TITAN Zlatna Panega Integrated Annual Report 2023



Building a better world together

This is TITAN Zlatna Panega's tenth Integrated Annual Report (IAR 2023), referred to as the 'Report' throughout this document (in printed or electronic format). The Report follows the principles of the International Integrated Reporting Council's (IIRC) Framework to provide our stakeholders with comprehensive information by giving an overview of our business performance during 2023. The reporting period is January 1st to December 31st, 2023.

The Report presents the consolidated financial disclosures and respective disclosures about activities and performance in Environment, Social and Governance (ESG), goals and achievements, and quantitative data for 2023. These disclosures were consolidated for all operations of TITAN in Bulgaria, in short, 'TITAN Zlatna Panega' and including the legal entity of Zlatna Panega Cement AD (for TITAN Zlatna Panega's cement and concrete operations) and other subsidiaries of TITAN in Bulgaria (GAEA EAD, GSPB EAD and Double W Co EOOD). TITAN Zlatna Panega also integrated the Guidance of the United Nations Conference on Trade and Development (UNCTAD) into its approach to connect its sustainability reporting with Targets for the SDGs, following the TITAN Group approach. Lastly, we have adopted the TITAN practice to connect our ESG Performance Statements (KPIs) with the Sustainability Accounting Standards Board (SASB) Standards.

The Report has been prepared with reference to the Global Reporting Initiative (GRI) standards.

For more information about the TITAN Group approach and standards, please visit the 2023 TITAN Group Integrated Annual Report: <u>https://www.titancement.com/newsroom/annualreports/</u>



Note 1: The consolidated financial statements presented in the Annexes of the Report were audited by PricewaterhouseCoopers Audit OOD. The Assurance Statements are available in this Report and online on our website, which you may visit here: https://www.titan.bg.

Note 2: as a disclaimer for the use of the Logo of the UNGC 'We Support': We acknowledge that our parent company -TITAN Cement International S.A., participates in the UN Global Compact, and we support the Ten Principles and advancement of the Sustainable Development Goals as well as broader UN goals. We consolidate our support for this initiative fully under our parent's commitment.

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2023 Highlights

In 2023, energy and fuel prices declined compared to 2022, which was crucial for our profitability. However, they remained significantly higher than pre-pandemic levels. High inflation directly impacted wage and service costs for the second consecutive year. Against this backdrop, we increased cement sales by 8% and ended 2023 with an EBITDA of €13.8 million – nearly three times higher than the previous year. We recorded a net profit of €8.4 million, versus almost zero in 2022 (€0.34 million).

The higher profit allowed us to significantly increase capital investments in 2023 to €9.3 million, the highest level in the last ten years.

Our most significant projects are part of the sustainability program, including:

- Upgrading and expanding the alternative fuel system
- Kiln rehabilitation

Construction of a solar park with a capacity of 5 MWh for internal needs. The solar park commenced operation in June 2024.

For over two years, there have been no workplace accidents for direct and contractor employees in all TITAN Zlatna Panega operations.

In 2023, all defined targets for leading and tracking safety indicators were achieved across all business operations. We expanded our safety scope to include activities related to our contractors and customers, focusing on road safety.

FINANCIAL HIGHLIGHTS 2023

All the financial data in this chapter of the Integrated Annual Report refer to Zlatna Panega Cement AD, the TITAN entity in Bulgaria, for the sale of cement and concrete.

Revenue:

€66.7m

EBITDA:

€13.8m

Net profit after tax:

€8.4m

Assets:

€78.6m

Capital investment:

€9.3m

SUSTAINABILITY (PEOPLE AND ENVIRONMENT) RELATED HIGHLIGHTS

 3% decrease in specific net CO₂ emissions YoY (from 603 to 583 kg/t cementitious product);

• **48% share** of the alternative fuels in the fuel mix (4% increase YoY);

The share of the ARM has increased by 12% Yoy;

Around **110, 000 tons of waste has been utilized** as AF and ARMs, of which 75,285t were the ARM (wet basis) and 35,392t of AF (wet basis)

A 7% decrease in specific electrical energy consumption Yoy
 mainly due to optimization of the raw mill grinding process;

• A 5MWp solar power plant was assigned and the design has been completed. Construction started in early 2024 and was completed in June 2024;

5.9 MM EUR were the environmental expenditures in 2023, of which 4.9 MM EUR Taxonomy aligned;

18% of our cement in 2023 is green cement and the moderate carbon products form 45% of our product mix;

(Green cement - cement product that has a carbon footprint at least 25% lower than OPC; moderate carbon product- cement product that has a carbon footprint at least 10% lower than OPC) UNDERSTANDING TITAN ZLATNA PANEGA MANAGEMENT REPORT ESG PERFORMANCE

ESG STATEMENT REVIEW

Message from General Manager



TITAN Zlatna Panega's sustainability journey in 2023 and beyond

2023 presented a complex landscape for Titan Zlatna Panega, marked by both opportunities and challenges. The overall market demonstrated modest growth, underpinned by a resilient residential sector and declining energy prices created a favorable business environment. A significant milestone was achieved mid-year with the completion of our three-year kiln feeding line upgrade, positioning us to accelerate our alternative fuel initiatives.

The Road to carbon neutrality

Despite all the external pressures throughout the last years—from the energy crisis to the challenging economic situation—we have remained true to our goal of delivering carbon-neutral concrete by 2050. Our dedication to decarbonization, digitalization, and a growth-enabling work environment have set us apart in the industry. Notably, our plant in Zlatna Panega has an outstanding performance in both specific net CO_2 emissions per ton of clinker and the use of alternative fuels when compared with plants of similar technologies.

Last year, we reached significant milestones on our journey toward a greener future. These achievements highlight our collective commitment to reducing our carbon footprint and protecting our planet. We allocated 5.9 million EUR towards environmental initiatives, with over 4.9 million EUR aligned with the EU Taxonomy.

In 2023, we achieved a 3% decrease in specific net CO_2 emissions Year-over-year from 603 to 583 kg/t cementitious product. Our shift toward alternative fuels was significant, with a 4% increase in their share, now comprising 48,2% of our fuel mix. We also utilized approximately 75,000 tons of waste as alternative raw materials. Both alternative fuels and the alternative raw material utilized have been wastes and by-products of the local industry, making Zlatna Panega a significant player in the Bulgarian circular economy.

Pioneering technology and green products

Innovation has always been at the heart of our work. In 2023, we optimized our raw mill grinding process, resulting in a 7% decrease in specific electrical energy consumption.

We also launched two new low-carbon cement products. Each of Zlatna Panega's cement types meets European standards and is increasingly accepted by our customers, showcasing our commitment to carbon neutrality and quality. Both kinds of cement fully replace two previously utilized and well-known types of cement, fulfilling their applications. Today, green cement makes up 18% of our product mix, and moderate carbon products form 45% of our product mix. These advancements are not just technical achievements, they represent our drive to improve and continuously lead the industry in sustainability.

In 2023, TITAN Zlatna Panega won a gold award in the "The Greenest Companies in Bulgaria" competition by b2b Media. The prestigious first prize in the category "Industry and Manufacturing Sector" was awarded to TITAN for its longstanding commitment to a sustainable business model and continuous development. Last year, the company was also featured in the esteemed ICAP publication "Leading Employers in Bulgaria", where TITAN Zlatna Panega was recognized for its outstanding practices in the field of human capital development and corporate social responsibility.

Empowering Our Team and Ensuring Safety

Titan Zlatna Panega is dedicated to enriching our local communities and enhancing their quality of life. We pride ourselves on being a preferred employer, with 78,9% of our employees residing within 50 km of the plant. This substantial local presence underscores our commitment to fostering strong, lasting relationships with our community and workforce. By collaborating closely with local communities, industry partners, and policymakers, we aim to promote sustainable practices that benefit our operations and serve as a model for the industry.

Our team is our greatest asset. Last year, we continued to enhance our communication and feedback processes, fostering a culture of continuous improvement and collaboration. Our "Innovation Lab" program received 73 proposals for process improvements; we have already implemented 30% of them. Our team's creativity and dedication inspire us every day, and these efforts show that together, we can achieve remarkable things.

Ensuring the safety and well-being of each team member remained our foremost priority. In 2023, we intensified our focus on workplace safety, implementing new safety performance assessments and conducting over 30 practical training sessions and rescue drills. Last year, 5,326 hours were dedicated to health and safety training, which makes up 64.7% of all training hours.

Advancing Sustainability and Financial Strength

In 2023, despite energy and fuel prices remaining higher than pre-pandemic levels, their decline from 2022 was crucial for our profitability. High inflation impacted wage and service costs for the second consecutive year. Amid these challenges, we increased cement sales by 8% and achieved an EBITDA of ≤ 13.8 million, nearly three times higher than the previous year. Our net profit rose to ≤ 8.4 million, compared to almost zero in 2022 (≤ 0.34 million). This higher profit enabled us to significantly boost capital investments to ≤ 9.3 million, the highest in the last decade.

Embracing the Future

Our priorities remain clear in 2024. Our company will continue actively promoting the European economy's green transition, continuing our green investments, driving product innovation, developing our talented team, and embracing digitalization. Key projects in our sustainability program include upgrading and expanding the alternative fuel system, kiln rehabilitation, and constructing a 5 MWh solar park, which commenced operation in June 2024.

In closing, I want to express my heartfelt thanks to our team. Your hard work, dedication, and passion make TITAN Zlatna Panega special. Let's continue to innovate, collaborate, and strive for excellence in everything we do.

We look forward to continuing this journey together, leading the way in sustainable innovation as we shape a brighter future for all.

Adamantios Frantzis General Manager TITAN Zlatna Panega UNDERSTANDING TITAN ZLATNA PANEGA

OVERVIEW

MANAGEMENT REPORT ESG PERFORMANCE REVIEW

OVERVIEW



The forces shaping our industry and the opportunities ahead

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

The need for construction materials and solutions remains robust

With the increasing demand for housing and infrastructure driven by urbanization and population growth, our operational strengths enable us to rapidly offer innovative and sustainable solutions. We empower our customers to advance construction, meeting the challenges and opportunities of an ever-evolving world.

Customer expectations are driving product innovation

Our customer-centric innovation approach is propelling us into both familiar and uncharted territories within the construction industry. By engaging with customers right from the early design stages of their projects, we gain invaluable insights into their requirements. This knowledge empowers us to provide innovative, sustainable products, services, and cutting-edge artificial intelligence solutions, ensuring peak efficiency and an enhanced customer experience.

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

With a rich history of over 120 years, our legacy is rooted in innovation and an unwavering commitment to responsible growth. We approach every challenge with an entrepreneurial spirit, focusing on three key areas: ensuring low-carbon operations and supply chains, digitalizing our organization for ultimate efficiency, and delivering cutting-edge solutions to meet our customers' needs. TITAN employs more than 5,700 people and is present in over 25 countries through a network of more than 240 operational sites on four continents. It holds prominent positions in the USA, Greece, the Balkans, and the Eastern Mediterranean. The Group also has a joint venture in Brazil.

In an increasingly complex world, we are continuously adapting and evolving to meet the ever-changing needs of society. In collaboration with our stakeholders, we are committed to finding better ways to build and enhance the quality of life.

Climate change and resource scarcity call for transition to sustainable solutions

We are transforming our product range to address environmental challenges and help build safe, resilient, and more sustainable cities. Through our transition to more sustainable, low-carbon, and circular construction solutions, we assist our customers in achieving more sustainable building practices and fulfilling their environmental pledges. This approach allows us to meet our ambitious, science-based climate goals, aiming for a net-zero, nature-positive world in line with the 1.5°C scenario.

Companies must address ESG issues holistically across the value chain

We are approaching sustainability holistically both within our organization and beyond. While we are providing a more sustainable product portfolio with exceptional performance throughout the entire life cycle, from extraction to delivery to the customer, at the same time, we are continuously improving our ESG performance in alignment with the United Nations Sustainable Development Goals (SDGs).

Concurrently, we are encouraging our supply chain partners to adhere to our sustainability and ESG supplier criteria.

MANAGEMENT REPORT

ESG PERFORMANCE REVIEW

120+ years of sustainable growth

Guided by our entrepreneurial spirit and steadfast dedication to sustainable growth, we have expanded beyond our Greek origins in new geographies and new horizons. Our growth journey since 1902:

TITAN Group	TITAN Cement is founded with the opening of the first cement plant in Elefsina, Greece. It is the first cement producing unit in Greece.				isting on the Athens Stock Exchange		The rapid growth of exports, which during the period accounts for over 50% of the company's sales and approximately 50% of Greece's total cement exports	
Year	1902	1907		1912	1923–1	947	1951–1957	
	Opening of three new cement plants in Greece	cement fa productic with the s	ment of the firs actory. Cement on in Bulgaria be setting up of a s vned facility in Third cement plant in Drepano, Patras	egan small, Zlatna		c lime. ion of)" and ement		
Group	1062 1076	1062	1069	1070	10	000 107		
Year TITAN Zlatna Panega	1962–1976	1962	1968	1976	Ar ce we th an ex Th	ement cli ere open e cemen Id "450". tracted f ne annua	t was built, and five new nker production lines ed on the site to produce t brands "250", "350" The raw material was from the adjacent quarry. I capacity of the plant million tons of cement.	

TITAN Group Year TITAN Zlatna Panega		60% in Roanoke Cement, Usje, North Egypt (50% jc				oia CC (APCC),		
		the largest cer in Bulgaria. It e						0 9001 Quality tem
	TITAN Group	TITAN Group acquired the plant in Bulgaria						Greenfield investment, Antea plant, Albania
	Year	2003				2005	2006	2007
	TITAN Zlatna Panega	manufacturer joined the TITA Certified under System Zlatna Panega Global compac won the Best P companies joir Initiative. Zlatr in GC website i	of building mate N Group. r ISO 14001 Env Cement was ac t network. In 20 Practice Award t ning and promote na Panega Ceme	the multinationa erials TITAN Ceme ironmental Mana Cepted as a mem 003 Zlatna Panega hat was given out ting the Global Co ent best practice ative Fuels	ent AD, and gement ber of the a Cement t to Bulgarian impact	Building of Bulk loading station	Reconstruc lines for pro cement clin	duction of
		Investment in	Adocim, Tu <u>rke</u> y	y (50% JV), 100%	Beni Suef	s	harr plant,	

TITAN Group	Investment in Adocim, Turkey (50% JV), 100% Beni Suef and APCC, Egypt	Sharr plant, Kosovo		
Year	2008	2009	2010	2011
TITAN Zlatna Panega	Employee care: building of new Medical Center; Canteen, Baths and Admin offices. Construction of Vertical cement mill Construction of Clinker storage silo 37,500 t Reconstruction and modernization of water supply and sewerage systems; Water treatment plant for domestic water; New circulating water supply Modernization of packaging machine, installation of new Palletizing equipment.	Building of Water treatment plant for industrial water	Code of Conduct distributed to all employees	Building of raw material silos for Cement Mills (CM) 8 and 9

TITAN ZLATNA PANEGA		REPORT		REVIEW			
TITAN							
Group							
Year	2011-2013		2012		2014		2015
TITAN	Building of a Sedime	entation	Constructi	ion		atna Panega	Building of new road
Zlatna	basins system for tr					d its first	infrastructure
Panega	run-off water		for Process	sed	integrate	ed Report	
			Engineered	Engineered Fuel			
							International S.A.
				75%			N Group's parent
	50% in Cimento Apo	iho			cim,		is listed on Euronext next Paris, and the
TITAN	Brazil (JV)	Jul,		Turk		Athens Exchai	
Group					,		
Year	2016		2017	201	.8	2019	2019 – 2021
TITAN	Launch of TITAN Lea		CSR and Sustaina				Optimization of raw
Zlatna	platform		asserted by an in	depend	ent		meal transport and
Panega	Construction of NO		verifier				new homogenization Control Flow silo
	reduction installatio		Construction of r	new Ver	tical		
			Cement Mill				
TITAN							
TITAN Group							
Year	2019 – 2022	2020 – 2	2022	2021 -	. 2022	2022 – 20	23
TITAN	Implementation		ess optimization			Alternative	
Zlatna	of Predictive		e-of-the-art	combu		Fuel line	
Panega	Maintenance	image		efficie	псу	moderniza	tion
	Project –				ements		
	Precognize				/drogen (H	[2]	
				additio	1		
	Increased terminals	capacity	in Tampa and				
	Norfolk, USA						
	Aegean Perlites (joir	nt venture	2)				
TITAN	Corporate Venture C	Panital (se	tun				
Group		Japitai (Se	c apj				
Year	2023 – 2024						
TITAN	Upgrading and expan	nding the	alternative fuel				
Zlatna	system						
Panega	Kiln rehabilitation						
	Construction of a						
	capacity of 5 MWh fo						
	2024.						

OVERVIEW

OUR GLOBAL PRESENCE



Southeastern Europe Cement plants

1. Kosjeric – Serbia

- 2. Zlatna Panega Bulgaria
- 3. Sharr Kosovo
- 4. Usje North Macedonia
- 5. Antea Albania

Principal products/ activities key:



Cement



Ready-mix concrete



Aggregates



Dry mortars



Fly ash

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Waste management and Alternative Fuels

OUR PRESENCE IN SEE

Southeastern Europe55Integrated
cement plants5211QuarriesProcessed
engineered fuel
facility

Principal products/ activities



revenue €422.4m Ebitda

€146.6m

assets €526.7m

Employees: 1,098

Number of community engagement initiatives: **94**

Scope 1 net CO₂ (kg/t cementitious product): **624.0**

Alternative fuel substitution (% heat basis): **9.0**

Clinker to cement ratio (%): 72.0

LTIFR (employees) 0.5

TITAN ZLATNA PANEGA IS PART OF TITAN GROUP

TITAN Zlatna Panega is a vertically integrated company

TITAN Zlatna Panega (Zlatna Panega Cement AD), part of the TITAN Group, is one of Bulgaria's leading manufacturers of high-quality cement and construction materials. The company is vertically integrated by operating Ready-mix Concrete plants in 2 big towns in the country. It participates through joint venture activities in several gravel and sand pits and crushed stone quarries. Our success is ensured by our efforts to optimize our production process and know-how as much as possible.

