



Integrated Annual Report 2020

ANTEA Cement Sh.a





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ABOUT THE REPORT

ANTEA Integrated Annual Report 2020, which covers the period from January 1st until December 31st, 2020 is the 7th consecutive report, providing an overview of our company performance and achievements from the preceding year. The Report was certified by the independent auditor Grant Thornton Albania, with limited assurance for Environmental, Social and Governance, related to the material issues on sustainability performance. The Report also meets the criteria of the advanced level, according to the UN Global Compact Communication on Progress.

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

The 2020 ANTEA Cement Integrated Annual Report (IAR 2020) has been developed to meet stakeholders' needs and expectations regarding the financial, environmental, social and governance issues. The report covers all operations of ANTEA Cement Plant and the related quarries, therein incorporating the operation of two fully owned subsidiaries, Alba Cemento Shpk and Cementi ANTEA Srl, which respectively operate the terminals of Tirana and Ortona (Italy), regarding the production and distribution of cement and cementitious products.

ANTEA is aligned with TITAN Group) global sectorial approach in monitoring, reporting, and verifying environmental, social and

governance performance. For more information about TITAN Group global sector approach and standards, please visit 2020 TITAN Group Integrated Annual Report <https://www.titan-cement.com/newsroom/annual-reports/>. TITAN Group IAR 2020 is also available in ANTEA's website www.anteacement.com.

ANTEA also introduced the Sustainability Performance KPIs Index and further used thereof for building its approach for reporting, covering an extensive number of performance indicators related to material issues and Sustainable Development Goals 2030. ANTEA IAR 2020 will be available on the website www.anteacement.com.

WE SUPPORT



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

UNDERSTANDING ANTEA 2020 HIGHLIGHTS

| ECONOMIC & SOCIAL | 2020 | 2019 |
|--|----------------|-------------|
| Consolidated Revenue ¹ | €61.42m | €55.45m |
| Stand Alone Revenue ² | €60.50m | €54.21m |
| Consolidated EBTIDA | €22.48m | €15.29m |
| Stand Alone EBTIDA | €21.95m | €14.80m |
| Consolidated Salaries & employees' benefits | €3.30m | €3.28m |
| Stand Alone Salaries & employees' benefits | €3.25m | €3.23m |
| Consolidated Suppliers' expenditure | €37.57m | €39.27m |
| Stand Alone Supplier's expenditure | €37.12m | €38.83m |
| Stand Alone Tax to central & local government ³ | €6.92m | €4.79m |
| Consolidated Capital Expenditures | €1.26m | €1.99m |
| Stand Alone Capital Expenditures | €1.26m | €1.99m |
| Donations in cash to local community and stakeholders, SP41L | €0.15m | €0.21m |
| Donations in kind to local community and stakeholders, SP42L | €0.01m | €0.04m |

| ENVIRONMENT | 2020 | 2019 |
|--|--------------|-------------|
| Specific waste production (kg/t clinker) | 18.66 | 7.75 |
| Specific Nitrogen oxides NOx emissions (g/ton clinker) EP31L | 743.8 | 830.2 |
| Specific Sulfur oxides SOx emissions (g/ton clinker) / EP32L | 13.7 | 16.0 |
| Specific Dust emissions (g/ton clinker) / EP30L | 4.0 | 5.4 |
| Specific Gross Scope 1 Carbon Dioxide CO2 (kg/ton product) / EP17L | 640.4 | 638.2 |
| Specific water consumption (lt/ton cement) | 196.4 | 210.9 |
| Investments for Environment / EP39L | 0.20 | 0.43 |

| HEALTH AND SAFETY | 2020 | 2019 |
|--|-------------|-------------|
| Fatalities / SP01L | 0 | 0 |
| Employee Lost Time Injuries (LTIs) / SP05L | 0 | 1 |
| Employee Lost Time Injuries Frequency Rate (LTIFR) / SP06L | 0.00 | 2.93 |
| Employee Lost Time Injuries Severity Rate (LTISR) / SP08L | 0.00 | 325.03 |
| Training hours for direct employees / SP40L | 802 | 2.898 |

¹Consolidated figures relate to the Consolidated Financial figures of ANTEA Cement Sh.a and its two Subsidiaries Alba Cemento Shpk and Cementi ANTEA SRL, as extracted from its annual financial statements and converted to Euro Currency for the presentation in this report, using the exchange rate Euro/ ALL 123.74 for the year 2020 and 123.02 for the year 2019.

²Stand Alone figures relate to the Antea Cement Sha figures standing alone, as extracted from its annual financial statements and converted to Euro Currency for the presentation in this report, using the exchange rate Euro/ ALL Euro /ALL 123.74 for the year 2020 and 123.02 for the year 2019.

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

MESSAGE FROM THE GENERAL MANAGER



Dear Stakeholders,

As the COVID-19 pandemic has changed significantly the way we live and do business, I would like to take a moment to re-affirm our commitment at placing the safety and wellbeing of our employees, contractors, and our Stakeholders as our main priority.

In facing the Coronavirus pandemic, we have continued to live up to our core value, Health and Safety, by acting quickly and with solidarity. In mid-March 2020, we rapidly developed a response to COVID-19 challenges and implemented a number of measures to protect our employees and contribute to the containment of the disease. At the same time, swift measures were taken to keep the operations running and continue to produce cement for our clients. In close cooperation with medical specialists, following government rules and best industry practices, Group guidelines were quickly prepared, and action plans were implemented in our sites, and were engaged employees, contractors, customers, and external service providers.

In all operations were enforced risk assessment and contingency plans, were drawn up local guidelines and were increased hygiene measures. Furthermore, ANTEA swiftly moved to remote working and proactively reduced or cancelled travel and large meetings and events. We have adapted our procedures to work and have maintained employee engagement and high team spirit despite the distance. Additional protective measures were taken for people working on-site, such as reducing the number of employees working physically at sites, rearranging shifts, providing temperature scanning, increasing sanitization, providing rapid COVID-19 tests, and offering PCR testing. The impact of the COVID-19 pandemic for ANTEA was clearly less severe than what was initially expected. Overall construction activity escaped the full brunt of the downturn, being allowed to continue as an essential activity in Albania.

Through the collaboration with our business partners and local communities, we have increased the shared value created at local level. We are continuously implementing several actions, to inform employees and business partners on the issues related to health and safety at work. Maintaining discipline and protecting the health and wellbeing of our people and local communities from COVID-19 was a top priority throughout 2020 and will remain priority in 2021.

Despite the un-precedent events 2020 financial wise resulted

as a positive year, leading to a stabilized and positive demand for cement in the Albanian market as well as in the export markets, compared to the levels of year 2019. This positive market condition led to growth in the company's consolidated turnover by 12%, amounting a total consolidated turnover of €61.42mil. Our company's efforts to further streamline the operations led to a cost effective and agile organization that was able to entirely capture all available opportunities from the market and capitalizing them into its own results. TITAN has created contingencies and flexibilities, while also strengthened the liquidity in a combination of cash and committed bank credit facilities. We are closely working with the Group Finance and other corporate functions of TITAN Group, to explore the best strategies, in order to mitigate the impact and ensure business continuity in all aspects, including the sustainability of our communities.

As markets are gradually reopening around the world, we are building up our production to best support our customers and help the world economy recover as quickly as possible.

During these years, ANTEA has built up its reputation by being present on behalf of employees, contractors and local communities, being present in the difficult periods, as during the earthquake in November 26th, 2019 and the COVID-19 Pandemic. ANTEA is committed comply the UNGC ten principles. Each year, we transmit our company's progress on meeting UNGC principles.

We are focused on accelerating the implementation of our sustainability strategy, while continuing to develop the strength of our company in helping our clients, creating innovation, and bringing positive change to the communities where we work. Taking into account our social responsibility, we have supported our neighboring communities, addressing some of their most urgent needs, and have offered equipment, supplies and financial assistance to medical care centers and schools.

With an active profile in the construction industry and the lessons learnt until the present from the ongoing coronavirus crisis, we continue to place a strong emphasis on safety, as one of our leading priorities and passionately care about all our people and everyone we work with. We are committed in preventing accidents, by raising safety awareness and providing training and equipment to all our employees.

The engagement of our employees and the trust we have built in our workplace during the years, is the key to our company success. Their hard work and outstanding achievements make us one of the leading companies in our sector, in Albania. By investing in employee engagement, we increase productivity, work quality, and retain talents. At ANTEA, we provide attractive working conditions for our employees. Since our company is constantly growing and innovating, our company culture is evolving too. Our corporate culture is based on trust, innovation, and our efforts, to address social issues and bring a vision of

respect, self-improvement, and sustainable development. We are working in compliance with Human Rights standards, as described in the International Labor Organization conventions, the United Nations Convention on the Rights of the Child, and the Universal Declaration of Human Rights.

Regarding Corporate Responsibility activities, we have continued to strengthen our CSR Strategy, to contributing to society and communities where we operate. Guided by the leadership of top management, we are committed to fulfilling our corporate social responsibilities, by taking in consideration our stakeholder's interests. We always seek to minimize the negative environmental impacts of our activities. On environmental issues, we are on track on all our targets, which relate to SOx, NOx and dust emissions, water consumption and energy efficiency. In addition, we will seek innovative ways to create value by transforming our business, to serve our customers more efficiently as we move towards a carbon-neutral world.

At ANTEA, we pursue the creation of economic, societal, and environmental value, as our actions affect people's lives in the present and in the future and most importantly in the generations that will inherit this world. Looking ahead, we are focused on accelerating the execution of our growth strategy, while continuing to work and build the future together, bringing positive change to the where we work and live.

“ ANTEA has established a robust materiality assessment process, to address the expectations of our stakeholders and pursue sustainable development. Through this process, we aim at building further on our trusted relationships and create shared value. ”

Materiality assessment was an important process that took place in 2020 for the entire TITAN Group and ANTEA as well. Identifying, refining, and assessing potential environmental, social and governance issues for our company and stakeholders will remain a priority also for the years to come. We will strive for operational quality to provide the best results for our stakeholders. Our material issues are in alignment with SDGs 2030.

I am thankful for your ongoing support, trust, hard work and truly believe that working together we will continue to overcome challenges for a brighter future.

Mario Bracci
General Manager

BUSINESS APPROACH



ABOUT TITAN GROUP

Driven by its commitment to sustainable growth, TITAN has become an international cement and building materials producer, having 118 years of industry experience.

TITAN is serving customers in more than 25 countries worldwide through a network of 14 integrated cement plants and three cement grinding plants. TITAN also operates quarries, ready-mix plants, terminals, and other production and distribution facilities. The Group serves society's need, for safe, durable, resilient, and affordable housing and infrastructure. We create value by transforming raw materials into products – cement, concrete, aggregates, fly ash, dry mortars, blocks, and other building materials. We offer transportation and distribution services to our customers, as well as a range of additional solutions, ranging from beneficiation technologies to waste management. Amidst accelerating shifts and disruptive events, such as the COVID-19 pandemic, we effectively address critical challenges and play our part in building a better, more sustainable future together with our stakeholders.

TITAN Cement Group delivered strong results in 2020, despite the uncertainty caused by the COVID-19 pandemic. Group consolidated revenue at €1,607.0 million was stable, compared to the previous year. Earnings Before Interest, Tax, Depreciation and Amortization (EBITDA) posted a solid increase of 7.1% to €286.2 million. This was the highest EBITDA recorded since 2010. Net Profit after Taxes and minorities (NPAT) dropped to €1.5 million (vs. €50.9 million in 2019) because of significant noncash charges taken, representing the full write-off of the €46.6 million goodwill of TITAN Cement in Egypt and the derecognition of €17.3 million of accumulated deferred tax assets, also in Egypt. The impact of the COVID-19 pandemic on our Group was clearly less severe than what was initially expected.

TITAN is responding to the changing global landscape and the growing sustainability challenges.

In 2020, the Global Cement and Concrete Association (GCCA) announced its members' Climate ambition to drive down the CO₂ footprint of operations and products and deliver carbon-neutral concrete to society by 2050. Our industry is working across the built environment value chain, to deliver this aspiration in a circular economy, life cycle context.

Working together with our Stakeholders

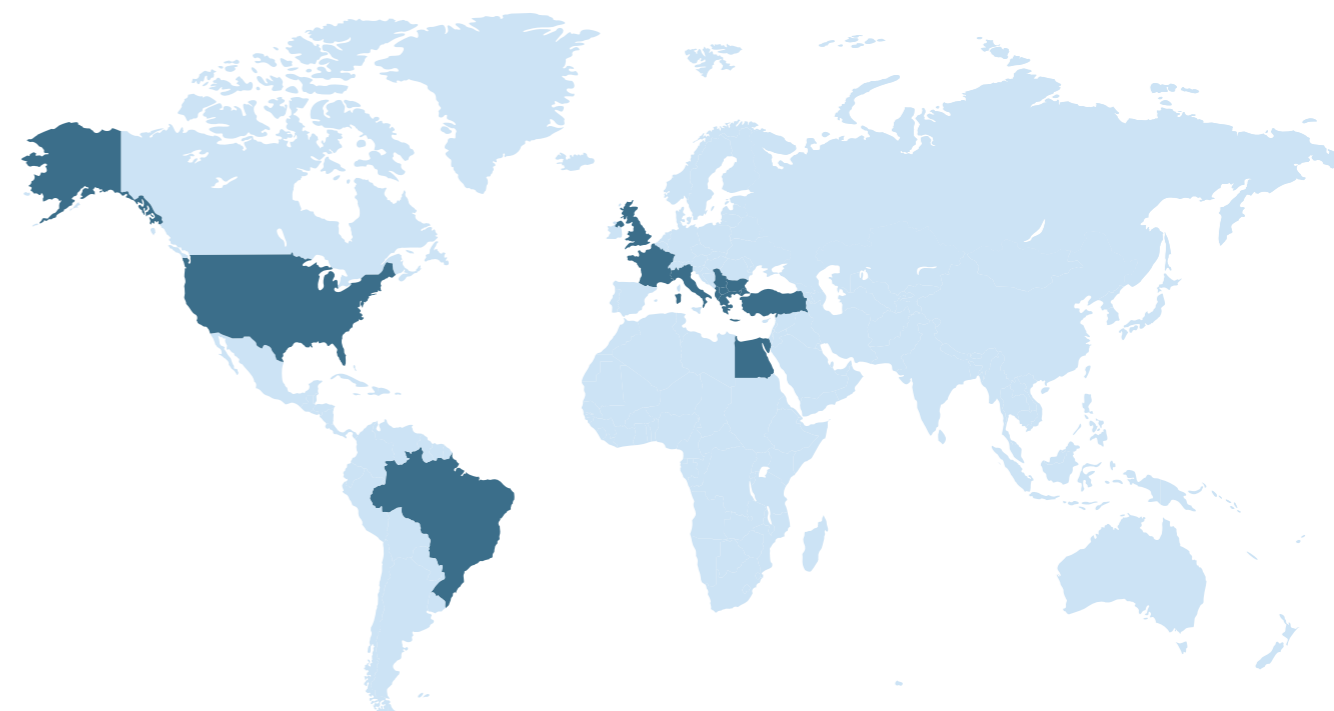
Through our collaboration with customers, business partners, local communities, and academia, we increase the shared value created at a global, regional and local level. We actively collaborate with international organizations, to address global sustainability challenges within the framework of the UN Sustainable Development Goals for 2030. We are a participant of the UN Global Compact (UNGC) and a core member of CSR Europe and the Global Cement and Concrete Association (GCCA). On the digital transformation front, we have started to apply the tools of the fourth industrial revolution to our business. We have introduced multiple digital and advanced analytics pilot projects and solutions, with significant impact, as they are rolled out across the Group's Business Units.

We consider the continuous building of capabilities in the era of digitalization as an essential part of our efforts, to increase operational efficiency and competitiveness, and develop new ways of connecting with our customers. In this direction, we are continuously investing in developing the digital skills of our people and are empowering our teams with the addition of several experts with specialist skills.

TITAN Group global presence

TITAN Group reports on its performance and activities based on four geographic regions, and separately on the joint venture in Brazil.

1. USA
2. Southeastern Europe
3. Eastern Mediterranean
4. Greece & Western Europe



GOVERNING OBJECTIVE

We aim to grow as a multiregional, vertically integrated cement producer, combining entrepreneurial spirit and operational excellence with respect to its people, society, and the environment. To achieve our governing objective, we focus on the following four strategic priorities:



1. GEOGRAPHIC DIVERSIFICATION:

We expand our business through acquisitions and greenfield developments into attractive new markets, to diversify our earnings base and mitigate the effect of the volatility inherent in our industry.

2. VERTICAL INTEGRATION:

We extend our business into other product areas in the cement value chain, serving our customers better and accessing new profit opportunities.

3. CONTINUOUS COMPETITIVE IMPROVEMENT:

We deliver new efficiencies throughout our business, to reduce costs and compete more effectively, by implementing digital solutions across our value chain.

4. SUSTAINABILITY, WITH FOCUS ON THE ENVIRONMENT AND SOCIETY

We reduce our environmental footprint, with focus on decarbonization and biodiversity. We care for, develop our employees, and foster constructive collaborations with our neighboring communities and other stakeholders.

OUR VALUES

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

back in 1902. They remain the solid basis of our culture and family spirit.

INTEGRITY

- ETHICAL BUSINESS PRACTICES
- TRANSPARENCY
- OPEN COMMUNICATION
- GOOD GOVERNANCE

- ENHANCEMENT OF KNOWLEDGE BASE
- PROFICIENCY IN EVERY FUNCTION
- EXCELLENCE IN CORE COMPETENCIES

KNOW - HOW

VALUE TO THE CUSTOMER

- ANTICIPATION OF CUSTOMER NEEDS
- INNOVATIVE SOLUTIONS
- HIGH QUALITY OF PRODUCTS AND SERVICES

- SHAREHOLDER VALUE
- CLEAR OBJECTIVES
- HIGH STANDARDS

DELIVERING RESULTS

CONTINUOUS IMPROVEMENT

- LEARNING ORGANIZATION
- WILLINGNESS TO CHANGE
- RISE TO CHALLENGES

- SAFETY FIRST
- SUSTAINABLE DEVELOPMENT; STAKEHOLDER ENGAGEMENT

CORPORATE SOCIAL RESPONSIBILITY

ABOUT ANTEA CEMENT



OPERATION & PRODUCTION INSTALLATIONS

ANTEA Cement, is one of the largest manufacturers of building materials, and applies the highest standards in Albania.

The integrated operations of ANTEA Cement Plant include two cement terminals, in Tirana and Ortona. The cement plant is located 50 km from the capital city, Tirana, and is positioned in Boka e Kuqe, Borizanë.

The main activities of ANTEA Cement include the production and distribution of cement with a capacity of 1.4 million/ton cement yearly and 3,300 ton/clinker per day.

The plant serves primarily local market demands and exports to other markets in the region. Since the foundation of the ANTEA cement plant, corporate social responsibility and sustainability have been embedded in business strategy, and provided the framework to build relations with all key stakeholders.

