

INTEGRATED ANNUAL REPORT 2022

ANTEA CEMENT SH.A



01	2022 HIGHLIGHTS (6)
02	MESSAGE FROM THE CEO (8)

03

OVERVIEW (10)
Our approach towards a changing environment (11)
Our core values (15)
TITAN Group Strategy: Grow our business, focus on the customer, build our talent (16)
TITAN Group Global Presence (18)
Creating and sharing value (20)
Working together for sustainable development (22)
CEMENT is what we produce, STRENGTH is what we offer! (25)
Understanding Antea Cement (26)
ANTEA's Milestones (28)

04	ANTEA'S PERFORMANCE HIGHLIGHTS (30)
----	-------------------------------------

05	MANAGEMENT REPORT (34)
	Corporate governance and risk management (35)
	ANTEA Management Boards and Committees (38)
	Audits of ANTEA and Risk Management (40)
	Risk Management (41)

06	FINANCIAL PERFORMANCE REVIEW (44)
	Financial Statements (45)



07	CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (47)
----	--

08	CONSOLIDATED STATEMENT OF CASH FLOWS (47)
----	---

09	FOCUSING ON MATERIAL ISSUES (50)
	ESG targets for 2025 and beyond (54)

10	ESG PERFORMANCE OVERVIEW (56)
	Focus area: Decarbonization and Digitalization (58)
	Focus area: Growth-enabling work environment (65)
	Positive Local Impact (68)
	Focus area: Responsible Sourcing (77)
	Good Governance, transparency, and business ethics (81)

11	ESG PERFORMANCE STATEMENTS (84)
----	---------------------------------

12	AUDITOR'S REPORT (116)
----	------------------------

13	GLOSSARY (120)
----	----------------

ABOUT THE REPORT

The ANTEA Integrated Annual Report 2022 covers the period from January 1st until December 31st, 2022 (referenced herein as 'Report'). In this Report the Antea Sh. A. (hereinafter referred to as ANTEA) incorporates the review of performance for two fully owned subsidiaries, the Alba Cemento Shpk and the Cementi ANTEA Srl, which respectively operate in the terminals of Tirana (Albania) and Ortona (Italy), regarding the production and distribution of cement and cementitious products. Details are provided in section '2022 Highlights'.

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

The Report has been developed to meet stakeholders' needs and expectations regarding Antea's performance in the areas of Environment, Social and Governance (ESG). ANTEA is aligned with TITAN Group for the approach and standards in monitoring, reporting, and verifying its disclosures on performance in the Report. For more information about TITAN Group approach and standards, please visit 2022 TITAN Group Integrated Annual Report <https://www.titan-cement.com/newsroom/annualreports/>. The 2022 TITAN Group and ANTEA IAR are also available in ANTEA's website www.anteacement.com.



Financial

2021

74.88

in m. EUR
Consolidated Revenue ¹

20.82

in m. EUR
Consolidated EBTIDA

58.20

in m. EUR
Consolidated Suppliers' expenditure

57.34

in m. EUR
Stand Alone Supplier's expenditure

8.58

in m. EUR
Stand Alone Tax to central & local government²

1.39

in m. EUR
Consolidated Capital Expenditures

Financial

2022

103.22

in m. EUR
Consolidated Revenue ¹

24.63

in m. EUR
Consolidated EBTIDA

86.83

in m. EUR
Consolidated Suppliers' expenditure

85.68

in m. EUR
Stand Alone Supplier's expenditure

7.13

in m. EUR
Stand Alone Tax to central & local government²

4.80

in m. EUR
Consolidated Capital Expenditures

2022 Highlights

2021

2022

Environment

794 (g/t clinker)

Specific Nitrogen oxides NOx emissions

3.6 (g/t clinker)

Specific Dust emissions (g/t clinker)

199.3 (lt/t cementitious)

Specific water consumption

13.6 (g/t clinker)

Specific Sulfur oxides SOx emissions

646.8 (kg/t product)

Specific Gross Scope 1 Carbon Dioxide CO²

0.29 in m. EUR

Investments for Environment³

Environment

1023 (g/t clinker)

Specific Nitrogen oxides NOx emissions

3.5 (g/t clinker)

Specific Dust emissions (g/t clinker)

228.5 (lt/t cementitious)

Specific water consumption

15.3 (g/t clinker)

Specific Sulfur oxides SOx emissions

625.3 (kg/t product)

Specific Gross Scope 1 Carbon Dioxide CO²

3.68 in m. EUR

Investments for Environment³

Health and Safety

0

Fatalities / SP01L

1

Employee Lost Time
Injuries (LTIs)

2,107

Training hours for
direct employees

Health and Safety

0

Fatalities / SP01L

0

Employee Lost Time
Injuries (LTIs)

2,600

Training hours for
direct employees

¹⁾ Consolidated figures relate to the Consolidated Financial figures of ANTEA Cement Sha and its two Subsidiaries Alba Cemento Shpk and Cementi ANTEA SRL, as extracted from its annual financial statements and converted to Euro Currency for the presentation in this report, using the exchange rate Euro/ ALL 118.97 for the year 2022 and 122.52 for the year 2021.

¹⁾ Stand Alone figures relate to the Antea Cement Sha figures standing alone, as extracted from its annual financial statements, and converted to Euro Currency for the presentation in this report, using the exchange rate Euro/ ALL 118.97 for the year 2022 and 122.52 for the year 2021.

¹⁾ The Stand-Alone Taxes to Central and Local Government have been taken from the company's Statutory Financial Statements and are prepared following the guidelines in Article 21 of Law on Accounting and Financial Statements No. 25/2018 dated 10.05.2018, as applicable for reporting periods starting from 2019. These numbers have been converted to Euro Currency utilizing the same exchange rates as defined above.

MESSAGE FROM THE CEO



**MARIO
BRACCI**
CEO

Dear Stakeholders,

Validating materiality by taking into consideration our stakeholders' perceptions over the most material issues, set the grounds for a series of actions and initiatives towards a one more sustainable year for ANTEA. Quality Education, Partnership for Goals, Sustainable Cities and Communities, Wellbeing and Good Health as well as No Poverty, were the main SDGs tackled throughout 2022.

Several community projects involving children, parents, and teachers, took place aiming at informing and raising awareness on healthy life, greener future, and energy efficient operations with mutual benefits for both the business and the country. We continued to work together with our stakeholders, implementing community engagement plans that inspire and empower our youth through quality education and new skills for personal and professional development.

We do believe that boosting employee engagement is essential for our sustainable growth. Having said that we would like to take a moment to thank and recognize that the engagement, dedication, and performance of our employees greatly helped the company in achieving consistent results throughout 2022. Committed to upholding our culture of ethics and integrity as well as our high standards of corporate governance, together we accelerate our efforts to maximize productivity, improve the work culture, embrace diversity, and retain the best talent.

As we aim towards a sustainable growth, we are working diligently with TITAN Group's Group Finance and Group ESG Performance Departments to ensure that all our (financial and sustainability) targets for 2030 are met. For one more year, ESG targets for 2025 and beyond remained at the top of our agenda in alignment with the commitment to the UN Sustainable Development Goals (SDGs) and the Ten Principles of the UN Global Compact.

Despite the challenging circumstances, 2022 financially wise resulted as a positive year, leading to a stabilized and positive demand for cement in the Albanian market as well as in the export markets, compared to the levels of year 2021. This positive market condition led to growth in the company's consolidated turnover by 38%, amounting to a total consolidated turnover of €103.22m

"As we aim towards a sustainable growth, we are working diligently with TITAN Group's Group Finance and Group ESG Performance Departments to ensure that all our (financial and sustainability) targets for 2030 are met."

With TITAN Group being among the first cement companies worldwide with decarbonization targets validated by the Science Based Targets initiative (SBTi), we make sure to keep under constant monitoring and control our environmental indicators aiming persistently at achieving our challenging KPIs. Furthermore, joining the world leading companies in seeking to keep global warming to 1.5°C, aiming at reaching net-zero emissions by 2050, addressing climate change remained at the top of our sustainability agenda. We stay committed to searching for and developing innovative ways to create value by transforming our business, to serve our customers more efficiently as we move towards a carbon-neutral world.

As we look forward to 2023, we will contribute our share in TITAN Group's aspirations for growth, operating always with the same sense of caring for our people, as well as with responsibility, integrity, accountability, and respect.

Mario Bracci
CEO

OVERVIEW

OUR APPROACH TOWARDS A CHANGING ENVIRONMENT



SUSTAINABILITY AS A FOUNDATION IN BUILDING OUR FUTURE TOGETHER



Building on 120 years of industry experience and commitment to sustainable growth, TITAN serves customers in 25 countries through a network of more than 200 operational sites in four continents, including quarries, ready-mix plants, terminals, and other production and distribution facilities. In a world of increasing complexity, we are adapting and evolving to serve the needs of society, while contributing to sustainable growth with responsibility and integrity.

01

OUR APPROACH TO CLIMATE CHANGE



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

02

OUR APPROACH TO DIGITAL TRANSFORMATION



Our digital journey so far has been powered by our innovative, enterprising spirit and willingness to test and learn. With Artificial Intelligence solutions tailored to the needs of the cement industry, we are transforming our operations for ultimate efficiency and the delivery of high-quality products, with an eye on the present and future needs of our customers. At the same time, we help minimize energy consumption and reduce CO₂ emissions, supporting our net-zero goal. Amidst accelerating shifts and disruptive events, such as the COVID-19 pandemic, we effectively address critical challenges and play our part in building a better, more sustainable future together with our stakeholders.

03

OUR APPROACH TO INCREASING DEMAND FOR SUSTAINABLE PRODUCTS AND SERVICES



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

04

CREATING VALUE FOR ALL STAKEHOLDERS



With clear, measurable ESG targets and concrete plans in place across our regions, we are focusing our efforts on the areas where our actions and sustainable solutions can have the biggest positive impact, directly and indirectly, in line with the UN Sustainable Development Goals (SDGs). To address sustainability challenges, we have joined forces with local and global stakeholders.

05

REINVENTING TALENT MANAGEMENT TO CAPTURE OPPORTUNITIES IN A CHANGING WORLD



Across our organisation, we continue to invest in talent, employee wellbeing and engagement programs as well as the development of our culture. Reward management, effective human resource management, upskilling and reskilling programs, as well as the enhancement of leadership, functional, health and safety, decarbonization, and digital skills, are all encouraged by the emphasis on learning.



Integrity

- Ethical business practices
- Transparency
- Open Communication
- Good Governance

Learning Organization

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

Value to the Customer

- Anticipation of Customer needs
- Innovative Solutions
- High Quality of products and services

Delivering Results

- Shareholder value
- Clear objectives
- High Standards
- Performance focus

Continuous Improvement

- Focus on innovation
- Willingness to change
- Rise to challenges
- Team collaboration

Sustainable Development

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

OUR CORE VALUES

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

TITAN GROUP STRATEGY:

Grow our business,
focus on the customer,
build our talent

The aim of TITAN's customer-focused strategy is to accelerate the growth of the Group in its existing markets and in new areas, and to provide the building materials and innovative construction solutions necessary for a more sustainable world, thus benefiting our customers, employees, suppliers and communities.

TITAN's growth-oriented strategy is based on talent, skills, culture, and organization and relies on the triptych "decarbonize-digitize-deliver" to transform the Group so that it can tap into new sources of growth.

Decarbonize

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

Digitalize

We have been among the pioneers in our sector in implementing innovative Artificial Intelligence (AI) digital solutions in our operations. Significant innovations have already been implemented, with measurable impact in operational efficiency. Leveraging this momentum, we aim to continue improving our operating performance and customer experience, by leveraging big data and AI to develop a digitally empowered and efficient operating model, provide cutting-edge digital solutions for our customers, reduce production inputs and energy consumption, and decrease CO₂ emissions.

Deliver

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

The Group is now launching three strategic initiatives to reinforce TITAN's strategy implementation and accelerate its growth and customer-focused transformation journey.

1. Grow our business

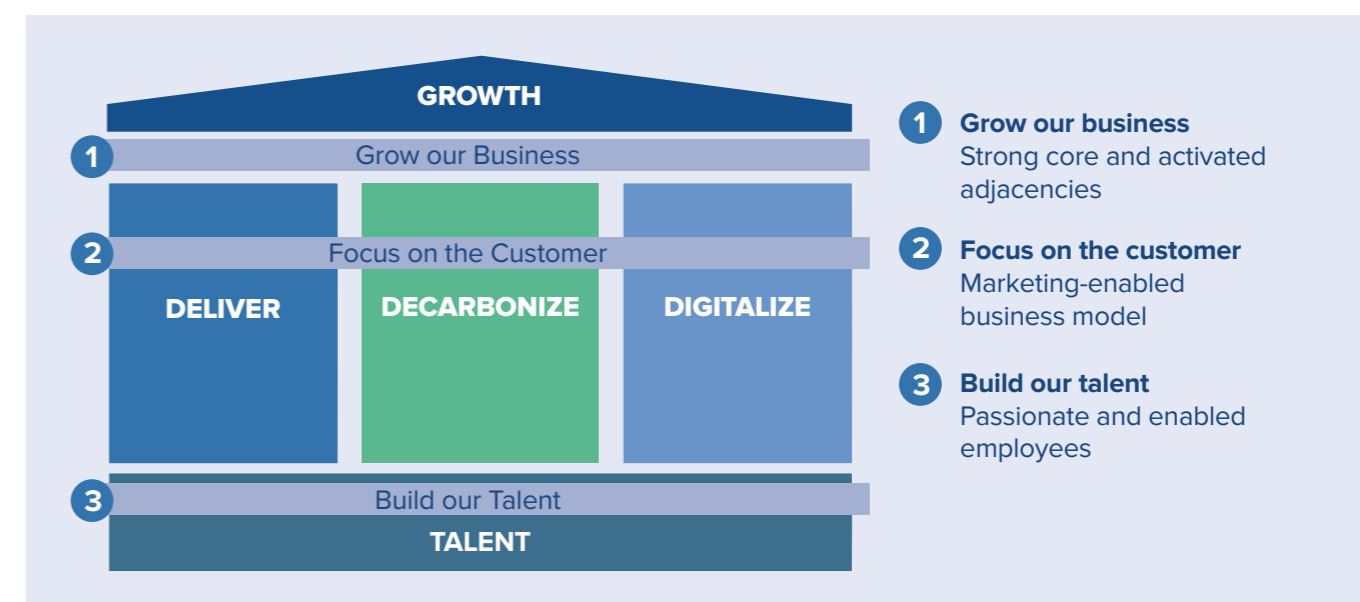
Leveraging operational excellence, a distinctive ESG performance and superior customer engagement, along with decarbonization and digitalization, TITAN will continue to develop its growth platform, capitalizing on opportunities to strengthen and expand its low-carbon cement and concrete core activities as well as to pursue opportunities in adjacencies and new sources of value in the building materials value chain. The Group will grow the business on all fronts to increase revenues, but also the Group's overall financial strength, by improving margin performance and free cash flow conversion, enhancing capital allocation efficiency and optimizing working capital. For this purpose, targeted opportunities for each market are being developed in conjunction with several Group-led strategic workstreams.

2. Focus on customer

TITAN Group has always served its customers with high-quality products and solutions. To further increase the value offered to its customers, TITAN is enhancing its commercial transformation which, together with digitalization, decarbonization and operational excellence, will allow the Group to address the evolving needs of customers in each market and segment, and offer more innovative, decarbonized and cost-effective materials and solutions. By following a market-oriented approach, TITAN will collaborate closely with its customers to offer expert advice and tailor-made solutions. To achieve this customer-centric operating model, the Group will make investments to increase sales force excellence and expertise in all construction segments, develop digital solutions that facilitate interaction with customers and launch an innovative, green, complementary product portfolio.

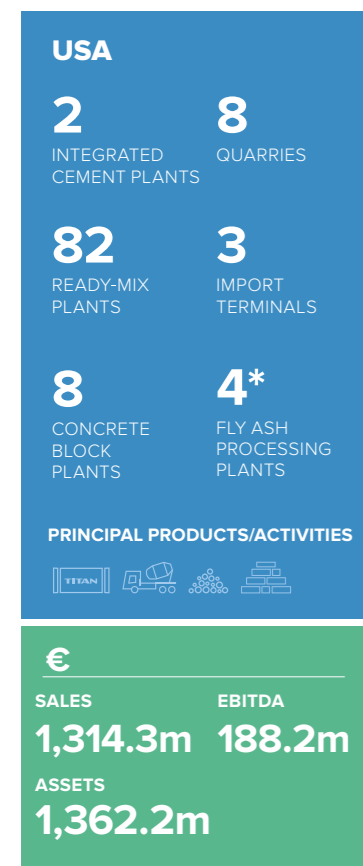
3. Build our talent

TITAN's long tradition of building capabilities and developing talent with an ambitious, entrepreneurial mindset and a values-driven culture lies at the foundation of our growth-oriented strategic plan. The strategic plan encompasses, and is powered by, an accelerated drive to transform the Group by further building our talent, both in terms of core competencies and in terms of new skillsets in leadership and managerial practices. The Group will reinforce its lean and agile organization across its entire footprint, where high-performance teams collaborate seamlessly and are empowered to take decisions and respond flexibly to a changing world.



TITAN Group Global presence

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



USA
Integrated cement plants

1. Roanoke – Virginia
2. Pennsuco – Florida



Greece
Integrated cement plants

1. Thessaloniki
2. Kamari
3. Patras
Cement grinding plant
4. Elefsina



Brazil (joint venture)
Integrated cement plant

1. Quixere
Cement grinding plant
2. Pecem

BRAZIL

1 INTEGRATED CEMENT PLANT

1 CEMENT GRINDING PLANT

4 QUARRIES

4 READY-MIX PLANTS

PRINCIPAL PRODUCTS/ACTIVITIES



Southeastern Europe
Integrated cement plants

1. Kosjeric – Serbia
2. Zlatna – Bulgaria
3. Sharr – Kosovo
4. Usje – North Macedonia
5. Antea – Albania

SOUTHEASTERN EUROPE

5 INTEGRATED CEMENT PLANTS

21 QUARRIES

6 READY-MIX PLANTS

1 PROCESSED ENGINEERED FUEL FACILITY

PRINCIPAL PRODUCTS/ACTIVITIES

€

SALES **385.9m**

EBITDA **95.0m**

ASSETS **489.5m**



Eastern Mediterranean
Integrated cement plant

1. Tokat
Cement grinding plant
2. Marmara



Integrated cement plants

1. Alexandria
2. Beni Suf

EASTERN MEDITERRANEAN

3 INTEGRATED CEMENT PLANTS

1 CEMENT GRINDING PLANT

13 QUARRIES

6 READY-MIX PLANTS

1 IMPORT TERMINAL

2 PROCESSED ENGINEERED FUEL FACILITIES

PRINCIPAL PRODUCTS/ACTIVITIES

€

SALES **255.6m**

EBITDA **19.6m**

ASSETS **442.8m**

GREECE & WESTERN EUROPE

3 INTEGRATED CEMENT PLANTS

1 CEMENT GRINDING PLANT

25 QUARRIES

29 READY-MIX PLANTS

3 IMPORT TERMINALS

1 DRY MORTAR PLANT

2 PROCESSED ENGINEERED FUEL FACILITIES

PRINCIPAL PRODUCTS/ACTIVITIES

€

SALES **326.4m**

EBITDA **28.5m**

ASSETS **699.8m**

EU Taxonomy Regulation	Turnover (%)	OpEx (%)	CapEx (%)
EU Taxonomy-eligible economic activities	59.2	58.2	56.1
EU Taxonomy-aligned products and investments	8.6	7.0	16.0

*1 facility in Canada is included.

CREATING AND SHARING VALUE



At our core, we believe that using our capital resources efficiently is key to driving sustainable, long-term shared value creation through our products and services. We help address global societal and environmental challenges and contribute to the attainment of the UN SDGs 2030. By leveraging our resources and expertise, we strive to create positive impact and make a meaningful difference in the world, for generations to come.



WORKING TOGETHER FOR SUSTAINABLE DEVELOPMENT

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

TITAN Group participations

- UN Global Compact (UNGC)
- Science Based Targets initiative (SBTi)
- "Business Ambition for 1.5°C"
- "We Mean Business Coalition"
- "Race To Zero" global campaign
- Global Cement and Concrete Association (GCCA)
- CSR Europe
- Energy Transition and Climate Change
- European Cement Research Academy (ECRA)



BUSINESS AMBITION FOR 1.5°C

WE MEAN BUSINESS

RACE TO ZERO

gcc
ca



ERT

ecra



Tirana Garden Building

Located in Kavaja street with a construction surface of 51.090 m².



Lake View Residence

Located to the main Park of Tirana with a construction surface of around 129.000 m².



Arbëri Road Tunnel

The second tunnel of the segment with approx. 2 km length.



Arbëri Road, Ura Vashës

One of the most panoramic Bridges of the segment.

**CEMENT IS
WHAT WE
PRODUCE,
STRENGTH
IS WHAT
WE OFFER!**

UNDERSTANDING ANTEA CEMENT

ANTEA cement plant is one of the biggest 'greenfield' investments, with the highest standards applied in terms of construction and operation in Albania and a total value exceeding € 200 million. The plant serves primarily local market demands and exports to other markets in the region.