TITAN Zlatna Panega builds on more than 116 years of cement production and experience

Zlatna Panega Cement AD is the legal entity for our cement operations. In the cement plant in the village of Zlatna Panega, we crush, grind, and feed the raw material to two clinker kilns to produce cement clinker, which is then ground and mixed with gypsum and other constituents and additives to make cement. On the premises of our plant, the subsidiary company Green Alternative Energy Assets (GAEA) EAD operates an installation for the production of Processed Engineered Fuel that we utilize as Alternative Fuel in our kilns.

TITAN Zlatna Panega operates five Ready-mix Concrete Plants

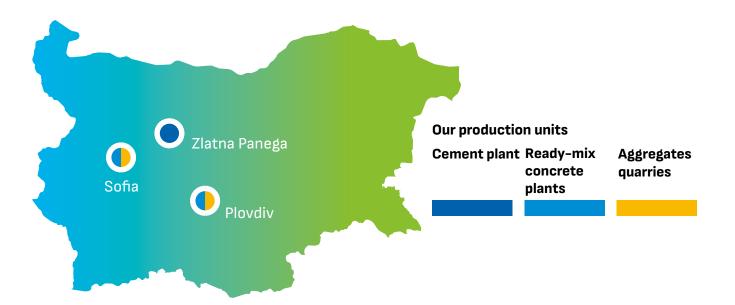
The Concrete Operations Department of TITAN Zlatna Panega (previously, Zlatna Panega Beton EOOD) in 2023 operated five Ready-Mix Concrete production units in Sofia and Plovdiv as well as one project-based Ready-Mix Concrete (RMC) unit.

Twelve aggregate quarries

Gravel and Sand Pits Bulgaria (GSPB) EAD, a 100% subsidiary of TITAN Zlatna Panega, holds shares in joint ventures that operate 12 quarries for sand, gravel and crushed stone. Double W Co, a 100% subsidiary of GSPB, owns and operates a port in Ruse.

Green Alternative Energy Assets (GAEA)

TITAN Zlatna Panega, through its subsidiary GAEA, supports the development of the circular economy as it produces process-engineered fuel (PEF) for the plant. In 2023 the plant co-processed 31.6 ktons of PEF and 3.8 ktons of end-of-life tires, substituting 48.2% of its thermal needs only with locally generated waste and in full compliance with its environmental targets. GAEA is TITAN Zlatna Panega's specialist company for waste management and alternative fuel production. It operates a processing unit for Processed Engineered Fuel (PEF), supplies TITAN Zlatna Panega with the necessary Alternative Fuel, and provides tailor-made solutions to waste generators and suppliers. GAEA helps us reduce CO₂ emissions and achieve our demanding Alternative Fuel targets.



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

At TITAN, we have always acted with a purpose, to protect and improve life. To better reflect our evolution over the years, we have worked closely with our people across the Group, acknowledging this progress and articulating our purpose and values in a fresh, modern, and authentic manner that remains rooted in our core. At the same time, we have updated our logo and visual identity to align with this evolution.

The articulation of TITAN's purpose and the revitalization of its values was a collaborative journey, involving teams from various regions and different areas of the organization. A combination of workshops, surveys, and insightful interviews facilitated the gathering of collective wisdom and diverse perspectives.

TITAN Zlatna Panega is fully aligned with the purpose and values of TITAN Group, reflecting the same commitment to excellence, sustainability, and ethical business practices. We are dedicated to sustainable growth, balancing economic performance with a solid commitment to social responsibility and environmental stewardship. TITAN Zlatna Panega promotes a culture of transparency and ethical conduct, fostering innovation and continuous improvement across all its operations. With a focus on contributing positively to local communities and minimizing environmental impact, TITAN Zlatna Panega embraces the Group's longterm vision of building a better and more sustainable future for all stakeholders.

The articulation of TITAN's purpose and the revitalization of its values was a collaborative journey involving teams from various regions and different areas of the organization.

Purpose and values

Our purpose which is to "make the world around us a safe, sustainable and enjoyable place to live" reflects our core values and aspirations, and embodies the broader, profound "why" behind our endeavors — to make the world a better place to live in. TITAN's purpose statement strikes a balance between humility and ambition, defining why the company exists, how it operates inclusively, and the innovative solutions it delivers to the world around us.

Our values "We care, We dare, We build to last, We walk the talk" reflect our daily behaviors and guide us in the pursuit of our purpose. They also unify us, foster trust, and connect us with our team members, communities, partners, and customers. (Read more about our purpose, mission, and values on pages 15, 16, and 17).

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

TITAN logo

Our evolved logo integrates the company's history by staying close to the design of the previous one. It reflects the Group's strategy that combines dynamism, innovation, and sustainable development. The new tagline "Building a better world together" is comprehensive and aligned with our revitalized purpose.

Our approach involved updating both the emblem and logo. With an emblem shaped like a globe, a reference to our planet, we emphasize both the Group's international presence and TITAN's concern for it. The color palette emphasizes our commitment to sustainable business practices and the future of construction materials and solutions.

OUR PURPOSE

Making the world around us a safe, sustainable and enjoyable place to live

TITAN's Purpose Statement underscores our capacity to contribute positively to society and improve individual lives, and it embodies the essence of our mission: MANAGEMENT REPORT

Our Mission

At TITAN, our mission is to provide innovative construction materials, solutions, and services needed for safe and sustainable homes, buildings and infrastructure that enable people to enjoy life.

We approach every challenge with an entrepreneurial spirit, focusing on three key areas: ensuring low-carbon operations and supply chains, digitalizing our organization for ultimate efficiency, and delivering cutting-edge solutions to meet our customers' needs. Together with all our stakeholders, we are committed to finding better ways to build and to enhance the quality of life.

We act every day with integrity, empathy, and environmental accountability to shape a brighter future for all.

THE FOUR CORE VALUES THAT SERVE AS THE BEDROCK OF OUR CULTURE ARE:



WE CARE

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

We care about:

Our people
Our customers
Our communities and the environment



WE DARE

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

We dare to:

- Do challenging work
- Be candid
- Innovate
- 🔵 Learn

WE BUILD TO LAST

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

Building to last comes with:

• A long-term, mid-term and short-term perspective

- Teamwork and collaboration
- Continuous improvement

OUR PURPOSE MAKING THE WORLD AROUND US A SAFE, SUSTAINABLE AND ENJOYABLE PLACE TO LIVE



WE WALK THE TALK

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

This value is underpinned by three elements:

• We deliver results

- We live our values
- We keep our promises

OUR GROUP STRATEGY: Grow our business, focus on the customer, build our talent

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

TITAN Group has created long-term value for its stakeholders by constantly evolving and renewing its strategy for almost 120 years. Following the latest review of our strategic direction and priorities, our strategy is founded on the following three pillars:

Deliver

TITAN will leverage its continuous performance improvement track record to deliver operational excellence in manufacturing, the supply chain and customer experience. The Group will thus continue to focus on cost-to-produce and cost-to-serve as well as on providing solutions and superior customer experience across all its businesses.

This operational excellence extends to TITAN's ESG performance, where the Group has achieved a solid environmental, safety and social engagement track record. TITAN's 2025 ESG targets provide a rich and ambitious set of measurable goals in all ESG focus areas - decarbonization and digitalization, growthenabling work environment, positive local impact and responsible sourcing - all underpinned by good governance, transparency and business ethics.

Decarbonize

TITAN Group was among the first companies in the global cement industry to have its 2030 GHG emissions reduction targets validated by the Science Based Targets initiative (SBTi), consistent with the levels required to limit the global temperature increase to 1.5°C. Raising our climate ambition even higher, we seek to address not only direct (Scope 1) emissions and indirect emissions from the generation of purchased electricity (Scope 2) but also other indirect emissions in the supply chain (Scope 3). Furthermore, TITAN is committed to reaching net-zero emissions by 2050. TITAN's decarbonization strategy includes a comprehensive set of levers to reduce emissions from cement production by accelerating the use of alternative fuels, substituting clinker with cementitious materials with lower carbon intensity, increasing energy efficiency and optimizing its raw materials mix. The Group and its subsidiary in Bulgaria - TITAN Zlatna Panega, will continue to leverage unique assets and competencies, including its proprietary fly ash beneficiation technology, to provide innovative solutions for the future net-zero construction value chain.

TITAN has been among the pioneers in its sector in implementing innovative Artificial Intelligence (AI) digital solutions in its operations. TITAN Zlatna Panega plant was the first to integrate it in its preventive management system. It has already implemented significant innovations with measurable impact, such as its real-time optimization and predictive maintenance solutions for its manufacturing operations. TITAN aims to continue improving its operating performance and customer experience by leveraging big data and AI to develop a digitally empowered and efficient operating model and to provide cutting-edge digital solutions to its customers. TITAN's "cement plants of the future" will fully harness the power of digital technologies and advanced analytics to achieve higher asset productivity and reliability, reduce production inputs and energy consumption, and decrease CO₂ emissions. The Group is also deploying innovative digital solutions for the next generation of supply chain management, with optimized distribution networks, predictive planning and dynamic logistics operations. Finally, a digitally-enabled customer experience will drive value generation for our cement and concrete business through excellence in customer service.

^{Our strategic focus:} capturing Green Growth

Through our customer-focused growth strategy, we aim to become the leading provider of green building materials and solutions everywhere we operate, by delivering long-term value to our stakeholders and contributing to a safer, more sustainable, and enjoyable world.

With its over 120-year history, TITAN Group has built strong market positions, with integrated businesses supported by a strong network of trading flows and local assets that allow superior customer service. Amidst the global shift towards net-zero emissions, TITAN is poised to capitalize on unique regional trends across its markets. Leveraging its distinctive array of products and capabilities, TITAN is well-positioned to seize these emerging growth opportunities. TITAN Zlatna Panega is the only company in Bulgaria that started

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to produce low-carbon cement in conformity with the new European standard EN 197-5:2001.

We expect healthy mid-term demand growth for cement, ready-mix concrete, and aggregates in most of our markets. In the US, this demand is mainly driven by healthy demographics, public funding for infrastructure, and the housing deficit. Recovery funds, combined with the drive for refurbishment, energy efficiency and major infrastructure projects, are the key growth factors in Greece, while urbanization and infrastructure rollout are driving demand in the Southeastern European markets.

Besides the developed markets of the USA and Europe, infrastructure tailwinds, coupled with population growth and urbanization, are also present in our Eastern Mediterranean markets, driven by public funding and economic multipliers.

In addition, the increasing demand for low-carbon materials and digitally enabled solutions in developed markets offers significant growth opportunities. This trend is propelled by green public procurement policies and large clients who are proactively setting voluntary emission reduction goals and seeking ecofriendly and circular construction solutions. Europe presents considerable potential for investments in decarbonization, particularly within the framework of the EU's "Green Deal". Similarly, the United States offers significant mid-term opportunities through its sustainable growth initiatives, such as the Inflation Reduction Act (IRA). Bulgaria is lagging in implementing green public procurement policies in the construction sector, but our customers recognize TITAN Zlatna Panega's efforts to introduce lowcarbon products to the Bulgarian market.

Regarding our exposure to emerging markets, despite the presence of cyclical macroeconomic volatility, the prospects for long-term growth remain robust. This optimism is underpinned by favorable demographic trends and significant growth potential for building materials in these regions.

Against this backdrop, TITAN Group and its subsidiary in Bulgaria are determined to execute its growth-oriented strategy, which focuses on delivering operational excellence, decarbonizing its portfolio, and implementing pioneering digital technologies while providing superior customer experience to best meet its customers' evolving needs with unique building materials solutions.

CREATING AND SHARING VALUE

We, at TITAN Zlatna Panega, use our capital resources efficiently to drive sustainable, long-term shared value creation, through our products and services. We help address social and environmental challenges and contribute to the attainment of the UN SDGs 2030.

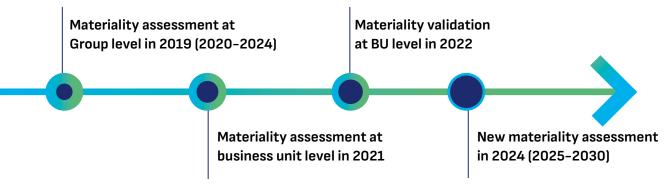
Material issues for TITAN and its stakeholders

We are engaging with our stakeholders across our locations to obtain a deeper understanding of their expectations and needs. Mapping what is most material to them and to the business through a double materiality process helps us develop sustainable business strategies and create value that lasts. Materiality validation and stakeholder engagement

Materiality assessment- an ongoing process

Our materiality assessment is an ongoing process that provides the foundation for the development and implementation of our sustainability strategy. The outcomes of the materiality assessment process are used to shape the contents of the Annual Integrated Report and guide actions and initiatives addressing priorities for both our operations and our key stakeholders. A review and update of the materiality assessment process was conducted in 2019, with amended or adjusted material issues in 2021, and then again as a new materiality assessment at TITAN has a duration of five years. A schematic is provided next:

Materiality validation steps



#

1

2

3

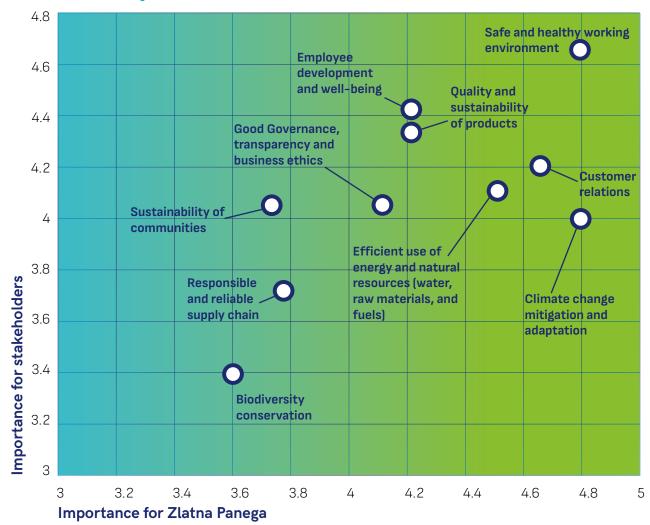
5

8

9

Summary table for stakeholders by category

- Bulgaria stakeholders
- Employees
- Customers
- Business partners associations
- 4 Regulators, authorities
 - Local communities & local authorities
- 8 Youth
- 7 Contractors
 - Academia and research
 - Media
- 10 Suppliers



Materiality Matrix valid in 2023

TITAN Group ESG Targets

Focus Areas

Since 2021 TITAN Zlatna Panega adopted the approach and contributed to the achievement of TITAN's Environmental, Social and Governance (ESG) targets 2025 and beyond, focusing on four pillars defined as material for TITAN Group. In this Report, under the section of Management review for ESG performance, we present our progress by connecting our highpriority material issues with the Focus Areas of TITAN.

TITAN Group Focus Are	DE-CARBONIZATION AND DIGITALIZATION a	GROW THE WORK ENVIRONMENT	POSITIVE LOCAL IMPACT	RESPONSIBLE SOURCING
TITAN Group Ambition	We will transform our business, focusing on resilience, innovation and on building solutions to serve our customers more efficiently as we move towards a carbon- neutral, digital world	We will cultivate an inclusive culture with equal opportunities for all our people to grow professionally within a safe and healthy work environment	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	We will empower our business ecosystems to incorporate sustainability considerations in their business decisions and daily behaviors, while using natural resources responsibly

Connecting TITAN Zlatna Panega's material issues to TITAN Group Focus Areas

All disclosures for our performance KPIs for the areas of Environment, Social, and Governance in 2023 are restructured by following the outcomes of the materiality assessment at the Group level, using the "compass" of the TITAN's Focus Areas: 1. Decarbonization and Digitalization; 2. Growth enabling work environment; 3. Positive local impact; and 4. Responsible sourcing. All underpinned by 5. Good governance, transparency, and business ethics. The respective KPIs for ESG performance

are aligned with the most relevant material issues under each of the Focus Areas. The approach for our ESG Statements aims at providing to external as well as internal stakeholders an efficient flow of metrics, around disclosures of performance that are focused on TITAN's materiality framework and connected with TITAN's targets for 2025 and beyond.

VALUE CREATION IN 2023

We are engaging with our stakeholders to obtain a deeper understanding of their expectations and needs. Mapping what is most material to them and to the business through a double materiality process helps us develop sustainable business strategy and create value that lasts.

Together with our stakeholders, we effectively address critical challenges and play our part in building a better and more sustainable future together.

We actively collaborate with international organizations to address global sustainability challenges within the framework of the UN Sustainable Development Goals for 2030. TITAN Group is a Participant of the UN Global Compact (UNGC) and a core member of CSR Europe and the Global Cement and Concrete Association (GCCA). In 2023, we contributed to the attainment of SDG 2030 which we recognized as relevant to our business and material issues for our stakeholders.

Terms related to the Value Creation Indicators are adopted from the Glossary for Value Creation Core Indicators (ESG Statement 1) reporting on the contribution towards the attainment of the Sustainable Development Goals (in short, UNCTAD Guidance, ed.2019), and incorporated under TITAN standards. Detailed figures for those are given in the Social Performance KPIs and Environmental Performance KPIs, see table 2.5.10 from this report.

