ESG Report 2023





ESG REPORT 2023



About the 2023 ESG Report

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The USJE ESG Report 2023 covers the period from January 1st until December 31st, 2023 (referenced herein as 'Report').

The Report has been developed to meet our stakeholders' needs and expectations regarding USJE's performance in the areas of Environment, Social and Governance (ESG). USJE is aligned with TITAN Group for the approach and standards in monitoring, reporting, and verifying its disclosures on performance in the Report. Since 2009, USJE has voluntarily committed to disclosing annual environmental, social and governance

performance and connecting with the stakeholders' material issues.

The total number of direct employees and Health and Safety performance data in this report include the employees of Cementarnica USJE AD Skopje and Opalit DOOEL. All other disclosures in this report refer only to the operations of Cementarnica USJE AD Skopje.

All our reports are published on our website www.usje.mk

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ESG REPORT 2023

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2023 at a glance

Financial figures

Revenue 6,051 mil MKD

EBITDA 1,910 mil MKD

<u>NPAT</u> 1,509 mil MKD

Total assets 6,410 mil MKD

Capital expenditures

563 mil MKD

ESG data

Employees (as of 31 December 2023)
237

New hires in 2023

31

Green investment

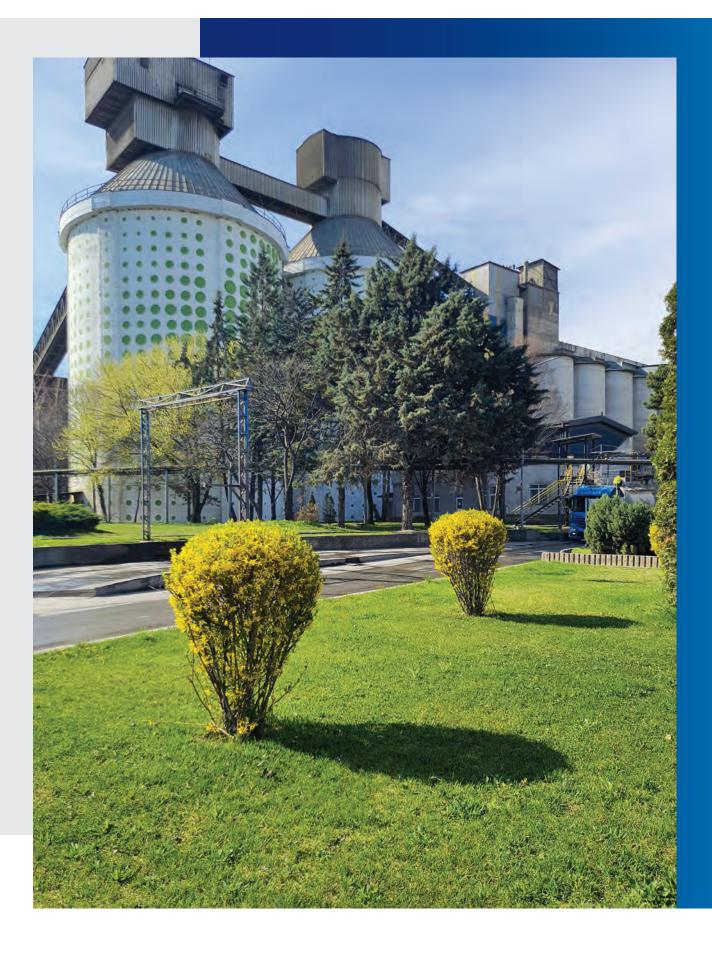
18.5 mil MKD

Health and Safety training hours per employee

26

Lost time injuries frequency rate

2.34



Message from the 2023 CED

Dear partners,

Volatile economic and political circumstances seemed to persist during 2023 also, posing challenges for citizens, companies and societies worldwide. Navigating these "uncharted waters" has not been easy. However, this has proven our company's ability to adapt and work in extraordinary conditions, helping us achieve significant accomplishments and end the year with a positive result. In 2023, the demand for cement in the domestic and foreign markets stabilized, while we continued offering high-quality reliable products and solutions to our customers, along with detailed technical support. Our product portfolio contains eco cements with a lower clinker amount, which contributes to reduction of CO₂ emissions. In 2023, pozzolan-based eco cements were one of the best sellers, which is an important fact for us, given that decarbonization is one of the main goals for Cementarnica USJE and TITAN Group. Reaffirming environmental management and protection of natural resources among our top priorities, we commissioned the photovoltaic plant with installed power of 3 MWp. This major project in Cementarnica USJE is planned to substitute around 10% of the daily electricity consumption of the plant by renewable energy. We are on track with the digital

transformation through the digitalization of our customer-related and internal processes, thereby not only improving customer experience, but also significantly increasing the transparency and efficiency, which also benefits the environment. We successfully implemented a cutting-edge solution designed to optimize the loading process for trucks, as well as world class enterprise resource management solution to streamline and integrate all business processes. We firmly believe that our sustainable growth depends on the engagement, performance, and dedication of our employees, which is why we continued with our programs for ensuring their wellbeing, professional development and engagement, as well as safe and healthy working conditions and an inclusive working environment. Our employees' contribution to achieving consistent results in such a challenging year has been highly recognized and appreciated. They remain an invaluable resource in achieving the ambitious plans and securing the stable future of the company. Our community involvement and contribution to its sustainability was achieved with the implementation of various projects and partnerships with our stakeholders, initiating and enabling positive changes in the community. Our engagement in such activities has demonstrated our corporate responsibility and positive influence in different society segments including youth, education, health, as well as support of civil society organizations. All achievements and company activities have been carried out in alignment with the UN Sustainable Development Goals, which are an important guiding framework for our company in terms of planning and decision making. Furthermore, all our actions and decisions are based on our key principles



Boris Hrisafov Chief Executive Director

of integrity, transparency, and business ethics.

Even though presented with many different challenges and obstacles that tested our strength and resiliency, our company once again demonstrated exceptional capacity to deal with challenges, thus reasserting our position as a solid and stable market leader, whom our partners, customers and employees can trust and rely on. We will continue to work on solidifying and further improving our abilities and capacities to quickly adapt to any change and overcome any adversity, futureproofing our position as a stable, reliable, modern, and environmentally conscious company.

> **Boris Hrisafov** Chief Executive Director

Interview with the incoming CED

You joined TITAN USJE on February 1st 2024. What are your first impressions and forward looking business perspective?

I am glad to become part of Cementarnica USJE team, which I understand achieved amazing results in 2023, despite the challenges of turbulent markets in the last couple of years. Following the TITAN Group strategy, USJE is focused on achieving operational excellence in all areas of our work, extending to the domain of ESG performance and achievement of the targets set for 2025 and beyond. Thus, USJE's efforts have been and will continue to be directed in accomplishing excellent results when it comes to the environment, the social impact and the good governance.

How does USJE intend to balance sustainability objectives with maintaining competitiveness in the market?

Given that climate change is highest priority on a global scale, our contribution towards its mitigation is reflected in our decarbonization activities. Therefore, our company will continue to expand the eco-cement portfolio and to double the efforts to promote energy efficiency, to increase the use of renewable energy and to reduce greenhouse gas emissions. These efforts will include building strong bridges with our business partners and suppliers, as well as with institutions and the local community.

Looking ahead, which are your objectives and aspirations?

We will maintain our focus on digitalization as one of the key drivers for growth, higher productivity and reliability, using digital solutions to modernize and upgrade internal processes, as well as customer experiences. We will continue to navigate a complex regulatory environment and adapt to changing market conditions. However, we will remain dedicated to sustainable development of our company. We can achieve this only through sincere and close cooperation with all our partners to assure mutual support and joint advancement and by implementing activities and projects of significance for our company, for the national economy and for the society at large. As we move forward, we aim to continue building great teams, maintain profitable growth and also become one of the safest, most customer-friendly, innovative, digitalized and green businesses in the construction materials industry.

Konstantinos Nikolaou

Chief Executive Director



Konstantinos Nikolaou Chief Executive Director

Overview

Understanding TITAN

Our approach towards a changing environment

"SUSTAINABILITY AS A FOUNDATION IN BUILDING A BETTER WORLD TOGETHER"

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

The fundamentals of demand for construction materials and solutions remain solid

Population growth and urbanization are on the rise, leading to higher demand for housing and infrastructure. We have the operating leverage to help our customers build at an accelerated pace with our innovative and sustainable construction solutions.

Climate change mitigation and resource scarcity are calling for a shift towards sustainable solutions

With our customer-focused innovation strategy, we are growing our business in existing and new markets across the construction value chain. Engaging with our customers from the early design stages helps us understand their needs and offer them innovative products and services, as well as leading-edge Artificial Intelligencebased solutions for ultimate efficiency and an elevated experience.

Reinventing talent management to capture opportunities in a changing world

We are building our talent and our organization's capabilities to capture all opportunities ahead. By empowering and enabling our teams across our markets to unleash their full potential, we are helping them to grow together with TITAN in a safe, healthy, inclusive and fair workplace.

И ГОЛЕМИТЕ ИМААТ ПОТРЕБА ОД ЦВТО

Customer expectations are driving product innovation

With our customer-focused innovation strategy, we are growing our business in existing and new markets across the construction value chain. Engaging with our customers from the early design stages helps us understand their needs and offer them innovative products and services, as well as leading-edge Artificial Intelligence-based solutions for ultimate efficiency and an elevated experience.

> Urbanization necessitates communities that are green, safe, resilient, healthy, and just for all

We are addressing sustainability holistically within and beyond our company. While delivering a greener product portfolio with superior environmental performance across the whole life cycle – from the quarry to the customer – we continuously improve our ESG performance in line with the UN SDGs. At the same time, we encourage our supply chain partners to meet our sustainability and ESG supplier standards.

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.

Over its 120-year history, TITAN Group has built strong market positions, with integrated businesses that are 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 Group is determined to execute its growthoriented strategy, which focuses on delivering operational excellence, decarbonizing its portfolio, and implementing pioneering digital technologies, while delivering superior customer experience to best meet its customers' evolving needs with unique building materials solutions.

Decarbonize

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

Digitalize

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

Deliver

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

TITAN'S STRATEGY 2026 IS CENTERED ON FOUR KEY STRATEGIC PRIORITIES:





Global presence

Performance and activities across four regions and joint ventures

USA

INTEGRATED CEMENT PLANTS	TERMINALS
1. Roanoke,	3. Essex Port, Newark
Virginia	4. Tampa Port,
2. Pennsuco,	Complex
Florida	5. Norfolk, Chesapeake



Principal products/activities

INTEGRATED CEMENT PLANTS
6. Quixere

(JOINT VENTURE)

GRINDING PLANT 7 . Pecem

BRAZIL



Principal products/activities

GREECE & WESTERN EUROPE

7

INTEGRATED CEMENT PLANTS 8. Thessaloniki 9. Kamari 10. Patras

1 3

4 2

TERMINALS 12. Marseille, France 13. Venice, Italy 14. Hull, UK

GRINDING PLANT 11. Elefsina



Principal products/activities

ESG REPORT 2023

Principal products/ activities key:

Cement

Ready-mix concrete

Aggregates

Dry mortars

Building blocks

Fly ash

Waste management and alternative fuels

Cementitious manufacturing and technologies

SOUTHEASTERN EUROPE

13

16

15

17

INTEGRATED CEMENT PLANTS

- 15. Kosjerić, Serbia
- 16. Zlatna Panega, Bulgaria
- 17. Sharr, Kosovo
- 18. Usje, North Macedonia
- 19. Antea, Albania



Principal products/activities



EASTERN MEDITERRANEAN

20 24

21

22

INTEGRATED GF CEMENT PLANTS PL 20. Tokat, Türkiye 23 21. Alexandria, Egypt TE 22. Beni Suef, Egypt 24

GRINDING PLANT 23. Marmara, Türkiye TERMINAL 24. Samsun Port, Türkiye



Principal products/activities



About USJE

USJE was founded in 1955 and today is one of the largest domestic companies with a significant contribution to the country's development. Committed to serving some of society's most fundamental needs, we provide the materials to build structures and physical infrastructures which, in turn, provide shelter, enable commerce, and foster connectivity. USJE became part of TITAN Group in 1998. We explore technologies that will help us decarbonize cement manufacturing and offer our customers sustainable products and solutions. Implementing novel approaches and breakthrough innovation across the built environment value chain is essential for the transition to a more sustainable, net zero world. We harness new digital tools, like big data, artificial intelligence, machine learning and advanced analytics, to optimize our own operations and bring significant benefits to our customers, employees, suppliers, communities and the environment.

18

Responsible business throughout history

1955-1960

Cementarnica USJE was founded, and the 1st rotary kiln began operation in April 1955. The 2nd rotary kiln was put into operation in the 1960s.

1967-1973

Two new lines began to operate: Kiln 3 and 4, while Kiln 1 and 2 were shut down.

BEGINNINGS AND EARLY ADVANCEMENT

1998

TITAN Group acquired majority shares of Cementarnica USJE

2000-2003 Bag filters were installed on line 3 and line 4

2004-2008

- Certified with ISO 9001:2000 Quality System
- Certified with ISO 14001:2004
- Environmental Management System • System for independent 24-hour continuous
- measurement of emissions installed
- USJE becomes a member of the UN Global Compact Network office of North Macedonia

2012-2016

organized

introduced

First Communication

Investment in NOx

Day for USJE employees

Water Treatment Plant for

atmospheric waters built

TITAN Leadership Platform

reduction facility SNCR

NEW CHAPTER IN THE DEVELOPMENT

2009-2011

- Start of the public announcement of environmental measurement data
- CSR Committee was established, and the first CSR and
- Sustainability Report published
- First Stakeholders Engagement Forum organized
- Contractors Management H&S System established
- Certified with Health & Safety Management System OHSAS 18001-2007
- A-Integrated Environmental Permit A-IPPC obtained
- National Award for best CSR practices in the Environment category and three plaques received
- The first Company Open Day was organized

CONTINUOUS EVOLUTION IN ALL AREAS

2018-2019

- Alternative fuels in the operating process introduced
- Integrated Quality & Environmental Management system ______
- SDG Pioneer Award 2018
- Award for promoting human
- rights in business 2019
- 2020
 - Integration of the management systems: ISO 9001:2015,
 - ISO 14001:2015, ISO 45001:2018 and ISO 50001:2018 • Low carbon initiatives: new cement type CEM IV/B (V-P)
 - 42,5 N
 - TITAN Up Digital platform for customers
 - Biodiversity risk assessment updated according to global standards
 - Acquiring Opalit

LATEST ACHIEVEMENTS AND MILESTONES

2021

- SDG Pioneer Accolade for its
- practices within the SDG: Goal 3,
- Goal 4 and Goal 13

2022-2023

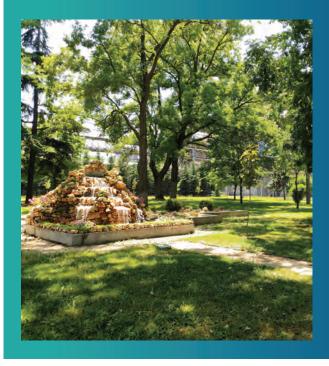
- 2 years with no LTI
- Installation of PV power plant
- New eco cement CEM II/B-V 42,5 R
- Recognition for social responsibility
- Adoption of revitalized Group Purpose and Values

Our refreshed corporate identity

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:



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.

Our values

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

(\mathcal{S})

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 perspectives
- Teamwork and collaboration
- Continuous improvement



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 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 that is shaped like a globe, a reference to our planet, we emphasize both the Group's international presence and TITAN's concern for the planet. The color palette emphasizes our commitment to sustainable business practices and the future of construction materials and solutions.



Creating and sharing value



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





DELIVERING VALUE FOR ALL

Key indicators	Amounts (in MKD)	Stakeholders	
Investments in the Company's growth	563 mil MKD		
Taxes to national and local authorities	344 mil MKD		
Total spend to suppliers, local and international goods and services	3,380 mil MKD	Customers Employees	
Value added	2 mil MKD	Local communities and governments Regulators, authorities	
Net value added	2 mil MKD	Shareholders	
In salaries, pensions and social benefits, including additional benefits beyond those provided by law	339 mil MKD	Business partners and suppliers Contractors	
Green investment	18.5 mil MKD	Media Local authorities	
Support to community projects	7 mil MKD	Civil society Academia and research	
New hires	31		
Internships	16		

Our products



OUR TYPES OF CEMENT:

reducing waste and improving energy efficiency,

we have developed CEM II/B-V 42,5 R.