From its initial stages of operation, ANTEA applies international standards and best practices to improve on all sustainability issues that are material for the business but also for the stakeholders. Among else, we have built appropriate systems to ensure energy management and efficiency, while the implementation of an integrated approach to environmental management has led to achieve best industry practices in various aspects, as for example enriching biodiversity, new

environmental technologies for controlling and reducing air emissions, noise and other specific impacts.

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

We are accelerating our endeavors to promote sustainability throughout our value chain, by empowering our people to grow within an inclusive and safe environment and fostering collaborations to address local community needs.

Our Products

CEM I/42.5R:

Portland Cement with the main constituents 95-100% Clinker and minor additional constituents 0-5%

CEM II/A-LL 42.5R:

Portland Limestone Cement with the main constituents 80-94% Clinker, 6-20% Limestone and minor additional constituents 0-5%

CEM II/B-LL 42,5R:

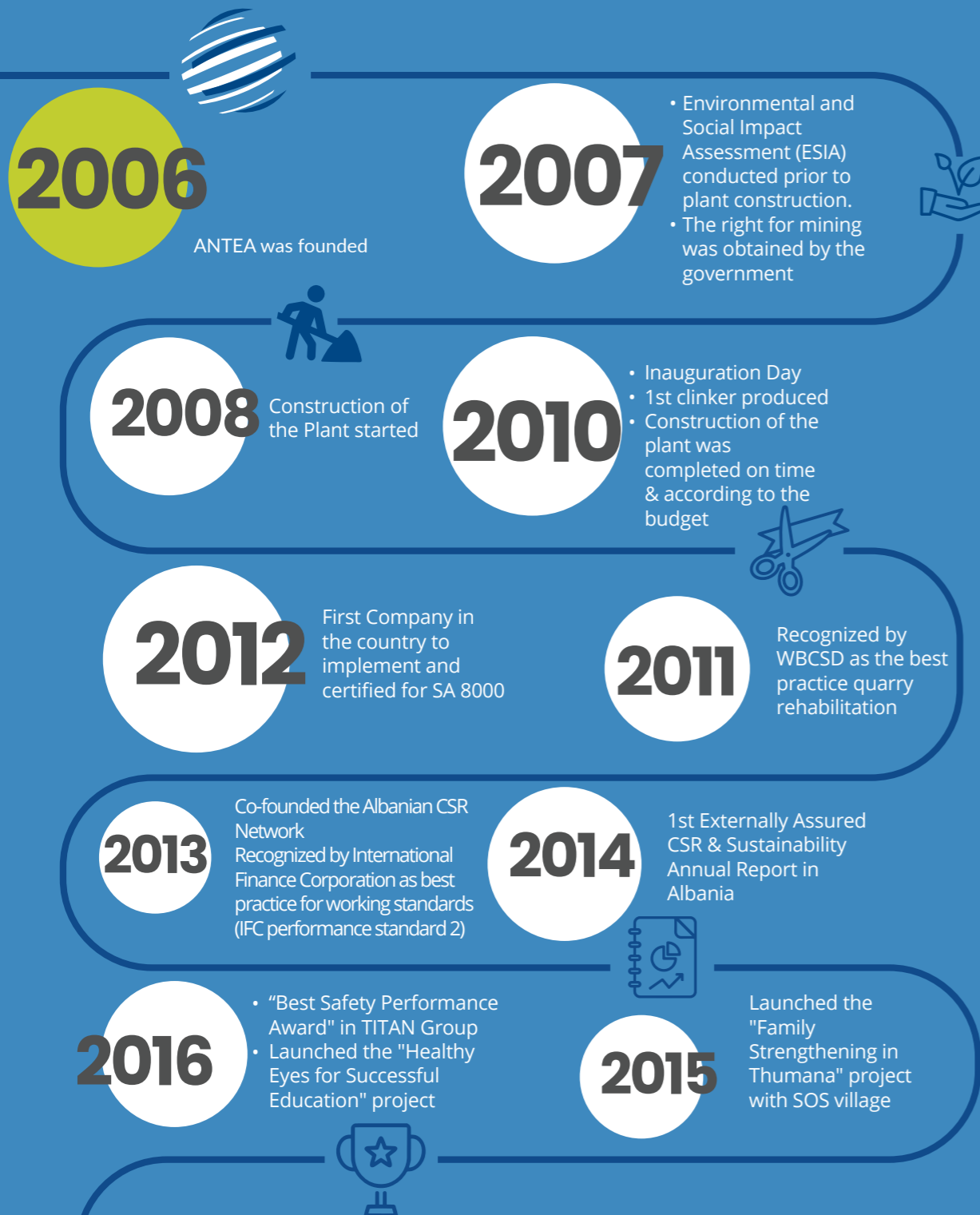
Portland Limestone Cement with main constituents 65-79% Clinker, 21-35% Limestone and minor additional constituents 0-5%

CEM II/B-LL 32.5R:

Portland Limestone Cement with main constituents 65-79% Clinker, 21-35% Limestone and minor additional constituents 0-5%

ANTEA'S MILESTONES

Our growth journey since 2006



2017

- Launched the "Learning Computer Literacy" project
- Recertification of Management systems
- Materiality assessment

2018

- H&S Award "2018 Best Initiatives & Continuous Improvement Award" across the Group
- Philanthropy Award for its contribution at local level in Albania
- Reconstruction of "Droja" Bridge in Fushë Mamurras

2019

- New whistleblowing policy was finalized based Law No. 60/2016 "On Whistleblowing and Protection of Whistleblowers"

2020

- New cycle of Materiality Assessment Process
- TITAN Group reporting platform EthicsPoint
- TITAN Employee Assistance Program

2021

- ANTEA set a new sales record, breaking 1 million tons!
- Winner of Global Cement Magazine Photo Competition
- Sustainability targets set following new materiality assessment outcomes

2022

- Achieved Comfortable Green Recognition by the Group HS Audit
- Reached 365days LTI free among direct employees on 16th of February 2022
- Validation of Materiality Assessment

ANTEA Memberships and Associations:

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



ANTEA'S PERFORMANCE HIGHLIGHTS:

TITAN's progress towards ESG targets

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

Decarbonization and Digitalization

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

TITAN Group has worked on identifying and assessing the risks from climate change, and the opportunities from the transition to a low-carbon economy, in alignment with the TCFD Framework. transparency and actions to mitigate climate change and transition to a net-zero economy with an "A" score.

TITAN Group supports digitalization through internal and external capability-building efforts

and by creating an ecosystem of partners comprising start-ups, academic institutions, equipment and systems manufacturers and specialized advisers. In the related field of digitalization, we see big data, analytics, and artificial intelligence (AI) of Industry 4.0 as an opportunity to transform the industry. To improve customer experience and create a more efficient commercial operating model, we worked on **digitalizing how we interact with our customers**, deploying digital customer applications.

In the manufacturing domain, the Group Digital Center of Competence continued the rollout of existing Artificial Intelligence-based Real Time Optimizer solutions for its cement manufacturing lines and developed new ones. The Real Time Optimizers, which are both sourced from external partners as well as developed in-house, allow for **increased output per production equipment**.

ANTEA has invested in digitalizing its operations to compete successfully in the new operating model that technology is bringing to the building materials industry.

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

Resilience of IT infrastructure and cyberattacks

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

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

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

To strengthen the security and resilience of

critical infrastructure against cyber-attacks, we are constantly implementing best practices and upgrading our business continuity plans. Furthermore, ANTEA has already started the preparation to implement the common Group ERP system.

Growth enabling work environment

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

We systematically strengthened our accident prevention and health promotion systems, guided by our Group Health and Safety policy. ANTEA has been part of TITAN Region's Health and Safety Award launched in 2022 with initiatives to encourage and continuously improve the Health and Safety in the workplace. In 2022, **Lost Time Injuries Frequency (LTIFR)** for direct employees was 0.0, for indirect employees was 2.0 and for direct and indirect employees was 1.2 LTI per hour one million hours worked.

Our people are at the heart of our business,

and we are constantly implementing initiatives addressing the physical, mental, social, and financial dimensions of wellbeing for our employees, as part of our 2025 commitment to cultivate a safe and healthy work environment. ANTEA has been part of TITAN Group's mental health campaign launched in October 2021 with initiatives to raise awareness and encourage good mental health. The campaign included useful resources, such as relevant articles, videos, and self-assessment questionnaires, and promoting TITAN Group's consulting support service, TITAN EAP (Employee Assistance Program),

The three pillars of TITAN's people strategy are **learning, talent, and organization**, which are supported by a foundation of an engaging and inclusive work environment that is fair and transparent. Reward management, effective human resource management, upskilling and reskilling programs, as well as the enhancement

of leadership, functional, health and safety, decarbonization, and digital skills, are all encouraged by the emphasis on learning. ANTEA Leadership Academy was relaunched in 2021. We will provide chances for upskilling and reskilling to all of our employees, particularly in areas critical to long-term growth, such as health and safety, digitalization, and decarbonization.

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



Positive local Impact

Enabling our business operations and our people worldwide to contribute to the prosperity of our local communities with respect to their social and environmental concerns is a major pillar of our ESG targets. At ANTEA, **management systems monitor and report on the reduction of air emissions, the protection of biodiversity, water management and recycling and quarry rehabilitation.** Furthermore, the percentage of quarry land areas rehabilitated out of the total affected land increased compared to last year. Our **community engagement plans are aligned with the material issues for our stakeholders and the UN SDGs 2030.**



Responsible Sourcing

ANTEA is committed to the principles of the circular economy, taking actions to minimize, reuse, recycle or recover materials and energy to preserve natural resources, reduce CO₂ emissions and manage waste efficiently. Having recognized the circular economy as fundamental to the development of a more sustainable business model, the company systematically adopts and applies good practices in order to minimize its footprint and **ensure a sustainable future for coming generations.**



Expectations towards our supplier base

We place the same exacting demands on our suppliers and business partners worldwide. We expect them to conduct themselves in a manner

consistent with our sustainability requirements. In selecting and working with our business partners/suppliers, we consider alongside key commercial and operating indicators their **performance with regards to safety, health, environment, social standards, and fair business practices** as decisive criteria.



Good governance, transparency and business ethics

Through sound corporate governance, we aim to ensure that every management decision is aligned with our purpose and core values, takes due account of our sustainability considerations and serves the best interests of our stakeholders. By proactively **identifying, assessing and managing all our potentially significant risks and opportunities,** we ensure that we are prepared to achieve our strategic objectives and address issues that may affect the long-term sustainability of our business.



Sustainability governance

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



Group policies and Code of Conduct

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

group *See ESG Statement table 2.5.3 ESG Policies and Code of Conduct*



TITAN Group's Compliance Program and business ethics

A TITAN Group Compliance Program has been in place since 2020, as an integrated system of activities, mechanisms and controls, aiming to provide adequate assurance that compliance risks are timely identified, properly assessed and effectively mitigated, so that the possibility of a significant compliance failure is minimized. The Compliance Program facilitates the effort to **maintain and foster a strong compliance culture,** ensuring adherence to compliance requirements and promoting consistent and responsible ethical behavior. It is a risk-based program with dynamic elements and incorporates monitoring and oversight, compliance awareness, training, risk assessment and third-party due diligence components. Consistent with our values and culture, and as clearly articulated in the TITAN Code of Conduct and relevant Group Policies, the Group follows a **zero-tolerance approach towards bribery, fraud and any other corruptive practice.** The Anti-Fraud Program Framework promotes openness and transparency, providing standards and guidelines, and clarifying roles, expectations and responsibilities on the subject of occupational fraud. TITAN launched the second phase of its "Group Policies Awareness" program, with the aim to **raise awareness and understanding of our Code of Conduct** and the set of Sustainability and Social Responsibility Policies – the tools that **foster ethical behavior** and represent "Our Culture in Practice".



Commitment to human rights

Consistent with the United Nations Guiding Principles on Business and Human Rights, TITAN is committed to respecting and supporting human rights with regard to its employees, the communities where it operates and its business partners. Human rights are one of the key subject areas of the TITAN Group Compliance Program, which provides a

well-structured framework to address relevant activities in a disciplined and holistic way across the Group. In order to intensify our efforts to ensure compliance not only with regulatory but also with ESG requirements, and to ensure a responsible supply chain, a comprehensive Third-Party Due Diligence system, supported by an online tool ready to be put into operation. Our Whistleblowing Policy encourages employees to report possible misconduct, fraud or abuse. In parallel, EthicsPoint, the Group reporting platform provides a uniform, anonymous and strictly confidential channel, through a globally available digital tool, to facilitate the confidential reporting of any concern and ensure that incidents are reported, examined and resolved with a remedy plan, if and when necessary, thus fostering a culture of integrity and ethical conduct.



Outlook 2023

We want to accelerate the growth of our business and our people, while we focus on creating value for customers through innovation, decarbonizing our sales and digitalizing our operations faster. Safety in and around our operations will remain a priority. Safety must never be taken for granted, and we are committed to doing whatever it takes to improve our performance in this area, particularly in contractors' safety systems. Building on the foundations we set in 2022 with the launch of the Group Diversity, Equity and Inclusion policy, we will accelerate ways to cultivate an inclusive work culture that embraces and celebrates diversity.





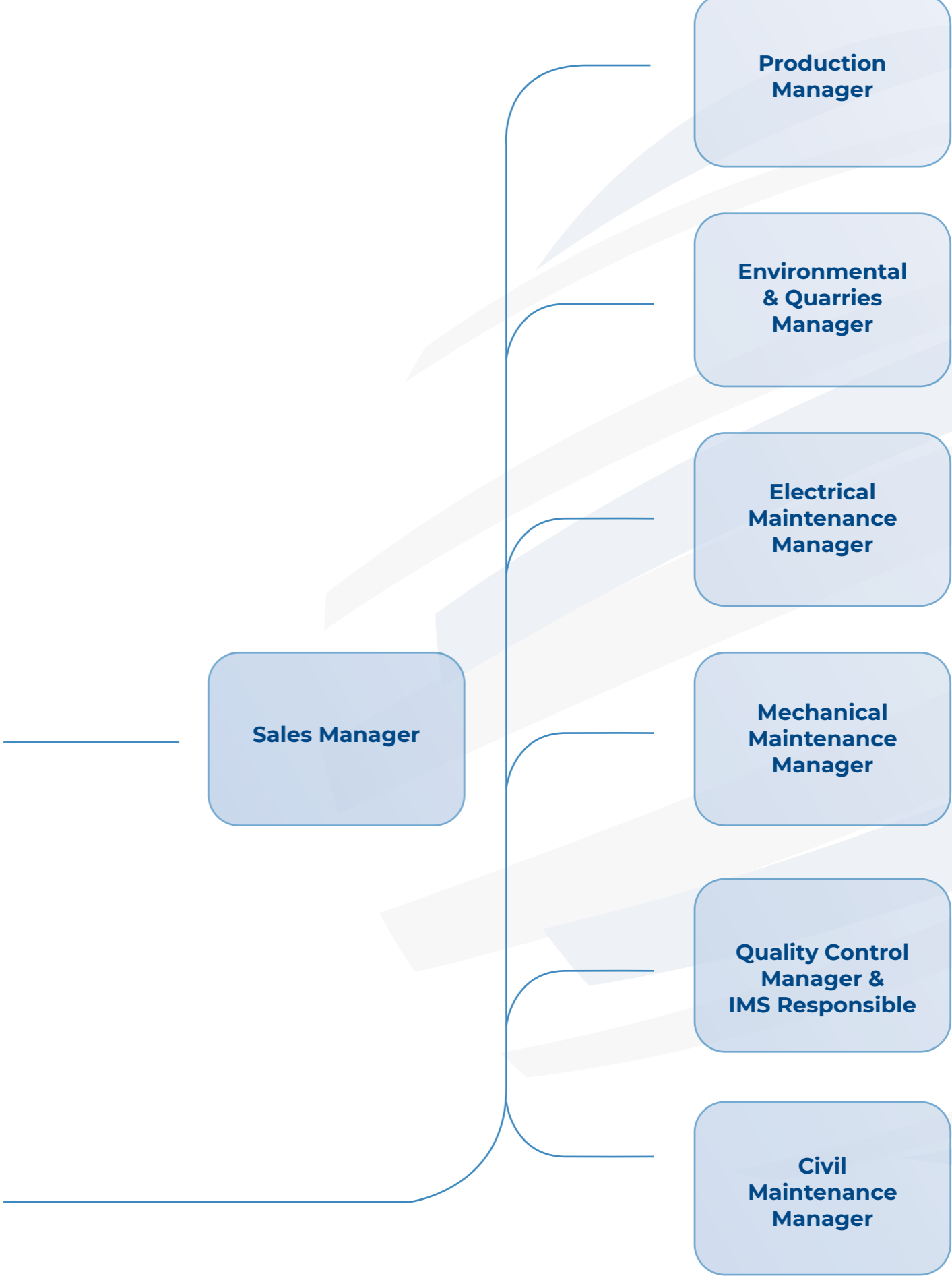
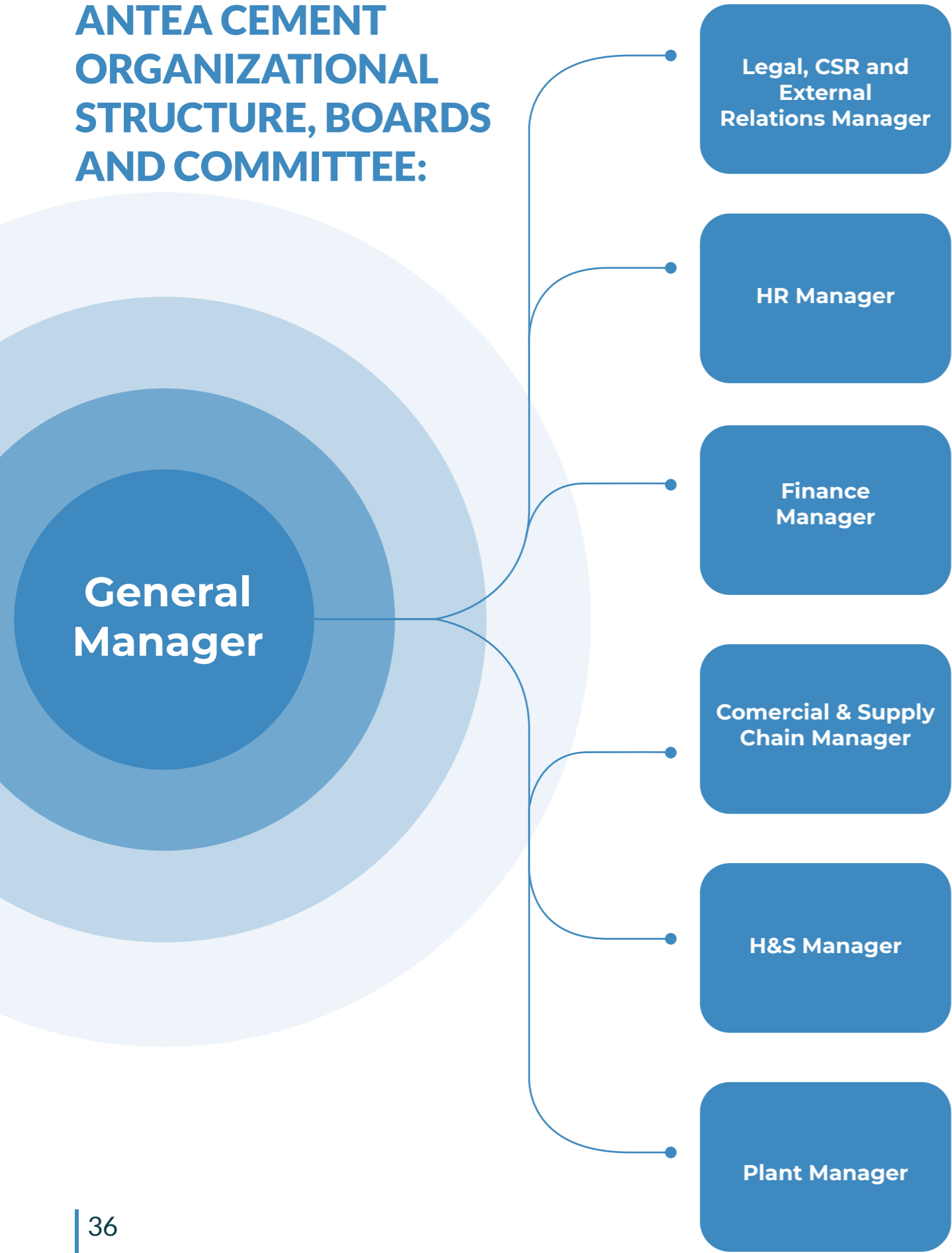
MANAGEMENT REPORT

CORPORATE GOVERNANCE AND RISK MANAGEMENT

Corporate Governance in our company includes and promotes transparency, accountability, and security, in line with our values and mission.

ANTEA's Management Board is committed to ensuring a strong governance framework, recognizing that good corporate governance is a vital component to support management in delivering the Company's strategic objectives, and operating a sustainable business for the benefit of all stakeholders. ANTEA complies with reliable corporate governance procedures, in accordance with applicable Albanian Laws and regulations, as well as the Titan Code of Conduct and Group Policies.