MAPPING OF OUR VALUE CHAIN: SUSTAINABLE PRODUCT AND DELIVERY TO CUSTOMERS

We ensure quality and durable products, maintain high standards in management, promote ethical business practices, and invest in the future growth of our operations. The infographics below outline how we produce reliable products and deliver those to our customers and suppliers.









Limestone Marl Alternative Raw Materials Waste

Cement Concrete Aggregates Processed Engineered Fuel (PEF) Ready-mix Concrete (RMC) Units Producers of Concrete Products (e.g. tiles, bricks) Producers of Mortars Warehouses Construction Companies

Our raw materials are extracted from our quarries, or generated as waste from other industries.

We are proud to be a producer of the most commonly used material in the world – concrete, and its essential ingredients – cement and aggregates. We process the non-recyclable waste and produce engineered fuel for our cement operations.

We supply the RMC Units, pre-cast and mortars producers as well as professional users with products that provide sustainable solutions to our society. The key indicators and the amounts that we dedicated in 2023 to the creation of value for our stakeholders and the contribution to the UN SDGs 2030 are summarized in the table below:

Key Indicators	Amounts in Million EUR	Stakeholders
Value added	€13.7m	Employees, customers, suppliers, shareholders and investors
Net value added	8.4m	Employees, customers, suppliers, shareholders and investors
Total spend on suppliers, local national and international for goods and services	€37.0m	Suppliers and contractors
Taxes to national and local authorities	€0.6m	Governments and authorities (central and local)
Payments in cash, as dividends and other type, to shareholders and minorities	€0.0m	Shareholders
Total spend on donations and social engagement initiatives	€0.05m	Communities, academia and educational organizations, civil society and society at large
Green Investment	€4.9m	Communities, youth, and society at large
Alternative fuels	35,000	tons
Salaries, (contributions to) pensions, and social benefits, including additional benefits beyond those provided by law	€6.5m	Employees and their families, local communities
Investments on training of direct employees, as total expenditures at Group level	€0.05m	Employees and their families
Internships	6	Employees and their families, local communities, youth
Investments for the company's future growth	€9.3m	Employees, customers

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.

Sustainability is an integral part of our business, and we achieve it with the help of our stakeholders. Reflecting that philosophy, we at TITAN Zlatna Panega respond to the growing sustainability challenges. By participating in global partnerships and organizations, TITAN Group aims to address the challenges of the UN Sustainable Development Goals for 2030. TITAN Group is part of the UN Global Compact, a member of CSR Europe, and the Global Cement and Concrete Association (GCCA).

Our dedication to socially responsible policies allows us to improve our corporate strategy and monitor good examples of sustainable development as we wish to take part in the creation of well-being for all our stakeholders.

Along this road, we are encouraged by our most important partners, who have demonstrated international relationships, expertise, and enviable achievements in sustainable development.



MANAGEMENT REPORT



CORPORATE GOVERNANCE AND RISK MANAGEMENT

Organizational structure, boards and committees

The management of the company is coordinated by the Executive Committee of the TITAN Group and guides, monitors, and supports the implementation of business strategy and policies:



BOARD OF DIRECTORS (BoD)

TITAN Zlatna Panega is a joint-stock company registered under Bulgarian Law. It has a one-tier corporate governance system and a five-member Board of Directors (BoD). Four of the members are non-executive, and one, the General Manager, is an executive member. The Board of Directors of TITAN Zlatna Panega oversees the implementation of the business plan of the company, determines the strategy, and ensures its implementation, taking into consideration the stakeholders' materiality assessment. It measures the company's performance versus targets and takes the necessary actions to achieve the goals, except for those in the competence of the General Meeting of Shareholders, as provided for under the Law.

In 2023, TITAN Zlatna Panega's BoD consisted of the following members:

Paniaras Yoannis	Group Executive Director Europe and Sustainability			
Panagopoulos Christos	Regional Director Eastern Mediterranean Region			
Frantzis Adamantios	General Manager TITAN Zlatna Panega			
Dikaios Grigorios	Chief Financial Officer TCI			
Petkidis Loukas	Deputy Group CFO / Regional Finance Director SEE & EM			

COMMITTEES

We have set up four committees operating in different areas to strengthen and improve the sustainability management of TITAN Zlatna Panega. The committees receive strategy and policy guidance from the Group Executive Director Europe and Sustainability, who is a member of the Group Executive Committee.

RISK MANAGEMENT

Financial and sustainability-related risks

TITAN Zlatna Panega operates in an environment where different types of risk exist; those must be identified, prevented, or reduced. Effective risk management is essential for the achievement of the company's strategic goals and long-term sustainable development. The company has developed agile systems for monitoring, eliminating, or minimizing various potential and significant risks.

TYPE OF RISK	IMPORTANCE OF RISK	MITIGATING ACTIVITIES
MARKET CONDITIONS AND CARBON LEAKAGE RISK	The company operates in a very competitive environment, with several domestic and foreign competitors. The market is susceptible to carbon leakage from imports, while local demand depends significantly on the general economic conditions in the country.	TITAN Zlatna Panega improves operational effectiveness, implements techniques, and invests in technologies aimed at reducing dependence on fossil fuels and decreasing its carbon footprint, thus reducing costs. The company optimizes its recipes and develops new products in line with the Group decarbonization strategy keeping same products characteristics and meeting the expectations of the customers.
CLIMATE CHANGE MITIGATION RISK	The transition to a low-carbon economy in the EU, streamlined by the relevant policy and regulatory changes and followed by the introduction of new technologies, is the main climate-related risk for TITAN Zlatna Panega. It may result in a significant increase in capital expenditures and operating costs and lower the competitiveness to imported or other construction products, which do not bear the burden of the Greenhouse Gas (GHG) cost. The carbon footprint of the products in the portfolio of TITAN Zlatna Panega is comparable to the average in the EU; thus, the company's exposure to a transition risk toward a low-carbon economy is high.	TITAN Group closely monitors relevant regulatory developments and takes proactive measures to mitigate potential negative consequences. A scenario-modelling approach has been adopted for the examination of possible outcomes (transitional risks) and the identification of appropriate roadmaps of mitigating actions for the safeguarding of the Group's business resilience (see TITAN Group IAR 2022) TITAN Zlatna Panega has developed a robust decarbonization roadmap with clear milestones and objectives. The company mitigates the climate- related transition risk by directing the investments to projects that will decrease the carbon footprint of its our operations, continuously assess the energy efficiency of the production process and strives for improvements, designs a product mix with a view of constantly decreasing carbon footprint. Furthermore, the company has introduced an internal carbon pricing for the long-term and short-term strategy. We follow the TITAN Group Environmental Policy and Climate Change Mitigation Strategy, targeting for specific net CO ₂ emissions. EU Emissions Trading System (ETS) related issues are in the scope of the BU Management Committee.
LIQUIDITY RISK	The company is not exposed to any significant liquidity risks.	The company has adequate revolving lines to cover cash needs. As of December 31, 2023, the company has revolving credit facilities, of €12.8 million, of which there have been no drawdowns. These funds are to cover working capital requirements, primarily for seasonal fluctuations.

UNDERSTANDING TITAN ZLATNA PANEGA	OVERVIEW	MANAGEMENT REPORT	ESG PERFORMANCE REVIEW
CREDIT RISK	The company is not expos significant credit risks. Re customers come from a w base.	ceivables from	The company closely monitors its customers' financial status, and on this basis, it sets a credit limit for each customer. Additional collateral from customers is required to secure payments. Impairment of receivables is applied in the case of inability of the customers to settle the amounts owed to the company.
FOREIGN CURRENCY EXCHANGE RISK	The company faces a curr payments to foreign suppl case of using foreign curre	liers or in the	All credit lines of the company are in local currency, and most of the operating costs, except for solid fuels, are in local currency. Thus, the receivables from customers are hedged naturally as they are almost entirely in local currency.
PRODUCTION COSTS VARIATION RISK	Fuel, electricity, and raw mat form the largest segment of production costs. Price chan tional fossil fuels pose the ris variation in production costs and foreign suppliers (who op where electricity prices are s er), and increase carbon leak	the company's ges in conven- k of considerable among domestic perate in a market ignificantly low-	To mitigate this risk, the company will continue investing in equipment, aiming to reduce electricity consumption, decrease conventional fuel utilization and increase the Alternative Fuels substitution rate.
HEALTH AND SAFETY RISK	Cement companies repres industrial environments, v occupational health risks.	which have	To mitigate this risk, the company will continue investing in equipment, aiming to reduce electricity consumption, decrease conventional fuel utilization and increase the Alternative Fuels substitution rate.
LABOUR MARKET RISK	The high unemployment rat where the company operate depopulation. As a result, it difficult to hire employees f positions. The company rec importance of trade unions associations in improving w conditions and protecting la	es, leads to its becomes more for operational ognizes the and workers' orking	The company recognizes Health and Safety as its priority and its main goal is zero occupational accidents.
ENVIRONMENTAL RISK	TITAN Zlatna Panega's ope subject to extensive natio environmental laws and re These may impose increas stringent obligations and re regarding, among other th use, remediation, air emiss treatment, water use, use of chemicals. The costs of with these laws and regula to increase over time. The company is operating of a karst area supplying t villages with water. Part of quarry for the cement pro located within NATURA 20 habitat. The company utili wastes as substitutes to t materials and fossil fuels.	erations are nal and EU egulations. singly restrictions nings, land sions, waste and production f complying ations are likely on the territory he neighboring f the main duction is 100 protected izes variety of	TITAN Zlatna Panega is in compliance with all environmental regulations and conditions. With a view to continuously managing the environmental impact of its operations, the company applies an environmental management system to monitor and report its environmental impact. The company is making exceptional efforts to reduce the risk of impact to the water bodies in the area of the cement plant. It has built facilities for purification and filtration of wastewater and carries out regular monitoring of quality of surface and ground waters and the water consumption. The operations of the cement plant are covered by a Water management plan. TITAN Zlatna Panega has a biodiversity management plan at the Zlatna Panega Quarry, developed in alignment with the GCCA Sustainability Guidelines for Quarry Rehabilitation and Biodiversity Management and has a program for biodiversity protection and enhancement. All activities, including the use of wastes as alternative fuels and raw materials are subject to strict procedures of monitoring, evaluation and control, being part of the integrated management system of the company.



UNDERSTANDING OVERVIEW MANAGEMENT ESG PERFORMANCE REPORT REPORT REVIEW

> An overview of our performance on the environmental, social and governance pillars, and our ESG statements

ESG performance overview

As presented on pages 21 – 22, TITAN sets ambitious Environmental, Social and Governance (ESG) targets for 2025 and beyond, underscoring its enduring commitment to sustainability and value creation for all. They focus on four pillars - Decarbonization and digitalization, a growth-enabling work environment, positive local impact and responsible sourcing - all underpinned by good governance, transparency and business ethics. The ESG performance review section of the Management report provides a detailed overview of our annual performance and progress toward meeting our ESG targets. For each of the issues that have been identified as material for TITAN and its stakeholders, we present the foundations that we have built on and describe our management approach to addressing these issues, highlighting significant achievements recorded throughout the year.

Focus area:

Decarbonization and digitalization

Material issues:

 Climate change, mitigation and adaptation
 Efficient use of energy and natural resources (especially for fuels) Companies are an important player in the fight against climate change. The decisions they make are decisive for the processes of global warming. As people and representatives of a responsible business whose choice is to leave a better world for our children, at TITAN Zlatna Panega, we take steps every day for more environmentally friendly production. We are looking for solutions to reduce the company's carbon footprint.

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

TITAN is committed to the COP21 Paris Agreement goal, 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 many 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 (UNFCC) "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.

2030 decarbonization roadmap

In 2021, Zlatna Panega Cement developed a decarbonization roadmap with clear targets. It includes actions in every aspect of the company's activities: trade, production, maintenance, investment, finance and communication.

In 2023, TITAN Group revisited its Decarbonization roadmap for the achievement of our 2030 target. Participation in this process was universal and crossdepartmental: 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.

MANAGEMENT REPORT

The priorities

The Titan Group is part of the leading companies that have the ambition to:

- Limit global warming to below 1.5°C
- Reach net zero emissions by 2050

To achieve these two important goals, the company signed a letter of commitment titled "Business Ambition for 1.5°C" ahead of the UN Climate Change Conference—COP 26.

The steps

In 2021, TITAN Group has set ambitious targets to reduce direct net specific emissions of CO_2 (Scope 1) to 500 kg CO_2/t cementitious product with a horizon of 2030. In terms of indirect CO_2 emissions from electricity use, our target is 45% less than 2020 levels. These targets were aligned with the 2.0°C scenario, but in 2023, the company updated and supplemented them in line with the 1.5°C pathway as follows:

Reducing gross Scope 1 GHG emissions by 22.8% per ton of cementitious product by 2030 from a 2020 base year

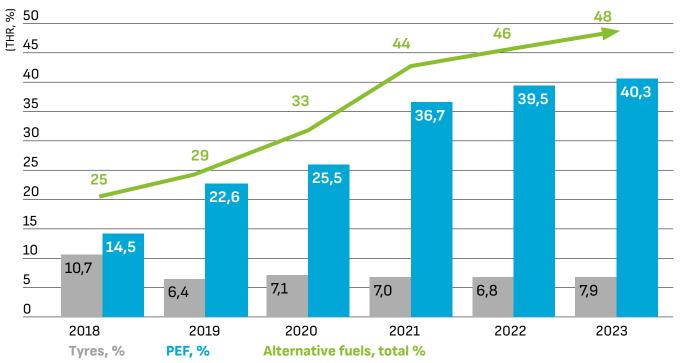
 Reducing Scope 2 GHG emissions by 58.1% per ton of cementitious product from a 2020 base year These goals are validated by the Science-Based Targets (SBTi) initiative, which puts us among the first cement companies in the world to achieve and validate decarbonization targets.

The results

The investment in a new alternative fuel feeding line was completed, allowing us to further reduce the carbon content of our cement products. A project for a 5MW renewable energy plant is also under implementation, supporting our decarbonization strategy.

Bulgaria stands out for its comprehensive decarbonization effort, achieving an annual average of 48.2% thermal substitution rate. The share of green products increased to 18.4%, representing a 45% annual increase while implementing a 5 MWp photovoltaic power plant commenced.

True to our practice of priority utilization of the waste generated on the territory of our country, we have strengthened our role as a stable partner and participant in the circular economy of Bulgaria. In 2023, the heat from the use of alternative fuels in kilns reached 48%, representing a 4% increase compared to 2022. The recovered quantities of waste used as fuel are over 35,000 tons.



Thermal substitution rate % (TSR)

All waste that TITAN Zlatna Panega uses as an alternative fuel is non-recyclable, and the only alternative for it is landfilling, which pollutes the environment and leads to the loss of valuable resources.

Innovative approaches

Following the global trend of reducing the use of fossil fuels and the TITAN Group's ambition for carbon neutrality, in 2023, we invested in a 5MWp solar power plant. The solar plant is estimated to produce 6.9 GWh annually, accounting for 15% of the cement plant's annual energy requirements and reducing indirect emissions by about 3000 tons of CO₂ annually. The production of energy by the solar power plant not only advances our sustainability objectives but also showcases our ability to execute large-scale projects efficiently. TITAN Zlatna Panega is the first cement plant in Bulgaria to have its own solar PV polar plant.

The construction of the solar power plant helped us to achieve:

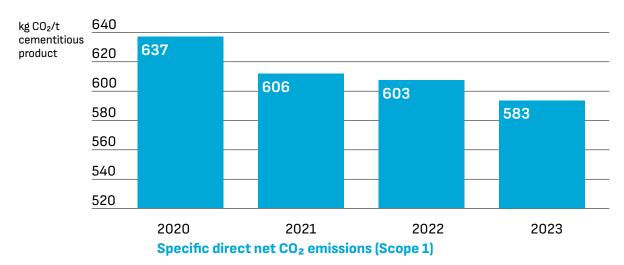
- Energy efficiency
- Reduction of emissions to ambient air

The achievements

Our efforts to increase alternative fuels in the fuel mix have resulted in a reduction of net emissions per ton of cementitious product, which decreased from 603 kg/ton to 583 kg/ton.

In July, we completed the modernization of the installation for processing and feeding of alternative fuels. We achieved a new record for our Plant: 70,3% use of alternative fuels in the fuel mixtures. We kept a high share of alternative fuels and decreased the specific heat consumption by using different chemicals and additives in the kilns. We reduced the clinker content in cement by 2 percentage points YoY. These results rank us among the five lowest carbon plants in the Group. That is how we contribute to achieving the company's decarbonization goals.

The biomass content of the fuel mixture is kept stable due to strict supply controls and waste biomass being used as fuel in kilns in 2023. Biomass is a carbon-neutral fuel, and its use, combined with energy efficiency measures, is the most efficient tool for reducing CO₂ fuel emissions in cement plants.



Specific direct net CO₂ emissions (Scope 1)

MANAGEMENT REPORT

ESG PERFORMANCE REVIEW

Look ahead

In 2023, we continued to invest our efforts in producing and supplying products with a lower carbon footprint. The ratio of clinker input to cement produced remains constant. In addition, we finished the repair of Kiln 4 (bandage replacement), and Kiln 5 is to be repaired. We launched 2 new brands of cement on the market. The share of green (low carbon) products reached 18.4%, which is an increase of 45% on an annual basis. We achieved a 10% decrease in electricity consumption in Raw mills through process optimization. We executed numerous tests with new materials – slag, fly ash and achieved 15 % lower energy consumption in Cement mill 9.

