.4 million tons, which is approximately an 8.5% increase compared to 2021 and is a direct consequence of the increased quantities of clinker production. The specific direct emission of CO₂ amounted to 613.7 kg CO₂/t_{product}⁹, which is a 1.8% decrease compared to 2021.

⁹ Product refers to a cementitious product, according to GCCA Guidelines.

Thermal Energy

In 2022, TCK used thermal energy derived from burning fossil fuels and biomass – wooden pellet.

We thoroughly monitor energy consumption and efficiency to reduce our environmental footprint and decrease costs. Careful selection of fuels and process optimization has enabled us to sustain company-strong performance in thermal energy consumption.

Overall, our energy consumption as well as specific energy consumption remained in line with the energy consumption indicators of other TITAN plants (https://www.titan-cement.com/Intergated_Annual_Report_2022_EN.pdf). A detailed presentation is subject to confidentiality restrictions, in accordance with our policy.

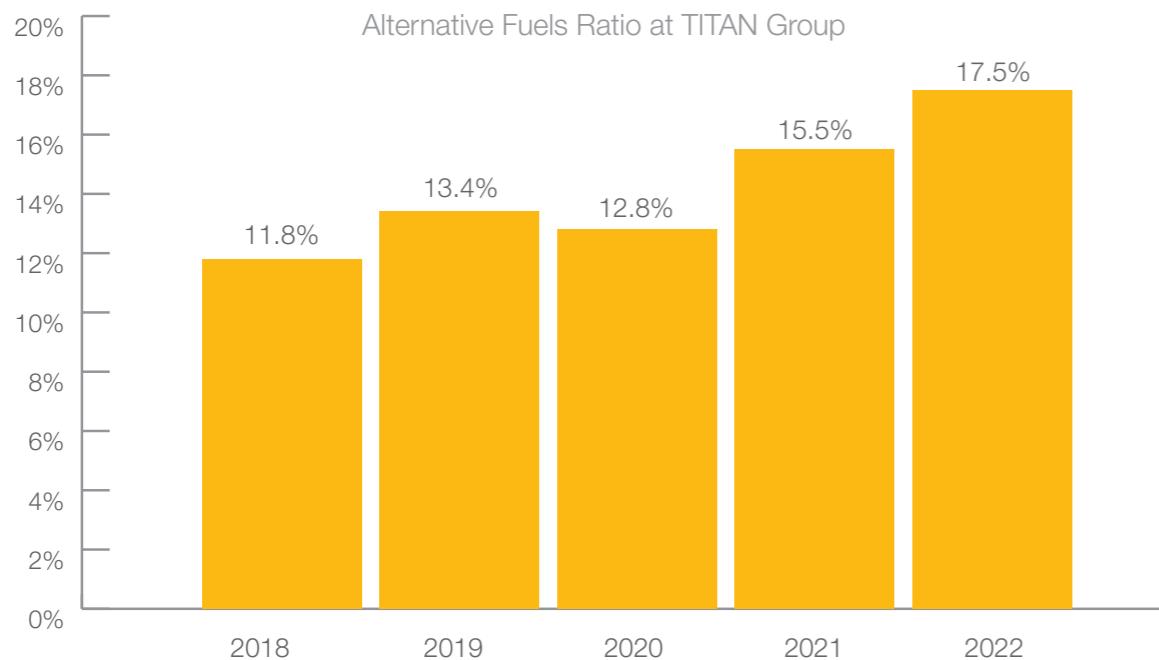
In 2022, specific heat consumption remained almost identical to 2021 levels.

Co-Processing in Cement Kilns

Co-processing refers to the use of waste materials in industrial processes, such as alternative fuels or raw materials, to recover energy and resources contained in these materials. Due to the nature of the technological process and the high temperature in cement kilns, various forms of waste can be safely and efficiently disposed of through co-processing. The highest ratio of thermal energy substitution of conventional fossil fuels by alternative fuels in the cement industry is achieved in developed countries and countries with highly developed environmental protection protocols in place. For instance, cement plants operating in Germany have reached an average alternative fuels use ratio of 69.3%¹⁰.

The increased use of lower-carbon fuels which 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 CO₂ emissions, and the cement industry's long-term competitiveness while also providing a low-cost circular economy solution for society.

In 2022, the Group's ratio of alternative fuels reached 17.5%, an increase of approximately 13%, compared to 2021.



TITAN continues to pursue opportunities to increase and optimize the use of low-carbon fuels in cement production, with a steadfast commitment to reducing the environmental footprint of the Group's plants.

¹⁰ VDZ Environmental Data – German Cement Industry 2021.

Study Visit to TITAN's Plant in Thessaloniki

In November 2022, within the project "Waste to Energy for the Western Balkans Cement Industry" (W2E), a study visit to TITAN's cement plant in Thessaloniki was arranged by German Gesellschaft für Internationale Zusammenarbeit (GIZ) in collaboration with TITAN Group cement plants operating in Albania, North Macedonia, and Serbia.

During this visit, key stakeholders from the three countries learned firsthand about the operations of this plant which has been using alternative fuels for many years to obtain energy in the production process. Visitors had the opportunity to confirm that with adequate control measures, the safe use of alternative fuels is also a sustainable option in cement plants such as the one operating in Thessaloniki. The plant is situated in an urban neighborhood, an area that thrives on tourism in a region known for extensive farming activities.

The use of modern technology continuously reduces environmental impact, enabling the safe disposal of waste, utilization of thermal energy and decrease of both landfill waste volumes and CO₂ emissions.



TCK's Scope 2: CO₂ emissions performance

Scope 2 CO₂ emissions are indirect CO₂ emissions, i.e., emissions related to the production of electricity used by our plant.

In 2022, Scope 2 specific emissions were decreased by 7.6% compared to 2021 while specific electrical energy consumption was reduced by 1%.

TCK's Scope 3: CO₂ emissions performance

Our monitoring of CO₂ emissions in the supply chain (Scope 3) covers 6 of the 15 categories of Scope 3 emissions defined by the GHG protocol. Selected categories: 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 industry activities according to GCCA analysis, with only 4 of these being mandatory.

In 2022, our Scope 3 emissions amounted to approximately 16% of total CO₂ emissions (Scope 1, Scope 2, and Scope 3).

Our CO₂ emissions for 2022 (Scope 1, Scope 2, and Scope 3), were verified at the Group level by ERM CVS (ERM Certification and Verification Services Ltd).



Digitalization

TITAN Group has been continually investing in the digitalization of its operations. This enables us to compete successfully in the new operating model that technology has created and continues to create for the industry. In 2020, the Group founded the Group Digital Center of Competence to further strengthen capacities for development and the implementation of new digital solutions, focusing on manufacturing, supply chain and customers. As of 2022, the Group Digital Center of Competence has installed Real Time Optimizers in plants in the USA, Greece, Brazil and Southeastern Europe, which allow for improvement of productivity as well as reduced energy consumption.

In Serbia, we participated in a Group pilot-project called Metis in 2022 that enables digital follow-up of manufacturing equipment. We also implemented an in-house project aiming to digitalize operational documentation, making processes more efficient. This is a comprehensive system that facilitates and accelerates the process of filing, processing, approving, monitoring and searching for documentation. The system has helped us facilitate the implementation of e-invoices, a project we completed by mid-2022, significantly ahead of the set government deadline.

Resilience of IT Infrastructure and Cyber-Attacks

TITAN constantly reduces vulnerabilities and promotes secure infrastructure design by improving existing proactive prevention capabilities and building new ones for rapid detection and response.

Our ongoing cyber security awareness program is conducted annually and includes all TITAN employees, in line with security and the protection of IT infrastructure being of great importance to maintaining business continuity. We constantly apply best practices and revise our business plans in this area. In 2022, we introduced a new protection system that provides us with security information, web filtering, latest-generation firewalls, intrusion protection, multi-factor authentication, protection e-mails, etc.

The main cyber security actions that took place in 2022 related to vulnerability management, phishing simulation exercises, and improving security measurement.



Growth-enabling Work Environment

The readiness to adequately respond to the challenges of a competitive environment and social trends stems from the concept of continuous learning, which is a permanent commitment of TITAN Cementara Kosjerić. Our Company's sustainability strategy relies on the professional and individual qualities of our people, and the long-term relationships we have built.

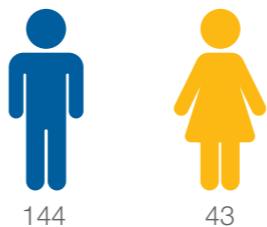
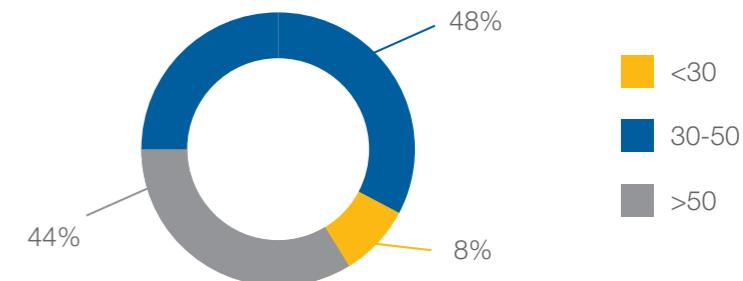


MATERIAL ISSUE:
Employment and Employee Wellbeing

Typically, our employees are male...

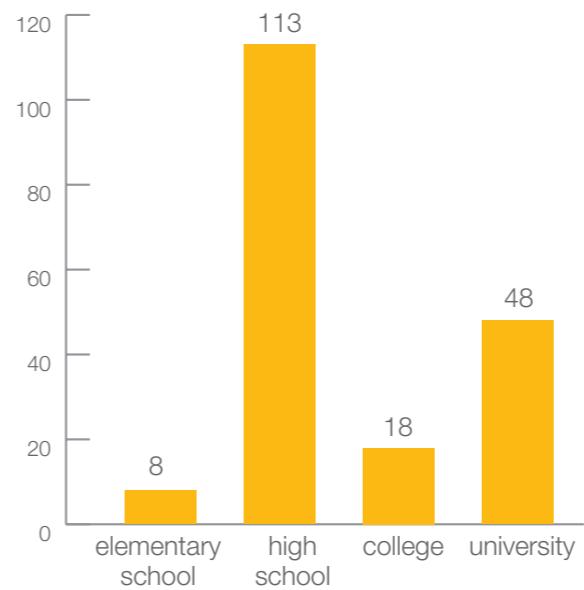
...are on average 47 years of age...

Employee Age



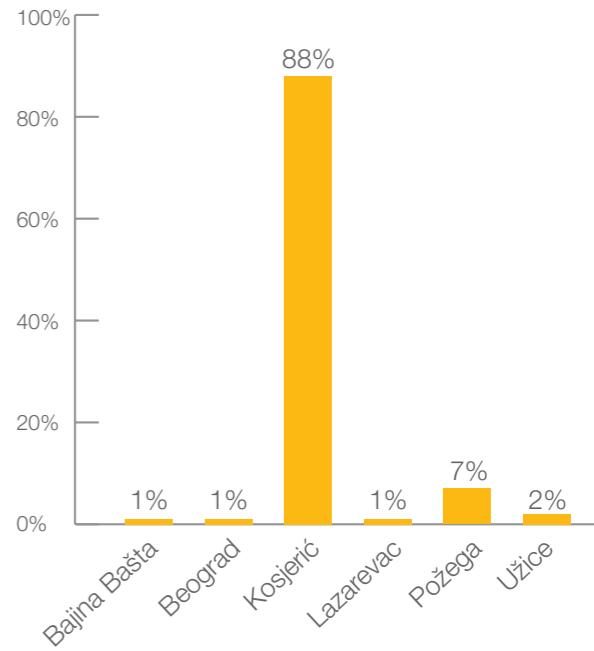
...are high school graduates...