1.4
million/ton cement yearly

3.300
ton/clinker per day

ANTEA cement plant is one of the biggest ‘greenfield’ investments, with the highest standards applied in terms of construction and operation in Albania and a total value exceeding € 200 million.

To ensure energy efficiency and environmental effectiveness, the plant was constructed with the best industry standards and available technologies.

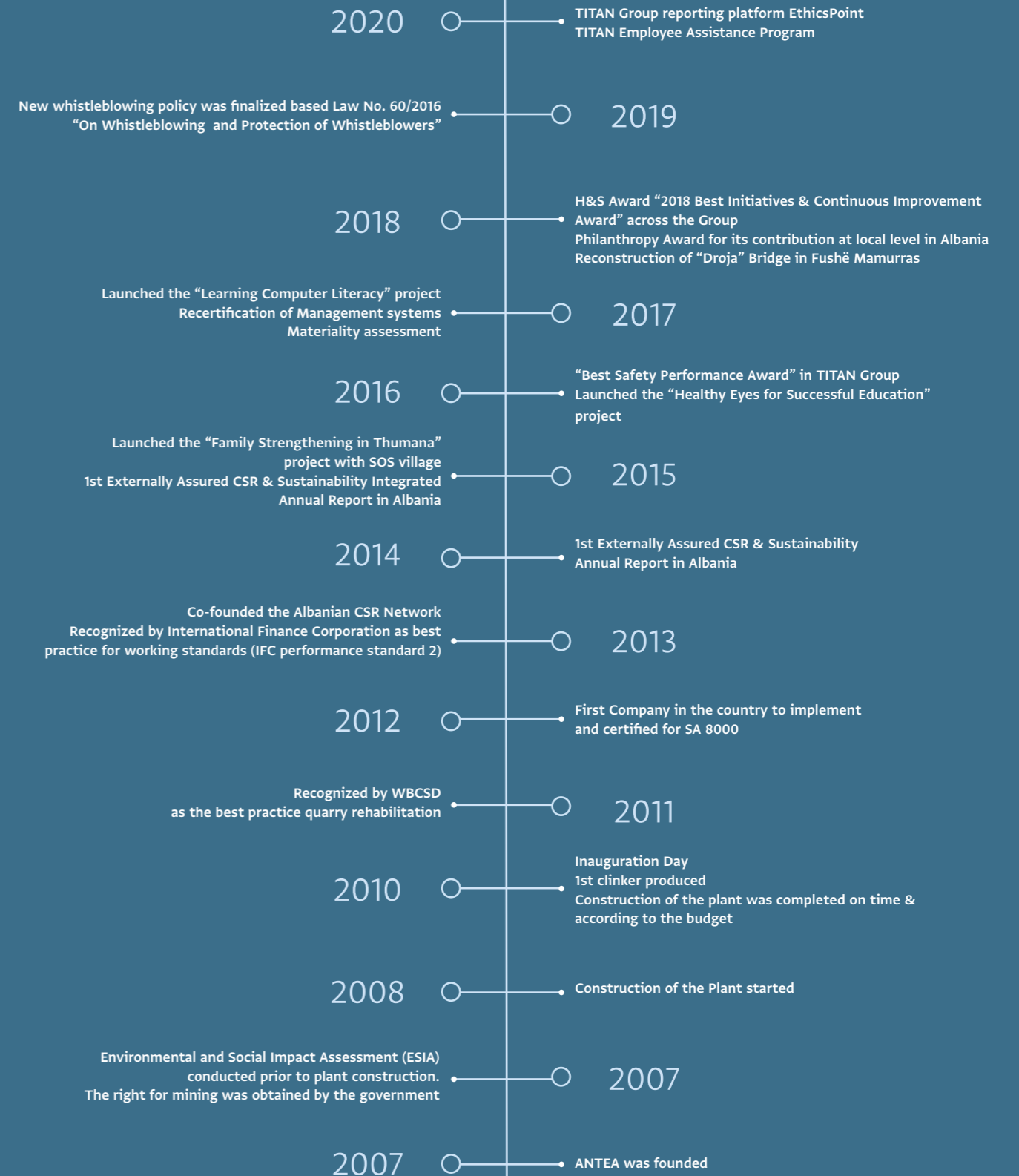
As an example, all transportation of materials within the plant is made via covered conveyors to decrease fugitive dust. ANTEA applies the latest technology, with vertical grinding mills, which occupy less space and can ensure better environmental performance and higher efficiency in electricity consumption. ANTEA also uses bag filters, which, despite their higher operational cost can guarantee improved environmental performance.

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

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

ANTEA Cement markets served Italy, Kosovo, Libya, Montenegro and Malta.

ANTEA'S HISTORY OF SUSTAINABLE GROWTH



From the beginning of its operation, ANTEA has developed and implemented several independent certified integrated management systems. This set is comprised by the ISO 9001 Quality management system, ISO 14001 for the Environmental Management System, OHSAS 1 8001 Occupational Health & Safety Management System, and SA8000:2014 Social Accountability Standard. SA8000 encourages organizations to develop, maintain and apply socially acceptable practices in the workplace.

ANTEA MEMBERSHIPS AND ASSOCIATIONS

- A MEMBER AND CO-FOUNDER OF ALBANIAN CSR NETWORK
- MEMBER OF FOREIGN INVESTMENTS ASSOCIATION IN ALBANIA (FIAA)
- MEMBER OF AMERICAN CHAMBER OF COMMERCE IN ALBANIA (AMCHAM)
- MEMBER OF HELLENIC BUSINESS ASSOCIATION IN ALBANIA HBAA
- MEMBER OF ALBANIAN PRODUCER ASSOCIATION



TITAN GROUP IS AN ACTIVE PARTICIPANT AND CONTRIBUTOR



CSR EUROPE
GCCA
UNGC



SUSTAINABILITY TARGETS 2021

ANTEA has further improved its sustainability performance during 2020, in the areas of local impacts, as presented in the Sustainability KPIs Index (see Annexes).

Our commitment for the continuous improvement concerning Local Impacts, and our continuous engagement with our Key Stakeholders with specific initiatives and actions, which aim at strengthening the Sustainability of Local Communities, are the core elements of our Business Strategy. In this framework, ANTEA has achieved most of its local sustainability targets with horizon 2021, for the Environmental and Social Performance, thus positively contributing to the achievement of the respective TITAN Group sustainability targets 2025 and beyond.

Contribution to the Sustainability of our local communities is one of the key areas for the Sustainability performance of ANTEA. Following the criteria set, aligned with our business model and sustainability strategy to encourage the focus on material issues in our community engagement initiatives, we launched a new web-based platform for self-assessment of all actions already taken, following stakeholders' feedback.

ANTEA will actively participate in the assessment of our (BU) initiatives and actions for Community Engagement in 2021, by responding with input inside the Group platform, being a new module of the Group data collection system (TITAN Group CSR Databank)."

PRODUCTS & VALUE CHAIN

Our Products

Cem I / 42.5 R: Portland Cement with the main constituents 95-100% Clinker and minor additional constituents 0-5%

Cem II / A-LL 42.5 R: Portland Limestone Cement with the main constituents 80-94% Clinker, 6 -20% Limestone and minor additional constituents 0-5%

Cem II / B-LL 32.5 R

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

In ANTEA, our supply chain role is ever changing to suit the new demands. To deliver results we have been able to react quickly and intelligently, to meet our company standards and expectations, not only achieving results but doing it with “ETHOS”, respecting our stakeholders and building partnerships that last, thanks to strong foundation build on the trust, respect and mutual.

The Pandemic of 2020 has affected and changed the traditional ways of doing business, in all industries. We experienced a rapid change in technology, customer expectations, generational values, and social norms, and it was therefore the time for the sales to evolve with the changes.

The biggest issue that 2020 businesses faced was how to adapt their sales process, to maintain relevance in an ever-changing environment, where a different way of Sales and Customer interaction was crucial for the business stability.

In ANTEA, the number of communication channels between customers and us has increased, adapting to the new global situations, giving the possibility to the customers to connect us at any given moment.

We constantly ensure that the opportunities to connect with customers are not missed. We always try to transmit reliability through good and prompt services, meeting customers' expectations and needs, being responsive to their requests, and focus to give them a solution.

Through a very advanced Lab and highly competent engineers, technical help and advice have been always in focus to our customers.

Our sales staff is having continuous training, on how to assess the customer problems in a due manner, to be trustworthy of their loyalty, be transparent and communicative and go where our customers are.

Our company has been always open to their feedback through Customers Satisfaction, which is covering 360 degrees of our interactions with the customers. Thanks to their remarks, we are able to change and adapt our sales process to the market needs in the most professional way.

We have the responsibility to always keeping up with the changes, to guarantee continuous growth and stability for our company.



In 2020, the outsourcing of raw materials, goods and services has become really challenging, due to the very difficult situation created from the pandemic, to meet needs of the company we had to:

1. Having a better understanding of all our suppliers and assessing their abilities, to meet the existing agreements, under the current situation.
2. Estimating realistic demand and assessing available inventory, by keeping in regular contact with customers and suppliers to understand the changing picture and plan accordingly.
3. Knowing what restrictions on imports and exports were introduced and evaluating their effect on our supply chain.
4. Mapping future possible scenarios and planning possible actions to reduce the negative impact. We have closely monitored early signs, such as requests for changes to payment terms or a reduction in communication from our suppliers.
5. Never forgetting our people and team and the people working for our suppliers, we have introduced new working practices, such as working from home, changing shift patterns, and have considered the same when evaluating our suppliers' ability to respond our demands.

The agility and performance of the supply chain at Antea is based on four key areas:

ROBUST
SALES
FORECAST

RELIABLE
POOL
OF PARTNERS

FLEXIBLE
PRODUCTION
BASE

EFFICIENT
LOGISTICS
NETWORKS

MANAGEMENT SYSTEMS

From the beginning of its operation, ANTEA has developed and implemented several independent certified integrated management systems. This set is comprised by the ISO 9001 Quality management system, ISO 14001 for the Environmental Management System, OHSAS 18001 Occupational Health & Safety Management System, and SA8000:2014 Social Accountability Standard. SA8000 encourages organizations to develop, maintain and apply socially acceptable practices in the workplace.

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

•**SA8000:2014** that covers all core international labor rights contained in the International Labor Organization conventions, The International Declaration of Human Rights and the United Nations Convention on the Rights of the Child. Through SA8000 standard, we are ensuring that ANTEA complies with all standard requirements to manage labor relations according to international standards. We monitor and assist our contractors in fulfilling their human rights obligations. Each of our contractors is inspected also on the requirement related to non - engaging child labor, since ANTEA is very sensitive and focuses most of its controls in relation to age documentation. Significant contractors are being inquired on the requirement of forced and compulsory labor, where working hours, remuneration and insurance contributions payments are monitored

The Company actively promotes the freedom of employee association, not only by creating its employee union, but also going beyond legal requirements, by applying SA8000 working standard, where the workers representatives can have access to management levels. Union's President and employee representatives can freely discuss with the management every possible issue related to obligations, improvements and suggestions on health and safety, and any other topic affecting employees working conditions. ANTEA is audited by an independent auditor Eurocert twice per year, ensuring the correct implementation and monitoring the above standard.

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

•**ISO 14001:2015 for the Environmental Management System** covering and handling all environmental aspects. The system includes air emissions, quarries, landscapes, groundwater, wells and water waste, liquid and solid waste, natural resources & energy consumption, noise, etc. We aim at

promoting environmentally responsible attitudes and behaviors to all employees and encouraging suppliers, customers, and other business associates to adopt similar practices.

•**OHSAS 18001:2007 Occupational Health & Safety Management System** providing a framework for the effective management of OH&S, including all aspects of risk management and legal compliance. It addresses occupational health and safety rather than any specific product safety matters.

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

VALUE CREATION, DELIVERING VALUE FOR ALL

We strive to be a responsible company, by identifying our impact in society and taking actions to create value for our stakeholders, by minimizing the adverse ones, while increasing care and well-being for our employees, local communities, and partners. We draw on, transform, and add our capital resources to provide our products and services, creating value for all our stakeholders.

Driven by our governing objective, we draw on our capital, to provide our products and services and create value for our stakeholders contributing to the UN SDGs 2030.

Financial capital

To support our business growth, we continuously use our economic resources efficiently.

Intellectual capital

We use our R&D capabilities, our core competence, and our deep knowledge of the building materials industry to enhance our offerings and further improve our performance.

Social and Relationship capital

We engage with our stakeholders, building long-term relationships of trust and working together in collaborative projects to make a positive impact on society and local communities.

Natural capital

We source materials responsibly, and we preserve natural resources and biodiversity in the areas where we operate.

Human capital

We value our people's contribution, continuously supporting their professional development in an engaging, inclusive, and collaborative working environment.

Manufactured capital

We manufacture our products, by using the best available techniques in our cement plant and we distribute them reliably to our customers through dedicated terminals.

MATERIALITY ASSESSMENT AND STAKEHOLDER ENGAGEMENT

Materiality assessment is an ongoing process that provides the foundation for the implementation of our sustainability strategy. A full cycle of materiality assessment has a duration of five years, with materiality assessments at local level used as input for the materiality assessment at Group level and vice versa. This is our second materiality assessment cycle and the feedback that we receive from our stakeholders through open and structured communication will act as a compass for our continuous improvement on all fronts. In the new cycle that was launched by the Group, we upgraded, harmonized, and further developed our materiality assessment process across the BU with TITAN Group guidelines, driven by our long-term commitment to the ten principles of the UN Global Compact and using the SASB Materiality Map for our sector.

Having open and structured communication in place, we engage with our stakeholders to deepen our insights into their needs and expectations. Through this process, we aim at building trusted relationships and enhancing collaboration to create shared value and contribute to sustainable growth.

We build trust with our stakeholders, by being open, transparent, and consistent in our communication. At Group level, we report our sustainability performance to stakeholders annually, including the outcomes of an independent assurance.

In 2020, ANTEA reviewed and updated its priorities, following the process designed by the Group.

The steps we follow to conduct our materiality assessment:

1. Identification and prioritization of material issues and stakeholders
2. Engage with stakeholders to verify materiality
3. Strategy Development focused on priorities
4. Engage employees in strategy implementation
5. Review and report performance to stakeholders

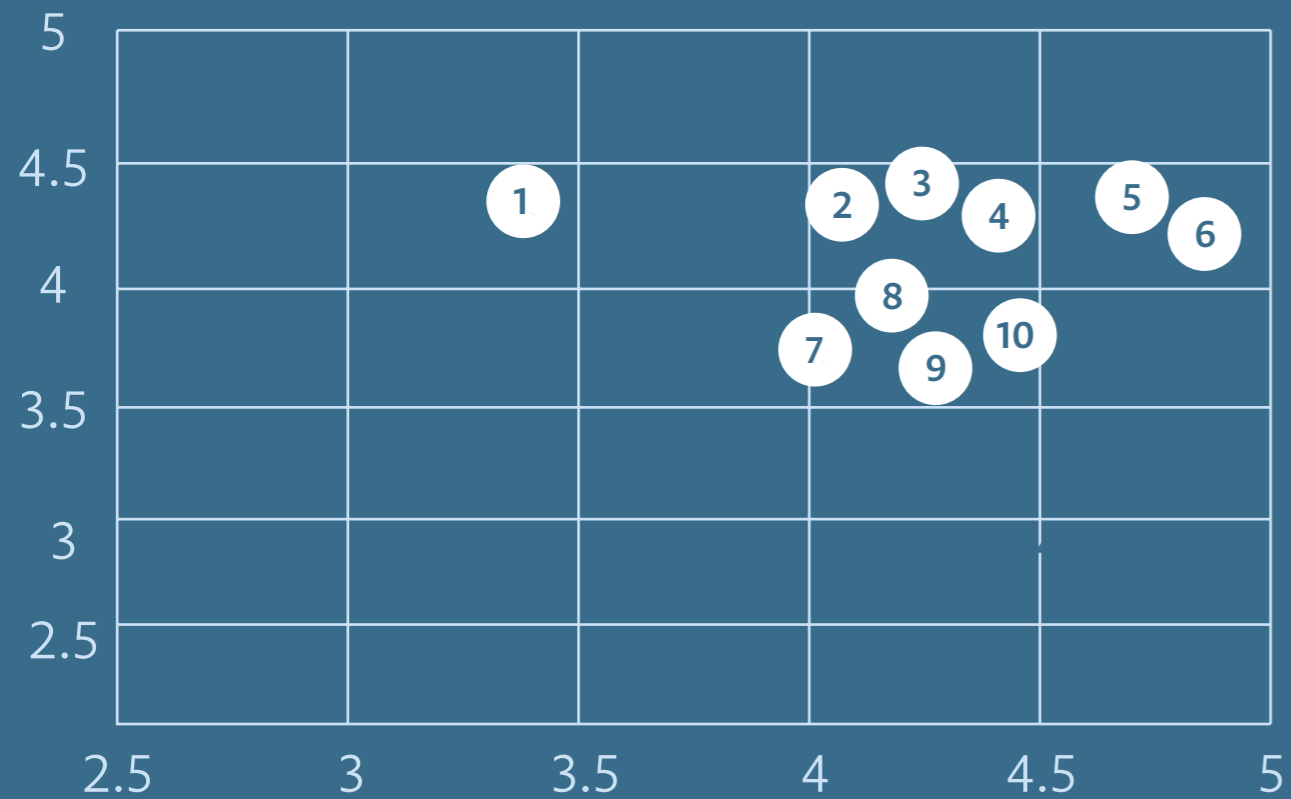
ANTEA MATERIAL ISSUES WITH HORIZON 2025

According to the ANTEA Materiality Assessment outcomes, we will address ten material issues in alignment with the UN SDGs 2030, all supported by good governance, transparency, and business ethics. Through this process, we aim at further building our trusted relationships and create shared value. Clear targets are set in the 2020 materiality assessment, following the process designed by the Group. Employee engagement; Continuous development and wellbeing; Safe and healthy working environment for our employees and business partners; Customer satisfaction; Good governance, transparency, and business ethics, Environmental management material issues remained at the top of the list of the identified material issues.