In recent years, we have proven that we are successfully fulfilling the goals we set for ourselves. Our team's skills and flexibility in implementing each project make us confident that this successful process will continue. The team is capable of coping. We are proud and grateful for the efforts of each member of TITAN Zlatna Panega. This is the only way we can build our future together.

Innovation in digitalization

Digitalization is a strategic objective for TITAN, and Industry 4.0 provides TITAN with a great opportunity. Big data, analytics, and artificial intelligence will transform the cement industry. TITAN is one of the pioneers in the digital transformation of the sector, especially in cement manufacturing. Digital technologies can unlock significant value and change the landscape in the cement industry. TITAN believes that investing in the digitalization of its operations will enable it to compete successfully in the new operating model that technology is creating for the industry.

As of January 1, 2024, the Company implemented SAP HANA, a new integrated system used by all companies in the TITAN Group. This project has helped to improve and standardize business processes, introduce better practices and access a more advanced ERP system.

TITAN established its Group Digital Center of Competence in 2020 to further strengthen the Group's capabilities to develop and implement new digital solutions, with an emphasis on the manufacturing, supply chain and customer domains, built on the foundation of an integrated data platform and a new flexible and agile working model for its operations. 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 and developed in-house, allow for increased output per production equipment as well as reduced energy consumption. As of 2022, the Group Digital Center of Competence has installed Real-Time Optimizers in TITAN Zlatna Panega.

Predictive maintenance (PdM)

Maintenance plays an essential role in the industrial sector, as its costs can represent a significant percentage of the production costs of cement plants. Effective maintenance strategies avoid unexpected production shutdowns, reduce costs and extend the useful life of equipment.

For more than six years, Zlatna Panega's team has been working with a predictive maintenance application that makes it possible to avoid unforeseen costs and improve equipment performance.

In addition, TITAN is rolling out a machine-learningbased failure prediction system tailored to the operating environment of cement plants, thus increasing their reliability and reducing the cost of unplanned maintenance. As of 2022, this system has been installed in TITAN Zlatna Panega.

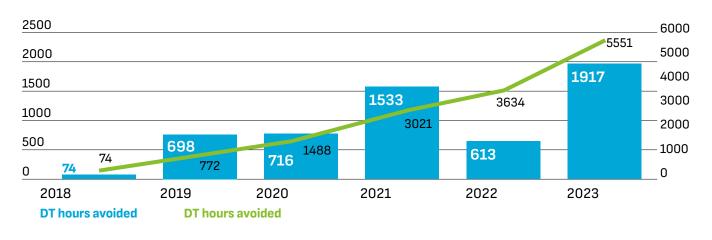
Predictive maintenance is a proactive approach that uses real-time data and an AI algorithm, to identify patterns and anomalies that can escape the human eye.

Using the app as part of a maintenance improvement strategy reduces downtime or eliminates unplanned downtime, allowing continuous operation and avoiding large repair costs (Figure 1).

In addition, the application enables the team in Zlatna Panega to improve the allocation of available resources, ensuring that the workforce is used in the most efficient way possible.

Predictive maintenance is changing the mindset at the cement plant, ensuring efficiency and safety, avoiding the cost of repair work and improving equipment performance. Leveraging the power of real-time information flow and data analytics, the plant in Zlatna Panega maintains a competitive edge in an ever-evolving industrial world.

Downtime Avoided Average (All time): 5 551 hours (average prevented/avoided stay over six years) Figure 1



Resilience of IT infrastructure and cyberattacks

To address cybersecurity risk, TITAN has implemented an Information Security Management Framework, which includes Group Information Security policies, procedures and guidelines following the ISO 27001 standard. TITAN has invested in an ongoing cybersecurity awareness program carried out annually for all TITAN employees to alert them about proper cyber hygiene and the possible security risks associated with their actions and to help them identify the cyberattacks they may encounter in daily operations.

Furthermore, TITAN has a comprehensive security program and has implemented and maintained security systems, including security information and event management (SIEM), web filtering, nextgeneration firewalls, intrusion protection, multifactor authentication, email protection, and Endpoint Detection and Response (EDR).

Security indicators (KPIs) are used to measure and improve information security status.

The Cybersecurity Strategy and Strategic Plan are managed by a cybersecurity organization with appointed information security managers and a direct link to top management boards, where the execution progress status is regularly reported.

The main cybersecurity actions that took place in 2023 include Group projects and operations carried out in TITAN Zlatna Panega, including

- Vulnerability management
- External and Internal Penetration tests
- Implementation of new security controls (SIEM, EDR)
- Phishing simulation exercises
- Security awareness training
- Improvement of security measurements

TITAN constantly reduces vulnerabilities and promotes secure infrastructure design by enhancing existing proactive prevention capabilities and building new ones for rapid detection and response. In 2023, the company did not experience any security breaches.

Focus area:

Growth-enabling work environment

For over two years, there have been no workplace accidents for direct and contractor employees in all TITAN Zlatna Panega operations.

In 2023, all defined targets for leading and tracking safety indicators were achieved across all business operations.

We expanded our safety scope to include activities related to our contractors and customers, focusing on road safety.

Material issues:

 Safe and Healthy Working Environment
 Increasing the commitment of TITAN employees and contractors to maintaining and improving working conditions TITAN Zlatna Panega is committed to maintaining the best working environment that fosters employee development and ensures its people's safety, efficiency, productivity, and physical and mental well-being.

The top priorities for the TITAN Group and TITAN Zlatna Panega remain to create a progressive environment and ensure our teams' and contractors' health and well-being. These priorities are at the core of our decisions and policies. Thanks to our colleagues, TITAN Zlatna Panega achieves its goals despite the challenges in which we live and work.

Improving the working environment and labor conditions has been a constant commitment throughout the year.

• We have achieved more than two years without accidents involving our employees and contractors, specifically:

Cement plant operations achieved 1057 days without accidents with our employees 809 days without accidents with our contractors

Concrete operations achieved
 993 days without accidents with our employees
 We organized a complete fire safety inspection at the Cement Plant.

ESG PERFORMANCE REVIEW

Continued implementing the "Next Step in Safety" program to improve managing the riskiest activities. Updated and implemented procedures for using personal protection equipment and road safety management.

• At the end of 2023, we launched the "Road Safety" initiative. We systematized transportation processes into categories, defining individual responsibilities and specific improvement plans for each. For the first time, we included an assessment of our clients' sites (planned for 2024) and began training and evaluating our transport contractors.

 We prepared a risk assessment of the main routes in the country used for delivering our products to clients and transporting our employees.

For the third consecutive year, in 2023, all companies from TITAN Zlatna Panega successfully passed an external independent evaluation and confirmed full compliance with the international standard ISO 45001: 2018 Occupational Health and Safety requirements.

In February, we restored cooperation with the Medical University of Pleven and organized a joint visit to the cement plant for future public health specialists. They were introduced to best practices for safety and health in heavy industry.



TITAN ZLATNA PANEGA Integrated Annual Report 2023





Since 2021, key performance indicators on health and safety have been defined at the regional level, and they were updated again at the beginning of 2023.

Our greatest pride is the commitment of the people at TITAN Zlatna Panega and their willingness to be active, critical, and part of improving the working environment.

At the end of the year, we celebrated and reported that all our operations in Bulgaria achieved the set target indicators.

Business Unit Bulgaria	Own personnel		Contrac	tors	In total			
KPIs for safety	2023	2022	2023	2022	Target	2023	2022	
Near misses	30	28	15	11	43	45	39	
Training hours	5,326	5595	5208	3367	N/A	10,534	8962	
Training hours per person	33.84	22.31	27.46	19.99	15	24.35	19.93	
	97%	100%	92%	100%	90%	95%	100%	
% of technical personnel >8h/year								
Unsafe acts & Unsafe conditions	1807	1280	240	0	850	2047	1280	
Safety walks & Safety audits	507	511	109	0	250	613	511	
% of SW/SA with findings>3	96%	N/A	100%	N/A	90%	98%	N/A	
Completed actions on time %	87%	87%	94%	100%	80%	88%	87%	
Completed RCA on time %	97%	70%	97%	50%	90%	97%	70%	

In 2023, we introduced a pilot metric based on six individually trackable areas to track executive engagement. The goal was for at least 80% of the included managers to achieve at least satisfactory performance (overall performance of 80%) in six areas.

• The number of occupational accidents in the manager's team should be zero, with the indicator being 40% important.

Conducted safety walks – goal 100% of the planned
 – importance 10%.

• Timely preparation of all (100%) safety plans or risk assessments with an importance of 10%.

• Personally reporting at least one near-miss incident with an importance of 10%.

 Personally conducting at least one training (importance of this part of the indicator 10%) and having at least 90% of their team complete it (importance of this part of the indicator 10%). Motivating their teams to submit at least one proposal from every 10 employees (or at least one in the case of smaller teams) with an importance of the indicator 10%.

As a result of the pilot program, 12 out of the 15 included managers achieved the 80% indicator, with the overall performance of the cement plant meeting the 80% target.

Despite the good results in 2023, for the first time in six years, we did not achieve a satisfactory rating during the 360° Audit of the TITAN Group for Health and Safety performance. This motivated us to implement a very strict plan to correct the identified issues and to end the year by achieving all other indicators—most importantly—without any injuries to our employees or contractors.

In 2023, we continued to motivate employees to submit improvement suggestions focusing on their implementation. The number of recommendations was half that of the previous year, but we implemented almost twice as many compared to 2022.

Year	Recommendations	Realized in 2022	Realized in 2023
2022	100	16	21
2023	56		15
In total	156	16	36

At the beginning of 2023, for the first time, we set safety goals for our permanent technical contractors to help improve the safety organization in their work areas. Our contractors were actively supportive and achieved two out of three indicators.

CONTRACTORS			Conducted safety walks	safety		Target for hours of training per person
TOTAL	15	8	109	96	16.94	15

We have designed a sound training program and updated it to align with each department's needs, legal requirements, and the strategy of the TITAN Group. Each production function manager commits to conducting monthly safety training for their team. In 2023, TITAN made efforts and registered a significant increase in health and safety training from 8,900 in 2022 to over 10,000 in 2023 for staff working on TITAN premises (employees and contractors).

Once again, the employees' performance was closely linked to the "5 Safety Goals." These are individuals and teams for all levels in the company.

GOAL	INDICATOR
No accidents at work	No workplace accident and no contributing accident to another
Compliance with essential safety rules during work	Zero violations of the procedures of the order system and the requirements of the LOTOTO
Attend all planned trainings	100% participation in the planned training for the employee
Implementation of assigned tasks and safety mea- sures	At least 80% of assigned safety measures and tasks are to be completed
Reporting hazards and suggestions for improve- ment	At least two hazards and at least one suggestion for improvement should be reported by each employee
To further motivate us to be the best we can be at protecting the health and safety of our colleagues, we have included performance against the defined goals in each individual assessment with an even higher percentage of importance compared to 2022.	execution of each activity, regardless of its priority. We believe every incident is preventable and therefore safety is at the heart of every decision we make," – shares Adamantios Frantzis, General Manager of TITAN Zlatna Panega.
"The people we work with, and their well-being are our greatest responsibility. Our safety efforts are not limited to the legal requirements but are based on our desire and aspiration for the prevention and safe	The greatest prize is the safety of our people, and in 2023, we achieved it again.

MANAGEMENT REPORT ESG PERFORMANCE REVIEW

Material issues:

Employee development and Well-being

Diverse and inclusive workplace

At TITAN, we are committed to creating an inclusive, bias-free culture and work environment where diversity is promoted, all our people are treated fairly, and have equal growth opportunities.

In 2022, TITAN Group launched our Group Diversity, Equity and Inclusion policy, which outlines our principles, definitions, scope, and approach to diversity and inclusion. The policy has been translated into all languages spoken in the countries where we operate to help ensure that all employees across our operations embrace its principles.

TITAN Zlatna Panega is part of the heavy industry in the country, which is implied to be populated by men. However, we are proud to report that 28.63% of our employees are women. Gender diversity is also well established in the leadership team, where 36% of the managers are women.

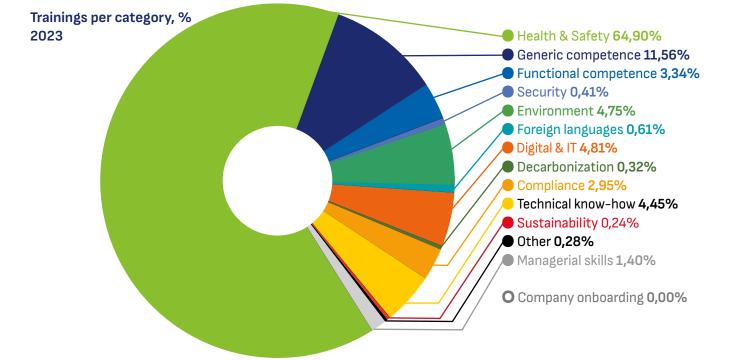
In 2023, TITAN Zlatna Panega had 33 new hires, including 12 women and 3 trainees.

TITAN Zlatna Panega is committed to supporting diversity, equity, and inclusion at all employment levels. Diversity includes more than gender, age, nationality, disability, ethnic origin, sexual orientation, culture, education, and professional background. The Company encourages diversity and inclusion to create a working environment that maximizes the potential of all employees.

Respect for human rights, including diversity and inclusion, is fundamental for TITAN Zlatna Panega, as stated in our Code of Conduct and related policies like the Human Rights Policy. This engagement follows the commitment of TITAN Group to UN Global Compact principles.

Continuous learning and development of our employees

At TITAN Zlatna Panega, we believe that the training and development of our employees is a long-term investment. We encourage employees to strive for lifelong learning. There are plans to further develop the learning platforms available to our employees. This will support colleagues in continuous growth and successful career development. Our employees have access to our learning platform and can choose from a library of courses relevant to their day-to-day activities and future career aspirations. Health and safety are significant to us. We invest significant time and resources in this focus area. A total of 5,326 hours were dedicated to health and safety training, which is 64.7% of all training hours. The rest of the training conducted during the year focuses (a total of 8,377 training hours) on upskilling and further developing of soft and hard skills. The training categories are shown in the graph below, and overall, 243 employees were part of our training initiatives, with an average of 33.5 hours per employee.



Other than that, our key employees and new colleagues are provided online training on the Group policies: Code of Conduct, Anti-Bribery and Corruption Policy. Conflict of Interest Policy, Information Security Policy, and Summary of Data Protection Policy. Competition Law Compliance Policy and Sanctions Policy were assigned to specific groups in relation to their functional responsibilities. These training courses fall under the Compliance category where we reached 243 training hours for 2023.

As part of the Commercial Transformation, our Sales team attended complex marketing training. Provided by PwC Bulgaria, the "Marketing as a Tool for Growth" training took over 200 hours and covered various topics such as Marketing concepts, Origins of Marketing, Evolution of Marketing, Customer and Market Intelligence and overall Branding.

Diverse and Inclusive work environment

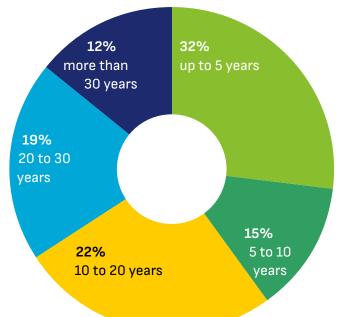
At Titan Zlatna Panega, we cultivate a diverse and inclusive work environment. We strive to create a workplace where everyone can work to achieve their full potential regardless of age, gender, race, ethnicity, or sexual orientation. As of 2022, we have a group policy outlining the fundamental principles of equality. Even though we are part of the heavy industry, as of the end of 2023, we have 28.63% female employees and 36% female participation at the management level. This commitment ensures respect and acceptance for our employees. In 2023, we had 33 new hires, including 12 females.

Furthermore, we conducted training on diversity and inclusion for people managers, aiming to cover essential aspects of the topic and enable them to cascade down good practices. This training reinforces our dedication to maintaining a supportive and fair workplace for everyone.

As of the end of 2023, our total headcount was 223 full-time employees,4 employees on temporary contracts and no one on part-time contracts.

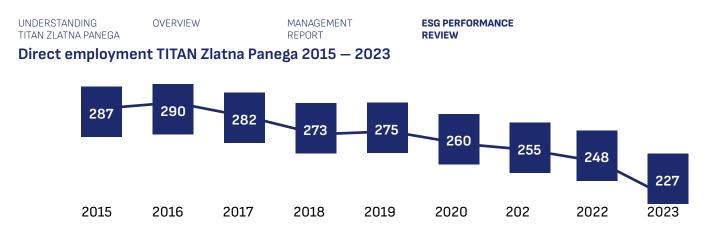
Our commitment to our employees is long-term. We want our people to feel committed and satisfied at work. This dedication can be seen in the long tenure of a significant percentage of employees at Titan Zlatna Panega – 52.4% of our employees have been with the company for more than 10 years. Their loyalty and satisfaction reflect our ongoing efforts to create a positive and fulfilling work environment.

Working experience in TITAN Zlatna Panega, 2023 (% of employees)



For many of our employees, Titan Zlatna Panega is their first and only job. Within the local community, we are a preferred employer, with 78.9% of our employees living within 50 km of the plant. This strong local presence highlights our commitment to the community and the long-term relationships we build with our people. Titan Zlatna Panega is deeply committed to its local communities and aims to improve people's lives in them. We create jobs and invest in education and the environment, believing in giving back and supporting important causes. Our commitment to social responsibility shapes everything we do, showing how much we care about making a positive difference where we work.

As part of our youth initiatives, we had an internship program where six people made their first career steps with us. Two of them started their internships in 2022 and continued into 2023. Three of the six interns were hired for full-time positions after their internships ended. We are proud that 50% of our interns decided to stay with us and continue their journey at Titan Zlatna Panega. This reflects our commitment to nurturing young talent and providing growth opportunities within our company. By investing in the future workforce, we aim to build a strong foundation for continued success.