Qualifications



...and residents of the Town of Kosjerić.

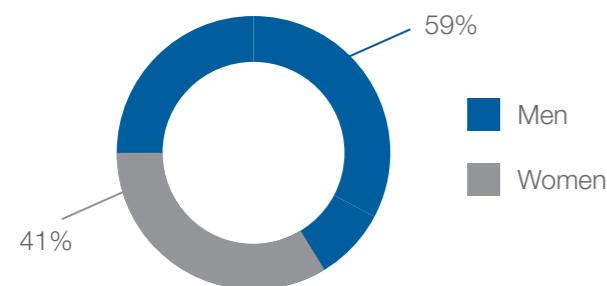
Employee Structure According to Residence



We strive to begin with the onboarding process even before the hiring stage. This is why in 2022 we introduced **Recruiting Marketing**, an SAP platform accessible from our website which serves to present the Company to future coworkers, improving their experience in searching and applying for available positions.

We are committed to creating **an environment that supports diversity**, where everyone can thrive and experience a sense of belonging. This is a continuous process which requires that all involved are aware and hold a degree of responsibility in nurturing a healthy Company culture which provides a safe environment for everyone. With a workforce which is **23% female**, TCK has one of the best gender ratios within TITAN Group.

Management According to Gender



In 2022, we revived the Internship Program we had first launched in 2014 which was interrupted by the Covid pandemic. **26 interns gained their first work experience** with our Company, finishing off their internships by presenting what they had learned to their mentors.



MATERIAL ISSUE: Safe and Healthy Working Environment

Safety First

Our main achievement in 2022 was that we had zero LTIs relative to both direct employees and contractors alike. Year-end marked 665 days with zero direct employee injuries and 843 days of zero contractor injuries. Our continuous safety training program included 4,091 hours of Health & Safety (H&S) training, meaning that on average, each employee underwent 16.6 hours of H&S training – direct and contractor employees.

One of the main improvements made in this area relates to Emergency Preparedness. This included the procurement of new firefighting and rescue equipment, development of rescue plans for all confined spaces and main work at height locations, installation of gas detectors, new hydrants, emergency - rescue exits, and holding numerous fire drills.

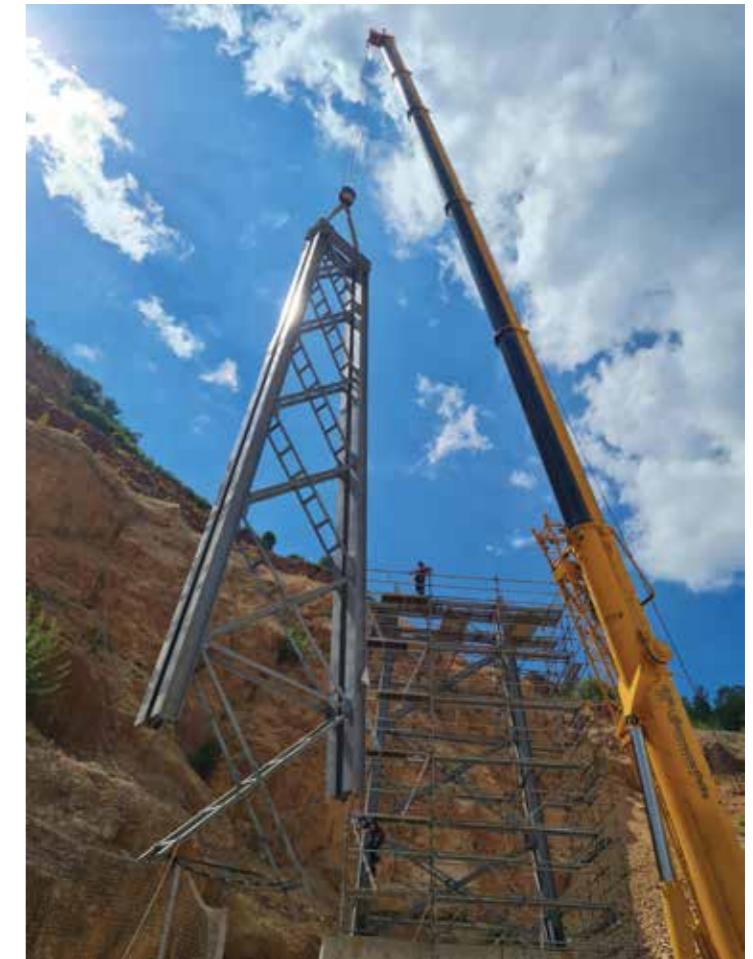
30 near-misses were identified throughout the year, followed by RCAs, all promptly investigated, and numerous preventative activities were the result of these, which served to immediately improve safety conditions and eliminate risk. The exchange of incident investigation reports between TCK and the Group served to establish the Continuous Work Environment Improvement System. By maintaining open communication with all employees and developing an atmosphere of mutual trust at TCK, we have continued to build a safety culture that is one of our greatest achievements.

We organized 156 safety walks, during which 787 unsafe acts and conditions were recorded. The timely remedy of unsafe deficiencies described in the findings, i.e., the actions and measures implemented to improve unsafe conditions was on high level at 87%.

A successful 360° Audit was performed and received the highest ‘green’ rating, once again with zero critical findings, which confirms the high efficiency of TCK’s Safety System.

Active participation and support in the realization of HSE Group activities in the region – membership in the 360° Audit implementation team, activities in the creation of Essential Rules Procedures as part of the implementation of the “Next Step on Safety” program, offering support to colleagues in the region through the organization of educational visits, the aim of which is to share good practices, knowledge and experience, as well as successful implementation of the plan to review and unify the essential procedures for Work at height and PPE also were important achievements.

TITAN Cementara Kosjerić’s Safety Committee consists of 5 employee and 3 employer representatives. The main role of this Committee is to ensure the inclusion of members of the collective in the organization and functioning of the safety system. All issues pertaining to the area of health and safety are laid out in detail in TCK’s Collective Agreement.





MATERIAL ISSUE:

Employment and Employee Wellbeing

People Development

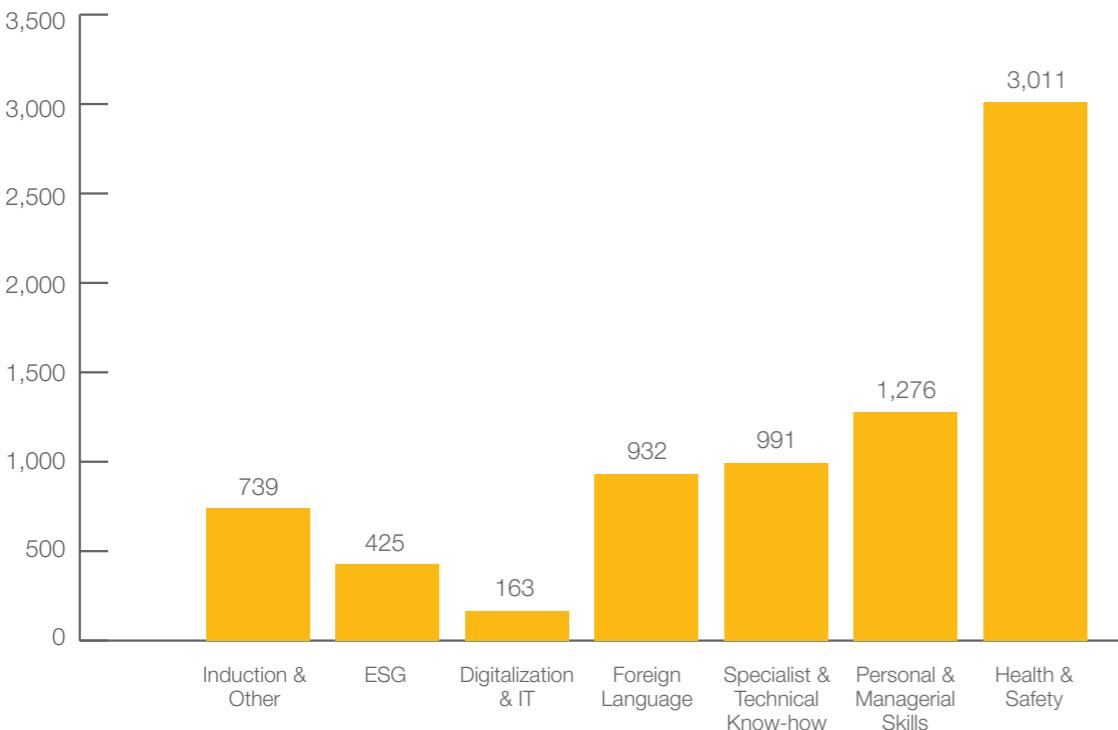
We continue to focus on personal and professional development. In addition to regular H&S training, which remains a top priority, in collaborating with the TITAN Group our colleagues were able to refresh their technical knowledge of raw material design, solid fuel grinding and cement grinding in ball mills. We have brought the focus back on the various ways that we can work together, including creative thinking and project management.

Average Training Hours per Employment Category

Management: 86

Employees: 32

Training in 2022: **7,537 hours¹¹**



¹¹ Consolidated presentation of training hours according to defined categories within the section "ESG Statements".

Wellbeing

Our efforts to raise awareness concerning important aspects of health and the quality of life of our employees, continued throughout 2022.

We continued with the campaign "**How are you?**", dedicated to promoting mental health. Through informative materials we tackled topics such as: stress relief, positive attitude, gratitude, and awareness.

The results of the **Employee Engagement Survey**, conducted in July, were among the best in the TITAN Group and our industry. Still, our aim was to identify areas for improvement and to draft action plans to further enhance both colleague engagement and enablement.

With focus on physical health and fitness, we launched the **Healthy Habits** program that provides practical advice on how to improve quality of life, through topics such as quitting smoking, starting a healthy diet, engaging in physical activity, as well as preventive medical check-ups.

To encourage preventive medical check-ups and offer a variety of medical care options to employees, we launched a **medical plan** through which employees can schedule medical check-ups easier and faster.

GuidanceResources®

COMPSYCH®
GuidanceResource Worldwide

ARE YOU STRESSED??

To a certain degree, feeling stressed is a normal, healthy response to life's events and challenges. However, prolonged stress can have adverse effects on your health and general well-being.

Conditions linked to stress include:

- Migraines and headaches
- Sleep and appetite disturbances
- Cardiovascular disorders
- Diabetes
- Asthma

Behavioural symptoms include:

- Social withdrawal
- Anxiety
- Forgetfulness
- Lack of concentration
- Substance abuse

8 Tips for Beating Stress

Laugh and Learn
Instead of getting irritated, laugh at life's annoyances and learn from your mistakes.

Identify the Causes
Is it traffic? Problems at work? Bad news on the TV? What stresses you out?

Keep a Schedule
Allow ample time for travel and schedule free time for yourself.

Focus on the Positive
Be proud of your accomplishments and celebrate your successes.

Get Enough Sleep and Exercise
Exercise not only improves health and mood, it aids in better sleep.