ANTEA MATERIAL ISSUES WITH HORIZON 2025

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

MATERIALITY MATRIX 2021 - 2025



- 1 Stakeholder relation and engagement
- 2 Supporting our local communities well-being
- 3 Good governance, transparency and ethics
- 4 Customer satisfaction
- 5 Employee engagement, Continuous development and well-being
- 6 Safe and healthy working environment for our employees and business partners
- 7 Business model innovation
- 8 Environmental management
- 9 Climate change & energy
- 10 Responsible, reliable, and sustainable supply chain

RELEVANT SDGs FOR EACH MATERIAL ISSUE



| Material issues 2021 | Core SDGs for the BU | Supplementary SDGs |
|--|----------------------|--------------------|
| Safe and healthy working environment for our employees and business partners | 3 | 8, 4 |
| Employee engagement, continuous development and well being | 3, 8 | 4, 5 |
| Customer satisfaction | 12 | 3 |
| Good governance, transparency, and business ethics | 12 | 16, 17 |
| Supporting our local communities well being | 4, 11 | 17 |
| Environmental management | 12, 9 | 6, 7, 15 |
| Responsible, reliable, and sustainable supply chain | 12 | 3 |
| Stakeholder relations and engagement | 9, 11 | 17 |
| Climate change & energy | 13 | |
| Business model innovation | 8 | |

ANTEA MATERIAL ISSUES CONNECTED TO TITAN GROUP FOCUS AREAS

| TITAN GROUP FOCUS AREAS | | | | |
|--|-------------------------------------|----------------------------------|-----------------------|----------------------|
| Material Issues | De-carbonization and digitalization | Growth-enabling work environment | Positive local impact | Responsible sourcing |
| 1.Climate Change & Energy | 1 | | | |
| 2.Environmental management | 2 | | 2 | 2 |
| 3.Safe and healthy working environment for our employees and business partners | | 3 | | |
| 4.Employee engagement, continuous development and well being | | 4 | | |
| 5.Supporting our local communities well being | | | 5 | |
| 6.Stakeholder relations and engagement | | | 6 | |
| 7.Good governance, transparency, and business ethics | | | | 7 |
| 8.Business model innovation | 8 | | 8 | 8 |
| 9.Customer satisfaction | | | | 9 |
| 10.Responsible, reliable, and sustainable supply chain | | | | 10 |
| All underpinned by: Good governance, Transparency and Business Ethics | | | | |

We will continue our assessment process throughout 2021, taking into consideration the consultations with national stakeholders, taking into account that we develop and promote SDGs in every region where we are presently operating.

Given the significant changes that all businesses have experienced over the last five years, we have revisited our sustainability strategy, expanded our scope and objectives, while focused on the implementation of collaborative efforts. Since 2015, we have followed the key steps of the UNGC SDG Compass tool (“The guide for business action on the SDGs”, issued by UNGC and GCCA, see reference in the ESG Performance Statements), starting with understanding and identifying the relevant SDGs for our business and how we can meaningfully contribute to their achievement.

Materiality assessment and connection with the 2030 SDGs was updated for ANTEA in 2020 and will be further validated by taking feedback from its stakeholders. The outcomes of the yearly assessments were utilized to feed the on-going dialogue with stakeholders enabling mutual understanding, building trust and consensus and consequently collaboration, in support of sustainable solutions at all levels.

This Report was developed with an aim to cover all material issues identified by the above process.

Our main priority is the reduction of carbon footprint of our own operations and our participation in the decarbonization of the construction value chain, contributing towards the global effort of climate change mitigation.

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

STAKEHOLDER ENGAGEMENT⁴

A significant part of our employees, contractors and suppliers are members of our local communities. Together with our stakeholders, we work to implement community engagement plans and empower the youth with quality education and skills for personal and professional development.

While responding to COVID-19 was our priority, Stakeholder engagement remained an important part of sustainability and our business success. Health and safety, personal development and other training programs were offered to all ANTEA employees. During this year quality education and employment skills for local youth, entrepreneurship, environmental awareness, social inclusion, and the promotion of the UN SDGs are provided.

KEY STAKEHOLDERS

Stakeholders are all groups who affect and/or could be affected by an organization’s activities, products or services and associated performance. We connect also our performance with the UNGC Ten Principles and the SDG9/Target 9.3, and SDG17/17.17, according to the UNCTAD Guidance (ed. 2019)

Ongoing engagement with our stakeholders helps us identify issues that are important to them and prioritize our efforts on initiatives and program activities that matter to local stakeholders and help us deliver on our purpose. In order to continue contributing to local community and to the society at large, ANTEA uses every possible means to gather the opinions and feedback of stakeholders, report these to company’s person in charge, and reflect them in the management committees, all with a focus on responding and engaging to stakeholders needs and expectations.

We use stakeholder feedback to direct our efforts on specific initiatives as well as on an ongoing basis, and this helps improving our approach and performance outcomes.

ANTEA aims at building trust with all our stakeholders, by communicating openly and transparently, and seeking feedback to better understand the potential impact of our operations and their concerns. Furthermore, we share our knowledge, experience, and the best practices in the areas relevant to our business, to add value and contribute to the well-being of our neighboring communities. The development of significant relations with the key stakeholders has enriched ANTEA operations values by reducing constraints on business, minimizing risks and enhancing opportunities, by better understanding the fast-changing context.

We believe our commitment and achievements in terms of empowerment, sustainability and good governance have allowed

Our CSR programs have facilitated local stakeholder dialogue and collaborative actions through community engagement initiatives, with a focus on the contribution to the sustainability of local communities.

Despite the Pandemic, ANTEA made a determined effort to improve its environmental, health and safety, and community engagement performance. Starting from 2020, ANTEA has had community engagement plans that are aligned with material issues for stakeholders and UN SDGs 2030 at 100% of our key operations. ANTEA will remain focused on strengthening its efforts to achieve authentic and distinctive social engagement and on enhancing its positive impacts through collaborative efforts and the empowerment of local stakeholders.

us to establish a good relationship with our stakeholders.

Despite an ever-changing world and business environment, the investment in CSR activities has surely improved our position towards our stakeholders. We try to communicate with our stakeholders in a direct and transparent way and ultimately succeed in carrying on and evolving together, for mutual growth and better living conditions. The most important thing to be emphasized is that we take care of our employees and invest in their development in a dedicated manner. We continue to foster different collaborations with key stakeholders, between private and public organizations for the implementation of the SDGs.

As a founding member of CSR Albania Network since 2013, ANTEA strives to contribute through its expertise to the latter by running multi-stakeholder dialogue for the implementation of the Sustainable Development Goals 2030.

| ANTEA CEMENT KEY STAKEHOLDERS |
|-----------------------------------|
| Employees |
| Customers |
| Local communities and governments |
| Shareholders |
| Regulators, authorities |
| Business Partners and suppliers |
| Contractors |
| Local Authorities |
| Media |
| Civil Society |
| Youth |
| Academia and research |

⁴Stakeholders are all groups who affect and/or could be affected by an organization’s activities, products or services and associated performance. We connect also our performance with the UNGC Ten Principles and the SDG9/Target 9.3, and SDG17/17.17, according to the UNCTAD Guidance (ed. 2019)

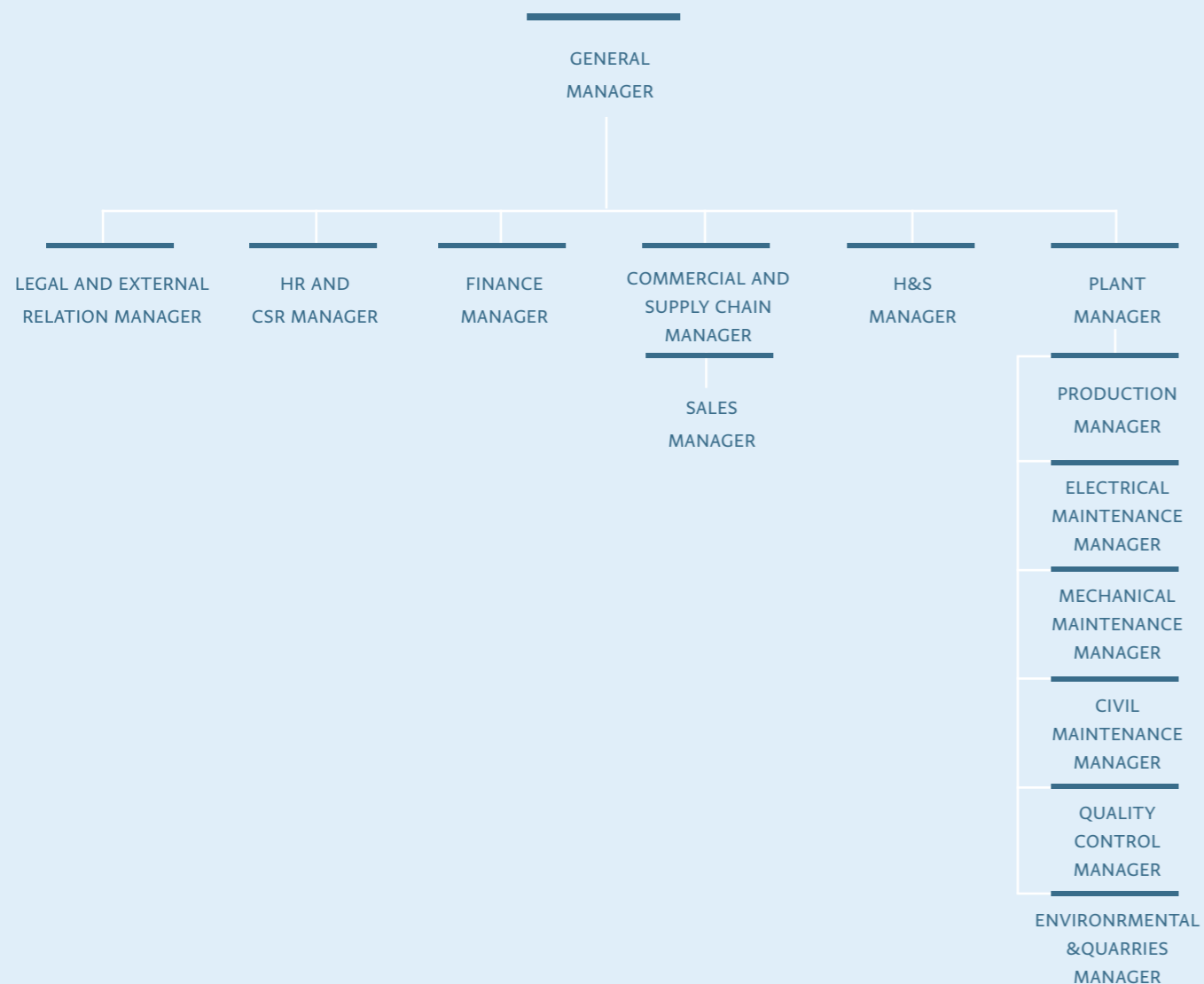
CORPORATE GOVERNANCE AND RISK MANAGEMENT

CORPORATE GOVERNANCE STATEMENT

ANTEA Cement complies with reliable corporate governance procedures, in accordance with applicable Albanian Laws and regulations and also operates with its Code of Conduct and Group Policies. Corporate Governance in our company includes and promotes transparency, accountability, and security, in align with our values and mission.

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

ANTEA Cement Organizational Structure



ANTEA BOARDS AND COMMITTEES

Quality Board:

The Company's Management is involved in the Quality System through the Quality Board.

In general, the Quality Board has the following responsibilities:

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

Environmental Board:

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

Social Accountability Board:

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

Conflict of Interest Committee:

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

Health & Safety Central Committee:

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

Credit Control Committee:

This Committee oversees the receivables and debts from the Clients and its main tasks include: (i) Evaluation and approval of credit (ii) Customer's Appraisal forms/customer rating (iii) Settlement of customers' debts (iv) Debt coverage I Guarantees (v) Credit Monitoring and Control (vi) Definition of provisions linked to credit risk

CSR Committee:

The main task of CSR Committee is to prepare and implement the CSR Action Plan, which reflects the material issues of the company and their proper management. CSR Committee has also the following tasks: (i) Proposing, drafting and approving CSR related policies and procedures (ii) Assessing and deciding upon CSR Projects (iii) Preparing the Annual Integrated Report (iv) Preparing other publications such as fact sheets, newsletters etc. (v) Engaging with Local Community through grievance mechanism (vi) Actively participating in Albanian CSR Network through seminars and activities.

RISK MANAGEMENT

ANTEA's Risk Management approach includes management practices, to actively address risk and comprising of a management system including strategy setting, organization, governance, policies, reporting, communications with stakeholders, and measurement of performance.

ANTEA Cement's Management Board is responsible for social, environmental, managerial, and financial risk identification and assessment, helping to safeguard the long-term sustainability of our business. Risks are addressed on a day-to-day basis at various levels in the organization, according to the nature of each risk.

The Board has the overall responsibility for determining the nature and extent of the principal risks that the Company is willing to assume in achieving the strategic objectives of the Group, while the responsibility for monitoring the effectiveness of the ANTEA's risk management and internal control systems is delegated by the Board to the Audit and Risk Committee.

The company manages the risks through:

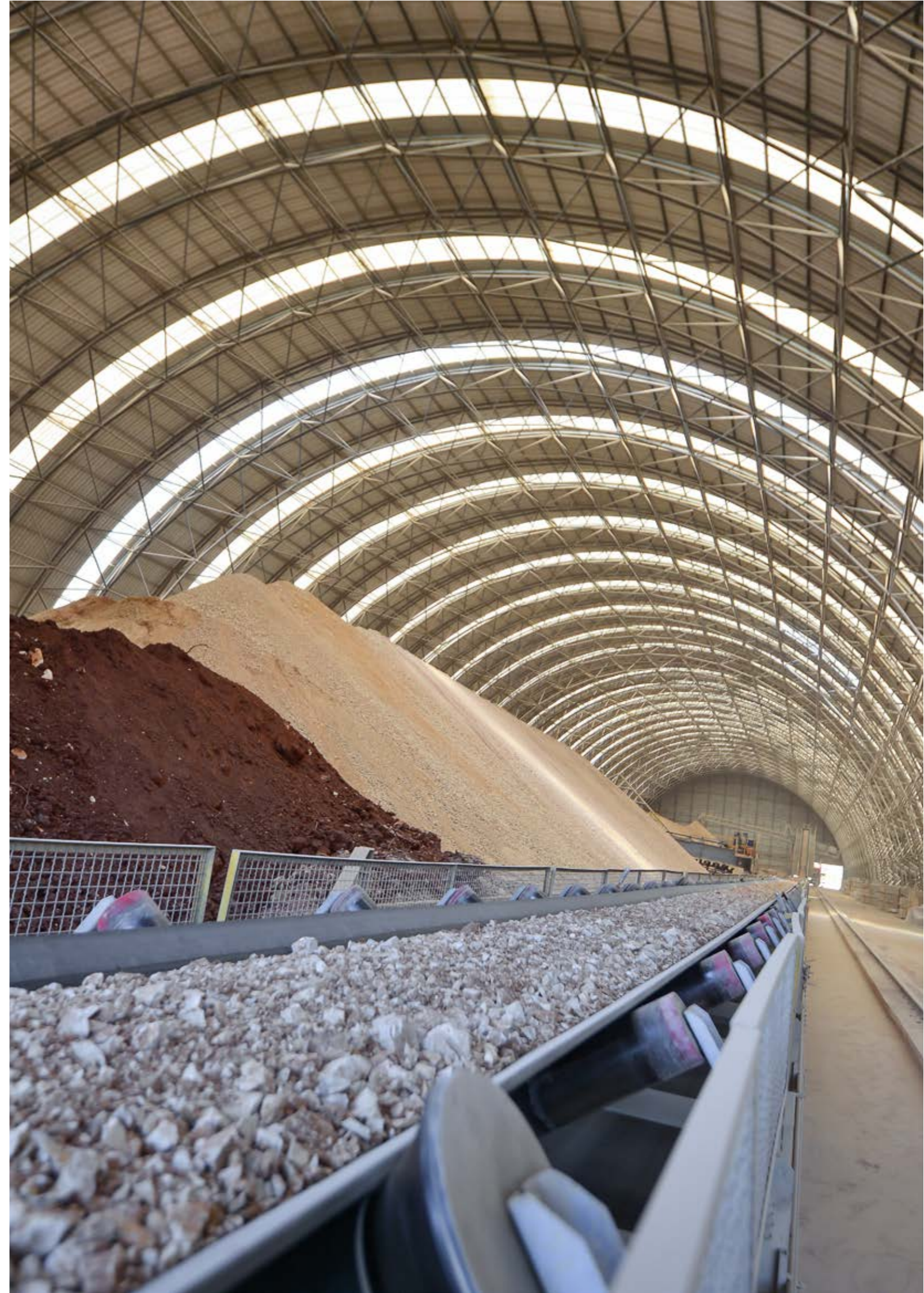
- Internal and systems' audit, to keep in consistency with current management systems' requirements
- Code of Conduct training to enforce anti-corruptive measures
- Creation of various committees in the company to address various challenges and issues
- Maintain communication with employees and other relevant stakeholders
- Perform, facilitate, and monitor the engagement with the local community

Since December 2018, ANTEA incorporated the New Unified "Regulation on the procedure of administrative investigation on whistleblowing, protection of Confidentiality, personal data protection and protection from revenge" pursuant to Law No. 60/2016 "On Whistleblowing and Protection of Whistleblowers". In 2019, a new whistleblowing policy was finalized, and the Company provides an expanded knowledge on practical understanding.

GRIEVANCE MECHANISMS AND COMPLAINTS FROM EXTERNAL INTERESTED PARTIES

Since the beginning of its operation, ANTEA had in place a Grievance mechanism for its employees, making available to all our people but not only, a safe mechanism to report the concerns and grievances. ANTEA has developed a procedure related to Complaints from external interested parties. The TITAN Group CSR Databank is used regularly as a 'horizontal' (Group level) data collection system for recording and reporting on any complaints of the local community and individual local citizens, as also recorded - in the case of ANTEA - by the management systems for Environmental Management, Occupational Health & Safety, and the SA8000. In 2020, one (1) case was reported through the Grievance mechanism, which was investigated by the departments and management teams and addressed accordingly.

The benefits of effective internal and external communications include the manifestation of ANTEA's commitment and efforts to improve its overall performance, as well as the results of such efforts and raise awareness and encourage dialogue about various issues and concerns of stakeholders pertinent to ANTEA's operation. In early 2020, was launched a Group-wide platform (Ethics Point). All our employees have access to this new platform.



AUDITS OF ANTEA'S NON-FINANCIAL PERFORMANCE

The Group Internal Audit performed in 2020 a follow-up audit in HR Department related to all Human Resources processes, including Human Rights and no non-compliances was identified.

ANTEA monitor a variety of Human Rights - related issues, such as Gender Equality and participation in union and relevant KPIs are presented in detail in the Non-financial Statements section, in the table of Social Performance KPIs Index.

Further, the ERM Certification and Verification Services Ltd. (ERM CVS) ERM CVS performed a complete audit of ANTEA's sustainability performance, and also management systems and practices, according to the agreement with TITAN Group to provide assurance in relation to the information presented in TITAN Group's Integrated Annual Report 2016.

Our management systems are covered by systematic monitoring and a standardized auditing process. For Health and Safety, the Group Engineering and Technology Department is responsible for the execution of internal audits both annually and in 3-year long periods on all relevant aspects of Health, Safety and Environment.

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

The audits were performed remotely by using the proper cameras and digital devices. In this regards several audits were completed in this way such:

- The TITAN Group 360 Audit
- The continuance of OHSAS 18001 certificate

Following the H&S action plan, the internal inspection and audits were focused on: Work Permit; blasting activities (both quarries); "Near Misses in the Production Process", daily contractor facilities; driving Safety to shift pickups; Work Permit procedure; Clay and Limestone quarry; Tirana terminal; personnel transporting vehicles.

An independent auditor (Eurocert) audits ANTEA every year, ensuring the correct implementation and monitoring the compliance with Occupation Health and Safety Standard OHSAS 18001:2007. Antea Cement has already adapted its H&S procedures as per ISO 45001:2018 and is expected to be certified with ISO by July 2021.

