



TITAN

ANTEA CEMENT SH. A.

REPORT Corporate Social
Responsibility
and Sustainability
2014





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I. Message from the General Manager



Dear Stakeholders,

Welcome to Antea's first Corporate Social Responsibility and Sustainability Report. The report, which highlights the financial, environmental, social and governance performance of our company in 2014, also coincides with the company's fifth year of operations. At the same time, this is the first audited report in Albania, in compliance with the Global Reporting Initiative (GRI) G3.1 Standard¹ on sustainability reporting and disclosure. The report emphasizes our commitment to the principles of Corporate Social Responsibility and our desire to contribute to improving the business environment in Albania by following and using the international highest standards and best practices.

It is not the first time that Antea is a pioneer in the implementation of Corporate Social Responsibility practices in Albania. The company has been praised throughout its construction and operation phases by international institutions as a case study for applying best practices in the heavy industry by respecting the environment and creating a modern workplace thus paving the way for Albania to attract quality investment. To mention only a few: The Environmental and Social Impact Assessment for the plant and quarries as well as the subsequent rehabilitation of the latter has been referred to by the World Business Council for Sustainable Development as a case study; the health and safety system applied during the construction phase as well as the working conditions established thereafter have been mentioned by the International Finance Corporation as an exemplary implementation of its Performance Standard 2 on Labor and Working Conditions²; Antea is the first and only company in Albania to have implemented the Social Accountability Standard 8000, which provides for an auditable system setting out the voluntary requirements to be met in the workplace by employers, including workers' rights and workplace conditions and management systems.

In financial terms, Antea's Earnings Before Interest, Taxes, Depreciation and Amortization (EBITDA) in 2014 increased by 8% compared with 2013, and although they were the best in its five years of operations, they still failed to deliver profits to the Shareholders, registering losses of EUR 0.8 million. There are several reasons contributing to the poor financial performance of the company including, among others: the economic situation in the region and in Albania in particular, and a stay on the issuance of building permits throughout most of 2014, which have resulted in reduced domestic demand for cement by 50% compared with its historical peak; and the heavy burden of indirect taxes (excise and carbon tax) imposed on solid fuels in 2012, which have no precedent in EU countries, and which together with the poor port infrastructure of the country increase our production and distribution cost, thus compromising our competitiveness in the international markets and diminishing our export activity. Despite all the obstacles the company exported over 50% of its production and generated about EUR 18 million in revenues from exports.

In this difficult economic environment the company did not reduce its budget for activities to improve its environmental performance, health and safety in the workplace, develop its personnel, and contribute to the local communities in cash and in kind alleviating social concerns of those communities. Furthermore our commitments in certain areas exceed national or European standards requirements.

As an example on the environmental performance, the company invested about EUR 0.6 million in the installation of a Selective Non Catalytic Reduction system (SNCR) aiming to improve its capacity to further reduce NOx emissions levels. The investment was performed as part of our commitment to our Shareholders, despite Antea current emissions being below the limits currently imposed by the national standards. In 2014 we updated our emissions' dispersion study, which models our emissions impact on the plant surroundings, and we calibrated our model with continuous monitoring measurements of ambient air quality. The company is the only one in Albania which reports yearly and voluntarily pollutants according to Kiev protocol on Pollutant Register and Transfer Register (PRTR)³, a protocol signed by 36 countries and the EU, aiming at creating public registers of pollutants for industrial facilities and other sources, thus "enhancing access to information through the establishment of coherent, nationwide pollutant release and transfer registers (PRTRs)."

In the health and safety area, which is our first priority, the company continued consolidating the safety culture of its employees and subcontractors through improvements on the safety of the installations, with continuous training for our employees and our subcontractors, revising and enhancing constantly our procedures and working instructions, and performing numerous audits and safety walks. The company celebrated 1,000 Days without Lost Time Injuries (LTI) in its operations on 14 November. Taking into account that there are close to 200 employees, over 200 subcontractors working continuously in the plant plus the numerous subcontractors working for Antea outside the plant, such as drivers, this performance translates to over one million working hours. At the same time, we continued investing in our personnel developing their skills through training and providing monetary and non-monetary benefits which exceed significantly national and industry averages. Our voluntary implementation of Social Accountability SA 8000 and our Titan Group Human Resource policies guide us in the implementation of procedures and policies that ensure a favorable working environment in compliance with the principles of International Labor Organization and UN norms on human rights.

We honestly engage with the local communities and recognize their concerns. We try to improve the quality of our interaction by providing information about our policies and our operations transparently and voluntarily. Although our social responsibility relates to actions to manage our impact on the society and the environment, the company voluntarily provided contributions to the local communities in cash and in kind that exceeded 309,486 EUR only in 2014. These contributions supported projects for the improvement of local school facilities and roads, donations to improve housing conditions of poor households in the region, subsidies to the local administration unit, scholarships, etc. It is important that in these activities or projects that are supported by Antea, the local population participates symbolically either with money or with their personal work.

We encourage voluntarism among our employees, who have participated in various activities such as tree planting, blood donation, cleaning of public spaces, promoting safety and environmental awareness among our stakeholders, etc. Finally, we actively promote the concept of Corporate Social Responsibility in the country having initiated, together with other prominent Albanian companies, the creation of the CSR Network of Albania, a non-profit organization which is presided by Antea and organizes various events together with International Institutions and the Government, believing that corporate responsibility enhances the interaction between companies and the society and improves the business environment in the country.

¹ GRI is a non-profit organization which provides the most used internationally standards on sustainability reporting and disclosure, enabling businesses and governments, civil society and citizens to make better decisions on information that matters.

² The Performance Standards on Environmental and Social Sustainability define a set of requirements that have to be followed by the clients of IFC, when IFC participates in the investment.

³ PRTRs are inventories of pollution from industrial sites and other sources.

II. About Antea

Profile

ANTEA Cement Sh.a is one of the biggest investments with the highest standards applied in terms of construction and operation in Albania and a total value exceeding 200 million Euro. The investment has been done jointly by TITAN Group, a Greek multinational cement company, the International Finance Corporation (IFC), an organization of World Bank and the European Bank for Reconstruction and Development (EBRD).

The plant was constructed by CBMI Construction Co, a Chinese construction company. Under the supervision of Titan Engineering which implemented the highest possible safety standards, the project was completed on time, within the forecasted budget and with zero accidents.

ANTEA Cement has a production capacity of 1,5 million ton cement yearly and 3,300 ton clinker per day. The plant is located in Boka e Kuqe, Borizane which is 50 km away from Tirana, capital city of Albania. The plant serves not only local market demands in Albania but exports clinker and cement to Egypt, Montenegro, Lybia and Italy.

TITAN Group, the parent company of ANTEA Cement is independent, vertically integrated cement and building materials producer with more than 110 years of industry experience. Headquartered in Greece, TITAN Group owns cement plants in nine countries and employs more than 5,400 people worldwide.

Products

CEM I / 42.5 R

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

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% Gypsum.

CEM II / B-LL 32.5 R

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

Total amount of Produced cement 2010 -2014

Cement produced (ton)

2010

761,638

2011

1,040,000

2012

1,062,000

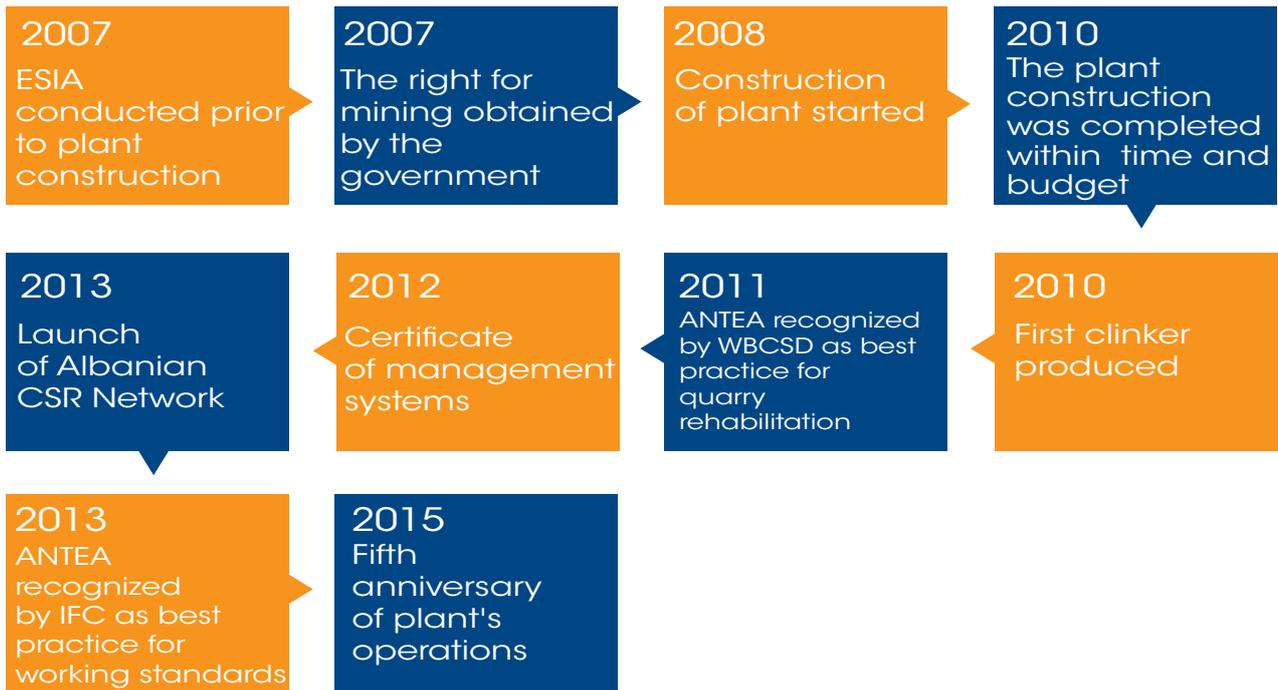
2013

1,098,000

2014

710,000

History



Governing corporate values

ANTEA Cement's governing objective is to grow as a cement producer by combining an entrepreneurial spirit and operational excellence with respect for people, society and environment. The achievement of this objective requires a framework of agreed upon principles and values that guide our daily operations and reflect our commitment to stakeholders.