Meditate
By sitting in a quiet environment and closing your eyes you can achieve relaxation.

Do Things You Enjoy
Make and take time to do activities that bring you pleasure.

Nurture Relationships
More interpersonal contact with the right people can help relieve stress.

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Health & Wellbeing at TITAN

Positive Local Impact

TITAN Cementara Kosjerić promotes open dialogue and collaboration with its stakeholders. The aim of this is to implement initiatives which contribute to improving quality of life, while considering the social and environmental challenges facing the local community. We aspire to continually progress in terms of environmental performance; hence, we systematically monitor our environmental footprint and regularly report the results. At the same time, we have set ambitious targets to reduce emissions and to preserve biodiversity and natural resources.



MATERIAL ISSUE:
Environmental Protection and Investments

Shaft and Tunnel Project



The unique Shaft and Tunnel Project is a EUR 10 million investment in TCK's limestone quarry in Suvo Vrelo. The investment will enable safer and more efficient operations, extending the life of the quarry to over 70 years.

The main works on the site began with tunneling, which took place late in 2015 and continued with the construction of two shafts in 2019 and 2020. Throughout 2021 and 2022, all civil, mechanical and electrical works were completed and we then assembled the mobile crusher and mobile conveyors, and commissioned the installed equipment.

Main benefits of the Shaft and Tunnel Project:

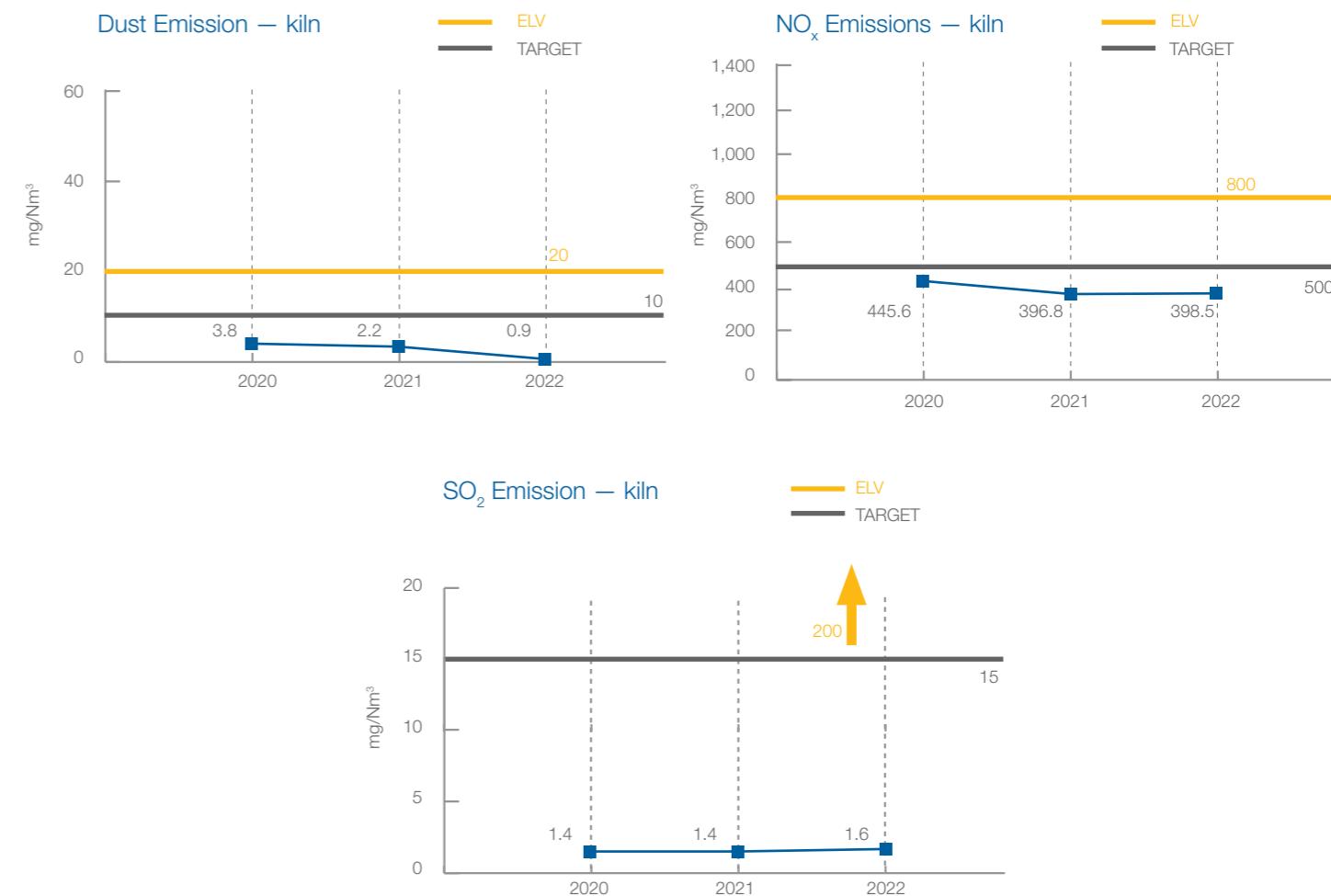
Safety	Efficiency & Performance	Environmental Impact	Improvement Opportunities
Re-design of quarry benches, applying the following safety criteria: to change the applied mining practice of 'pushing' excavated material from the benches to the loading points. Minimization of truck movement and consequent safety risks.	Crushed material stockpile at quarry base plateau will allow for continued operation and quarry production.	Progressive rehabilitation practices will be applied. Less impact on land and less visual impact of operations. Reduced use of trucks will minimize dust and indirect CO ₂ emissions.	Transportation of crushed material from base plateau to the plant can be done by using a system of conveyor belts. Improvement of existing crusher in the plant.

Air Emissions

Monitoring and reporting air emissions is in alignment with legislative requirements and GCCA Guidelines. In cement production, the most significant air pollutants are nitrogen oxides (NO_x), sulfur oxides (SO₂) and dust. We continued dedusting the kiln and raw mill with a bag filter, ensuring a low level of dust emissions. In 2022, TCK made progress with its strategy to optimize production and plant modernization, thus minimizing environmental impact. We put into operation a new bag filter to reduce dust released by the bulk cement loading system. We continued implementation of the flame cooling process in the rotary kiln, an additional measure applied to further reduce NO_x emissions.

To strengthen the reliability of our results, we installed two new devices that continually measure dust emissions on the main emitters: the kiln and cement mill. This is how we continue to ensure availability of air emission indicators in real time, which in turn allows us to implement preventive activities aimed at maintaining emissions as low as possible and always below limit values (ELVs). Fifteen-day average emission values measured at the rotary kiln emitter are publicly available via the Company's website at: www.titan.rs.

Over the years, we have invested heavily in Best Available Techniques (BATs), reaching and maintaining strong environmental performance that meets existing regulatory requirements as well as our own targets, which are often more demanding.



Waste Management

Waste is never a by-product of the technological process at our plant, and most of our waste is generated during maintenance activities as well as cement packaging and palletizing activities. Following best practices, waste is separated at its source, collected, and temporarily stored in waste collection storage areas.

Of the total amount of generated waste in 2022, non-hazardous waste amounted to 251.1 tons and all the quantities were forwarded to recycling and disposal. Hazardous waste (waste lubricating oil, oily absorbents, light bulbs, electrical and electronic waste) amounted to 3.4 tons. The entire amount of hazardous waste generated in 2022 was handed over to authorized operators for further treatment.

Biodiversity

Our production process is directly dependent on the exploitation of mineral resources. For this reason we are focused on responsible and efficient land management and the preservation of biological diversity. A comprehensive environmental impact assessment study and rehabilitation plans cover all aspects of quarry development and exploitation. All activities aimed at quarry rehabilitation and biodiversity management at these locations are in alignment with GCCA Sustainability Guidelines for quarry rehabilitation and biodiversity management.

TITAN Cementara Kosjerić does not carry out its production activities at locations in protected areas, nor in areas of special importance for the preservation and improvement of nature or adjacent to high biodiversity value areas. One of the preventive activities performed by TITAN Group is to regularly conduct risk assessment of the state of biodiversity, at each location in which it operates, by applying the Integrated Biodiversity Assessment Tool (IBAT). The results of the 2020 risk assessment confirmed that our plant and the Suvo Vrelo and Galovići quarries are not in the vicinity (nor are they part of) areas with high biodiversity value. Therefore, no specific Biodiversity Management Plans are required for our sites.

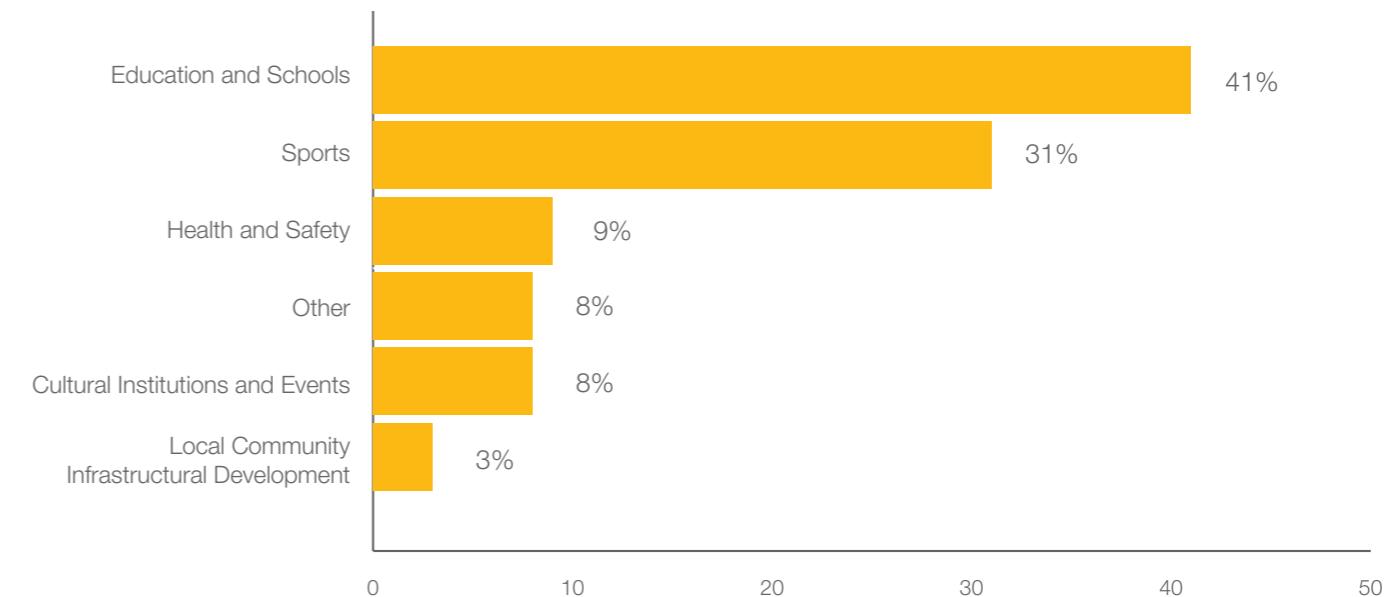


MATERIAL ISSUE:
Stakeholder Engagement and Welfare of Communities

TITAN in Kosjerić – Engagement and Investment in the Local Community

We strive to improve the quality of life of our co-citizens by comprehensively supporting the development of the local community. Our Company's growth is based on the principles of social responsibility and sustainable development, and this is inseparable from the wellbeing of those living in our immediate environment. In 2022, the Company invested over € 163,000 in local-community development projects.