Focus area:

Environmental positive impact

Material issues:

ratio

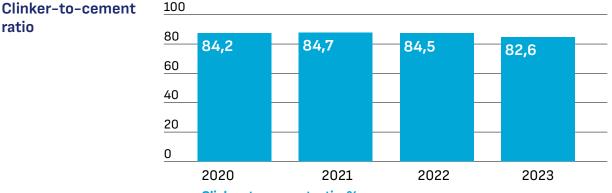
Mitigation of and adaptation to climate change Efficient use of energy and natural resources

The targeted efforts to increase the share of alternative fuels in the fuel mix reduced net carbon dioxide emissions per ton of cementitious product from 603 to 583 kg/ton of cementitious product, a

3% drop compared to the previous year. This is a small step toward achieving the company's decarbonization goals.

The biomass content in the fuel mix remains high due to the use of industrial waste generated from the processing of biological raw materials. The high biomass content in the used waste, combined with energy efficiency measures, is the most effective tool for reducing CO₂ emissions from fuels in cement plants.

In 2023, we continued to invest in the research and production of low-carbon footprint products. Compared to 2022, the clinker-to-cement ratio decreased by 2%.



Clinker-to-cement ratio, %

Focus area: **Positive Local Impact**

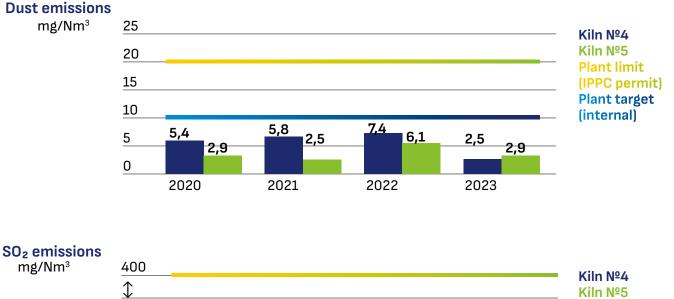
Material issues: Positive Environmental Impact

Air emissions

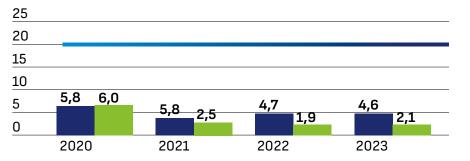
The cement plant and the RMC units of the company are equipped with state-of-the-art dedusting equipment. Most of the filters are fabric and guarantee dust emissions below 10 mg/Nm3. The filters of the two kilns in the cement plant are hybrid - a combination of an electrostatic precipitator and a fabric filter.

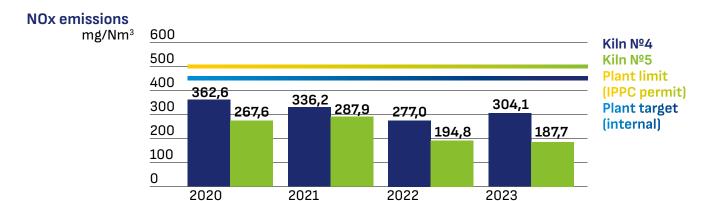
In 2023, TITAN Zlatna Panega maintained the positive trend and even improved the cement plant's strong performance in limiting the main emissions associated with cement production—dust, NOx, and SOx.

Almost 100 % (99%) of the dust emissions from the two kilns were below 4 mg/Nm3, with a maximum limit value of 20 mg/Nm3 according to our integrated permit. Specific dust emissions decreased by 49% compared to their value in 2022. To maintain these low levels of emissions, we apply the best available techniques in the production of cement, lime, and magnesium oxide, in accordance with Directive 2010/75/EU of the European Parliament. NOx emissions are controlled by a selective non-catalytic reduction (SNCR) installation. Good preventive maintenance and continuous monitoring of emissions from our facilities support our efforts to keep them much lower than legal requirements and align with our objectives.



Plant limit (IPPC permit) Plant target (internal)





Biodiversity management

Our cement production and raw material extraction take place close to areas included in the Natura 2000 network, designated for conserving specific natural habitats. This makes us proud but also obliges us to pay special attention to biodiversity. In 2023, we continued implementing our Biodiversity Management Plan and carried out various initiatives related to the conservation and restoration of habitats in the area.

The test was launched in 2021 to create characteristic grass communities for the area using different reclamation methods. It continued in 2023 with the observation and monitoring of test fields and the evaluation of the results obtained. Some fields showed significant potential for creating "important orchid habitats," which are a priority for conservation in the European Union under the Habitats Directive. This makes them extremely valuable for the restoration of disturbed areas.

In 2023, we continued our traditional activities of providing saplings of local species for the future reclamation of quarries used for the cement plant's raw materials extraction. Together with children from local schools, we planted seeds of downy oak (Quercus pubescens) and Turkey oak (Quercus cerris) in our nursery at the plant site. The ready saplings will be planted in the quarry areas designated for reclamation.

The topic of biodiversity was addressed in several of the lectures and field activities we organized for children from the Yablanitsa and Lukovit municipalities over the past year. In May 2023, we conducted training for children from three local schools dedicated to pollinators. Our focus was on wild pollinators, but we also included a local beekeeper who talked about the life of honey bee colonies, the impact of climate change, and environmental pollution on honey bees. We saw and tasted bee products and learned about their benefits. The children learned interesting facts about pollinator species, why they are important to modern society, and how to care for and protect them. This is in accordance with CEMBUREAU Biodiversity Roadmap 2030's targets to raise awareness around pollination. More specifically, with Facilitate **knowledge** sharing (webinars, papers, case studies) of rehabilitation activities targeted specifically for pollinators and experiences in the sector and studies that promote the interaction of vegetation and pollinators.

The pollinator topic was also part of the Green Academy, which we have been conducting for over 10 years with children and teachers from the Zlatna Panega region. The TITAN Zlatna Panega team organized activities in nature dedicated to exploring and protecting the environment. After presenting the karst phenomenon to the children in 2022, we expanded the topic in 2023 with visits to one of the most beautiful caves in Bulgaria – the Saeva Dupka, which is also home to many bat species. The topic of karst is close to everyone living and working in the Zlatna Panega region. It is well known that the local river of the same name originates from the largest karst spring in Bulgaria, "Glava Panega," located in the southeastern part of the village of Zlatna Panega.

Key Environmental Indicators Related to Biodiversity

As part of TITAN Group's commitments related to the UN Sustainable Development Goals, the company has set specific goals aimed at improving the environmental condition of the areas where it has production facilities. The Group ESG Targets 2025 are related to the protection and restoration of biodiversity:

100% of quarries for raw material extraction must have Rehabilitation Plans, and 25% of the affected areas should be rehabilitated.

100% of sites in areas with high biodiversity value should have biodiversity management plans.

As for 2023, all quarries of "Zlatna Panega Cement" AD have rehabilitation plans. The proportion of reclaimed areas aligns with the company's specific target in Bulgaria. In 2024, we will continue efforts for the phased reclamation of parts of the quarries where raw materials have been extracted to achieve our plant's 2025 target.

"Zlatna Panega" Quarry is located in an area with rich biodiversity. A Biodiversity Management Plan has been developed and implemented on-site, including all relevant actions and initiatives for the conservation and, where possible, enhancement of biodiversity.

Material issues:

- Sustainability of local communities
- Social positive impact

In 2023, TITAN Zlatna Panega continued to engage with its stakeholders and contribute to the sustainability of local communities. We continuously promoted open dialogue and collaborative actions with its internal and external stakeholders by implementing sustainability initiatives that are in alignment with the TITAN Group's target to have Community Engagement Plans (CEPs) connected with material issues for stakeholders and the UN SDGs 2030 at 100% of its key operations by 2025. 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 neighboring communities.

- 6 initiatives
- 1602 participants
- Total number of beneficiaries 48 864 people

Stakeholder engagement practices were more active in 2023. We coordinated 6 initiatives to engage with our stakeholders and contribute to the sustainability of our communities, investing in a total of about 45,000 Euros. Approximately 1602 people participated in the initiatives and actions, of which 41 were volunteers TITAN Zlatna Panega's employees. We reached almost 48 864 people as beneficiaries in our communities.

Sustainability of Communities: TITAN Zlatna Panega's Commitment to Education, Environment, and Youth Initiatives

Sustainability in communities is a multifaceted issue that encompasses environmental stewardship, quality education, and the active engagement of youth in community development. TITAN Zlatna Panega has demonstrated a strong commitment to fostering sustainable communities through initiatives integrating environmental care, education, and youth participation.

High-Quality Education with TITAN

TITAN Zlatna Panega has been continuously investing efforts and resources in educational programs for years. We proactively seek and support NGOs and schools working for modern education. We support the cause of providing affordable and quality Bulgarian education for children in the region where we work. This is an area with a significant level of unemployment. Large groups of people in local communities live on the edge of poverty. We purposefully organize and support many initiatives that aim to provide better opportunities for people from local communities for development and professional realization.

Summer START Academy in Brestnitza

The partnership with the "Teach for Bulgaria" Foundation is an example of sustainable social commitment in the field of education and an investment in a better way of life for people. For the third year in a row, in the summer of 2023, TITAN Zlatna Panega Cement funded a Summer START Academy in the village of Brestnitsa, Lukovit municipality.

This year's academy edition took place from July 1 to 19 at the local "Hristo Botev" Primary School.

Nearly 40 students from first to seventh grade had the opportunity to catch up on missed lessons from the school year, develop valuable new skills, and explore various professions. The activities were free for the eager-to-learn children and their parents. The main focus of the program was the knowledge of the Bulgarian language and mathematics, and the theme this year was "Travelers". The students met various successful people who shared interesting stories and motivated them not to interrupt their education. TITAN Zlatna Panega supported the initiative for the third consecutive year for a better future for the local community's children. The cause reflects the company's commitment to the holistic development of the region, which begins with the education of young people.

"TITAN Zlatna Panega once again happily supports the summer academy, as our company shares the values of the organizers and believes that education is key to overcoming social disparities. It is a factor in improving the standard of living in the region and providing better opportunities for subsequent professional realization. Diverse educational programs are also important for overcoming the mismatch between the knowledge and skills demanded by businesses, and those students acquire through standard approaches. The development of the local community will allow young people to seek their professional realization in the region by actively engaging them in building a better common future," said Adam Frantzis, General Director of TITAN Zlatna Panega.

Model Schools

TITAN Zlatna Panega supports 2 schools – one in Teteven and one in Pleven, as part of the Model Schools program of "Teach for Bulgaria". During the 2023/2024 school year, the Model Schools program in the region reached 77 teachers.

Since the beginning of the partnership between TITAN and Teach For Bulgaria in 2013, over 130 teachers and

ESG PERFORMANCE REVIEW

over 3,500 students have been supported in Lovech, Pleven and the region.

Two new schools from the region joined the two-year Model Schools program in July - in Rumyantsevo and in Dermantsi.

Summer Stroi.Academy in Gabrovo

Additionally, in July 2023, Titan Zlatna Panega participated in the fifth edition of the Summer Stroi. Academy organized by Hobelix in the town of Gabrovo. TITAN's professionals shared their experience and knowledge with students, introducing them to the world of the construction sector. Participants had the opportunity to perform practical construction tasks, guided by mentors, thus gaining valuable practical experience and an initial career boost.

The company continues to work actively to improve the educational and professional development conditions for young people in the region, supporting various initiatives aimed at their future. These efforts are part of Titan Zlatna Panega's long-term commitment to sustainable development and social responsibility.

Positive Local Economic Impact

Supporting and developing the local community is central to our business strategy. We are committed to enhancing the standard of living and promoting economic growth in the area where we operate. By choosing local suppliers, we build lasting partnerships that drive sustainable progress.

With the digitalization of internal processes and a unified group-wide database, we now monitor and analyze local spending more accurately and efficiently. This has enabled us to involve local suppliers in tenders across neighboring factories within the TITAN Group.

In 2023, local spending comprised 79.50% of our total expenditures, surpassing the previous year's figures.

We achieve these solid results by investing and implementing projects that prioritize local companies for the supply of materials, structures, and services. This approach allows us to receive competitive products and services on time while minimizing the risks of delays and supply chain disruptions. In turn, this enhances the sustainability of our business and makes a significant positive impact on the local community.



	Business Units in the s	ame Country- Bulgaria
EUR	ZPC	GAEA
Local Spend	39 447 951	85 114
Total Spend	49 632 288	85 114
% local	79.48%	100.00%
% international	20.52%	0.00%
Total Country		79.5%

	2023	2022	2021	2020	2019
% Local expenditure in relation to total expenditure	79,50%	79.04%	77.89%	83.46%	77.14%

In Titan Zlatna Panega, we plan to continue developing and strengthening our long-term, mutually beneficial relationships with local suppliers and partners. Indeed, this continues to be one of our top priorities.

Environmental Care

As a key player in Bulgaria's cement industry, TITAN Zlatna Panega has been instrumental in promoting environmental sustainability among the younger generation. In collaboration with local schools, TITAN has engaged children in hands-on activities that emphasize the importance of preserving Bulgaria's natural resources.

In May 2023, Titan Zlatna Panega organized an open lesson for local school children on the Iskar Panega eco-trail. The initiative's main goal was to promote and conserve natural resources through innovative outdoor lessons. The students learned about wild pollinators and their importance, and a local beekeeper attended the lesson and presented interesting facts about bees and their role in the ecosystem.

In December 2023, students from the local primary schools "Lyuben Karavelov" and "Hristo Botev" participated in the reclamation of the "Zlatna Panega" quarry. They joined TITAN Zlatna Panega's team in planting 50 kg of Turkey oak and downy oak seeds at the quarry. These efforts are not only aimed at restoring the natural habitat but also at educating the students on the importance of environmental conservation. The downy oak, a species once prevalent in the region, is now rare, and its reintroduction is crucial for maintaining the area's biodiversity.

Youth Initiatives and Community Engagement

TITAN Zlatna Panega's commitment to youth development extends beyond formal education. The company has supported numerous initiatives to engage young people in meaningful community activities. Through its partnership with Teach for All, TITAN has played a crucial role in enhancing educational opportunities for students in underserved areas. This collaboration has not only improved access to quality education but has also inspired young people to become active contributors to their communities.

Additionally, for the second consecutive year, TITAN has funded summer activities for students in the village of Brestnitsa. These activities, which include educational camps and recreational programs, provide a safe and engaging environment for children during the summer months, fostering both personal growth and community spirit.

Contributions to Community Infrastructure and Sports

TITAN Zlatna Panega's commitment to community sustainability is further reflected in its contributions to local infrastructure and sports development. The company has supported the construction and maintenance of roads, churches, schools, and a speleological base, which are vital for the well-being of the communities it serves.

Moreover, in 2023, TITAN has actively contributed to the development of local sports, as evidenced

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by its support for the Northwestern Motocross Championship and the local volleyball team "Izgrev Yablanitsa -1958". Such initiatives not only promote physical health and teamwork but also strengthen the social fabric of the community.

Commitment to Sustainable Practices

At TITAN Zlatna Panega, we are responsible for developing our young colleagues. We have welcomed and trained trainees for many years and supported their preparation to start their first job. This is particularly valuable for the business because it enables us to hire qualified staff familiar with the real working environment in the future. Our internship program is designed to prepare young people in their third or fourth year at university who study subjects such as silicate technology, electrical engineering, mechanical engineering and technology, construction, finance, etc. Anyone who starts an apprenticeship with us can get a longer apprenticeship and an employment contract with us. The experience interns gain in a large industrial company like TITAN Zlatna Panega is an advantage for their future careers. They are the preferred candidate when there are vacancies in the company.

Financial Contributions to local communities in 2023

In 2023, TITAN Zlatna Panega continued its commitment to community support through various financial contributions. The total sum of donations made during the year amounted to €20,000. This includes:

Donations in cash: €12,000

Donations in kind: €8,000

These contributions reflect TITAN Zlatna Panega's ongoing dedication to enhancing the well-being of local communities, further supporting initiatives in education, environmental care, and youth development. TITAN Zlatna Panega has engaged in continuous dialogue with community stakeholders to ensure that its initiatives align with the needs and aspirations of the local population. Through its diverse initiatives, the company exemplifies a holistic approach to community sustainability. By investing in quality education, environmental care, youth engagement, and infrastructure development, the company is making a lasting impact on the communities it serves. These efforts not only enhance the quality of life for current residents but also lay the foundation for a more sustainable and prosperous future.

Focus area:

Responsible sourcing

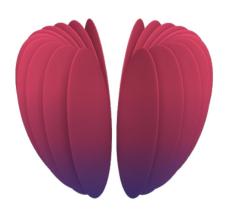
Water Management

The conservation and protection of water resources in the area of our operations is our responsibility and top priority. The specific goals of the cement plant for effective water management by 2025 are as follows:

 Water consumption should not exceed 350 liters/ ton of cement product;

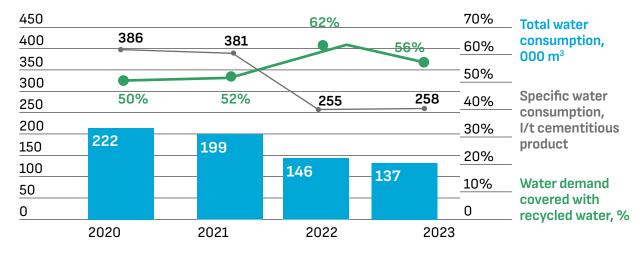
60% of water consumption should be supplied by recycled water.