CEM I 52,5 R CEM IV/B (V-P) 42,5 N – green cement CEM I 52,5 R is pure Portland cement with a CEM IV/B (V-P) 42,5 N is pozzolanic cement small amount of gypsum added (to regulate with high percentage of fly ash (V) and natural the setting time) and up to 5% other mineral pozzolana (P). The clinker content is in the range admixtures. It is characterized by high strength of 45%-64%, while the other ingredients are (in the early and late stage), but also relatively mainly fly ash (V) and natural pozzolans (P). high heat during hydration. MC 5 – USJEMAL CEM II/A-V 42.5 R CEM II/A-V 42,5 R is Portland cement with pozzolans Usjemal and Sharmall are the brands of our added (silica fly ash, V). It consists of 80%-94% masonry cement MC-5, strength grade 5, clinker, 6%-20% high quality fly ash, natural gypsum compliant with the MKC EN 413-1 standard. It is (to regulate the onset of binding) and up to 5% a hydraulic binder with a high degree of plasticity other minor mineral admixtures. and durability. This type of cement was fully replaced by our green bulk cement CEM II/B -V 42.5R as of October 2023. CEM I 52,5 N and CEM II/B-LL 42,5 N -CEM II/B-V 42,5 R – green cement white cements In line with our commitment to continuous The bright and clear color of TITAN's white cements improvement in the field of environmental protection and sustainable development by

The bright and clear color of TITAN's white cements makes them ideal for use when appearance is paramount. For example, they are used to prepare white colored plaster for the facades of private residences and multi-story buildings.

We actively promote new products that will improve quality and durability for our customers, as well as methods and materials that will make construction easier and contribute to reducing environmental impacts.

Focused on material issues and stakeholders

Feedback from our stakeholders helps us develop a more coherent, inclusive, and consistent sustainability strategy. By building consensus in areas of common interest, we can form effective partnerships that support sustainable solutions at both global and local levels.

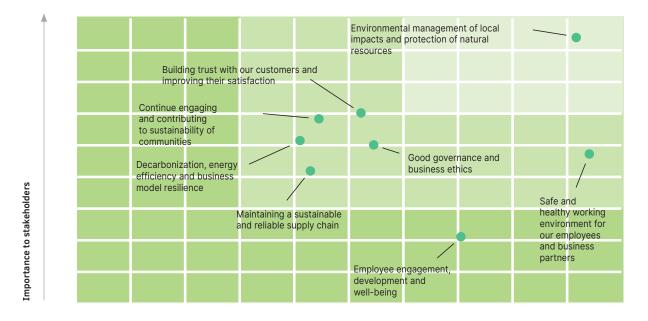
USJE's key stakeholders

Customers	Business partners and suppliers
Employees	Contractors
Local communities and governments	Academia and research

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

We launched a Materiality Assessment Cycle in 2020 by integrating our internal evaluation process with the TITAN Group's guidelines. We linked selected key topics to the United Nations Sustainable Development Goals (SDGs).

By validating material issues in 2022, we have confirmed that the top priority Material Issues for us and our stakeholders remain the same.



USJE Materiality Matrix 2021-2025

Importance to USJE

Connecting our material issues with TITAN Group Focus Areas

USJE has adopted TITAN Group's Environmental, Social and Governance (ESG) targets for 2025 and beyond, focusing on four pillars defined as material for TITAN Group. Further in this report, in the ESG performance chapter, USJE's most significant material issues and their connection to the Focus Areas are presented.

TITAN Group Focus Areas	Decarbonization and digitalization	Growth enabling working environment	Positive local impact	Responsible sourcing	Good governance, transparency, and business ethics
USJE Material Issues	Decarbonization, energy efficiency and business model resilience	A safe and healthy working environment for our employees and business partners Employee engagement, development, and well-being	Environmental management of local impacts and protection of natural resources Continue engagement and contributing to the sustainability of the communities	Building trust with our customers and improving their satisfaction Maintaining a sustainable and reliable supply chain	Good governance and business ethics

Partnerships for sustainable development

We establish and nurture cooperation and partnerships with relevant organizations in various fields in order to fulfil our goals for achieving sustainable development. Among them are:

- Economic Chamber of North Macedonia
- American Chamber of Commerce (AmCham)
- Organization of Employers
- Responsible Businesses Club
- Macedonian Occupational Health & Safety Association (MOSHA)
- Foreign Investors Council
- Macedonian Human Resources Association
- Standardization Institute of the Republic of North Macedonia
- Institute of Internal Auditors of North Macedonia
- Hellenic Business Association
- The Red Cross of the Republic of North Macedonia
- NL Chamber of Commerce
- International Solid Waste Association (ISWA)
- Macedonian Solid Waste Association (MaSWA)

Management report

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Corporate governance statement

Good corporate governance principles and comprehensive risk management are essential to building effective external relationships, and thus to the company's stability. These principles coupled with our corporate values guide us through every aspect of our business. Compliance with their application in the daily work is ensured at the highest level through the functioning of several boards and committees.

Responsibility, transparency, and risk management, as pillars of corporate governance, are the leading drivers of the Company in the direction of increasing reliability, minimizing risks and achieving long-term success.

Cementarnica USJE AD Skopje is a jointstock company listed on the Macedonian Stock Exchange in the Mandatory listing sub-segment. Hence, the Company applies the principles established by the Code for Corporate Governance of Listed Joint Stock Companies of the Macedonian Stock Exchange (the 2021 CGC or the Code). The Company's share capital amounts to 1,747,730 thousand MKD, represented by 563,784 ordinary shares with the right to vote, with a nominal value of 3,100.00 MKD per share.

The shareholder structure as of 31.12.2023 is as follows:

- TITAN CEMENT Holland B.V. (TITAN CEMENT Netherlands B.V.) owns 535,596 shares, i.e. 95% of voting rights
- Other: 28,188 shares that correspond to 5% of the voting rights

The company is managed by a Board of Directors, within the powers set by the Law on Commercial Companies and the Company's Statute. The Board has the broadest powers to act in the name and on behalf of the company, monitors and supervises business operations, long-term interests, implements strategies and takes care of the Company's performance.

In 2023, the Board was composed of 6 (six) members: 1 (one) executive member, i.e. Chief Executive Officer and 5 (five) non-executive members, of which 2 (two) are independent. None of the nonexecutive members of the Board receive compensation for participation in the Board of Directors. The Chief Executive Officer does not receive compensation for participation in the Board of Directors. During 2023, on several occasions the Board of Directors made various decisions related to the current operation of the Company. The Board made decisions without holding sessions, by giving consent for the adoption of the materials through electronic messages, for which Minutes for recording the decisions have been drawn up accordingly. All decisions were made with the consent of all members of the Board. The employees of the competent organizational units in the Company took care of timely and correct information, while providing organizational and professional support to the members of the Board.

In 2023, the Annual Shareholders' Meeting was held on May 16 and an Extraordinary Shareholders' Meeting was held on December 18.

Building goodwill through transparent operation, elevating ethical behavior to the highest level, as well as continuous contribution to the sustainable development of the community continue to be the main drivers in the management of USJE.

Members of the Board of Directors 2023:

Yanni Paniaras, Chair, Non-Executive Member Boris Hrisafov, Executive Member, CED Loukas Petkidis, Independent, Non-Executive Member Miroslav Gligorijevic, Non-Executive Member Grigorios Dikaios, Acting Independent, Non-Executive Member Mario Braci, Non-Executive Member

New Board of Directors has been established since 1st February 2024 with the following composition:

Mario Bracci, Chair, Non-Executive Member Konstantinos Nikolaou, Acting Executive Member, Acting CED Loukas Petkidis, Independent, Non-Executive Member Grigorios Dikaios, Independent, Non-Executive Member Miroslav Gligorijevic, Non-Executive Member Boris Hrisafov, Acting Non-Executive Member

USJE Boards and Committees

Management Committee

To further improve the decision-making process and corporate governance, since 2013 the Company has established a Management Committee consisting of the Chief Executive Director, Technical Director, Sales Manager, Finance Manager and HR and CSR Manager. The Management Committee provides strategic directions and oversees implementation of the Group and company strategy, providing results achievements and corporate governance in TITAN way. The Management Committee holds weekly meetings, at which the members discuss strategic issues and risk management.

Health & Safety Central Committee

USJE's Health and Safety Central Committee provides strategic directions for initiatives to improve health and safety in our plant. It establishes effective processes to promote the full implementation of the TITAN Group's Health & Safety Policy. The Committee is chaired by the Chief Executive Director and is structured in 5 subcommittees: Safety Incidents, Safety Checks, Contractor Management, Guiding Indicators and Rules and Procedures. The common and ultimate goal is to protect the health and safety of our employees and our contractors' employees as one of the basic human rights in the workplace.

Credit Control Committee

This Committee is in charge of customer receivables and debt, and its main tasks include the following:

- Loan assessment and approval;
- Customer assessment/ranking forms;
- Settling customer debt;
- Debt/guarantee coverage;
- Credit monitoring and control;
- Delineation of provisions related to credit risk.

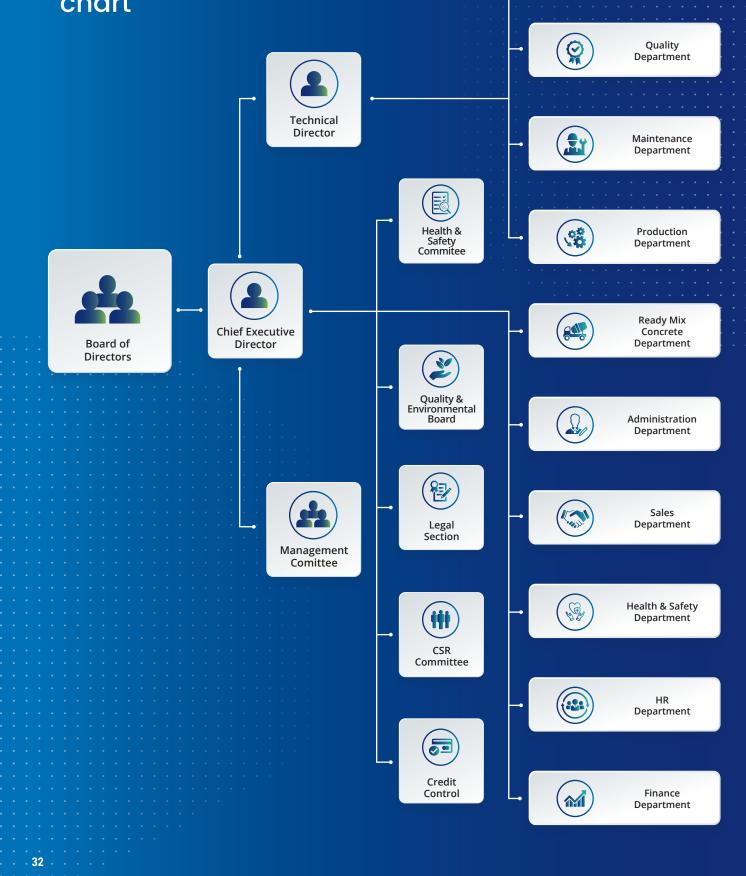
Corporate Social Responsibility Committee

This Committee was established in 2009 and is in charge of integrating and implementing the TITAN Group's strategy at the local level. It is chaired by the Chief Executive Director and consists of the top management and the health and safety, environment, and human resources managers. The CSR Committee meets four to six times a year, or in some cases monthly, to review and evaluate the action plans and achievements, as well as to initiate further improvements. To ensure further cohesion within the Group, the USIE CSR Committee has appointed one of its members as a representative to the Group's CSR Liaison Delegates' Network, which aims to improve internal communication, sharing and learning from the Group's best practices.

Quality & Environmental Board

The Quality and Environmental Board is responsible for establishing the company's Quality and Environmental Policy and setting the quality and environmental system targets. The Board also conducts internal quality and environmental audits and reviews the quality and environmental system. The Quality and Environmental Board identifies the environmental aspects and emergency situations related to environmental protection etc.

USJE organization chart



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Environmental

Department

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Audits in USJE

In 2023, a total of 21 external and 8 internal environmental audits were performed. The audits were related to the environmental management system, the energy management system/energy audits, CO₂ emissions, waste management, permit review and other environmental issues.

In 2023, the ISO Integrated System was audited by EuroCert, European Inspection and Certification Company SA. ISO Internal audit was also performed by certified internal auditors in USJE. Additionally, during the regular audit by GIM (Civil Engineering Institute of Macedonia), it was concluded that the production control system in USJE is organized and contributes to the constant quality of the production process, meeting the requirements of the implemented standards. In the area of Health and Safety, besides the EuroCert audit on ISO 45001, regular audits were also carried out by the Group and Regional Director of Occupational Safety and Health, during which our company was assessed with a yellow light. Same as previous years, our financial reports were audited by PriceWatehouse Coopers. A follow up audit process in the HR department was performed by TITAN Group Internal Audit team with confirmation of the "satisfactory" assessment from 2022.

Management systems

USJE has developed and implemented an Integrated Management System, which includes the four systems: ISO 9001:2015, ISO 14001:2015, ISO 45001:2018 and ISO 50001:2018. The systems' maintenance is enabled through daily monitoring and observance of the prescribed procedures, and regular internal and external audits to check the compliance with the standards. Internal audits are performed by company employees who hold internal auditor certificates for the corresponding standards. External audits are performed by a certification body.

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Diversity and inclusion

At USJE diversity and inclusion (DE&I) refers to our effort to create a workplace culture that values and respects employees from various backgrounds, experiences, and perspectives. This includes considerations related to gender, race, ethnicity, age, sexual orientation, disability, socio-economic status, and more. Promoting diversity and inclusion has become a critical aspect of organizational success, as it leads to improved innovation, employee satisfaction, and overall business performance. By prioritizing diversity and inclusion, we create a more dynamic and innovative workplace, improve employee morale, and positively impact their bottom line. It requires a comprehensive and ongoing commitment from leadership and the entire organization to foster a culture of inclusion.

ESG performance review

We base our strategy on sustainability, and we need to evaluate our financial, environmental, social and governance objectives that we measure through careful analysis of our actions and influence on our communities and stakeholders.

As part of our long-term commitment to sustainability and creating value for everyone, we established bold Environmental, Social and Governance (ESG) goals for 2025 and beyond. They concentrate on our four strategic pillars – Decarbonization and Digitalization, a Work Environment that Fosters Growth, Positive Local Impact, and Responsible Sourcing – all of which are supported by Good Governance, Transparency and Business Ethics. The ESG performance review section of this Report gives a summary of USJE's yearly performance and progress in reaching our ESG targets. For each issue that we and our stakeholders consider relevant for the Company, we show the bases that we have established and explain our method of dealing with the issue, emphasizing significant accomplishments achieved during the year.





Material issue: Decarbonization, energy efficiency and business model resilience

Use of Alternative fuels

By applying the circular economy approach, we contribute to reducing the carbon intensity of our cement production process by replacing fossil fuels with alternative fuels, i.e. materials that cannot be reused and biomass as well. By using alternative fuels, we contribute to waste reduction that is disposed at landfills and at the same time we use their heat power. Alternative fuels usage in our processes contributes to improving the waste management hierarchy at a higher level. Striving towards one of our goals, reduction of generated CO₂ emissions, in USJE we use several types of alternative fuel. We use biomass from agricultural waste (rice husks and coffee husks), selected waste from textile industry, non-recyclable packaging waste, as well as non-reusable and non-recyclable waste plastics.

Based on thermal energy substitution, the largest percentage of total used alternative fuel is waste from the textile (54.14%). Non-recyclable plastics (16.54%), paper (1.7%) and biomass (coffee husks and rice husks 27.62%) are also used. The total amount of alternative fuel used for combustion in the Kilns is 3.4%. The use of alternative fuels is in accordance with the A-IPPC permit. In this process, we apply the world's best practices, proven efficient technologies and equipment. Reducing the usage of non-renewable fuels, greenhouse gas emissions and recycling materials instead of their disposing are just some of the results and benefits of using waste as an alternative fuel.