Structure of Investments in the Local Community



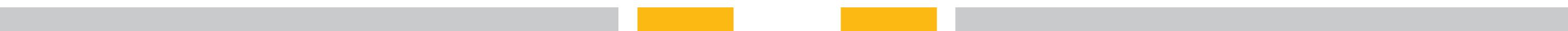
TITAN is implementing a framework of initiatives in each country, in line with the Group Framework Guidance, and tailored to local needs while leveraging opportunities for the promotion of open dialogue and collaborative actions with its stakeholders. TITAN's target is to have Community Engagement Plans (CEPs) aligned with material issues for stakeholders and UN SDGs 2030 at all of its key operations by 2025.

In TITAN Cementara Kosjerić, 18 initiatives were implemented in 2022 with the engagement of over 200 participants. More than 120 participants were TITAN employees, who acted as volunteers. In total, more than 12,400 people in the local and broader communities of our operations were direct and indirect beneficiaries of the CEPs.

Encouraging Community Development

TITAN Cementara Kosjerić contributes to a positive, direct and indirect economic impact on the domestic economy. We report about "Local Spend", i.e. the share of domestic suppliers in total procurement, according to TITAN standards and UNCTAD Guidelines. Local Spend in total procurement for 2022 amounted to 71.68%, or 74.36% consolidated with operations in TCK Montenegro. Cementara strives to ensure that at least two thirds of all procurement is directed toward domestic suppliers.

We achieve this through the implementation of various projects and by choosing to work with domestic companies, given that all purchasing procedure conditions are met.



Responsible Sourcing

Safety Workshops

In 2022, we continued to implement our Safety Workshops program, an educational model for the 4th grade pupils of local elementary schools, aiming to raise safety awareness. Safety Workshops were held as part of a three-week program, in collaboration with schools, members of the police station, fire brigade, and the Kosjerić Health Center.

The children were given the chance to learn about safety in the classroom, traffic safety and the prevention of peer violence. They learned about safe internet use, the causes of and fire prevention, as well as preventing injury during playtime/everyday activities, where basic strategies to protect ourselves and others were pointed out.

The program included interactive segments where the children were presented with various traffic situations and how to deal with them, introduced to firefighting equipment, visited our plant, and finally, tested to see how well they had absorbed the presented material. Those with the best scores were also awarded prizes.



Plant Open Day

As an example of our commitment to transparent communication with the local community we organized our traditional "Plant Open Day", after a two-year pause. On this occasion, visitors were able to observe our plant in person and were welcomed by TCK employees who presented the plant and its operations to the crowd. Part of the event included a presentation of the 2021 Integrated Report, during which our most significant results were shared with the attendees. The event also included entertainment for all ages, accompanied by refreshments and music. By opening our doors to partners and all interested co-citizens, Cementara again confirmed its readiness to collaborate with the community and our dedication to improving the local environment.



We strongly believe in the principles of a circular economy which is why we engage in a wide range of activities directed at the minimization, reuse and recycling of materials and energy with the aim of preserving natural resources. Moreover, we encourage and empower our associates to incorporate the principles of sustainable development into their business processes and decisions, which is the way we strive to expand the principles of our CSR strategy onto those we work with closely.



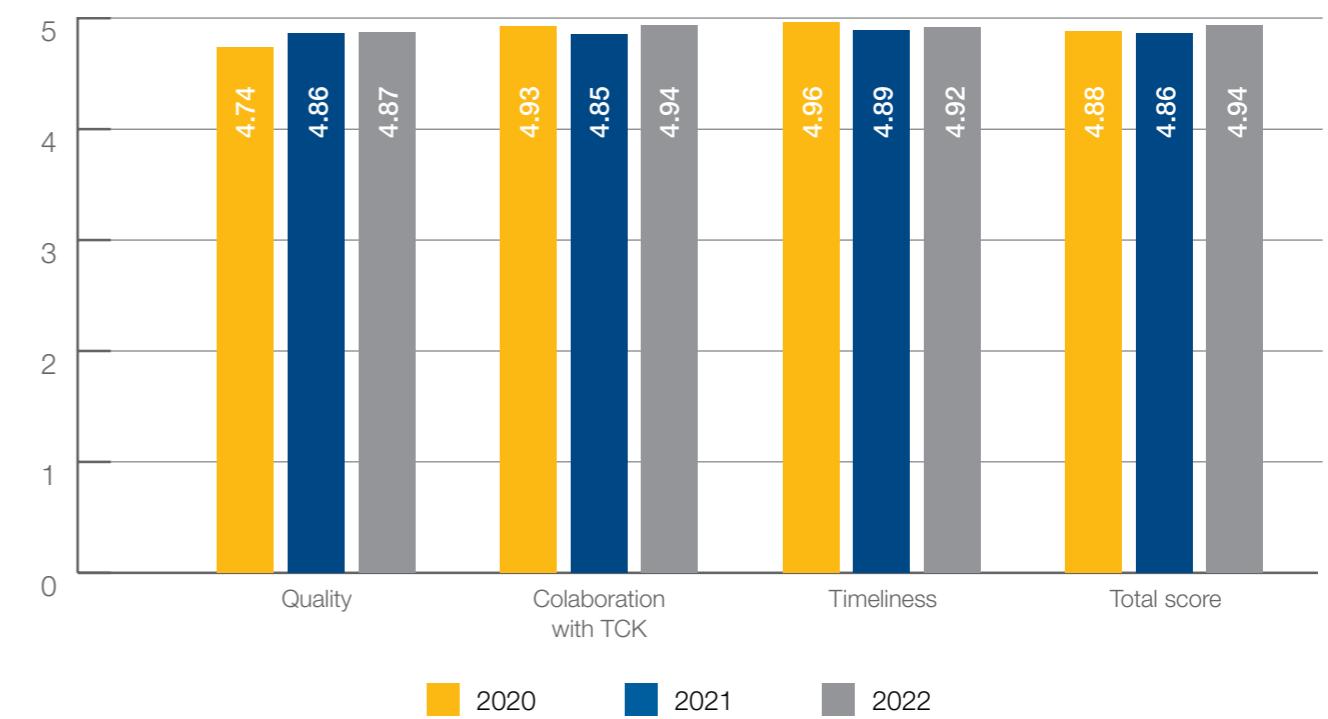
MATERIAL ISSUE: Product Quality and Safety

Quality Products

Our Company is fully committed to customer satisfaction, which allows us to continuously improve our market position and achieve remarkable business results. We apply multiple channels of communication, to listen to and monitor our customers' needs and expectations. This ensures that we are always ready to react with solution-oriented focus, maintaining trust, satisfaction and loyalty.

Our customers choose to work with us because we provide good, stable quality products and consistently reliable and safe services. We can say with pride that over the past 3-year period, we have not received a single, formal customer complaint concerning our products or services, nor have we received a single complaint related to the impact of our products on OH&S, packaging, safe handling, storage and product use recommendations.

Customer Satisfaction Survey Results



We are proud of our new product – **Eco-Efficient Cement**, which was well-received on the market in 2022 and which our customers scored with the highest rating during the last evaluation cycle.

Our product portfolio in 2022 included three types of cement, available on the market in bags, bulk, or both. Given that cement is a major construction material, it must respond to today's commercial, societal, and living needs in terms of quality. We apply up-to-date technologies and constantly improve the performance of our products, striving to justify the long-standing trust of our customers and meet ambitious requirements for sustainable construction. To that end, we have introduced new types of cement produced with lower CO₂ emissions.

CEM II/C-M(V-L) 32.5R

In addition to stable quality (water consumption, setting time), this cement provides high early strength, and low heat of hydration. This product is suitable for individual construction, masonry works and finishing construction works.

CEM II/B-M(V-L) 42.5N

This cement has a wide range of applications, from transported and pumped concrete to reinforced concrete structures manufacturing. Suitable to produce finishing building materials, it meets requirements for consistent quality and high standard strengths.

CEM II/A-M(S-L) 42.5R

This cement has a high level of early and late strength, suitable for manufacturing all types of concrete. It is recommended for the building of massive concrete structures, such as bridges, tunnels, roads. It demonstrates high resistance to frost and salt.



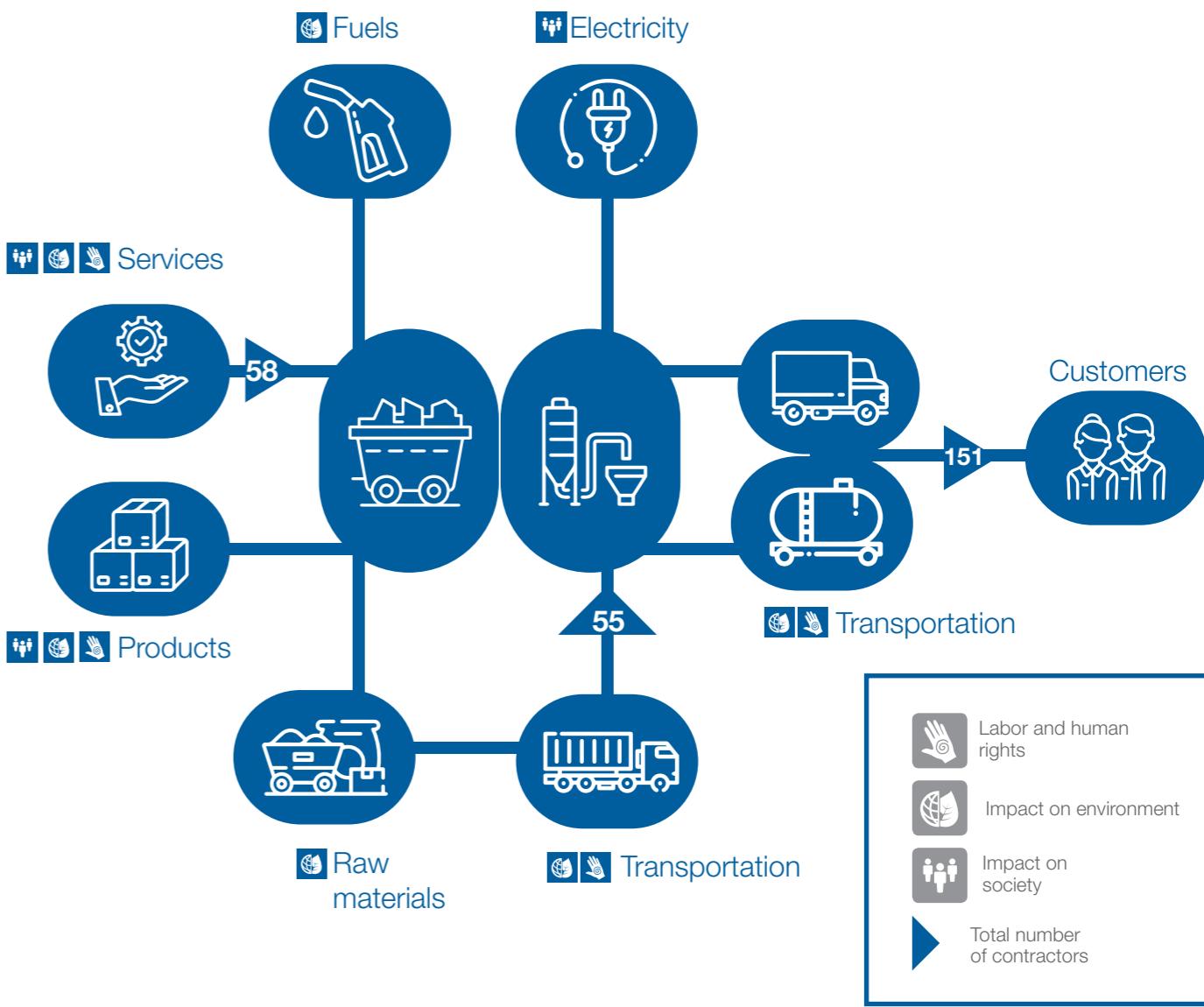
MATERIAL ISSUE: Responsible and Sustainable Supply Chain

Responsible Procurement and Supply Chain Reliability

We strive to engage with suppliers from our community, whenever feasible. Key activities entrusted to local suppliers in 2022 concerned mineral raw material preparation at the quarry, internal transport, plant maintenance, and bagged cement loading. Due to the continuous efforts to improve and enhance collaboration with local suppliers, we achieved a record turnover of EUR 11.6 million with vendors from Kosjerić in 2022. This is an increase of 59% in comparison to the previous year, and nearly 29% of the total value of our annual turnover with domestic suppliers.