ANTEA CEMENT
ORGANIZATIONAL
STRUCTURE, BOARDS
AND COMMITTEE:



ANTEA MANAGEMENT BOARDS AND COMMITTEES

Quality Board:

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

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

Environmental Board:

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

Social Accountability Board:

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

Conflict of Interest Committee:

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

Health & Safety Committee:

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

- Achieved Comfortable Green Recognition by the Group HS Audit
- Reached 365days LTI free among direct employees on 16th of February 2022
- Validation of Materiality Assessment

Credit Control Committee:

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

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

CSR Committee:

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

- Proposing, drafting and approving CSR related policies and procedures
- Assessing and deciding upon CSR Projects
- Preparing the Annual Integrated Report

- Preparing other publications such as fact sheets, newsletters etc.
- Engaging with Local Community through grievance mechanism
- Developing and implementing Community Engagement Action Plan

Diversity and Inclusion

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



AUDITS OF ANTEA AND RISK MANAGEMENT

Audits of ANTEA :

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

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

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

- **The TITAN Comfortable Green Recognition by the Group HS Audit**
- **The continuance of ISO 45001:2018 (OHSAS) certificate**

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

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

work permits application on site.

ANTEA Cement is certified to ISO 45001:2018 by July 2021 and has already adapted all Health & Safety Procedures to the new Standard.

Last, but not least about audits, on country level, the Competent Authorities make regular audits whereby no non-compliances or fines related to non-compliance of ANTEA operations with labor-by-Labor Inspectorate, environment by National Agency of Environment, mining exploitation by National Agency for Natural Resources, National Authority for Safety and Emergency in the Mines regarding the mining activities or competition laws were indicted. Public Local Health authorities perform a yearly basis inspection monitoring the legal compliance in regard to health legislation. In addition, local firefighting inspectors perform an annual inspection to ensure that all firefighting means of ANTEA are fully operational.

In addition to authorities' inspections, periodic audits are conducted internally by TITAN Group Head Quarters. In regard to H&S were performed four (5) audits by Group Occupational Health, Safety & Environment Director and Regional H&S Director SEE & Turkey and (2) from authorities. In total 132 actions were proposed for improvement including H&S Management system, plant equipment and plant operations. Periodical audits are conducted by third parties and ANTEA Cement was found in compliance with the ISO 45001:2018 standard requirements.

H&S Central Committee and Plant H&S meetings were held regularly, to monitor the H&S issues, plan and coordinate necessary actions. The expected results have been achieved by completing 90% of Health and Safety 2022 targets.

Related to SA8000:2014 Social Accountability Standard, ANTEA is audited twice per year by an independent auditor (Eurocert) ensuring the correct implementation of Human Rights.

Risk Management

The Management Board is responsible for

overseeing the outcomes of a systematic risk assessment process that covers both financial, social and environmental risks and opportunities. Risks are identified and addressed on a day-to-day basis at various levels in the organization, according to the nature of each risk.

ANTEA's Risk Management approach focuses on identifying the risks and employing the management practices that will effectively address the risk and ensure alignment of policies, practices and management systems throughout the Group. The Board has the overall responsibility to determine the nature and extent of the principal risks that the Company is willing to assume in achieving the strategic objectives of the Group, whereas the responsibility to monitor the effectiveness of ANTEA's risk management and internal control systems is delegated by the Board to the Audit and Risk Committee.

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

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

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

Grievance mechanisms and Complaints from external stakeholders

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

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

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

Management Systems

From the beginning of its operation, ANTEA has developed and implemented several independent certified integrated management systems. This set is comprised by the ISO 9001 Quality management system, ISO 14001:2015 for the Environmental Management System, ISO 45001:2018 (OHSAS) Occupational Health & Safety Management System, and SA8000:2014 Social Accountability Standard. SA8000 encourages organizations to develop, maintain and apply socially acceptable practices in the workplace. Since 2012, ANTEA has had in place an integrated management system and has been certified for:

- **SA8000:2014** Standard is the leading social certification standard for factories and

organizations across the globe. The Standard incorporates labor provisions from the Universal Declaration of Human Rights and International Labour Organization (ILO) conventions. It also respects, supplements, and supports national labor laws, assisting employees and ensuring ethical working conditions. We ensure that ANTEA complies with all SA8000:2014 requirements for managing labor relations in accordance with international standards. ANTEA monitors and assists our contracted parties in fulfilling their human rights obligations. We conduct inspections to ensure that regulations prohibiting child labor are followed, with a particular emphasis on age verification. We also investigate compliance with regulations concerning forced labor and working conditions such as working hours, remuneration, and insurance contribution for larger contractors. Through the implementation of the SA8000 working standard, the company encourages employee association. The Standard allows workers' representatives to communicate with management levels. The Head of the Union and employee representatives are able to communicate with management about various issues such as obligations, improvements, health and safety issues, and any other topics that affect employee working conditions. An independent auditor audits ANTEA twice a year to ensure that the above-mentioned standard is correctly implemented and monitored. Recertification to this Standard took place in December 2021 and is valid till December 2023.

- **ISO 9001:2015** Quality Management System aiming to have as a final objective the application of total quality principles in all Company's activities. The satisfaction of the Company's customers through effective communication and feedback on their requests and complaints is one of the main objectives. The range of application of the Company's Quality System is extended to all factors contributing to the Company's activities

(personnel, equipment, materials), including all its suppliers, aiming to form mutually beneficial relationships between them and the Company.

- **ISO 14001:2015** for the Environmental Management System covering and overseeing all environmental aspects. The system includes air emissions, quarries, landscapes, groundwater, wells and water waste, liquid and solid waste, natural resources & energy consumption, noise, etc. We aim at promoting environmentally responsible attitudes and behaviors to all employees and encouraging suppliers, customers, and other business associates to adopt similar practices.
- **ISO 45001:2018 (OHSAS)** Occupational

Health & Safety Management System providing a framework for the effective management of OH&S, including all aspects of risk management and legal compliance. It addresses occupational health and safety rather than any specific product safety matters.

Group Human Resources Management Systems (GHRMS) by improving HR performance and the ability to manage human resources more efficiently. Several modules of Human Resource Management System (HRMS) are launched to digitize various HR processes, including employees central, performance management, succession planning, learning management system, compensation module, recruitment & onboarding. The information obtained from HRMS is a useful tool for future people-related improvement and investment decisions.



FINANCIAL PERFORMANCE REVIEW

The financial performance of ANTEA is monitored and assessed throughout the entire year. The year 2022 was characterized by a stable and solid performance for ANTEA Cement and its subsidiaries. ANTEA Cement successfully addressed the challenges of cement demand both in the domestic and export markets and capitalized its result on such demand. At the same time, ANTEA remained focused on the enduring objective of balanced, responsible, and sustainable long-term growth, embracing change as an organization, and innovating at an accelerated pace. Some of the key financial indicators are reviewed below, by comparing the current reporting period to the previous reporting period.

During 2022, consolidated revenues from sales of products were increased by €28.34 m or 38% vs the prior year. Out of €103.22 m of consolidated revenues from Sales of Products 74% is derived from the sales in Domestic Market and 26% from the sales in Export Markets. The main markets where the company is exporting are in the neighbouring countries and in the Mediterranean Region. Consolidated Operating Profit increased by €3.24 m or 25% vs the prior year, thus contributing to an increase of the Consolidated EBITDA vs the prior year by €3.20 thousand. Consolidated Profit before Tax for the year amounted to €15.28 m, which was higher than the previous year by €4.88 m.

The above-consolidated operation results coupled with the movement in the company's working capital led to a Consolidated Net Cash Flow from Operating activities in the amount of €11.69 m, which was €6.02 m lower compared to the prior year. The company utilized these resources to invest in new Capex in the Amount of €4.80 m and have Net Cash Flow used in repaying borrowings in the amount of €10.00 m during the period. The company closed the financial year in a satisfactory and stable liquidity position.

FINANCIAL STATEMENTS

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(Amounts in ALL thousand unless otherwise stated)

	Notes	Year ended 31 December 2022	Year ended 31 December 2021
Revenues	7	12,280,125	9,174,096
Cost of sales	8	(9,661,229)	6,975,496)
Gross Profit		2,618,896	2,198,600
Other operating income	9	103,473	63,723
Other operating expenses	10	(48,558)	(25,064)
Selling and marketing expenses	11	(82,861)	(77,923)
Administrative expenses	12	(651,923)	(605,578)
Operating Profit		1,939,027	1,553,758
Finance costs	14	(120,758)	(315,968)
Profit before tax		1,818,269	1,237,790
Income tax expense	15	(328,336)	(158,001)
Profit for the year		1,489,933	1,079,789
OTHER COMPREHENSIVE INCOME			
Exchange difference on translation of foreign operations	31	(14,593)	(4,620)
Total Comprehensive Income for the year		1,475,340	1,075,169
NET PROFIT ATTRIBUTABLE TO:			
Owner of the parent		1,475,340	1,075,169
Non-controlling interest		-	-
		1,475,340	1,075,169
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:			
Owners of the parent		1,475,340	1,075,169
Non-controlling interest		-	-
Total comprehensive income for the year		1,475,340	1,075,169

The above table has been extracted from the Annual Consolidated Financial Statements of the company for the year ended 31 December 2022. A complete set of the Annual Consolidated Financial statements for the year 2022, together with the report of the independent auditor and other disclosures attached to the financial statements, in accordance with Law Nr. 25/2018 "On accounting and Financial Statements" is published in the website of the company (<https://www.anteacement.com/publications/reports-antea/>).

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(Amounts in ALL thousand unless otherwise stated)

	Notes	31 December 2022	31 December 2021
ASSETS			
Non-current assets			
Property, plant, and equipment	16	16,022,826	16,368,210
Intangible assets	17	24,191	33,725
Right-of-use assets	18	170,597	242,025
Other non-current assets	19	9,537	9,537
Deferred tax asset		17,602	47,295
Total Non-Current Assets		16,244,753	16,700,792
CURRENT ASSETS			
Inventories	20	2,817,011	2,185,085
Trade receivables	21	686,549	541,854
Other receivables	22	288,102	251,524
Receivables from related parties	32	47,473	12,064
Cash and cash equivalents	23	570,512	1,070,950
Total Current Assets		4,409,647	4,061,477
TOTAL ASSETS		20,654,400	20,762,269
EQUITY AND LIABILITIES			
Equity			
Share capital	24	10,686,510	10,686,510
Share-based options	25	11,371	6,215
Accumulated deficit		(909,049)	(2,398,982)
Translation reserve	31	(28,720)	(14,127)
TOTAL EQUITY		9,760,112	8,279,616
NON-CURRENT LIABILITIES			
Interest bearing loans and borrowings	26	5,781,676	7,129,644
Lease liabilities	18	111,603	182,819
Deferred income tax liabilities, net	15	1,071,907	1,115,012
Total Non-Current Liabilities		6,965,186	8,427,475
CURRENT LIABILITIES			
Trade payables	28	1,254,267	1,608,071
Derivative financial instruments	29	17,447	-
Other payables	30	153,373	159,824
Income tax payable		72,560	17,496
Interest bearing loans and borrowings	26	1,829,295	1,918,497
Lease Liabilities	18	58,268	63,554
Payables to related parties	32	543,892	287,736
Total Current Liabilities		3,929,102	4,055,178
TOTAL LIABILITIES		10,894,288	12,482,653
TOTAL EQUITY AND LIABILITIES		20,654,400	20,762,269

The above table has been extracted from the Annual Consolidated Financial Statements of the company for the year ended 31 December 2022. A complete set of the Annual Consolidated Financial statements for the year 2022, together with the report of the independent auditor and other disclosures attached to the financial statements, in accordance with Law Nr. 25/2018 "On accounting and Financial Statements" is published in the website of the company (<https://www.anteacement.com/publications/reports-antea/>).

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

(Amounts in ALL thousand unless otherwise stated)

	Share capital	Share Based Options	Accumulated deficit	Translation reserve	Non-controlling interests	Total Equity
As of 1 January 2021,	10,686,510	1,826	(3,478,771)	(9,507)	-	7,200,058
Net profit for the year	-	-	1,079,789	-	-	1,079,789
Other comprehensive loss	-	-	-	(4,620)	-	(4,620)
Total comprehensive income for the year	-	-	1,079,789	(4,620)	-	1,075,169
Share Based Options (note 25)	-	4,389	-	-	-	4,389
As of 31 December 2021,	10,686,510	6,215	(2,398,982)	(14,127)	-	8,279,616
Net profit for the year	-	-	1,489,933	-	-	1,489,933
Other comprehensive loss	-	-	-	(14,593)	-	(14,593)
Total comprehensive income for the year	-	-	1,489,933	(14,593)	-	1,475,340
Share Based Options (note 25)	-	5,156	-	-	-	5,156
As of 31 December 2022,	10,686,510	11,371	(909,049)	(28,720)	-	9,760,112

CONSOLIDATED STATEMENT OF CASH FLOWS

(Amounts in ALL thousand unless otherwise stated)

	Notes	31 December 2022	31 December 2021
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before taxes		1,818,269	1,237,790
<i>Adjustments for:</i>			
Depreciation of property, plant, and equipment	16/18	970,622	972,594
Amortization of intangible assets	17	20,565	24,386
Derivative financial instruments	29	17,447	-
Gain on disposal of property, plant, and equipment	16,18	(903)	(327)
Movement in bad debt provision		11,778	9,679
Shared Bases options	25	5,156	4,389
Interest income		(13)	(11)
Interest expense		366,596	414,697
Deferred tax	15	29,693	(47,295)
Foreign exchange loss/(gains)	31	(263,916)	(117,673)
Working Capital Adjustments			
(Increase) in inventories	20	(631,926)	(659,216)
(Increase) in trade and other receivables	21,22	(321,501)	(40,853)
(Decrease)/ Increase in trade and other payables	28,30	(88,902)	880,422

The above table has been extracted from the Annual Consolidated Financial Statements of the company for the year ended 31 December 2022. A complete set of the Annual Consolidated Financial statements for the year 2022, together with the report of the independent auditor and other disclosures attached to the financial statements, in accordance with Law Nr. 25/2018 "On accounting and Financial Statements" is published in the website of the company (<https://www.anteacement.com/publications/reports-antea/>).

(Amounts in ALL thousand unless otherwise stated)

	Notes	31 December 2022	31 December 2021
Cash generated from operations		1,932,965	2,678,582
Interest paid		(323,922)	(382,129)
Income tax paid		(273,534)	(273,534)
Interest received		13	11
Net cash flows from operating activities		1,335,522	2,022,930
Cash flows from investing activities			
Acquisition of property, plant, and equipment	16	(570,731)	(170,740)
Acquisition of intangible assets	17	-	-
Proceeds from sales of property, plant, and equipment		14,791	5,788
Net cash flows used in investing activities		(555,940)	(164,952)
Cash flows from financing activities			
Proceeds of borrowings		317,756	1,097,564
Repayment of borrowings		(1,460,110)	(2,602,844)
Principal elements of lease payments		(78,999)	(79,661)
Payment of Fees		-	(59,024)
Net cash flows used in financing activities		(1,221,353)	(1,643,965)
Net increase in cash and cash equivalents		(441,771)	214,013
Cash and cash equivalents on 1 January	23	1,070,950	884,463
Translation effect of foreign exchange currency		(58,667)	(27,526)
Cash and cash equivalents on 31 December	23	570,512	1,070,950

The above table has been extracted from the Annual Consolidated Financial Statements of the company for the year ended 31 December 2022. A complete set of the Annual Consolidated Financial statements for the year 2022, together with the report of the independent auditor and other disclosures attached to the financial statements, in accordance with Law Nr. 25/2018 "On accounting and Financial Statements" is published in the website of the company (<https://www.anteacement.com/publications/reports-antea/>).



FOCUSING ON MATERIAL ISSUES

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

Since 2015, we have followed the key steps of the UNGC SDG Compass tool ("The guide for business action on the SDGs", issued by UNGC and GCCA, see reference in the ESG Performance Statements), starting with understanding and identifying the relevant SDGs for our business and how we can meaningfully contribute to their achievement.

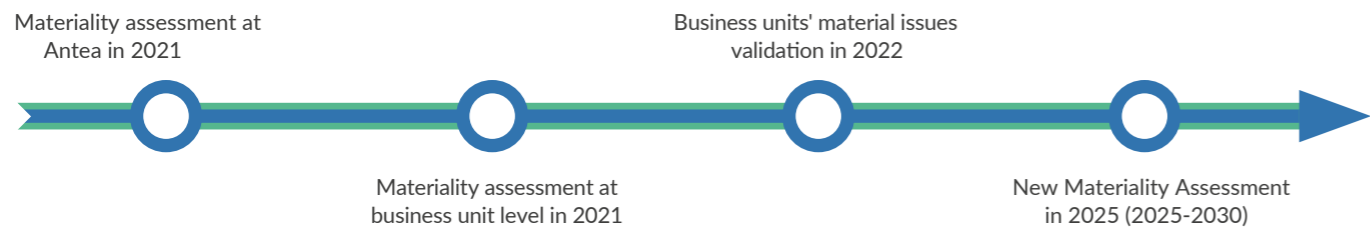
ANTEA's materiality assessment and connection with the 2030 SDGs was updated in 2021 and is validated further with feedback from its stakeholders. This Report was drafted with the intention of covering all material issues identified by the aforementioned process.

We validated our Materiality Assessment in 2022, indicating that we share similar perceptions with our stakeholders. ANTEA continues to build on feedback from stakeholders and the outcomes of materiality assessment guide the process for setting our future targets. In May 2022, we conducted a two-week survey e-questionnaire rollout. We received 100% responses from our stakeholders, with a 79% completion rate.

The outcomes of the survey reconfirm the familiarity of our stakeholders with TITAN Group ESG Targets 2025 & beyond, as well as our Integrated Annual Report. Following the identified and prioritized as material to our business and our stakeholders looking toward 2025, there were no material issues to be considered. According to the feedback from the stakeholders, a Safe and healthy working environment for our employees and business partners, remained the most important material issue.

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

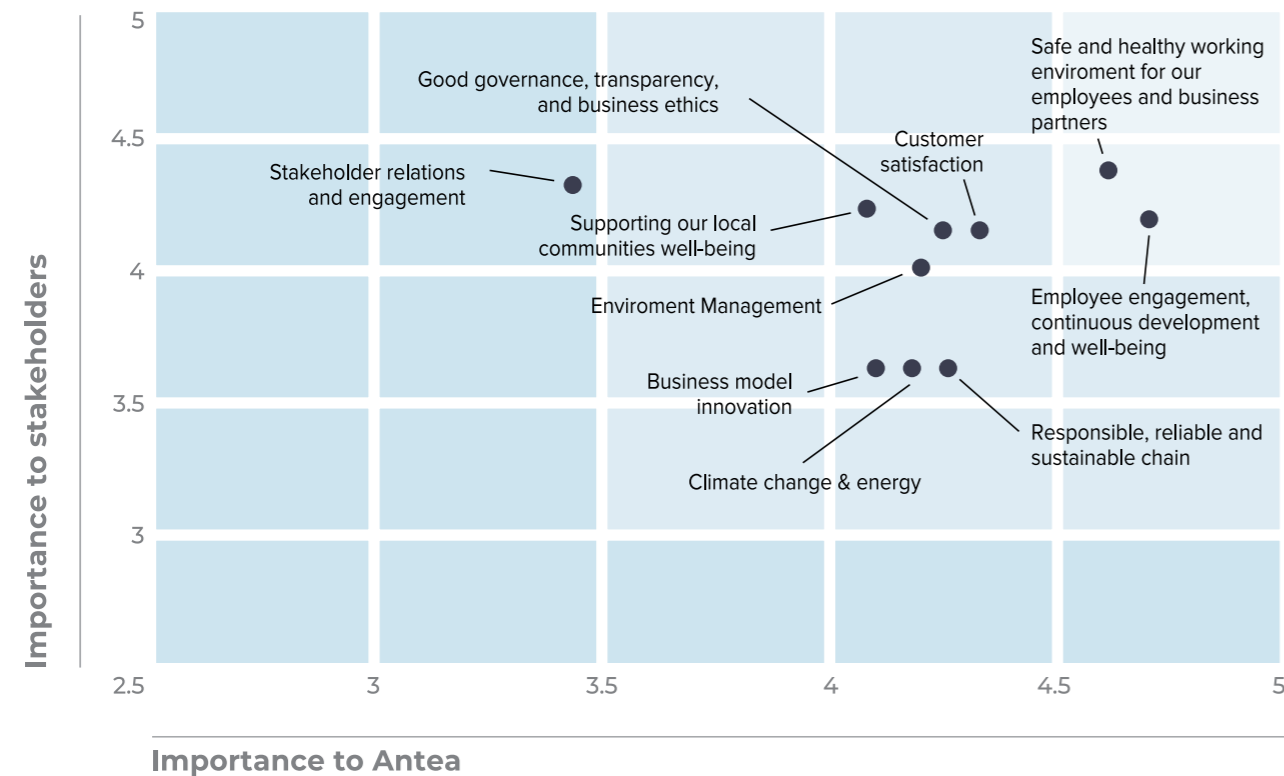
Materiality assessment cycle



Sustainability reporting Structure includes:

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

Materiality Matrix



Relevant SDGs for each Material Issue

Material issues 2022	Core SDGs for the BU	Supplementary SDGs	Safe and healthy working environment for our employees and business partners	3 GOOD HEALTH AND WELL-BEING	8 DECENT WORK AND ECONOMIC GROWTH	4 QUALITY EDUCATION
			Employee engagement, continuous development and well being	3 GOOD HEALTH AND WELL-BEING	8 DECENT WORK AND ECONOMIC GROWTH	4 QUALITY EDUCATION
			Customer satisfaction	12 RESPONSIBLE CONSUMPTION AND PRODUCTION		3 GOOD HEALTH AND WELL-BEING
			Good governance, transparency, and business ethics	12 RESPONSIBLE CONSUMPTION AND PRODUCTION		16 PEACE, JUSTICE AND STRONG INSTITUTIONS
			Supporting our local communities well being	4 QUALITY EDUCATION	11 SUSTAINABLE CITIES AND COMMUNITIES	17 PARTNERSHIPS FOR THE GOALS
			Environmental management	12 RESPONSIBLE CONSUMPTION AND PRODUCTION	9 INDUSTRY, INNOVATION AND INFRASTRUCTURE	6 CLEAN WATER AND SANITATION
			Responsible, reliable, and sustainable supply chain	12 RESPONSIBLE CONSUMPTION AND PRODUCTION		7 AFFORDABLE AND CLEAN ENERGY
			Stakeholder relations and engagement	9 INDUSTRY, INNOVATION AND INFRASTRUCTURE	11 SUSTAINABLE CITIES AND COMMUNITIES	15 LIFE ON LAND
			Climate change & energy	13 CLIMATE ACTION		3 GOOD HEALTH AND WELL-BEING
			Business model innovation	8 DECENT WORK AND ECONOMIC GROWTH		4 QUALITY EDUCATION

We will continue our assessment process throughout 2023, taking into consideration the consultations with stakeholders, considering that we develop and promote SDGs where we are presently operating. Given the significant changes that all businesses have experienced over the last five years, we have revisited our sustainability strategy, expanded our scope and objectives, while focused on the implementation of collaborative efforts. Since 2015, we have followed the key steps of the UNGC SDG Compass tool (“The guide for business action on the SDGs”, issued by UNGC and GCCA, see reference in the ESG Performance Statements), starting with understanding and identifying the relevant SDGs for our business and how we can meaningfully contribute to their achievement.