The Group Environmental Policy adopted by USJE acknowledges the significance of the circular economy and conforms to its laws and principles. One of the effective ways we may reduce our carbon footprint and demonstrate our environmental responsibility is by coprocessing products from various waste streams. Therefore, on the one hand there are environmental benefits like reduction of greenhouse gas emissions, non-renewable fossil fuels and raw materials usage reduction, waste hierarchy improvements i.e. energy recovery rather than disposal.

On the other hand, there are benefits for the society, such as initiatives for better waste management treatment that avoid land dumping, incineration on open air which causes release of emissions, focus on the local-regional level and new employment opportunities as well.

Our efforts toward climate change mitigation

Climate change is considered one of the most important environmental challenges in the cement industry. About 5% of the total CO₂ emissions worldwide come from the cement industry. Namely, the produced CO₂ comes as a result of excavation and transportation of raw materials, decarbonization of CaCO₂ and MgCO₂ as a result of clinker production, fuel combustion during clinker production (the main component for cement production), transportation of the finished product, etc. Therefore, we are dedicated to finding solutions for decarbonization through digitalization, continuous learning, and maximum optimization of the production process.

The introduction and production of cement with a lower percentage of clinker also contributes to the reduction of CO₂ emissions.

In 2023, pozzolan-based cements were one of the best sellers. The production of CEM II/A-V 42.5 R, CEM II/B-V 42.5 R and CEM IV/B(V-P) 42.5 N was more than 86%. We continuously follow and comply with the Global Cement and Concrete Association (formerly known as WBCSD/CSI) protocol for the calculation and reporting of CO₂ emissions throughout the year. The calculation and reporting of CO₂ and energy is carried out on a regular basis, despite the fact that it is not a national requirement. In 2023, USJE's total gross CO₂ emissions were up to 0.7 million tons, while specific net direct CO₂ emissions amounted to 679.8kg CO₂/t per cementitious product.

Business model resilience – Digitalization with focus on process improvements

USJE implemented TITAN Sales Interface (TSI) system, a cutting-edge solution designed to optimize the loading process for trucks, ensuring swift, accurate, and safe handling of cement products. This system integrates seamlessly into our production and logistics chain, providing a host of benefits to both our internal operations and external stakeholders. The benefits include: precision loading: the system is equipped with advanced sensors and automation technology that precisely measures and loads cement products onto trucks, eliminating the risk of overloading or underloading; reduced turnaround time: with the elimination of manual loading processes, our trucks experience reduced loading times, contributing to quicker turnaround times and improved delivery schedules; enhanced safety: the Automatic Loading System prioritizes safety by minimizing human intervention during the loading process. This reduces the risk of accidents and ensures a safer working environment; real-time monitoring: the system provides real-time monitoring capabilities, allowing us to track the loading progress, monitor product quantities, and ensure compliance with transportation regulations.

Implementation of SAP, world-class ERP solution

USJE has successfully implemented SAP, a worldclass Enterprise Resource Planning (ERP) solution, to streamline and integrate all business processes. This integration spans across areas such as sales, finance, procurement, warehouse, and production planning. The benefits among other include:

- Efficient Resource Allocation: SAP's comprehensive ERP system enables us to optimize resource allocation, ensuring that materials, manpower, and machinery are deployed with precision.
- Real-time Data Access: With SAP, we now have access to real-time data, fostering informed decision-making and enabling agile responses to changing market dynamics.
- Supply Chain Visibility: SAP enhances supply chain visibility, allowing us to track materials from procurement through production to delivery, ensuring a smooth and transparent supply chain.





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

Health and safety performance

USJE's number one priority is the health and safety of both our employees and contractors. As part of TITAN Group, our company is committed to continuous improvement in the field of health and safety of our employees, raising awareness of employee safety, compliance with legal norms and corporate standards. Guided by this belief, we introduced numerous initiatives further to improve our H&S performance. In 2023 we conducted training for quality safety walks and audits of both our employees and contractors. Thus, in 2023, a total of 279 safety walks and audits were reported, of which 75 were reported by contractors. 733 incidents were also reported, of which 52 were near misses. In 2023 there was one LTI of our employee, one medical case of a contractor and one first aid for employee and contractor. Detailed investigation has been carried out and a detailed report has been prepared in which corrective measures have been taken to prevent the repetition of the same or similar events through the analysis of the facts. Investigating incidents as part of our system is a good practice that is carried out continuously for all events that are defined as higher risk incidents or near miss incidents. The purpose of these is to find and analyze the cause, which results in the improvement of the existing procedures, equipment, as well as the culture of employees and contractors. Driven by the idea that improving the knowledge of all employees is a key factor for the development of

the safety culture, in 2023 Cementarnica USJE carried



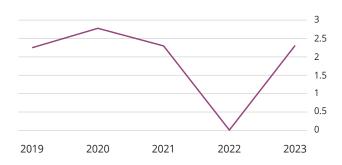
Health and safety procedures role-play

on with the continuous organization of trainings on various topics from the aspect of safety and health for our employees and contractors. In 2023, 6,287 hours of training were delivered for USJE employees or an average of 26 hours of training per employee, while 3,343 hours were delivered for employees of contractors or 15.44 per employee. In 2023, in order to improve the management system of contractors, as well as check their compliance with the Law on Safety and Health at Work, a better control was made in relation to the necessary documentation of contractors according to the Law on Occupational Safety and Health and introductory trainings were organized and retraining for all contractors.

On the World Health and Safety Day, April 28th, the H&S department organized an event to promote workplace safety, to which representatives from state institutions such as the Labor Inspectorate, the Protection and Rescue Directorate, the Crisis Center and others were invited, including guest representatives from various companies from all over the country, collaborators and contractors. At the event, good practices from Cementarnica USJE were shared through demonstration scenarios according to the main cardinal rules. Also at the event, awards were given for the best in safety in order to motivate employees and encourage them to be proactive in the field of safety and health at work. In the area of responding in case of emergency situations in Cementarnica USJE, a rescue team was formed which attended special training provided by a company from Serbia, as well as an exercise organized together with the Directorate for Protection and Rescue and the Crisis Center of the Republic of North Macedonia.

In November 2023, the external company EuroCert audited the ISO 45001 health and safety system with no objections or non-conformities. Regular audits were also carried out by the General and Regional Director of Occupational Safety and Health, during which our company was assessed with a yellow light.

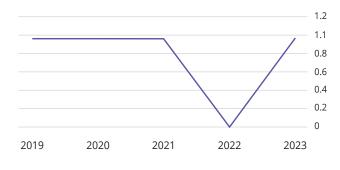
The company's goal in relation to the health and safety system is to achieve progress in developing safety standards and thus have zero workplace injuries, but also to develop an environment of mutual integration of safety.



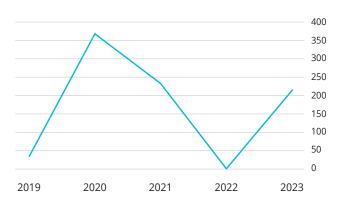
H&S ratios (historic trends) LTIFR

LTIFR – Number of LTIs in a year per 1,000,000 hours worked

H&S ratios (historic trends) LTI



LTI – A Lost Time Injury (LTI) is defined as a work-related injury causing the absence of one or more working days (or shifts), counting from the day after the injury, before the person returns to normal or restricted work (if two or more people are injured in any accident, then the event is to be counted as two or more LTIs, as well as the "Lost Days" for each injured individual)



H&S ratios (historic trends) LTISR

LTISR – Number of lost calendar days due to LTIs during reporting period per 1,000,000 hours worked

These graphs represent the performance of Cementarnica USJE and Opalit DOOEL



Material issue: Employee engagement, development, and wellbeing

The ability to adapt to the demands of a competitive environment and social movements is based on the idea of continuous learning, which is an ongoing commitment of USJE. Our Company's sustainability strategy depends on the professional and personal skills of our people, and the lasting relationships we have established. The focus of learning fosters the creation of upskilling and reskilling programs, enhances leadership and covers both functional and technical skills. We consider our people to be the key factor of our success. We recognize the duty to offer equitable employment that honors people's rights, to create possibilities for all, including youth and those from local communities where we operate, and aim for the safest and healthiest working conditions for everyone.

Regarding the survey that we conducted in 2022, 2023 was the year when action plan was developed and implemented. Our action plan included: enhance leadership skills of people managers to improve clarity and autonomy of their teams, develop responsibility and job ownership, through clear delegation, development & increased empowerment, encourage innovative ideas and self-initiative through recognition, strengthen the meritocracy and regular feedback mechanisms and strengthen cooperation between teams and among departments.

USJE adheres to the TITAN Group Human Rights Policy that defines the rights and obligations based on international best practices and local law and also ensures strict oversight of all aspects related to the execution of this policy. We are happy to report that in 2023, there were no reports of human rights, labor rights violations or non-compliances in USJE.

TITAN Group Ideation Challenge

In 2023, TITAN held the first ever internal ideation challenge, aimed at bringing forth new concepts to improve everyday life for our people and our customers. Motivated by the vision that "everyone can innovate" in TITAN, the competition generated 220 ideas from colleagues across the globe, covering all areas in which an organization can innovate, from products and services to brand awareness and customer experience, and from manufacturing and other core business processes to workplace environment and employee experience. A part of the Group Management Summit in October was dedicated to the Ideation Challenge competition, where 6 teams of finalists had the opportunity to present the concept of their ideas. USIE was recognized and awarded two awards at the TITAN Group Management Summit. Our company received the Leaderboard Award for the highest number of submitted ideas, while our HR team won the Innovation Award as their idea for a Virtual Talent Navigator was declared most innovative at the TITAN Group Ideation Challenge.





- One Communication Day with all employees
- One Family Day with the employees and their families
- Four team building events: team building for Professional Development Program participants, hiking in Vratnica village, bowling team building and USJE team at Skopje Marathon

2023 USJE Employment performance KPIs

- Total employment end of year: 237 – 41 female, 196 male employees
- Employees from neighboring communities: 77
- Employees belonging to the Union: 66%
- Share of women in new hires: 23%
- Share of women in employment: 17.30% – 0.84% increase compared to 2022
- Share of women in management: 33% 12.28% increase compared to 2022
- Parental leaves: 1

Diverse and inclusive workplace

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

In 2022 TITAN Group launched the Diversity, Equity, and Inclusion Policy that sets out our principles, definitions, scope and approach to diversity and inclusion. We are committed to creating an environment that supports diversity, where everyone can thrive and experience a sense of belonging. This is a continuous process which requires that all involved are aware and hold a degree of responsibility in nurturing a healthy company culture which provides a safe environment for everyone. It is a significant achievement for our industry to have women make up 40% of the Central Management Committee.

Wellbeing

We continue to build on our legacy of prioritizing people and offering innovative programs that help employees and their wellbeing. Within our ESG targets

Physical

- 1. Company doctor available
- 2. Medical check-ups
- 3. Providing facilities for after-work sport activities
- 4. Sportmaster club card

Social

- 1. Family Day with employees
- 2. Communication Day
- 3. Team Building for Professional Development Program participants
- 4. Blood donation actions
- 5. New Year celebration
- 6. Wizz Air marathon
- 7. Women's Day gifts for female employees

2025, we aim to create a safe and healthy work environment and launch initiatives that address the wellbeing of our employees. Our wellbeing initiatives and programs are categorized under 4 dimensions: physical, mental, social and financial.

Financial

- 1. Medical plan for all employees
- 2. Free meal in the plant canteen
- 3. Supermarket vouchers
- 4. Scholarships for employees' children
- 5. Beginning of school year bookstore vouchers for employees' children
- 6. Financial aid for employees and/or family members
- 7. New Years' gifts for employees' children
- 8. Employee jubilee awards
- 9. Scholarships for postgraduate studies for our employees

Mental

- 1. TITAN Employee Assistance Program
- 2. Mental Health Campaign
- 3. Health sessions: Conscious parenting



Aiming to support its employees' mental health, in 2023 USJE organized two training sessions on topic Conscious Parenting (270 training hours)

People development

We aim to be a high-performing and growing cement industry leader, which depends on the performance and growth of our people. We are committed to keeping, and inspiring our employees. For this purpose, ongoing development of our people is a vital business priority, and we are investing in initiatives to improve Health and Safety, Digital Skills, and People Development. Through these learning programs, our people can broaden their knowledge, learn new skills, and support business change. We invest in the development of our employees' skills and capabilities to support the long-term growth of our organization. The digitalization of processes and other emerging opportunities offer further ways to invest in reskilling and upskilling our employees and the younger generation in the country, as we work towards implementing decarbonization and sustainability initiatives.

Develop and implement "Leadership program for new managers"

The TITAN Group Leadership development program was launched and USJE's Electrical Maintenance Manager, the H&S Manager, and the Head of Mechanical Maintenance of kilns, raw mills and solid



fuel mills are part of this program. The Leadership program for new managers was developed, launched, and continued through 2023. Training sessions for new managers were held, following the individual sessions for each participant.

2023 USJE people development KPIs

- Total number of training hours 16,353
- Number of employees trained 262
- Average training hours per employee 69





Material issue: Environmental management of local impacts and protection of natural resources

Our Approach to environmental management

The impact on the environment and the environmental management is one of our key long-term priorities. Through continuous implementation of good environmental practices and consideration of our key business decisions, we strive to minimize our potential impacts and protect the environment in the locations and communities where we operate.

As part of the TITAN Group, we fully implement TITAN's policies that ensure sound and transparent environmental management in accordance with mutual best practices. Monitoring, measuring, reporting, collaboration, improvement are just some of the ways we deal with environmental issues and problems. The implementation of our environmental policy has environmental protection standards in place and demonstrates our commitment to implementing and exceeding best practices in environmental matters. We are well trained in integrating mergers and acquisitions into our environmental management processes. Fully aware that our business depends on the use of natural resources, we are committed to activities that have operational impact on the environment. Pursuing our vision to mitigate the effects of our business activities on the environment, we strive to be recognized as one of the peer companies in our environmental maintenance and care industry.



The International MASWA Conference, centered on the Implementation of Circular Economy in Waste Management, took place in Skopje on May 29th and 30th. USJE's Environmental Manager and Engineer were in attendance. During the conference, the Environmental Manager moderated a panel discussion on the Utilization of Energy from Waste, showcasing USJE's expertise in the field. The event also provided an opportunity to highlight best practices for co-incineration of pre-treated waste in cement kilns. Distinguished speakers at the conference included the Minister of Environment, professors from various universities, representatives from regional and domestic waste management firms, and local and international environmental experts, all sharing insights through their lectures.

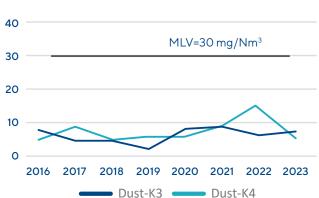
In recognition of USJE's significant cooperation and support over the years, the company was honored with a plaque on the occasion of MASWA's 10th anniversary.

Monitoring emissions

We are commited to minimizing the effect of our air emissions for the sake of our community's and the environment protection, as well as the long-term viability of our company. The primary air emissions from our operations are dust, SO_x and NO_x. Dust emissions can come from fugitive sources such as quarrying, open storage of materials, material transport, loading and unloading operations, and cement production stacks, which are continuously monitored. Fuel combustion produces NO_x, while SO_x comes from the feedstock and a smaller amount of sulphur comes from the fuels. The monitoring of the air emissions from our operations is a precondition for controlling and reducing environmental impact. USJE has a continuous emissions monitoring system (CEMS) that enables the company to closely monitor the emissions on a real-time basis and take action accordingly, thus providing regular and updated information on our performance. USJE regularly announces on its web page the results from monitoring, including the monthly and weekly emission reports from the main emission sources. USIE plant reports in accordance with the Guidelines for Emissions Monitoring and Reporting. Material issues identified by our local stakeholders are monitoring the greenhouse gas (GHG) emissions that have a global effect and all other air emissions.