Supply Value Chain

Suppliers are categorized by significant groups of products and services, as well as the criteria by which they are regularly evaluated within our collaboration.



CONTRACTORS*	2022	2021	2020
Total number of employed contractors	265	231	239
Number of employed contractors, excluding logistics and transportation	58	54	49
No. of contractors – logistics and transportation	206	176	189
Total no. of contractor man-hours	500,512	435,401	450,292

* No. of contractors estimated as FTE (full-time equivalent).

Supplier evaluation is performed on the basis of several criteria (health and safety, environmental protection, delivered products/services quality as well as by compliance with the Company's Code of Conduct). In 2022, we evaluated 352 of our 703 suppliers. Additionally, 60 of these suppliers were evaluated on the basis of health and safety and environmental criteria.

We promote the following values: human rights protection, anti-bribery and anti-corruption guidelines, health and safety and environmental protection through continuous communication with our associates and distribution of our Code of Conduct for Procurement. In 2022, we distributed our Code of Conduct to 45 suppliers and signed 213 contracts which include clauses referring to these business principles.

Promoting e-invoicing in the supply chain

Led by our desire to act proactively in all aspects of our business, we engaged in promoting e-invoicing throughout our supply chain ahead of the legally prescribed deadline.

We hosted a one-day external training session for all interested local suppliers and bookkeepers which addressed the topic – to help with process clarification, what their obligations are and the applied methodology. Our colleagues from the Finance and Accounting and Sales and Purchasing departments were also present to support the discussion. In addition to this, we took the opportunity during the Plant Open Day event to organize a lottery for suppliers that had sent us e-invoices via the dedicated SEF platform before the set deadline. These suppliers were presented with awards ranging from sun umbrellas to mobile phones and served to further motivate our vendors to more quickly implement up-to-date digital solutions in their operations.



MATERIAL ISSUE:

Responsible Use of Resources

Resources Preservation

Our strategic priority is to contribute to sustainable development by saving non-renewable natural resources. In this context, we are focused on the conservation of natural resources, namely: raw materials – through the use of secondary raw materials and water – through the use of a recirculation system.

Natural and Alternative Raw Materials

Practices such as product reuse, recycling and recovery of materials are crucial to waste reduction. These practices support the circular economy. We treat end-of-life products as resources, redefining their characteristics and using them as raw materials for production. TCK complies with the principles of the circular economy and the importance of these principles is recognized in our Group Environmental Policy. In 2022, we consumed over 115,000 t of secondary – alternative raw materials for the production of clinker and cement, which is approximately 25% more, in comparison to the previous year. With this, we reduced the amount of landfilled industrial waste in Serbia by the same amount.

Water

We seek to preserve and sustain the quality of water resources and to reduce the withdrawal and consumption of freshwater by recycling and promoting responsible and efficient water usage and discharge practices.

Water risk assessment is a significant component of TITAN's sustainable management of water resources policy. In 2020, water risk assessment of all Group sites was completed at the corporate level with the use of the Aqueduct tool of the World Resources Institute (WRI) and the Water Risk Filter of the WWF. According to this assessment, the Kosjerić Plant is located in a water-stressed area, therefore further actions will be taken to evaluate local conditions, to identify related risks and opportunities and make appropriate decisions to further enhance our practices for sustainable water management.

Since 2014, with the completion of TCK's water recycling facility, we have significantly reduced the need to withdraw water from the Skrapež River, as this system effectively collects rain and storm water for our industrial needs. In 2022, we were able to reuse 644,539.2 m³ of filtered wastewater through our recirculation system. This means that the total ratio of reused water, related to all of our water needs amounted to 86.1%.

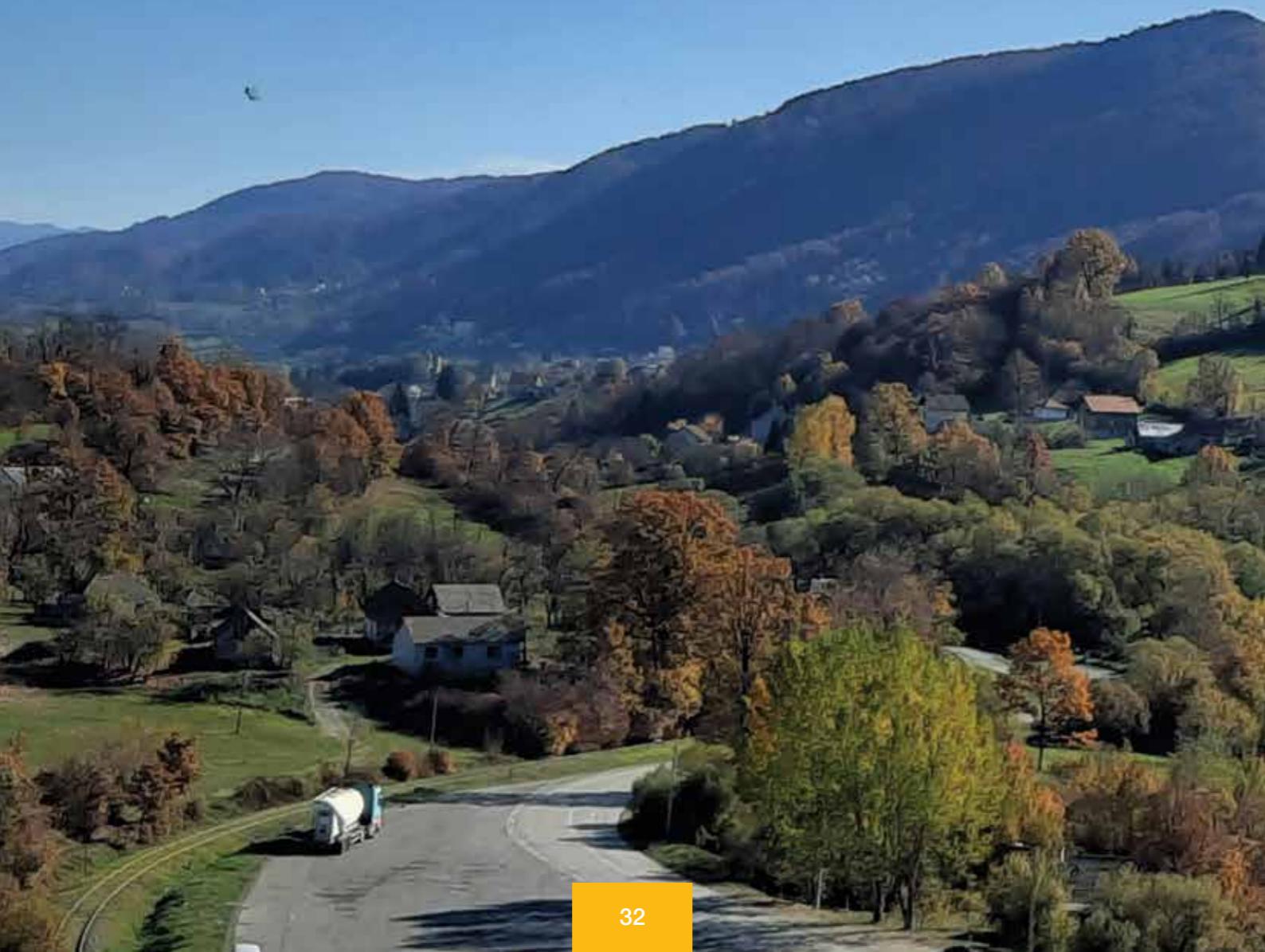
The Company has set high standards in the implementation of a water preservation system, which is why all our wastewater, storm and atmospheric waters are processed and treated to the required level of quality prior to being discharged into the Skrapež River. The quality of treated wastewater is monitored regularly, and reports and analyses demonstrate that TCK adheres to all regulation requirements concerning wastewater discharge.

ESG PERFORMANCE STATEMENTS

All disclosure of performance KPIs for the areas of Environment, Social and Governance (ESG) were presented by following the outcomes of materiality assessment at Group level, using TITAN's Focus Areas as a 'compass'. Respective KPIs for ESG performance were aligned according to material issues mostly relevant under each Focus Area. The new approach to our ESG Statements aims to provide both external and internal stakeholders efficient metrics flow concerning performance disclosure, focus on TITAN's materiality framework and is relative to TITAN's 2025 targets, and beyond. See group of tables presented in the following pages which are 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.

Our Sustainability Performance Data is presented in the ESG Performance Statements provided in the tables that follow. This provides reporting professionals easier access to and overview of the data. Furthermore, for the wider audience and the majority of our stakeholders, we have chosen to decrease the amount of content in the descriptive section of the Report, aiming to ensure it is more accessible, comprehensive, readable and focused on the topics of greatest importance to our stakeholders. We invite all readers to share their comments with us, thus assisting us in further improving the Report.