ANTEA's materiality assessment and connection with the 2030 SDGs was updated in 2022 and will be validated further with feedback from its stakeholders.

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

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

ESG targets for 2025 and beyond

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

Decarbonization and Digitalization				
<div><div>Ambition</div><div>We will TRANSFORM our business, focusing on resilience, innovation and building solutions to serve our customers more efficiently as we move towards a carbon-neutral, digital world</div></div>	<div><div>Targets</div><div><ul style="list-style-type: none">we will reduce our CO₂ emissions¹ by 2030, and will have our targets validated by the Science Based Targets Initiative (SBTi) as follows:<ul style="list-style-type: none">Scope 1 (gross): 22.8% by 2030 (vs. 2020 level)<ul style="list-style-type: none">Scope 1 (net): 590kg/t cementitious product by 2025 (-24.0% vs. 1990 level)500kg/t cementitious product by 2030 (-35.0% vs. 1990 level)Scope 2: 58.1% by 2030 (vs. 2020 level)Scope 3:<ul style="list-style-type: none">Scope 3 absolute GHG emissions from the use of sold fossil fuels<ul style="list-style-type: none">- 80.9% by 2030 (vs. 2020 level)Scope 3 other absolute GHG emissions<ul style="list-style-type: none">- 90% by 2050 (vs. 2020 level)we commit to drive down the CO₂ footprint of our operations and products aspiring to deliver society with carbon-neutral concrete by 2050we will monitor and independently verify our supply chain (Scope 3) emissionswe will increase our annual investment in Research and Innovation to €20m</div></div>	<div><div>SDGs</div><div><div><div>7</div><div>AFFORDABLE AND CLEAN ENERGY</div></div><div><div>9</div><div>INDUSTRY, INNOVATION AND INFRASTRUCTURE</div></div><div><div>13</div><div>CLIMATE ACTION</div></div><div><div>17</div><div>PARTNERSHIPS FOR THE GOALS</div></div></div></div>	<div><div>Material Issue</div><div><ul style="list-style-type: none">Future ready business model in a carbon-neutral worldInnovation with emphasis on digitalization and decarbonization</div></div>	
Growth-enabling work environment				
<div><div>Ambition</div><div>We will CULTIVATE an inclusive culture with equal opportunities for all our people to grow professionally within a safe and healthy work environment</div></div>	<div><div>Targets</div><div><ul style="list-style-type: none">we strive for zero fatalities and for an employee LTIFR performance which consistently places us among the three best in our peer group²we will implement initiatives addressing the physical, mental, social and financial dimensions of wellbeing for our employees, in all countrieswe commit that 1/3 of our BoD members will be womenwe will promote equal opportunities and inclusion and will grow by 20% the participation of women in senior roles, lent pools and new hireswe will offer upskilling and reskilling opportunities to 100% of our employees, especially in areas vital for sustainable growth, such as health and safety, digitalization, and decarbonization</div></div>	<div><div>SDGs</div><div><div><div>3</div><div>GOOD HEALTH AND WELL-BEING</div></div><div><div>4</div><div>QUALITY EDUCATION</div></div><div><div>5</div><div>GENDER EQUALITY</div></div><div><div>8</div><div>DECENT WORK AND ECONOMIC GROWTH</div></div><div><div>10</div><div>REDUCED INEQUALITIES</div></div></div><div><div><div>17</div><div>PARTNERSHIPS FOR THE GOALS</div></div></div></div>	<div><div>Material Issue</div><div><ul style="list-style-type: none">Safe and healthy working environmentDiverse and inclusive workplaceContinuous development of our people</div></div>	
Positive local impact				
<div><div>Ambition</div><div>We will ENABLE our business operations and our people worldwide to contribute to the prosperity of our local communities with respect to their social and environmental concerns</div></div>	<div><div>Targets</div><div><ul style="list-style-type: none">we will sustain and further improve our strong performance in cement production-related specific dust, NOx and SOx emissionswe will have quarry rehabilitation plans at 100% of our sites³ and will rehabilitate 25% of the affected areaswe will have quarry biodiversity management plans at 100% of our sites³ in high biodiversity value areaswe will have community engagement plans that are aligned with material issues for stakeholders and UN SDGs 2030 at 100% of our key operationswe will ensure that 2/3 of our total spend is directed to local suppliers and communities</div></div>	<div><div>SDGs</div><div><div><div>1</div><div>NO POVERTY</div></div><div><div>3</div><div>GOOD HEALTH AND WELL-BEING</div></div><div><div>4</div><div>QUALITY EDUCATION</div></div><div><div>6</div><div>CLEAN WATER AND SANITATION</div></div><div><div>8</div><div>DECENT WORK AND ECONOMIC GROWTH</div></div></div><div><div><div>11</div><div>SUSTAINABLE CITIES AND COMMUNITIES</div></div><div><div>15</div><div>LIFE ON LAND</div></div><div><div>17</div><div>PARTNERSHIPS FOR THE GOALS</div></div></div></div>	<div><div>Material Issue</div><div><ul style="list-style-type: none">Positive local social, economic, and environmental impact</div></div>	
Positive local impact				
<div><div>Ambition</div><div>We will EMPOWER our business ecosystems to incorporate sustainability considerations in their business decisions and daily behaviors, while using natural resources responsibly</div></div>	<div><div>Targets</div><div><ul style="list-style-type: none">we commit to a water consumption of 280 l/t cementitious products and to covering 70% of our water demand with recycled waterwe will have 85% of our production⁴ covered by ISO 50001 or energy auditswe will have 50% of our production⁴ covered by "Zero Waste to Landfill" certificationwe will ensure that 70% of our key suppliers⁵ meet TITAN ESG supplier standards</div></div>	<div><div>SDGs</div><div><div><div>6</div><div>CLEAN WATER AND SANITATION</div></div><div><div>7</div><div>AFFORDABLE AND CLEAN ENERGY</div></div><div><div>12</div><div>RESPONSIBLE CONSUMPTION AND PRODUCTION</div></div><div><div>17</div><div>PARTNERSHIPS FOR THE GOALS</div></div></div></div>	<div><div>Material Issue</div><div><ul style="list-style-type: none">Resource efficiency, recycling and recovery, contributing to the circular economyReliable and sustainable supply chain</div></div>	

All underpinned by: Good governance, transparency and business ethics

Scope 1: direct CO₂ emissions; Scope 2: indirect CO₂ emissions from electricity; Scope 3: indirect CO₂ emissions of the supply chain. SBTi-validated targets
² Peer group definition: Cemex, Holcim, Argos, HeidelbergCement, CRH, Cementir, Vicat, Buzzi
³ Active wholly-owned sites
⁴ Production of our integrated cement plants
⁵ Key suppliers: critical suppliers according to the GCCA Guidance for Sustainable Supply Chain management with a meaningful level of spend for TITAN

ESG PERFORMANCE OVERVIEW

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

For each of the issues that have been identified as material ones for ANTEA and its stakeholders, we present the foundations that we have built on and describe our management approach to addressing them, highlighting important achievements recorded throughout the year. Sustainability is becoming more important for ANTEA and its strategy is essential for us to be competitive at present and to foster its longevity. In collaboration with all relevant stakeholders, local authorities, regulators, communities, business partners and customers, ANTEA is contributing to the cement industry with innovative approaches to business sustainability.

Climate change remains undoubtedly one of the major challenges and critical issues for the sector and we are committed to play our part towards a carbon neutral future by reducing CO2 emissions. People management and development, occupational health and safety, sustainability of communities, environmental management remained at the top of the list of ANTEA's material issues. In 2022, taking care of our employees, safeguarding the health and wellbeing of our people, equipping them with the skills to be successful in a diverse and inclusive environment has been an enduring commitment for our company. We remained confident in our business model and are effectively addressing critical challenges, by playing our part in building a better and sustainable future together.

ANTEA's material issues mostly connected to TITAN Group Focus Areas:

Decarbonization and Digitalization

- » Climate Change & Energy
- » Business model innovation



Growth-enabling work environment

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



Positive local Impact

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



Responsible Sourcing

- » Resource efficiency, recycling and recovery, contributing to the circular economy
- » Responsible, reliable, and sustainable supply chain
- » Customer satisfaction



FOCUS AREA: DECARBONIZATION AND DIGITALIZATION

Material Issue: Climate Change & Energy



CLIMATE CHANGE & ENERGY

Climate change represents a long-term risk for our planet and society. It requires the mobilization, at global level, of organizations across many sectors, the cement industry among them.

1.5°C

TITAN is committed to the COP21 Paris Agreement goal, which was reaffirmed at COP27 in Sharm el-Sheikh, Egypt, to keep the increase in global average temperature to 1.5°C above pre-industrial levels, and to the UN Sustainable Development Goals 2030.

The Group also supports the European Green Deal vision of carbon neutrality by 2050 and endorses the Global Cement and Concrete Association (GCCA) 2050 Climate Ambition, the cement industry's joint effort towards carbon neutrality. Furthermore, TITAN Group participates in the "Business Ambition for 1.5°C" global campaign led by the Science Based Targets initiative (SBTi), joining several leading companies worldwide that are committed to keeping global warming to 1.5°C and reaching net-zero emissions by 2050.



By signing the "Business Ambition for 1.5°C" commitment letter, TITAN also joined the United Nations Framework Convention on Climate Change (UNFCCC) "Race to Zero" global campaign, which encourages more companies, governments, and financial and educational institutions to come together and act for a healthier planet with zero carbon emissions.

The Group aspires to reduce its carbon emissions by increasing the use of alternative fuels, accelerating its efforts in energy efficiency, developing low-carbon products and adopting innovative technologies and solutions.



Through participation in European and international consortia, as well as through collaborations in R&D projects, TITAN will continue to develop low-carbon cementitious products and pilot carbon-capture and utilization technologies in its plants, actively contributing to the industry's ambition for a carbon-neutral future. Decarbonization provides opportunities for innovation and growth, as it requires a profound reshaping of the energy and construction materials sectors.

A

In recognition of its leadership in corporate transparency and performance on climate change, TITAN Group received a top "A" score on climate action from the environmental non-profit organization CDP. TITAN is one of only three cement companies globally to achieve this level in 2022.

TITAN Group was among the first three cement companies worldwide to have its CO2 emissions reduction targets validated by the Science Based Targets initiative (SBTi) as consistent with the reductions required to keep global warming to 1.5°C, in accordance with the goals of the Paris Agreement. With its new science-based targets, TITAN seeks to address not only direct (Scope 1) emissions and indirect emissions from the generation of purchased electricity (Scope 2), but also other indirect emissions of the supply chain (Scope 3).

Using the guidance and resources provided by SBTi, we developed the reduction targets in line with the new criteria and submitted them in September 2022. Following a thorough procedure, the targets covering greenhouse gas emissions from TITAN's operations (scopes 1, 2 and 3) were validated and approved.

Following the initiative of the Group, Antea Cement has developed a decarbonization plan with clear milestones and targets. By implementing this plan, we aspire to reduce our carbon emissions by starting the use of alternative fuels, continuing our efforts in energy efficiency, developing low-carbon products, investing, and adopting innovative technologies and solutions. [See ESG targets for 2025 and beyond, focus area decarbonization and digitalization](#)

2030 decarbonization roadmap



2030 DECARBONIZATION ROADMAP

In February 2022, TITAN GROUP revisited the Scope-1 decarbonization roadmap for the achievement of our 2030 target. Participation in this process was universal and cross-departmental: senior as well as middle-management from the commercial and technical departments of all business units were involved in the development of this roadmap, which covers all traditional CO2-emission reduction levers:



1. Reducing clinker content in the final product (clinker-to-cement ratio)

2. Increasing the thermal substitution rate (TSR) of fossil fuels with alternative fuels (AF)



3. Increasing energy efficiency by reducing specific heat consumption through process optimization

The outcome did indeed confirm the Group's ability to reach its stated targets as validated by the SBTi. The Group compiled a detailed list of over 90 actions and projects, all of which provide significant cost savings, business growth opportunities as well as decarbonization potential.

150 €
MILLION

A total capital expenditure between €100 million and €150 million was identified, to be relatively evenly distributed throughout the 10-year-period to the end of 2030.

47 €
MILLION

Even more promising was the expected acceleration of pace regarding the entire decarbonization process: of the aforementioned list, 13 projects – equal to ca. €47 million – were already completed or on course to be completed by late 2022/mid-2023 (e.g. the installation of a new alternative fuel conveying system and a new calciner in the Kamari plant, Greece).

In addition to the CapEx-related projects, the roadmap includes commercial initiatives that do not require any investment. Accordingly, the clinker content of the final product mix was reduced to a historic record low for the Group.

Material issue: Future-ready business model in a carbon-neutral world

In 2022, we continued to harness the advantages offered by business model innovation to benefit our customers, employees, suppliers, and communities.



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

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

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

Overall Net-Zero Target

TITAN is committed to reach net-zero GHG emissions across the value chain by 2050 from a 2020 base year.

Near-term validated targets

TITAN is committed to:



Reducing gross Scope 1, 2 and 3 GHG emissions, covering produced and purchased cement and clinker by 25.1% per tonne of cementitious product sold by 2030 from a 2020 base year.



Reducing gross Scope 1 GHG emissions by 22.8% per tonne of cementitious product by 2030 from a 2020 base year. This target is in alignment with the 35% CO2 reduction target on net emissions by 2030 from a 1990 base year, announced by TITAN in 2020.



Reducing Scope 2 GHG emissions by 58.1% per tonne of cementitious product from a 2020 base year.



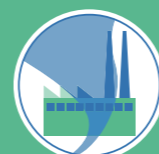
Reducing absolute Scope 3 GHG emissions from the use of sold fossil fuels by 80.9% by 2030 from a 2020 base year.

Long-term validated targets

TITAN is committed to:



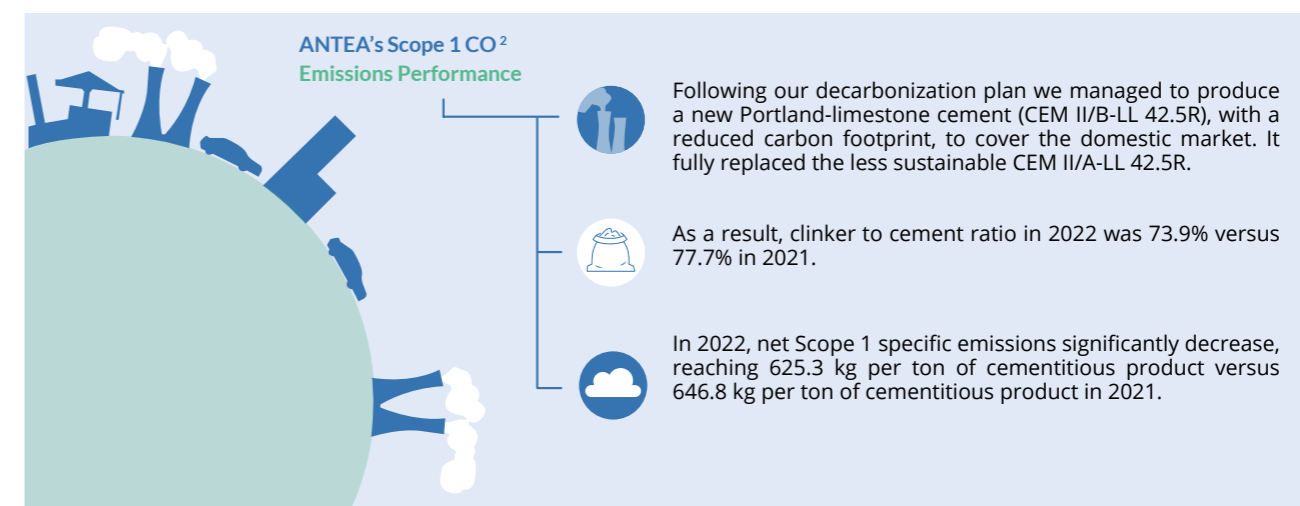
Reducing gross Scope 1, 2 and 3 GHG emissions, covering produced and purchased cement and clinker by 95.6% per tonne of cementitious product sold by 2050 from a 2020 base year.



Reducing other absolute Scope 3 GHG emissions by 90.0% within the same timeframe.

The SBTi is a partnership between the Carbon Disclosure Project (CDP), the United Nations Global Compact, the World Resources Institute (WRI) and the Worldwide Fund for Nature (WWF). It independently assesses and validates corporate emissions reduction targets against the latest climate science.

ANTEA's Scope 1 CO₂ emissions performance



Alternative fuels (Co-processing)

The increased use of alternative fuels in place of non-renewable fossil fuels is a key lever towards the achievement of TITAN's decarbonization targets. Respectively, the utilization of alternative fuels in cement production contributes to the conservation of natural resources, the reduction of CO₂ emissions and the long-term competitiveness of the cement industry.

During 2022, TITAN accelerated its actions, initiatives and investments across many business units towards increasing the cement plants' thermal substitution rate and contributed to various local/national waste management efforts.

The Group's alternative fuels Thermal Substitution Rate (TSR) reached 17.5% in 2022 vs. 15.5% in 2021, an increase of ca. 13%. This has been the result of (a) continuous sourcing efforts for new alternative fuels in the local/international markets and (b) investments across several TITAN cement plants in alternative fuel processing facilities or in the plants' feeding and combustion infrastructure.

Our company is committed to the use of alternative fuels, has an environmental permit for this purpose and has planned to make further investments in the construction of new installations. This has not yet been realized due to the lack of alternative fuel sources in our country.

In collaboration with Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) cement plants of the TITAN Cement Group operating in North Macedonia and Serbia, we successfully completed the project "Waste to Energy". This Project was presented to the relevant authorities, and we hope that after the improvement of the waste management system in our country, it will be possible to produce RDF/SRF and to use them in cement industry.

Overall Net-Zero Target



"Waste to energy for western Balkans cement industry" project

A project on Waste2Energy, teamed up by GIZ Albania, cement factories - TITAN Antea, Usje and Kosjeric, Co-Plan Institute for Habitat Development, Bashkimi i Prodhuesve Shqiptarë (AMU), Resource Center for Environment (REC North Macedonia), Regional Development Agency Zlatibor (RRA) and Albanian local authorities, was focused on raising awareness among the public highlighting the environmental importance and benefits of waste used as alternative fuel in the cement industry, in comparison to the fossil fuels.

"The transition towards decarbonization of Cement Plants through coprocessing of RDF as alternative fuel, brings in parallel, a perfect opportunity to improve the waste management in the country and a synergy that provides the ground for sustainable and financially sound solution."



Thermal energy efficiency

TITAN Group thoroughly monitors energy consumption and efficiency in order to reduce its environmental footprint and curtail costs. As energy management and resource efficiency are closely connected to the sector's decarbonization roadmap, the Group is investing in energy efficient equipment (e.g. grate coolers and five-stage preheaters with a pre-calciner and new burners). In a similar way, the regular inspections of equipment and timely preventive maintenance, the careful selection of fuels, the use of mineralizers and process optimization have helped sustain the Group's strong performance in thermal energy consumption.

During 2022 we started the construction and will put into operation an innovative method of combustion optimization with the use of hydrogen in cement clinker kilns developed by UTIS.

The same equipment was installed in Zlatna Panega cement Plant and has been verified that green hydrogen injection in the cement kiln can improve burning conditions in clinker production. At the same time, it can also significantly assist in increasing the utilization of alternative fuels as well as in reducing NOx-emissions.

In 2022, specific heat consumption (SHC) was slightly increased compared to 2021 (791 kcal/kg clinker vs 764 kcal/kg clinker).