Dust

The Kiln stacks are one of the main sources of dust emissions at cement factories. During the annual overhaul of Kiln no. 3 and Kiln no. 4, a change was made to the filters of the clinker coolers. The change is being made in order to modernize the existing systems, i.e. replace the existing electrostatic filters with new modern pneumatic bag filters. This type of system for filtering the exhaust gases from clinker coolers is considered BAT (Best Available Technologies) and is a known practice in cement plants worldwide. The replacement of the filters was done preventively, and even though the existing filters met the requirements for MLV of dust, Titan Group decided to invest in new, more modern filters. In the year 2023, the annual dust emissions for Kiln 3 and Kiln 4 were 6.2 and 5.54 tons respectively. There is a significant difference between the amount of dust emissions and the maximum legal value (MLV) required by local and EU legal regulations. Kiln 3 and Kiln 4 had typical dust concentrations of 7.08 mg/Nm³ and 4.64 mg/Nm³, respectively, whereas the MLV is 30 mg/Nm³.

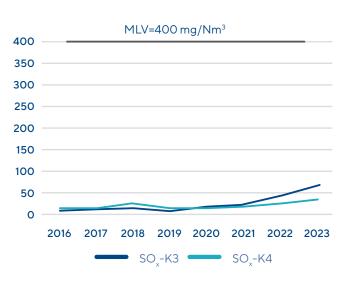


Dust



\mathbf{SO}_{X}

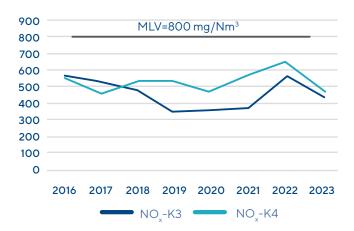
 SO_x emissions are mostly caused by the presence of sulphur in raw materials. The maximum limit values (MLV) required by local and EU laws are significantly higher than USJE's SO_x emissions. In 2023, the mean level of SO_x was 400 mg/Nm³, with average concentrations of 64.76 mg/Nm³ for Kiln 3 and 34.40 mg/Nm³ for Kiln 4. Our efforts produced 53.17 tons of SO_x emissions for Kiln 3 and 36.53 tons for Kiln 4 in 2023, respectively.



SO_x

NO_x

High temperatures during combustion cause NO_x emissions. The NO_x emissions for Kiln 3 and Kiln 4 in 2023 were 324.10 tons and 504.30 tons, respectively. The aggregate NO_x emissions fell between the limitations (MLV) established by regional and European Union laws. The national maximum limit values (MLV) is 800 mg/Nm³, while the average NO_x concentration for Kiln 3 is 420.22 mg/Nm³, and for Kiln 4, it is 478.70 mg/Nm³. The utilization of various fuels and the installation of selective non-catalytic reduction (SNCR) have reduced NO_x emissions in both Kilns. NO_x



Noise measurement

Comparable to most other industrial operations, the manufacturing of cement generates noise because of the different kinds of used machinery, transport of materials, etc. Our plant is located in an industrial and residential neighborhood, with busy streets around it, making it difficult to differentiate between noise generated by USJE operations and outside noise sources, such as traffic or other industrial activities. The noise levels recorded at the quarries and the plant perimeter monitoring stations are not above the defined permission limitations. Even though the noise produced by our operations is not beyond the legal limitations, USJE nevertheless kept up its noise reduction efforts in 2023 as part of our mission to do better and leave a smaller environmental impact.

Biodiversity and land management

Cementarnica USJE continues with efforts to preserve the biological diversity of all plant and animal species in the entire territory. It is our duty to keep biodiversity safe and protected throughout our regions, improve ecosystems' capacity to adjust to regular threats and extreme weather, and promote the shift to a more environmentally friendly economy.

In addition, we continuously strive to ensure good management of biodiversity in all our relevant sites, but we also strive to improve the natural systems that exist outside the range of our operational actions. We do this through joint efforts with stakeholders, such as the Faculty of Forestry Sciences, Landscape Architecture and Eco-Engineering in Skopje, we continue to be actively involved in promoting biodiversity measures. Comprehensive plant environmental impact assessments and quarry rehabilitation plans within mining projects cover all aspects of the development, operation, and decommissioning of specific areas of plant land and quarries. In 2023 we completed the Rehabilitation Plans for Tri Krusi and Cepenka guarries, which have been recently opened, in cooperation with the Faculty of Forest Sciences. We preserve the biodiversity of our entire area by planting special plants, suitable for each part (indigenous species), as well as taking care of their growth and development.

In line with the commitment, we have created a Green Belt of evergreen trees around the entire plant. In a segment of the USJE Cement plant area, there is a green garden for the cultivation and production of the necessary planting material and for the realization of the goals determined in the respective studies and reclamation plans. The results of these long-term commitments to the realization of these plans are already visible in the large number of seedlings planted along the perimeter of the factory and the mines. All activities regarding mine remediation and site biodiversity management are in accordance with the relevant Sustainability Guidelines of the Global Cement and Concrete Association. Since 1998, more than 450,000 trees have been planted or donated to third parties. In 2023, in addition to planting in the plant's perimeter, the marl quarry in Usje, the limestone quarry in Govrlevo and the natural pozzolana quarry in Spanchevo were rehabilitated with the planned reclamation program and activities.

According to the biodiversity risk assessment, which was carried out in 2020 for all the Group's sites using the Integrated Biodiversity Assessment Tool (IBAT, https://ibatalliance.org/), none of USJE's quarries have been identified as being adjacent or within areas of high biodiversity value. Therefore, no specific biodiversity management plans are necessary for our sites.

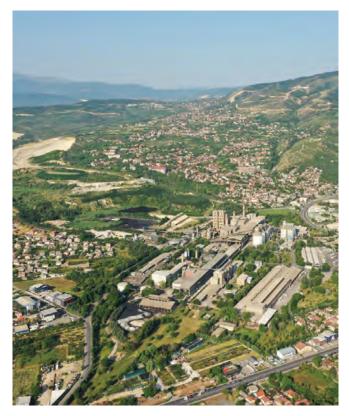


Material issue: Continue engaging and contributing to sustainability of communities

In 2023 USJE continued its cooperation with stakeholders and engaging and contributing to sustainability of communities. USJE is carrying out initiatives that follow the TITAN Group Framework Guidance and are adapted to local needs. Following TITAN Group, the goal is to have Community Engagement Plans (CEPs) that match the important issues for stakeholders and UN SDGs 2030 at all of our main operations by 2025.

In 2023 USJE implemented more than 32 projects and initiatives for community engagement and development. More than 3,300 people in our local communities were direct and indirect beneficiaries of our initiatives.

We assessed all 32 initiatives under our Community Engagement Plan (CEP), following in-house criteria of the TITAN ESG Performance System and according to TITAN Framework Guidance for CEPs. The assessment ensured USJE achieves a high level of alignment with our material issues important for both our stakeholders and our business activities, as well as for the level of engagement with local stakeholders.



Encouraging Community Development

USJE contributes to a positive, direct, and indirect economic impact on the domestic economy. We report about "local spend", i.e. the share of domestic suppliers in total procurement, according to TITAN standards and UNCTAD Guidelines. Local Spend in total procurement for 2023 amounted to 66.04%. USJE strives to ensure that at least two thirds of all procurement is directed toward domestic suppliers. We achieve this through the implementation of various projects and by choosing to work with domestic companies, given that all purchasing procedure conditions are met.



USJE partners and cooperates with business, civic associations and institutions. Within this scope, during 2023, USJE was part of many initiatives.

USJE signed its commitment to the Responsible Businesses Club, which is a platform for leading companies that run a sustainable business, ensuring the development of employees, the community and society. Membership brings together businesses and communities by offering opportunities for collective involvement in sustainable actions. Cementarnica USJE signed the commitment along with 36 other member companies, for a strong pledge to sustainable development and the adoption of business practices that are distinguished by transparency, environmental awareness, inclusiveness, and respect for the communities in which we work and invest. The Responsible Businesses Club was renewed under the auspices of the President of North Macedonia, Mr. Stevo Pendarovski, within the project funded by USAID North Macedonia and implemented by Konekt in partnership with

the European Center for Non-Profit Law, the Chamber of Commerce of North-West Macedonia and AmCham North Macedonia

- Cooperation with AmCham (American Chamber of Commerce in North Macedonia). Empowering a Sustainable Business Environment was the topic of the AmCham ESG Conference where our HR and CSR Manager was a panellist, highlighting our social engagement and projects within the ESG targets.
- USJE is an active member in the Coordinating Body for Social Responsibility within the Ministry of Economy covering the cooperation for projects for strengthening the socially responsible practices in the public and private sector. These projects will involve activities such as preparation and development of a strategy for social responsibility, encouraging the introduction of socially responsible practices among companies and promotion of the leading principles of the UN.



- USJE took part in the Giving Circle, organized under the motto "Join, Plan, Donate!", which enables citizens to donate in a planned and thoughtful way to trustworthy civic organizations that are dedicated to creating positive changes. On this occasion, USJE participated with symbolic amount of funds. Moreover, USJE was part of a meeting for discussing and screening applications of organizations aiming to gain or maintain the "Sign of trust".
- Internships and study visits. In 2023, we continued with the Internship program welcoming 16 interns who gained their first work experience with our Company, while 2 former interns were at an entry level position. We also provided study visits in different sections of the plant for 67 students.

Total number of interns in 2023	Male	Female
16	11	5





Material issue: Decarbonization, energy efficiency, and business model resilience

Energy efficiency

Following our goal of carbon neutrality throughout the cement and concrete value chain and providing reliable future energy resources for society, we rely significantly on energy efficiency and increasing the use of energy generated from renewable sources. We put our efforts to improve energy efficiency and increase decarbonization. We achieve this by figuring out various approaches to digitization, production process optimization, etc.

Following the requirements of the ISO 50001:2018 standards, there were several implemented projects for energy efficiency improvements in 2023. The completion of the solar panels installation and commissioning was the major project in Cementarnica USJE. In the direction of ensuring sustainable development, Cementarnica USJE invested in a photovoltaic plant with installed power of 3 MWp.

The total investment for the realization of this project is over 2 million euros, and it is planned to substitute approximately 10% of the daily electricity consumption of USJE Plant by energy from the sun, i.e. renewable energy. The company will use the entire production of electricity from the photovoltaic plant for its own needs. In this phase, all of the photovoltaic panels are placed on a roof area of approximately 15,000 m². Other ground locations are being considered for new investments in the next phase.





Water management

USJE always strives to minimize the use of freshwater and increase its reusage. Reducing the quantity of water taken from natural resources is the goal of our initiatives, such as closed-loop cooling systems along with reusing water from ponds and sedimentation pools.

An essential part of our environmental performance is water management, which helps improve the quality of water resources in our facilities and the surrounding areas.

We remain committed to keep the water as a natural resource, as indicated by our strategy for sustainable water management:

- Automatic monitoring of the groundwater withdrawn quantities allows for a fast response in case of network damages and water losses;
- Separation of sewage from atmospheric water and discharge in the city sewage network;
- Closed system for filtering and recycling industrial water (for cooling of equipment);
- Reuse of water from sedimentation pools and ponds for roads and machinery cleaning;
- Water from the city water supplying network used for sanitary purposes only (water class 1);
- Collection of atmospheric water and street spraying water from the plant in open canals and sedimentation pools and their treatment in the atmospheric wastewater treatment plant before discharge.

The majority of the water utilized at the USJE Plant is for environmental activities (dust suppression on roads, watering of green areas, etc.), while the technology used for cement manufacturing only requires minimal amounts of water. At USJE, our water accounting and reporting guidelines are aligned with the GCCA Sustainability Guidelines*. USJE extracted 232,203 m³ of water in total in 2023 (for the production of cement and clinker), of which 30,428 m³ came from the public municipal water network and 201,775 m³ came from our water wells. Of this amount 31,237 m³ were utilized by other third parties conducting business on USJE property and unrelated to our operations.

Waste management

We work hard to reduce waste in our processes and enhance waste control throughout our whole production process. We are committed to acting, at the very least, on all regulations regarding responsible and safe handling of waste materials. Our waste minimization techniques provide increasing resource efficiency, lower emissions, and industrial waste. This involves reducing the quantity of the produced material waste and improving the efficiency of the process by reusing recycled materials. There is no waste or by-product produced by USJE's clinker and cement production process. We are able to reuse the cement and clinker dust produced in the plant since every filter in the facility is linked to the raw meal supply.

The two main sources of solid waste are product packaging waste and plant maintenance. The separation of the waste is at its source in accordance with the best available practices. The same waste is gathered and stored in separate locations. The generated waste in the plant is handed over to authorized and licensed companies for additional recycling, with the exception of a small amount that is landfilled.

We generated 5,098.86 tons of waste in total throughout our operations in 2023, of which 4,356.54 tons were recycled or used internally (into the raw meal), and 585 tons was sent to authorized recycling centers, while 159 tons were landfilled. The Group's environmental policy remains focused on

waste management, energy, reuse, and recycling. All leaked material is measured, gathered, and returned into the process.

* GCCA Sustainability Guidelines for the monitoring and reporting of water in cement manufacturing



Material issue: Building trust with our customers and improving their satisfaction

In 2023, USJE offered in its product portfolio new eco cement, which represents green cement with a lower amount of clinker, the production of which causes a lower carbon footprint.

To achieve that successful transformation, we have offered and implemented detailed technical support, supporting our customers find appropriate solutions using our high-quality products.

Although 2023 was a difficult year, we as always delivered stable and permanent products and solutions, and we implemented our decisions and actions based on our key principles of integrity, transparency, and business ethics. We put great ambitions and appetites, to continue towards the commercial transformation of the Group, through aggressive investments and innovations, as well as full digitalization. Through this, we reach every segment of the market, and we ensure cooperation with end customers.

Gathering feedback directly from customers helps us understand how well our products meet customers' expectations. The Customer survey was performed by the sales representatives at the end of 2023 and January 2024 on a sample of 109 customers (59 for packed cement and 50 for bulk cement). The general evaluation score is excellent quality of our products and high score of customer satisfaction. The Customers Survey is a proactive and strategic tool for our business to understand the customers, to improve our offerings and market portfolio, to maintain competitiveness, and to foster long-term customer relationships.

USJE has successfully implemented the TitanUp application, which is the latest innovation that enhances customer experience. This user-friendly and intuitive application is designed to streamline the process of ordering cement products, providing the customers a convenient and efficient way to manage their requirements. In 2023, 92% of our customers for packed cement and 98% of the customers for bulk cement were satisfied with the TitanUp application. The benefits of this application include:

- **Product Catalog:** Explore our comprehensive product catalog with detailed information on our range of cement products, including specifications, pricing, and availability.
- **Order Placement:** Place orders effortlessly through the application, with a few simple taps. Specify quantities, delivery dates, and any additional requirements to customize their order according to the project needs.
- Order History and Tracking: Access order history and track the status of the current orders in real-time. This transparency allows them to monitor the progress of the deliveries and plan accordingly.
- Customization Options: Tailor orders to their specific requirements by choosing from various customization options available within the application. Whether it's specific packaging preferences or delivery instructions.
- **Instant Invoicing:** Receive instant invoices for their orders, making the payment process quick and hassle-free. All transaction details are securely stored within the application for their convenience.
- Notifications and Alerts: Stay updated with timely notifications and alerts regarding order confirmations, dispatch details, and any other relevant information.



Material issue: Reliable and sustainable supply chain

USJE's supply chain consists of various business partners that provide us with services (as contractors) and products (as suppliers). USJE is committed to build strong and lasting relationships with contractors and suppliers, based on trust and mutual benefit. We actively promote our commitment to UNGC principles and at the same time encourage our business partners to commit to the principles through the General Terms for Procurement of Goods.

We collaborate mainly with local contractors and suppliers, which contributes to the community we work in by creating opportunities for local business development that will strengthen the stability of the existing jobs and create new ones.

In 2023, TITAN Group provided questionnaire to all business units for ESG evaluation of our suppliers and a Guideline for this process as well. Based on the criteria in the Guidelines, USJE prepared a list of suppliers suitable for ESG evaluation; 15 suppliers were suitable for evaluation, but based on our judgement we have enriched the list to 22 suppliers. 15 suppliers replied, meaning the response rate was 100%, compared with the initial list, or 68% compared with the enriched optional list.