Integrity

Ethical business practices
Transparency
Open communication

Value to the Customer

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

Continuous Improvement

Learning organization
Willingness to change
Rise to challenges

Know-How

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

Delivering Results

Shareholder value
Clear objectives
High standards

Corporate Social Responsibility

Safety first
Sustainable development
Stakeholder engagement

Managing risks and opportunities

ANTEA Cement's management team assesses the social, environmental, managerial and financial risks that the company can face in the framework of the challenges that are coming from the country, the region and further. The company manages the risks through:

- a. Internal and Systems' audits to keep in consistency with Management Systems requirements in place
- b. Creation of various committees in the company to address various challenges and issues
- c. Code of Conduct trainings to enforce anti-corruptive measures

ANTEA Cement has in place an Integrated Management System (IMS) which is comprised of three Management Systems and one Standard being:

- **OHSAS 18001 Management System for Occupational Health and Safety**
- **ISO 14001 Management System for Environment**
- **ISO 9001 Management System for Quality**
- **SA8000 Standard for Social Accountability**

In 2011, the Company started the design of an Integrated Management System, the ideal scenario for any company which has various systems in place and aims to fully integrate all of their requirements into one system. Systems of Environment, Health & Safety and Quality were integrated in 2012 while SA8000 was included as part of the system one year later.

At ANTEA Cement, we have the following Boards and Committees which address various challenges and issues:

Quality Board:

The Company's Management is involved in the Quality System through the Quality Board. The responsibilities of the Quality Board are in general the following:

- a. Establishing the Company's Quality Policy
- b. Adopting the Quality System's documents
- c. Conducting the internal quality audits
- d. Conducting reviews of the Quality System
- e. Establishing quality targets

Environment Board:

It is responsible to identify the environmental aspects, to determine the emergency situations and the need for preparation of emergency plans, to review on annual basis the Environmental Management System etc.

Health & Safety Central Committee:

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

The Social Accountability Board:

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

Credit Control Committee:

This Committee is in charge of the receivables and debts from the Clients and main tasks include:

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

CSR Committee:

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

- Propose, draft and approve CSR related policies and procedures
- Assess and decide upon CSR Projects
- Prepare the Annual Sustainability Report
- Prepare other publications such as fact sheets, newsletters etc.
- Engage with Local Community through grievance mechanism
- Actively participate in Albanian CSR Network through seminars and activities

General Manager of ANTEA

 **Plant
Manager**

 Production
Manager

 Maintenance
Manager

 Quality
control Manager
(Quality MGR for IMS)

 **Finance
Manager**

 **HR
Manager**

 **Environment
Manager**

 **Sales
Manager**

 **Administration
Manager**

 **Health & Safety
Manager**



ANTEA Cement has distributed in 2012 and trained all of its employees regarding the Code of Conduct which is the framework for the optimal behavior of all employees. Since then, all new hires of the company have been actively trained regarding the content of Code of Conduct and the importance for fully implementing it. In 2014, 16 employees received this training where emphasis was put on adherence to laws, international conventions fighting corruption, respect of human rights, protection of confidential information, communication to all stakeholders and promoting Sustainable Development.

ANTEA Cement promotes Sustainable Development and public policy development through active participation in the following business associations and their committees:

- **American Chamber of Commerce** (www.amcham.com.al)
Being an AmCham Albania member empowers business to lobby in a group with leading companies, to extend networking to influential circles and to participate in events tailored to their needs. Through its work and services, AmCham Albania seeks to be the leading representative for U.S. and international business in Albania.
- **Foreign Investment Association of Albania** (www.fiaalbania.al)
FIAA serves as a platform to improve the Investment and Business climate in Albania by working concrete reform proposals on legislation and product development as well as to promote dialogue between the FIAA Members and the Albanian Authorities.
- **Hellenic Business Association** (www.hbaa.al)
This Association is membered by all active Greek companies in Albania and it aims the strengthening of Greek – Albanian business relations and increase of Greek investment in the country.
- **Albanian CSR Network** (www.albaniancsrnetwork.org)
This Association aims the promotion of Corporate Social Responsibility in Albania among business community. ANTEA Cement holds the Presidency and Secretariat since 2013.

The context in which we operate:

Corruption Perception index Albania

Year	2012	2013	2014
Score _{/100}	33	31	33

Source: transparency.org

Gross Domestic Product per Capita

Year	2012	2013	2014
in US dollar	4,256	4,458	4,619

Source: worldbank.org

Unemployment rate

Year	2012	2013	2014
in %	13.8	16.4	17.9

Source: instat.gov.al

III. Creating value

At ANTEA Cement, we are committed to create value for our employees, the local community, our suppliers and clients through strengthening our core values, applying ethical business practices, having an open and continuous communication with all stakeholders and addressing their most material issues in a timely and proper manner. Although the environment where we operate has its own challenges, we strive to be a responsible company through identifying our impact on the society and taking action to create value for its stakeholders by minimizing the adverse effects while increasing welfare and wellbeing for our employees, local communities and partners.

The Environmental and Social Impact Assessment Study conducted prior to the construction of the plant identified the main stakeholders of the plant and any potential impacts of the plant operations to those stakeholders, and proposed mitigation measures for all the listed impacts. We have in place an annual CSR Action Plan designed to implement all the projects, actions and activities falling under the four pillars of the CSR Strategy which are:

- Stakeholder Engagement
- Healthy and safe working place for our employees
- Reduction of environmental impacts
- Promotion of Sustainable development

Stakeholder engagement

Stakeholder engagement is a continuous process through which ANTEA Cement wants to build trust-based relationships with its main stakeholders which are:

- Own employees
- Local community
- Customers
- Suppliers
- Shareholders
- Local and central government
- NGOs
- Media
- Business community

Understanding and addressing material issues of our stakeholders is an ongoing process which ANTEA Cement is committed to enhance further. The main focus has been to increase our stakeholder engagement by:

- Continuous professional and personal training as a sign of vital importance and significant resource for our company
- Through continuous dialogue with local authorities and associations, we improve our Local Communities Action Plan which addresses needs related to education, culture, transportation, society and environment.
- Open dialogue with our stakeholders, aiming to further increase performance transparency of our activity and proper addressing of their concerns
- Communicating our values, activities and good practices to our stakeholders through various channels.

Table No 1: How we engage with stakeholders in detail

Stakeholder	Type of engagement	Intended Outcome
Employee	Performance Improvement Process	Employee assessment and career promotion
	Communication of internal changes, policies Feedback	Safeguard a working environment according to highest standards
	Communication days	Information provision, transparency
	Employee representative meetings through unions	Be an Employer of Choice
	Trainings	Employees skills & competence development
	Events	Celebration of important dates and team-building
	Volunteerism	Ensure employee engagement
Local community	Contributions in cash and kind	Provision of social services
	Events	Ensure community engagement and celebrate
	Public meetings	Promote transparency and communication
	Newsletters Trainings	Awareness on environment and H&S
	Impact assessment	Address material issues
Customers	Customer surveys	Customer satisfaction
Suppliers	Procurement standards	Provide best practice and sustainability principles
	Trainings	Offer equal opportunities to all suppliers
	Best practice share	Improve quality of services
Government	Site visits	Promote transparency and best practice
	Multistakeholder forums Agreements	Engage in partnerships with local and national governments
Shareholders	Supervisory meetings	Provide information and reporting
Business community	CSR Network/ FIAA AmCham/ HBAA	Share best practices on CSR Lobby for important issues
Media	Press releases	Provide information regarding various activities and initiatives
NGO	Public meetings	Seek opportunities for collaboration

Only for the year 2014, our local community together with other stakeholders have benefited from a total of 356,069 EUR from our development programs.