Climate change mitigation performance indicators	2022	2021
Scope 1 net CO ₂ emissions (kgCO ₂ /t cementitious product)	625.3	646.8
Alternative fuel thermal substitution rate (%)	-	-
Clinker-to-cement ratio (%)	73.9	77.7
Specific Heat Consumption (kcal/kg clinker)	791	764

Scope 2: CO₂ emissions performance

In 2022, Scope 2 specific emissions were almost at the same level compared to 2021 while the specific electrical energy consumption slightly increased, reaching 95.0 kWh per ton of cement compared to 93.5 kWh per ton of cement in 2021.

Scope 3: Thermal energy efficiency

In 2022, Scope 3 specific emissions were 76.3 kg CO₂ per ton of cementitious product, representing about 10.9% of our total GHG emissions. Fuel-related activities are the main contributor, accounting for 64.0% of the total Scope 3 emissions. Purchased goods and services are the second most important factor, contributing about 16.3% of the total, while downstream transportation and distribution is the third most important category, at about 13.1%.

TITAN Group new CO2 targets, which have been validated by the SBTi, include targets on:

- *specific Scope 3 emissions related to purchased cement and clinker (part of Category 1)*
- *absolute Scope 3 emissions related to the sales of fossil fuels (part of Category 11) – specifically the sale of grinded solid fuel, a minor activity in a limited number of countries.*

Moreover, since last year, TITAN Group has been working on enabling its suppliers to make a decarbonization commitment.

TITAN Group is continuously refining its Scope 3 reporting approach, identifying gaps and exploring alternative ways to increase accuracy while establishing the required management systems needed in consultation with all business units.

FOCUS AREA: GROWTH-ENABLING WORK ENVIRONMENT

Material issue: Employee engagement, continuous development, and wellbeing.

Employee Engagement

In 2022, an employee engagement survey was conducted across the Group to assess the engagement & enablement level of our people. The survey covered various important aspects such as **authority and empowerment, direction, confidence in leaders, development, performance management, work structure and processes, collaboration, wellbeing and diversity and inclusion**. For the first time, the engagement survey was conducted fully digitally, across the Group, and the results were swiftly shared with the Group and business unit management teams. Recognizing the essential role that people managers play in their teams’ engagement and enablement, a dedicated virtual development session was run for the top 150 leaders as part

of our Leadership Academy series, with the intention of equipping our leaders in proactively managing the findings, building highly engaged teams and driving our business growth.

Subsequently, based on the survey results, action plans were devised to improve the workplace experience and boost business performance. Engaging our employees is an ongoing process for ANTEA, which incorporates feedback in structured and organized ways. **Various initiatives were put in place, including interdepartmental collaboration, reinforce the culture of performance management, enhance employee motivation, and simplify and accelerate authority & empowerment.**

Continuous Development

Our governing objectives and strategy revolve around the performance and growth of our people, as part of a multi-regional cement industry leader. Central to this objective is our commitment to attracting, retaining, and motivating our employees. To this end, continuous development of our people is a critical business priority, and we are investing in initiatives to enhance Health and Safety, Digital Skills, and People Development. Through these learning programs, our people can expand their knowledge, acquire new skills, and contribute to business transformation.

In 2022 TITAN Group launched new technical courses, aimed at optimizing production processes and improving plant performance. To ensure a better comprehension of each policy’s context, encourage wider distribution and monitor employee’s learning participation rates, a variety of development programs and learning courses were provided.

ANTEA is committed to delivering high quality training to all its employees, recognizing the increasing demand for skills. We have prioritized investment in digital skills and empowering our workforce to develop digital solutions that address our client’s needs. Additionally, our operations uphold the human and labor rights principle of freedom of association. In 2022, we recorded 7725 training hours, indicating an increase from the previous year. *See ESG targets for 2025 and beyond, focus area growth-enabling work environment*

Our **Health & Safety** training program was enhanced in 2022 to emphasize safety as a fundamental aspect of our core values. This included the introduction of new training sessions, which resulted in a total of 2585 training hours devoted to health and safety. Our primary goal is to ensure the safety of our employees in the facilities and prevent any potential serious injuries.

Throughout 2022, we carried on with our **ANTEA Leadership Academy** series, aiming to provide our leaders with the skills to effectively handle their responsibilities, cultivate highly engaged teams, and promote the growth of our business. The cultivation of robust, forward-thinking leadership is essential to executing our strategy successfully and achieving greater levels of agility, inclusivity, and accountability.

Leadership Academy aims to empower both current and future leaders, by offering guidance and support to their employees to explore their limits, personal growth as individuals and adapting new work methodologies.

We invest in the development of our employees' skills and capabilities to support the long-term growth of our organization. The digitalization of processes and other emerging opportunities offer further ways to invest in reskilling and upskilling our employees and the younger generation in the country, as we work towards implementing decarbonization and sustainability initiatives.

During 2022, the number of virtual training hours increased in comparison to the previous year, across various courses. E-learning courses developed by TITAN Group were used to strengthen practical and advanced in-house knowledge, with the goal of enhancing the operation of our cement plant. These courses aim to achieve more sustainable use of natural resources, notable fuel savings and better

and more consistent product performance. In 2022, the investment in training per employee reached €287. Most training hours were focused on Health and Safety, Managerial Skills, and Functional Competencies. The percentage of unionized employees remained constant.

We have established a workplace that values and embraces all differences, promoting a sense of belonging for all individuals. In 2022, we have seen the positive effects of having a diverse and inclusive workplace and allowing us to continuously attract talents.

The Company's headcount amounted to 189 people by the end of 2022. ANTEA had a turnover rate of 11.64%. 187 employees are participating in the annual performance evaluations process.

As part of our commitment to equity, diversity and inclusion as material issues from 2020-2025, we have set specific targets to increase female participation in the Company. The Group Diversity Equity & Inclusion Policy was launched in 2022. By the end of 2022, we had 22 females employed, representing 11.64% of the total workforce. We had an increased number of women in management positions in 2022.

Achieving our goals for diversity and inclusion requires continuous effort and commitment from everyone in our organization, as we strive to promote awareness, take actions, and uphold responsibility and accountability.

Wellbeing initiatives

Our Group has a long history of putting people first and providing pioneering programs which support employees and their wellbeing.

The Health and Wellbeing framework, which was introduced in 2020, upholds our dedication to fostering a secure and healthy workplace. TITAN Group has a long history of prioritizing the welfare of our employees and developing innovative programs to support their overall well-being. The framework helps us drive initiatives which address the physical, mental, financial, and social dimensions of health and wellbeing.

To make the well-being of our employees our primary focus, we have implemented various initiatives that address all four dimensions of our framework. These initiatives are designed to promote the health and overall quality of life of our employees.

The Group Mental Health initiative began in October 2021 and ran in five phases throughout 2022, addressing topics such as destigmatizing mental health, stress management, fostering a positive mindset, practicing gratitude and mindfulness, and increasing awareness on depression and suicide. Additionally, the TITAN Employee Assistance Program (EAP) consulting support service continued to offer counseling to our employees and their families.

The staff of the company receive various benefits, including free meals, transportation and access to drinkable water. Additionally, the company offers Medical, Life Insurance and Work Accident Plans to all employees, and maintains partnership with the largest private hospital in Albania to provide medical care to its staff. *See ESG targets for 2025 and beyond, focus area growth-enabling work environment*

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

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

Particular emphasis is placed on training and raising safety awareness and on the strict application of safety systems and processes. Health monitoring of employees is performed regularly. In parallel with all the other preventive measures, ANTEA is regularly audited by the Group's safety specialists.

Health and safety audits are performed on a regular basis at all plant departments, third-party providers, and contractor facilities. Safety, behaviors, and procedures are evaluated, and specific recommendations are

made. Plant management implements these recommendations, as well as those derived from the investigation of accidents and significant near misses.

In 2022, no fatality was recorded either among our employees, or among contractor employees, or third parties. The frequency of lost time injuries (LTIFR) for direct personnel was 0.0, for indirect personnel was 2.0 and for direct and indirect personnel was 1.2 with a reduction of 50% compared to 2021. *See ESG targets for 2025 and beyond, focus area growth-enabling work environment*

The Next Step Group Program launched in our region aimed at improving and sustaining safety performance. We developed training modules based on our supervisors' GAP analysis to meet the specific needs of each employee.

In 2022, authorities recognized ANTEA Cement as the best example of continuity and seriousness in its commitment.

POSITIVE LOCAL IMPACT

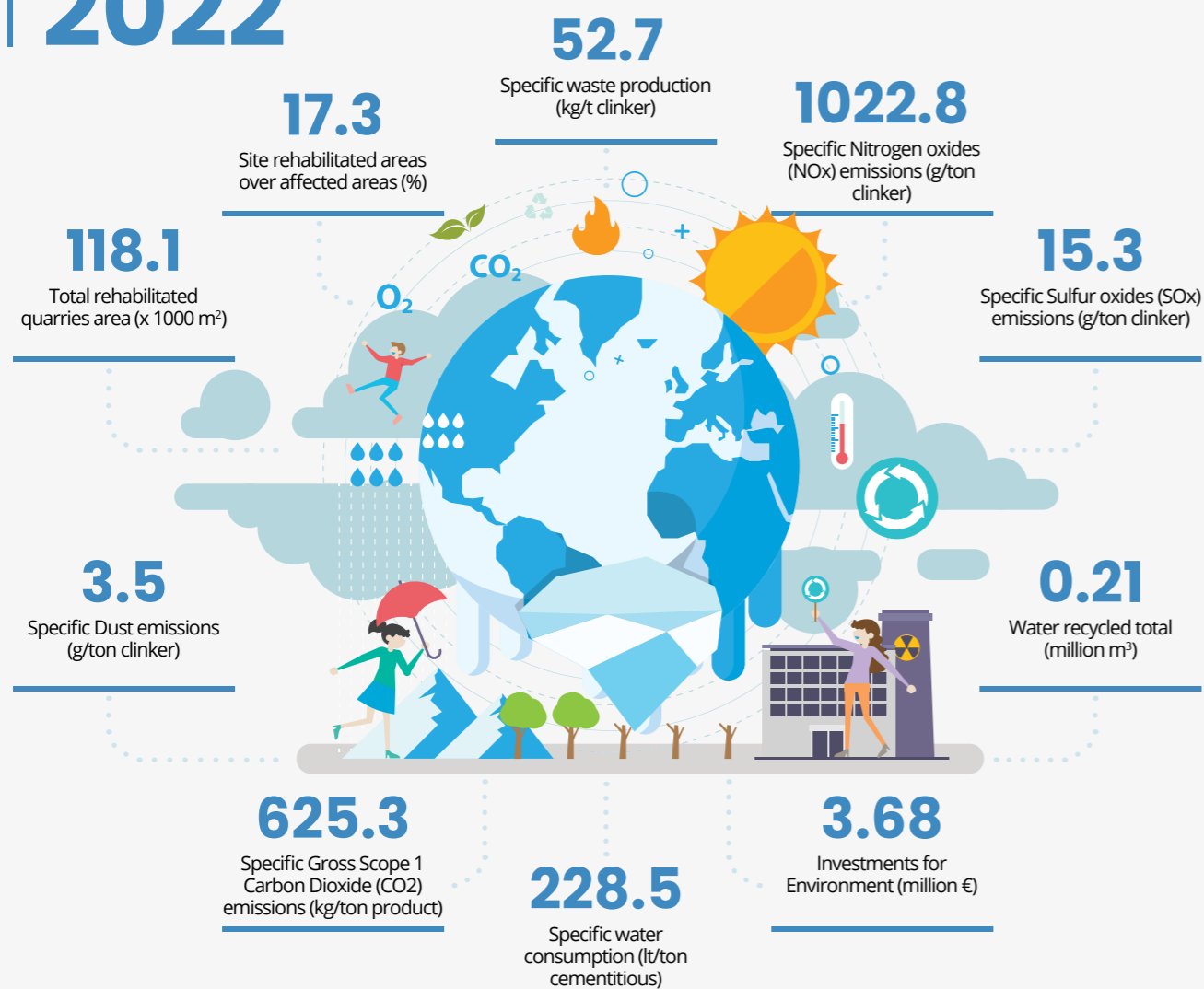
Material Issue: Environmental Management

TITAN Group devotes large amounts of human resources and capital expenditures, investing heavily in best available techniques (BAT), reaching and sustaining a strong environmental performance that meets existing and potential new regulatory requirements as well as our own targets.

In line with TITAN Group's priority, to continuously mitigate the environmental impact of its operations and the increasingly stringent restrictions imposed on land use, air emissions, waste management and water use, ANTEA strictly applies a management system in its plant, to monitor and report environmental impact against specific targets set by Titan Group. *See ESG targets for 2025 and beyond, focus positive local impact*

At a glance:

2022



Air Emissions

Titan Group runs an extensive investment program to install new or upgrade de-dusting equipment in the stacks of kiln lines. Electrostatic (ESP) filters were replaced either by bag filters or by hybrid filters (a combination of bag and ESP technology). **The efforts are now concentrated on mitigating fugitive dust as follows:**

- Covered conveyors and elevators in closed systems
- Reduced air leakages and spillage points
- Ensured proper maintenance of the installation using vacuum cleaning
- Enclosed storage areas with natural wind barriers
- Used water spray and ensured road wetting and housekeeping as well as paving where feasible.

The systematic monitoring of fugitive dust emissions not only reduces the impact on nearby areas but also safeguards the health of employees. The Group ensures the proper maintenance and optimal functioning of machinery and equipment and applies rigorous rules on the transport of materials within its plants and beyond.

Monitoring and reporting air emissions are part of the Antea's effort to mitigate its impact on the environment. Aligning with legal and sectoral requirements, ANTEA monitors and reports dust, NO_x, SO_x, TOC, HCl, HF and NH₃ emissions, mostly through continuous emissions monitoring systems.

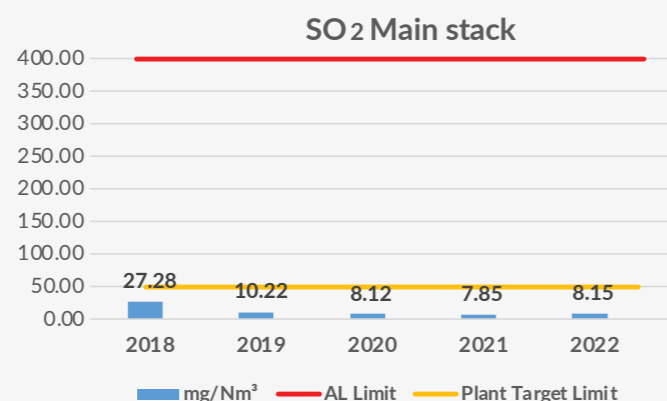
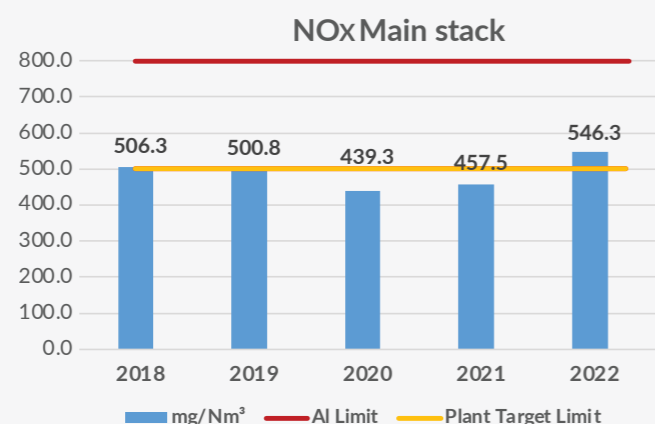
In order to assure and validate the data which are continuously collected, CEMS is calibrated and tested for validity of the monitored data from third party accredited laboratories.

Minor emissions such as PCDD/PCDF and heavy metals are spot measured by accredited independent laboratories at a frequency equal to or higher than that mentioned in our permits.

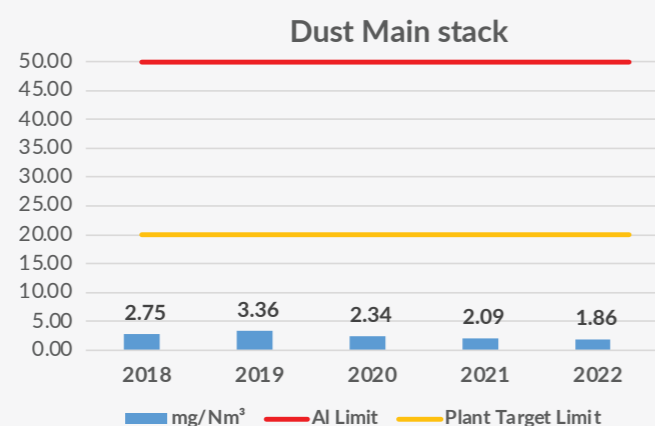
The company's environmental performance in main air emissions is presented in the table below:

Air emissions (g/t clinker)	2022	2021
Specific dust emissions	3.5	3.6
Specific NO _x emissions	1022.8	793.6
Specific SO _x emissions	15.3	13.6

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

SO₂ emissions (mg/Nm³)NO_x emissions (mg/Nm³)

Dust emissions



The best performers in the country in terms of environmental performance.

Rehabilitation and biodiversity

TITAN's commitment to biodiversity and sustainable land stewardship is part of its Environmental Policy and Climate Change Mitigation Strategy and is aligned with the relevant ESG Targets for 2025.

The sites of high biodiversity value are determined through risk assessment at corporate level, on a frequent basis of 3-5 years with the use of available tools such as the Integrated Biodiversity Assessment Tool (IBAT, <https://ibat-alliance.org/>) and/or from regional or national designations at local level.

According to the latest biodiversity risk assessment that was conducted in 2020 for all Group sites with the IBAT, none of the ANTEA Quarries has been identified as in proximity to (or part of) areas of high biodiversity value. Therefore, no specific Biodiversity Management Plans are required for our sites.

ANTEA has established the practice for the progressive rehabilitation at the quarry sites, since the beginning of the mining operations and has introduced three plant species in this process, which are included in the Red List of threatened species of Albania, namely *Quercus ilex* L. (Holly or Holm oak), *Laurus nobilis* L. (Laurel) and *Salvia officinalis* L. (sage).

The rehabilitated area in our quarries has reached 11.8 Ha up to date and we will continue to perform rehabilitation activities in our operations with the target to rehabilitate more than 20% of the affected areas in the coming years. *See ESG targets for 2025 and beyond, focus positive local impact*

Material Issue: Supporting our local community wellbeing

In 2022 we continued our engagement with stakeholders in our operations with the ambition to contribute to the sustainability of local communities. ANTEA is implementing initiatives in line with the TITAN Group Framework Guidance and tailored made to local needs. In line with TITAN Group the 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.

ANTEA implemented in total 8 initiatives for community engagement in 2022, with the engagement of 53 participants and despite the persisting difficulties for social interaction caused by COVID-19 restrictions for the first half of the year and in some cases of local stakeholders. The share of ANTEA employees who acted as volunteers reached 25% of all participants, while there is room for increasing voluntarism in the future. More than 1,160 people in our

local communities, being the neighboring municipalities to our cement plant and quarries, were direct and indirect beneficiaries of our initiatives. The total cost of initiatives, as social investment to communities, reached approximately €92,500 and was characterized 'in kind' contribution.