TITAN Group Code of Conduct and Procurement Manuals

Back in 2022, TITAN Group updated its Code of Conduct for Procurement. The document emphasizes the fair treatment of all suppliers. The Code of Conduct for Procurement sets out the principles and standards that must govern the behavior and actions of all persons involved in any procurement process confirming the Group's commitment to sustainability and responsible supply chain management.



Good governance, transparency, and business ethics

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



Material issue: Good governance and business ethics

In USJE good governance is essential for our longterm success, sustainability, and ethical operation. It involves the processes, practices, and structures by which we are directed, controlled, and held accountable to achieve our objectives while

Anti-bribery and corruption

Addressing anti-bribery and corruption in USJE is crucial for maintaining ethical business practices, fostering a fair marketplace, and ensuring legal compliance. We implement various measures to prevent and combat bribery and corruption within our company and TITAN Group as well.

The TITAN Group follows a zero-tolerance approach towards bribery, fraud and any other corruptive practice. All initiatives and efforts to fight corruption are supported by and implemented through a strong organizational structure that sets clear roles and responsibilities and provides increased assurance for good governance and solid ESG performance. considering the interests of various stakeholders.Our business ethics encompasses a wide range of topics, including honesty, integrity, transparency, corporate social responsibility, and the treatment of employees, customers, and other stakeholders.

Consistent with our values and culture, and as clearly articulated in the TITAN's Code of Conduct and relevant Group Policies, the Group follows a zero-tolerance approach towards bribery, fraud and any other corruptive practice. Our Anti-Bribery and Corruption Policy sets forth principles, rules and responsibilities, specifies high-risk areas in which bribery and corruption may most often occur during business activities and provides guidance for preventive and detective procedures, including the performance of risk assessment activities and due diligence of third parties who perform services for or on behalf of TITAN Group.

Compliance program and Group policies

Our compliance program is a set of policies, procedures, and practices that we implement to ensure that its operations adhere to legal and regulatory requirements. This program aims to prevent and detect violations of laws and regulations, mitigate risks, and foster a culture of ethical conduct within the company. Company policies are an integral part of the compliance program, as they provide detailed guidelines and expectations for employees and stakeholders.

The Company ensures that conflicts of interest are prevented, and that there is a fair approach to the

awards system, guided by clear procedural guidelines, and the policies of the TITAN Group. Policies are regularly communicated, and employees are trained accordingly. The employees have access to the EthicsPoint platform, a tool used for anonymous and confidential reporting of incidents. This software is an additional tool supporting transparency, which thereby safeguards good governance and integrity. 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, all Professional Development Program participants were invited to attend a training organized by the Supply section on Policy, Code of Conduct and Supply Procedure with total of 50 training hours.

The policies are also available on our web site: https:// www.usje.mk/en/about-us/corporate-governance/grouppolicies/



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.

Respecting and upholding human rights in our company is a crucial aspect of corporate social responsibility (CSR) and ethical business practices. Human rights in this context encompass a wide range of principles and standards that aim to protect the dignity, wellbeing, and equality of all individuals associated with or affected by our company's operations.

In USJE, we:

- Ensure fair and safe working conditions for all employees.
- Respect the right to organize and collective bargaining.
- Eliminate forced labor and child labor.
- Promote diversity and inclusion, prohibiting discrimination based on race, gender, ethnicity, religion, age, disability, sexual orientation, or any other characteristic.
- Offer equal opportunities and fair treatment for all employees.
- Ensure a safe and healthy work environment for employees.
- Follow adequate measures to prevent accidents and occupational hazards.
- Put effort to prevent and address human rights abuses within the supply chain, such as forced labor or unsafe working conditions.

• Engage with and respect the rights of local communities affected by our operations.

- Mitigate negative impacts on communities and contribute to local development.
- Comply with data protection regulations and ethical data practices.
- Respect the right to freedom of expression for employees and stakeholders.
- Provide awareness and training programs on human rights and empower employees to recognize and address human rights issues within the company.
- Have established mechanisms for reporting and addressing human rights violations and implemented grievance mechanisms for affected individuals.
- ... and constantly endeavor to further upgrade this important segment.

In this direction, the last ESG Network department meeting in 2023 was a thematic workshop in Human Rights. The TITAN Group compliance Department presented the Group Compliance & Anti-Fraud Programs, Third-party Due Diligence & Whistleblowing policy.

ESG performance statements

Our Sustainability Performance Data is presented in the ESG performance statements provided in the tables that follow. This provides reporting professionals easier access to and overview of the data.

Furthermore, for the wider audience and the majority of our stakeholders, we have chosen to decrease the amount of content in the descriptive section of the Report, aiming to ensure it is more accessible, comprehensive, readable and focused on the topics of greatest importance to our stakeholders. TITAN's approach for ESG performance reporting in the Integrated Annual Report and adopted by USJE in this report

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

Connecting material issues to TITAN Group Focus Areas

		Environmental management of local impacts and protection of natural resources - 1	Safe and healthy working environment for our employees and business partners - 2	Building trust with our customers and improving their satisfaction - 3	Good governance and business ethics - 4	Continue engaging and contributing to sustainability of communities - 5	Decarbonization, energy efficiency and business model resilience - 6	Employee engagement, development and well- being - 7	Maintaining a sustainable and reliable supply chain - 8
	De-carbonization and digitalization	•		•			S		
cus areas	Growth-enabling work environment		S		•	•		S	
TITAN Group focus	Positive local impact	5		•		S			
TITAN G	Responsible sourcing	S		S	•	•	S		S
		Jnderpinned by: Go Transparency and B	•	. (9				

Strong connection between our material issues and the Titan Group Focus areas are presented with 🔗 Those are primary connections.

2.	ESG Key Performan	ce Indicator	s (KPIs)								
2.1	Focus area: De-carboniz	ation and Digit	alization								
code	ESG Performance Indicators	Unit	2023	2022	2021	GCCA	UNGC	UNCTAD	TCFD	SASB	SDGs and Targets
2.1.1	Material Issue: Future-re	ady business r	nodel in a	carbon-n	eutral wo	rld					
Cemer	nt and cementitious produc	ction activities									
1.1	Scope 1 gross CO ₂ emissions ²	million t	0.66	0.6	0.7	٠	٠	٠	٠	EM- CM- 110a.1	
1.2	Scope 1 specific gross CO ₂ emissions	kg/t cementitious product	684.83	647.5	665.9	٠	٠		٠		_
1.3	Scope 1 gross CO ₂ emissions coverage rate	% clinker production	100	100.0	100.0						_
1.4	Scope 1 gross CO ₂ emissions covered under limiting regulations	%	0.0	0.0	0.0		٠	٠		EM- CM- 110a.1	_
1.5	Scope 1 net CO ₂ emissions	million t	0.66	0.6	0.7	٠	٠	٠	٠		_
1.6	Scope 1 specific net CO_2 emissions	kg/t cementitious product	679.40	644.2	663.5	٠	•		٠		_
1.7	Scope 1 net CO ₂ emissions coverage rate	% clinker production	100	100.0	100.0						
1.8	Scope 2 CO ₂ emissions ³	million t	0.1	0.1	0.1	٠	٠	٠	٠		_
1.9	Scope 2 specific CO_2 emissions	kg/t cementitious product	51.17	70.8	90.2	•	•		٠		SDG 9.4
1.10	Scope 2 CO ₂ emissions coverage rate	% clinker production	100	100.0	100.0						_
1.11	Scope 3 CO ₂ emissions ^{4,8}	kt	108.47	134.2	130.6	٠			٠		_
1.12	Category 1 - Purchased goods and services ⁹	kt	18.1	16.6	17.0	•			•		_
1.13	Category 3 - Fuel and energy related activities	kt	69.7	89.8	89.6	•			•		_
1.14	Category 4 - Upstream transportation and distribution	kt	9.9	11.2	8.1	•			٠		_
1.15	Category 6 - Business travels	kt	0	0.0	0.0	٠			٠		_
1.16	Category 7 - Employee commuting	kt	0	0.2	0.2	٠			٠		_
1.17	Category 9 - Downstream transportation and distribution	kt	10.59	16.5	15.8	•			•		

code	ESG Performance Indicators	Unit	2023	2022	2021	GCCA	UNGC	UNCTAD	TCFD	SASB	SDGs and Targets
1.18	Scope 3 specific CO ₂ emissions ⁸	kg/t cementitious product	112.15	143.6	120.8	•			•		
1.19	Scope 3 CO ₂ emissions coverage rate	% clinker production	100	100.0	100.0						_
1.20	Conventional fossil fuels substitution rate	% Heat	96.5	97.0	97.9	•	•	•	•		SDG 9.4
1.21	Alternative fuel substitution rate	% Heat	3.37	3.0	2.1	•	•	•	•	EM- CM- 130a.1	_
1.22	Biomass in fuel mix⁵	% Heat	1.37	1.6	1.2	•	•	•	•	EM- CM- 130a.1	
1.44	Alternative fuels consumption (total)	t	4,064	3,167	2,731	•	•	•	•	EM- CM- 130a.1	
1.45	Clinker to cement ratio	%	70.9	72.1	72.6	٠	٠		٠		SDG 7.2
1.46	Moderate carbon products ⁶	% cement production	73.9	93.6	93.6				•		- SDG 12.2 SDG 13.1
1.47	Green (lower carbon) products ^{1,7}	% cement production	29.55	21.6	9.6				•		

Notes for specific KPIs

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

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

3. Indirect 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 CO₂ emissions related to the emissions of the supply chain. 5.% of energy originated from biomass over the total thermal energy consumption.

6. Moderate carbon products refer to produced cement types with a carbon footprint that is at least 10.0% lower than that of a typical OPC type as well as any cementitious product sold to be used as cement or concrete additive.
7. Green (lower carbon) products refer to produced cement types with a carbon footprint that is at least 25.0% lower than that of a typical OPC type as well as any cementitious product sold to be used as cement or concrete additive.

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

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

Connection of KPIs with the SASB Standards

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

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

2.2	Focus area: Growth-enab	ling work en	vironment								
code	ESG Performance Indicators	Unit	2023	2022	2021	GCCA	UNGC	UNCTAD	TCFD	SASB	SDGs and Targets
2.2.1	Material issue: Safe and h	ealthy work	ing enviror	nment							
All acti	vities										
2.1	Employee fatalities	#	0	0	0	•	٠	٠			_
2.2	Employee fatality rate	#/10⁴ persons	0.0	0.0	0.0	•	٠	٠			_
2.3	Contractor fatalities	#	0	0	0	٠	٠	٠			_
2.4	Third-party fatalities	#	0	0	0	•	٠	٠			_
2.5	Employee Lost Time Injuries (LTIs)	#	1	0	1	٠	٠	٠			_
2.6	Employee Lost Time Injuries Frequency Rate (LTIFR)	#/10 ⁶ h	2.34	0.00	2.30	٠	٠	٠		EM- CM- 320a.1	SDG 3.6 SDG 3.8 SDG 4.3
2.7	Employee lost working days⁴	d	91	0	102	•	٠				- SDG 8.8
2.8	Employee Lost Time Injuries Severity Rate ⁴	d/10⁰ h	213.4	0.0	234.2	•	•	٠			
2.9	Contractor Lost Time Injuries (LTIs)	#	0	1	2	٠	٠	٠			
2.10	Contractor Lost Time Injuries Frequency Rate (LTIFR)	#/10 ⁶ h	0	3.2	4.7	•	•	•		EM- CM- 320a.1	_
All acti	vities										
2.11	Near misses	#	52	28	38		•			EM- CM- 320a.1	
2.12	Training man-hours on health and safety / employee ⁵	h/ person	26	16.1	17.1		٠	•			SDG 3.6 SDG 3.8 SDG 4.3 SDG 8.8
2.13	Training man-hours on health and safety / contractor ⁵	h/ person	15.44	14.4	14.84		•	•			
Cemer	nt production activities										
2.24	Wellbeing initiatives for employees ^{1,2}	#	23	25	14						SDG 3.6 SDG 3.8 SDG 4.3 SDG 8.8

code	ESG Performance Indicators	Unit	2023	2022	2021	GCCA	UNGC	UNCTAD	TCFD	SASB	SDGs and Targets
2.2.2	Material issue: Diverse and Ir	nclusive wo	orkplace								
2.26	Number of employees by year end,	#	237	237	250		٠				SDG 5.4 SDG 8.5
	Employee turnover / gender, avg.	%	12.24	15.19	9.0		٠				SDG 8.6 SDG 8.8 SDG 10.3
Employ	ree new hires / gender ⁷										
2.40	Females	#	7	2	5		٠				SDG 5.4
2.41	Males	#	24	23	16		•				SDG 8.5
New hi	res / age ⁷										
2.42	Under 30	#	12	14	6		٠				SDG 5.4
2.43	Between 30-50	#	19	11	14		•				- SDG 8.5 SDG 8.6
2.44	Over 50	#	0	0	1		٠				- SDG 8.8 SDG 10.3
Employ	rment / type ⁷										
2.45	Full time	#	208	214	218		٠				SDG 5.4
2.46	Part Time	#	0	0	1		•				- SDG 8.5 SDG 8.6
2.47	Temporary	#	29	23	31		٠				5DG 8.8 SDG 10.3
Employ	rment / category ⁷										
2.48	Senior managers	#	2	2	2		٠				SDG 5.4
2.49	Managers	#	16	17	18		٠				SDG 8.5
2.50	Administration/technical	#	70	79	72		٠				- SDG 8.6 SDG 8.8
2.51	Semi-skilled/unskilled	#	149	139	158		•				SDG 10.3
Employ	rment / gender ⁷										
2.55	Females	#	41	39	42		•				_
2.56	Males	#	196	198	208		٠				_
2.57	Share of women in employment, avg. ⁷	%	17.30	16.46	16.80		•				_ SDG 5.4
2.58	Share of women in management, avg. ⁷	%	33%	21.05	20.00		٠	٠			SDG 8.5 SDG 8.6
2.59	Share of women in Senior Management, avg. ⁷	%	0	0.0	0.0		٠	٠			 SDG 8.8 SDG 10.3
2.60	Number of employees with dissabilities, BU	#	0	0	0						_
2.61	Number of parental leaves ^{1,2}	#	1	2	3						

code	ESG Performance Indicators	Unit	2023	2022	2021	GCCA	UNGC	UNCTAD	TCFD	SASB	SDGs and Targets
2.2.3	Material issue: Continuous d	levelopme	nt of our p	eople							
2.62	Training investment / (trained) employee, avg. ^{3,7}	€	178	166	155		•	•			SDG 4.3 SDG 4.4 SDG 5.1 - SDG 5.5
2.63	Training investment ³	€	46,652	42,589	39,726		٠	٠			SDG 8.5 SDG 10.2 SDG 10.3 SDG 16.5
Trainin	g investment / gender ⁷										
2.64	Females	€	2,464	18,390	7,144		•	•			_
2.65	Males	€	44,188	24,199	32,581		٠	٠			SDG 4.3 _ SDG 4.4
2.66	Trained employees, total ⁷	#	262	257	256		٠				SDG 5.1
2.67	Share of trained employees, avg. ⁷	%	100.0	108.0	102.0		٠				- SDG 5.5 SDG 8.5 SDG 10.2
2.68	Share of trained female employees (in total female employees), avg. ⁷	%	100.0	108.0	100.0		•				SDG 10.3 SDG 16.5
Trained	d employees / category ⁷										
2.69	Senior Managers	#	2	2	2						SDG 4.3 - SDG 4.4
2.70	Managers	#	20	21	20						SDG 5.1
2.71	Administration/technical	#	75	80	72						- SDG 5.5 SDG 8.5
2.72	Semi-skilled/Unskilled	#	165	154	162						- SDG 10.2 SDG 10.3 SDG 16.5
Trained	d employees / age group										
2.73	Under 30	#	32	27	23		٠				
2.74	Between 30-50	#	155	145	135		٠				_
2.75	Over 50	#	75	85	98		•				SDG 4.3
2.76	Training hours	#	16.353	12,933	12,057		•	•			SDG 4.4 SDG 5.1
2.77	Average training hours / employee (over the total number of direct employees), and breakdown per gender ⁴	h/ person	69.0	50.0	48.0		•	•			SDG 5.5 SDG 8.5 SDG 10.2 SDG 10.3 SDG 16.5
2.78	Average female	#	102	73.0	71.0						_
2.79	Average male	#	62	46.0	44.0						

code	ESG Performance Indicators	Unit	2023	2022	2021	GCCA	UNGC	UNCTAD	TCFD	SASB	SDGs and Targets	
Training	aining hours / subject											
2.80	Company onboarding	#	1.824	1.014	1.200							
2.81	Compliance	#	431	722	615			•				
2.82	Sustainability	#	279	157	263			•			_	
2.83	Decarbonization ^{1,2}	#	4	157	n/a						_	
2.84	Digital & IT ²	#	3.732	1.838	769						SDG 4.3	
2.85	Environment	#	506	416	723						- SDG 4.4 SDG 5.1	
2.86	Foreign languages	#	2	432	1.586						SDG 5.5 SDG 8.5	
2.87	Functional competence	#	593	848	634						SDG 10.2	
2.88	Generic competence	#	23	187	61						 SDG 10.3 SDG 16.5 	
2.89	Health and Safety	#	6.287	3.755	4.204						_	
2.90	Managerial skills	#	1.688	1.256	570						_	
2.91	Other	#	28	840	318						_	
2.92	Security	#	25	41	0						_	
2.93	Technical know-how	#	930	1.270	1.113							

Notes for specific KPIs

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

 ${\scriptstyle \bullet}$ "Decarbonization" was introduced as a new subject area and presented

separately in this report for the first time, whereas in the past respective subjects to GHG emissions were covered under Environment.