Table No 2: Stakeholders' development program

Benefiting stakeholder	Type of investment	Amount in Euro	TOTAL
Local community	Donations in cash	23,138	309,486 (86.9%)
	Infrastructure	271,675	
	Donations in kind	14,673	
Employees	Internal events	21,971	21,971 (6.2%)
Others	Sponsorships	24,612	24,612 (6.9%)

Through our stakeholder engagement and development programs, we target to tackle and support the solution of key issues of concern for our main stakeholders such as:

- Employment and employability
- Improved infrastructure
- Working conditions and well-being of employees
- Raising Awareness on Health and Safety
- Raising Awareness on Environmental care
- Improved quality of life
- Product quality and safety for customers and end-users
- Open dialogue
- Celebration of important dates



Celebrating 5 years of operations in Albania

If someone would ask 'Name one of the biggest private investment realized in Albania during the last 20 years', the answer would undoubtedly be: ANTEA Cement. In addition, the plant has contributed to the economy and society in Albania in terms of :

- **Improved infrastructure**
- **Increased income for the State**
- **Increased number of employed people**
- **Creation of new companies in the local community**
- **Setting high working standards**

During 5 years of operations, our financial flows to our stakeholders are as following:

in million Euro	2010	2011	2012	2013	2014	TOTAL
Financial flows to our employees	1.8	1.8	1.7	1.7	2.5	9.5
Financial flows to our suppliers	54.8	53.9	51.4	48.9	41.7	250.7
Financial flows to local and central government	10.4	14.1	14.4	14.6	11.8	65.3

Our local community together with other stakeholders have benefited from a total of 516 thousand EUR from our development programs for the period 2010 - 2014 .

in thousand Euro	2010	2011	2012	2013	2014	TOTAL
Donations to all stakeholders	47.0	42.5	31.8	38.6	356.1	516
Donations to local community only	31.8	34.5	16.3	21.2	309.5	413.3

Financial information regarding the operations of the plant throughout this 5 year period is as following :

In million Euro	2010	2011	2012	2013	2014
Total Revenues	51.2	55.7	54.1	56.3	49.6
Export Revenues	16.3	15.3	20.0	18.1	21.2
CAPEX	21.4	3.1	0.7	1.2	1.4

ANTEA Cement has been praised as best practice by International Financial Corporation (IFC) in 2013 for working conditions during construction and World Business Council for Sustainable Development (WBCSD) in 2011 for Quarry rehabilitation. Exempts from both published case studies are given below.

CSI Quarry Rehabilitation Guidelines – Case Study

Quarry Rehabilitation: a TITAN experience

To align with the company's targets for environmental sustainability, an Environmental and Social Impact Assessment was conducted in 2008 by international consultants (ATKINS) for the ANTEA green-field project for development of cement production plant and associated quarrying activities in Albania. Among the environmental issues covered, the ESIA assessed the impacts of the different project phases, namely construction, operation and closure on ecology, biodiversity and landscape. The ESIA then proposed specific mitigation measures and rehabilitation plans for ANTEA quarries that will incorporate the needs of the local ecology. The quarry rehabilitation plans are an integral part of the ANTEA plant Environmental Management System (EMS), including all relevant procedures, working instructions and monitoring practices.

Restoration activities

Following the ESIA, an Environmental and Social Action Plan was prepared, in line with EBRD and IFC standards, for the ANTEA project, and among others included the development of quarry management and rehabilitation plans. The Quarry Management Plans (QMPs) for both quarries were completed in 2010 and 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. In this respect, the QMPs had to align with country legislation and also conform to TITAN Group best practices for quarries development and rehabilitation. The QMPs included the overall (long-term) mine plans, the detailed 5-year plans and the first year of quarry operations (focus annual plan), and aimed at ensuring and presenting a rational plan for quarry depletion, mine scheduling and rehabilitation reforestation of benches. The quarry rehabilitation plans are today an integral part of the ANTEA plant Environmental Management System (EMS) with all relevant procedures, working instructions and monitoring practices for the quarries rehabilitation activities, to ensure implementation of plans, progressive landscaping and reclamation for mined-out areas. Although still at the very early stage of quarry development, rehabilitation practices are already enforced in the upper (depleted) benches of the ANTEA quarries, and the commitment is to progress in line with the quarry development



¹This case study is published in CSI Quarry Rehabilitation Guidelines 2011.

Successful incorporation of IFC's PS2 requirements The case study of ANTEA Cement

IFC's Performance Standard 2, which in part has been guided by core labor standards of ILO and key United Nations conventions, defines what constitutes a "good job": A job that guarantees workers' fundamental rights while paying them a decent and fair wage. The case study of ANTEA Cement in Albania shows how the standard can be incorporated into contractual agreements with positive business results and increased access to new markets. The emerging business case for quality jobs points to the endogenous benefits for companies: higher productivity, increased profits, and access to new clients and consumers. There also is evidence that compliant firms are more likely to survive financial crises. In our current political and economic environment, job creation is a key focus of academic institutions, international development agencies and governments alike. Not just any jobs, but jobs that are good for development and that contribute to higher global living standards, social cohesion, and productivity.

IFC provided financing to ANTEA Cement in late 2008 to help the company build and operate a blended-cement plant with a capacity of 1.3 million tons in Albania. This project is a good example of interagency collaboration between IFC and the European Bank for Reconstruction and Development (EBRD), a successful foreign direct investment (FDI) in Albania by a Greek company that was contracting Chinese workers, and the successful inclusion of PS2 requirements in firm-level agreements and activities. ANTEA used IFC and EBRD financing to construct the plant, resulting in the creation of 300 jobs and an additional 500 indirect jobs.

CBMI Construction Company, had the contract to design, construct, and set up the plant. At the peak of the construction period, CBMI planned to hire approximately 800 Chinese workers and wanted to build worker accommodations for them on site. The risk assessment for labor was included in the Environmental & Social Impact Assessment process. In addition, the development and implementation of human resource policies and procedures were in line with the requirements of PS2. ANTEA included specific PS2 requirements as clauses into the actual contractual agreement with CBMI and other contractors that it employed. The monitoring program for contractors, including internal and external audits, took place as planned and ANTEA was able to meet, and be audited against, the widely known Social Accountability (SA8000) standard.

Convincing the sponsor of the importance of managing labor and working conditions with their contractors was difficult at the beginning of the process. But after two years of implementation, the TITAN Group is presenting the ANTEA project as a case example of best practice. The benefits of the cooperation between TITAN and the construction company included on-time and on-budget completion of the project, zero accidents, best practice on contractor managements, and improvement of labor and working conditions at construction company that will create opportunities for them in new European and North American markets.



²This case study is published in IFC Jobs Study 2013

Stakeholder engagement

- **2,547,103 EUR** Employees salaries and benefits
- **6,459 Training hours** to employees
- **41,760,042 EUR** Suppliers expenditure
- **11,827,788 EUR** State expenditures
- **520,000 EUR** Health & Safety and Environment expenditures

Environmental protection

- **8,300 m²** rehabilitated surface of quarries
- **7,767.6 ton** disposed waste
- **842.66 g/ton** clinker NO_x, **41.22 g/ton** clinker SO_x and **4.88 g/ton** clinker dust
- **681.21 kg/ton** clinker CO₂

Health and safety

- Zero accidents
- **100%** decrease of LTI (Lost Time Injury) since 2012
- **100%** decrease of LTIFR (Lost time injury frequency rates) and LTISR (Lost Time Injury Severity Rate) since 2012
- **2,957 Training hours** to employees and contractors

Local Community development

- **309,486 Euro** donations in cash and kind
- Support local government for public services
- Reconstruction of schools and roads
- Grievance mechanism in place

ANTEA presence in business community

- Presidency and Secretariat of the Albanian CSR Network
- Membership in various Committees and Boards of Business Associations

Main direct and indirect impacts of operations

- Energy consumption
- CO₂ emissions
- Raw materials consumption
- Alteration of landscape
- Potential impact on biodiversity



Table No 3:
Key financial
indicators

	2014 EUR (000)
Revenue	49,650.5
Cost of sales	(40,263.8)
Gross profit	9,386.7
Administrative expenses	(3,353.4)
Selling and Marketing Expenses	(1,392.1)
Other expenses	(1,039.5)
Other income	201.9
Operating profit	3,803.6
Financial gains	3,243.1
Financial costs	(7,342.5)
Result before tax	(295.8)
Income Tax expense	(492)

IV. ANTEA performance

Our People

Developing, compensating and engaging our human capital is the resource that drives our organizational success. Strengthening employer - employee relation and creating an Attractive Employer are the main goals set by the Human Resources department. At ANTEA Cement, we aim to implement an effective compensation and benefit system based on individual performance and internal equality, considering the market conditions and in compliance with the national legal standards. The minimum monthly salary provided by ANTEA for blue collar employees is 1.6 times higher compared to the minimum monthly salary established by the legislation in force.

**Minimum salary required by law
(Counsel of Ministry Decision 573/ 03.07.2013)**

ALL 22.000



Minimum salary at ANTEA

ALL 36.129



The company provides free meal, transportation and drinkable water to every employee. All female employees are entitled to maternity leave which are fully utilized.