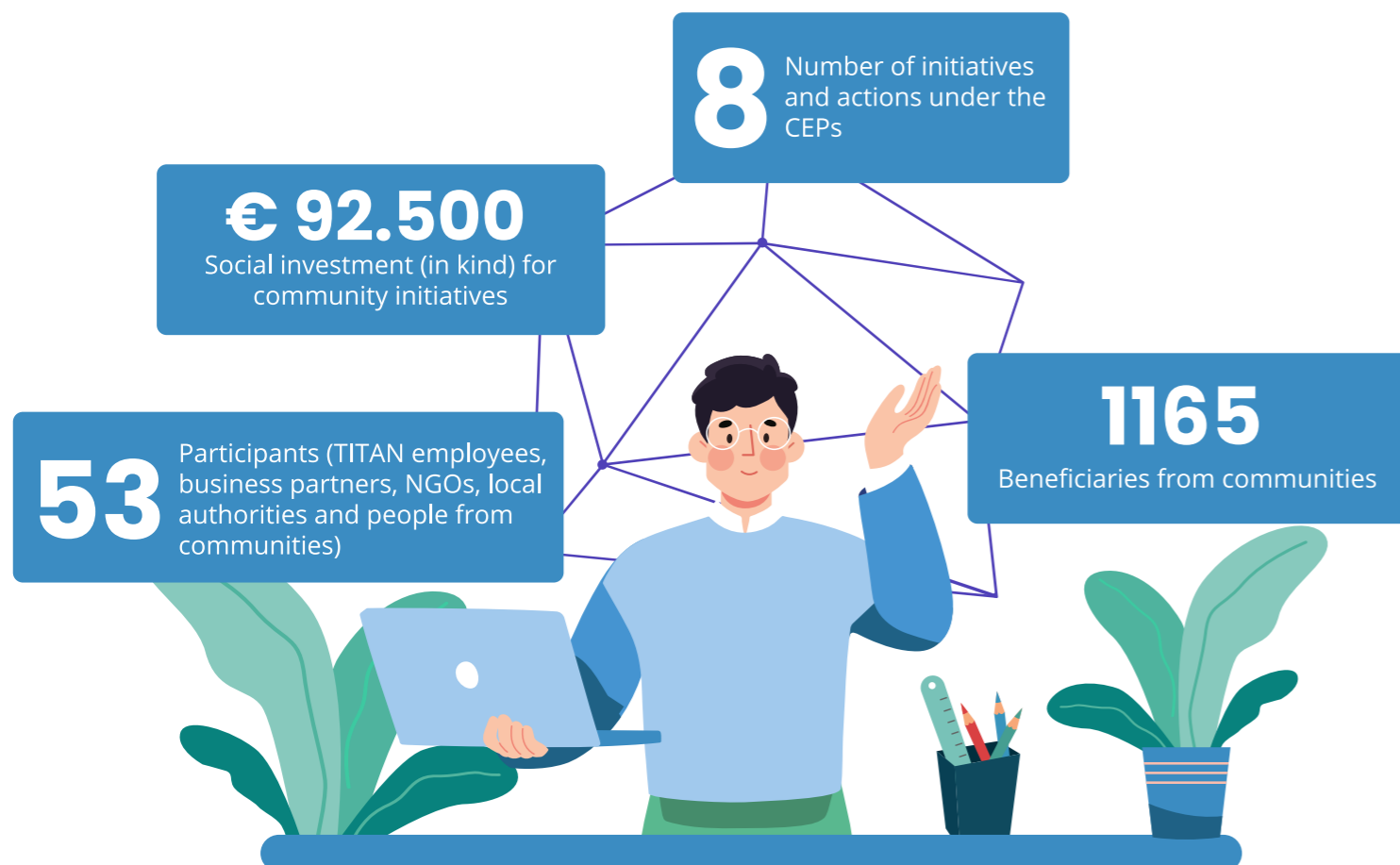
We assessed all 2022 initiatives under our Community Engagement Plan (CEP), following in-house criteria of the TITAN ESG Performance System and according to TITAN Framework Guidance for CEPs. The assessment ensured ANTEA for meeting a high level of alignment with our material issues important for both our stakeholders and our business activities as well as for the level of engagement with local stakeholders. We reached the level 'Involvement' for 63% of all initiatives and 'Collaboration' and 'Empowerment' for 38% respectively.

Our assessment on the connection of material issues with initiatives was based on the SASB Materiality Map methodology. We identified the Social Capital area being most relevant to our material issues as addressed by 61% of initiatives for community engagement, followed by Business Model & Innovation (17%), and Human Capital (13%) specifically for the engagement and wellbeing of our employees. We found that the areas of Leadership and Governance and Environment were also relevant, although for a smaller number of initiatives.

The main initiatives towards the sustainability of our communities focused primarily on supporting

education (39% of initiatives), followed by the areas of social cohesion and mitigation of inequalities (17%), and skills for new jobs including training, internships, traineeships and apprenticeships (17%). Further, our initiatives promoted the areas of cultural heritage and recreational activities (11%), and a lesser extent the areas of infrastructure for the communities, voluntarism, and increase of employment. We continue building on our efforts, observing the dynamic environment of conditions in our communities, and guiding ANTEA's efforts for proper allocation of resources.

Community Engagement Plans (CEPs) 2022



“Cyberbullying and Social Media Workshop”

- Stimulating a healthier social and mental environment but also with the objective of informing and raising awareness of children, teachers, and parents about this phenomenon, the program focused on cyber-bullying on social media was designed.

150 beneficiaries



“Empower youth professionally.”

- The young students from the communities of Thumana, Borizana, and Fushe Mamurras were part of trainings on different topics on building and empowering their capacities professionally.

25 beneficiaries



‘Healthy Lifestyle at school’

- Giving emphasis on healthy lifestyle behaviors as an important characteristic in health promotion and to prevent diseases. Promoting. Maintaining a healthy lifestyle and behavior in the early stages of their life can better withstand health risks at later stages in their lives.

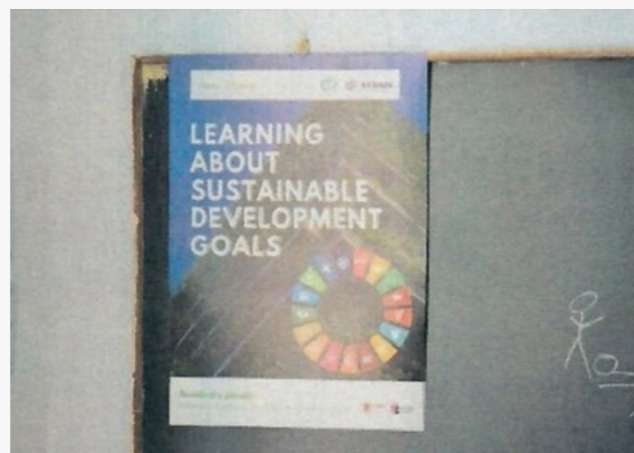
208 beneficiaries



“Learning about Sustainable Development Goals”

- Learning about the SDGs is becoming an empowering form of pursuing professional development for teachers, especially engaging in life-long learning. The program involves teachers and students in the discovery of each Global Goal, as blueprints for a better and more sustainable future for all.

638 beneficiaries



“Summer School Programs for Computer Literacy & Learning English Language”

- “Computer Literacy” and “Learning English Language,” two programs that include innovative methods making the educational programs more effective, comprehensive, and easy to assimilate, focusing on advanced learning, individual and group assignment, tutorials, creative videos, etc.

34 beneficiaries



“Security at Home”

- Raising awareness and mobilizing the community against the dangers we face in our daily lives. Safety in the premises where we work, safety at school or home, as well as natural disasters are some topics to tackle.

50 beneficiaries



“Sustainability Talks”

- The “Sustainability Corner” – a brand new entertainment green space of the Lake of Tirana and at the “Hellenic Park” in Farka, which offers a space for dialogue and conversations around sustainability and growth as the key to design successful future businesses. This initiative was implemented in cooperation with other private and public partners such as Tirana Municipality, Parks and Recreation Agency, etc.

60 beneficiaries



‘Every Day can be a Tree Day’

We planted trees and cleaned school premises with the energetic children and teachers of our community at Thumana school "Ramazan Jangozi" and Fushe-Mamurras school "Ismail Dema," taking action to protect and preserve the environment.



“ANTEA Cement Employees donate blood”

In 2022 ANTEA Cement, in collaboration with the Albanian Red Cross and National Blood Transfusion Centre organized a blood donation campaign to help patients affected by thalassemia. Antea Cement has continuously participated in voluntary blood donation campaigns. ANTEA staff gave their contribution by donating blood to help children with Thalassemia at a dedicated environment in the factory's premises.

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



Material Issue: Stakeholder relations and engagement

ANTEA aims at building trust with all our stakeholders by communicating openly and transparently and seeking feedback to better understand the potential impact of our operations and their concerns. Furthermore, we share our knowledge, experience, and best practices in the areas relevant to our business to add value and contribute to the well-being of our neighbouring communities. We try to communicate with our stakeholders in a direct and transparent way and ultimately succeed in carrying on and evolving together for mutual growth and better living conditions. The most important thing to emphasize is that we take care of our employees and invest in their development in a dedicated manner. We continue to foster different types of collaborations with key stakeholders, between private and public organizations, for the implementation of the SDGs.



FOCUS AREA: RESPONSIBLE SOURCING

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

Titan Group is committed to the circular economy, taking actions to minimize, reuse, recycle or recover materials and energy in order to preserve natural resources, reduce CO₂ emissions and manage waste efficiently. Circular economy programs and practices across all the activities were implemented throughout 2022.

The Group continued its efforts to increase the use of alternative raw materials in clinker, cement and concrete production, designing and developing new low-carbon cement products to address the current and future needs of its customers. *See ESG targets for 2025 and beyond, focus area responsible Sourcing*

Water Management

We seek to conserve the quantity and sustain the quality of water resources in our facility and neighboring areas, and to reduce the withdrawal and consumption of freshwater, by establishing recycling and promoting responsible and efficient practices for water usage and discharge.

Reducing Water Consumption by 3Rs



Water risk assessment also constitutes a significant component of TITAN's sustainable management of water resources. Therefore, in 2020 we completed the water risk assessment for all our Group sites with the use of Aqueduct, a tool developed by the World Resources Institute (WRI). Furthermore, a specific scenario-modelling assessment of the Group's climate-related risks and opportunities took place, in line with the implementation of the Task Force on Climate-Related Financial Disclosures (TCFD) framework. The results of this assessment, which showed that the ANTEA Plant is within a water-stressed area, will be used for the evaluation of local conditions, to identify related risks and opportunities and make appropriate decisions to further enhance our practices for sustainable water management.

Water quality is ensured by the operation of a sewage treatment plant, a flotation for industrial cooling water, and a system of oil-and-mud collectors for rainwater from the production site. We carry out regular monitoring of the water quality in the wells (withdrawn groundwater), collectors of surface water and of the discharged wastewater. In 2022, all monitored parameters complied with individual emission limits set in our environmental permit.

The specific water consumption for 2022 was 228.5 l/t cementitious product.

Waste Management

In the context of the global transition towards a circular economy, the Group has worked steadily on the reduction of landfill waste. In 2022, 6 TITAN cement plants retained their zero-waste certification. Five of those plants received the highest Platinum rating as a result of diverting virtually 100% of plant waste from landfill.

As a result, the Group's clinker capacity covered with "Zero Waste to Landfill" certification now represents 55% of its total clinker production, exceeding the target of 50% set for 2025.

ANTEA has a waste management system in place following the waste hierarchy where our goal is

to reduce, reuse and recycle as much of our waste as possible.

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

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

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

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

Material Issue: Responsible, reliable, and sustainable supply chain

Initially thriving, the Albanian construction market experienced significant setbacks due to the repercussions of the war in Ukraine, disrupting the momentum established in 2021. Sharp increases in energy, fossil fuels, and iron costs, coupled with persistent inflation, generated scarcity, and instability in the market throughout 2022.

Antea successfully navigated these supply chain hurdles and soaring expenses, providing consistent market supply. This achievement was complemented by the diligent efforts of Antea's staff, who remained steadfast in delivering reliable and punctual services that met customer expectations and requirements. Consequently, Antea maintained a reputation as the most reliable supplier in the country.

Antea's primary objective remains unwavering: to consistently enhance customer satisfaction and deliver exceptional value to its clientele.

2022 Procurement Challenges

The past few years have been a huge wake-up call for supply chains globally and locally. In 2022, the industry is still suffering the consequences of the COVID-19 pandemic, as well as the aftereffects of the war in Ukraine.

Factors such as manufacturing delays, material shortages and lack of workforce are haunting supply chains all around the world. Although disruptions may ease in the upcoming years, we're unlikely to come back to how things were before the pandemic. Thus, our supply chain needs to adapt to the pace of changes in order to maintain our operational efficiency.

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

1

Ensuring visibility across all operations

Supply chains have become increasingly complex over the years, encompassing large supplier networks across multiple locations. Seeing how shortages often happen further down the line, the visibility has become a crucial aspect of our supply chain management, as it would enable us to spot risks early, and act accordingly. This is why supply chain mapping and regularly gathering information from every supplier to identify crucial points was continuously implemented, throughout the year.

2

Diversifying sourcing & suppliers

The disruptions caused by COVID-19 have made it clear that our supply chain would need flexibility. As such, diversification has become an important part of risk mitigation. Having different sourcing locations at our disposal, as well as maintaining relationships with multiple suppliers aside from the go-to ones, has worked as a safety net against probable disruptions. Even though diversifying sourcing has required additional efforts, it has paid off in the long run when different issues have arisen.

3

Making resilience a priority

Our main goal has been to make our supply chain more resilient. As recent years have shown us, focusing on day-to-day operations without proper planning for possible disruptions is a recipe for disaster.

Since supply chain disruptions have become more common and unpredictable over the years, resilience has become for us a way to build a strong competitive advantage. We have made sure to be prepared for multiple scenarios, by identifying different possible responses and where improvements are to be made in the processes.

Emphasizing the following up of crucial materials and products, carefully verifying and diversifying the supplier base, as well as increasing the collaboration and information sharing with suppliers have all contributed to the creation of a more resilient supply chain.

Material Issue: Customer Satisfaction

ANTEA offers a wide range of cement and concrete products to its customers, meeting the growing demand for sustainable construction. It is widely accepted that concrete exhibits some of the lowest carbon footprints among construction materials, allowing for durable construction with increased service life. In addition, responsible use of concrete enables further reductions in CO₂ emissions across multiple sectors.

Good Governance, transparency, and business ethics

ANTEA adheres to international human rights, labor and anti-corruption standards, operating with integrity, transparency, and ethical business practices. Compliance with high governance standards to address and manage risks related to bribery and corruption and human rights throughout the Group's operations is considered fundamental in the implementation of TITAN's sustainability strategy.

Anti-bribery and corruption

The TITAN Group follows a zero-tolerance approach towards bribery, fraud and any other corruptive practice.

All initiatives and efforts to fight corruption are supported by and implemented through a strong organizational structure that sets clear roles and responsibilities and provides increased assurance for good governance and solid ESG performance.

- The Audit and Risk Committee
- The Group Compliance and Anti-Fraud Department
- Anti-Bribery and Corruption Policy
- Anti-Fraud Program Framework
- Fraud Risk Assessment projects

Compliance Program and Group Policies

The Code of Conduct and a set of Group Policies, applicable to ANTEA, covers all strategic areas and

provides guidelines to employees and external business collaborators (i.e., vendors, customers), to ensure compliance with the applicable internal and statutory requirements.

Group Policies include, but are not limited to:

- Anti-Bribery and Corruption
- Conflict of Interest
- Competition Law
- Sanctions
- Corporate Social Responsibility
- Whistleblowing
- Environmental and Climate mitigation
- Protection of Personal Data
- Human Rights
- Occupational Health and Safety

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

A key hallmark of the TITAN Group Compliance Program is awareness, training and continuous advice, as we consider it imperative that our people are adequately informed and supported in this continuous effort.

Human rights

Consistent with the United Nations Guiding Principles on Business and Human Rights, TITAN is committed to respecting and supporting human rights with regard to its employees, the communities where it operates and its business partners.

TITAN's commitment to respecting the human rights of all people, and particularly of stakeholders who may be affected by our operations, is specified according to the UN Business and Human Rights Guidelines in the Group HR Policy adopted in 2018.

To intensify our efforts to ensure compliance not only with regulatory but also with ESG requirements, and to ensure a responsible supply chain, a comprehensive **Third-Party Due Diligence system**, supported by an online tool, is already in operation. Our **Whistleblowing Policy**, introduced in 2020, encourages employees to report possible misconduct, fraud or abuse. In parallel, **EthicsPoint**, the Group reporting platform launched in 2020, provides a uniform, anonymous and strictly confidential channel, through a globally available digital tool, to facilitate the confidential reporting of any concern and to ensure that incidents are reported, examined and resolved with a remedy plan, if and when necessary, thus fostering a culture of integrity and ethical conduct.

The outcomes of the feedback received from local stakeholders regarding material topics such as Health and Safety, Diversity, Equity and Inclusion, and Labor Rights are taken into consideration by TITAN, which manages relevant risks with the **Group Code of Conduct**, specific policies and management systems. The risks relevant to these areas are mitigated within our operations but also in the supply chain through the implementation of the ESG criteria.

In 2022, our approach to community engagement was further enhanced with the introduction of

a new Framework Guidance for stakeholder engagement which aims to provide an effective and practical set of guidelines for business units on using their channels of communication with stakeholders, focusing on recommended practices for essential stakeholder engagement in key operations as a priority, and without excluding or underrating the feedback of other stakeholders.

Roadmap to meet the requirements of the Corporate Sustainability Due Diligence Directive (CSDD)

On 23 February 2022, the European Commission adopted a proposal for a Directive on corporate sustainability due diligence. The aim of this directive is to foster sustainable and responsible corporate behavior and to anchor human rights and environmental considerations in companies' operations and corporate governance. The Directive establishes a corporate due diligence duty for identifying, bringing to an end, preventing, mitigating and accounting for negative human rights and environmental impacts in the operations of companies and their subsidiaries and their chains of activities.

In 2022, TITAN took the initiative to form an internal working group of experts from different Group corporate functions and conducted a preliminary assessment of the requirements of the CSDD proposal, global references of best practice for due diligence and the preparedness level of existing management systems in place in our Group. A roadmap for implementation has already been developed for 2023-2024, and TITAN aims to be ready to report on its due diligence approach and to cover the requirements of the new directive. The roadmap provides 3 "waves" of actions – governance, risk assessment and risk management – and the monitoring of the system's effectiveness and reporting practices, which should be in place by the end of 2024.



ESG PERFORMANCE STATEMENTS

ANTEA's approach
for ESG Performance
reporting

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

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

Changes in the structure and content of the 2022 Integrated Annual Report (IAR) ESG Statements

New Key Performance Indicators (KPIs) and other disclosures under each focus area:

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

Baseline years for KPIs

For monitoring progress on ESG 2025 targets the baseline year, if relevant, is 2020. For CO2 emissions, all SBTi gross specific emissions targets refer to 2020 as the baseline year except for the target on absolute Scope 3 GHG emissions from the use of sold fossil fuels that refers to 2020 as the baseline year. Furthermore, the specific net CO2 emissions target refers to 1990 as the baseline year in line with the Kyoto Protocol.

Consolidation of data for KPIs

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

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

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

Auditors

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

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

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

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

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

Guidelines for KPIs and other disclosures

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

ESG PERFORMANCE STATEMENTS – TABLES

Material issues

TITAN Group	Albania
Future-ready business model for a carbon neutral world	Safe and healthy working environment for our employees and business partners
Safe and healthy working environment	Employee engagement, continuous development and wellbeing
Good Governance, transparency and business ethics	Customer satisfaction
Diverse and inclusive workplace	Good governance, transparency, and business ethics
Positive local social, economic and environmental impact	Supporting our local communities well-being
Innovation with emphasis on digital and de-carbonization	Environmental management
Continuous development of our people	Responsible, reliable, and sustainable supply chain
Reliable and sustainable supply chain	Stakeholder relations and engagement
Resource efficiency, recycling and recovery, contributing to circular economy	Climate change and energy
	Business model innovation
Additional issues material to stakeholders based on the last materiality validation in 2022	
	N/A
Level of Material Issues: Sectoral Material Issues Local Material Issues	

Notes

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

About definitions:

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

Strategic focus and future orientation

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

Connectivity of information

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

Stakeholder relationships

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

Materiality

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

Conciseness

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

Reliability and completeness

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

Consistency and comparability

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

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

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

2. ESG Key Performance Indicators (KPIs)

2.1 Focus area: De-carbonization and Digitalization

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

Cement and cementitious production activities

code	ESG Performance Indicators	Unit	2022	2021	2020	GCCA	UNGC	UNCTAD	TCFD	SASB	SDGs and Targets
1.1	Scope 1 gross CO2 emissions ²	million t	0.7	0.8	0.7	•	•	•	•	EM-CM-110a.1	SDG 9.4
1.2	Scope 1 specific gross CO2 emissions	kg/t cementitious product	625.3	646.8	640.4	•	•		•		
1.3	Scope 1 gross CO2 emissions coverage rate	% clinker production	100.0	100.0	100.0						
1.4	Scope 1 gross CO2 emissions covered under limiting regulations	%	0.0	0.0	0.0		•	•		EM-CM-110a.1	
1.5	Scope 1 net CO2 emissions	million t	0.7	0.8	0.7	•	•	•	•		
1.6	Scope 1 specific net CO2 emissions	kg/t cementitious product	625.3	646.8	640.4	•	•		•		
1.7	Scope 1 net CO2 emissions coverage rate	% clinker production	100.0	100.0	100.0						
1.8	Scope 1 net CO2 emissions coverage rate	million t	0.0	0.0	0.0	•	•	•	•		
1.9	Scope 2 specific CO2 emissions	kg/t cementitious product	1.5	1.4	1.4	•	•		•		SDG 9.4
1.10	Scope 2 CO2 emissions coverage rate	% clinker production	100.0	100.0	100.0						
1.11	Scope 3 CO2 emissions ^{4,8}	kt	85.7	72.8	74.1	•			•		
1.12	Category 1 - Purchased goods and services ⁹	kt	14.0	9.8	7.5	•			•		
1.13	Category 3 - Fuel and energy related activities	kt	54.9	46.9	48.9	•			•		
1.14	Category 4 - Upstream transportation and distribution	kt	4.6	3.6	2.9	•			•		
1.15	Category 6 - Business travels	kt	0.0	0.0	0.0	•			•		
1.16	Category 7 - Employee commuting	kt	0.9	0.7	0.8	•			•		
1.17	Category 9 - Downstream transportation and distribution	kt	11.3	11.9	14.1	•			•		
1.18	Scope 3 specific CO2 emissions ⁸	kg/t cementitious product	76.3	59.9	69.8	•			•		
1.19	Scope 3 CO2 emissions coverage rate	% clinker production	100.0	100.0	100.0						
1.20	Conventional fossil fuels substitution rate	% Heat	100.0	100.0	100.0	•	•	•	•		
1.21	Alternative fuel substitution rate	% Heat	0.0	0.0	0.0	•	•	•	•	EM-CM-130a.1	
1.22	Biomass in fuel mix ⁵	% Heat	0.0	0.0	0.0	•	•	•	•	EM-CM-130a.1	
1.23	Fuel mix, energy consumption for clinker and cement production	% Heat	100.0	100.0	100.0		•		•		SDG 7.2 SDG 12.2 SDG 13.1
1.24	Conventional fossil fuels	% Heat	100.0	100.0	100.0		•		•		
1.25	Coal, anthracite, and waste coal	% Heat	2.6	72.5	0.0		•		•		
1.26	Petroleum coke	% Heat	79.5	0.0	72.6		•		•		

code	ESG Performance Indicators	Unit	2022	2021	2020	GCCA	UNGC	UNCTAD	TCFD	SASB	SDGs and Targets
1.27	Lignite	% Heat	0.6	0.0	0.0		•		•		SDG 7.2 SDG 12.2 SDG 13.1
1.28	Other solid fossil fuel	% Heat	16.6	27.2	27.1		•		•		
1.29	Natural gas	% Heat	0.0	0.0	0.0		•		•		
1.30	Heavy fuel (ultra)	% Heat	0.6	0.2	0.3		•		•		
1.31	Diesel oil	% Heat	0.0	0.1	0.0		•		•		
1.32	Gasoline, LPG (Liquified petroleum gas or liquid propane gas)	% Heat	0.0	0.0	0.0		•		•		
1.33	Alternative fossil and mixed fuels	% Heat	0.0	0.0	0.0	•	•	•	•		
1.34	Tyres	% Heat	0.0	0.0	0.0	•	•	•	•		
1.35	RDF	% Heat	0.0	0.0	0.0	•	•	•	•		
1.36	Impregnated saw dust	% Heat	0.0	0.0	0.0	•	•	•	•		
1.37	Mixed industrial waste	% Heat	0.0	0.0	0.0	•	•	•	•		
1.38	Other fossil based and mixed wastes (solid)	% Heat	0.0	0.0	0.0	•	•	•	•		
1.39	Biomass fuels	% Heat	0.0	0.0	0.0	•	•	•	•		
1.40	Dried sewage sludge	% Heat	0.0	0.0	0.0	•	•	•	•		
1.41	Wood, non-impregnated saw dust	% Heat	0.0	0.0	0.0	•	•	•	•		
1.42	Agricultural, organic, diaper waste, charcoal	% Heat	0.0	0.0	0.0	•	•	•	•		
1.43	Other	% Heat	0.0	0.0	0.0	•	•	•	•		
1.44	Alternative fuels consumption (total)	t	0	0	6	•	•	•	•	EM-CM-130a.1	
1.45	Clinker to cement ratio	%	73.9	77.7	76.5	•	•		•		
1.46	Moderate carbon products ⁶	% cement production	95.1	80.6	85.1				•		
1.47	Green (lower carbon) products ¹⁷	% cement production	24.3	26.1	32.8				•		

Notes

Notes for specific KPIs

1. New indicator. More details you may find in the section "TITAN's approach for ESG Performance reporting" section.

2. Direct CO2 emissions related to the operation of TITAN's clinker, cement, and cementitious production facilities.

3. Indirect CO2 emissions related to emissions released for the production of the electrical energy consumed at TITAN's clinker, cement and cementitious production facilities. For their calculation, we use emission factors provided by the supplier of the electrical energy (market based) or other publicly available data sources (location based).