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

3. For the definition see Table 2.5.10 "Value Creation Indicators".

4. Figure(s) for 2020 adjusted to include previously unreported data.

5. The KPI was calculated for closing of the reporting period 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 2022. As exception, the KPI for "Performance by activity" was calculated by using the figures of "Number of employees by year end", due to different data consolidation criteria and methodology, but with insignificant impact on the results.

6. The calculation was made according to Belgian Law (sec. 165 XIVB of RD of 30 January 2001).

7. KPIs calculated on the basis of "Average Employment" data for year 2018. Since 2019 the specific KPIs have been calculated on the basis of the number of employees as of 31 December for each year. Figures for the KPI "Share of trained female employees (in total female employees)" which were calculated above 100% (because of the Turnover for Females, or other reasons) needed to be reported as 100% (adjusted to 100% of female employees).

Connection of KPIs with the SASB Standards

Connection of ESG performance indicators with the metric EM-CM-320a.1 according to SASB Standards, under the topic (area) "Workforce Health and Safety": Specifically, the connection concerns the KPIs of near misses and frequency rate for full-time employees, and contract employees."

2.3	Focus area: Positive local im	pact									
code	ESG Performance Indicators	Unit	2023	2022	2021	GCCA	UNGC	UNCTAD	TCFD	SASB	SDGs and Targets
2.3.1	Material issue: Environmenta	al positive i	mpact								
Air emi	ssions										
Cemen	t production activities										
3.1	Coverage rate continuous measurement	%	100.0	100.0	100.0	•	•			EM-CM- 120a.1	_
3.2	Specific dust emissions	g/t clinker	15.66	33.7	25.3	•	•			EM-CM- 120a.1	_
3.3	Specific NO _x emissions	g/t clinker	1.280	1.838	1.338	•	•			EM-CM- 120a.1	- 500 2.0
3.4	Specific SO _x emissions	g/t clinker	129.4	93.8	47.9	•	•			EM-CM- 120a.1	SDG 3.9 SDG 9.4
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 activ	vities										
3.6	Environmental complaints ²	#	1	3	3						
Rehabil	litation										
Cemen	t production and aggregates a	ctivities									
3.7	Sites with rehabilitation plans ³	%	71.4	50.0	42.9	•	٠			EM-CM- 160a.1	_
3.8	Total land use ^{1,3}	million m ²	1.02	0.99	n/a					EM-CM- 160a.2	SDG 15.3 SDG 15.4 SDG 15.9
3.10	Sites with Environmental Management System (ISO14001 or similar) ³	%	100	87.5	100.0		٠			EM-CM- 160a.1	SDG 15a
Biodive	ersity										
Cemen	t production and aggregates a	ctivities									
3.11	Sites in high biodiversity value areas ^{3,4}	#	0	0	0	•	•			EM-CM- 160a.1	- "SDG 15.3
3.12	Sites with biodiversity management plans ^{3,5}	#	0	0.0	0.0	•	•			EM-CM- 160a.1	SDG 15.4 SDG 15.9
3.13	Sites with biodiversity management plans	%	-	-	-	•	•			EM-CM- 160a.1	SDG 15a"

code	ESG Performance Indicators	Unit	2023	2022	2021	GCCA	UNGC	UNCTAD	TCFD	SASB	SDGs and Targets		
Investn	Investments in environmental protection												
All activ	vities												
3.14	Environmental expenditures across all activities ⁷	million €	0.6	1.8	1.2	•	•				_		
3.15	Environmental management	million €	0.1	0.0	0.0	•	٠				_		
3.16	Reforestation	million €	0.1	0.1	0.1	٠	٠				SDG 7b		
3.18	Environmental training and awareness building	million €	0.0	0.0	0.0	•	٠				SDG 9.4		
3.19	Application of best available technologies	million €	0.3	1.6	0.9	٠	٠				_		
3.20	Waste management	million €	0.1	0.1	0.1	•	٠						
2.3.2	Material issue: Social pos	itive impact											
3.21	Donations ⁸	€	156,692	114,264	125,101		٠	•			_		
3.22	Donations in cash ⁸	€	0	0	8,276		٠	٠	_		_		
3.23	Donations in kind ⁸	€	156,692	114,264	116,825		•	٠			_		
3.24	Employees from local community, avg.	%	32.5	32.49	75.0						_		
3.25	Internships	#	16	18	12		٠				_		
3.26	New entry level jobs from internships/traineeships	#	2	2	1		٠				_		
3.29	Total number of Initiatives under Community Engagement Plans ¹	#	32	29	18						SDG 2.1 SDG 2.3		
3.30	Total number of Participants to Community Engagement Plans ^{1,2}	#	48	954	89						- SDG 4.3 SDG 4.4 SDG 9.3		
3.31	TITAN Employees, volunteers to Community Engagement Plans ¹	#	16	240	73								
3.32	Social investment (in cash and in kind) for community initiatives ^{1,2}	€	235,428	152,371	158,543						_		
3.33	Blood donations (TITAN employees, business partners and communities) ¹	#	47	73	4.0								

code	ESG Performance Indicators	Unit	2023	2022	2021	GCCA	UNGC	UNCTAD	TCFD	SASB	SDGs and Targets
2.3.3	Material issue: Economic po	ositive ir	npact								
3.34	Local Spend, avg. ^{1,8}	%	66.04	63.86	56.77		٠	٠			

Notes for specific KPIs

 Relevant information is not available for the specific years denoted as 'n/a'.
 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 2023 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 2023 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, SO_x, 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."

codeESG Performance IndicatorsUnit20232021GCCAUNGCUNCTADTCFDSASB2.41Material Issue: Resource efficiency, recycling and recycry, contributing to circular economyInternational economyInternational economyInternational economy41Water consumption (total)million m ³ 0.180.30.3••International economy42Water withdrawal (total, by source)million m ³ 0.220.40.4••International economy4.3Groundwatermillion m ³ 0.220.40.4••International economyEM-CM-144.4Municipal watermillion m ³ 0.220.40.4••International economyEM-CM-144.4Municipal watermillion m ³ 0.220.40.4••International economyEM-CM-144.5Rainwatermillion m ³ 0.00.0-International economyEM-CM-144.6Surface watermillion m ³ 0.00.0-International economyInternational economy4.8Ocean or sea watermillion m ³ 0.00.0-International economyInternational economyInternational economy4.10Water discharge (total, by destination) ³ million m ³ 0.00.0-International economyInternational economyInternational economy4.11Surface (river, lake)million m ³ 0.00.0- <th></th>	
All Activities 4.1 Water consumption (total) million m ³ 0.18 0.3 0.3 ● 4.2 Water withdrawal (total, by source) ² million m ³ 0.25 0.4 0.4 ● ● EM-CM-14 4.3 Groundwater million m ³ 0.22 0.4 0.4 ● ● EM-CM-14 4.4 Municipal water million m ³ 0.22 0.4 0.4 ● ● EM-CM-14 4.4 Municipal water million m ³ 0.22 0.4 0.4 ● ● EM-CM-14 4.4 Municipal water million m ³ 0.00 - EM-CM-14 4.5 Rainwater million m ³ 0 0.0 - EM-CM-14 4.8 Surface water million m ³ 0.0 0.0 - EM-CM-14 4.8 Ocean or sea water million m ³ 0.0 0.0 - EM-CM-14 4.10 Water discharge (total, by destination) ¹ million m ³ 0.0 0.0 - - - 4.11	SDGs and Targets
4.1 Water consumption (total) million m ³ 0.18 0.3 0.3 • 4.2 Water withdrawal (total, by source) ³ million m ³ 0.25 0.4 0.4 • • EM-CM-14 4.3 Groundwater million m ³ 0.22 0.4 0.4 • • EM-CM-14 4.4 Municipal water million m ³ 0.22 0.4 0.4 • • EM-CM-14 4.5 Rainwater million m ³ 0.22 0.4 0.4 • • EM-CM-14 4.6 Surface water million m ³ 0.0 0.0 - EM-CM-14 4.8 Surface water million m ³ 0.0 0.0 - EM-CM-14 4.8 Ocean or sea water million m ³ 0.0 0.0 - EM-CM-14 4.10 Waste water million m ³ 0.07 0.1 0.1 • • • • 4.11 Surface (rive, lake) million m ³ 0.07 0.1 0.1 • • • • •	
4.2 Water withdrawal (total, by source) ² million m ³ 0.25 0.4 0.4 EM-CM-14 EM-CM-14 4.3 Groundwater million m ³ 0.22 0.4 0.4 EM-CM-14 4.4 Municipal water million m ³ 0.03 0.0 - EM-CM-14 4.5 Rainwater million m ³ 0 0.0 - EM-CM-14 4.6 Surface water million m ³ 0 0.0 - EM-CM-14 4.6 Surface water million m ³ 0 0.0 - EM-CM-14 4.7 Quary water used (from quary dewatering) million m ³ 0 0.0 - EM-CM-14 4.7 Quary water used (from quary dewatering) million m ³ 0.0 - <	
4.2 (total, by source) ² million m ³ 0.25 0.4 0.4 • • EM-CM-12 4.3 Groundwater million m ³ 0.22 0.4 0.4 • • EM-CM-12 4.4 Municipal water million m ³ 0.22 0.4 0.4 • • EM-CM-12 4.5 Rainwater million m ³ 0.00 - EM-CM-14 4.6 Surface water million m ³ 0 0.0 - EM-CM-14 4.7 Quarry water used (from quarry dewatering) million m ³ 0 0.0 - EM-CM-14 4.8 Ocean or sea water million m ³ 0 0.0 - - - 4.9 Waste water million m ³ 0.00 -	
4.4 Municipal water million m³ 0.03 0.0 - EM-CM-14 4.5 Rainwater million m³ 0 0.0 - EM-CM-14 4.6 Surface water million m³ 0 0.0 - EM-CM-14 4.6 Surface water million m³ 0 0.0 - EM-CM-14 4.7 Quarry water used (from quarry dewatering) million m³ 0.0 0.0 - EM-CM-14 4.8 Ocean or sea water million m³ 0 0.0 - EM-CM-14 4.9 Waste water million m³ 0 0.0 - EM-CM-14 4.10 Water discharge (total, by destination)³ million m³ 0 0.0 - EM-CM-14 4.11 Surface (river, lake) million m³ 0.01 0.0 - EM-CM-14 4.11 Surface water (well) million m³ 0.00 - EM-CM-14 4.12 Sub-surface water (well) million m³ 0.00 - EM-2M-2M 4.13 Ocean or sea million m³ 0.03 <td>)a.1</td>)a.1
4.5 Rainwater million m ³ 0 0.0 - EM-CM-14 4.6 Surface water million m ³ 0 0.0 - EM-CM-14 4.7 Quarry water used (from quarry dewatering) million m ³ 0.0 0.0 - - 4.8 Ocean or sea water million m ³ 0 0.0 - - - 4.9 Waste water million m ³ 0 0.0 - - - - 4.10 Water discharge (total, by destination) ³ million m ³ 0.07 0.1 0.1 • • - 4.11 Surface water (well) million m ³ 0.01 0.0 -)a.1
4.6 Surface water million m³ 0 0.0 - EM-CM-14 4.7 Quarry water used (from quarry dewatering) million m³ 0.0 0.0 - - - 4.8 Ocean or sea water million m³ 0 0.0 - - - - 4.9 Waste water million m³ 0 0.0 - <)a.1
4.7 Quarry water used (from quarry dewatering) million m³ 0.0 0.0 - 4.8 Ocean or sea water million m³ 0 0.0 - 4.9 Waste water million m³ 0 0.0 - 4.10 Waste water million m³ 0.07 0.1 0.1 • 4.10 Water discharge (total, by destination)³ million m³ 0.07 0.1 0.1 • 4.11 Surface (river, lake) million m³ 0.01 0.0 - 4.12 Sub-surface water (well) million m³ 0 0.0 - 4.13 Ocean or sea million m³ 0.03 0.0 - 4.14 Off-site treatment million m³ 0.03 0.0 - 4.15 Other4-5 million m³ 0.03 0.0 - 4.16 Water recycled (total) ¹ million m³ 1.2 1.2 1.1 4.17 Water demand covered with recycled water' % 82.5 76.2 73.5 Cement and cementitious production activities <t< td=""><td>)a.1</td></t<>)a.1
4.7 (from quarry dewatering) million m ³ 0.0 0.0 - 4.8 Ocean or sea water million m ³ 0 0.0 - 4.9 Waste water million m ³ 0 0.0 - 4.10 Water discharge (total, by destination) ³ million m ³ 0.07 0.1 0.1 • 4.11 Surface (river, lake) million m ³ 0.01 0.0 - 4.12 Sub-surface water (well) million m ³ 0 0.0 - 4.13 Ocean or sea million m ³ 0 0.0 - 4.14 Off-site treatment million m ³ 0.03 0.0 - 4.15 Other ^{4.5} million m ³ 0.03 0.0 - 4.16 Water recycled (total) ¹ million m ³ 1.2 1.2 1.1 4.17 Water demand covered with recycled water ¹ % 82.5 76.2 73.5 Cement and cementitious production activities 4.18 Water consumption (total) million m ³ 0.16 0.3 0.3 ●<)a.1
4.9 Waste water million m³ 0 0.0 - 4.10 Water discharge (total, by destination)³ million m³ 0.07 0.1 0.1 • • 4.11 Surface (river, lake) million m³ 0.01 0.0 - • 4.12 Sub-surface water (well) million m³ 0 0.0 - - 4.13 Ocean or sea million m³ 0 0.0 - - 4.14 Off-site treatment million m³ 0.03 0.0 - - 4.16 Water recycled (total)³ million m³ 1.2 1.2 1.1 4.17 Water demand covered with recycled water' % 82.5 76.2 73.5 Cement and cementitious production activities 4.18 Water consumption (total) million m³ 0.16 0.3 0.3 •	SDG 6.3
4.10 Water discharge (total, by destination) ³ million m ³ 0.07 0.1 0.1 • 4.11 Surface (river, lake) million m ³ 0.01 0.0 - 4.12 Sub-surface water (well) million m ³ 0 0.0 - 4.12 Sub-surface water (well) million m ³ 0 0.0 - 4.13 Ocean or sea million m ³ 0 0.0 - 4.14 Off-site treatment million m ³ 0.03 0.0 - 4.15 Other ^{4,5} million m ³ 0.03 0.0 - 4.16 Water recycled (total) ¹ million m ³ 1.2 1.2 1.1 4.17 Water demand covered with recycled water ¹ % 82.5 76.2 73.5 Cement and cementitious production activities 4.18 Water consumption (total) million m ³ 0.16 0.3 0.3 ●	SDG 6.4 SDG 6.5
4.10 (total, by destination) ³ million m ³ 0.07 0.1 0.1 0.1 0.1 4.11 Surface (river, lake) million m ³ 0.01 0.0 - 4.12 Sub-surface water (well) million m ³ 0 0.0 - 4.12 Sub-surface water (well) million m ³ 0 0.0 - 4.13 Ocean or sea million m ³ 0 0.0 - 4.14 Off-site treatment million m ³ 0.03 0.0 - 4.14 Off-site treatment million m ³ 0.03 0.0 - 4.15 Other ^{4,5} million m ³ 0.03 0.0 - 4.16 Water recycled (total) ¹ million m ³ 1.2 1.2 1.1 4.17 Water demand covered with recycled water ¹ % 82.5 76.2 73.5 Cement and cementitious production activities 4.18 Water consumption (total) million m ³ 0.16 0.3 0.3 ●	506 0.5
4.12 Sub-surface water (well) million m ³ 0 0.0 - 4.13 Ocean or sea million m ³ 0 0.0 - 4.14 Off-site treatment million m ³ 0.03 0.0 - 4.14 Off-site treatment million m ³ 0.03 0.0 - 4.15 Other ^{4,5} million m ³ 0.03 0.0 - 4.16 Water recycled (total) ¹ million m ³ 1.2 1.2 1.1 4.17 Water demand covered water ¹ % 82.5 76.2 73.5 Cement and cementitious production activities 4.18 Water consumption (total) million m ³ 0.16 0.3 0.3 ●	
4.13 Ocean or sea million m³ 0 0.0 - 4.14 Off-site treatment million m³ 0.03 0.0 - 4.15 Other ^{4,5} million m³ 0.03 0.0 - 4.16 Water recycled (total) ¹ million m³ 1.2 1.2 1.1 4.17 Water demand covered water ¹ % 82.5 76.2 73.5 Cement and cementitious production activities 4.18 Water consumption (total) million m³ 0.16 0.3 0.3 •	
4.14 Off-site treatment million m ³ 0.03 0.0 - 4.15 Other ^{4,5} million m ³ 0.03 0.0 - 4.16 Water recycled (total) ¹ million m ³ 1.2 1.1 4.17 Water demand covered water ¹ % 82.5 76.2 73.5 Cement and cementitious production activities 4.18 Water consumption (total) million m ³ 0.16 0.3 0.3 ●	
4.15Other4.5million m30.030.0-4.16Water recycled (total)1million m31.21.21.14.17Water demand covered with recycled water1%82.576.273.5Cement and cementitious production activities4.18Water consumption (total)million m30.160.30.3•	
4.16 Water recycled (total) ¹ million m ³ 1.2 1.1 4.17 Water demand covered water ¹ % 82.5 76.2 73.5 Cement and cementitious production activities 4.18 Water consumption (total) million m ³ 0.16 0.3 0.3 ●	
4.17 Water demand covered with recycled water ¹ % 82.5 76.2 73.5 Cement and cementitious production activities 4.18 Water consumption (total) million m ³ 0.16 0.3 0.3 ●	
4.17 with recycled water ¹ % 82.5 76.2 73.5 Cement and cementitious production activities 4.18 Water consumption (total) million m ³ 0.16 0.3 0.3 ●	
4.18 Water consumption (total) million m ³ 0.16 0.3 0.3 ●	
4.19 Water withdrawal (total) ² million m ³ 0.23 0.4 0.4 EM-CM-1/	
)a.1
4.20Water discharge (total) ³ million m ³ 0.070.10.1	
4.21 Water recycled (total) million m ³ 1.16 1.2 1.1 • • • EM-CM-14	SDG 6.3
4.22 Specific water consumption l/t cementitious 168.8 329.7 293.0 • • •	SDG 6.4 SDG 6.5
4.23 Specific water I/t cement 185.6 329.2 312.1 • •	
4.24Water demand covered with recycled water%83.476.873.3	65