Transportation cost:

**EUR 216,000
annually**

Catering cost:

EUR 299,900

Drinkable water cost:

EUR 8,582

Although operating in heavy industry sector, ANTEA Cement has employed 21 females in total, out of which 3 females are engaged in managerial positions. Considering this as one of the first good indicator of gender equality in the workplace, we are committed to apply equal compensation and benefits between genders. During 2014, 21% of employees received a performance appraisal through the PDR (Performance Development Review) process, which is an annual assessment process for white collar employees.

Since the beginning of its operation in Albania, ANTEA Cement has considered the development and training of the local community as a matter of high importance, aiming to be recognized as one of the largest company in the area. In the year 2014, 43% of ANTEA Cement employees are contracted from local communities.

Total number of employees broken done by gender	199
Female	21
Male	178
Total number of employees broken done by region and gender	199
Local Community	86
Female	1
Male	85
Tirana	107
Female	20
Male	87
Expat	6
Female	0
Male	6

Table No. 4: Total workforce by employment category, region and gender (average)

Total number of employees broken done by employment category	199
Managers	27
Female	4
Male	23
Blue Collar	106
Female	0
Male	106
Administration - Sales	66
Female	17
Male	49

Table No 5:
Total number and rate of new employee hires and employee turnover by age group, gender and region.

Total number of new employee hires entering employment during the reporting period broken down by gender.	18	Total number of employees leaving employment during the reporting period broken down by gender.	26
Female	4	Female	4
Male	14	Male	22
Rate of new employee hires entering employment during the reporting period broken down by gender.		Rate of employees leaving employment during the reporting period broken down by gender.	
Female	22%	Female	15%
Male	78%	Male	85%
Total number of new employee hires entering employment during the reporting period broken down by age group.	18	Total number of employees leaving employment during the reporting period broken down by age group.	26
Under 30	11	Under 30	8
30-50	7	30-50	14
Over 50	0	Over 50	4
Rate of new employee hires entering employment during the reporting period broken down by age group.		Rate of employees leaving employment during the reporting period broken down by age group.	
Under 30	61%	Under 30	31%
30-50	39%	30-50	54%
Over 50	0	Over 50	15%
Total number of new employee hires entering employment during the reporting period broken down by region.	18	Total number of employees leaving employment during the reporting period broken down by region.	26
Local Community	0	Local Community	4
Tirana	18	Tirana	20
Expat	0	Expat	2
Rate of new employee hires entering employment during the reporting period broken down by region.		Rate of employees leaving employment during the reporting period broken down by region.	
Local Community	0	Local Community	15%
Tirana	100%	Tirana	77%
Expat	0	Expat	8%

Table No 6:
Breakdown of employees per employee category according to gender, age group, minority group membership, and other indicators of diversity.

The percentage of employees in the gender category.	
Female	11%
Male	89%
The percentage of employees in minority groups.	
	1 employee

The percentage of employees by age group	
Female	
Under 30	6%
30-50	5%
Over 50	0%
Male	
Under 30	31%
30-50	50%
Over 50	8%

3 females out of 21 females entitled to parental leave, utilized this leave fully whereas no male employee requested such leave.

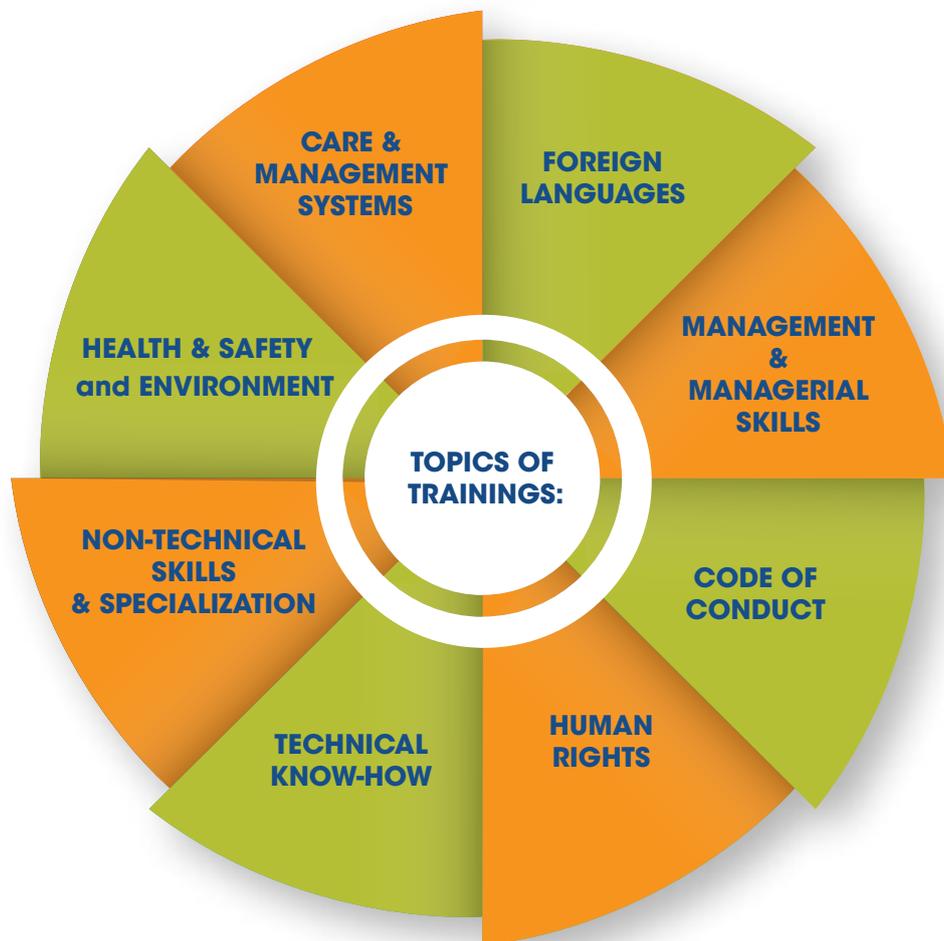
Trainings

The development of our people is a responsibility which helps us retain high qualified personnel. ANTEA Cement contributes to the development of its employees by providing continuous training in technical and management skills. During 2014, the focus of our training was in developing employees' soft skills regarding team work and team building, effective communication, presentation skills and people management through the STEP program, which is a life-long learning program. The total training costs for 2014, amounted to 76,998 EUR (respectively 65,761 EUR male trained employees cost and 11,237 EUR female trained employees cost).

In 2014, a total of 6,459 hours of training were delivered to our 195 employees, 176 male employees received 33 training hours on average while 19 female employees received 38 training hours on average.

Average hours of training per year per employee by gender	
M 32	F 38
Average hours of training per year per employee by employee category	
M - Semi-Skilled/Unskilled	17
M - Administration/Technical	38
M - Manager	99
M - Senior Manager	43
F - Administration/Technical	34
F - Manager	33
F - Senior Manager	124

Table No 7:
Training hours on average



SA 8000

Setting high labor standards in Albania through SA8000

ANTEA Cement is the first and only company in Albania that has successfully implemented and has been certified with the Social Accountability 8000 Standard (shortly SA8000), an auditable certification standard that encourages organizations to develop, maintain, and apply socially acceptable practices in the workplace. The company was certified in 2012 and has developed a Social Accountability 8000 System in its facility accordingly.

SA 8000 was developed by Social Accountability International, a non-governmental, non-profit organization founded in 1997 and it serves as a tool for organizations to assure decent working condition in their facilities and those of their suppliers. The SA 8000 Standard 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. Development and ongoing oversight of the Standard is addressed by a multi-sector Advisory Board with experts from businesses, trade unions, government and NGOs from around the world and across industries.

The SA8000 process of independent certification is modeled on the standards of International Organization for Standardization as well as added elements necessary for social auditing including minimum performance requirements, worker interviews and an open complaints systems. Facilities seeking certification of compliance to the Standard must have robust management systems in place and undergo an audit by an independent, accredited certification body.

The SA8000 Standard main purpose is to :

- **Ensure that labor standards for workers are respected**
- **Improve working conditions**
- **Treat in a fair and ethical way the workers**
- **Avoid practices that violate human rights**

SA8000 Standard has the following basic elements:

Child Labor No workers under the age of 15	Forced Labor No Forced Labor including prison or debt bondage labor	Health & Safety Provide a safe and healthy work environment	The benefits for workers, Trade Unions and NGOs from SA8000 Standard are: <ul style="list-style-type: none">• Enhanced opportunities to bargain collectively and form trade unions• A tool to educate workers about their core rights• An opportunity to work directly with businesses on labor rights issues	
Discrimination No discrimination based on race, age, caste, origin, religion, gender, sexual orientation, union and political affiliation	Discipline No corporal punishment, physical or mental coercion or verbal abuse	Management system Facilities seeking certification must integrate the Standard into their Management Systems and practices		The benefits for businesses from SA8000 Standard are: <ul style="list-style-type: none">• Drives company's values into actions• Enhances company's brand and reputation• Improves employee recruitment, retention and productivity• Supports supply chain management and performance
Working Hours Overtime is voluntary and paid at a premium rate	Remuneration Wages are sufficient to meet the basic needs of the worker and his/her family	Freedom of Association and Right to Collective Bargaining Respect the right to form and join Trade Unions and bargain collectively		

At ANTEA, we have the Social Accountability 8000 Management system in place which ensures the compliance to all requirements of the standard. Through SA8000 standard we monitor and assist our contractors in fulfilling their human rights obligations. Each of our contractors is inquired in relation to standard requirements of freedom association in order to ensure that their employees are free to form any trade union. Based on the small complexity of the contracted companies, the employees do not create any formal trade union. Each of our contractors is inspected as well as 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. ANTEA Cement actively promotes the freedom of employee association not only by creating its employee union but also going beyond legal requirements by applying SA 8000 working standard, where the workers representatives 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.