Last, but not least about audits, on country level, the Competent Authorities make regular audits whereby no non-compliances or fines related to non-compliance of ANTEA operations with labor-by-Labor Inspectorate, environmental by National Agency of Environment, by National Agency for Natural Resources -National Authority for Safety and Emergency in the Mines regarding the mining activities or competition laws were indicted. Public Local Health authorities performs a yearly basis inspection monitoring the legal compliance in regards of health legislation. In addition, local firefighting inspector performs an annual inspection to ensure that all firefighting means of ANTEA are fully operational. In addition to authorities' inspections, periodic audits are done internally by TITAN Group Head Quarters. In regards of H&S were performed two audits by Group Occupational Health, Safety & Environment Director and Regional H&S Director SEE & Turkey. In total were 89 actions proposed for improvement including H&S Management system, plant equipment's and plant operations.

In addition, an important attention is given specifically to H&S Management System, implementation of related standard OHSAS 18001/ISO 45001. ANTEA Cement has already implemented the new ISO 45001 and by July 2021 is expected for certification with the new standard. In this regard periodical audits are done by third parties and ANTEA Cement was found in compliance with the standard requirements.

H&S Central Committee and Plant H&S meetings were kept regularly, to monitor the H&S issues, planning and coordinated necessary actions especially on COVID-19. Nonetheless, the first half of 2020 was characterized by full lock down but in second half, we continued our effort in Health and Safety. There have been achieved the expected results by completing 80% of Health and Safety 2020 targets.

The H&S Council of Employees elections took place in compliance with pandemic measures. The elections are performed every two years. Due to the pandemic situation the new team holds its first meeting online.

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

ESG PERFORMANCE

REVIEW

ESG PERFORMANCE REVIEW



Employee engagement, continuous development and wellbeing, Safe and healthy working environment, Customer satisfaction, Good governance, transparency, and business ethics and Environmental management remained at the top of the list of the ANTEA material issues. ANTEA's ESG performance overview covers issues identified and prioritized as material to our key stakeholders.

In 2020, safeguarding our people against COVID-19 was a top priority. Following the emergence of the Pandemic, our company monitored and evaluated the situation continuously. In all operations, risk assessment and contingency plans were designed and enforced, local guidelines were drawn up, hygiene measures were increased, and medical and psychological support were provided by experts or through health care programs. In close cooperation with medical specialists, guidelines were quickly prepared, and action plans were implemented at ANTEA, engaging employees, contractors, customers, and external service providers.



ANTEA transitioned to remote working and virtual meetings by providing the necessary hardware and being proactive in reducing or canceling travel and large meetings and events. For people working on-site, additional protective measures were also taken, such as reducing the number of employees working physically in sites, rearranging shifts, providing temperature scanning, increasing sanitization, facilitating commuting by employees by providing additional buses, promoting social distancing, and offering PCR testing. Changes in the administration of the operations and transportation of employees were customized, according to each case.

ENVIRONMENTAL PERFORMANCE

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

The environmental management system ISO 14001 has been established since the beginning of company operation and has been implemented strictly, according to the requirements set forth in standards. By following very high standards from the very beginning and meeting all relevant commitments undertaken by the management of the company, ANTEA has met all its Targets 2020 regarding the issues of environment. We are promoting best practices at local level, through standard communication with all key stakeholders on environmental performance issues.

AT A GLANCE

| | 2020 |
|--|--------|
| Total rehabilitated quarries area (m2) | 94,000 |
| Specific waste production (kg/t clinker) | 18.86 |
| Specific Nitrogen oxides (NOx) emissions (g/ton clinker) EP31L | 743.8 |
| Specific Sulfur oxides (SOx) emissions (g/ton clinker) / EP32L | 13.7 |
| Specific Dust emissions (g/ton clinker) / EP30L | 4.0 |
| Specific Gross Scope 1 Carbon Dioxide (CO2) emissions (kg/ton product) / EP17L | 640.4 |
| Specific water consumption (lt/ton cement) | 196.4 |
| Investments for Environment (million €) / EP39L | 0.2 |
| Water recycled total (million m3) / EP28L | 0.28 |

CLIMATE CHANGE AND ENERGY

Following the TITAN Group's guidelines and objectives regarding carbon emissions, reducing CO₂ in our operations remains one of our top priorities.

An environmental impact assessment study for using Alternative Fuels has been prepared and the permit for AFs co-processing has been approved.

In Albania, the waste management system is poor; consequently, the available quantities of alternative fuels are few or non-existent. In addition, the import of RDF/SRF in our country is prohibited. For this reason, the use of AF has so far been very low. In order to facilitate the possibility of producing alternative fuels in our country and using them in our plant, we have started a common project involving an international organization specialized in this field, businesses, local and central authorities, and other interested parties (NGO's, local community universities etc.).

ANTEA implements the best principles and practices of GCCA and makes us the CO₂ and Energy Protocol: CO₂ and Energy Accounting and Reporting Standard for the Cement Industry. In accordance with this protocol, ANTEA calculates and reports Scope 1 CO₂ emissions and energy consumptions on regular basis, even though it does not constitute a legal requirement in Albania. Additionally, according to the TITAN Group guideline we will start measuring Scope 3 indirect emissions in 2021.

In 2020, ANTEA Cement recorded specific net Scope 1 CO₂ emissions of 640.4 kg CO₂/cementitious product and a clinker ratio of 76.5%.

AIR EMISSIONS CONTROL



Beyond national legislation requirements, the company has established a Continuous Emission Monitoring System (CEMS), in compliance with EN 14181 Standard, which allows our operation to control and ensure compliance with air quality regulations. In order to assure and validate the data which are continuously collected, CEMS is calibrated and tested for validity of the monitored data from third party accredited laboratories. Additional investments to the CEMS: ANTEA Cement has installed a new MEAC 300 system (Acquisition and Evaluation of Emissions data according to EU directives), which - daily - generates statistical data on emissions, automatically and independently from the operators of the plant, thus assuring the quality and reliability of the values and strengthening the aptitude and transparency of ANTEA's reporting.

Although it is not required under the Albanian legislation, ANTEA operates according to BAT (Best Available Technique), in alignment with industrial Emissions Directive 2010/75/ EU. The dedusting system is being monitored and maintained on a regular basis, with 1,811 bag filters being replaced during last year. Guided by the company's commitment, to keep the emission levels under the limits required by the legislation, was established the installation of an 'SNCR' system (Selective Non-Catalytic Reduction). This equipment allows the effective control of our NOx emissions.

In addition to the existing monitoring measurement systems, an integrated Gas Analyzer (Sick MCS1 OOFI), which costed 155,000 euro, was installed recently. The new Gas Analyzer measures H2O, SOx, NO, NH, CO, CO, HCl, HF, CH, and O2. The device has QAL1 certificate, according to relevant European standards. For the AF usage as per our legal and stakeholders' obligation, we need to measure continuously SOx, CO and NO2.

DUST AND OTHER AIR EMISSIONS



Apart from greenhouse gas (GHG) emissions that have a global effect, also other air emissions such as NOx, SO₂ and dust are a key environmental aspect of cement production.

As part of the TITAN Group, ANTEA is following the environmental group policy, monitors and reports air emissions in order to mitigate its impact on the environment.

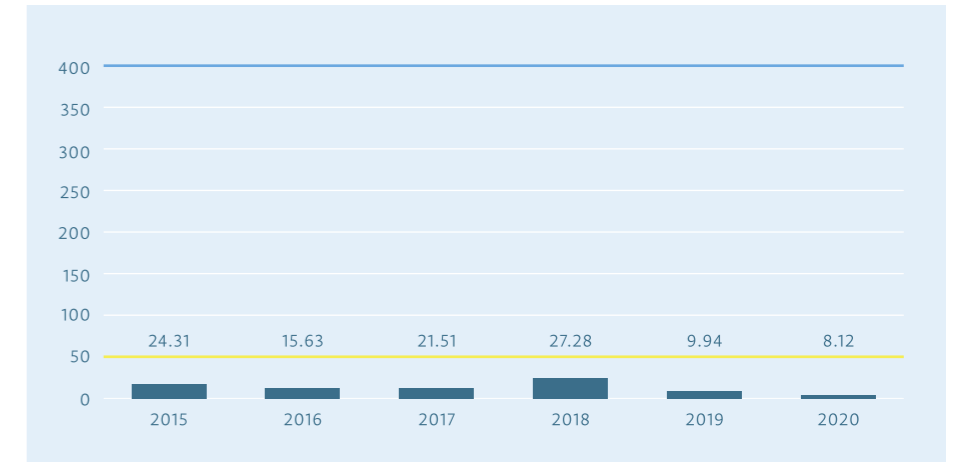
Aligning with legal and sectoral requirements, ANTEA Cement monitors and reports greenhouse gas emissions (CO₂), as well as dust, NOx, SO₂, HCl, HF, and NH₃ mostly through continuous emissions monitoring systems. Minor emissions like PCDD/PCDF and heavy metals, released in very small or negligible quantities are spot measured by accredited independent laboratories at a frequency equal or higher than that mentioned in the permit.

We systematically monitor fugitive dust emissions, to protect the health of our employees as well as reduce the impact on nearby areas. All our activities of transporting materials in the plant and quarries have been carried out, by strictly applying the best practices and consequently the levels of fugitive dust have been within the applicable norms.

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

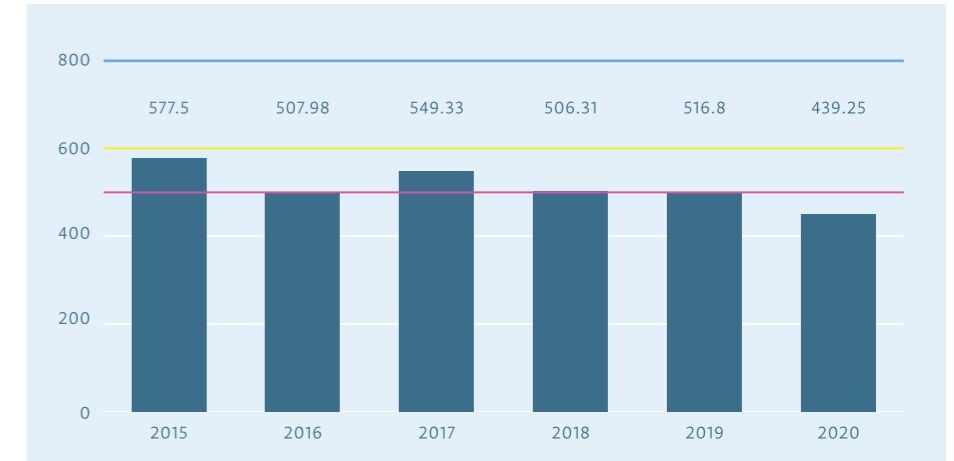
SOX EMISSIONS (MG/NM3)

- mg./Nm2
- AL/EU Limit
- AF Limit



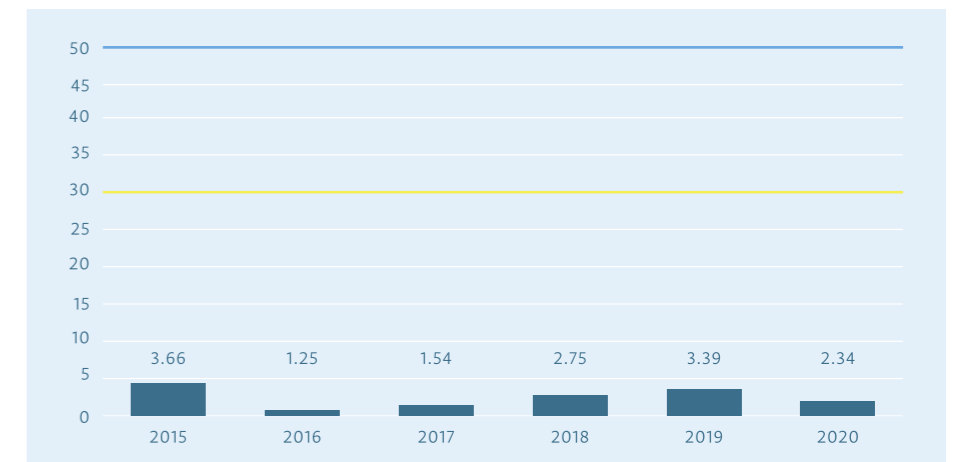
NOX EMISSIONS (MG/NM3)

- mg./Nm2
- EU Limit
- AL Limit
- AF Limit



DUST EMISSIONS (MG/NM3)

- mg./Nm2
- AL Limit
- AF Limit



ANTEA's performance in NOx and SOx emissions was improved, compared to that of 2019, exceeding the target set by the TITAN Group for 2020. Specific NOx emissions were 743.8 g/ton clinker vs 830.2 g/t clinker that was in 2019. Specific SOx emissions were 13.7 g/ton clinker vs 16 g/t clinker that was in 2019. Also, the performance regarding dust emissions was improved compared to previous year by decreasing the specific dust emission from 5.4 g/ton clinker in 2019 to 4 g/ton clinker in 2020.

As the result of our authentic long-term commitment, to create and operate responsible and sustainable business model, as projected by global and EU standards, we have achieved to be one of the best performers in the country but also in EU and global level.

WATER MANAGEMENT

Following the TITAN Group guidelines, ANTEA has implemented a water management system, since the beginning of its operation. Data on water consumption and discharge by every production unit is collected on monthly basis.

Although the cement production is not a process that requires intensive use of water, we make continuous efforts and take care of its efficient and conscious use in all our activities. In this way, we ensure the sustainable and responsible use of the natural resources on which we rely.



Until the present has not been any indication scarcity of water resources, neither any complain of local community on the intended uses of the water. In any case, the plant continuously strives on the conserving of water needs.

REDUCING WATER CONSUMPTION



REDUCE



REUSE



RECYCLE



Furthermore, we continuously work to optimize water consumption with the appropriate maintenance of water network that ensures leak-free systems and by recycling the used water.

Thanks to our continuously efforts, the specific water consumption in 2020 amounted 196.4 l/ton cement versus 210.95 l/ton cement that was in 2019.

Water risk assessment constitutes a significant component of TITAN's sustainable management of water resources. In 2020, the water risk assessment for all Group sites was completed, by using the Aqueduct tool of the World Resources Institute (WRI) and the Water Risk Filter of WWF. The results will be used to enhance company practices for sustainable water management and develop specific water management plans for sites in water-stressed areas.



BIODIVERSITY, QUARRY REHABILITATION, AND LAND STEWARDSHIP

ANTEA pays special attention to the conservation of biodiversity in the area where it operates, taking special care to mitigate the impact of the extraction of raw materials that are necessary for the cement production. Biodiversity management and rehabilitation and reforestation activities are the main priorities in which we remain focused.

In 2020, TITAN Group updated the biodiversity risk assessment for all its sites. All Group cement plants and quarries were assessed as to their biodiversity status and value, with the use of the Integrated Biodiversity Assessment Tool (IBAT, <https://ibat-alliance.org/>). The next step is to further evaluate the local baseline conditions at those sites that were recognized as being in proximity to (or part of) areas of high biodiversity value, in order to determine potential needs, to develop appropriate biodiversity management plans, in line with the key principles of the GCCA Sustainability Guidelines on Quarry Rehabilitation and Biodiversity Management.

Based on this assessment, the ANTEA sites are not within, containing or adjacent to areas of high biodiversity value.

The Quarry Management Plans (QMPs) for quarries were prepared since the beginning of our operations and were updated in 2016. These plans comprised a structured and practical desk study, providing planning outlines aligned with the existing (and officially approved) quarry mining projects and environmental impact assessment studies.

These plans are fully compliant with the local legislation and conform to TITAN Group best practices for quarries development and rehabilitation. ANTEA has been performing progressive rehabilitation at the quarry sites, since the beginning of the mining operations and has introduced three plant species in this process, that are included in the Red List of threatened species of Albania, namely *Quercus ilex* L. (Holly or Holm oak), *Laurus nobilis* L. (Laurel) and *Salvia officinalis* L. (sage).

The rehabilitated area in our quarries has reached to date 9.4 ha and we will continue to perform the progressive rehabilitation in our operations with the target to have rehabilitated more than 15% of the affected areas in the coming years.



WASTE MANAGEMENT

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

Based on the best practices, the different types of waste are separated at the source, then collected, and temporarily stored to a waste collection unit and further sent out for treatment through licensed contractors. ANTEA is making efforts to recycle and internally reuse as much as possible waste generated from its activities. A good practice worth mentioning is that waste grease and used oils generated by our and subcontractor's activities, are processed in the plant where the energy recovered in our kiln.

ANTEA Cement has put many efforts on waste management, by investing and performing the thermal destruction of waste streams (Oil Based Muds, Water Based Muds and Wastewater) that were generated from a drilling process by the oil exploration companies.

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

The current installation that ANTEA disposes is the only one of its kind and we strongly believe that this technology is unique for Albania. It is worth noting that the technology applied by ANTEA has been highly appreciated by the relevant authorities, which according to them, will create a new perspective for solving the problem of pollution resulting from the exploration and exploitation activities in the areas where the oil companies operate in Albania.

SOCIAL PERFORMANCE

We foster to cultivate a healthy and safe work environment, enabling our people to develop new skills and to grow professionally. We aspire to generate a positive impact for our local communities, supporting their socio-economic development and promoting sustainable practices across our value chain. At ANTEA, safeguarding our people and operations against COVID-19 was a top priority in 2020. We promoted remote working, while numerous protective measures were taken for people working on-site. In close cooperation with medical experts, we implemented action plans, putting an emphasis on frequent and open communication. In addition, we stood by our neighboring communities and acted to help local partners and contractors to sustain their business. We are continually striving to improve our health and safety performance through training and engagement. Our efforts in 2020 concentrated on further improving risk assessment procedures.

Supporting diversity and inclusion, our sustainable growth relies on the caliber, behavior, and involvement of our people. Our vision is to ensure an emotionally and mentally engaged workforce, as stated in our People Management Framework.

Employee action plans were developed to address the results of the 2019 Employee Engagement Survey. We support equality, diversity and inclusion, which are committed to providing equal access and remove biases in our operations. TITAN Group Code of Conduct, and Human Rights and CSR policies were updated to incorporate clearer references to diversity and inclusion.

Our new TITAN Health and Wellbeing framework covering the four key dimensions of health and wellbeing – physical, mental, social, and financial reflects the importance of following an integrated, holistic approach. Employee Assistance Program (EAP), a consulting support service that offers expert advice on personal, family, or work-related issues to employees and their families, has been extended to ANTEA to enhance the mental and emotional health and wellbeing of our people.

Our Whistleblowing Policy encourages employees to report possible misconduct, fraud, or abuse. In parallel, the TITAN Group reporting platform Ethics Point® was launched to provide a globally available digital tool enabling the confidential reporting of any concern and ensuring its quick and effective handling, fostering our culture of integrity and ethical conduct.

Supporting our local communities, where our operations have direct and indirect economic, social, and environmental impacts, and contributing to their sustainable development is integral to our corporate philosophy. We support sustainable practices across our value chain, recognizing that a dependable and sustainable supply chain can contribute to the creation of a net positive environmental, social, and economic impact.