In 2023, our water performance remained stable. Specific water consumption was approximately the same as in 2022 – 258 liters/ton of cementitious product. Throughout the year, 56% of the required water quantities were provided by recycled water. These achievements result from our continuous efforts to effectively manage water resources through actions to reduce consumption, proper maintenance of the water supply network and the sewage system, and the efficient operations of the water recirculating system.



WE CARE

Water consumption



We ensure the high-quality purification of the wastewater that is generated on the production site by using different water treatment plants:

 a three-stage treatment plant for domestic sewage water;

a flotator for the treatment of industrial wastewater and

• a system of oil-and-mud collectors capturing stormwater from the site.

Further to that, we perform regular monitoring of the quality of discharged wastewater. All monitored parameters in 2023 were in accordance with the individual emission limits set out in the company's respective permit.

Energy efficiency

Following the energy efficiency audit of our plant conducted in 2022, we continued to implement its recommendations over the past year. The improvements in 2023 resulted in a 7% reduction in the specific electricity consumption per ton of cement compared to 2022.

Besides energy efficiency, resource efficiency is also one of our main priorities. We strive to minimize the use of natural resources by replacing some of the raw materials with waste.

In 2023, we recycled over 75,000 tons of waste from various industries in Bulgaria and used them as

additives in clinker and cement production. In this way, we saved the extraction of approximately the same amount of natural raw materials and contributed to the circular economy in the country. The percentage of alternative raw materials as a share of total raw materials used in clinker and cement production increased by 12% compared to 2022.

In recent years, we have proven that we successfully achieve our set goals and contribute to building and transitioning to a sustainable, resource–efficient, and carbon–neutral society.

Material issue: Reliable and sustainable supply chain

Quality and sustainability of products

Customer relations

TITAN Zlatna Panega operates five concrete production facilities in Sofia and Plovdiv. Our concrete business offers a wide range of products and services. They are tailored to customer needs — high-performance, shotcrete, waterproof, corrosion and frost-resistant floor screed. We develop and provide on-the-market solutions for floor screed, cement granular mixture, concrete with low thermal heat and high strength, and shotcrete. They are used in Bulgaria for reference buildings and infrastructure projects that improve the social environment and people's standard of living. We specialize in high-rise construction and meet the modern requirements for long-lasting buildings with high strength and lower carbon footprint.

ESG PERFORMANCE REVIEW

Reliable and sustainable supply chain

In 2023, Titan Zlatna Panega continued its effort to improve the efficiency of the supply chain, focusing even more on the sustainability of global categories. Optimizing the supply base, building and maintaining long-term relationships with suppliers, and continuous supplier evaluation are all key elements when it comes to optimizing total expenditure, transparency, and the promotion of sustainable values across the entire supply chain.

The Group Policy of TITAN is the foundation for this initiative, and in this policy are built the core principles of the Group. These principles revolve around social, ethical, and environmental responsibility.

Titan regularly updates its Group code of conduct with regard to procurement so it is always up to date with the group's procurement policies. The group's code of conduct is published on Titan's website.

In addition, there is an ongoing process of expanding the environmental and social governance criteria against which Titan determines its "key suppliers". The newly incorporated ESG criteria follow GCCA's guidelines for sustainable supply chain management and the 10 principles of the global agreement of the UN.

According to GCCA's guide for sustainable supply chain management, Titan defines key suppliers as critical, as they represent a significant amount of spending (80%) for every business unit of the group. An ESG evaluation process has been started for suppliers that have been identified as key/critical on BU/ Global level.

"The clearly defined goals in our plan for

decarbonization are the driving force in our work. We innovate and develop new products with a low carbon footprint. Our employees work with a mission. They are engaged, motivated and capable of adapting to changes. This is why our group chooses to invest in more innovations." - said Adamantios Fantzis, General Manager of Titan Zlatna Panega.

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. Our ESG targets for 2025 and beyond, in direct alignment with our commitment to the UN Sustainable Development Goals (SDGs) and the UN Global Compact, are underpinned by strong governance, transparency, and business ethics.

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. Our two governance bodies, the Board of Directors and the Group Executive Committee oversee the implementation of our strategy and sustainability imperatives and reflect the culture of good governance, transparency and business ethics prevalent across the Group.

Focus area: Good governance, transparency and business ethic

A strong compliance culture across TITAN Group and TITAN Zlatna Panega, underpinned by our values and ethical standards, is a key driver of our performance and a solid foundation for operational excellence. Our disciplined approach and consistent efforts to ensure compliance are enabled through the TITAN Group Compliance Program, a dynamic, risk-based program incorporating awareness and training, assurance activities, continuous monitoring and oversight.

The Corporate Code of Conduct and the Group Policies convey the rules, standards and principles, providing the necessary guidelines to employees and business collaborators. All employees have unrestricted access to Group Policies in all local languages on the Intranet. The policies are also available on our website (www. titan-cement.com/about-us/corporate-governance/ group-policies).

Group Policies cover all strategic compliance areas such as Anti-Bribery and Corruption, Conflict of Interest, Protection of Personal Data, Competition Law, Global Sanctions, Whistleblowing, Environmental and Climate mitigation, Human Rights, and Health and Safety. The set of Group Policies is enriched by the Diversity, Equity and Inclusion Policy and the Group Code of Conduct for Procurement, confirming our commitment to sustainability and responsible supply chain management. In 2023, we focused on ensuring compliance with global sanctions. To this end, we implemented the Third-Party Due Diligence System as a set of control activities, supported by a fully automated worldclass data-driven engine. It enables the corporate analysis, assessment, and enhanced screening of third parties as well as the identification of red flags in relation to sanctions, sustainability, and other integrity risks.

As awareness and training are considered imperative, a Regulatory Compliance Training program was launched across the Group, with specialized training for specific roles, in addition to e-learning. A starting point was Global Sanctions, Third-Party Due Diligence System, and Anti-Fraud Awareness training sessions, delivered on-site and remotely, in close cooperation with Group Legal. In total, in 2023, 243 compliance training hours were conducted for 92 employees.

Whistleblowing policy

The Whistleblowing Policy of TITAN Zlatna Panega ensures that employees, contractors, and stakeholders can confidentially report any unethical, illegal, or inappropriate behavior within the company. The policy encourages transparency and accountability by providing a secure and anonymous channel for reporting concerns without fear of retaliation. All reports are thoroughly investigated, and appropriate actions are taken to address any issues. TITAN Zlatna Panega is committed to maintaining high ethical standards and protecting the integrity of its operations through this policy.

The Policy applies to all employees of TITAN Group worldwide, regardless of the legal basis of the working relationship and the position or the function of the employee. Third parties who have an ongoing relationship with TITAN may also rely on this Policy to report Incidents.

The Policy is supported by TITAN EthicsPoint, a platform where employees from every country can report work-related concerns with confidentiality, by phone or online. The launch of this common platform across the Group enhances our efforts to foster a culture of integrity and ethical conduct across all our business units while strengthening our ability to monitor non-compliance with TITAN policies.

Anti-bribery and corruption

Doing business with absolute transparency and integrity and demonstrating accountability to the

utmost degree are strong and non-negotiable commitments of TITAN Group and TITAN Zlatna Panega. They comprise indispensable parts of our long-lasting culture and robust ethical standards. The effective management of governance and ethics considerations and deterring bribery and corruption risks are considered fundamental to implementing our sustainability strategy and achieving our 2025 objectives.

Our zero-tolerance stance against bribery and corruption across TITAN Group is confirmed through a consistent management approach and a strong governance structure prescribed in the Group Corporate Governance Charter. It is supported by a comprehensive framework of tools, controls, and deterrence mechanisms, overseen by the Audit and Risk Committee, a Board Committee comprised of non-executive and independent Board members. The Group Compliance and Anti-Fraud Department, part of Group Internal Audit Risk and Compliance, maintains the overall responsibility for monitoring compliance risks and coordinating relevant controlling activities in cooperation with management and the Legal Department.

The TITAN Group Code of Conduct and Anti-Bribery and Corruption Policy introduced in TITAN Zlatna Panega set forth the principles, rules, and responsibilities and provide specific guidance for the preventive and detective procedures in place to mitigate the risk. Risk assessment activities and the detection of negative events and red flags associated with third parties who perform services for or on behalf of TITAN Group are undertaken through the Third-Party Due Diligence System, a highly automated structured set of activities and control mechanisms.

In 2023, 13.8 training hours were delivered for 23 participants for Anti-bribery and Corruption. The training hours for the Code of Conduct were 36 for 62 participants.

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.

ESG PERFORMANCE REVIEW

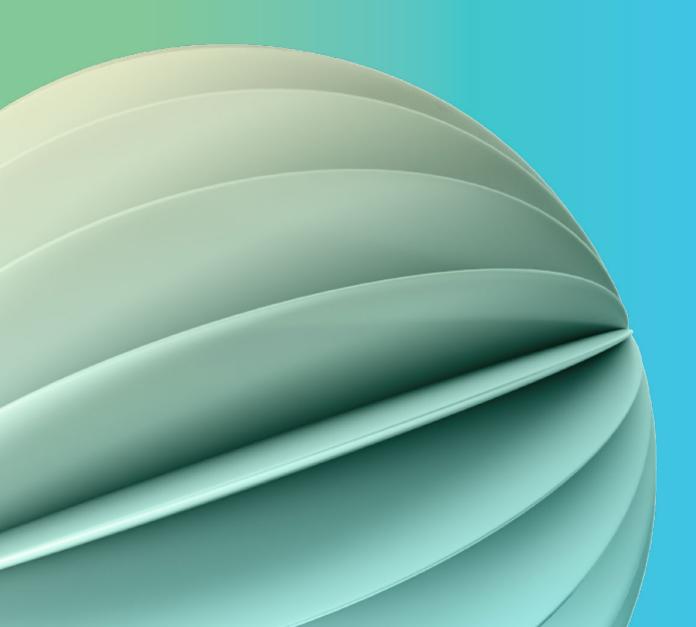
TITAN's commitment to respecting the human rights of all people, particularly of stakeholders who may be affected by our operations, is specified according to the UN Business and Human Rights Guidelines in the Group HR Policy adopted in 2018.

To intensify our efforts to ensure compliance with regulations, ESG requirements, and 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. In 2023, 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.

In 2023, 92 people received online training, totalling 243 training hours on Group Policies such as Code of conduct, Anti-bribery and corruption, and Human rights. In addition, every new employee received the policies and signed a consent form indicating that they understood and followed our internal rules.



ESG STATEMENT REVIEW



ESG PERFORMANCE REVIEW

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 2023. 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 2023 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	Puldaria
1	TITAN Group Future-ready business model for a carbon- neutral world	Bulgaria Safe and healthy working environment
2	Safe and healthy working environment	Customer relations
3	Good governance, transparency and business ethics	Employee development and wellbeing
4	Diverse and inclusive workplace	Climate change mitigation and adaptation
5	Positive local social, economic and environmental impact	Quality and sustainability of products
6	Innovation with emphasis on digital and decarbonization	Efficient use of energy and natural resources (water, raw materials, and fuels)
7	Continuous development of our people	Good governance, transparency and business ethics
8	Reliable and sustainable supply chain	Sustainability of communities
9	Resource efficiency, recycling and recovery, contibuting to circular economy	Responsible and reliable supply chain
10		Biodiversity conservation
Ad	ditional issues material to stakeholders based o	n the last materiality validation in 2022
1		Visual impactsData Security
		Business Model Resilience
		•Customer Welfare

Level of Material Issues:

The first column of Table 1 provides the order of prioritization of the material issues for TITAN Group, and TITAN Zlatna Panega, according to the outcomes of the materiality assessment of the last cycle in 2021 and 2022, respectively. In 2023, 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

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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.

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

	ERSTANDING OVERVIEW N ZLATNA PANEGA	/	MANA REPOF	GEMENT RT			ESG P REVIE	ERFO	RMA	NCE		
2. E	SG Key Performance Ind	icators (KPI	s)									
	Focus area: De-carboniz			ation								
	ESG Performance Indicators	Unit	2023	2022	2021	GCCA	UNGC	UNCTA	D TCFD	GRI	SASB	SDGs and
21	1 Material Issue: Future-ready	husiness mor	lel in a ce	arbon_ne	utralwo	rld						Targets
	ent and cementitious product					Πu						
	Scope 1 gross CO ₂ emissions ²		0,4	0,4	0,4			•	•	305-1	EM-CM-110a.1	506.97
	Scope 1 specific gross CO ₂	kg/t	670,6	 680,8	 690,6					305-4		000 0.4
	emissions	cementitious product										
	Scope 1 gross CO ₂ emissions coverage rate	% clinker production	100,0	100,0	100,0					305-1		-
1.4	Scope 1 gross CO₂ emissions covered under limiting regulations	%	100,0	100,0	100,0		•	•			EM-CM-110a.1	-
1.5	Scope 1 net CO ₂ emissions	million t	0,3	0,3	0,3				•			
1.6	Scope 1 specific net CO ₂ emissions	kg/t cementitious product	582,6	602,8	605,6	•	•		•	305-4		
1.7	Scope 1 net CO ₂ emissions coverage rate	% clinker production	100,0	100,0	100,0							-
1.8	Scope 2 CO ₂ emissions ³	million t	0,0	0,0	0,0	•				305-2		-
1.9	Scope 2 specific CO ₂ emissions	kg/t cementitious product	58,4	48,0	47,4	•	•		•	305-4		SDG 9.4
1.10	Scope 2 CO ₂ emissions coverage rate	% clinker production	100,0	100,0	100,0					305-2		-
1.11	Scope 3 CO ₂ emissions ^{4,8}	kt	87,8	76,1	82,1					305-3		
1.12	Category 1 - Purchased goods and services ⁹	kt	5,2	5,4	4,8	•			•			-
1.13	Category 3 - Fuel and energy related activities	kt	31,4	24,0	26,1	•			•			-
1.14	Category 4 - Upstream transportation and distribution	kt	5,8	5,4	8,9	•			•			
1.15	Category 6 - Business travels	kt	0,0	0,0	0,0		_					
1.16	Category 7 - Employee 	kt	0,8	0,6	0,4	•			•			
1.17	Category 9 - Downstream transportation and distribution	kt	44,7	40,7	41,9	•			•			
1.18	Scope 3 specific CO₂ emissions ⁸	kg/t cementitious product	165,6	133,2	157,0	•			•	305-4		
1.19	Scope 3 CO2 emissions coverage rate	% clinker production	100,0	100,0	100,0					305-3		
1.20	Conventional fossil fuels substitution rate	% Heat	51,9	53,6	56,3	•	•	•	•			
	Alternative fuel substitution rate	% Heat	48,2	46,4	43,7	•	•	•	•		EM-CM-130a.1	-
	Biomass in fuel mix⁵	% Heat	16,3	17,2	12,4	•	•	•			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	51,8	53,6	56,3	-	•	_	•	302-3		-
1.25	Coal, anthracite, and waste coal	% Heat	48,5	51,4	50,7		•		•			-
1.26	Petroleum coke	% Heat	0,0	0,0	0,0		•		•			-
1.27	Lignite	% Heat	0,0	0,0	0,0		•		•			
1.28	Other solid fossil fuel	% Heat	0,0	0,0	0,0		•		•			
	Natural gas	% Heat	3,1	2,1	5,5		•		•			
1.30	Heavy fuel (ultra)	% Heat	0,0	0,0	0,0	_	•		•			

2. ESG Key Performance Inc	licators (K	PIs)									
2.1 Focus area: De-carboniz	ation and	Digitaliz	ation					-			
Code ESG Performance Indicators	Unit	2023	2022	2021	GCCA	UNGC	UNCTAD	TCFD	GRI	SASB	SDGs an Targets
1.31 Diesel oil	% Heat	0,2	0,2	0,1							SDG 7.2
1.32 Gasoline, LPG (Liquified petroleum gas or liquid propane gas)	% Heat	0,0	0,0	0,0		•		•			SDG 12.3 SDG 13.3
1.33 Alternative fossil and mixed fuels	% Heat	48,2	46,4	43,7	•	•	•	•			_
1.34 Tyres	% Heat	7,9	6,8	7,0			•				
1.35 RDF	% Heat	40,3	39,5	36,7			•	•			_
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)	nt	35 392	35 650	30 200	•	•	•	•		EM-CM-130a.1	_
1.45 Clinker to cement ratio	%	86,6	84,5	84,7	•	•					_
1.46 Moderate carbon products ⁶	% cement production	45,0	35,7	37,9				•			_
1.47 Green (lower carbon) products ^{1,7}	% cement production	18,4	12,7	12,3				•			

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 CO_2 emissions related to the operation of TITAN's clinker, cement, and cementitious production facilities. 3. Indirect CO_2 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 \mbox{CO}_2 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.