SA8000 standard applied by ANTEA Cement and the Albanian Labor Code are in full compliance to each other in relation to the bargaining agreement standard and health & safety working conditions. 69 hours of training were dedicated to human rights presentation, mainly for new hires during 2014. 17% of the employees attended the human rights training.

Activities



Training for gender diversity - Women's Day

On Women's Day, a training regarding Gender Diversity and Mother Care was delivered to female employees.



New Year Party for the employees' children

During New Year Eve, as per ANTEA Cement tradition, a party with animation, entertainment and gifts is organized at ANTEA Cement premises for all the employees' children.



Blood donation for children living with thalassemia

ANTEA Cement's staff donated blood for children living with thalassemia, who need blood periodically.



First Aid Training

The Albanian Red Cross delivered a training to our employees, taking a both theoretical and practical approach regarding First Aid during emergencies.

Internships

ANTEA Cement provided internships to 2 students from the Polytechnic University, Department of Electrical Engineering for a period of 2 months.

Training for team building

Team Building training

All Head of departments and Supervisors of ANTEA Cement attended training by WIFI Albania related to team building and team-working.

Earth Day

Antea Cement employees celebrated "Earth Day" on the 22 April 2014, by giving their contribution to a cleaner and better Environment. All the employees walked around the plant to collect litter and throw it to the designated trash bins. At the end, each employee received a plant.

Health and Safety

Health and Safety has been and is one of the top priorities of governance in our company. Group zero-injury objective and its efforts to be on the top performers of the international building materials industry have led ANTEA Cement to continuously pursue safety excellence. Occupational Health and Safety vision has led the company to seek certification in order to ensure that proper procedures and controls are in place.

In addition to trainings, ANTEA Cement has implemented measures to maintain a 'zero' accident culture not only in the plant for direct employees, but also for contractors, drivers and transporters. Management is focused on identifying leading causes of near misses, incidents, or accidents and implementation in timely manner of corrective actions in order to prevent reoccurrence. Safety inspections such as explaining and helping employees on their work station to identify hazards, improving the workplace and implement ongoing training program based on the plant Health and Safety needs, are part of the daily routine job. These efforts keep the trend of zero accidents.

11.5% of our work force is represented in formal joint management-worker health and safety committees. 3% (6 employees including Engineers, Shift leader, Technicians) are part of Health & Safety Council, and 8.5% (17 employees including shift leaders and technicians) are STOP Program team leaders.

STOP™ for Each Other is a DuPont Program which aims to prevent injuries and its consequences. It was designed specifically for our industry and is intended for self-study workbooks, on-the-job field activities, video demonstrations, and group discussion meetings. These components are designed to help us observe what people are doing and what is going on around us in a new prospective. The program started on June 2010 and was fully implemented on 2011.

Health & Safety Council is in full compliance with Albanian legislation. Health and Safety at Work Council was reelected during 2014. The Council consists on 3 employees elected by ANTEA employees based on a voting process, and 3 other members were directly chosen from ANTEA Cement.

Despite our efforts, 6 First Aid Incidents have occurred during 2014. H&S Manager is responsible to report and keep incident statistics. Based on this, H&S procedure "Incident Report and Investigation" and TITAN Group's Guidelines on Incident Classification, Investigation & Reporting are followed.

As per Table 8, in relation to our Performance indicators, we had 'zero' fatalities and Lost Time Injuries during 2014. We had 41 reported Near Misses and 77 corrective actions taken.



Table No 8: Performance indicators

DESCRIPTION	2012	2013	2014
Fatalities (directly employed)	0	0	0
Fatalities (indirectly employed)	0	0	0
LTI	1	0	0
LTIFR	2.54	0	0
LTISR	853.79	0	0
Near Misses	23	39	41
% of Investigated NM	91	95	100
Number of corrective actions	55	110	77
Proposals by employees	26	18	10
Training hours (direct employees)	1894	3420	2361
Training hours (indirect employees)	773	1760	596

Trainings

At ANTEA Cement, we have implemented a yearly training program. Specific topics are chosen in order to ensure that proper and adequate HS training is provided to all personnel at our facilities and that our activities are in accordance with the Albanian legislation regarding Health and Safety at Work. Trainings are delivered on a weekly basis and also include our daily contractors. Following these regularly-scheduled training, employees received 2,361 hours of training while 596 training hours were organized for our daily contractors.



Best Health & Safety slogans for 2014

Reconstruction of roads & houses

ANTEA Cement has contributed in kind to the local community by offering cement and other construction materials for the rehabilitation of roads and various houses whose owners were living in bad conditions and were unable to reconstruct the houses. A total of 2,600 m³ construction materials and 150 tons cement were donated for rehabilitation roads connecting villages with each other as well as with main roads in 2014. An important investment of our company was the Freskia road in Mamurras which was completely reconstructed to the highest standards in order to provide better and safer roads for our contractors, suppliers, customers and the local community.



Grievance mechanism

We have a grievance mechanism in place under which all representatives of local and central government, representatives of private institutions and individuals may submit their concerns or suggestions to ANTEA Cement in writing. The CSR Committee is in charge of evaluating any formal letters, making respective investigations and proposing a solution or answer to the General Manager, who makes the final decision. Apart from the official correspondence, we meet with our stakeholders to learn more about their concerns and we present to them our plant's performance followed by a plant tour.



Public service provision

ANTEA Cement has contributed in cash to the local community by ensuring the provision of public services through the payment of salaries for local community people who take care of the following services: graveyard maintenance; cleaning of school; and waste removal.

Reconstruction of schools

ANTEA Cement contributed to the local community education by investing in safe and warm schooling environment. The investment in Borizana & Thumana schools consisted of civil and electrical works.

- Civil works at Borizana School included: toilet repair, school decoration, installment of window panes
- Electrical works at Borizana School included: insulation, installment of lamps, switches and sockets
- Civil works at Thumana School included: installment of window panes



Activities

Public meeting

On 6th of February 2014, ANTEA Cement organized a public meeting on its premises, following the publication of Public Health Institute report related to ANTEA Cement's high level of emissions on the plant peripheral areas. During the public meeting, ANTEA delivered a presentation on the environmental performance and provided evidence-based responses to participating stakeholders' inquiries. Also, ANTEA Cement representatives delivered a presentation of the implemented community development programs and the financial and non-financial contribution to the community for the past years. A plant tour was organized for the participants to observe the implemented procedures and integrated management system. The Public Health Institute re-performed the same spot measurements and concluded that the emissions are within the stipulated law limits.

Capacity building

In collaboration with Thumana high school, we aim to further develop the high school seniors' knowledge, by hosting in our plant the 'Introduction to economics and business' case study on practical business aspects. High school seniors attended a presentation related to plant operation and management followed by a plant tour in order to introduce the investments and environmental performance of ANTEA Cement.



Meeting with the local community representatives

Senior citizens from Borizane, a local community village, were invited to the plant and were introduced to ANTEA Cement's performance. A plant tour was held in order to introduce them to the environmental performance and impact. During this meeting, participants discussed their concerns and requests with management.

Customers and suppliers

Customer satisfaction is an essential component of doing business in this global competition environment. We strive to address our customer needs by providing innovative products and services. ANTEA Cement engages with customers regularly through annual customer surveys, using the form "Customer Satisfaction Questionnaire". This form includes questions related to our products quality, employees' attitude towards customers and recommendations for future improvements.

The annual customer satisfaction survey for the year 2014 was conducted through our sales agents on 47 major local market clients. The result of this survey regarding the cement quality are satisfying (Quality: 92 % - 'excellent' and 8 % - 'very good').

A Material Safety Data Sheet (MSDS) is compiled for cement products and certified by EuroCert according to ISO 9001, which contains information on the potential hazards (health, fire, reactivity and environmental), information on the use, storage, handling and emergency procedures related to product hazards. Besides the product hazards identification the purpose of MSDS is to instruct on the following: safe product use, what to expect if the instructions are not followed, what to do if accidents occur, how to recognize symptoms of overexposure, and what to do if such incidents occur. MSDS is an essential milestone for the development of a complete health and safety program.

In addition, bags of cement provide required information on how to correctly handle the cement bag with illustrative pictures, based on best ergonomic practices. No incidents of non-compliance with regulations and voluntary codes related to health and safety effects of products and services are reported during the reporting period.

Concerning our contractors, a new Progressive Discipline Procedure was introduced in 2014 to our 35 contractors, including transportation companies. The scope of this procedure is to define the steps and responsibilities of progressive discipline identification in relation to dangerous behavior and safety violations of ANTEA contractors and their subcontractors.