Integral parts of the Report include the Glossary, Reporting Principles and Sector Reporting Standards, as well as the Review in Progress Report which connects TCK's actions and its performance, in support of the Ten Principles of the UNGC which aim to further simplify the Report and are available online at: https://titan.rs/iar-2022_additional-notes/



code ESG Performance Indicators	Unit	2022	2021	2020	SDGs and Targets	SASB	Page in this Report
1.1 Material Issues: Climate Change and Energy & Economic Performance and Market Presence							
Cement and cementitious production activities							
1.1 Scope 1 gross CO ₂ emissions ¹	million t	0.4	0.4	0.4	9.4	EM-CM-110a.1**	13
1.2 Scope 1 specific gross CO ₂ emissions	kg/t _{Product} *	613.7	624.9	640.7			
1.3 Scope 1 gross CO ₂ emissions coverage rate	% _{Clinker production}	100.0	100.0	100.0			
1.4 Scope 1 gross CO ₂ emissions covered under limiting regulations	%	0.0	0.0	0.0		EM-CM-110a.1**	
1.5 Scope 1 net CO ₂ emissions	million t	0.4	0.4	0.4			
1.6 Scope 1 specific net CO ₂ emissions	kg/t _{Product} *	613.7	624.9	640.7			
1.7 Scope 1 net CO ₂ emissions coverage rate	% _{Clinker production}	100.0	100.0	100.0			
1.8 Scope 2 CO ₂ emissions ²	million t	0.0	0.0	0.1			
1.9 Scope 2 specific CO ₂ emissions	kg/t _{Product} *	76.9	83.2	116.1			
1.10 Scope 2 CO ₂ emissions coverage rate	% _{Clinker production}	100.0	100.0	100.0	9.4		
1.11 Scope 3 CO₂ emissions³	kt	88.0	70.0	74.1			
1.12 Category 1 - Purchased goods and services	kt	4.8	13.1	6.6			
1.13 Category 3 - Fuel and energy related activities	kt	40.4	27.1	29.4			
1.14 Category 4 - Upstream transportation and distribution	kt	5.0	3.4	13.1			15
1.15 Category 6 - Business travels	kt	0.0	0.0	0.0			
1.16 Category 7 - Employee commuting	kt	0.3	0.3	0.2			
1.17 Category 9 - Downstream transportation and distribution	kt	37.6	26.2	24.7			
1.18 Scope 3 specific CO ₂ emissions	kg/t _{Product} *	136.7	120.1	126.1			
1.19 Scope 3 CO ₂ emissions coverage rate	% _{Clinker production}	100.0	100.0	100.0			
1.20 Conventional fossil fuels substitution rate	% _{Heat}	99.6	99.6	99.6			
1.21 Alternative fuel substitution rate	% _{Heat}	0.4	0.4	0.4	EM-CM-130a.1**		14
1.22 Biomass in fuel mix ⁴	% _{Heat}	0.4	0.4	0.4	EM-CM-130a.1**		
1.46 Moderate carbon products ⁵	% _{cement production}	100.0	100.0	100.0	7.2		
1.47 Green (lower carbon) products ⁶	% _{cement production}	43.3	45.7	21.4	12.2		13.1

*Product refers to Cementitious product according to GCCA Guidelines.

**Connection between KPIs and SASB Standards

Connection between ESG Performance indicators and SASB Standards metrics, specifically:

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

¹ Direct CO₂ emissions related to the operations of TCK's cement production facility.

² Indirect CO₂ emissions related to emissions released for the production of the electrical energy consumed at TCK. For their calculation, we use emission factors provided by the supplier of the electrical energy or other publicly available data sources.

³ Indirect CO₂ emissions related to the emissions of the supply chain; analysis covers 6 (out of 15) categories that are considered relevant to cement activities according to the GCCA analysis.

⁴ Biomass rate corresponds to the percentage of total thermal energy consumption that comes from renewable energy sources.

⁵ New indicator; moderate carbon products refer to produced cement types with a carbon footprint that is at least 10.0% lower than that of a typical OPC type as well as any cementitious product sold to be used as cement or concrete additive.

⁶ New indicator; green (lower carbon) products refer to produced cement types with a carbon footprint that is at least 25.0% lower than that of a typical OPC type as well as any cementitious product sold to be used as cement or concrete additive.

2. Focus area: Growth-enabling Work Environment							
code ESG Performance Indicators	Unit	2022	2021	2020	SDGs and Targets	SASB	Page in this Report
2.1 Material Issue: Safe and Healthy Working Environment¹							
All activities							
2.1 Employee fatalities	#	0	0	0			●●●
2.2 Employee fatality rate	#/ 10^4 persons	0.00	0.00	0.00			●●●
2.3 Contractors' fatalities	#	0	0	0			●●●
2.4 Third-party fatalities	#	0	0	0			●●●
2.5 Employee Lost Time Injuries (LTIs)	#	0	1	0			●●●
2.6 Employee Lost Time Injuries Frequency Rate (LTIFR)	#/ 10^6 h	0.00	2.80	0.00	EM-CM-320a.1*		3.6
2.7 Employee lost working days	d	0	20	0			3.8
2.8 Employee Lost Time Injuries Severity Rate	d/ 10^6 h	0.0	56.0	0.0			4.3
2.9 Contractors Lost Time Injuries (LTIs)	#	0	0	1			8.8
2.10 Contractors Lost Time Injuries Frequency Rate (LTIFR)	#/ 10^6 h	0.00	0.00	10.60	EM-CM-320a.1*		
2.11 Near misses	#	30	25	4	EM-CM-320a.1*	19	●
2.12 Training man-hours on health and safety per employee ²	h/person	16.0	14.8	2.2			●●
2.13 Training man-hours on health and safety per contractor	h/person	18.6	8.7	6.5			●●
2.14 Expenditures for Health and Safety	€	1,250,344	217,449	553,614			●●
2.24 Wellbeing initiatives for employees ³	#	20	9	n/a			21
*Connection between KPIs and SASB Standards							
Connection between ESG Performance indicators and the EM-CM-320a.1 metric according to SASB Standards, under the topic (area) "Workforce Health and Safety", specifically: the connection concerns the KPIs of near misses and frequency rate for full-time employees, and contract employees.							
2.2 Material Issue: Employment and Employee Wellbeing							
All activities							
2.26 Number of employees as of 31 December	#	187	199	190			
Turnover							
Employee turnover	%	11.23	2.51	5.79			
2.27 Turnover: Females	%	6.98	6.98	n/a			
2.28 Turnover: Males	%	12.50	1.28	n/a			
2.29 Turnover per age: Under 30	%	6.67	12.50	n/a			
2.30 Turnover per age: 30-50	%	3.33	2.25	n/a			
2.31 Turnover per age: Over 50	%	20.73	1.06	n/a			
Employees Left							
2.32 Employees left	#	21	5	11			
2.33 Employees left under 30	#	1	2	n/a			
2.34 Employees left 30-50	#	3	2	n/a			
2.35 Employees left over 50	#	17	1	n/a			
2.36 Employees left: Females	#	3	3	n/a			
2.37 Employees left: Males	#	18	2	n/a			
New Hires							
2.39 New hires	#	9	14	0			
2.40 New Hires: Females	#	3	7	0			
2.41 New Hires: Males	#	6	7	0			
2.42 New Hires under 30	#	2	8	0			
2.43 New Hires 30-50	#	6	6	0			
2.44 New Hires over 50	#	1	0	0			
Employment per type							
2.45 Full time	#	181	194	188			
2.46 Part Time	#	0	0	0			
2.47 Temporary	#	6	5	2			
Employment per Category							
2.48 Senior managers	#	2	2	2			
2.49 Managers	#	27	22	22			
2.50 Administration/technical	#	80	86	83			
2.51 Semi-skilled/unskilled	#	78	89	83			
Employment per gender							
2.55 Females	#	43	43	39			
2.56 Males	#	144	156	151			
2.57 Share of women in employment	%	22.99	21.61	20.53			
2.58 Share of women in management	%	41.38	33.33	33.33			
2.59 Share of women in Senior Management	%	0.00	0.00	0.00			
2.60 Number of employees with disabilities	#	2	3	3			
2.61 Number of parental leaves	#	2	2	n/a			

¹ All H&S KPIs for "All Activities" are the same as H&S KPIs for Cement Production (KPIs 2.15 – 2.23) which is why the later have been skipped.

² Starting with 2021 reporting, this, and similar Average Training Hours KPIs are calculated based on Employment on 31 December. Previously, this KPI was calculated based on Average Employment.

³ Wellbeing Initiatives is 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.

2. Focus area: Growth-enabling Work Environment							
code ESG Performance Indicators	Unit	2022	2021	2020	SDGs and Targets	SASB	Page in this Report
2.2 Material Issue: Employment and Employee Wellbeing							
All activities							
2.62 Training investment per (trained) employee ¹	€	597	479	260			8
2.63 Training investment	€	112,887	99,613	42,460			
Training investment per gender							
2.64 Females	€	52,548	43,671	18,146			
2.65 Males	€	60,339	55,942	24,313	4.3		
Trained Employees							
2.66 Trained employees	€	189	200	163	4.4		
2.67 Share of trained employees (in total workforce)	%	100	100	86	5.1		
2.68 Share of trained female employees (in total female employees)	%	100	100	82	5.5		
Trained employees per category							
2.69 Senior Managers	#	2	2	2	8.5		
2.70 Managers	#	27	25	23	10.2		
2.71 Administration/technical	#	82	83	70	10.3		
2.72 Semi-skilled/Unskilled	#	78	90	68	16.5		
Trained employees per age group							
2.73 Under 30	#	15	17	11			
2.74 Between 30-50	#	94	93	84			
2.75 Over 50	#	80	90	68			
Training Hours							
2.76 Training hours	#	7,537	9,599	3,253	20		
2.77 Average training hours per employee (over the total number of direct employees)	#	40	48	17			
2.78 Average training hours per female employee	#	61	72	33	20		
2.79 Average training hours per male employee	#	34	42	13			
Training hours per subject							
2.80 Company on-boarding	#	220	347	0			
2.81 Compliance	#	171	390	219			
2.82 CSR and Sustainability	#	102	24	5			
2.83 Decarbonization	#	36	12	n/a			
2.84 Digital	#	124	874	13			
2.85 Environment	#	116	160	n/a			
2.86 Foreign languages	#	932	1,144	1,073	20		
2.87 Functional competence	#	724	636	133			
2.88 Generic competence	#	960	1,046	349			
2.89 Health and safety	#	3,011	2,907	427			
2.90 Managerial skills	#	316	974	554			
2.91 Other	#	519	250	97			
2.92 Security	#	39	0	0			
2.93 Technical know-how	#	267	837	385			
Performance feedback							
2.94 Share of employees with performance evaluation	%	97	94	n/a			
2.95 Share of female employees with performance evaluation	%	88	86	n/a			

¹ A definition of the term 'Training Investment' is available in the Glossary on our website.

3. Focus area: Positive Local Impact							
code ESG Performance Indicators	Unit	2022	2021	2020	SDGs and Targets	SASB	Page in this Report
3.1 Material Issue: Environmental Protection & Investments							
Air Emissions							
3.1 Coverage rate continuous measurement	%	100.0	100.0	100.0			3.9
3.2 Specific dust emissions	g/t _{clinker}	1.9	4.7	8.2			9.4
3.3 Specific NO _x emissions	g/t _{clinker}	866.0	844.0	965.8			
3.4 Specific SO _x emissions	g/t _{clinker}	3.5	3.0	3.1			
3.5 Integrated cement plants and cement grinding plants with certified EMS (ISO 14001 or similar)	% of plants	100.0	100.0	100.0			
All Activities							
3.6 Environmental Complaints	#	1	2	0			
Rehabilitation¹							
Cement and Aggregates Production							
3.7 Sites with rehabilitation plans	%	100.0	100.0	100.0			15.3
3.9 Rehabilitated areas over affected areas (cumulative) ²	%	3.3	3.3	3.4			15.4
3.10 Sites with ISO 14001 or similar	%	100.0	100.0	100.0			15.9
Biodiversity							
Cement and Aggregates Production							
3.11 Sites in high biodiversity value areas ³	#	0	0	0			15.3
3.12 Sites with biodiversity management plans ⁴	#	0	0	0			15.4
3.13 Sites with biodiversity management plans	%	-	-	-			15.9
Investments in environmental protection							
All Activities							
3.14 Environmental expenditures across all activities ⁵	€	456,490	576,608	883,952			24
3.15 Environmental management	€	364,549	377,200	381,272			
3.16 Reforestation	€	0	0	4,201			
3.17 Rehabilitation	€	0	0	0			
3.18 Environmental training and awareness building	€	123	128	0			
3.19 Application of best available technologies	€	78,927	185,532	485,307			
3.20 Waste management	€	12,892	13,748	13,172			

* Connection between KPIs and SASB Standards

Connection between ESG Performance indicators and SASB Standards metrics, specifically:

- EM-CM-120a.1 under the area "Air Quality" for air emissions of pollutants including NO_x, SO_x, particulate matter (PM10).
- 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.