UNDERSTANDING OVERVIEW TITAN ZLATNA PANEGA			MANAGEM REPORT	1ENT		ESG P REVIE					
2.2 F	ocus area: Growth-enablin	g work env	ironme	ent							
Code	ESG Performance Indicators	Unit	2023	2022	2021	GCCA	UNGC	UNCTAD TCFD	GRI	SASB	SDGs and Targets
2.2.1	Material issue: Safe and healthy w	orking enviro	nment					· · · ·			
All ac	tivities										
2.1	Employee fatalities	#	0	0	0	•	•	•	403-9	 	SDG 3.6
2.2	Employee fatality rate	#/104 persons	0,0	0,0	0,0	•	•	•			SDG 3.8 SDG 4.3 SDG 8.8
2.3	Contractor fatalities	#	0	0	0	•	•	•			_
2.4	Third-party fatalities	#	0	0	0			•			_
2.5	Employee Lost Time Injuries (LTIs)	#	0	0	2	•	•	•			_
2.6	Employee Lost Time Injuries Frequency Rate (LTIFR)	#/106 h	0,0	0,0	4,4	•	•	•		EM-CM- 320a.1	_
2.7	Employee lost working days ⁴	d	0	0	161	•					_
2.8	Employee Lost Time Injuries Severity Rate ⁴	d/106 h	0,0	0,0	351,5	•	•	•			_
2.9	Contractor Lost Time Injuries (LTIs)	#	0	0	1	•	•	•			_
2.10	Contractor Lost Time Injuries Frequency Rate (LTIFR)	#/106 h	0,0	0,0	2,5	•	•	•		EM-CM- 320a.1	
All ac	tivities										
2.11	Near misses	#	46	38	26		•			EM-CM- 320a.1	SDG 3.8
2.12	Training man-hours on health and safety / employee⁵	h/person	21,9	22,3	25,4		•	•	403-5		SDG 4.3 SDG 8.8
2.13	Training man-hours on health and safety / contractor⁵	h/person	27,5	18,9	10,1		•	•			_
2.14	Expenditures for Health and Safety ²	€		247 551	1644 194		•	•	201-2		
Ceme	nt production activities	-									
2.15	Employee fatalities	#	0	0	0	•		•			SDG 3.6 SDG 3.8
2.16	Employee fatality rate	#/104 persons	0,0	0,0	0,0	•	•	•			SDG 3.8 SDG 4.3 SDG 8.8
2.17	Contractor fatalities	#	0	0	0	•	•	•			
2.18	Third-party fatalities	#	0	0	0	•	•	•			_
2.19	Employee Lost Time Injuries (LTIs	#	0	0	1		•	•			_
2.20	Employee Lost Time Injuries Frequency Rate (LTIFR)	#/106 h	0,0	0,0	2,8	•	•	•		EM-CM- 320a.1	_
2.21	Employee lost working days	d	0	0	21	•	•				_
2.22	Employee Lost Time Injuries Severity Rate	d/106 h	0,0	0,0	235,4	•	•	•			_
2.23	Contractor Lost Time Injuries (LTIs)	#	0	0	1	•	•	•			_
2.24	Wellbeing initiatives for employees ^{1,2}	#					_		403-6		
2.2.2	Material issue: Diverse and inclus	sive workplac	e								
2.25	Average employment ⁶	#	233	251	259		•		2-7b		SDG 5.4
2.26	Number of employees by year end,	#	227	248	255		•				SDG 8.5 SDG 8.6 SDG 8.8
	Employee turnover / gender, avg.	%	10,32	8,06	4,71		•				SDG 10.3
2.27	Females	%	25	20,0	15,0				401-1		_
2.28	Males	%	75	80,0	85,0						_
	Employee turnover / age ^{2,7}										_
2.29	Under 30 ²	%	16,67	0,0	0,0				401-1		_
2.30	Between 30-50 ²	%	66,67	0,7	75,0						_
2.31	Over 50 ²	<u>%</u>	16,67	0,3	25,0						_
2.32	Employees left ⁷	#	24	30	20		-				

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2.2 F	ocus area: Growth-enablin	g work envi	ironme	nt							
Code	ESG Performance Indicators	Unit	2023	2022	2021	GCCA	UNGC	UNCTAD TCFD	GRI	SASB	SDGs and Targets
	Employees left / age	. <u> </u>									SDG 5.4
2.33	Under 30	#	4	1	0				401-1		SDG 8.5 SDG 8.6
2.34	Between 30-50	#	16	21	15						SDG 8.8
2.35	Over 50	#	4	8	5						SDG 10.3
	Employees left / gender										
2.36	Females	#	6	8	3				401-1		
2.37	Males	#	18	22	17						_
2.38	Employee new hires, avg. ⁷	%	13,73	10	5		•				_
2.39	Employee new hires ⁷	#	32	24	14		•				
	Employee new hires / gender ⁷										
2.40	Females	#	12	8	3		•		401-1		_
2.41	Males	#	20	16	11		•	<u> </u>			_
	New hires / age ⁷										_
2.42	Under 30	#	8	7	7		•		401-1		_
2.43	Between 30-50	#	21	16	6		•				_
2.44	Over 50	#	3	1	1		•				_
	Employment / type ⁷										
2.45	Full time	#	227	248	247		•		2-7f		
2.46	Part Time	#	0	0	0						
2.47	Temporary	#	4	3	8		•				
	Employment / category ⁷										
2.48	Senior managers	#	2	4	4		•		2-7f		
2.49	Managers	#	23	23	23		•				
2.50	Administration/technical	#	90	93	94		•	·		-	_
2.51	Semi-skilled/unskilled	#	112	128	134		•				_
	Employment / age	#	_								_
2.52	Under 30	#	22	21	21				2-7		_
2.53	Between 30-50	#	120	129	130						
2.54	Over 50	#	85	98	104						
	Employment / gender ⁷										_
2.55	Females	#	65	70	71		•		2-7		
2.56	Males	#	162	178	184		•	<u> </u>			_
2.57	Share of women in employment, avg. ⁷		28,6	28,2	28,0		•		405-1		_
2.58	Share of women in management, avg. ⁷	%	36,0	40,7	40,5		•	•			
2.59	Share of women in Senior Management, avg. ⁷	%	0,0	0,0	0,0		•	•			_
2.60	Number of employees with dissabilities, Group ^{1,2}	#	13	12	0						_
2.61	Number of parental leaves ^{1,2}	#	8	11	0					-	
2.2.3	Material issue: Continuous develo	opment of our	people								
2.62	Training investment / (trained) employee, avg. ^{3,7}	€	171	268	151		•	•	404-1	<u></u>	SDG 4.3 SDG 4.4
2.63	Training investment ³	€	41 515	67 519	37 810		•	•			[—] SDG 5.1 —SDG 5.5
	Training investment / gender ⁷										SDG 8.5
2.64	Females	€	10 914	485	12 537		•	•	404-1		SDG 10.2 SDG 10.3
2.65	Males	€	30 601	183	25 273		•	•			SDG 16.5
2.66	Trained employees, total ⁷	#	243	259	251		•				_
2.67	Share of trained employees, avg. ⁷	%	100,0	100,0	98,0		•				_
2.68	Share of trained female employees (in total female employees), avg. ⁷	%	100,0	92,9	80,0		•				
	Trained employees / category ⁷				-						

UNDERSTANDING OVERVIEW TITAN ZLATNA PANEGA			MANAGEM REPORT	ENT		ESG P REVIE						
2.2 F	ocus area: Growth-enablin	g work en	vironme	nt								
Code	ESG Performance Indicators	Unit	2023	2022	2021	GCCA	UNGC	UNCTAD	TCFD (GRI	SASB	SDGs and Targets
2.69	Senior Managers	#	3	3	3				4	404-1		SDG 4.3
2.70	Managers	#	26	23	24							SDG 4.4 SDG 5.1
2.71	Administration/technical	#	92	98	90							SDG 5.5
2.72	Semi-skilled/Unskilled	#	122	135	134							SDG 8.5 SDG 10.2
	Trained employees / age group											SDG 10.3
2.73	Under 30	#	20	28	20		•		2	404-1	-	[—] SDG 16.5
2.74	Between 30-50	#	117	127	152		•					
2.75	Over 50	#	106	104	79		•					
2.76	Training hours	#	8 253	9 960	10 631		•	•				
2.77	Average training hours / employee (over the total number of direct employees), and breakdown per gender ⁴	h/person	36,1	38,9	42,0		•	•		404-1		
2.78	Average female	#	27,0	33	28							
2.79	Average male	#	36,4	41	46							
	Training hours / subject											
2.80	Company onboarding	#	0,0	0	0					404-1		
2.81	Compliance	#	243,1	216	203			•				
2.82	Sustainability	#	20,0	4	50			•				
2.83	Decarbonization ^{1,2}	#	26,5	51	0							
2.84	Digital & IT ²	#	397,0	24	51							
2.85	Environment	#	392,0	134	179							
2.86	Foreign languages	#	50,0	35	63							
2.87	Functional competence	#	272,7	189	512							
2.88	Generic competence	#	954,0	3 048	597	_						
2.89	Health and Safety	#	5 357,0	5 637	6 711							
2.90	Managerial skills	#	116,0	31	0							
2.91	Other	#	23,3	2	5		_					
2.92	Security	#	33,8	51	0							
2.93	Technical know-how	#	368,0	540	2 260							
2.94	Share of employees with performance evaluation, avg.	%	100,0	47,2	25,9				4	404-3		
2.95	Share of female employees with performance evaluation, avg. ²	%	100,0	36,1	39,0							

Notes for specific KPIs

 New indicator. More details you may find in the section TITAN's approach for ESG Performance reporting and in the below:
 Decarbonization was introduced as a new subject area and presented separately in this report for the first time, whereas in the past respective subjects to GHG emissions were covered under Environment.

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

3. For the definition see Table 2.5.10 Value Creation Indicators. 4. Figure(s) for 2021 adjusted to include previously unreported data.

5. The KPI was calculated for closing of the reporting period 2023 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 2023. 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.

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	Focus area: Positive local ir ESG Performance Indicators	Unit	2023	2022	2021	GCCA	UNGC	UNCTAD	TCFD	GRI	SASB	SDGs and
	· · · · · · · · · · · · · · · · · · ·											Targets
	Material issue: Environmental po	ositive impa	act									
	missions											
3.1	ent production activities Coverage rate continuous measurement	%	100,0	100,0	100,0	•	•			305-7	EM-CM- 120a.1	SDG 3.9 SDG 9.4
3.2	Specific dust emissions	g/t clinker	7,9	15,6	8,2	•	•				EM-CM- 120a.1	_
3.3	Specific NOx emissions	g/t clinker	559,3	520,0	714,6	•	•				EM-CM- 120a.1	
3.4	Specific SOx emissions	g/t clinker	6,6	6,0	7,2	•	•				EM-CM- 120a.1	
3.5	Integrated cement plants and cement grinding plants with certified Environmental Management System (ISO 14001 or similar)	% of plants	100,0	100,0	100,0		•					
All ac	tivities											
3.6	Environmental complaints ²	#	1	3	0					3-3		
Reha	bilitation											
Cem activ	ent production and aggregates ities											
3.7	Sites with rehabilitation plans ³	%	100,0	100,0	100,0	•	•			304-3	EM-CM- 160a.1	SDG 15.3
3.8	Total land use ^{1,3}	million m ²	1,0	0,9	n/a					304-1aii	EM-CM- 160a.2	SDG 15.4 SDG
3.9	Rehabilitated areas over affected areas (cumulative) ^{1,3,6}	%	4,0	2,1	1,8		•			304-1	EM-CM- 160a.2	15.9 _SDG 15a
3.10	Sites with Environmental Management System (ISO14001 or similar) ³	%	100,0	100,0	100,0		•			3-3	EM-CM- 160a.1	
	versity											
Cem activ	ent production and aggregates ities											
3.11	Sites in high biodiversity value areas ^{3,4}	#	1	1	1	•	•			304-1	EM-CM- 160a.1	SDG 15.3
3.12	Sites with biodiversity management plans ^{3,5}	#	1	1	1	•	•			304-3	EM-CM- 160a.1	SDG 15.4 SDG
3.13	Sites with biodiversity management plans	%	100,0	100,0	100,0	•	•				EM-CM- 160a.1	15.9 SDG 15a
	stments in environmental protect	tion										
	tivities											
3.14	Environmental expenditures across all activities ⁷	million €	6,4	5,5	2,0					201-2av		SDG 7b
3.15	Environmental management	million €	0,7	0,6	0,6		•	•				SDG 9.4
	Reforestation	million €	0,0	0,1	0,1		•	•			<u> </u>	
	Rehabilitation	million €	0,1	0,0	0,0		<u> </u>	•				
3.18	Environmental training and awareness building	million €	0,01	0,01	0,01							_
3.19	Application of best available technologies	million €	5,5	4,8	1,2		•	•				
	Waste management	million €	0,2	0,1	0,1			•				
	Material issue: Social positive ir	npact							-			
3.21	Donations ⁸	€	20 273	3 11 662	2		•	•		2-29 203-1 203-2 413-1		SDG 2.1 SDG 2.3 SDG 4.3 SDG 4.4
3.22	Donations in cash ⁸	€	13 224	7 278			•	•				SDG 9.3
3.23	Donations in kind ⁸	€	7 049	4 384			•	•				_
~ ~ /	Employees from local	%	0,8	0,8		_	_	_		2-29		

	RSTANDING OVERVIEW ZLATNA PANEGA		MAN REPO	AGEMEN DRT	ΙT		ESG PE REVIE\	RFORMA N	NCE			
2.3	Focus area: Positive local in	npact										
Code	ESG Performance Indicators	Unit	2023	2022	2021	GCCA	UNGC	UNCTAD	TCFD	GRI	SASB	SDGs and Targets
3.25	Internships	#	6	13						2-8		SDG 2.1
3.26	New entry level jobs from internships/traineeships	#	3	6			•			2-29		SDG 2.3 SDG 4.3 SDG 4.4 SDG 9.3
3.27	Internships from Local Community, avg.	%	66,7	84,6						_		
3.28	Key operations with Community Engagement Plans related to material issues and Group policies	#					•	•		2-29 413-1		
3.29	Total number of Initiatives under Community Engagement Plans ¹	#	6	7								
3.30	Total number of Participants to Community Engagement Plans ^{1,2}	#	1602	99								
3.31	TITAN Employees, volunteers to Community Engagement Plans ¹	#		34								
3.32	Social investment (in cash and in kind) for community initiatives ^{1,2}	million €	0,05	0,0						2-29 203-1 203-2 413-1		
3.33	Blood donations (TITAN employees, business partners and communities) ¹	#	0	0						203-2		
2.3.3	Material issue: Economic positiv	ve impact								SDG 2.1, 2.3, 4.3, 4.4, 9.3, 17.17	,	
3.34	Local Spend, avg. ^{1,8}	%		11,0				•		204-1		

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.

TITAN Group Quarry Sites with High Biodiversity Value

Site	Country	Raw Material use	Location	Status	Biodiversity Management Plan	Notes
Zlatna Panega Quarry	Bulgaria	Cement	Zlatna Panega	Inside area for protection of freshwater ecosystems (wetlands) on local/state level	YES	Baseline assessment by an Initial Ecological Scoping Study (ATKINS). A structured BMP was developed in end 2013 acc. to CSI Guidance; implemented in 2014

Notes

1. The above table is complementary to the Table 2.3, Focus area: Positive local impact, and specifically for the Indicators: 3.41. Sites in high biodiversity value areas, 3.42. Sites with biodiversity management plans (number), 3.43. Sites with biodiversity management plans (percentage). 2. The above table includes the needed disclosures for supporting TITAN's performance monitoring and reporting according to the sectoral commitments (GCCA Sustainability Guidelines for Quarry Rehabilitation and Biodiversity Management, May 2020). This information, combined with the disclosures under the respective section of this report, also covers the requirements for reporting according to the SASB Standards for Biodiversity Impacts and in more specifically the KPI EM-CM-160a.1 Description of environmental management policies and practices for active sites.

Code	ESG Performance Indicators	Unit	2023	2022	2021	GCCA	UNGC	UNCTAD	TCFD	GRI	SASB	SDGs and Targets
2.4.1	Material issue: Resource efficier	ncy, recycling a	nd rec	overy,	contri	butin	g to cir	cular ec	onomy		-	
	tivities	<u>,. , 0</u>					-					
4.1	Water consumption (total)	million m ³	0,2	0,2	0,2	•	•			303-5		SDG 6.3
4.2	Water withdrawal (total, by source)²	million m ³	0,3	0,2	0,3	•	•	•		303-3	EM-CM- 140a.1	⁻ SDG 6.4 SDG 6.5
4.3	Groundwater	million m ³	0,1	0,1	0,1						EM-CM- 140a.1	_
4.4	Municipal water	million m ³	0,01	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	0,2	0,1	0,2						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	0,1	0,1	0,1	•	•	•		303-4		_
4.11	Surface (river, lake)	million m ³	0,1	0,1	0,1							_
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	0,003	0,0	0,0							_
4.15	Other ^{4,5}	million m ³	0,0	0,0	0,0	_						_
4.16	Water recycled (total) ¹	million m ³	0,3	0,4	0,3							_
4.17	Water demand covered with recycled water ¹	%	53,4	59,6	50,1							
Ceme	ent and cementitious production a	activities										
4.18	Water consumption (total)	million m ³	0,137	0,1	0,2	•	•			303-5		_SDG 6.3
4.19	Water withdrawal (total) ²	million m ³	0,2	0,2	0,3					303-3	EM-CM- 140a.1	SDG 6.4 SDG 6.5
4.20	Water discharge (total) ³	million m ³	0,1	0,1	0,1					303-4		_
4.21	Water recycled (total)	million m ³	0,3	0,3	0,3	•	•	•			EM-CM- 140a.1	_
4.22	Specific water consumption	l/t cementitious product	258,0	255,0	380,9	•	•	•		303-5		_
4.23	Specific water consumption	l/t cement	256,9	264,1	356,7	•	•					_
4.24	Water demand covered with recycled water	%	55,8	62,3	52,0							_