HEALTH & SAFETY

Pandemic COVID-19!

The World has changed!

“Adaptation”. The key word to succeed on the new circumstances. “Cooperation”. Especially with responsible authorities, the key element to manage the situation.

“Support”. The key source of our strength.

Only few months after the devastating earthquake that hit Albania, especially the regions around the ANTEA Cement plant, another challenge appeared. This time in a bigger scale. The whole world witnessed the weakness in front of the invisible enemy, the pandemic COVID-19.

To the level of the new circumstances, the ANTEA Cement Management reacted accordingly to the fast adaptation on the way of living, behaving, operating, and approaching. With the highest responsibility, necessary decisions were taken, regarding the operations and maintenance activities, based on the authority’s restrictions. Additionally, other preventive measures were taken by Plant Management, to minimize the impact on the daily and near future operations.

Daily communications with employees and contractors was among the first important actions applied to minimize the impact of uncertainties and encouraging people.

In addition, frequent communications were kept with epidemiology task force. Necessary information was exchanged with the employees regarding any identified COVID-19 positive individual.

The first COVID-19 cases in Kruja Region appeared during the second month of the pandemic crisis. The local authorities were facing supplying difficulties on necessary protection means, such coveralls, masks, disinfectants, gloves etc. ANTEA Cement as one of the largest business unit in the region stood up. Even though with a minimum reserve to those supplies, lack of supply by global & local markets, the authorities were supported without any hesitation. This support continued for several months until the authorities had the necessary uninterrupted supplies. That was an important “corner stone” of cooperation with them and become much stronger with the passing of the months.

Frequent inspections were performed in the Plant by Regional Health Authorities.. ANTEA Cement has proven the seriousness of its commitment, which were recognized by Authorities as best example. As well, close cooperation with the responsible authorities become a key element on managing the situation. Moreover, this cooperation was put to the test. During April 2020, Kruja & F. Kruja municipalities faced a rapid number increase of the infected individuals. A considerable number of Antea Cement workers lives to those municipalities. Only in 10 days Kruja, became the second Albanian municipality with the highest positive confirmed individuals, after the capital Tirana. (Tirana 1’000’000 habitants; Kruja 60’000 habitants).

As a preventive action, employees living in those municipalities were quarantined. Daily contact with authorities was maintained, with the scope of sharing info about daily infected individuals. Following their recommendations, the exposed personnel was quarantined even though they were not infected. Due to those actions, ANTEA Cement managed to have low rate of infection among direct and indirect employees and the operations were not interrupted.

The general lock down measurements characterized the first half of 2020. However, the second half of the year, the opening was inevitable. And the new circumstances brought new challenges. Again, the “adaptation” was the key word to the success. The measurements were aligned to support the increased presence number of personnel in the plant. Daily safety inspections were focused specifically on physical distancing, transporting means, changing rooms, canteen etc.

In autumn, during the second wave of the Pandemic, “cooperation” and “support” with authorities were the key word to the success. A new epidemiologist doctor was hired and based on his recommendation the campaign of seasonal flu vaccination started.

The vaccination process was followed with an exhaustive information campaign.

During the last months of the year the focus was on tracking the infection cases according to the best practices and authorities’ protocols on this process. Serologic and PCR testes helped the doctor to tract the new cases and at the same time the operations in the plant were not interrupted.

Even though the biggest part of H&S efforts were focused on COVID-19, its other aspects were not left behind. The yearly objectives were adapted to support and facilitate the new circumstances and plant operations. H&S Central Committee and Plant H&S meetings were kept regularly, to monitor the H&S issues, planning and coordinated necessary actions especially on COVID-19. Nonetheless, the first half of 2020 was characterized by full lock down; in the second half, we continue our effort in Health and Safety. There have been achieved the expected results by completing 80% of Health and Safety 2020 targets. The H&S Council of Employees elections took place in compliance with pandemic measures. The elections are performed every two years. The new team hold its first meeting online.

No fatalities for direct employees or contractors were recorded in 2020. In addition, no Lost Time Injury among direct personnel recorded on 2020, thus achieving 584 days without LTI up to 31st December 2020. Unfortunately, there were two (2) Lost Time Injuries (LTIs) recorded for contractors on 2020.

Emergency Preparedness become visibly higher. The new emergency appeared, COVID-19, and the necessary emergency plan was therefore created, and specific drills were performed with involved parties. The emergency plan for this scenario was practiced with shift leaders on duty and security personnel.

Evacuation drill from personnel bus transport was performed. Drivers has previously received a separate training by H&S department, focusing on the main principles of emergencies on the transporting vehicles, fire, emergency plan etc. ANTEA Cement has already completed and adapted the H&S procedures, according to ISO 45001:2018 requirements. Its certification on the new ISO is expected on July 2021.

Regarding the maintenance activities, several Safe Work Plan related to Coal Mill and Kiln maintenance were developed by Mechanical Maintenance and Production Departments. New and revised Work Instruction were issued by Production Department in collaboration with H&S Department.

The induction training to new hired employees continued respecting the new measures. Weekly training started to ANTEA employees. Every week are delivered two sessions for the same topic in order to have a controlled number of attendees. Respecting the distance, having the mask all the time, room ventilated.

Meeting with contractors in regards of H&S. This is new initiative where are discussed only H&S issues with contractors.

Note: The presentation of this section about the experience of the COVID-19 demonstrates the capacity of ANTEA to support, co-ordinate and contribute to the implementation of collaborative efforts needed as in the case of the pandemic to face significant challenges we need to face. ANTEA has the values and thus it has also built the skills and the competences to be an enabler for sustainable solutions and value creation for all stakeholders in the region and this was evidenced throughout the year of the pandemic.



PEOPLE MANAGEMENT AND DEVELOPMENT

In order to provide safeguarding to the health and wellbeing of our people, human capital and corporate social responsibility is one of ANTEA's main strategic priorities. Our governing objectives and strategy rely on our people performance and development, as part of TITAN multi-regional leading Group in the cement industry and has as primary focus to attract, retain and motivate employees.

ANTEA is dedicated to equipping our people with the skills, competencies, and mindsets that they need to be successful in a diverse and inclusive environment. During 2020, despite the difficulties of the pandemic situation, we continued to contribute to the development of our employees, by shifting from traditional way to online trainings or combined ones respecting the COVID-19 protocol.

Employee engagement, Diversity and Inclusion, TITAN Wellbeing Framework, Employee Assistance Programs and Training are the main activities we have implemented for People management and development.

Engagement of our employees is an important process and it is becoming more essential than ever before. To address the results of the 2019 Employee Engagement Survey, we have designed action plans, wherein have incorporated feedback in structured and organized forms. The action plans were derived following the analysis of the aggregated responses to the survey questions, as well as a series of interviews and deep dives in diverse employee focus groups. These analyses helped us develop local action plans, addressing local strengths and areas for improvement.

EMPLOYMENT AND TRAINING

In 2020, the headcount of ANTEA at the end of the year reached 190 people. We had 12 new employees in the company. Overall, ANTEA employee turnover rate decreased slightly, by reaching 6.84 %, while the share of women in employment was almost in the same level compared to 2019, 11.05%.

Meanwhile the share of women in management is decreased to 4.17%. However, training investment and the total training person-hours recorded decreased considerably, as did average training hours 2018 and the ratio was approximately 11 hours per employee. The investment for Training programs per employee reached €-56. This was due to the pandemic, which prevented the realization of most classroom-based training programs. Most training hours in 2020 recorded was dedicated to Health and Safety, Technical Know-How, Functional Competence, and Compliance.

Different development programs and learning courses were

Equality, diversity, and inclusion. Considering the important indicators of gender equality in the workplace, ANTEA is committed to have a workplace that pursue gender equity among its employees and to apply equal compensation and benefits between genders. The focus is to advance progress in key areas, such as women in managerial positions; women specialized and involved in technical fields, and build a workplace that has a gender balance as well as demographic labor shifting.

A team of experts and managers from TITAN Group focused on the review of the Group Code of Conduct, as well as the Group Human Rights and CSR policies, which were updated to integrate a clearer reference to diversity and inclusion. In the end of 2020, ANTEA counted 21 females employed, which accounted as per 11% of the total number of employees.

In December 2020, the TITAN Health and Wellbeing framework was developed. The framework covers four dimensions of Health and Wellbeing - physical, mental, social, and financial. To help enhance its people's mental and emotional health and wellbeing, TITAN extended the **Employee Assistance Program (EAP)**, a consulting support service offered to all employees and their families, making available expert advice on personal, family, or work-related issues. The company provides benefits for its staff, such as a free meal, transportation, and drinkable water for each of its employees. The company continues to provide Medical, Life Insurance & Work accident Plan for all its employees. The company is continuing its collaboration with the largest Private Hospital in Albania to offer medical care to our employees. The minimum monthly salary provided by ANTEA for semi-skilled or unskilled personnel is 1.6 times higher, compared to the minimum wage established by the domestic applicable legislation.

addressed to employees to better understand each policy's context, support their further dissemination, and track the learning participation rates.

In 2020, we initiated a series of interactive e-Learning courses, part of a Group initiative around TITAN Code of Conduct and Group Policies; the tools that foster ethical behavior and represent "Our Culture in Practice".

ANTEA's employees are required to adhere to Group policies and safeguard them and are encouraged to report any policy violation through TITAN Ethics Point Platform and the existing grievance mechanisms. The reporting mechanisms include telephone lines, written letters, Titan Ethics Points, or personal meetings. All employees are informed about the Group policies in their local language. This communication is an ongoing process, implemented through TITAN's intranet and premises monitors, or announcement boards.

Through its actions ANTEA is eager to provide qualitative trainings, by having its focus on growing demand for skills to all employees. In 2020, we continued to leverage the usage of Human Resources Management System. The system paved the way to a standardized way of working and ensuring harmonization in Talent Management processes, in bringing seamless integration, sharing information, and encouraging collaboration.

To develop top talent and retain employees for the long term all the employees received a Performance Appraisal: 26% of them were included in the annual performance and personal development reviews, which is a Performance Development Process designed from Titan Group.

Regarding Unionized employees, they have the right to meet with ANTEA's management to discuss their concerns and suggest improvements. Even in this pandemic year, we cooperated with the Union, aiming at protecting the employees and their health as well as to improve the working conditions at their workplaces. In 2020, the percentage of unionized employees has remained stable.

STAKEHOLDERS ENGAGEMENT IN ACTION

We at ANTEA Cement recognize the benefits of strong long-term relationships with our stakeholders. We treat the legitimate and reasonable interests and expectations of our stakeholders as important inputs on how we conduct our business. Stakeholder interactions provide a broader context, inform our most material matters, and help us to refine our strategy and shape the long-term direction of the Company. Bringing together diverse stakeholders is never simple and doing so during a pandemic crisis presents additional challenges. However, the COVID-19 enhance global collaboration and effective partnerships among stakeholders not only in facing the immense challenges posted by the pandemic but also in building back better in a more sustainable, resilient, and inclusive societies.

For sure, COVID-19 has affected also ANTEA's stakeholder engagement practices, having to adapt our CSR action plan and implementing community programs in a COVID context. Such meaningful and inclusive engagements during 2020 partially are held towards new trend like digital engagement activities. We also believe that, partnerships and stakeholder engagement are vital to the SDGs as a framework for COVID-19 response and recovery.

Throughout 2020, ANTEA was able to perform some of the planed CSR activities, by showing commitments towards local stakeholders, readiness to support and impact the community.

“SAFETY AT HOME”, IS AN EDUCATIONAL PROGRAM IMPLEMENTED IN THE LOCAL COMMUNITY SCHOOLS.

The “Safety at Home” program, as part of the annual action plan initiative of corporate social responsibilities of ANTEA Cement, was held from October 2019 to February 2020, with the participation of pupils from the local schools. More than 580 students from the local communities of the villages of Borizanë, Thumanë, Fushë Mamurras and Shpërdhet benefitted from educational sessions that were developed in cooperation with our partner, SSC DDAER organization. Social Services Center DDAER is an Albanian organization founded in 2014 with the focus of support and social and health wellbeing of children and vulnerable groups, minorities, people with disabilities, marginalized, supporting and organizing artistic and cultural projects, etc. The aim of this program is to create a culture of awareness and education for the safety of children in their domestic environment and at school.

The program is divided into information and awareness sessions with interactive and alternative lessons for primary school and kindergarten children's by combining informative materials with various games and counseling presentation with educational figures and videos. ANTEA's Manager for Health and Safety was present and held educational safety talks for the pupils of local community schools, explaining to them the importance of “prevention”.



THE “HYGIENE IN SCHOOL” PROGRAM, A NEW INITIATIVE BY ANTEA

Personal hygiene is not only the act, habit, or routine through which we keep ourselves clean, but also a fundamental factor in keeping good health. The correct application of personal hygiene will also affect the people in our immediate environment. The primary objective of this initiative is to improve the behavior of students in regards to personal and food hygiene in their private surroundings and in public spaces. This program also aims at educating children on environmental factors in the sustainable exploitation of natural resources. Selected health officials were involved in this initiative and worked closely with school directors by generating great interest in the local community. The program started in September 2019 and continued until February 2020, with more than 420 participants. It comprised an alternative curriculum of personal hygiene, direct counseling, informative sessions, activities, and practical games. The students of the local communities of Thumanë, Borizanë, Fushë Mamurras and Shpërdhet were given personal hygiene kits at the close of the program.



“ANTEA CEMENT DELIVERS 1400 COVID-19 PROTECTION KITS TO LOCAL COMMUNITY SCHOOLS”

At ANTEA Cement we care about the well-being of the communities that surround us. We believe that there cannot be a steady business without a healthy community. The outbreak of the Covid-19 virus has reinforced this belief, drawing our business and community even closer. We feel an obligation to act and this is the reason why we are enacting concrete programs to the direct benefit of local communities, as part of the CSR annual action plan of ANTEA. Throughout the first phase of this initiative, we visited the community schools, where we delivered Covid-19 protection kits for almost 1,400

schoolchildren. Apart from distributing disinfectant gel and masks, we are also committed to organize an educational and informative session for personal hygiene at schools. To this end, the plant manager Mr. Theodore Baltas delivered an educational talk on the importance of personal hygiene in the prevention of the spread of the Covid-19. We engage not only in the ongoing support of schools but also the surrounding community, noting how individual acts or mutual collaborations results fruitful for a common good.



WEBINAR WITH YOUNG ENTREPRENEURS

Supporting youth in education and employment is always among the priorities in our community engagement plans. ANTEA Cement in cooperation with the partner organization Liburnetik organized a virtual webinar meeting with young entrepreneurs. Through the “zoom” communication platform, participants had the opportunity to discuss the role of corporations and their importance in facing economic challenges. This webinar addressed three current topics by the company representatives: Mr. Fatmir Koço, Director of Occupational Health and Safety, discussed with young people the importance of occupational health and safety in unforeseen periods and the effectiveness of an action plan to meet difficulties like Covid-19, Mr. Adrian Qirjako, Director of Finance discussed with young people the main concepts of responsibility that corporations have as the main engine of the economy in the country. Mr. Qirjako focused

on rigorous planning and financial monitoring to meet ongoing challenges like Covid-19, Mr. Klajdi Gjondedaj who covers the corporate social responsibility and communication sector, discussed with young people “how sustainable development programs manage to modestly impact the local economy”.

In this webinar, young entrepreneurs had the opportunity to exchange ideas and learn more about the sustainable development programs implemented in the local community, emphasizing their importance and the impacts that follow. Discussions on various innovative business models that corporations and ANTEA applies, have attracted the attention of young entrepreneurs.



LOCAL EMPLOYMENT

Since the beginning of its operation in Albania, ANTEA Cement has considered the employment development and training of the local community as a matter of high importance, thus aiming to be recognized as one of the largest companies in the area. By the end of 2020, 48.42% of ANTEA’s workforce is reported to be from the local communities.

GOVERNANCE, TRANSPARENCY AND ETHICS

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

Consistent with the United Nations Guiding Principles on Business and Human Rights, TITAN Group is committed to respecting and supporting human rights about its employees, the communities where it operates, and its business partners, as expressed in internally recognized standards, including the UN Universal Declaration of Human Rights. The TITAN Group Compliance Program covers all relevant aspects, provides the framework for a more systematic, and integrated human rights compliance assessment to be periodically conducted for the company operations. The TITAN Group Whistleblowing Policy, communicated to ANTEA employees in 2020, aims to empower employees to promote an ethical work culture, by reporting possible misconduct, fraud, or abuse.

ANTI-BRIBERY AND CORRUPTION

ANTEA is approached to the implementation of the TITAN Group anti-bribery and corruption policy. The Group's policy underlines its zero-tolerance attitude and the commitment to fighting corruption, specifies high-risk areas in which bribery and corruption most likely occur during business activities, and provides guidance on preventive and detective procedures, including risk assessment and due diligence of third parties who perform services for or on behalf of TITAN Group. ANTEA respects the view of the stakeholders that Anti Bribery and corruption is significant material issue for our Country.

TITAN has responded to the need to intensify all relevant initiatives by delegating to the Audit and Risk Committee the responsibility to oversee, among others, the risk of corruption and fraud. Strengthening its commitment to restrict possible exposure to the risks of fraud and corruption, TITAN has

In 2020, the TITAN Group reporting platform EthicsPoint® was also launched, providing a uniform, anonymous, and strictly confidential channel to report incidents of non-compliance, to which all Group employees have access, as an additional means to ensure that incidents are reported, examined, and resolved with a remedy plan, when necessary. It promotes a culture of openness, transparency, and accountability, which is essential to safeguarding good governance and integrity.

developed a comprehensive Anti-Fraud Program that sets out strategic priorities and activities to deter and detect occupational fraud and corruption throughout the Group and minimize its fraud risk exposure. The Anti-Fraud Program aims to provide a protective shield for the Group's assets and resources, corporate reputation and credibility, cultural strengths, and operational efficiency by establishing an integrated structure of anti-fraud controls and activities that will aid the prevention and detection of occupational fraud as well as the Group's response in such an eventuality. Proactive mechanisms include Fraud Risk Assessment projects and follow-ups on agreed action plans.

TITAN GROUP COMPLIANCE PROGRAM AND POLICIES

In 2020, the implementation of the Group's Compliance Program was launched as an integrated system of activities, mechanisms, and controls, aiming to provide adequate assurance that compliance risks are identified in a timely manner, properly assessed, and effectively mitigated, thus minimizing the possibility of a significant compliance failure. The Compliance program facilitates the efforts to maintain, foster a strong compliance culture, ensuring adherence to compliance requirements and promoting consistent and responsible ethical behavior. In 2020, 464.83 training hours were dedicated to compliance training as part of Compliance Program training and awareness activities.

TITAN's Code of Conduct and Group Policies, applicable to all ANTEA employees, cover all strategic areas and material issues, convey the principles, rules of conduct, and standards, and provide guidelines to employees and external business collaborators, such as vendors and customers, to ensure compliance with the applicable internal and statutory rules.