ANTEA personnel monitor contractors' personnel behavior related to occupational health and safety systematically by supervising their operations, as well as through random inspections performed at their joint presence.

The company has implemented "Non Conformity Report, Corrective and Preventive Actions" procedure which describes the actions taken in registering a Non-conformity arising from the Integrated Management System operations, as well the applicable corrective actions. The procedure defines Preventive Actions for reported non-conformities and continuous improvement of ANTEA Cements' products and services. No non-conformities were reported during 2014.



Environmental protection

ANTEA Cement is committed to be part of the best European environmentally sustainable business practice, by complying not only with the Albanian legislation as well as the European Union legislation.

The initiatives and projects listed below make ANTEA Cement a responsible company that takes care of the environment and community.

- First Green field project constructed according to BAT guidelines with an Environmental Social Impact Assessment prior to construction;
- Detailed environmental impacts identification and mitigation measurements applied since the construction phase;
- Implementation of "Continuous Emission Monitoring System" (CEMS) beyond legislative requirements in Albania;
- First and only "Protocol on Pollution Release and Transfer Register" (PRTR) reporting operator for three consecutive years;
- Best practice for quarry management and rehabilitation according to "World Business Council On Sustainable Development" (WBCSD);
- Waste water treatment plant constructed and operated on site according to EU standards;
- Full hydrological study of the region's aquifer for assuring water supply for the plant operational needs without impacting communities' water reserves;
- A surface and rain storm water treatment facility operated according to the EU;
- First Selective Non Catalytic Reduction (SNCR) installation in Albania to further reduce emissions (voluntarily), although emission levels are in compliance with local legislation;
- Beyond legislative requirements, the plant undertook monitoring for air quality in the nearby populated areas in order to ensure no adverse impacts on the community from the plant's operation;
- Community landscape by progressive environmental rehabilitation and reforestation;
- Decrease of water consumption through recycling more than 60% of used water;
- Independent accredited laboratories verification of reported data;
- Implementation of a waste management system according to the EU legislation;
- Continuous activities on environmental awareness among different stakeholders and voluntary actions by the employees to the community.

Environmental management system

On July 2012 ANTEA Cement received ISO 14001:2004 certification. The system includes air emissions, quarries, landscapes, groundwater, wells and water waste, liquid and solid waste, natural resources & energy consumption, noise, etc. Nine audit procedures have been performed from independent verification bodies since the certification, and the last audit was performed on June 25th 2014.



Water Management

ANTEA "hydro-drilling" project has been initiated by Production Technology (PT) in March 2007 following a preliminary Study by ANTEA Geo-Team in cooperation with experts from Tirana University regarding the hydro geological conditions of Burizane Region. After a detailed study that lasted 9 months, the experts concluded that: **"Based on the calculated Cement Plant needs (at maximum), the annual rate of pumping from the Burizane aquifer is hardly 3% of the total annual potential of the replenishment of the aquifer, i.e. the "fresh" water supply/recharge in the aquifer for the general area"**.

Water management practices:

- Implemented water management system;
- Quality and quantity of withdrawn water from wells is monitored by independent accredited laboratories (although not a requirement from Albanian legislation);
- Monthly measurements of water levels in water drills to ensure sustainable water withdrawal;
- Implementation of closed water recycling system;
- Implementation of a well-defined network of flow-meters in order to identify and easily track possible water leakages;
- Monitoring water consumption by destination.

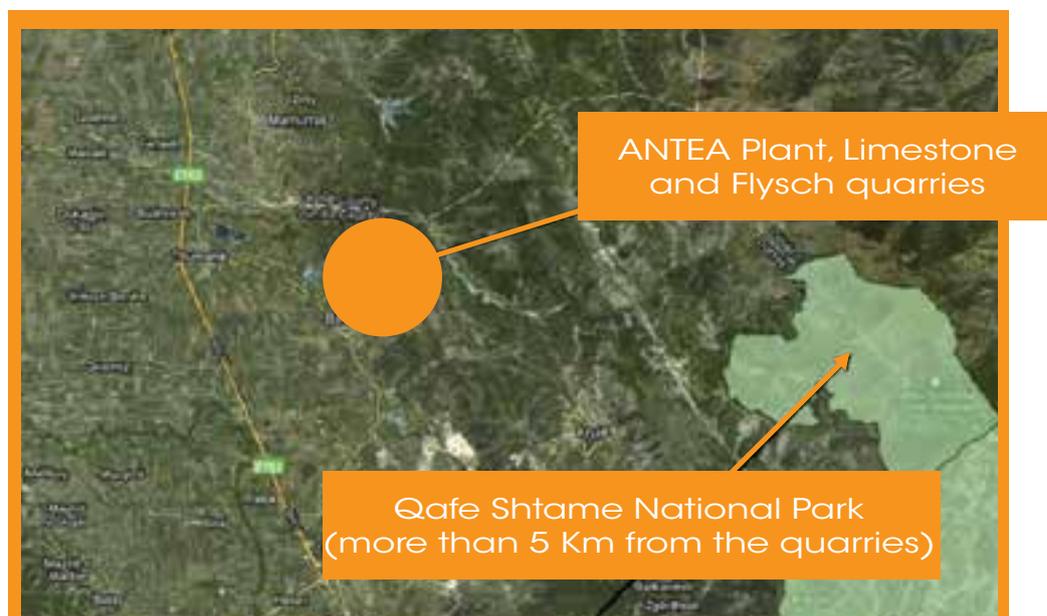
Statistical data regarding water withdrawal are presented in Table 11 in Appendix. There are no water sources significantly affected by the water withdrawal. ANTEA Cement recycles more than 60 % of the water used.

Biodiversity

The area near the Plant and associated quarries is open scrub land that is being used partly for grazing, hunting and as a source of wood for fuel.

No protected zones have been identified in the vicinity of the Plant and associated quarries and the locations also including the radius of one km from the borders are not considered to be of exceptional ecological value, with habitats of similar composition and quality as in the surrounding area. Scanning of the Plant and associated quarries area for identifying possible high biodiversity zones is a continuous process and was last performed in the second quarter of 2014 via IBAT (Integrated Biodiversity Assessment Tool) application. The assessment through IBAT has shown that there are no protected areas or areas of high biodiversity value within, containing or adjacent to ANTEA quarry sites.

Figure No. 1 - Closest protected area to the plant



Following the ESIA findings, the development of quarry management and rehabilitation plans for the ANTEA project were conducted. The case study for the quarry rehabilitation was awarded recognition as best practice by WBCSD/CSI, for the below listed actions:

- Implemented quarry management plan before the quarry operation initiation;
- Implementation of a rehabilitation plan before the quarry operation initiation;
- Identification of the flora and endemic species of the region prior to quarry operation initiation;
- Rehabilitation was conducted within the first year of Quarry operation;
- Two Albanian endemic species were included in the quarry rehabilitation plan (Refer to pictures below);
- The first quarry in Albania to be exploited according to EU standards and fully compliant with the legislation;

Two flora species that are included in the Red List of Albania, namely *Quercus ilex* (holly or holm oak) and *Salvia officinalis* (sage) were introduced in the quarry rehabilitation process.



Between 2011 and 2014, a total surface area of 39,234 m² had been rehabilitated, including 4,925 trees and more than 2,500 low plants and shrubs. In 2014 alone an area of 8,300 m² of limestone and flysch quarries was rehabilitated.

Details about the rehabilitation of limestone and flysch quarries are given in Table No. 12 in Appendix of this report.



Climate change

Carbon dioxide generated by the cement industry contributes to the “greenhouse effect”. TITAN Group is focused on improving energy efficiency in its industrial processes and developing eco-effective products. The substitution of fossil fuels with alternative fuels (AF) is a crucial driver of this improvement, for which ANTEA has done a lot of efforts. An Environmental impact assessment study has been prepared for Alternative Fuels usage. The designed equipment allows the usage of AF and the license for AF co-processing has been approved. Small quantities of AF were co-processed in 2014 and the industrial test was completed successfully. Intensive market research for possible sources is taking place.

Currently the substitution rate of fossil fuels with alternative fuels is almost zero. Alternative raw materials consumption for 2014 is 1% and the company is exploring ways of increasing the substitution rate.

ANTEA applies the WBCSD/CSI Cement CO₂ and Energy protocol: CO₂ and energy accounting and Reporting standards for the Cement Industry to calculate total CO₂ emissions. In accordance to this protocol, the calculation and reporting of CO₂ and energy is done on a regular basis, despite the fact that this is not a legal requirement in Albania.

Table No 13: CO₂ emissions

Direct greenhouse emissions	2014
Total direct CO ₂ emissions † CO ₂ equivalent	636,110
Specific direct CO ₂ emissions kg/t product	681.2

Continuous emissions monitoring system

Beyond legislative requirements, the company voluntarily decided to establish and operate a Continuous Emission Monitoring System (CEMS), since the beginning of the plant operation.

- CEMS is periodically verified for data quality assurance, by third parties.
- All instruments for CEMS are calibrated and controlled under the EN 14181 standard.