4. Indirect CO₂ emissions related to the emissions of the supply chain.

5.% of energy originated from biomass over the total thermal energy consumption.

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

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

8. Scope 3 analysis covers 6 (out of 15) categories, namely purchased goods and services, fuel and energy-related activities, upstream transportation and distribution, business travel, employee commuting and downstream transportation and distribution, that are considered relevant to cement activities according to the GCCA analysis.

9. Scope 3 Category 1 emissions do not include emissions related to services like data services, professional services, maintenance services, catering services, security services, cleaning services, etc. as there are not considered to contribute significantly to the overall Scope 3 emissions while reliable relevant information are not readily available.

Connection of KPIs with the SASB Standards

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

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

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

2.2.1 Material issue: Safe and healthy working environment

code	ESG Performance Indicators	Unit	2022	2021	2020	GCCA	UNGC	UNCTAD	TCFD	SASB	SDGs and Targets
2.1	Employee fatalities	#	0	0	0	●	●	●			SDG 3.6
2.2	Employee fatality rate	#/10 ⁴ persons	0.0	0.0	0.0	●	●	●			SDG 3.8
2.3	Contractor fatalities	#	0	0	0	●	●	●			SDG 4.3
2.4	Third-party fatalities	#	0	0	0	●	●	●			SDG 8.8
2.5	Employee Lost Time Injuries (LTIs)	#	0	1	0	●	●	●			
2.6	Employee Lost Time Injuries Frequency Rate (LTIFR)	#/10 ⁶ h	0.0	2.9	0.0	●	●	●		EM-CM-320a.1	
2.7	Employee lost working days ⁴	d	0	61	0	●	●				
2.8	Employee Lost Time Injuries Severity Rate ⁴	d/10 ⁶ h	0.0	177.2	0.0	●	●	●			
2.9	Contractor Lost Time Injuries (LTIs)	#	1	1	2	●	●	●			
2.10	Contractor Lost Time Injuries Frequency Rate (LTIFR)	#/10 ⁶ h	2.0	2.0	4.7	●	●	●		EM-CM-320a.1	

2.11	Near misses	#	19	28	14	•		EM-CM-320a.1
2.12	Training man-hours on health and safety / employee ⁵	h/person	11.2			•	•	
2.13	Training man-hours on health and safety / contractor ⁵	h/person	8.0	2.9	2.4	•	•	
2.14	Expenditures for Health and Safety ²	€	346,487	390,431	296,861	•	•	

2.15	Employee fatalities	#	0	0	0	●	●	●
2.16	Employee fatality rate	#/10 ⁴ persons	0.0	0.0	0.0	●	●	●
2.17	Contractor fatalities	#	0	0	0	●	●	●
2.18	Third-party fatalities	#	0	0	0	●	●	●
2.19	Employee Lost Time Injuries (LTIs)	#	0	1	0	●	●	●
2.20	Employee Lost Time Injuries Frequency Rate (LTIFR)	#/10 ⁶ h	0.0	2.9	0.0	●	●	●
2.21	Employee lost working days	d	0	61	0	●	●	
2.22	Employee Lost Time Injuries Severity Rate	d/10 ⁶ h	0.0	177.2	0.0	●	●	●
2.23	Contractor Lost Time Injuries (LTIs)	#	1	1	2	●	●	●
2.24	Wellbeing initiatives for employees ^{1,2}	#						

2.2.2 Material issue: Diverse and Inclusive workplace

code	ESG Performance Indicators	Unit	2022	2021	2020	GCCA	UNGC	UNCTAD	TCFD	SASB	SDGs and Targets
2.25	Average employment ⁶	#	188	192	191		•				SDG 5.4 SDG 8.5 SDG 8.6 SDG 8.8 SDG 10.3
2.26	Number of employees by year end,	#	189	190	190		•				
	<i>Employee turnover / gender, avg.</i>	%	11.64	6.84	6.84		•				
2.27	Females	%	9.09	41.18	9.52						
2.28	Males	%	11.98	3.47	6.51						
	<i>Employee turnover / age^{2,7}</i>										
2.29	Under 30 ²	%	22.73	30.77	61.54						
2.30	Between 30-50 ²	%	77.27	69.23	38.46						
2.31	Over 50 ²	%	0	0.00	0.00						
2.32	Employees left ⁷	#	22	13	13		•				
	<i>Employees left / age</i>										
2.33	Under 30	#	5	4	8						
2.34	Between 30-50	#	17	9	5						
2.35	Over 50	#	0	0	0						
	<i>Employees left / gender</i>										
2.36	Females	#	2	7	2						
2.37	Males	#	20	6	11						
2.38	Employee new hires, avg. ⁷	%	12.17	6.84	6.00		•				
2.39	Employee new hires ⁷	#	22	13	12		•				
	<i>Employee new hires / gender⁷</i>										
2.40	Females	#	7	3	3		•				
2.41	Males	#	15	10	9		•				
	<i>New hires / age⁷</i>										
2.42	Under 30	#	14	7	7		•				
2.43	Between 30-50	#	7	6	5		•				
2.44	Over 50	#	1	0	0		•				
	<i>Employment / type⁷</i>										
2.45	Full time	#	188	189	189		•				
2.46	Part Time	#	1	1	1		•				
2.47	Temporary	#	0	0	0		•				

code	ESG Performance Indicators	Unit	2022	2021	2020	GCCA	UNGC	UNCTAD	TCFD	SASB	SDGs and Targets	
Employment / category ⁷												
2.48	Senior managers	#	3	3	3		•				SDG 5.4 SDG 8.5 SDG 8.6 SDG 8.8 SDG 10.3	
2.49	Managers	#	24	22	21		•					
2.50	Administration/technical	#	68	70	70		•					
2.51	Semi-skilled/unskilled	#	94	95	96		•					
Employment / age		#										
2.52	Under 30	#	36	33	38							
2.53	Between 30-50	#	108	115	113							
2.54	Over 50	#	45	42	39							
Employment / gender ⁷												
2.55	Females	#	22	17	21		•					
2.56	Males	#	167	173	169		•					
2.57	Share of women in employment, avg. ⁷	%	11.64	8.95	11.05		•					
2.58	Share of women in management, avg. ⁷	%	11.11	4.00	4.17		•	•				
2.59	Share of women in Senior Management, avg. ⁷	%	0.00	0.00	0.00		•	•				
2.60	Number of employees with dissabilities, Group ¹²	#	2	2	2							
2.61	Number of parental leaves ¹²	#	3	0	2							
2.2.3 Material issue: Continuous development of our people												
2.62	Training investment / (trained) employee, avg. ^{3,7}	€	287	205.00	56		•	•				
2.63	Training investment ³	€	54,513	40,240	10,272		•	•			SDG 4.3 SDG 4.4 SDG 5.1 SDG 5.5 SDG 8.5 SDG 10.2 SDG 10.3 SDG 16.5	
Training investment / gender ⁷												
2.64	Females	€	6,471	2,020	591		•	•				
2.65	Males	€	48,042	38,220	9,681		•	•				
2.66	Trained employees, total ⁷	#	190	196	182		•					
2.67	Share of trained employees, avg. ⁷	%	100.00	100.00	96.00		•					
2.68	Share of trained female employees (in total female employees), avg. ⁷	%	100.00	100.00	95.24		•					
Trained employees / category ⁷												
2.69	Senior Managers	#	3	3	4							
2.70	Managers	#	27	23	22							
2.71	Administration/technical	#	75	74	67							

code	ESG Performance Indicators	Unit	2022	2021	2020	GCCA	UNGC	UNCTAD	TCFD	SASB	SDGs and Targets
2.72	Semi-skilled/Unskilled	#	85	96	89						SDG 4.3
Trained employees / age group											SDG 4.4
2.73	Under 30	#	37	36	35		•				SDG 5.1
2.74	Between 30-50	#	117	123	114		•				SDG 5.5
2.75	Over 50	#	36	37	33		•				SDG 8.5
2.76	Training hours	#	7,725	5,416	2,018		•	•			SDG 10.2
2.77	Average training hours / employee (over the total number of direct employees), and breakdown per gender ⁴	h/person	40	29.00	11.00		•	•			SDG 10.3
2.78	Average female	#	57	24.00	13.00						SDG 16.5
2.79	Average male	#	38	29.00	10.00						
Training hours / subject											
2.80	Company onboarding	#	6	0	0						
2.81	Compliance	#	544	709	465			•			
2.82	Sustainability	#	4	137	5			•			
2.83	Decarbonization ^{1,2}	#	31								
2.84	Digital & IT ²	#	3	144	0						
2.85	Environment	#	121	359	178						
2.86	Foreign languages	#	496	122	120						
2.87	Functional competence	#	948	70	2						
2.88	Generic competence	#	9	590	4						
2.89	Health and Safety	#	2,585	2,107	802						
2.90	Managerial skills	#	2,207	170	0						
2.91	Other	#	197	149	190						
2.92	Security	#	27	0	0						
2.93	Technical know-how	#	549	859	253						
2.94	Share of employees with performance evaluation, avg.	%	99	99.00	99.00						
2.95	Share of female employees with performance evaluation, avg. ²	%	95	94.00	95.00						

Notes
Notes for specific KPIs
1. New indicator. More details you can find in the section "TITAN's approach for ESG Performance reporting" and in the below:
-"Decarbonization" was introduced as a new subject area and presented separately in this report for the first time, whereas in the past respective subjects to GHG emissions were covered under Environment.
2. Relevant information is not available for the specific years denoted as 'n/a'.
3. For the definition see Table 2.5.10 "Value Creation Indicators".
4. Figure(s) for 2020 adjusted to include previously unreported data.
5. The KPI was calculated for closing of the reporting period 2022 in accordance with the practice for all Safety data, being the use of "Average Employment" (see Note 6 below). This is consistent with all years prior to 2022. As exception, the KPI for "Performance by activity" was calculated by using the figures of "Number of employees by year end", due to different data consolidation criteria and methodology,

but with insignificant impact on the results.
6. The calculation was made according to Belgian Law (sec. 165 XIVB of RD of 30 January 2001).
7. KPIs calculated on the basis of "Average Employment" data for year 2018. Since 2019 the specific KPIs have been calculated on the basis of the number of employees as of 31 December for each year. Figures for the KPI "Share of trained female employees (in total female employees)" which were calculated above 100% (because of the Turnover for Females, or other reasons) needed to be reported as 100% (adjusted to 100% of female employees).
Connection of KPIs with the SASB Standards
Connection of ESG performance indicators with the metric EM-CM-320a.1 according to SASB Standards, under the topic (area) "Workforce Health and Safety": Specifically, the connection concerns the KPIs of near misses and frequency rate for full-time employees, and contract employees.

2.3 Focus area: Positive local impact

2.3.1 Material issue: Environmental positive impact

Air emissions

Cement and cementitious production activities

code	ESG Performance Indicators	Unit	2022	2021	2020	GCCA	UNGC	UNCTAD	TCFD	SASB	SDGs and Targets
3.1	Coverage rate continuous measurement	%	100.0	100.0	100.0	•	•			EM-CM-120a.1	SDG 3.9 SDG 9.4
3.2	Specific dust emissions	g/t clinker	3.5	3.6	4.0	•	•			EM-CM-120a.1	
3.3	Specific NOx emissions	g/t clinker	1,022.8	793.6	743.8	•	•			EM-CM-120a.1	
3.4	Specific SOx emissions	g/t clinker	15.3	13.6	13.7	•	•			EM-CM-120a.1	
3.5	Integrated cement plants and cement grinding plants with certified Environmental Management System (ISO 14001 or similar)	% of plants	100.0	100.0	100.0		•				
3.6	Environmental complaints ²	#	0	0	0						

Rehabilitation

Cement production and aggregates activities

3.7	Sites with rehabilitation plans ³	%	100.0	100.0	100.0	•	•			EM-CM-160a.1	SDG 15.3 SDG 15.4 SDG 15.9 SDG 15a
3.8	Total land use ^{1,3}	million m ²	0,56	n/a	n/a					EM-CM-160a.2	
3.9	Rehabilitated areas over affected areas (cumulative) ^{1,3,6}	%	17.3	17.2	14.9		•			EM-CM-160a.2	
3.10	Sites with Environmental Management System (ISO14001 or similar) ³	%	100.0	100.0	100.0		•			EM-CM-160a.1	

Biodiversity

Cement production and aggregates activities

3.11	Sites in high biodiversity value areas ^{3,4}	#	0	0	0	•	•			EM-CM-160a.1	SDG 15.3 SDG 15.4 SDG 15.9 SDG 15a
3.12	Sites with biodiversity management plans ^{3,5}	#	0	0	0	•	•			EM-CM-160a.1	
3.13	Sites with biodiversity management plans	%	-	-	-	•	•			EM-CM-160a.1	

Investments in environmental protection

All activities

3.14	Environmental expenditures across all activities ⁷	million €	3.7	0.3	0.2		•	•		EM-CM-160a.1	SDG 7b SDG 9.4
3.15	Environmental management	million €	0.1	0.1	0.1		•	•		EM-CM-160a.1	
3.16	Reforestation	million €	0.0	0.0	0.0		•	•		EM-CM-160a.1	
3.17	Rehabilitation	million €	0.0	0.0	0.0		•	•			
3.18	Environmental training and awareness building	million €	0.0	0.0	0.0		•	•			
3.19	Application of best available technologies	million €	3.5	0.2	0.0		•	•			
3.20	Waste management	million €	0.0	0.0	0.0		•	•			

2.3.2 Material issue: Social positive impact											
code	ESG Performance Indicators	Unit	2022	2021	2020	GCCA	UNGC	UNCTAD	TCFD	SASB	SDGs and Targets
3.21	Donations ⁸	€	n/a	n/a	n/a		•	•			SDG 2.1 SDG 2.3 SDG 4.3 SDG 4.4 SDG 9.3
3.22	Donations in cash ⁸	€	n/a	n/a	n/a		•	•			
3.23	Donations in kind ⁸	€	n/a	n/a	n/a		•	•			
3.24	Employees from local community, avg.	%	51.3	49.5	48.0						
3.25	Internships	#	7	3	0		•				
3.26	New entry level jobs from internships/traineeships	#	4	0	0		•				
3.27	Internships from Local Community, avg.	%	0.7	1.0	0.0						
3.28	Key operations with Community Engagement Plans related to material issues and Group policies	#	1	1	1		•	•			
3.29	Total number of Initiatives under Community Engagement Plans ¹	#	8	12	n/a						
3.30	Total number of Participants to Community Engagement Plans ^{1,2}	#	53	114	n/a						
3.31	TITAN Employees, volunteers to Community Engagement Plans ¹	#	13	60	n/a						
3.32	Social investment (in cash and in kind) for community initiatives ^{1,2}	million €	92,466	157,385	n/a						
3.33	Blood donations (TITAN employees, business partners and communities) ¹	#	20	30	n/a						
2.3.3 Material issue: Economic positive impact											
3.34	Local Spend, avg. ^{1,8}	%	60.3	59.2	61.9		•	•			

Notes

Notes for specific KPIs

1. Relevant information is not available for the specific years denoted as 'n/a'.
2. Specifically, with regard to the KPIs of Total number of Participants to Community Engagement Plans (CEPs), TITAN Employees as volunteers to Community Engagement Plans, and Total amount of 'social investment' for the implementation of Community Engagement Plans related to the KPI Key operations with CEPs connected with material issues and Group policies these were incorporated for the first time in the ESG performance statements in the TITAN IAR 2020. In 2022 TITAN progressed further with the alignment of BUs for implementing the Framework Guidance for CEPs which was introduced for the first time in 2021. Actions were focused on the collection and consolidation of data for the KPIs of "Participants" and "Beneficiaries" of CEPs, with respective definitions as below:
- "Participants" are persons who had active involvement (engagement) in the initiatives for Community Engagement, and the figure includes the sum of the number of persons of two sub-categories: (a) Direct Employees who volunteered, or/and had active role because of their position/role in the BU organization, and (b) Partners (Local Authorities, Specialists e.g., Academia or other Experts, NGOs, Suppliers and Contractors, and possibly also Customers etc.).
- "Beneficiaries" are persons who – directly or indirectly – have received or will receive benefits from the initiatives for Community Engagement. In order to estimate this figure, the BU requires to have an overall view of the initiative, and the impacts this has in the local community. The number of Beneficiaries may include also some of the Participants.
3. Coverage includes all quarries attached to cement plants and quarries for aggregates production, which are wholly-owned and under full management control of TITAN. Since 2021, all Titan Cement Egypt quarries have been excluded from the baseline and the calculations of the respective local impact indicators, as they are no longer considered to be under full management control of TITAN due to changes in mining legislation in the country.

4. Active quarries within, containing or adjacent to areas designated for their high biodiversity value, see Table "TITAN Group Quarry Sites with High Biodiversity Value".
5. Active quarries with high biodiversity value where biodiversity management plans are actively implemented, see Table "TITAN Group Quarry Sites with High Biodiversity Value".
6. Calculated as the percentage of the impacted/disturbed quarry areas that have been rehabilitated (total and cumulative), aggregated at Group level. 2020 was the initial year for disclosing data for this indicator.
7. Total amount of expenditures (capital and operational) for those investments whose primary purpose is the prevention, reduction and elimination of pollution and other forms of degradation to the environment (UNCTAD Guidance, 2022). In 2022 TITAN incorporated in this disclosure the figure of total capital expenditures (Capex) which are aligned with the EU Taxonomy Regulation, in specific projects for meeting the Technical Screening Criteria for the environmental objectives of climate change mitigation and climate change adaptation.
8. For definitions related to "Social investment" (in cash and in kind) for community initiatives", "Donations", and "Local Spend", see Table 2.5.10.