Group Policies include, but are not limited, to:

- **Anti-Bribery and Corruption Policy**
- **Conflict of Interest Policy**
- **Competition Law Compliance Policy**
- **Corporate Social Responsibility Policy**
- **Environmental Policy and Climate Change Mitigation Strategy**
- **Framework Policy for the Protection of Personal Data**
- **Human Rights Policy**
- **Occupational Health and Safety Policy.**

In 2020, TITAN continued to review, update, and enrich Group Policies, to enhance clarity and address specific topics of increasing importance. New versions of the Code of Conduct, Health and Safety Policy, Competition Law Compliance Policy, Human Rights Policy, and Corporate Social Responsibility Policy. In order to maintain a clear and efficient structure, the Group Policies Repository in the Group Intranet (Connections) was re-organized under a new taxonomy with the following categories: regulatory-driven, sustainability and social-responsibility driven and operational. The revised Code of Conduct was distributed to all employees. Interactive e-learning courses on the Code of Conduct and the Anti-Bribery and Corruption Policy, Conflict of Interest Policy, Information Security Policy, and Summary of Data Protection Policy were created and uploaded on the UnITE People Learning Management System (LMS). The courses seek to increase awareness and facilitate deep understanding.

FINANCIAL PERFORMANCE REVIEW

The financial performance of ANTEA is monitored and assessed throughout the entire year. Year 2020 was characterized by a stable and solid performance for ANTEA Cement and its subsidiaries. ANTEA Cement, successfully addressed the challenges of cement demand both in the domestic and export markets and capitalized its result on such demand. At the same time, ANTEA remained focused on the enduring objective of balanced, responsible, and sustainable long-term growth, embracing change as an organization and innovating at an accelerated pace. Some of the key financial indicators are reviewed below, by comparing the current reporting period to the previous reporting period.

During 2020, consolidated revenues from sales of products were increased by €5,978 thousand or 12% vs prior year. Out of €61,420 thousand of revenues from Sales of Product 66% is derived from sales in Domestic Market and 34% from sales in Export Markets. Main markets where the company is exporting are in the neighboring countries and in the Mediterranean Region. Consolidated Operating Profit increased by €6,829 thousand or 88% vs prior year, thus contributing to an increase of the Consolidated EBITDA vs prior year by €6,975 thousand. Consolidated Profit before Tax for the year amounted to €8,577 thousand, which was higher than the previous year by €3,358 thousand, mainly affected by the increased volumes in both domestic and export market, this combined with the improved production costs.

The above-consolidated operation results coupled with the movement in the company's working capital led to a Consolidated Net Cash Flow from Operating activities in the amount EUR 17,776 thousand which was EUR 6,239 thousand higher compared to prior year. The company utilized these resources to invest in new Capex in the Amount of EUR 1,259 thousand and have Net Cash Flow used in repaying borrowings in the amount of EUR 14,837 thousand during the period. The company closed the financial year in a satisfactory and stable liquidity position.

Our local community and stakeholders under our development programs have benefited during 2020 the amount of €194 thousand as donations.

The Consolidated figures and the respective variances as disclosed above are extracted from the respective Annual Consolidated Financial Statements of Antea Cement Sha which are prepared and published in Albanian Lek and for the purpose of the above presentation have been converted to Euro Currency using the exchange rate Euro/ ALL 123.74.

ESG PERFORMANCE STATEMENTS

ANTEA is committed to follow the TITAN Group standards in reporting annual performance on all sustainability (ESG) related topics that are material for ANTEA's stakeholders. According to TITAN global sectoral approach, the following global and sector specific standards are integrated in our reporting and assurance process. TITAN Group discloses information related to ESG Performance in alignment with voluntary commitments to the IIRC principles, UNGC, and GCCA based on a long-term practice of integration which is referred to as Global Sectoral Approach in this report. Since 2018, in order to further align its disclosures with the SDGs 2030, TITAN incorporated the "Guidance on Core Indicators to entity reporting on the contribution towards the attainment of the Sustainable Development Goals" of the United Nations Conference on Trade and Development (UNCTAD, 2019 edition), and promoted the connection of selected indicators with Targets for the SDGs based on the Guidance. See also the table "Economic value distributed" and the table "Value Creation Core Indicators Index".

In the 2020 Management Report, the term "non-financial" has been replaced by "ESG" as it is of broader understanding and use by stakeholders and users of the annual report.

The SASB Framework was leveraged for connecting the SASB Materiality Map® with the 2020 Group's materiality assessment, and allowed the alignment between the Group and its subsidiaries. In the same direction, the Group also started reporting in alignment with the Sustainability Accounting Standard Board (SASB) for the specific requirements of industries mostly relevant to our operations. For committing on targets 2020 and reporting on progress for all other environmental parameters except CO2, the base line year is 2003 (when TITAN reported for the first time consolidated non-financial performance indicators). For CO2 emissions, the baseline year for relevant target(s) is 1990, in line with the Kyoto Protocol.

The ESG performance review and statements focus on material issues for TITAN operations and key stakeholders. TITAN's Global Sectoral Approach encompasses the disclosure of Core Indicators for Value Creation and Governance, Social and Environmental Performance. Indicators (KPIs) are structured under four separate tables in the "ESG performance statements". TITAN Group ESG Performance Statements are structured according to TITAN's reporting standards that are aligned to global (UNGC, SDGs 2030, UNCTAD and SASB) as well as sector specific (GCCA) reporting standards and frameworks.

Value Creation Core Indicators Index

Detailed figures are provided in the Report under 'Economic value distributed'

1. The economic value created and distributed to key stakeholders has been calculated using the United Nations - UNCTAD "Guidance on Core indicators for entity reporting on the contribution towards the attainment of the Sustainable Development Goals" (2019 edition).
2. Total spend to Suppliers, local and international, for goods and services. According to TITAN Standards and the application of the IFRS, see Financial Statements.
3. Taxes to national and local authorities. According to TITAN Standards and the application of the IFRS, see Financial Statements.
4. Payments in cash, to shareholders and minorities. According to TITAN Standards and the application of the IFRS, see Financial Statements.
5. Total spend on donations and social engagement initiatives Total amount of charitable/voluntary donations and investments of funds (both capital expenditures and operating ones) in the broader community where the target beneficiaries are external to the enterprise incurred in the reporting period, in absolute amount (UNCTAD Guidance, 2019).

TITAN discloses this amount as "Donations", as equivalent to "charitable/voluntary donations and investments of funds", on the verified and disclosed Financial Statements for the same reporting period.

6. Green investment. Total amount of expenditures (capital and also operational) for those investments whose primary purpose is the prevention, reduction and elimination of pollution and other forms of degradation to the environment (UNCTAD Guidance, 2019).
7. Salaries (contributions to) pensions, and social benefits, including additional benefits beyond those provided by law.
8. According to TITAN Standards and the application of the IFRS, see Financial Statements.
9. Investments in training of direct employees. Total expenditures including the direct and indirect costs of training for direct employees (including costs such as trainers' fees, training facilities, training equipment, related travel costs etc.) reported also per employee and per year, and broken down by employee category (UNCTAD Guidance, 2019).
10. Capital expenditures. Capital expenditures, commonly known as CapEx, are funds used by a company to acquire, upgrade, and maintain physical assets such as property, buildings, an industrial plant, technology or equipment.

ENVIRONMENTAL PERFORMANCE INDEX

| | Notes | Units | 2020 | 2019 | 2018 | SDGs & Targets | TITAN Reporting Standards | | | Codes | Comments | |
|---|---|-----------|---------------------------------|-------|-------|----------------|--|------|--------|--------------------|---------------------|---------------|
| | | | | | | | GCCA | UNGC | UNCTAD | | | |
| BU name | Albania | | | | | | | | | | | |
| Environmental Performance Index | 1.All Activities - Environmental Performance (acc. to the Sectoral Approach adopted by TITAN) | | | | | | | | | | | |
| Local Impacts Impact on natural raw materials recourses | Natural raw materials extracted (total, wet) | | million t | 1,4 | 1,5 | 1,3 | SDG 12 Target 12.2 | • | | | EP01L | |
| | Raw materials extracted for clinker and cement production | | million t | 1,4 | 1,5 | 1,3 | | • | | | EP02L | |
| | Raw materials extracted for aggregates | | million t | 0,0 | 0,0 | 0,0 | | • | | | EP03L | |
| | Externally recycled waste materials (total, wet) | | t | 25 | 8 | 110 | SDG 12 Targets 12.4 and 12.5 | • | • | | EP04L UNCTAD 12.5.1 | |
| | Reused | | t | 0 | 0 | 0 | | | | | | |
| | Recycled | | t | 25 | 8 | 110 | | | | | | |
| | Recovered | | t | 0 | 0 | 0 | | | | | | |
| Impact on water recourses | Water consumption (total) | | million m ³ | 0,20 | 0,21 | 0,15 | SDG 6 Targets 6.3, 6.4 and 6.5 | • | • | | EP05L | |
| | Water withdrawal (total, by source) | | million m ³ | 0,20 | 0,21 | 0,16 | | • | • | • | | EP06L |
| | Ground water | | million m ³ | 0,20 | 0,21 | 0,16 | | | | | | |
| | Municipal water | | million m ³ | 0,00 | 0,00 | 0,00 | | | | | | |
| | Rain water | | million m ³ | 0,00 | 0,00 | 0,00 | | | | | | |
| | Surface water | | million m ³ | 0,00 | 0,00 | 0,00 | | | | | | |
| | Quarry water used (from quarry dewatering) | | million m ³ | 0,00 | 0,00 | 0,00 | | | | | | |
| | Ocean or sea water | | million m ³ | 0,00 | 0,00 | 0,00 | | | | | | |
| | Waste water | | million m ³ | 0,00 | 0,00 | 0,00 | | | | | | |
| | Water discharge (total, by destination) | | million m ³ | 0,01 | 0,00 | 0,00 | | | • | • | • | EP07L |
| | Surface (river, lake) | | million m ³ | 0,01 | 0,00 | 0,00 | | | | | | |
| | Ocean or sea | | million m ³ | 0,00 | 0,00 | 0,00 | | | | | | |
| | Off-site treatment | | million m ³ | 0,00 | 0,00 | 0,00 | | | | | | UNCTAD 12.5.1 |
| Impact on biodiversity and land stewardship | Active quarry sites with biodiversity issues | 1,3 | | 0 | 0 | 0 | SDG 15 Targets 15.3, 15.4, 15.5, 15.9 and 15.a | • | • | | EP08L | |
| | Active quarry sites with biodiversity management plans | 2,3 | | - | - | - | | • | • | | EP09L | |
| | Active quarry sites with biodiversity management plans | | % | | | | | • | • | | EP10L | |
| | Sites with quarry rehabilitation plans | 3 | % | 100,0 | 100,0 | 100,0 | | • | • | | EP11L | |
| | Quarry land areas rehabilitated from total impacted (cumulative) | 3,4 | % | 14,9 | - | - | | | • | | EP12L | |
| | Active quarry sites (wholly owned) with Environmental Management System (ISO14001 or similar) | | % | 100,0 | 100,0 | 100,0 | | | • | | EP13L | |
| Fuels and Energy Impact on energy recourses | Thermal energy consumption (total) | | TJ | 2,651 | 2,588 | 2,419 | SDG 7 Target 7.2 | • | • | • | EP14L UNCTAD 7.3.1 | |
| | Electrical energy consumption (total) | | TJ | 335 | 336 | 315 | | • | • | • | EP15L UNCTAD 7.3.2 | |
| Climate change Impact on Green House Gas Emissions | 2. Cement Activities - Environmental Performance (acc. to the Sectoral Approach adopted by TITAN) | | | | | | | | | | | |
| | Specific gross direct CO2 emissions (Scope 1) | | kg/ tCementitious Product | 640,4 | 638,2 | 637,0 | SDG 9 Target 9.4 | • | • | | EP16L | |
| | Specific net direct CO2 emissions (Scope 1) | | kg/ tCementitious Product | 640,4 | 637,6 | 635,8 | | • | • | | EP17L | |
| Indirect CO2 emissions (Scope 2, total) | 5 | million t | 0,00 | 0,00 | 0,00 | | • | • | • | EP18L UNCTAD 9.4.1 | | |

| | Notes | Units | 2020 | 2019 | 2018 | SDGs & Targets | GCCA | UNGC | UNCTAD | Codes | Comments | |
|--|---|-------------|-------------|-------|-------|-----------------------------------|-----------------------|------|--------|-------|--------------|--------------|
| Alternative fuels and materials | Alternative fuel substitution rate | %Heat Basis | 0,0 | 0,3 | 0,6 | SDG 7 Targets 7.2, 7.3 and 7.a | • | • | • | EP19L | UNCTAD 7.2.1 | |
| | Biomass in fuel mix | 6 | %Heat Basis | 0,0 | 0,0 | | 0,0 | • | • | • | EP20L | UNCTAD 7.2.1 |
| | Clinker to cement ratio | % | 76,50 | 77,16 | 76,40 | | • | • | | | EP21L | |
| Impact on energy recourses | Thermal energy consumption | | | | | SDG 12 Target 12.2 | • | • | • | EP22L | | |
| | Cement and grinding plants and attached quarries | TJ | 2,651 | 2,588 | 2,419 | | • | • | • | EP23L | | |
| | Alternative fuels consumption (total) | t | 6 | 356 | 673 | | • | • | • | EP24L | | |
| | Electrical energy consumption (total) | | | | | | • | • | | | | |
| | Cement plants and attached quarries | GWh | 92,9 | 93,4 | 87,5 | | • | • | | | | |
| Local Impacts | Materials consumption (total, dry) | million t | 1,5 | 1,4 | 1,3 | | • | • | | EP25L | | |
| Impact on natural raw materials recourses | Extracted (natural) raw materials consumption (dry) | million t | 1,4 | 1,4 | 1,3 | SDG 12 Target 12.2 | | | | | | |
| | Alternative raw materials consumption (dry) | million t | 0,0 | 0,0 | 0,0 | | • | | • | | | |
| | Alternative raw materials use (of total raw materials consumed) | %Dry | 1,4 | 1,2 | 1,2 | | • | | | | | |
| | Alternative raw materials rate (based on clinker-to-cement (equivalent) factor) | %Dry | 1,3 | 1,8 | 1,2 | | • | • | • | | EP26L | |
| Impact on water recourses | Water consumption (total) | million m³ | 0,20 | 0,21 | 0,15 | SDG 6 Targets 6.4 and 6.5 | • | • | | EP27L | | |
| | Water recycled (total) | 4 | million m³ | 0,28 | 0,32 | | 0,26 | • | • | • | EP28L | |
| Other air emissions | Coverage rate continuous measurement | % | 100,0 | 100,0 | 100,0 | SDG 3 Targets 3.9 | • | • | | EP29L | | |
| | Specific dust emissions | g/tClinker | 4,0 | 5,4 | 4,2 | | • | • | | EP30L | | |
| | Specific NOx emissions | g/tClinker | 743,8 | 830,2 | 779,1 | SDG 9 Targets 9.4 | • | • | | EP31L | | |
| | Specific SOx emissions | g/tClinker | 13,7 | 16,0 | 42,0 | | • | • | | EP32L | | |
| 3. All Activities - Disclosures concerning materials, fuels and wastes | | | | | | | | | | | | |
| Impact on fuels and energy resources | Fuel mix, energy consumption for clinker and cement production | %Heat Basis | 100,0 | 100,0 | 100,0 | SDG 7 Target 7.2 | | • | | | EP33L | |
| | Conventional fossil fuels | %Heat Basis | 100,0 | 99,7 | 99,4 | | | • | | | EP34L | |
| | Coal, anthracite, and waste coal | %Heat Basis | 0,0 | 0,0 | 0,0 | | | | | | | |
| | Petrol coke | %Heat Basis | 72,6 | 76,0 | 72,7 | | | | | | | |
| | Lignite | %Heat Basis | 0,0 | 0,0 | 0,0 | | | | | | | |
| | Other solid fossil fuel | %Heat Basis | 27,1 | 23,3 | 26,3 | | | | | | | |
| | Natural gas | %Heat Basis | 0,0 | 0,0 | 0,0 | | | | | | | |
| | Heavy fuel (ultra) | %Heat Basis | 0,3 | 0,4 | 0,4 | | | | | | | |
| | Diesel oil | %Heat Basis | 0,0 | 0,0 | 0,0 | | | | | | | |
| | Gasoline, LPG (Liquified petroleum gas or liquid propane gas) | %Heat Basis | 0,0 | 0,0 | 0,0 | | | | | | | |
| | Alternative fossil and mixed fuels | %Heat Basis | 0,0 | 0,3 | 0,6 | | SDG 12 Target 12.2 | • | • | • | EP35L | |
| | Tyres | %Heat Basis | 0,0 | 0,0 | 0,0 | | | | | | | |
| | RDF including plastics | %Heat Basis | 0,0 | 0,0 | 0,0 | | | | | | | |
| | Impregnated saw dust | %Heat Basis | 0,0 | 0,0 | 0,0 | | | | | | | |
| | Mixed industrial waste | %Heat Basis | 0,0 | 0,3 | 0,6 | | | | | | | |
| | Other fossil based and mixed wastes (solid) | %Heat Basis | 0,0 | 0,0 | 0,0 | | | | | | | |
| | Biomass fuels | %Heat Basis | 0,0 | 0,0 | 0,0 | | | • | • | • | EP36L | |
| | Dried sewage sludge | %Heat Basis | 0,0 | 0,0 | 0,0 | | | | | | | |
| | Wood, non-impregnated saw dust | %Heat Basis | 0,0 | 0,0 | 0,0 | | | | | | | |
| | Agricultural, organic, diaper waste, charcoal | %Heat Basis | 0,0 | 0,0 | 0,0 | | | | | | | |
| Other | %Heat Basis | 0,0 | 0,0 | 0,0 | | | | | | | | |

| | Notes | Units | 2020 | 2019 | 2018 | SDGs & Targets | GCCA | UNGC | UNCTAD | Codes | Comments |
|---|-------|-----------|-------|-------|-------|---------------------------------|------|------|--------|-------|------------------------|
| Management of waste | | | | | | | | | | | |
| Waste disposal (total, wet) | | t | 337 | 227 | 242 | | | • | | EP37L | UNCTAD 12.4.2 and 12.5 |
| Non-hazardous waste | | t | 260 | 199 | 234 | | | | | | |
| Hazardous waste | | t | 77 | 28 | 8 | | | | | | |
| Waste disposal, break down by destination-usage (wet) | | %By mass | 100,0 | 100,0 | 100,0 | | | • | | EP38L | UNCTAD 12.5.1 |
| Reuse | | %By mass | 0,0 | 0,0 | 0,0 | | | | | | |
| Recycled | | %By mass | 7,4 | 3,5 | 45,6 | SDG 12 Targets 12.4 and 12.5 | | | | | |
| Recovered (including energy recovery) | | %By mass | 0,0 | 0,0 | 0,0 | | | | | | |
| Incineration | | %By mass | 6,8 | 0,0 | 0,0 | | | | | | |
| Landfilled | | %By mass | 16,1 | 22,6 | 22,5 | | | | | | |
| Other (incl. storage) | | %By mass | 69,7 | 74,0 | 32,0 | | | | | | |
| 4. All Activities - Investments for the Environment | | | | | | | | | | | |
| Environmental expenditures across all activities | 7 | million € | 0,20 | 0,43 | 0,15 | | | • | • | EP39L | UNCTAD 7.b.1 |
| Environmental management | | million € | 0,08 | 0,40 | 0,10 | SDG 7 Target 7.b | | | | | |
| Reforestation | | million € | 0,00 | 0,00 | 0,01 | | | | | | |
| Rehabilitation | | million € | 0,05 | 0,00 | 0,02 | SDG 9 Target 9.4 | | | | | |
| Environmental training and awareness building | | million € | 0,00 | 0,00 | 0,00 | | | | | | |
| Application of environmental friendly technologies | | million € | 0,04 | 0,00 | 0,00 | | | | | | |
| Waste management | | million € | 0,03 | 0,03 | 0,02 | | | | | | |

NOTES

Notes for the external verification, standards and guidance

- Standards: The reporting standards under TITAN's Global Sectoral Approach, namely GCCA, UNGC, and UNCTAD.