For the Sector standards, see details in Table "Sector Standards for Non-financial Disclosures" on our website.

¹ Coverage includes all quarries attached to cement plants and quarries for aggregates production, which are wholly-owned and under full management control of TITAN.

² Calculated as the percentage of the impacted/disturbed quarry areas that have been rehabilitated (total and cumulative), aggregated at Group level. 2020 was the initial year for disclosing data for this indicator.

³ Active quarries within, containing or adjacent to are as designated for their high biodiversity value.

⁴ Active quarries with high biodiversity value where biodiversity management plans are actively implemented.

⁵ A definition of the term 'Environmental Expenditures Across All Activities' is available in the Glossary on our website.

3. Focus area: Positive Local Impact							
code ESG Performance Indicators	Unit	2022	2021	2020	SDGs and Targets	SASB	Page in this Report
3.2 Material Issue: Stakeholder Engagement and Welfare of Communities							
3.21 Donations ⁶	€	163,533	88,381	148,520			
3.22 Donations in cash	€	121,094	75,250	72,972		25-26	●●
3.23 Donations in kind	€	42,634	13,131	75,548			●●
3.24 Employees from local community	%	89.30	88.94	88.95		17	
3.25 Internships	#	26	-	-		3, 18, 26	●
3.26 New entry level jobs from internships/traineeships	#	3	-	-		3, 26	●
3.27 Internships from Local Community	%	92.31	-	-			
3.28 Key operations with Community Engagement Plans related to material issues and Group policies	#	One key operation (TCK) covered fully			2.1 2.3 4.3 4.4 9.3	25	●●
3.29 Total number of Initiatives under Community Engagement Plans	#	18	6	n/a			
3.30 Total number of Participants ⁷ to Community Engagement Plans	#	217	56	n/a		25-26	
3.31 TITAN Employees, volunteers to Community Engagement Plans	#	129	31	n/a			
3.32 Social investment (in cash and in kind) for community initiatives ⁸	€	137,256	67,400	n/a			
3.33 Blood donations (TITAN employees, business partners and communities)	#	40	-	n/a			

4. Focus area: Responsible Sourcing							
code ESG Performance Indicators	Unit	2022	2021	2020	SDGs and Targets	SASB	Page in this Report
4.1 Material Issue: Responsible Use of Resources							
All Activities							
4.1 Water consumption (total)	'000 m³	64.6	52.6	54.6			
4.2 Water withdrawal (total, by source) ¹	'000 m³	104.1	84.7	83.0			
4.3 Groundwater	'000 m³	0.0	0.0	0.0			
4.4 Municipal water	'000 m³	39.5	32.1	28.4			EM-CM-140a.1**
4.5 Rainwater	'000 m³	64.6	52.6	54.6			
4.6 Surface water	'000 m³	0.0	0.0	0.0			
4.7 Quarry water used (from quarry dewatering)	'000 m³	0.0	0.0	0.0			
4.8 Ocean or sea water	'000 m³	0.0	0.0	0.0			
4.9 Wastewater	'000 m³	0.0	0.0	0.0			
4.10 Water discharge (total, by destination)²	'000 m³	39.5	32.1	28.4			
4.11 Surface (river, lake)	'000 m³	39.5	32.1	28.4			
4.12 Sub-surface water (well)	'000 m³	0.0	0.0	0.0			
4.13 Ocean or sea	'000 m³	0.0	0.0	0.0			
4.14 Off-site treatment	'000 m³	0.0	0.0	0.0			
4.15 Other	'000 m³	0.0	0.0	n/a			
4.16 Water recycled (total)³	'000 m³	644.5	610.6	633.1			
4.17 Water demand covered with recycled water ³	%	86.1	87.8	88.4			
Cement and Cementitious Production Activities							
4.18 Water consumption (total)	'000 m³	64.6	52.6	54.6			
4.19 Water withdrawal (total) ¹	'000 m³	104.1	84.7	83.0			EM-CM-140a.1**
4.20 Water discharge (total) ²	'000 m³	39.5	32.1	28.4			
4.21 Water recycled (total)	'000 m³	644.5	610.6	633.1			
4.22 Specific water consumption	I/t _{Product} *	100.4	90.1	93.0			
4.23 Specific water consumption	I/t _{Cement}	99.5	88.4	94.2			
4.24 Water demand covered with recycled water	%	86.1	87.8	88.4			
All Activities							
4.34 Natural raw materials extracted (total, wet)	million t	0.8	0.7	0.8			
4.35 Raw materials extracted for clinker and cement production	million t	0.8	0.7	0.8		12.2	
4.36 Raw materials extracted for aggregates	million t	0.0	0.0	0.0			
Cement Production Activities							
4.37 Materials consumption (total, dry)	million t	0.9	0.8	0.8			
4.38 Extracted (natural) raw materials consumption (dry)	million t	0.8	0.7	0.7			
4.39 Alternative raw materials consumption (dry)	million t	0.1	0.1	0.1			12.2
4.40 Alternative raw materials use (of total raw materials consumed)	% _{Dry}	12.1	9.8	9.2		12.4	
4.41 Alternative raw materials rate (based on clinker-to-cement (equivalent) factor)	% _{Dry}	15.2	11.9	11.2		12.5	

* Product refers to Cementitious product according to GCCA Guidelines.

⁶ A definition of the term 'Donations' is available in the Glossary on our website.

⁷ A definition of the term 'Participants' is available in the Glossary on our website.

⁸ A definition of the term 'Social Investment (in cash and in kind) for Community Initiatives' is available in the Glossary on our website. Specifically, with regard to the KPIs 3.30, 3.31, and 3.32 these were incorporated for the first time in the ESG performance statements in the TITAN IAR 2020. In 2022, TITAN progressed further with the alignment of BUs for implementing the Framework Guidance for CEPs which was introduced for the first time in 2021.

¹ Total withdrawal includes also the water quantities withdrawn by TITAN and supplied to third parties without being used in any of TITAN facilities.

² Total discharge includes also the water quantities withdrawn by TITAN and supplied to third parties without being used in any of TITAN facilities.

³ New indicator

4. Focus area: Responsible Sourcing							
code ESG Performance Indicators	Unit	2022	2021	2020	SDGs and Targets	SASB	Page in this Report
4.1 Material Issue: Responsible Use of Resources							
All Activities							
4.42 Waste disposal (total, wet)	t	254.5	297.1	126.8			
4.43 Non-hazardous waste (total)	t	251.1	290.0	119.4			
4.44 Hazardous waste (total)	t	3.4	7.1	7.4			
4.45 Externally recycled waste materials (total, wet)	t	215	250	84	12.2 12.4	EM-CM-150a.1**	
4.46 Reused	t	0	0	0	12.5		
4.47 Recycled	t	215	250	84			
4.48 Recovered	t	0	0	0			
4.49 Waste disposal, break down by destination-usage (wet)	% w/w	100.0	100.0	100.0			24
4.50 Reuse	% w/w	0.0	0.0	0.0			
4.51 Recycled	% w/w	84.4	84.3	66.2	12.2 12.5	EM-CM-150a.1**	
4.52 Recovered (including energy recovery)	% w/w	0.0	0.0	0.0			
4.53 Incineration	% w/w	0.0	0.0	0.0			
4.54 Landfilled	% w/w	15.6	15.7	33.8			
4.56 Other (incl. storage)	% w/w	0.0	0.0	0.0			
Cement Production Activities							
4.57 Integrated cement plants with "Zero Waste to Landfill" certification	% Clinker production	0.0	0.0	0.0	12.2 12.4		

**** Connection between KPIs and SASB Standards**

Connection between ESG Performance indicators and SASB Standards metrics, specifically:

- 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 (40-80% Kosjerić, Serbia).
- EM-CM-150a.1 under the area "Waste Management" for amount of waste generated, percentage hazardous, percentage recycled.

For the Sector standards, see details in Table "Sector Standards for Non-financial Disclosures" on our website.

5. Focus area: Good Governance, Transparency and Business Ethics							
code ESG Performance Indicators	Unit	2022	2021	2020	SDGs and Targets	SASB	Page in this Report
5.1 Material Issue: Good Governance, Transparency and Business Ethics							
5.1 Grievance mechanism (EthicsPoint) coverage	%	100	100	100			12
5.2 Percentage of unionized employees	%	60.43	64.32	66.84			5.5 16.5
5.3 Percentage of employees covered by Collective Bargaining Agreements (CBAs)	%	100	100	100			16.6 16.7
5.4 Average number of hours of training on subjects related to Compliance, per employee	#	0.90	1.96	n/a			
6. Environmental Audits							
Area							
Environmental Management System							
External							
Internal							
Other							
External							
Internal							
Total							
External							
Internal							

4. Focus area: Responsible Sourcing

code ESG Performance Indicators	Unit	2022	2021	2020	SDGs and Targets	SASB	Page in this Report
4.2 Material Issue: Responsible and Sustainable Supply Chain							
3.34 Local Spend ¹	%	74.36	80.66	84.35	2.1 2.3 4.3 4.4 9.3		25
4.58 Key suppliers meeting TITAN ESG standards	%	30	n/a	n/a	6, 7, 12, 13		

Note

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.

¹ A definition of the term 'Local Spend' is available in the Glossary on our website.

FINANCIAL RESULTS

Although the Company faced the instability of financial and commodity markets, consolidated financial results for 2022 were extraordinary. These include the financial results of the Company and its subsidiary TCK Montenegro. Sales revenues increased by an incredible 30.2% compared to 2021, while at the same time the consolidated operating profit (EBITDA) improved by an impressive 16.3%. This is the best EBITDA achieved within the history of our Company. Along with this achievement, production and sales volumes also reached historical levels, reaching the second-best volumes ever attained.