code	ESG Performance Indicators	Unit	2023	2022	2021	GCCA	UNGC	UNCTAD	TCFD	SASB	SDGs and Targets
All Activities											
4.25	Thermal energy consumption	TJ	2.889	2.455	2.924	•	٠	٠		EM-CM- 130a.1	
4.26	Thermal energy consumption ¹	% of total	89.6	88.0	88.5						_
4.27	Electrical energy consumption	TJ	336	334	380	•	٠	٠		EM-CM- 130a.1	SDG 7 SDG 12
4.28	Electrical energy consumption ¹	% of total	10.4	12.0	11.5						-
4.29	Total energy consumption ¹	TJ	3.225	2.789	3.304						
Cement	production activities										
4.30	Percentage of production covered by ISO50001 or energy audits	% clinker production	100	100.0	100.0		٠		٠		
4.31	Specific thermal energy consumption	kcal/kg clinker	969.6	870	869.3	•	٠	•	•		SDG 7.2
4.32	Specific electrical energy consumption	kWh/t cement	105.9	99.1	105.0				٠		SDG 7.3 SDG 9.4 SDG 12.2
4.33	Renewable energy as part of total electrical energy consumption ⁵	% Electrical energy consumed	28.6	21.5	45.5				•		_
All activ	ites										
4.34	Natural raw materials extracted (total, wet)	million t	1.5	1.5	1.7	•					_
4.35	Raw materials extracted for clinker and cement production	million t	1.4	1.4	1.6	•					SDG 12.2
4.36	Raw materials extracted for aggregates	million t	0.1	0.1	0.1	٠					
Cement	production activities										
4.37	Materials consumption (total, dry)	million t	1.3	1.3	1.5		٠			EM-CM- 130a.1	_
4.38	Extracted (natural) raw materials consumption (dry)	million t	1.2	1.2	1.4						_
4.39	Alternative raw materials consumption (dry)	million t	0.1	0.1	0.1						SDG 12.2 SDG 12.4
4.40	Alternative raw materials use (of total raw materials consumed)	% Dry	10.5	9.5	8.0	•		•			SDG 12.5
4.41	Alternative raw materials rate (based on clinker-to-cement equivalent factor)	% Dry	16.1	13.3	12.0	•	•	•			

code	ESG Performance Indicators	Unit	2023	2022	2021	GCCA	UNGC	UNCTAD	TCFD	SASB	SDGs and Targets
All Activities											
4.42	Waste disposal (total, wet)	t	743	635	775		٠	٠		EM-CM- 150a.1	_
4.43	Non-hazardous waste (total)	t	698	513	748		٠	٠		EM-CM- 150a.1	_
4.44	Hazardous waste (total)	t	45	122	27		٠	٠		EM-CM- 150a.1	SDG 12.2 - SDG 12.4
4.45	Externally recycled waste materials (total, wet)	t	585	378	537		٠	٠			SDG 12.4 SDG 12.5
4.46	Reused	t	1	0	0						_
4.47	Recycled	t	584	378	537						
4.48	Recovered	t	0	0	0						_
4.49	Waste disposal, breakdown by destination-usage (wet)	% w/w	100	100.0	100.0		٠	٠		EM-CM- 150a.1	_
4.50	Reuse	% w/w	0.1	0.0	0.0		٠	٠		EM-CM- 150a.1	_
4.51	Recycled	% w/w	78.5	59.5	69.2		٠	٠		EM-CM- 150a.1	_
4.52	Recovered (including energy recovery)	% w/w	0	0.0	0.0		٠	٠		EM-CM- 150a.1	SDG 12.2
4.53	Incineration	% w/w	0	0.0	0.0		٠	٠		EM-CM- 150a.1	SDG 12.5
4.54	Landfilled	% w/w	21.3	40.2	30.3		٠	٠		EM-CM- 150a.1	_
4.55	Composted	% w/w	0	0.0	0.0		•	٠		EM-CM- 150a.1	_
4.56	Other (incl. storage)	% w/w	0.0	0.3	0.5		٠	٠		EM-CM- 150a.1	
Cemen	t production activities										
4.57	Integrated cement plants with "Zero Waste to Landfill" certification	% clinker production	0.0	0.0	0.0						SDG 12.2 SDG 12.4

c	ode	ESG Performance Indicators	Unit	2023	2022	2021	GCCA	UNGC	UNCTAD	TCFD	SASB	SDGs and Targets
2	2.4.2 Material Issue: Reliable and Sustainable Supply Chain											
A	All Activities											
	4.58	Key suppliers meeting TITAN ESG standards ^{5,6}	%	22	n/a	n/a						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.

 Relevant information is not available for the specific years denoted as 'n/a'.
 TITAN progressed in 2023 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.

2.5	Good governance, transparency and business ethics								
2.5.1	Governance Core Indicators								
Code	Governance Core Indicators	Notes	Performance 2023	Reporting Standards					
Compliance and business ethics									
5.1	Percentage of unionised employees (%)		66%						
5.2	Percentage of employees covered by Collective Bargain Agreements (CBAs)	2	100.00%	- SDG 5.5 SDG 16.5 SDG 16.6					
5.3	Average number of hours of training on subjects related to Compliance, per employee	3	1,6	SDG 16.7 UNGC UNCTAD					
5.4	Anti-bribery and corruption training	1. 3	25 training hours related to Anti Bribery and corruption	SASB					

Notes for specific KPIs

1. New indicator.

2. In 2023 this percentage decreased to 34.76% (Group figure) from 50.3% (Group figure) in 2022.

 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

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. 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 2022 or in 2023. 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 2023, 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.

6. In 2023 TITAN continued the development by operating a dedicated Group e-platform to record our community initiatives and actions at each BU level, as well as to facilitate the self-assessment and alignment of BUs with Group targets and key priorities. Community Engagement Plans are implemented in all countries where we operate, covering programs of initiatives for contributing to the sustainability of local communities and enhance the engagement with our stakeholders, aiming at long-term positive impacts for communities and the society. See the section "Social Positive Impact" in the Management Report for the assessment of TITAN's community engagement initiatives across all countries of operations in 2023. 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.

2.5.3 ESG Polices and Code of	Conduct										
	Newser	TITAN Focus Areas mostly relevant									
Group Polices	New or Updated in 2023	Decarbonization and Digitalization	Growth-enabling work environment	Positive local impact	Responsible sourcing	Good governance, transparency and business ethics					
Code of Conduct			٠			•					
Code of Conduct of Procurement	\checkmark			•	٠	•					
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	\checkmark		•								
Environmental Policy (Climate change incl.)		•		•	•						
Human Rights Policy			•	•	•	•					
Information Security Policy		•				•					
Occupational Health and Safety (OH&S) Policy			٠								
Procurement Policy				٠	•						
Sanctions Policy						•					
Whistleblowing Policy						٠					

2.5.9 Sector and O	Sector and Other Standards for the Non-financial disclosures in 2023								
Sector Association or Initiative Guidelines and other documents of reference		Published							
	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]	Latest edition (publications between 2019 and 2021)							
GCCA ¹	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]								
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							

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/sustainabilityinnovation/sustainability-charter-and-guidelines/

TITAN continued efforts in 2023 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. 2. The UNCTAD Guidance provides meaningful connections of KPIs with the most relevant SDGs and specific targets for each SDG, and is leveraged under the reporting approach of TITAN for all focus areas of De-carbonization and Digitalization, Growth-enabling work environment, Positive local impact focus area, Responsible sourcing, and Good governance, transparency, and business ethics.

3. The Guidance of the UNGC COP was enhanced in 2022 and is considered essential for reporting on progress with respect to TITAN's commitments for the UNGC Ten Principles. See Table 2.5.11 for details on the UNGC 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		
Total spend on suppliers, local, national and international for goods and services ^{2a}	MKD	3,380,512,142		
% local spend of TITAN ^{2b}	%	66,04		
Taxes to national and local authorities ³	MKD	343,998,014		
Social investment (in cash and in kind) for community initiatives ⁴	MKD	235,428		
Salaries, (contributions to) pensions, and social benefits, including additional benefits beyond those provided by law ⁵	MKD	339,051,989		
Internships	#	16		
Capital expenditures ⁷	MKD	563,381,515		

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	Review of progress for supporting the UNGC Ten princ	ciples			
Sections ¹	Question ¹	UNGC Principles ¹	Reference to the Report ¹		
Governance	 G1: Board/senior management engagement G2: Publicly stated commitment G3: Code of conduct G4: Individual or group responsible G5: Formal structure G6 and G.6.1: Risk assessment processes G7 and G7.1: Due diligence G9: Lessons G10: Executive pay linked to sustainability performance G12: Sustainability reporting 	1,7,10	Understanding TITAN About the report Overview Performance highlights: Good governance, transparency, and business ethics Management report Corporate Governance and risk management: - Corporate Governance Statement		
	G8 and G8.1: Raising concerns about the company's conduct	1,3,7,10	ESG Performance review: Good governance, transparency, and business ethics ESG performance statements: TITAN's approach for		
	G11: Board composition	1,6	ESG Performance reporting, and Tables 2.5.1, 2.5.3.		
	G13: Information assurance	10			
Human Rights²	HR1: Material topics HR2 and HR2.1: Policy commitment HR3: Stakeholder engagement HR4: Prevention/mitigation HR5: Training HR6: Prevention/mitigation progress assessment HR8: Practical actions	1,2	Understanding TITAN Overview Performance highlights: Focusing on material issues and stakeholder engagement Management report Corporate Governance and risk management ESG Performance review: Good governance, transparency, and business ethics ESG performance statements: Tables 1.1., 2.5.1, 2.5.3 - 2.5.7, 2.5.9.		
Labour	L1 and L1.1: Policy commitment L2: Stakeholder engagement L3: Prevention/mitigation L4: Training L5: Prevention/ mitigation progress assessment L9: Injury frequency L10: Incident rate L11: Remedy L12: Practical actions	3,4,5,6	Understanding TITAN Overview Performance highlights: Good governance, transparency, and business ethics ESG Performance Management report Corporate Governance and risk management ESC Derformance review: Good governance		
	L1.2: Freedom of association and collective bargaining L6: Collective bargaining agreements	3,4,6	 ESG Performance review: Good governance, transparency, and business ethics ESG performance statements: Tables 0.01, 0.02, 0.02, 0.01, 0.02, 0.05, 0		
	L7: Women in managerial positions	6	⁻ Tables 2.2.1, 2.2.2., 2.2.3, 2.5.1, 2.5.3-2.5.7, 2.5.9.		

Sections ¹	Question ¹	UNGC Principles ¹	Reference to the Report ¹	
Environment	E1 and E1.1: Policy commitment E2: Stakeholder engagement E3: Prevention/mitigation E4: Prevention/mitigation progress assessment E4.1: Goals and targets E4.2: Measuring progress against targets E6: Greenhouse gas emissions E6.1: Scope 3 emissions detail E14: Conversion of natural ecosystems E16: Air pollution E17: Waste E18: Hazardous waste		Understanding TITAN Overview Performance highlights ESG Performance Management report Corporate Governance and risk management ESG Performance review: Focus areas: De- carbonization and Digitalization, Growth-	
Enviror	 E7: R&D investment in low-carbon products and services E8: Climate adaptation E9: Renewable energy E10: Low carbon products/services E11: Water withdrawal and consumption E12: Water intensity E13: Sites in or adjacent to key biodiversity areas E15: Ecosystem restoration and protection E20: Practical actions E: Sector (Construction & materials) 	7,8,9	 enabling work environment, Positive local impact, Responsible sourcing Good governance, transparency, and business ethics ESG performance statements: Tables 2.1.1, 2.3.1. and TITAN Group Quarry Sites with High Biodiversity Value supplement table, also Tables 2.4.1, 2.5.2, 2.5.3. 	
Anti-corruption	AC1 Compliance programme AC1.1 Year of programme review AC2 Policy AC3 Training AC3.1 Training frequency AC4 Compliance monitoring AC5 Incidents of corruption AC6 Measures to address suspected incidents of the corruption AC7 Collective action against corruption AC8 Practical actions	10	Understanding TITAN Performance highlights Management report Corporate Governance and risk management ESG Performance review: Good governance, transparency and business ethics ESG performance statements: Tables 2.5.1, 2.5.3- 2.5.7, 2.5.9.	