	RSTANDING OVERVIEW ZLATNA PANEGA		MANAGEN REPORT	MENT			ESG PER REVIEW	FORMAN	ICE			
2.4 F	ocus area: Responsible sou	rcing										
Code	ESG Performance Indicators	Unit	2023	2022	2021	GCCA	UNGC	UNCTAD	TCFD	GRI	SASB	SDGs and Targets
All Ac	tivities			-								
4.25	Thermal energy consumption	TJ	1 755	1861	1 740	•	•	•		302-1	EM-CM- 130a.1	SDG 7 SDG 12
4.26	Thermal energy consumption ¹	% of total	88,4	88,0	87,4							_
4.27	Electrical energy consumption	тј	231	255	251	•	•	•			EM-CM- 130a.1	_
4.28	Electrical energy consumption ¹	% of total	11,6	12,0	12,6							_
4.29	Total energy consumption ¹	TJ	1986	2 116	1991							
	nt production activities											
4.30	Percentage of production covered by ISO50001 or energy audits	% clinker production	100,0	100,0	100,0		•		•	3-3		SDG 7.2 SDG 7.3 SDG 9.4
4.31	Specific thermal energy consumption	kcal/kg clinker	957	915	950	•	•	•	•	302-3		SDG 12.2
4.32	Specific electrical energy consumption	kWh/t cement	114,4	123,1	119,4				•			_
4.33	Renewable energy as part of tota electrical energy consumption ⁵	l% Electrical energy consumed	28,0	22,8	31,4				•	302-1		_
All Ac	tivities											
4.34	Natural raw materials extracted (total, wet)	million t	0,7	0,8	0,7		•			301-1		SDG 12.2
4.35	Raw materials extracted for clinker and cement production	million t	0,7	0,8	0,7		•					
4.36	Raw materials extracted for aggregates	million t	0,0	0,0	0,0		•					
Ceme	nt production activities	_										
4.37	Materials consumption (total, dry)	million t	0,8	0,8	0,8		•			301-1		SDG 12.2 SDG 12.4
4.38	Extracted (natural) raw materials consumption (dry)	million t	0,7	0,8	0,7							SDG 12.5
4.39	Alternative raw materials consumption (dry)	million t	0,1	0,1	0,1							_
4.40	Alternative raw materials use (of total raw materials consumed)	% Dry	9,4	8,4	9,0	•		•				_
4.41	Alternative raw materials rate (based on clinker-to-cement equivalent factor)	% Dry	11,9	10,9	11,0	•	•	•				
All Ac	tivities	-						-	-			
4.42	Waste disposal (total, wet)	t	6 124	4 791	1342		•	•		306-3	EM-CM- 150a.1	SDG 12.2 SDG 12.4
4.43	Non-hazardous waste (total)	t	6 110	4 786	1 310		•	•			EM-CM- 150a.1	SDG 12.5
4.44	Hazardous waste (total)	t	14	5	32		•	•			EM-CM- 150a.1	_
4.45	Externally recycled waste materials (total, wet)	t	3 546	374	96		•	•		306-4		_
4.46	Reused	t	0	0	0							
4.47	Recycled	t	3 546	374	96							_
4.48	Recovered	t	0	0	0							
4.49	Waste disposal, breakdown by destination-usage (wet)	% w/w	100,0	100,0	100,0		•	•		306-4	EM-CM- 150a.1	SDG 12.2 _SDG 12.5
4.50	Reuse	% w/w	0,0	0,0	0,0		•				EM-CM- 150a.1	
4.51	Recycled	% w/w	57,9	7,8	7,2		•	•			EM-CM- 150a.1	_
4.52	Recovered (including energy recovery)	% w/w	0,0	0,0	0,0		•	•			EM-CM- 150a.1	_
4.53	Incineration	% w/w	0,0	0,0	0,0		•	•		306-5	EM-CM- 150a.1	_
4.54	Landfilled	% w/w	42,1	92,2	92,5			•			EM-CM- 150a.1	

Code	ESG Performance Indicators	Unit	2023	2022	2021	GCCA	UNGC	UNCTAD	TCFD	GRI	SASB	SDGs and Targets
4.55	Composted	% w/w	0,0	0,0	0,0		•	•			EM-CM- 150a.1	SDG 12.2 SDG 12.5
4.56	Other (incl. storage)	% w/w	0,0	0,0	0,3		•	•			EM-CM- 150a.1	_
Ceme	ent production activities											
4.57	Integrated cement plants with Zero Waste to Landfill certification	% clinker production	0,0	0,0	0,0					3-3		SDG 12.2 SDG 12.4
2.4.2	Material Issue: Reliable and Sus	tainable Supply	y Chair	1								
All Ac	tivities											
4.58	Key suppliers meeting TITAN ES standards ^{5,6}	G %	n/a	n/a	n/a					308-1		SDG 6 SDG 7 SDG 12 SDG 13

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.

TITAN Group Cement Plant Sites within water-
stressed Areas

Zlatna Panega	Bulgaria	>80%
Site	Country	Water Stress (Baseline)

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 'Nonfinancial 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. MANAGEMENT REPORT ESG PERFORMANCE REVIEW

2.5 Good governance, transparency and business ethics

2.5.1 Governance Core Indicators								
Cod	e Governance Core Indicators	Notes	Performance 2023	Reporting Standards				
Con	npliance and business ethics			SDG 5.5				
5.1	Percentage of unionised employees (%)		37,4%	-SDG 16.5 SDG 16.6				
5.2	Percentage of employees covered by Collective Bargain Agreements (CBAs)	2	n/a	-SDG 16.7				
5.3	Average number of hours of training on subjects related to Compliance, per employee	3	1,00	⁻UNGC UNCTAD				
5.4	Anti-bribery and corruption training	1, 3	0,60	SASB				

Notes for specific KPIs

1. New indicator.

2. In 2023 this percentage decreased to 34.76% from 50.3% in 2022.

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, 2022 or in 2023. 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 selfassessment 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 longterm 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 2023 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.

	New or Updated	TITAN Focus Areas	s mostly relevant			
	in 2023	Decarbonization and Digitalization		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	Bulgaria	
Health & Safety	ISO 45001 All operations (1 terminal excluded)	-
Environment	ISO 14001 All operations	
Quality	ISO 9001 All operations (2 quarries excluded)	
Energy	ISO 50001 All RMC units Energy audits 1 integrated cement plant	
Social	GHRMS/SF All operations	

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

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'.

2.5.7 Консолидиран доклад за плащанията към правителствата за добивни дейности				
Legal entity	Country	Payment type	Amount (€)	
Zlatna Panega Cement AD	Bulgaria	Concession Fees	210 000	
		TOTAL	210 000	

Notes

TITAN Cement International S.A. hereby reports, in accordance with article 3:33 of the Belgian Companies and Associations Code, that TITAN Cement Group during 2022 has paid to Governments (i.e. national, regional or municipal authorities of EU Member States and third countries) the total amount of €2100,00 for extractive operations as presented in the above table. As specified in article 6:2 par. 2 of the Royal Decree dated 29 April 2019 on the execution of the Belgian Companies and Associations Code, the limit for disclosing the respective data is set at 100,000€ as a single payment or as a series of related payments.

Area	Bulgaria	
Environmental	External	1
Management System	Internal	0
Energy Management	External	
System/Energy audits	Internal	0
CO ₂ emissions	External	2
	Internal	0
Waste Management	External	2

2.5.6 Environmental Audits

	Excornar	-
	Internal	0
Waste Management	External	2
	Internal	0
Complaints	External	0
	Internal	0
Permitting	External	1
	Internal	0
Other	External	1
	Internal	0
TOTAL	External	8
	Internal	0

2.5.9 Sector and Other Standards for the Non-financial disclosures in 2023

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 CO ₂ 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	Recommended Good Practices for: (a) Contractor Safety, and (b) Driving Safety	2009
(Previously) WBCSD CSI	/ Cement Sector Scope 3 GHG Accounting and Reporting Guidance	2016
UNCTAD ²	Guidance on Core Indicators for Sustainability and SDG Impact Reporting	2022
UNGC COP ³	Questionnaire Guidebook for the COP	2022

Notes

1. The Global Cement and Concrete Association (GCCA) has built its Sustainability Charter around five (5) Sustainability Pillars, to encompass the full sustainability spectrum for its work purposes: Pillar 1: Health and Safety, Pillar 2: Climate Change and Energy, Pillar 3: Social Responsibility, Pillar 4: Environment and Nature and Pillar 5: Circular Economy.

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

TITAN continued efforts in 2022 for implementing the GCCA 2050 Roadmap to Net Zero Concrete Concrete Future and focused on SBTi Targets for the 1.5 degrees scenario, while continuing active participation in various working groups and contributing with knowhow and expertise, in line with its practice since the foundation of the Sectoral Association.

In 2022 TITAN participated in the first GCCA Compliance Charter Audit, with purposes including (a) supporting members in

developing implementing their sustainability strategy (focused but not limited to GCCA obligations), (b) enabling the assessment of members' sustainability performance and benchmark with peer companies, (c) Identifying areas where the GCCA guidelines and charter need to be clarified or strengthened.

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

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

2.5.10 Value creation indicators			
Value Creation Core Indicators ¹	Unit	2023	2022
Total spend on suppliers, local, national and international for goods and services ^{2a}	million €	37,0	42,3
% local spend of TITAN ^{2b}	%	79,1	79,1
Taxes to national and local authorities ³	million €	5,4	1,1
Payments in cash to shareholders and minorities ³	million €	3,1	0,0
Social investment (in cash and in kind) for community initiatives ⁴	million €	0,02	0,01
Alternative fuels and raw materials	million t	36 011	35 936
Salaries, (contributions to) pensions, and social benefits, including additional benefits beyond those provided by law ⁵	million €	6,5	6,1
Investments in training of direct employee ⁶	million €	0,1	0,1
Internships	#	6	13
Capital expenditures ⁷	million €	9,3	5,7

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

G1: Board/senior management engagementG2: Publicly stated commitmentG3: Code of conductG4: Individual or group responsibleG5: Formal structureG6 and G.6.1: Risk assessment processesG7 and G7.1: Due diligenceG9: LessonsG10: Executive pay linked to sustainability performance	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	
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		Overview Performance highlights: Good governance, transparency, and business ethics Management report Corporate Governance and risk	
G4: Individual or group responsible G5: Formal structure G6 and G.6.1: Risk assessment processes G7 and G7.1: Due diligence G9: Lessons		Performance highlights: Good governance, transparency, and business ethics Management report Corporate Governance and risk	
G5: Formal structure G6 and G.6.1: Risk assessment processes G7 and G7.1: Due diligence G9: Lessons		Good governance, transparency, and business ethics Management report Corporate Governance and risk	
G6 and G.6.1: Risk assessment processes G7 and G7.1: Due diligence G9: Lessons		business ethics Management report Corporate Governance and risk	
G7 and G7.1: Due diligence G9: Lessons		Corporate Governance and risk	
G9: Lessons		•	
G10: Executive pay linked to sustainability performance		Statement	
		ESG Performance review: Good	
G12: Sustainability reporting		governance, transparency, and business	
G8 and G8.1: Raising concerns about the company's conduct	1,3,7,10	 ethics ESG performance statements: TITAN's approach for ESG Performance reporting, 	
G11: Board composition	16	and Tables 2.5.1, 2.5.3.	
G13: Information assurance	10		
HR1: Material topics	1,2	Understanding TITAN	
HR2 and HR2.1: Policy commitment		Overview Performance highlights: Focusing on material issues and stakeholder engagement Management report	
HR3: Stakeholder engagement	-		
HR4: Prevention/mitigation			
HR5: Training			
HR6: Prevention/mitigation progress assessment		Corporate Governance and risk	
HR8: Practical actions		management ESG Performance review: Good governance, transparency, and business ethics ESG performance statements: Tables 1.:	
	G13: Information assurance HR1: Material topics HR2 and HR2.1: Policy commitment HR3: Stakeholder engagement HR4: Prevention/mitigation HR5: Training HR6: Prevention/mitigation progress assessment	G13: Information assurance10HR1: Material topics1,2HR2 and HR2.1: Policy commitment1,2HR3: Stakeholder engagement1,1HR4: Prevention/mitigation1,2HR5: Training1,2HR6: Prevention/mitigation progress assessment1,2	

UNDERSTANDING OVERVIEW	MANAGEMENT	ESG PERFORMANCE	
TITAN ZLATNA PANEGA	REPORT	REVIEW	

Sections ¹	Question ¹	UNGC Principles ¹	Reference to the Report ¹		
Labour	L1 and L1.1: Policy commitment	3,4,5,6	Understanding TITAN		
	L2: Stakeholder engagement	_	Overview		
	L3: Prevention/mitigation	_	Performance highlights: Good governance, transparency, and		
	L4: Training	_	business ethics		
	L5: Prevention/ mitigation progress assessment	-	ESG Performance		
	L9: Injury frequency	_	Management report		
	L10: Incident rate		Corporate Governance and risk management		
	L11: Remedy	_	ESG Performance review: Good		
	L12: Practical actions		governance, transparency, and business ethics		
	L1.2: Freedom of association and collective bargaining	_			
	L6: Collective bargaining agreements	3,4,6	ESG performance statements: Tables 2.2.1		
	L7: Women in managerial positions	6	— 2.2.2., 2.2.3, 2.5.1, 2.5.3-2.5.7, 2.5.9.		
Environment	E1 and E1.1: Policy commitment	7,8	Understanding TITAN		
	E2: Stakeholder engagement		Overview		
	E3: Prevention/mitigation		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		
	E4: Prevention/mitigation progress assessment				
	E4.1: Goals and targets				
	E4.2: Measuring progress against targets				
	E6: Greenhouse gas emissions				
	E6.1: Scope 3 emissions detail				
	E14: Conversion of natural ecosystems				
	E16: Air pollution				
	E17: Waste				
	E18: Hazardous waste		2.3.1. and TITAN Group Quarry Sites with		
	E7: R&D investment in low-carbon products and services		High Biodiversity Value supplement table, also Tables 2.4.1, 2.5.2, 2.5.3.		
	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)	_			
Anti-	AC1 Compliance programme	10	Understanding TITAN		
corruption	AC1.1 Year of programme review	_	Performance highlights		
	AC2 Policy	_	Management report		
	AC3 Training	-	Corporate Governance and risk		
	AC3.1 Training frequency	-	management ESG Performance review: Good		
	AC4 Compliance monitoring		governance, transparency and business		
	AC5 Incidents of corruption		ethics		
	AC6 Measures to address suspected incidents of the		ESG performance statements: Tables 2.5.2		
	corruption		2.5.3-2.5.7, 2.5.9.		
	AC7 Collective action against corruption	_			
	AC8 Practical actions	_			

TITAN ZLATNA PANEGA Integrated Annual Report 2023

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 2023.

Transparency International – Corruption Perception Index

Countries with TITAN key operations sorted by Transparency International CP Index 2023

Country	CPI 2023 rank	CPI 2022 rank	Change in rank ²
Bulgaria	72	78	¥

Notes

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

2. Symbols for the change in rank explained:

 \checkmark Improving conditions in the country reflected by the decrease of rank

 ${\boldsymbol {\bf \forall}}$ Deteriorating conditions in the country reflected by the increase of rank

MANAGEMENT REPORT ESG PERFORMANCE REVIEW



Independent Auditor's Report

To the Shareholders of Zlatna Panega Cement AD

Our opinion

We have audited the separate financial statements of Zlatna Panega Cement AD (the "Company"), which comprise the separate statement of financial position as at 31 December 2023, and the separate statement of comprehensive income, the separate statement of changes in equity and the separate statement of cash flows for the year then ended, and the notes to the separate financial statements, comprising material accounting policy information and other explanatory information.

In our opinion, the separate financial statements present fairly, in all material respects, the separate financial position of Zlatna Panega Cement AD as at 31 December 2023, and separate financial performance and separate cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union (EU).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the separate financial statements section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Company in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (IESBA Code) and the ethical requirements of the Independent Financial Audit Act that are relevant to our audit of the separate financial statements in Bulgaria. We have fulfilled our other ethical responsibilities in accordance with the IESBA Code and the ethical requirements of the Independent Financial Audit Act.

Information other than the separate financial statements and auditor's report thereon

Management is responsible for the other information. The other information comprises the separate Annual Activity Report, prepared by the management in accordance with Chapter Seven of the Accountancy Act but does not include the separate financial statements and our auditor's report thereon.

Our opinion on the separate financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.



In connection with our audit of the separate financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the separate financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Additional matters to be reported under the Accountancy Act

In addition to our responsibilities and reporting in accordance with ISAs, in relation to the separate Annual Activity Report, we have also performed the procedures added to those required under ISAs in accordance with the "Guidelines regarding the new and enhanced auditor reporting and communication by the auditor" of the professional organization of registered auditors in Bulgaria, i.e. the Institute of Certified Public Accountants (ICPA). These procedures refer to testing the existence, form and content of this other information to assist us in forming an opinion on whether the other information includes the disclosures and reporting provided for in Chapter Seven of the Accountancy Act and in the Public Offering of Securities Act applicable in Bulgaria.

Opinion in connection with art. 37, paragraph 6 of the Accountancy Act

Based on the procedures performed, our opinion, is that:

- a) the information included in the separate Annual Activity Report for the financial year for which the separate financial statements are prepared is consistent with those separate financial statements.
- b) the separate Annual Activity Report has been prepared in accordance with the requirements of Chapter Seven of the Accountancy Act and of art. 100(m), para 7, point 2 of the Public Offering of Securities Act.

Responsibilities of management for the separate financial statements

Management is responsible for the preparation and fair presentation of the separate financial statements in accordance with IFRS as adopted by the EU and for such internal control as management determines is necessary to enable the preparation of separate financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the separate financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the separate financial statements

Our objectives are to obtain reasonable assurance about whether the separate financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these separate financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:



- Identify and assess the risks of material misstatement of the separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the separate financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the separate financial statements, including the disclosures, and whether the separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with management regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

орско друж C Boryana Dimova Petko Dimilco София Registered Auditor responsible for the audits 085 Managing Director 11 April 202 PricewaterhouseCoopers Audit OOD **BPXAYCKYIIBFC** Sofia, Bulgaria

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