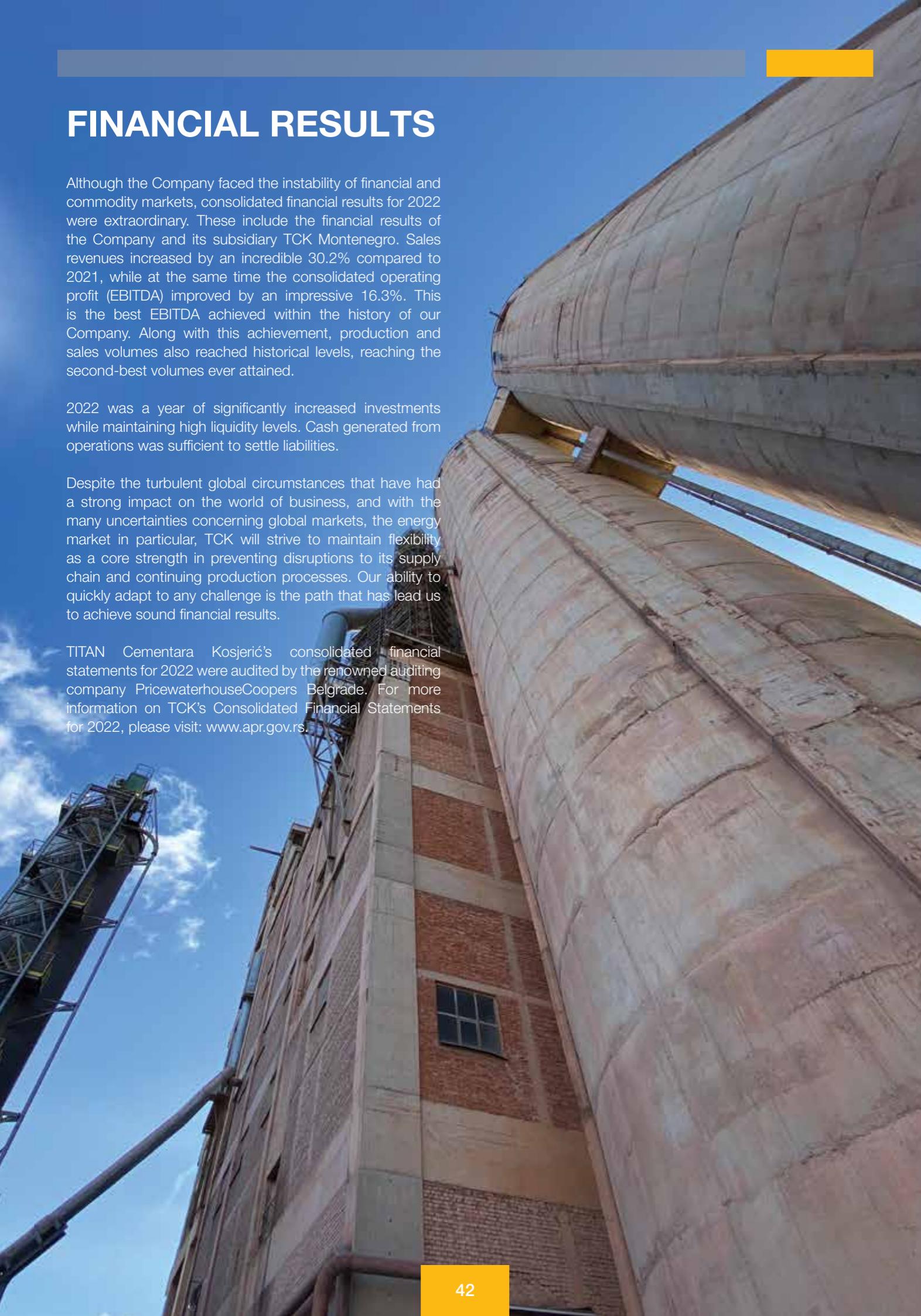
2022 was a year of significantly increased investments while maintaining high liquidity levels. Cash generated from operations was sufficient to settle liabilities.

Despite the turbulent global circumstances that have had a strong impact on the world of business, and with the many uncertainties concerning global markets, the energy market in particular, TCK will strive to maintain flexibility as a core strength in preventing disruptions to its supply chain and continuing production processes. Our ability to quickly adapt to any challenge is the path that has lead us to achieve sound financial results.

TITAN Cementara Kosjerić's consolidated financial statements for 2022 were audited by the renowned auditing company PricewaterhouseCoopers Belgrade. For more information on TCK's Consolidated Financial Statements for 2022, please visit: www.apr.gov.rs.

CONSOLIDATED INCOME STATEMENT

	For the year ended 31 December	2022 '000 RSD	2021 '000 RSD
OPERATING REVENUES		9,021,211	6,956,695
Revenues from sale of merchandise		2,479,709	1,506,034
Revenues from sale of products and services		6,540,483	5,423,134
Work performed by the entity and capitalized		4,986	4,495
Increase in inventories of unfinished and finished goods		-	22,355
Decrease in inventories of unfinished and finished goods		4,496	-
Other operating income		529	677
OPERATING EXPENSES		6,299,974	4,637,991
Cost of trading goods		1,032,849	814,735
Cost of materials, fuel and energy		2,634,135	1,765,348
Cost of salaries, fringe benefits and other personal expenses		630,813	528,405
Depreciation and amortization		195,089	185,948
Expenses from property value adjustments (except financial assets)		781	2,378
Cost of production services		1,436,985	1,021,110
Cost of provisions		38,408	48,787
Non-production costs		330,914	271,280
OPERATING PROFIT		2,721,237	2,318,704
Financial income		8,587	4,841
Financial expenses		3,757	19,982
Income from value adjustments of financial assets at fair value through Income Statement		-	-
Expenses from value adjustments of financial assets at fair value through Income Statement		338	114
Other income		43,027	34,622
Other expenses		24,475	18,800
Net income attributable to discontinued operations, the effects of changes in accounting policies and correction of prior period errors		-	578
Net loss attributable to discontinued operations, the effects of changes in accounting policies and corrections from previous periods mistakes		1,648	-
PROFIT BEFORE TAX		2,742,633	2,319,849
Income tax		419,500	355,294
Deferred tax income		6,556	5,719
NET PROFIT		2,329,689	1,970,274



CONSOLIDATED BALANCE SHEET

As of 31 December	2022 '000 RSD	2021 '000 RSD
NON CURRENT ASSETS	3,035,560	2,448,087
Intangible assets	50,878	38,416
Property, plant & equipment	2,984,682	2,409,671
Long-term financial investments and long-term receivables	-	-
DEFERRED TAX ASSETS	37,607	31,051
CURRENT ASSETS	2,639,891	2,087,349
Inventories	1,038,267	771,116
Trade receivables	472,870	392,460
Other short-term receivables	35,830	40,419
Short-term financial investments	531	15,545
Cash and cash equivalents	1,082,853	864,106
Short-term accruals	9,540	3,703
TOTAL ASSETS	5,713,058	4,566,487
EQUITY	4,160,319	3,447,423
Basic and other capital	2,510,265	2,507,709
Reserves	170,241	170,268
Retained earnings	1,479,813	769,446
LONG-TERM PROVISIONS AND LONG-TERM LIABILITIES	119,683	102,745
Long-term provisions	103,506	93,355
Long-term liabilities	16,177	9,390
SHORT-TERM PROVISIONS AND SHORT-TERM LIABILITIES	1,433,056	1,016,319
Short-term provisions	20,226	24,472
Short-term financial liabilities	8,809	6,949
Customer prepayments	9,501	40,354
Operating liabilities	1,258,838	862,683
Other short-term liabilities	131,657	81,305
Short-term accrued expenses	4,025	556
TOTAL EQUITY AND LIABILITIES	5,713,058	4,566,487

CONSOLIDATED CASH FLOW STATEMENT

For the year ended 31 December	2022 '000 RSD	2021 '000 RSD
CASH FLOW FROM OPERATING ACTIVITIES		
Cash generated from operating activities	8,925,282	6,900,630
Sales and advances received	8,905,074	6,856,971
Other inflow from operating activities	20,208	43,659
Cash outflow from operating activities	6,347,157	4,639,608
Payments and prepayments to suppliers	5,298,682	3,658,533
Salaries, fringe benefits and other personal expenses	640,037	529,404
Interests paid	1,610	17,360
Income tax	371,360	402,926
Payments for other public revenues	35,468	31,385
Net cash inflow from operating activities (A)	2,578,125	2,261,022
CASH FLOW FROM INVESTING ACTIVITIES		
Cash generated from investing activities	34,515	4,555
Sale of intangible assets & property, plant and equipment and biological assets	7,709	-
Other financial investments (net inflows)	14,927	-
Interests received from investing activities	11,879	4,555
Cash outflow from investing activities	805,162	365,129
Purchase of intangible assets, property plant and equipment	782,563	364,720
Other financial investments	22,599	409
Net cash outflow from investing activities (B)	(770,647)	(360,574)
CASH FLOW FROM FINANCING ACTIVITIES		
Cash generated from financing activities	8,647	16,340
Other long-term liabilities	6,787	9,707
Other short-term liabilities	1,860	6,633
Cash outflow from financing activities	1,596,032	1,827,001
Dividends paid	1,596,032	1,827,001
Net cash outflow from financing activities (C)	(1,587,385)	(1,810,661)
Net cash inflow (A+B+C>0)	220,093	89,787
Net cash outflow (A+B+C<0)	-	-
Cash at the beginning of the period	864,106	774,362
Foreign exchange gains on translation of cash	224	127
Foreign exchange losses on translation of cash	1,570	170
Cash at the end of the period	1,082,853	864,106

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December	Basic and other capital '000 RSD	Reserves '000 RSD	Retained earnings '000 RSD	Total equity '000 RSD
Balance at 1 January 2021	2,505,942	170,268	626,179	3,302,389
Net change during the period	1,767	-	143,267	145,034
Balance at 31 December 2021	2,507,709	170,268	769,446	3,447,423
 Balance at 1 January 2022	 2,507,709	 170,268	 769,446	 3,447,423
Net change during the period	2,556	(27)	710,367	712,896
Balance at 31 December 2022	2,510,265	170,241	1,479,813	4,160,319

Independent Limited Assurance Statement

Introduction

The Board of Directors of TITAN Cementara Kosjerić (the "Company") engaged "GRANT THORNTON" d.o.o. Beograd ("Grant Thornton") to review the non-financial disclosures presented in the Integrated Annual Report 2022 of the Company (further referred in this Assurance Statement as "the Report") for the fiscal year ended on December 31st, 2022 ("selected data"), in order to provide limited assurance in relation to the criteria as described below (Scope of work). For the purposes of this Assurance Statement, the selected data relate to the Company's activity in Serbia and do not include information pertaining to other cooperating companies or third-party activities / performance.

Scope of work

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

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

Management Responsibility

The Company TITAN Cementara Kosjerić is responsible for the preparation, presentation, completeness and accuracy of the non-financial data provided to us, as incorporated in the Report. 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 Company's Management is responsible for maintaining records and adequate internal controls that are designed to support the reporting process. In particular, the Company's Management is responsible for internal controls being designed and implemented to prevent the Report from being materially misstated.

Our Responsibility

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

Our work has been conducted in accordance with the ISAE 3000 (Revised) "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 Sustainability Report:

- Read the Sustainability Report (in its entirety) to ensure it is in accordance with the criteria detailed in the "Introduction and scope of work" section in this Independent limited assurance report;
- Interviews with key personnel responsible for the preparation of the Sustainability Report, providing the sustainability performance information to understand and evaluate the processes, internal controls and information systems relating to the preparation of the aforementioned information;
- Understanding the Company regarding to its sustainability organizational structure, stakeholder dialogue and development process of the sustainability program;

Summary of work performed (continued)

- Comparing text and data (on a sample basis) presented in the Sustainability Report to underlying sources. This included considering whether all material issues had been included and whether the reported text and data was accurately drawn from the underlying information.

Limitations

To conduct our work, we relied exclusively on the information provided to us by the Company's executives, which we accepted in good faith as being complete, accurate, real and not misleading.

- Therefore, we did not submit it to any verification procedures, apart from the procedures explicitly stated in our Statement and which arise from our mutually agreed methodology.
- No additional work has been conducted on data for previous reporting periods, as well as on data related to forecasts and targets.
- No work has been conducted on anything other than the agreed scope and consequently, our opinion is limited to that scope.

Our independence and quality control

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

Limited assurance conclusions

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

Belgrade, 21/06/2023

The Chartered Accountant


Mirjana Jeremić