Additional investments to CEMS are made by installing Acquisition and Evaluation of Emissions Data (MEAC 2000) system which generates every day automatically and independently from the operators the emissions values and assures quality and independence. ANTEA operates according to Best Available Technique (BAT), in accordance with industrial Emissions Directive 2010/75/EU, although this is not an Albanian legislation requirement.

The plant possesses closed storages for over 100,000 tons of raw materials, and all transportation of materials within the plant is conducted via covered conveyors to decrease fugitive dust. Hybrid filters installed at all point source emissions are regularly maintained. The latest technology of vertical grinding mills is used since they have better environmental performance and improved efficiency in electrical consumption. Sound proof equipment's and buildings insulations are implemented for noise pollution and such emissions are monitored on a quarterly basis.

As an example of the company commitment to decrease the emissions compared to Albanian standards, ANTEA Cement has installed Selective non-catalytic reduction (SNCR) plant which shall decrease NOx emissions further. Although ANTEA Cement's NOx emissions are within the Albanian limits, the company invested 600,000 EUR in equipment to further decrease NOx emissions in order to comply with EU standards. The annual operational cost is estimated to be 300,000 – 500,000 EUR per year.

Details on the monitoring points and monitoring frequency are presented in the Table 14 in Appendix.

Air emissions

Sulphur Oxide and Nitrogen Oxide

Both SO_x and NO_x emissions are well below limits set by the Albanian legislation. SO_x emissions are very low, due to their low concentration in fuels and raw materials. Based on the Continuous Emission Monitoring System that the plant has installed and has in operation since December 2010, below the annual average concentration emitted from the kiln stack are shown. Emission levels in ANTEA Cement Plant refer to standard conditions: dry gas at a temperature of 273 K, and a pressure of 1,013 kPa.

Particulate Matter

There are two sources of dust in the cement plant, respectively:

- Point source dust is the total of the particulates emitted from the stacks (kiln, cement mill, coal mill, and cooler). Measured values show that the emissions are well within and very below the limit.

Measures on reducing point source dust emissions are presented as follows:

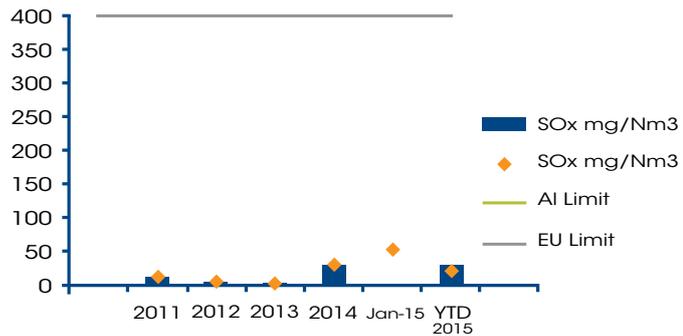
- Bag filters used and properly maintained that assure low levels of dust.
- Transportation done via covered belt conveyors
- Closed storages, etc

Statistics show that the levels are stable, and they do not show any tendency in exceeding the limit of emissions.

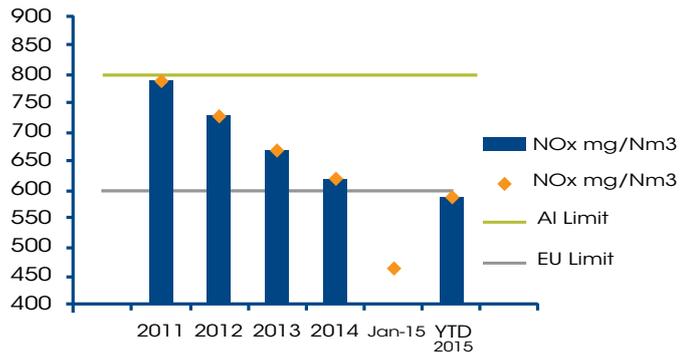
- Fugitive dust is the total of the particulates that are emitted not by defined sources and not continuously but are connected with certain conditions and certain activities (like wind, loading and unloading, cleaning and maintenance).

In the case of fugitive dust, too, ANTEA has very good performance (measurements show that the ambient air quality with regard to particulates concentration is good and within applied limits for particulates).

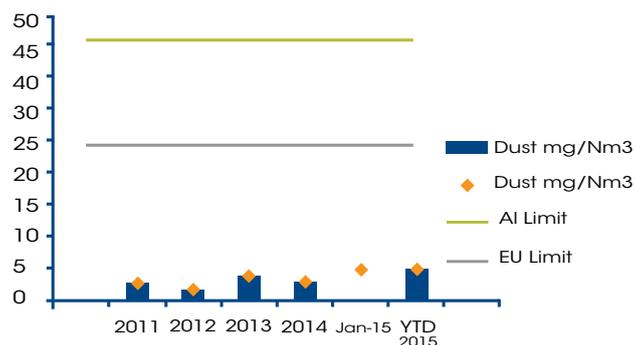
Graph No 1: SO_x emissions



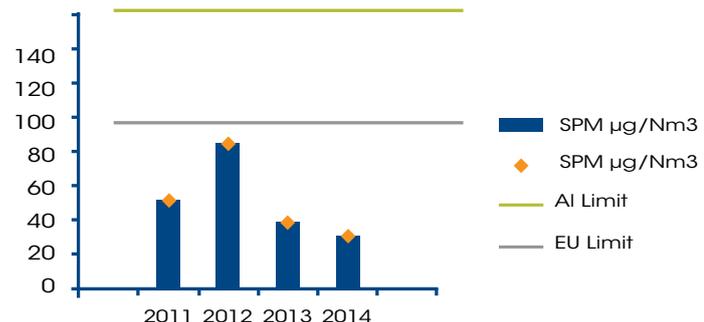
Graph No 2: NO_x emissions



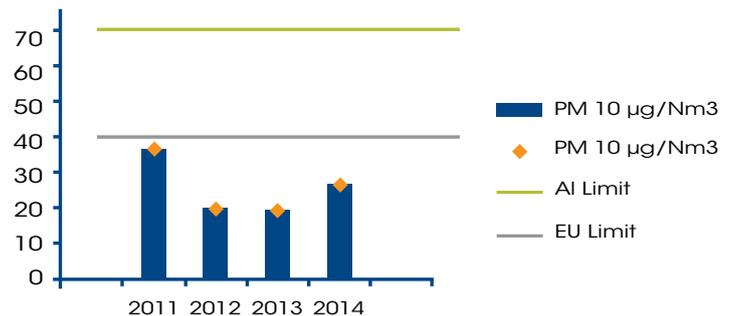
Graph No 3: Dust emissions from kiln



Graph No 4: SPM emissions



Graph No 5: PM 10 emissions





Liquid effluent discharge

ANTEA Cement monitors the quality of liquid effluents on a monthly basis, through accredited laboratories, and on weekly basis through internal quality checks. Surface water before being discharged is treated through decantation ponds to reduce suspended solids and oil and grease. The surface water collected in the decantation ponds is reused for dust suppression activities, reducing water consumption.

The discharged plant surface water quantity is not measured. Waste water treatment facility is implemented and operates since the construction of the facility. The water discharged is measured via flow meters. There are no breaches in the thresholds/ limits defined in the legislation. There are no significant impacts identified/ reported from the discharge of waste water.

Details on the monitored parameters and frequency are presented in the Table 16, in Appendix.

Table No 15: liquid effluent

Liquid effluent parameter	Limit value (WBG/IFC)	2014 Performance
Oil and Grease	10 mg/l	8.8
pH	6.0-9.0	8.3
Total Suspended Solids (TSS)	50 mg/l	2.6
Biochemical Oxygen Demand (BOD5)	30mg/l	14.4
Coliform Bacteria	<400MPN per 100ml	265.3
COD	150 mg/l	22.3
Total Nitrogen	10 mg/l	9.1

Waste management

ANTEA Cement has implemented a waste management system. Based on the best practices, wastes are separated at source, collected and temporarily stored at a waste collection unit and subsequently disposed for treatment through licensed contractors.

Total waste disposed internally is 7,699.5 ton.

Total waste disposed externally is 68,1 ton.

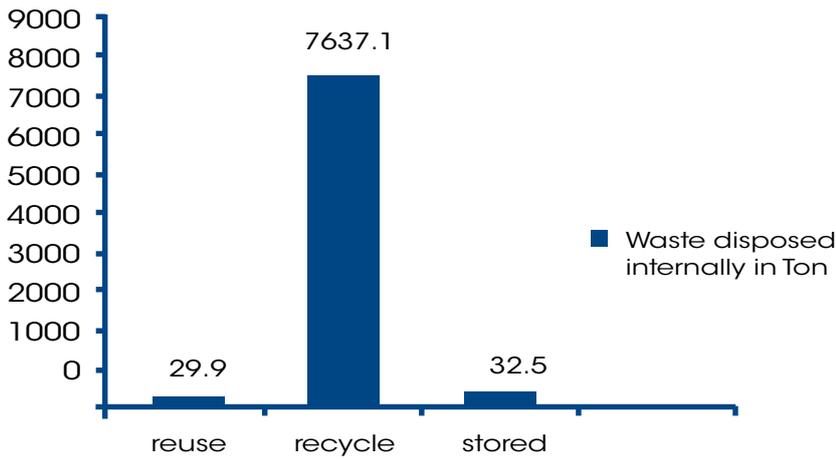
There were no spills and/or accidental releases during 2014.