- Guidance: TITAN follows the GCCA Sustainability Framework Guidelines, and the Sustainability Guidelines for the monitoring and reporting of: CO₂ emissions from cement manufacturing, co-processing fuels and raw materials, monitoring and reporting of emissions, monitoring and reporting of water in cement manufacturing, and quarry rehabilitation and biodiversity management (for all documents the reference is the latest edition of 2019 or 2020). The above Guidelines had superseded in 2020 the previous - and respective - Guidelines of the WBCSD/CSI, which were the guidance for measuring, reporting and verifying environmental performance until (and including) year 2018. For the Sector standards, see details in Table pg.68.

Notes for specific Social Performance indicators

- Active quarries within, containing or adjacent to areas designated for their high biodiversity value. See also Table pg.68.
- Sites with high biodiversity value where biodiversity management plans are actively implemented. See also Table pg.68.
- Coverage includes both quarries attached to cement plants and quarries for aggregates production.
- New indicators
 - Quarry land areas rehabilitated from total impacted (cumulative)
 Coverage includes all quarries under TITAN management control. This KPI is calculated as the percentage of the impacted/disturbed quarry areas that has been rehabilitated (total and cumulative), aggregated at BU level. Under TITAN approach, this KPI is complementary to the KPIs under the topic of Impact on biodiversity and land stewardship in this Table, namely: "Sites with quarry rehabilitation plans" and "Active quarry sites with biodiversity management plans". Data disclosing started in 2020.
 - Water recycled (total)
 - This KPI is calculated in line with GCAA Sustainability Guidelines for the monitoring and reporting of water in cement manufacturing.
- Indirect CO₂ emissions are related to emissions released for the production of the electrical energy consumed at TITAN's facilities. For their calculation, we use emission factors provided by the supplier of the electrical energy or other publicly available data sources.
- Biomass rate corresponds to the percentage of total thermal energy consumption that comes from renewable energy sources.
- The definition of Environmental expenditures across all activities is equivalent to the definition of Green Investment. See 'Glossary'.

SOCIAL PERFORMANCE INDEX

| | Notes | 2020 | 2019 | 2018 | SDGs & Targets | TITAN Reporting Standards | | | Codes | Comments | |
|--|---|---------|---------|---------|--------------------------------------|---------------------------|------|--------|-------|---------------------|--------------|
| | | | | | | GCCA | UNGC | UNCTAD | | | |
| BU name | Albania | | | | | | | | | | |
| Social Performance Index | All activities performance acc. to the TITAN Global Sectoral Approach | | | | | | | | | | |
| Health and safety | | | | | | | | | | | |
| Employee fatalities | | 0 | 0 | 0 | SDG 3; Targets 3.6 and 3.8 | • | • | • | SP01L | UNCTAD 8.8.1 | |
| Employee fatality rate | | 0,00 | 0,00 | 0,00 | | • | • | • | SP02L | UNCTAD 8.8.1 | |
| Contractors fatalities | | 0 | 0 | 0 | | • | • | • | SP03L | UNCTAD 8.8.1 | |
| Third-party fatalities | | 0 | 0 | 0 | | • | • | • | SP04L | UNCTAD 8.8.1 | |
| Employee Lost Time Injuries (LTIs) | | 0 | 1 | 1 | | • | • | • | SP05L | UNCTAD 8.8.1 | |
| Employee Lost Time Injuries Frequency Rate (LTIFR) | | 0,00 | 3,99 | 2,91 | | • | • | • | SP06L | UNCTAD 8.8.1 | |
| Employee lost working days | | 0 | 110 | 3 | | SDG 4; Target 4.3 | • | • | SP07L | | |
| Employee Lost Time Injuries Severity Rate | | 0,00 | 325,03 | 8,74 | | | • | • | • | SP08L | UNCTAD 8.8.1 |
| Contractors Lost Time Injuries (LTIs) | | 2 | 1 | 1 | | | • | • | • | SP09L | UNCTAD 8.8.1 |
| Contractors Lost Time Injuries Frequency Rate (LTIFR) | | 4,72 | 2,03 | 2,16 | | | • | • | • | SP10L | UNCTAD 8.8.1 |
| All activities performance leading indicators | | | | | | | | | | | |
| Near misses | 1 | 14 | 26 | 38 | SDG 8; Target 8.8 | | • | | SP11L | | |
| Training man-hours on health and safety per employee | 2 | 4,20 | 2340,00 | 3671,00 | | | • | • | SP12L | | |
| Training man-hours on health and safety per contractor | 2 | 2,36 | | | | | • | • | SP13L | | |
| Expenditures for employee health and safety (Euros) | 3,6 | 296,861 | n/a | n/a | | | • | • | SP14L | UNCTAD 3.8, and 8.8 | |
| Employment | | | | | | | | | | | |
| Number of employees as of 31 December | | 190 | 193 | 195 | | | | | SP15L | | |
| Employee turnover (%) | | 6,84% | 8,81% | 9,23% | | | | | SP16L | | |
| Employees left | | 13 | 17 | 18 | | | | | SP17L | | |
| Employee new hires (%) | | 6% | 7,77% | 10,26% | | | | | SP18L | | |
| Employee new hires | | 12 | 15 | 20 | | | | | SP19L | | |
| New hires per age group | | | | | | | | | | | |
| Under 30 | | 7 | 10 | 13 | | | | | SP20L | | |
| Between 30-50 | | 5 | 5 | 7 | | | | | | | |
| Over 50 | | 0 | 0 | 0 | | | | | | | |
| New hires per gender | | | | | | | | | | | |
| Females | | 3 | 4 | 4 | | | • | | SP21L | | |
| Males | | 9 | 11 | 16 | SDG 5; Targets: 5.1, 5.4, and 5.5 | | | | | | |
| Employment per age group | 4 | | | | | | | | | SP22L | |
| Under 30 | | 38 | 44 | 47 | | | | | | | |
| Between 30-50 | | 118 | 114 | 122 | | | | | | | |
| Over 50 | | 34 | 35 | 26 | | | | | | | |
| Employment per type | 4 | | | | SDG 8; Targets: 8.5, 8.6, and 8.8 | | | • | | SP23L | |
| Full time | | 189 | 192 | 193 | | | | | | | |
| Part Time | | 1 | 1 | 1 | | | | | | | |
| Temporary | | 0 | 0 | 0 | | | | | | | |
| Employment per category | 4 | | | | SDG 10; Target 10.3 | | | • | | SP24L | |
| Managers | | 21 | 21 | 25 | | | | | | | |
| Senior managers | | 3 | 3 | 8 | | | | | | | |
| Administration/technical | | 70 | 74 | 62 | | | | | | | |
| Semi skilled/unskilled | | 96 | 95 | 99 | | | | | | | |
| Employment per gender | 4 | | | | | | | • | | SP25L | |
| Females | | 21 | 21 | 20 | | | | | | | |
| Males | | 169 | 172 | 174 | | | | | | | |

| | Notes | 2020 | 2019 | 2018 | SDGs & Targets | GCCA | UNGC | UNCTAD | Codes | Comments | |
|---|---|-------|--------|--------|------------------------|--------------------------------------|------|--------|-------|---------------|--------------|
| People Development | Share of women in employment (%) | 4 | 11,05% | 10,88% | 10,31% | | • | | SP26L | | |
| | Share of women in management (%) | 4 | 4,17% | 8,33% | 9,09% | | • | | SP27L | UNCTAD 5.5.2 | |
| | Share of women in Senior Management (%) | 4 | 0,00% | 0,00% | 25,00% | | • | | SP28L | UNCTAD 5.5.2 | |
| | Employees from local community (%) | 4 | 48,42% | 47,15% | 45,36% | | • | | SP29L | | |
| | Unionized employees (%) | 4 | 44,21% | 45,60% | 41,54% | | • | | SP30L | | |
| | Training investment per (trained) employee (Euros) | 4,5,6 | 56 | 181 | 359 | | • | • | SP31L | UNCTAD 4.3.1 | |
| | Training investment per gender (Euros) | 4,5,6 | 10,272 | 35,772 | 73,192 | | • | • | SP32L | UNCTAD 4.3.1 | |
| | Females | | 591 | 8,266 | 16,594 | | | | | | |
| | Males | | 9,681 | 27,506 | 56,599 | | | | | | |
| | Trained employees | 4 | 182 | 198 | 204 | | • | | | SP33L | |
| | Share of trained employees (% in total workforce) | 4 | 96% | 100% | 100% | | • | | | SP34L | |
| | Share of trained female employees (% in total female employees) | 4,5 | 95,24% | 100% | 100% | | • | | | SP35L | |
| | Trained employees per category | 4 | | | | | • | | | SP36L | |
| | Managers | | 22 | 22 | 27 | | | | | | |
| | Senior managers | 4 | 4 | 3 | 8 | SDG 4; Targets: 4.3, 4.4, and 4.5 | | | | | |
| | Administration/technical | | 67 | 78 | 72 | | | | | | |
| | Semi skilled/unskilled | | 89 | 95 | 97 | | | | | | |
| | Trained employees per age group | | | | | | • | | | SP37L | |
| | Under 30 | | 35 | 47 | 52 | | | | | | |
| | Between 30-50 | | 114 | 116 | 127 | SDG 5; Targets: 5.1, and 5.5 | | | | | |
| | Over 50 | | 33 | 35 | 25 | | | | | | |
| | Training hours | 4 | 2,018 | 5,913 | 7,190 | | • | • | | SP38L | UNCTAD 4.3.1 |
| | Average training hours per employee (over the total number of direct employees), and breakdown per gender | 4 | 11 | 31 | 37 | SDG 8; Target 8.5 | • | • | | SP39L | UNCTAD 4.3.1 |
| | average female | | 13 | 36 | 53 | | | | | | |
| | average male | | 10 | 30 | 35 | | | | | | |
| | Training hours per subject | 4,5 | | | | | • | | | SP40L | |
| | Company on-boarding | | 0 | | | SDG 10; Target: 10.2, and 10.3 | | | | | |
| Compliance (previously: TITAN Group Code of Conduct) | | 465 | 366 | 159 | | | | • | | UNCTAD 16.5.2 | |
| CSR and Sustainability (previously: Human Rights) | | 5 | 113 | 289 | | | | • | | UNCTAD 16.5.2 | |
| Digital | | 0 | | | | | | | | | |
| Environment (previous;y: Environment: care and management systems) | | 178 | 278 | 262 | SDG 16; Target 16.5 | | | | | | |
| Foreign languages | | 120 | 65 | | | | | | | | |
| Functional competence (previously: Non-technical skills and specialization) | | 2 | 293 | 937 | | | | | | | |
| Generic competence (previously: Non-technical skills and specialization) | | 4 | | | | | | | | | |
| Health and safety | | 802 | 2,898 | 3,675 | | | | | | | |
| Managerial skills (previously: Management and managerial skills) | | 0 | 152 | 936 | | | | | | | |
| Other | | 190 | 206 | 27 | | | | | | | |
| Security | | 0 | | 75 | | | | | | | |
| Technical know-how (previously: Technical know-how and core competence) | | 253 | 1,542 | 830 | | | | | | | |

| | | Notes | 2020 | 2019 | 2018 | SDGs & Targets | GCCA | UNGC | UNCTAD | Codes | Comments |
|------------------------|--|-------|---------|---------|---------|--|------|------|--------|-------|----------------|
| Stakeholder Engagement | Donations (Euros) | 6 | 194,398 | 257,231 | 119,268 | SDG 2; | | • | • | SP41L | UNCTAD 17.17.1 |
| | Donations in cash (Euros) | | 154,010 | 215,809 | 100,324 | Targets 2.1, and 2.3 SDG 4; | | • | • | SP42L | UNCTAD 17.17.1 |
| | Donations in kind (Euros) | | 40,388 | 41,422 | 18,944 | Targets: 4.3, and 4.4 SDG 8; | | • | • | SP43L | UNCTAD 17.17.1 |
| | Internships | | 0 | 10 | 5 | Targets: 8.5, and 8.6 SDG 9; | | • | | SP44L | |
| | | | | | | Targets: 9.1, and 9.5 SDG 11; Target 11.4 SDG 16; Target 16.5 SDG 17; Target 17.17 | | | | | |
| | New entry level jobs from internships/traineeships | | 0 | 1 | 1 | | | • | | SP45L | |
| | Local Spend (%) | 3,6 | 61,94% | 0,6284 | n/a | SDG 9; Target 9.3 | | • | • | SP46L | UNCTAD 9.3.1 |

NOTES

Notes for the external verification, standards and guidance

- Standards: The reporting standards under TITAN’s Global Sectoral Approach, namely GCCA, UNGC, and UNCTAD.
- Guidance: TITAN follows the GCCA Sustainability Framework Guidelines, and the Sustainability Guidelines for the monitoring and reporting of safety in cement and concrete manufacturing (last edition in February 2020). This document has been agreed within the GCCA to have extended application to concrete and other related activities. For the Sector standards, see details in Table pg.68.

Notes for specific Social Performance indicators

1. The reported figures of ‘Near misses’ are the total figures for both direct employee and contractors. This should be clear to All involved in the Social Performance, and in conjunction with the last revised and communicated Guidance by the Group Corporate Dept. for H&S.
2. The KPI was calculated for closing of the reporting period 2020 in accordance with the practice for all Safety data, being the use of ‘average employment’ (see Note 3). This is consistent with all years prior to 2020.
3. “Relevant information is not available for the specific years denoted as ‘n/a’.
In specific for the new KPI “Expenditures for Health and Safety”: TITAN launched a Group-level approach and methodology for the first time in 2020, following the UNCTAD “Guidance on Core indicators for entity reporting on the contribution towards the attainment of the Sustainable Development Goals” (2019), and building on bench strength and the technical capacity of internal systems. The efforts were coordinated by the Group Health & Safety Dpt., and the project was rolled-out in all BUs across the Group with consistent rules. Data collection covered 4 categories of expenditures: (1) Consumables (PPEs etc.), (2) Training on Occupational H&S, and awareness building, (3) Facilities (spend in infrastructure), and (4) H&S Management. The information was secured with the use of the Group internal data collection system. Comparable figures for this KPI are not available for years before 2020.”
4. KPIs calculated on the basis of ‘Average’ number of Employees for year 2018. As of 2019, the specific KPIs are calculated on the basis of the Number of employees as of 31 December.
5. KPIs based on the new definition of TITAN Group (according to the Sustainability Glossary & Guidelines for Social Performance, ed. 2019). The figures for the KPI “Share of trained female employees” and KPI “Training hours per subject” were adjusted by re-calculation for years before 2019, in order to reflect the performance acc. to the new definition. 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%.
6. For the definitions of: “Expenditures for employee health and safety”, “Training Investment”, “Donations”, and “Local Spend” see ‘Glossary’ (required). Note in specific for the “Local Spend”: TITAN launched an improved methodology in 2019, following the approach of the UNCTAD (see Glossary), and building on bench strength and the technical capacity of internal systems (coordinated by the Group Procurement). It is implied that comparable figures for the Local Spend were not available for years before 2019.

SECTOR STANDARDS FOR THE ESG PERFORMANCE STATEMENT

Table. Sector Standards for the Non-financial disclosures in 2020

| Sector Association or Initiative | Guidelines and other documents of reference | Published |
|----------------------------------|---|--------------------------------|
| GCCA | Sustainability Charter Sustainability Framework Guidelines Sustainability Guidelines for the monitoring and reporting of safety in cement and concrete manufacturing [Pillar 1] This document has been agreed within the GCCA to have extended application to concrete and other related activities. Sustainability Guidelines for the monitoring and reporting of CO2 emissions from cement manufacturing [Pillar 2] Sustainability Guidelines for the monitoring and reporting of water in cement manufacturing [Pillar 4] Sustainability Guidelines for the monitoring and reporting of emissions from cement manufacturing [Pillar 4] Sustainability Guidelines for co-processing fuels and raw materials in cement manufacturing [Pillar 5] Sustainability Guidelines for quarry rehabilitation and biodiversity management [Pillar 4] | Latest edition in 2019 or 2020 |
| (Previously) WBCSD/CSI | Guidelines for Environmental and Social Impact Assessment (ESIA) Recommended Good Practices for: (a) Contractor Safety, and (b) Driving Safety | 2016 2009 |

NOTES

1. The GCCA has built its Sustainability Charter around five (5) Sustainability Pillars:

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

2. TITAN was actively participant in five (5) Working Groups under the framework of activities of the GCCA in 2020:

WG1. Health and safety in the cement and concrete industries, WG2. Thought leadership and policy for cement and concrete, WG4. 2050 concrete roadmap, WG5. Innovation in cement and concrete, and WG6. Good practices and benchmarking.