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 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 - 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-210b.1, and EM-MM-210b.2, concerning the discussion of process to manage risks and opportunities associated with community rights and interests.

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

Financial highlights 2023

Despite the challenging circumstances, 2023 financially wise resulted as a positive year, leading to a stabilized and positive demand for cement in the domestic market as well as in the export markets, compared to the levels of year 2022.

Turnover	EBITDA	NPAT
2023: 6,051 mil MKD	2023: 1,910 mil MKD	2023: 1,509 mil MKD
2022: 6,250 mil MKD	2022: 1,364 mil MKD	2022: 1,029 mil MKD
CAPEX	ROCE	Earnings per share
CAPEX 2023: 563 mil MKD	ROCE 2023: 39.19%	Earnings per share 2023: 2,677 MKD

Sales volume

Cement	Ready mix concrete	Aggregates
2023: 881,603 tons	2023: 43,633 m ³	2023: 50,662 tons
2022: 925,137 tons	2022: 36,153 m³	2022: 62,191 tons

Independent auditors' report and financial statements



Independent auditor's report

To the Board of Directors and Shareholders of Cementarnica Usje AD Skopje

Report on the separate financial statements

We have audited the accompanying separate financial statements of Cementarnica Usje AD Skopje, which comprise the separate statement of financial position as of 31 December 2023, and the separate statement of comprehensive income, separate statement of changes in equity and separate statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's responsibility for the separate financial statements

Management is responsible for the preparation and fair presentation of these separate financial statements in accordance with Accounting Standards applicable in the Republic of North Macedonia 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.

Auditor's responsibility

Our responsibility is to express an opinion on these separate financial statements based on our audit. We conducted our audit in accordance with Standards on Auditing applicable in the Republic of North Macedonia (the "Standards"). The Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the separate financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the separate financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the separate financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the separate financial statements 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 entity's internal control.

An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the separate financial statements.

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

PricewaterhouseCoopers Revizija DOO 16, 8 Septemvri Blvd. Hyperium Business Center, 2nd floor, 1000 Skopje Republic of North Macedonia, VAT No. MK4030008022586, T: +389 2 3140 900, F: +389 2 3116 525, www.pwc.com/mk

Management report



Opinion

In our opinion, the separate financial statements present fairly, in all material respects, the financial position of Cementarnica Usje AD Skopje as of 31 December 2023, and of its financial performance and its cash flows for the year then ended in accordance with Accounting Standards applicable in the Republic of North Macedonia.

Report on other legal and regulatory requirements

Annual report was prepared by the Management in accordance with the requirement of the article 384 of the Company Law.

Management is also responsible for the preparation of the separate annual accounts and annual report of Cementarnica Usje AD Skopje, which were approved by the Board of Directors.

As required by the Audit Law, we report that the historical information presented in the annual report prepared by Management of Cementarnica Usje AD Skopje in accordance with article 384 of the Company Law, is consistent, in all material respects, with the financial information presented in the separate annual accounts and audited separate financial statements of Cementarnica Usje AD Skopje, as of 31 December 2023 and for the year then ended.

Dragan Davitkov **General Manager**



Dragan Davitkov **Certified Auditor**

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PricewaterhouseCoopers Revizija DOO Skopje

12 April 2024 Skopje, Republic of North Macedonia

Cementarnica "USJE" AD - Skopje



SEPARATE STATEMENT OF COMPREHENSIVE INCOME For the year ended 31 December 2023

		1222 2 2 2	5252
	Sec. 2	2023	2022
	Notes	MKD'000	MKD'000
Sales	3a	6,002,805	6,124,359
Other revenue	3b	49,039	126,356
Cost of sales	3c	(4,007,767)	(4,831,536)
Gross profit	50	2,044,077	1,419,179
Other operating income	3d	123,682	205,767
Other operating expenses	3e	(202,827)	(189,985)
Selling and marketing expenses		(32,748)	(41,313)
Administrative expenses	3f	(265,099)	(239,771)
Operating profit		1,667,085	1,153,877
Finance income		1,414	1,321
Foreign exchange gains/(losses) net		(1,918)	(27,958)
Finance costs		(20,439)	(22,683)
Net finance expense	3h	(20,943)	(49,320)
Profit before tax		1,646,142	1,104,557
Income tax expense	4	(136,650)	(75,225)
Profit for the year		1,509,492	1,029,332
Other comprehensive income			
Other comprehensive income not to be reclassified			
to profit or loss in subsequent periods:			
Investment Property revaluation surplus	8		
Total comprehensive income for the year		1,509,492	1,029,332
Net profit for the period attributable to:			
Equity holder of the parent company		1,434,017	977,865
Non- controlling interest		75,475	51,467
		1,509,492	1,029,332
Earnings per share information:		Contraction of the local division of the loc	
Basic, profit for the period attributable to ordinary			
equity holders of the parent company	5	2.68	1.83
Total Comprehensive income for the period attributable to:			
Equity holder of the parent company		1,434,017	977,865
Non - controlling interest		75,475	51,467
tion controlling increat		1,509,492	1,029,332
		1,309,492	1,049,334

The accompanying notes from 8 to 50 are an integral part of these financial statements

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Cementarnica "USJE" AD - Skopje



SEPARATE STATEMENT OF FINANCIAL POSITION at 31 December 2023

at 51 December 2025			
	Ar los	2023	2022
4.000000	Notes	MKD '000	MKD '000
ASSETS			
Non-current assets			
Property, plant and equipment	6	3,102,974	2,782,745
Intangible assets	7	33,237	32,594
Investment properties	8	280,640	276,172
Investment in subsidiaries		24,061	24,061
Exploration and evaluation assets	9	<u>1,220</u> 3,442,132	<u>1,220</u> 3,116,792
Current assets		5,442,152	5,110,792
Inventories	10	1,439,983	1,771,655
Trade and other receivables	11	473,978	623,590
Income tax receivable			12,465
Cash and short term deposits	12	1,054,159	155,711
	OT OT	2,968,120	2,563,421
TOTAL ASSETS		6,410,252	5,680,213
EQUITY AND LIABILITIES			
Capital and reserves			
Share capital	13	1,747,730	1,747,730
Share premium		3,145	2,322
Retained earnings		1,509,492	1,029,332
Other reserves	14	319,796	319,796
Reinvested profit		1,650,335	1,338,700
See a second second second		5,230,497	4,437,880
Non -current liabilities			
Provision for retirement benefits	15	55,273	54,055
Provision for rehabilitation of quarries		15,158	7,642
		70,431	61,697
Current liabilities		267.232	
Trade and other payables	16	951,927	819,490
Provision for unused holidays		9,738	6,233
Current portion of retirement benefit obligations	15	3,743	3,174
Income tax payable		65,863	7,879
Short term borrowings		77,503	343,630
Dividend payable		550	230
		1,109,324	1,180,636
TOTAL EQUITY AND LIABILITIES		6,410,252	5,680,213

Authorized on behalf of the Board of Directors on 28 February 2024:

Barlakoska Gabriela Nikolaou Konstantinos Acting Chief Executive Director Finance Manager YCJE AA Prepared by authorised accountant with certificate number 102613: M Ul

The accompanying notes from 8 to 50 are an integral part of these financial statements

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Cementarnica "USJE" AD - Skopje

SEPARATE STATEMENT OF CASH FLOWS For the year ended 31 December 2023

	Notes	2023	2022
		MKD'000	MKD '000
Cash flows from operating activities			
Profit before income taxes		1,646,142	1,104,557
Adjustments for:		240 K24 S12	
Depreciation and amortization of PPE and Intangible assets		243,183	210,983
Actuarial (gain)/losses, net		4,182	24
Interest cost, accretion on provision for retirement benefit			
obligations		1,966	1,704
Interest income		(1,414)	(1,321)
Correction of inventory stocks and Provision for obsolete		16.062	5 002
inventory Provision for unused holidays (net)		16,062	5,903
Fair value (gain)/losses, net		3,505	2,230
Interest expense and bank charges		(4,467)	(25,360)
Write off and provision for trade receivables		18,473 5,467	13,747 6,520
NBV of disposed and written off PPE		260	345
Operating profit before working capital changes		1,933,359	1,319,332
Decrease/(Increase) in trade and other receivables		144,144	
Decrease/(Increase) in inventories		315,610	(143,039) (533,843)
Increase/(Decrease) in trade and other payables		136,157	(484,330)
Cash generated from operations			163 300
Interest expense and bank charges paid		2,529,270	158,120
Income tax paid		(18,473)	(13,747)
		(66,199)	(70,475)
Net cash flows generated from operations		2,444,598	73,898
Cash flows from investing activities			
Purchase of property, plant and equipment		(564,319)	(374,365)
Increase/(decrease) of participation in subsidiaries		-	14,660
Proceeds from sale of property, plant and equipment		260	345
Interest income received		1,414	1,321
Net cash flows used in investing activities		(562,645)	(358,039)
Cash flows from financing activities			
Dividends paid to group shareholders		(681,814)	(245,303)
Dividends paid to minority shareholders		(35,563)	(13,122)
Received borrowings		295,187	1,148,840
Repayment of borrowings		(561,315)	(805,209)
Net cash flows (used) in financing activities		(983,505)	85,206
Net increase in cash and cash equivalents		898,448	(198,935)
Cash and cash equivalents at 1 January		155,711	354,646
Cash and cash equivalents at 31 December	12	1,054,159	155,711
Addin and Party Party and a second seco	5	1,004,107	100,111

The accompanying notes from 8 to 50 are an integral part of these financial statements

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Cementarnica "USJE" AD - Skopje



SEPARATE STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2023

	Share	Anna I	Sector Sector		and the second s	
	capital	Share premium	Retained earnings	Other Reserves	Reinvested profit	Total
	MKD'000	MKD '000	MKD '000	(Note 14) MKD'000	MKD '000	MKD'000
At 1 January 2023	1,747,730	2,322	1,029,332	319,796	1,338,700	4,437,880
Profit for the year	1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1		1,509,492	-		1,509,492
Other comprehensive income (See note 8) Total comprehensive	<u> </u>	<u> </u>				
income		4	1,509,492			1,509,492
Dividends, net			(717,697)	1		(717,697)
Advanced dividend	24	-				
Transfer to retained earnings			88,235	9	(88,235)	
Reinvested profit		-	(399,870)	-	399,870	÷
Share options		823				823
At 31 December 2023	1,747,730	3,145	1,509,492	319,796	1,650,335	5,230,497

On 16 May 2023, the General Assembly brought a Decision for distribution of the remaining dividend for the year ended 2022, The dividend declared was in amount of MKD 717,697 thousand which consists of MKD 88,235 thousand profit from 2021 and MKD 629,462 thousand profit from 2022, The remaining profit from 2022 in amount of MKD 399,870 thousand was reinvested to benefit from the new tax incentives available for such activities.

For the year ended 31 December 2022

	Share capital	Share premium	Retained earnings	Other Reserves	Reinvested profit	Total
	MKD '000	MKD '000	MKD '000	(Note 14) MKD '000	MKD '000	MKD '000
At 1 January 2022	1,747,730	1,122	491,134	319,796	1,105,778	3,665,560
Profit for the year			1,029,332			1,029,332
Other comprehensive income (See note 8) Total comprehensive				<u> </u>		
income			1,029,332		÷.,	1,029,332
Dividends, net	~		(258,213)		-	(258,213)
Advanced dividend		-	-	1.1	1.1.1	
Transfer to retained carnings			216,886		(216,886)	
Reinvested profit		-	(449,807)		449,807	
Share options	<u> </u>	1,201		<u>i</u>		1,201
At 31 December 2022	1,747,730	2,322	1,029,332	319,796	1,338,700	4,437,880

On 20 May 2022, the General Assembly brought a Decision for distribution of the remaining dividend for the year ended 2021 after the payment of the advanced dividend for the period 1 January - 30 June 2021 in accordance with the Company Law. The dividend declared was in amount of MKD 708,020 thousand which consists of MKD 41,327 thousand profit from 2021, MKD 216,886 thousand reinvested profit from 2016. The remaining profit from 2021 in amount of MKD 449,807 thousand was reinvested to benefit from the new tax incentives available for such activities.

The accompanying notes from 8 to 50 are an integral part of these financial statements

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Glossary

Total assets	The sum of all current and noncurrent assets.
Turnover	Revenue received from the sale of goods and services to customers.
Earnings Before Interest, Taxes, Depreciation and Amortization (EBITDA)	Operating profit before impairment losses on goodwill plus depreciation, amortization and impairment of tangible and intangible assets and amortization of government grants. It provides a measure of operating profitability that is comparable among reportable segments consistently.
Materiality	A matter is material if it is of such relevance and importance or significance that it could substantively influence the assessments of providers of financial capital concerning the organization's ability to create value over the short, medium, and long term.
Sustainability Accounting Standards Board (SASB)	The Sustainability Accounting Standards Board is an independent standards board that is accountable for the due process, outcomes, and ratification of its standards, the application of which (being the SASB's mission) is to help businesses around the world identify, manage and report on sustainability topics that matter most to their investors.
Sustainable Development Goals (SDGs)	The Sustainable Development Goals are a collection of 17 global goals designed to be a "blueprint to achieve a better and more sustainable future for all". The SDGs, set in 2015 by the United Nations General Assembly and intended to be achieved by 2030, are part of UN Resolution 70/1, the 2030 Agenda.
United Nations Conference on Trade and Development (UNCTAD)	The United Nations Conference on Trade and Development is a United Nations body responsible for dealing with economic and sustainable development issues with a focus on trade, finance, investment and technology, and in particular, for helping developing countries to participate equitably in the global economy.
United Nations Global Compact (UNGC)	The United Nations Global Compact is a voluntary initiative based on CEO commitments to implement universal sustainability principles ('Ten Principles') and to take steps to support UN goals. 'Ten Principles' are derived from the Universal Declaration of Human Rights, the International Labour Organization's Declaration on Fundamental Principles and Rights at Work, the Rio Declaration on Environment and Development, and the United Nations Convention Against Corruption.
Global Cement and Concrete Association (GCCA)	The Global Cement and Concrete Association is a CEO-led industry initiative established in 2018, representing the global voice of the sector. The GCCA took over the role of the former CSI Project of the WBCSD and has carried, since 1st January 2019, the work programs and sustainable development activities of the CSI, with key objectives to develop and strengthen the sector's contribution to sustainable construction across the value chain, and to foster innovation in collaboration with industry, associations and key experts-stakeholders.
World Business Council for Sustainable Development (WBCSD)	The World Business Council for Sustainable Development is a global, CEO-led organization of over 200 leading businesses working together to accelerate the transition to a sustainable world, helping member companies to become more successful and sustainable by focusing on the maximum positive impact for shareholders, the environment and societies. The Cement Sustainability Initiative (CSI) was a Project under the WBCSD between 2002 and 2018, with the role of collaborative initiative for cement companies supporting collective efforts for sustainability in the cement sector. The CSI work areas and projects have been transferred to the GCCA since 1st January 2019.
Fatality	A death resulting from a work-related accident with no time limit between the date of the accident and the date of death.
Fatality Rate	The number of fatalities in a year per 10,000 people directly employed, i.e. Fatality rate (Directly employed) = (Number of Fatalities in a year (Directly employed) x 10,000/Number of Directly employed personnel).
Lost Time Injury (LTI)	A work-related injury causing the loss on one or more working days (or shifts) counting from the day after the injury before the person returns to normal or restricted work. Injuries incurred while travelling to and from work, arising from criminal acts and due to natural causes are excluded.
Lost Time Injury Frequency Rate (LTIFR)	The number of LTIs in a year per 1,000,000 hours worked, i.e. LTI Frequency Rate = (Number of Lost Time Injuries in a year x 1,000,000)/Total actual hours worked and paid to employees in the year.
COP (Communication of progress)	The Communication on Progress is intended as a mechanism to inform, in a standardized format of an annual report, company stakeholders (e.g., investors, consumers, civil society, and governments) on progress made in implementing the Ten Principles of the United Nations Global Compact.



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