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

2.4 Focus area: Responsible sourcing

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

All Activities

code	ESG Performance Indicators	Unit	2022	2021	2020	GCCA	UNGC	UNCTAD	TCFD	SASB	SDGs and Targets
4.1	Water consumption (total)	million m ³	0.3	0.2	0.2	•	•				SDG 6.3 SDG 6.4 SDG 6.5
4.2	Water withdrawal (total, by source) ²	million m ³	0.3	0.2	0.2	•	•	•		EM-CM-140a.1	
4.3	Groundwater	million m ³	0.3	0.2	0.2					EM-CM-140a.1	
4.4	Municipal water	million m ³	0.0	0.0	0.0					EM-CM-140a.1	
4.5	Rainwater	million m ³	0.0	0.0	0.0					EM-CM-140a.1	
4.6	Surface water	million m ³	0.0	0.0	0.0					EM-CM-140a.1	
4.7	Quarry water used (from quarry dewatering)	million m ³	0.0	0.0	0.0						
4.8	Ocean or sea water	million m ³	0.0	0.0	0.0						
4.9	Waste water	million m ³	0.0	0.0	0.0						
4.10	Water discharge (total, by destination) ³	million m ³	0.0	0.0	0.0	•	•	•			
4.11	Surface (river, lake)	million m ³	0.0	0.0	0.0						
4.12	Sub-surface water (well)	million m ³	0.0	0.0	0.0						
4.13	Ocean or sea	million m ³	0.0	0.0	0.0						
4.14	Off-site treatment	million m ³	0.0	0.0	0.0						
4.15	Other ^{4,5}	million m ³	0.0	0.0	n/a						
4.16	Water recycled (total) ¹	million m ³	0.2	0.3	0.3						
4.17	Water demand covered with recycled water ¹	%	44.6	56.0	58.4						
4.18	Water consumption (total)	million m ³	0.3	0.2	0.2	•	•				
4.19	Water withdrawal (total) ²	million m ³	0.3	0.2	0.2					EM-CM-140a.1	
4.20	Water discharge (total) ³	million m ³	0.0	0.0	0.0						
4.21	Water recycled (total)	million m ³	0.2	0.3	0.3	•	•	•		EM-CM-140a.1	
4.22	Specific water consumption	l/t cementitious product	228.5	199.3	186.5	•	•	•			
4.23	Specific water consumption	l/t cement	235.7	207.3	196.4	•	•	•			
4.24	Water demand covered with recycled water	%	44.6	56.0	58.4						

code	ESG Performance Indicators		Unit	2022	2021	2020	GCCA	UNGC	UNCTAD	TCFD	SASB	SDGs and Targets
All Activities												
4.25	Thermal energy consumption		TJ	2,778	3,056	2,651	•	•	•		EM-CM-130a.1	SDG 7 SDG 12
4.26	Thermal energy consumption¹		% of total	88.2	88.6	88.8						
4.27	Electrical energy consumption		TJ	372	394	335	•	•	•		EM-CM-130a.1	
4.28	Electrical energy consumption¹		% of total	11.8	11.4	11.2						
4.29	Total energy consumption¹		TJ	3,150	3,450	2,986						
Cement production activities												
4.30	Percentage of production covered by ISO50001 or energy audits	% clinker production		0.0	0.0	0.0		•		•		SDG 7.2 SDG 7.3 SDG 9.4 SDG 12.2
4.31	Specific thermal energy consumption	kcal/kg clinker		791	764	768	•	•	•	•		
4.32	Specific electrical energy consumption	kWh/t cement		95.0	93.5	92.2				•		
4.33	Renewable energy as part of total electrical energy consumption⁵	% Electrical energy consumed		94.4	100.0	100.0				•		
All Activities												
4.34	Natural raw materials extracted (total, wet)	million t		1.5	1.7	1.4		•				SDG 12.2
4.35	Raw materials extracted for clinker and cement production	million t		1.5	1.7	1.4		•				
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		1.5	1.7	1.5		•				SDG 12.2 SDG 12.4 SDG 12.5
4.38	Extracted (natural) raw materials consumption (dry)	million t		1.5	1.6	1.4						
4.39	Alternative raw materials consumption (dry)	million t		0.0	0.0	0.0						
4.40	Alternative raw materials use (of total raw materials consumed)	% Dry		1.0	1.0	1.4	•		•			
4.41	Alternative raw materials rate (based on clinker-to-cement equivalent factor)	% Dry		0.9	1.0	1.3	•	•	•			
All Activities												
4.42	Waste disposal (total, wet)	t		33	108	337		•	•		EM-CM-150a.1	SDG 12.2 SDG 12.4 SDG 12.5
4.43	Non-hazardous waste (total)	t		32	107	260		•	•		EM-CM-150a.1	
4.44	Hazardous waste (total)	t		0	1	77		•	•		EM-CM-150a.1	
4.45	Externally recycled waste materials (total, wet)	t		32	24	25		•	•			
4.46	Reused	t		0	0	0						
4.47	Recycled	t		15	24	25						
4.48	Recovered	t		18	0	0						
4.49	Waste disposal, breakdown by destination-usage (wet)	% w/w		100.0	100.0	100.0		•	•		EM-CM-150a.1	

code	ESG Performance Indicators		Unit	2022	2021	2020	GCCA	UNGC	UNCTAD	TCFD	SASB	SDGs and Targets
4.50	Reuse		% w/w	0.0	0.0	0.0		•	•		EM-CM-150a.1	SDG 12.2 SDG 12.5
4.51	Recycled		% w/w	44.3	22.0	7.4		•	•		EM-CM-150a.1	
4.52	Recovered (including energy recovery)		% w/w	53.8	0.0	0.0		•	•		EM-CM-150a.1	
4.53	Incineration		% w/w	0.0	0.1	6.8		•	•		EM-CM-150a.1	
4.54	Landfilled		% w/w	0.3	64.3	16.1		•	•		EM-CM-150a.1	
4.55	Composted		% w/w	0.0	0.0	0.0		•	•		EM-CM-150a.1	
4.56	Other (incl. storage)		% w/w	1.6	13.7	69.7		•	•		EM-CM-150a.1	
Cement production activities												
4.57	Integrated cement plants with “Zero Waste to Landfill” certification	% clinker production		0.0	0.0	0.0						SDG 12.2 SDG 12.4"

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

All Activities												
4.58	Key suppliers meeting TITAN ESG standards ⁵⁶	%	See Note below		n/a	n/a						SDG 6, SDG 7 SDG 12, SDG 13

Notes

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

Connection of KPIs with the SASB Standards

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

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

- EM-CM-140a.1 under the area “Water Management” for total fresh water withdrawn, percentage recycled, percentage in regions with high or extremely high baseline water stress. See also Table “TITAN Group Cement Plant Sites within water-stressed Areas” part of the ESG performance statements.

- EM-CM-150a.1 under the area “Waste Management” for amount of waste generated, percentage hazardous, percentage recycled.

- Connection of the disclosures under Note 7 of the above “Notes for specific KPIs”, about the 2022 progress aligned with the Sustainable Supply Chain Roadmap of TITAN cover the requirements for reporting according to the SASB Standards for the area “Business Ethics and Transparency” and more specifically the metric (KPI) EM-MM-510a.1. The connection concerns the description of the management system for prevention of corruption and bribery throughout the value chain.

Cement Plant Sites within water-stressed Areas

Site	Country	Water Stress (Baseline)
Antea	Albania	>80%

Notes

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

2.5 Good governance, transparency and business ethics

2.5.1 Governance Core Indicators

Compliance and business ethics				
code	Governance Core Indicators	Notes	Performance 2022	Reporting Standards
5.1	Percentage of unionised employees (%)		34.92%	SDG 5.5 SDG 16.5 SDG 16.6 SDG 16.7
5.3	Percentage of employees covered by Collective Bargain Agreements (CBAs)	2	100.00%	UNGC UNCTAD SASB
5.4	Average number of hours of training on subjects related to Compliance, per employee	3	2.90	
5.5	Anti-bribery and corruption training	1, 3		

Notes for specific KPIs

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

Additional Notes

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

Connection of KPIs and other disclosures with the SASB Standards

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

2.5.3 ESG Polices and Code of Conduct

	New or Updated in 2022	TITAN Focus Areas mostly relevant				
		Decarbonization and Digitalization	Growth-enabling work environment	Positive local impact	Responsible sourcing	Good governance, transparency and business ethics
Code of Conduct			•			•
Code of Conduct of Procurement	√			•	•	•
Group Policies						
Anti-Bribery and Corruption Policy						•
Competition Law Compliance Policy						•
Conflict of Interest Policy						•
Corporate Social Responsibility (CSR) Policy				•		
Protection of Personal Data Policy			•			•
Diversity Equity and Inclusion (DE&I) Policy	√		•			
Environmental Policy (Climate change incl.)		•		•	•	
Human Rights Policy			•	•	•	•
Information Security Policy		•				•
Occupational Health and Safety (OH&S) Policy			•			
Procurement Policy				•	•	
Sanctions Policy						•
Whistleblowing Policy						•

2.5.4 Group Management Systems

Area	Health & Safety	Environment	Quality	Energy	Social
Albania	ISO 45001 All operations (1 terminal excluded)	ISO 14001 All operations (1 terminal excluded)	ISO 9001 All operations		GHRMS/SF and SA 8000 All operations

2.5.5 Political contributions and fines and other non-monetary sanctions

Cement production activities

Country	Political contributions ¹ (in Euros)	Significant fines ^{2,3} (in Euros)	Total number of non-monetary sanctions ²
Albania	0	0	0

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

2.5.6 Environmental Audits

Area	Albania	
Environmental Management System	External	2
	Internal	1
Energy Management System/Energy audits	External	0
	Internal	0
CO2 emissions	External	0
	Internal	0
Waste Management	External	0
	Internal	0
Complaints	External	0
	Internal	0
Permitting	External	1
	Internal	0
Other	External	1
	Internal	0
TOTAL	External	4
	Internal	1

2.5.7 Consolidated Report on Payments to Governments for extractive operations

Legal entity	Country	Payment type	Amount
Cementi Antea Sha	Albania	Extraction Fees	458401
		TOTAL	458401

2.5.9 Sector and Other Standards for the Non-financial disclosures in 2022

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

Notes
1. The Global Cement and Concrete Association (GCCA) has built its Sustainability Charter around five (5) Sustainability Pillars, to encompass the full sustainability spectrum for its work purposes: Pillar 1: Health and Safety, Pillar 2: Climate Change and Energy, Pillar 3: Social Responsibility, Pillar 4: Environment and Nature and Pillar 5: Circular Economy. The terminology of the 'Pillars' is specific to the GCCA Charter of commitments for member companies, and details are available in the Charter and Framework Guidelines in the GCCA website: <https://gccassociation.org/sustainability-innovation/sustainability-charter-and-guidelines/>
TITAN continued efforts in 2022 for implementing the GCCA 2050 Roadmap to Net Zero Concrete "Concrete Future" and focused on SBTi Targets for the 1.5 degrees scenario, while continuing active participation in various working groups and contributing with knowhow and expertise, in line with its practice since the foundation of the Sectoral Association. In 2022 TITAN participated in the first GCCA Compliance Charter Audit, with purposes including (a) supporting members in developing implementing their sustainability strategy (focused but not limited to GCCA obligations), (b) enabling the assessment of members' sustainability performance and benchmark with peer companies, (c) Identifying areas where the GCCA guidelines and charter need to be clarified or strengthened.
2. The UNCTAD Guidance provides meaningful connections of KPIs with the most relevant SDGs and specific targets for each SDG, and is leveraged under the reporting approach of TITAN for all focus areas of De-carbonization and Digitalization, Growth-enabling work environment, Positive local impact focus area, Responsible sourcing, and Good governance, transparency, and business ethics.
3. The Guidance of the UNGC COP was enhanced in 2022 and is considered essential for reporting on progress with respect to TITAN's commitments for the UNGC Ten Principles. See Table 2.5.11 for details on the UNGC COP guidance and specific connections with KPIs and other disclosures in this Report.
Overall: Tables 2.1, 2.2, 2.3, 2.4, 2.5.1, 2.5.10, and 2.5.11 provide references and connections for the standards under the above Notes (1), (2) and (3).

2.5.10 Value creation indicators

Value Creation Core Indicators ¹	Unit	2022
Total spend on suppliers, local, national and international for goods and services ^{2a}	million €	86,83
% local spend of TITAN ^{2b}	%	60,26
Taxes to national and local authorities ³	million €	7,13
Payments in cash to shareholders and minorities ³	million €	0.0
Social investment (in cash and in kind) for community initiatives ⁴	million €	92,500
Alternative fuels and raw materials	million t	
Salaries, (contributions to) pensions, and social benefits, including additional benefits beyond those provided by law ⁵	million €	3,7
Investments in training of direct employee ⁶	million €	52,692
Internships	#	7
Capital expenditures ⁷	million €	4,8

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

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

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

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

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

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

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

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

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

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

2.5.11 Connecting our disclosures with the TITAN COP according to the enhanced platform of the UNGC

Sections¹	Question¹	UNGC Principles¹	Reference to the Report¹
Governance	G1: Board/senior management engagement	1,7,10	Understanding TITAN About the report Overview Performance highlights: Good governance, transparency, and business ethics Management report Corporate Governance and risk management: Corporate Governance Statement ESG Performance review: Good governance, transparency, and business ethics ESG performance statements: TITAN's approach for ESG Performance reporting, and Tables 2.5.1, 2.5.3.
	G2: Publicly stated commitment		
	G3: Code of conduct		
	G4: Individual or group responsible		
	G5: Formal structure		
	G6 and G.6.1: Risk assessment processes		
	G7 and G7.1: Due diligence		
	G9: Lessons	1,3,7,10	
	G10: Executive pay linked to sustainability performance		
	G12: Sustainability reporting		
	G8 and G8.1: Raising concerns about the company's conduct		
	G11: Board composition		
G13: Information assurance	16		
	10		
Human Rights²	HR1: Material topics	1,2	Understanding TITAN Overview Performance highlights: Focusing on material issues and stakeholder engagement Management report Corporate Governance and risk management ESG Performance review: Good governance, transparency, and business ethics ESG performance statements: Tables 1.1, 2.5.1, 2.5.3 - 2.5.7, 2.5.9.
	HR2 and HR2.1: Policy commitment		
	HR3: Stakeholder engagement		
	HR4: Prevention/mitigation		
	HR5: Training		
	HR6: Prevention/mitigation progress assessment		
	HR8: Practical actions		
Labour	L1 and L1.1: Policy commitment	3,4,5,6	Understanding TITAN Overview Performance highlights: Good governance, transparency, and business ethics ESG Performance Management report Corporate Governance and risk management ESG Performance review: Good governance, transparency, and business ethics ESG performance statements: Tables 2.2.1, 2.2.2., 2.2.3, 2.5.1, 2.5.3-2.5.7, 2.5.9.
	L2: Stakeholder engagement		
	L3: Prevention/mitigation		
	L4: Training		
	L5: Prevention/ mitigation progress assessment		
	L9: Injury frequency		
	L10: Incident rate		
	L11: Remedy	3,4,6	
	L12: Practical actions		
	L1.2: Freedom of association and collective bargaining		
L6: Collective bargaining agreements	6		
L7: Women in managerial positions			
Environment	E1 and E1.1: Policy commitment	7,8	Understanding TITAN Overview Performance highlights ESG Performance Management report Corporate Governance and risk management ESG Performance review: Focus areas: De-carbonization and Digitalization, Growth-enabling work environment, Positive local impact, Responsible sourcing Good governance, transparency, and business ethics ESG performance statements: Tables 2.1.1, 2.3.1, and TITAN Group Quarry Sites with High Biodiversity Value supplement table, also Tables 2.4.1, 2.5.2, 2.5.3.
	E2: Stakeholder engagement		
	E3: Prevention/mitigation		
	E4: Prevention/mitigation progress assessment		
	E4.1: Goals and targets		
	E4.2: Measuring progress against targets		
	E6: Greenhouse gas emissions		
	E6.1: Scope 3 emissions detail	7,8,9	
	E14: Conversion of natural ecosystems		
	E16: Air pollution		
	E17: Waste		
	E18: Hazardous waste		
	E7: R&D investment in low-carbon products and services		
	E8: Climate adaptation		
	E9: Renewable energy		
	E10: Low carbon products/services		
	E11: Water withdrawal and consumption		
	E12: Water intensity		
	E13: Sites in or adjacent to key biodiversity areas		
	E15: Ecosystem restoration and protection		
	E20: Practical actions		
	E: Sector (Construction & materials)		

Sections¹	Question¹	UNGC Principles¹	Reference to the Report¹
Anti-corruption	AC1 Compliance programme	10	Understanding TITAN Performance highlights Management report Corporate Governance and risk management ESG Performance review: Good governance, transparency and business ethics ESG performance statements: Tables 2.5.1, 2.5.3-2.5.7, 2.5.9.
	AC1.1 Year of programme review		
	AC2 Policy		
	AC3 Training		
	AC3.1 Training frequency		
	AC4 Compliance monitoring		
	AC5 Incidents of corruption		
	AC6 Measures to address suspected incidents of the corruption		
	AC7 Collective action against corruption		
	AC8 Practical actions		

Notes

1. The connection among the 'Questions' under the COP with specific codification under the different areas of the Questionnaire, and the Ten Principles of the UNGC is facilitated by references in the Report (including the ESG performance statements). About connection to the SDGs, see the references to Tables 2.1, 2.2, 2.3, 2.4, and 2.5, of the ESG performance statements.

2. With reference the area of Human Rights: TITAN does not operate in or near areas of conflict, according to data of the Uppsala Conflict Data Program UCDP - see the web site: Uppsala Conflict Data Program (uu.se). In 2022 TITAN implemented a project for validating the existing materiality matrix on the level of each BU (see section "Focusing on material issues"), which enabled the engagement of TITAN's management in each country, and the due diligence on BU level with respect to human rights and indigenous peoples' rights and possible related conflicts. No matters of conflicts with respect to the above emerged or are expected. No new information on the subject matter was noted in the press/media in any of the countries of our operations. No incidents were recorded in 2022 concerning site shutdowns or project delays due to non-technical factors, such as those resulting from pending regulatory permits or other political delays related to community concerns, community or stakeholder resistance or protest, and armed conflict.

Connection of KPIs and other disclosures with the SASB Standards

- With reference to above Note 4, we cover the requirements for reporting according to the SASB Standards for two topics (areas): "Security, Human Rights and Rights of Indigenous Peoples" and in more specific the metrics (KPIs) EM-MM-210a.1, EM-MM-210a.2, and EM-MM-210a.3, and " Community Relations", in more specific the metrics (KPIs) EM-MM-210b.1, and EM-MM-210b.2, concerning the discussion of process to manage risks and opportunities associated with community rights and interests.

- Concerning the topic (area) of "Business Ethics and Transparency" and in specific the connection with the metric (KPI) EM-MM-510a.2, see supplement Table "Transparency International - Corruption Perception Index 2022".

Transparency International - Corruption Perception Index

Countries with TITAN key operations sorted by Transparency International CP Index 2022

Country	CPI 2022 rank	CPI 2021 rank	Change in rank²
Albania	101	110	▼

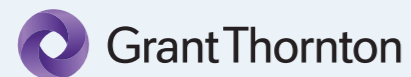
Notes

1. According to the above Table there were no operations of TITAN's subsidiaries in countries with lower ranking than Egypt, in 2022. There were in total 45 countries which ranked lower, in positions between 136 and 180 in 2022. This disclosure covers the requirements for reporting according to the SASB Standards for 'Business Ethics and Transparency' and in more specific the metric (KPI) EM-MM-510a.2 'Production in countries that have the 20 lowest rankings in Transparency International's Corruption Perception Index'.

². Symbols for the change in rank explained:

Improving conditions in the country reflected by the decrease of rank
Deteriorating conditions in the country reflected by the increase of rank

AUDITOR'S REPORT



Independent Limited Assurance Statement

Introduction

The Board of Directors of ANTEA CEMENT sh.a. (the "Company") engaged "GRANT THORNTON sh.p.k." ("Grant Thornton") to review the non-financial disclosures presented in the Integrated Annual Report 2022 or Annual Sustainability 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 2022 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: Assurance Engagements other than Audits or Reviews of Historical Financial Information ("ISAE 3000"), 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 ANTEA CEMENT sh.a. 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 "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 for 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;
- 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 ANTEA CEMENT sh.a. 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.

Grant Thornton sh.p.k., 16 / 06 / 2023

The Chartered Accountant

Kledian Koolva, FCA



GLOSSARY

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

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

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

CDP: is a global environmental impact non-profit, providing a platform for companies, cities, states and regions to report information on their climate, deforestation and water security impacts. The global economy looks to CDP as the gold standard of environmental reporting. It holds the world's richest and most comprehensive dataset on how companies, cities, states and regions measure, understand and address their environmental impacts. CDP aims to make environmental reporting mainstream, providing the detailed insights and analysis to drive the urgent action needed for a climate-safe, deforestation-free and water-secure world. Link: <https://www.cdp.net/en>

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

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

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

SASB: The Sustainability Accounting Standards Board is an independent standards board that is accountable for the due process, outcomes, and ratification of its standards, the application of which (being the SASB's mission) is to help businesses around the world identify, manage and report on

sustainability topics that matter most to their investors. Link: <https://www.sasb.org/>

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

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

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

UNCTAD: The United Nations Conference on Trade and Development is a United Nations body responsible for dealing with economic and sustainable development issues with a focus on trade, finance, investment and technology, in particular for helping developing countries to participate equitably in the global economy. Link: <https://unctad.org/publication/guidance-core-indicatorssustainability-and-sdg-impact-report>

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

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

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



SCAN ME

ANTEA CEMENT SH.A

Address: Rr. Durrësit, Pallati prapa
Ring Center, Kati 1, 1001,
Tirana, Albania
P.O. BOX 1746

Tel: +355 (0) 4450 2490

Tel: +355 (0) 4450 2480

Fax: +355 (0) 44502412

Email: info@anteacement.com