UNGC 10 Principles Progress Review Index

| UNGC Area | Commitments | UNGC Related Principle(s) | Reference in 2020 ANTEA Corporate Social Responsibility and Sustainability Report |
|------------------------|--|--|--|
| Human Rights | Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights within the scope of their influence. Principle 2: Business should make sure that they are not complicit in human rights abuses. | a.TITAN Corporate Values b.TITAN Group Code of Conduct c.TITAN Group CSR Policy d.TITAN Group Code of Conduct for Procurement e.Occupational Health and Safety Policy and guidelines f.TITAN Group Anti-Bribery and Corruption policy g.SA 8000:2014 | Strategic Review and Assessment of Material Issues: Timeline History, TITAN Values, TITAN Group CSR Policy, Material Issues, Sustainability through our Certified Systems, Focus of ANTEA on Material Issues and SDG's HEALTH and SAFETY: Occupational Health and Safety and SP KPIs (SP01L-SP14L). PEOPLE DEVELOPMENT: SP KPIs (SP15L-SP40L). ENGAGING WITH LOCAL COMMUNITIES: SP KPIs (SP41L-SP46L). HUMAN RIGHTS: Code of Conduct, Policies and Procedures, SA 8000, TITAN Group Code of Conduct for Procurement, Governance within ANTEA, TITAN Group Anti-Bribery and Corruption Policy, Whistleblowing Policy, European Investors Council, Albanian CSR Network ESG Performance Statements: Environmental Performance Index of KPIs (EP KPIs), and Social Performance Index of KPIs (SP KPIs). The SP KPIs Index includes the KPIs for Health & Safety. |
| Labor Standards | Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining; Principle 4: Businesses should uphold the elimination of all forms of forced and compulsory labor Principle 5: should uphold the effective abolition of child labor Principle 6: Businesses should uphold the elimination of discrimination in respect of employment and occupation | a. TITAN Corporate Values b. TITAN Group Code of Conduct c. TITAN Group CSR Policy d. TITAN Group Code of Conduct for Procurement e. TITAN Occupational Health and Safety Policy and guidelines f. TITAN Group Anti-Bribery and Corruption policy g. OHSAS 18001 h. SA 8000: 2014 | STRATEGIC REVIEW: Timeline History, TITAN Values, TITAN Group CSR Policy, Material Issues, Sustainability through our Certified Systems, Focus of ANTEA on Material Issues and SDG's, Non-financial Performance, HEALTH and SAFETY: TITAN Group Health and Safety Guidelines, OHSAS 18001, and SP KPIs (SP01L-SP14L). PEOPLE DEVELOPMENT: Human Rights Labor Issues and Equal Opportunities, Trade Union, SA 8000, Continuous Education, Employee Benefits, Group Code of Conduct ENGAGING WITH LOCAL COMMUNITIES: Our Stakeholders and Engagement, SP KPIs (SP41L-SP46L). ESG Performance Statements: Social Performance Index of KPIs (SP KPIs). The SP KPIs Index includes the KPIs for Health & Safety. |
| Environment | Principle 7: Businesses should support a precautionary approach to environmental challenges Principle 8: Businesses should undertake initiatives to promote greater environmental responsibility Principle 9: Businesses should encourage the development and diffusion of environmentally friendly technologies | a. TITAN Corporate Values b. TITAN Group Code of Conduct c. TITAN Group CSR Policy d. TITAN Group Environmental Policy e. ISO 14001 f. IPPC Permit | STRATEGIC REVIEW: Timeline History, TITAN Values, TITAN Group CSR Policy, Material Issues, Sustainability through our Certified Systems, Focus of ANTEA on Material Issues and SDG's, Non-financial Performance PERFORMANCE HIGHLIGHTS: Non-financial Performance ENVIRONMENTAL PERFORMANCE, ISO 14001, IPPC and EP KPIs (EP01L-EP39L). ENGAGING WITH LOCAL COMMUNITIES: Increasing the awareness through Environmental Education by planting trees for Earth Day, and SP KPIs ESG Performance Statements: Environmental Performance Index of KPIs (EP KPIs) and Social Performance Index of KPIs (SP KPIs). The SP KPIs Index includes the KPIs for Health & Safety. |
| Anti-corruption | Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery | a. TITAN Corporate Values b. TITAN Group Code of Conduct c. TITAN Group CSR Policy d. TITAN Group Code of Conduct for Procurement e. TITAN Group Anti-Bribery and Corruption policy g. TITAN Whistleblowing Policy f. Antea's Whistleblowing Policy | STRATEGIC REVIEW: Timeline History, TITAN Values, TITAN Group CSR Policy, Material Issues, Focus of ANTEA on Material Issues and SDG's, OUR CONTRIBUTION TO: Participation & Memberships in Albanian Associations. |

GOVERNANCE COMPLIANCE AND DUE DILIGENCE

Overview

The TITAN Group Executive Committee is responsible for setting Group policies and ensuring that they are implemented throughout the Company. In parallel, the ethics and compliance programs implemented throughout TITAN's operations ensure that the Group's principles and values are integrated in the day-to-day operations and the risk management culture is strengthened across the TITAN Group.

The effectiveness of the systems and policies implemented at Group and business unit level are systematically reviewed by the TITAN Group Executive Committee and the business units' management, including in terms of compliance with relevant standards of the Group. All compliance processes are supervised by the TITAN Group Internal Audit Department, taking over responsibility for risk and compliance, in addition to internal audit.

The TITAN Group Internal Audit is an independent department reporting directly to the Audit and Risk Committee.

Internal Audit's scope of responsibilities also includes:

- monitoring implementation and compliance with the Company's Internal Regulation, Code of Conduct, and applicable laws in all jurisdictions in which the Group operates
- providing consulting services
- undertaking special assignments (e.g. fraud investigations) (e.g. new procedures review, new IT systems post-implementation reviews)

An additional element of TITAN Group integrated approach and the established practices in ANTEA, is the continuous efforts to record, assess, and report to the larger audience, the incidents and related penalties and fines for the areas of:

- Laws and Regulation (incl. breaching of regulations of Health and Safety, and others for Human Rights, Anti-corruption)
- Laws and Regulation related to the Environment
- Law and Regulations related to the provision of products and services

In this respect, no incidents and no fines or other penalties related to human rights and corruption or legal action for anticompetitive behavior, breaching of anti-trust or anti-monopoly practices, were recorded in 2020. TITAN has reported this info - consolidated on Group level - inside the TITAN Group Integrated Annual Report 2020.

Group Policies and Management Systems Related to ESG Performance

TITAN Group has developed a number of Group-wide policies that cover all strategic areas and material issues to the Group and are applied in all TITAN operations, in ANTEA as well.

TITAN's Code of Conduct and Group Policies, applicable to all ANTEA employees, cover all strategic areas and material issues, convey the principles, rules of conduct, and standards, and provide guidelines to employees and external business collaborators, such as vendors and customers, to ensure compliance with the applicable internal and statutory rules.

Group Policies include, but are not limited, to:

- Anti-Bribery and Corruption Policy
- Conflict of Interest Policy
- Competition Law Compliance Policy
- Corporate Social Responsibility Policy
- Environmental Policy and Climate Change Mitigation Strategy
- Framework Policy for the Protection of Personal Data
- Human Rights Policy
- Occupational Health and Safety Policy.

In 2020, TITAN continued to review, update, and enrich Group Policies to enhance clarity and address specific topics of increasing importance.

TITAN Group also records and reports on the Political contributions by Country and Recipient/ Beneficiary. Antea had no such amounts paid in 2020, and this was reported under the TITAN Group IAR 2020.

ANTEA MANAGEMENT SYSTEMS RELATED TO ESG PERFORMANCE

ANTEA has developed and implemented several independent certified integrated management systems. This set is comprised by the ISO 9001 Quality management system, ISO 14001 for the Environmental Management System, OHSAS 18001 Occupational Health & Safety Management System, and SA8000:2014 Social Accountability Standard.

| Area | Management System |
|-------------|-------------------|
| H&S | OHSAS 18001 |
| Environment | ISO 14001 |
| Quality | ISO 9001 |
| Social | SA8000, GHRMS |

FINANCIAL STATEMENTS

ANTEA CEMENT SH.A. CONSOLIDATED STATEMENT OF PROFIT OR LOSS

| Year ended 31 December | 2020 `000 ALL | 2019 `000 ALL |
|--|------------------|------------------|
| Sales of products | 7,160,488 | 6,420,830 |
| Other revenue | 439,590 | 400,730 |
| Cost of sales | (5,092,654) | (5,279,048) |
| Gross profit | 2,507,424 | 1,542,512 |
| Other operating income | 60,406 | 86,242 |
| Other operating expenses | (75,221) | (45,077) |
| Selling and marketing expenses | (77,651) | (76,077) |
| Administrative expenses | (611,042) | (548,750) |
| Operating profit | 1,803,916 | 958,850 |
| Net finance (costs) | (742,611) | (312,984) |
| Profit before tax | 1,061,305 | 645,866 |
| Income tax expense | (197,754) | (112,640) |
| Profit for the year | 863,551 | 533,226 |
| Exchange difference on translation of foreign operations | 2,648 | (2,101) |
| Total Comprehensive Income for the year | 866,199 | 531,125 |
| Net Profit attributable to: | | |
| Owner of the parent | 866,199 | 531,125 |
| Non-controlling interest | - | - |
| | 866,199 | 531,125 |
| Total comprehensive income attributable to: | | |
| Owners of the parent | 866,199 | 531,125 |
| Non-controlling interest | - | - |
| | 866,199 | 531,125 |

The above table has been extracted from the Annual Consolidated Financial Statements of the company for the year ended 31 December 2020. A complete set of the Annual Consolidated Financial statements for the year 2020, together with the report of the independent auditor and other disclosures attached to the financial statements, in accordance with Law Nr. 25/2018 "On accounting and Financial Statements" is published in the website of the company (<https://www.anteacement.com/publications/reports-antea/>).

ANTEA CEMENT SH.A. CONSOLIDATED STATEMENT OF FINANCIAL POSITION

| 31 December | 2020 `000 ALL | 2019 `000 ALL |
|---------------------------------------|-------------------|-------------------|
| ASSETS | | |
| Non-current assets | | |
| Property, plant, and equipment | 17,093,427 | 17,828,668 |
| Right-of-use assets | 296,341 | 144,103 |
| Intangible assets | 58,111 | 77,233 |
| Other non-current assets | 9,537 | 9,537 |
| Total Non-Current Assets | 17,457,416 | 18,059,541 |
| Current assets | | |
| Inventories | 1,525,869 | 1,567,404 |
| Trade receivables | 647,317 | 368,742 |
| Other receivables | 111,352 | 59,771 |
| Receivables from related parties | 58,633 | 126,136 |
| Cash and cash equivalents | 884,463 | 809,428 |
| Total Current Assets | 3,227,634 | 2,931,481 |
| TOTAL ASSETS | 20,685,050 | 20,991,022 |
| EQUITY AND LIABILITIES | | |
| Equity | | |
| Share capital | 10,686,510 | 10,686,510 |
| Share-based options | 1,826 | - |
| Accumulated deficit | (3,478,771) | (4,342,322) |
| Translation reserve | (9,507) | (12,155) |
| TOTAL EQUITY | 7,200,058 | 6,332,033 |
| Non-current liabilities | | |
| Interest bearing loans and borrowings | 9,485,406 | 12,031,461 |
| Lease liabilities | 236,565 | 98,168 |
| Deferred income tax liabilities, net | 1,151,490 | 1,176,893 |
| Total Non-Current Liabilities | 10,873,461 | 13,306,522 |
| Current liabilities | | |
| Trade payables | 885,839 | 606,858 |
| Other payables | 120,822 | 140,059 |
| Income tax payable | 73,545 | 32,956 |
| Interest bearing loans and borrowings | 1,278,413 | 388,742 |
| Lease Liabilities | 64,570 | 46,452 |
| Payables to related parties | 188,342 | 137,400 |
| Total Current Liabilities | 2,611,531 | 1,352,467 |
| TOTAL LIABILITIES | 13,484,992 | 14,658,989 |
| TOTAL EQUITY AND LIABILITIES | 20,685,050 | 20,991,022 |

The above table has been extracted from the Annual Consolidated Financial Statements of the company for the year ended 31 December 2020. A complete set of the Annual Consolidated Financial statements for the year 2020, together with the report of the independent auditor and other disclosures attached to the financial statements, in accordance with Law Nr. 25/2018 "On accounting and Financial Statements" is published in the website of the company (<https://www.anteacement.com/publications/reports-antea/>).

ANTEA CEMENT SH.A. CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

| | Share capital | Share Based Options | Accumulated deficit | Translation reserve | Non-controlling interests | Total Equity |
|---|-------------------|---------------------|---------------------|---------------------|---------------------------|------------------|
| | `000 ALL | `000 ALL | `000 ALL | `000 ALL | `000 ALL | `000 ALL |
| As at 1 January 2019 | 10,686,510 | - | (4,875,548) | (10,054) | - | 5,800,908 |
| Net profit for the year | - | - | 533,226 | - | - | 533,226 |
| Other comprehensive loss (Note 29) | - | - | - | (2,101) | - | (2,101) |
| Total comprehensive income for the year | - | - | 533,226 | (2,101) | - | 531,125 |
| | | | | | | |
| As at 31 December 2019 | 10,686,510 | - | (4,342,322) | (12,155) | - | 6,332,033 |
| Net profit for the year | - | - | 863,551 | - | - | 863,551 |
| Other comprehensive loss (Note 29) | - | - | - | 2,648 | - | 2,648 |
| Total comprehensive income for the year | - | - | 863,551 | 2,648 | - | 866,199 |
| | | | | | | |
| Share Based Options | - | 1,826 | - | - | - | 1,826 |
| | | | | | | |
| As at 31 December 2020 | 10,686,510 | 1,826 | (3,478,771) | (9,507) | - | 7,200,058 |

The above table has been extracted from the Annual Consolidated Financial Statements of the company for the year ended 31 December 2020. A complete set of the Annual Consolidated Financial statements for the year 2020, together with the report of the independent auditor and other disclosures attached to the financial statements, in accordance with Law Nr. 25/2018 "On accounting and Financial Statements" is published in the website of the company (<https://www.anteacement.com/publications/reports-antea/>).

ANTEA CEMENT SH.A. CONSOLIDATED STATEMENT OF CASH FLOWS

| Year ended 31 December | 2020 `000 ALL | 2019 `000 ALL |
|--|--------------------|--------------------|
| Cash flows from operating activities | | |
| Net profit before taxes | 1,061,305 | 645,866 |
| Adjustments for: | | |
| Depreciation of property, plant and equipment | 953,625 | 935,684 |
| Amortization of intangible assets | 23,925 | 23,843 |
| Loss on disposal of property, plant and equipment | 3,785 | 13,275 |
| Movement in bad debt provision | 2,934 | (23,224) |
| Movement in other provisions | 53,820 | 26,785 |
| Shared Bases options | 1,826 | - |
| Interest income | (10) | (56) |
| Interest expense | 592,403 | 437,578 |
| Foreign exchange loss/(gains) | 136,284 | (139,850) |
| Working Capital Adjustments | | |
| Decrease in inventories | 41,535 | 93,376 |
| (Increase)/Decrease in trade and other receivables | (241,370) | 150,553 |
| Decrease in trade and other payables | (106,594) | (362,162) |
| Cash generated from operations | 2,523,468 | 1,801,668 |
| Interest paid | (323,901) | (374,150) |
| Interest received | 10 | 56 |
| Net cash flows from operating activities | 2,199,577 | 1,427,574 |
| Cash flows from investing activities | | |
| Acquisition of property, plant, and equipment | (154,543) | (245,413) |
| Acquisition of intangible assets | (1,208) | - |
| Net cash flows used in investing activities | (155,751) | (245,413) |
| Cash flows from financing activities | | |
| Proceeds of borrowings | 11,121,318 | 882,008 |
| Repayment of borrowings | (12,957,175) | (1,936,116) |
| Principal elements of lease payments | (69,234) | (57,168) |
| Payment of Fees | (57,699) | (3,762) |
| Net cash flows used in financing activities | (1,962,790) | (1,115,038) |
| Net increase in cash and cash equivalents | 81,036 | 67,123 |
| Cash and cash equivalents at 1 January | 809,428 | 758,920 |
| Translation effect of foreign exchange currency | (6,001) | (16,615) |
| Cash and cash equivalents at 31 December | 884,463 | 809,428 |

The above table has been extracted from the Annual Consolidated Financial Statements of the company for the year ended 31 December 2020. A complete set of the Annual Consolidated Financial statements for the year 2020, together with the report of the independent auditor and other disclosures attached to the financial statements, in accordance with Law Nr. 25/2018 "On accounting and Financial Statements" is published in the website of the company (<https://www.anteacement.com/publications/reports-antea/>).

Independent limited assurance report on Integrated Annual Report 2020

9 August 2021



9 August 2021

Grant Thornton Sh.p.k.

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Independent limited assurance report

To the management of Antea Cement sh.a.

Introduction and scope of work

We were engaged by Antea Cement sh.a. (further referred to as "the Company"), to provide limited assurance in relation to the following information, presented in the Integrated Annual Report for 2020 (further referred to as "the Report"):

- The consistency of qualitative and quantitative sustainability disclosures presented, with regard to the UN Global Compact principles and specifically to the Advanced Level of Communication on Progress Report criteria.
- The completeness and accuracy of qualitative and quantitative sustainability disclosures, in specific for the areas of Environment and Health & Safety and regarding the criteria applicable in 2020, which are aligned with the sectoral guidelines and reporting standards (GCCA¹ Sustainability Charter, GCCA Sustainability Framework Guidelines, and other relevant and applicable GCCA Guidelines, and the guidelines of the World Business Council for Sustainable Development / Cement Sustainability Initiative (WBCSD/CSI) only as applicable in 2020) and with the TITAN Group² Standards for Reporting on Group level and Business Unit level.
- The methodology of materiality assessment with regard to the guidelines of AA1000 Standard and more specifically the process followed by the company with respect to identifying and prioritising the most relevant Material Issues, considering the impact which each Material Issue has on the company and its stakeholders.

Management responsibility

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

Our Independence and Quality Control

We have complied with the independence and other ethical requirements of the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants (IESBA), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour. In this context, the assurance team is independent from the Company and has not participated in the preparation of the Company's Integrated Annual Report for the year 2020.

¹ Global Cement and Concrete Association (GCCA)

² TITAN Cement International (referred to as "TITAN Group") is the Owner of the Company.

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

Our responsibility

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

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

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

Summary of work performed

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

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

Limitations

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

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


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

Limited assurance conclusion

Based on the procedures performed and evidence obtained, nothing has come to our attention that caused us to believe that there are any errors or misstatements that would materially affect the data and information as presented in the Report (including explanatory notes and relevant references) and that the Report for the year ended 31 December 2020 was not prepared, in all material respects, in accordance with the criteria mentioned above, in the "Introduction and scope of work" section.

Tirana, Albania

9 August 2021

Kledian Shodur, FCA


The stamp is circular and contains the following text: Grant Thornton Sh.p.k. NIPT K 91923007 M Tirana ALBANIA. Below the stamp, it reads: Rruga Sami Frashëri, Kompleksi T.I.D. Hyqje B, Katë 1.

GLOSSARY

GCCA: The Global Cement and Concrete Association is a CEO-led industry initiative established in 2018, representing the global voice of the sector.

IBAT: The Integrated Biodiversity Assessment Tool, developed through a partnership of global conservation leaders including BirdLife International, Conservation International and IUCN, provides key decision-makers with access to critical information on biodiversity priority sites, to inform decision-making processes and address potential impacts.

IIRC: The International Integrated Reporting Council is a global coalition of regulators, investors, companies, standard setters, the accounting profession, academia, and NGOs.

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”.

CSR Europe: The leading European business network for Corporate Sustainability and Responsibility. The network supports businesses and industry sectors in their transformation and collaboration towards practical solutions and sustainable growth.

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.

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

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

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

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

CAPEX: is defined as acquisitions of property, plant and equipment, right of use assets, investment property and intangible assets.

EBITDA: corresponds to operating profit before impairment losses on goodwill plus depreciation, amortization and impairment of tangible and intangible assets and amortization of government grants.

NPAT: is defined as profit after tax, attributable to equity holders of the parent.



SCAN CODE TO READ THE REPORT

Antea Cement Sh.a.

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Pallati prapa RING Center, Kati 1, 1001,
Tiranë, Shqipëri,
PO BOX 1746;

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