Temporary waste collection unit

Waste bins for at source separation

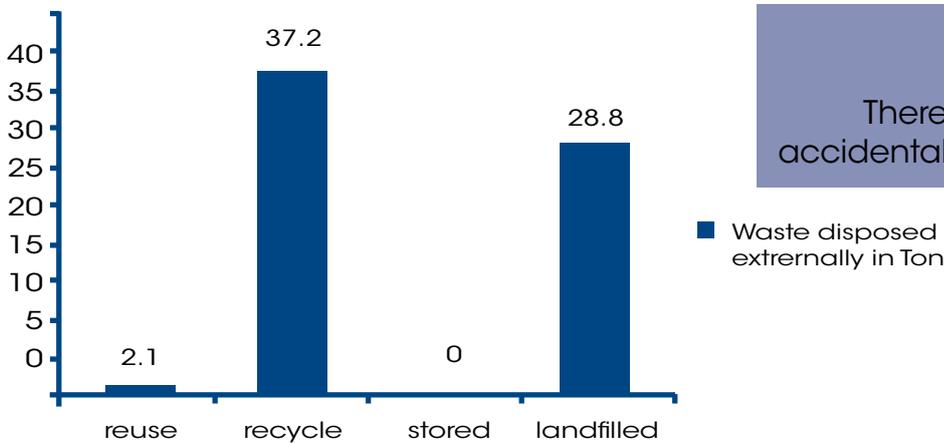


Graph No 6: Waste disposal internally



Total waste disposed internally is 7,699.5 ton.

Graph No 7: Waste disposal externally



Total waste disposed externally is 68,1 ton.
There were no spills and/or accidental releases during 2014.

Graph No 8: Environmental cost



Promoting sustainable development through networking

ANTEA Cement aims to promote the best practices of the company in Albanian business community, by actively chairing the Albanian CSR Network association for two years in a row. The network was created in 2013 as a response to the companies' growing needs in making CSR part of their practices and promoting CSR in Albania. Similar networks exist in all European countries, and for the first time implemented in Albania. CSR network mission is to promote the importance of corporate social responsibility in the business community by encouraging the implementation of sustainable business practices.

During 2014, Albanian CSR Network led by ANTEA Cement has actively organized several workshops, seminars, roundtables and forums.

FACTS

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Multistakeholder Forums on CSR



Launch of CSR Network

Afforestation Campaign



2nd Multistakeholder forum

Fundraising Campaign



Workshop with CSR Netherlands

Conference on CSR



MoU on Afforestation Campaign

CSR Awards



Seminar on Environment

Seminars on Environment, H&S and Human Rights



CSR Awards: 1st edition

Workshop on CSR



Roundtable on Corporate Governance & Reporting

Round table on Corporate Governance



Conference on CSR

THE CURRENT MEMBERS ARE:

In 2014, ANTEA Cement supported the organization of:

- **The First Carpathian Congress of Geology in Albania hosted by the Geological Association of Albania**
The Congress, which gathered the most renowned researchers in the field of geology, was organized for the first time in Albania.
- **The Conference on Green Energy hosted by the Agriculture University**
Not only did the company support the confer-

ence financially, but it also participated with a study and a presentation on the topic "Waste to energy recovery". ANTEA was selected as a best practice regarding the environmental management and study visit was paid to the plant.

- **ALBEITI Project**
This project aims at the preparation and release of a report regarding mining industry performance in Albania.

In 2014, the plant was visited by:



- Representatives of the Embassy of Netherlands and the CSR Netherlands paid a visit to the plant in order to get acquainted with the company best CSR practice. The CSR Netherlands was contracted by the Embassy of Netherlands to prepare a Report regarding CSR in Albania. In this context, the experts were meeting various companies implementing consolidated CSR practices.

- Students and professors from various Universities such as the University of Durres, Tirana European University, University Akademia e Biznesit, Polis University, the Polytechnic University, and the University of Prishtina paid a visit to the plant in order to get a practical demonstration of the theoretical knowledge instructed in their institutions.



- In the context of celebrating '1,000 days without LTI', the Minister of Social Welfare and the Head of the Labor Inspectorate visited the plant. Both of them praised ANTEA Cement for this achievement and congratulated its managers and employees. Presents were distributed to employees and contractors for their efforts.

- The Head of State Labor Inspectorate, Mr. Dritan Ylli and his counterparts in the region paid a visit to our Plant in the framework of a regional conference on Health & Safety. Antea Cement was selected by the Labor Inspectorate among two other companies as a best practice company in Albania regarding high safety standards in workplace and care for employees. The visitors were presented our plant performance, and were given a tour to view the investment.



- The Greek Ambassador in Albania, Mr. Leonidas Rokanas, paid a visit to the plant in order to be introduced to its performance and the overall investment.



V. About this report

The Corporate Social Responsibility and Sustainability Report 2014 is the first annual Report that the Company is issuing according to GRI 3.1 guidelines incorporating data from 01 January 2014 until 31 December 2014. Performance data from ANTEA Cement's facility (the plant and its surrounding quarries) form the basis of this Report. The Report incorporates the full range of economic, social and environmental impacts and performance of ANTEA Cement operations. Relevant indicators are estimated following definitions provided by the Cement Sustainability Initiative Guidelines.

Following the update of the CSI Guidelines in 2013 regarding safety performance, all references to previously mentioned as "contractors" are now references to "indirect employees" or "indirect employment". Indicators referring to "direct employment from the local community" and "local suppliers or contractors", have been estimated with the following definition of local:

"Local" refers to the administrative region within which lies the cement plant, RM unit, a quarry, a terminal, company offices or other premises that belong to the Group or one of its subsidiaries. Locally-based suppliers are the providers of materials, products, and services that are based in the same geographic market as the reporting organization (i.e., no trans-national payments to the supplier are made).

Information regarding OH&S and environmental protection complies with Cement Industry standards and relevant Protocols of the World Business Council for Sustainable Development (WBCSD) - Initiatives for Sustainability in the cement industry (CSI).

All questions and/or suggestions regarding the report are to be submitted to ANTEA Cement's CSR Officer Ms. Teuta Saka or to the following email address:

csr@antacement.com

For more information please visit our website at:
www.antacement.com.

VI. GRI Index

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EN9	Water sources significantly affected by withdrawal of water.	33,46	EN28	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations.	No fines for 2014
EN10	Percentage and total volume of water recycled and reused.	33,46	EN30	Total environmental protection expenditures and investments by type.	39
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EN12	Description of significant impacts of activities, products, and services on biodiversity in protected areas and areas of high biodiversity value outside protected areas.	33,34,46	LA1	Total workforce by employment type, employment contract, and region, broken down by gender.	19-21
EN13	Habitats protected or restored.	33,34	LA2	Total number and rate of new employee hires and employee turnover by age group, gender, and region.	19-21
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EN15	Number of IUCN Red List species and national conservation list species with habitats in areas affected by operations, by level of extinction risk.	33,34,46	LA15	Return to work and retention rates after parental leave, by gender.	19
EN16	Total direct and indirect greenhouse gas emissions by weight.	35	LA6	Percentage of total workforce represented in formal joint management-worker health and safety committees that help monitor and advise on occupational health and safety programs.	25
EN17	Other relevant indirect greenhouse gas emissions by weight.	35	LA7	Rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities by region and by gender.	25,26
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EN19	Emissions of ozone-depleting substances by weight.	35	LA11	Programs for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings.	21
EN20	NOx, SOx, and other significant air emissions by type and weight.	36,37,47			
EN21	Total water discharge by quality and destination.	33,46			
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LA12	Percentage of employees receiving regular performance and career development reviews, by gender.	19	SO9	Operations with significant potential or actual negative impacts on local communities.	17
LA13	Composition of governance bodies and breakdown of employees per employee category according to gender, age group, minority group membership, and other indicators of diversity.	19-21	SO10	Prevention and mitigation measures implemented in operations with significant potential or actual negative impacts on local communities.	7-9, 11-13, 17, 31
LA14	Ratio of basic salary and remuneration of women to men by employee category, by significant locations of operation.	18,19	SO3	Percentage of employees trained in organization's anti-corruption policies and procedures.	10
Social: Human Rights			SO5	Public policy positions and participation in public policy development and lobbying.	10
HR3	Total hours of employee training on policies and procedures concerning aspects of human rights that are relevant to operations, including the percentage of employees trained.	23	SO6	Total value of financial and in-kind contributions to political parties, politicians, and related institutions by country.	/
HR4	Total number of incidents of discrimination and corrective actions taken.	No incidents for 2014	SO8	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with laws and regulations.	No fines for 2014
HR5	Operations and significant suppliers identified in which the right to exercise freedom of association and collective bargaining may be violated or at significant risk, and actions taken to support these rights.	23	Social: Product Responsibility		
HR6	Operations and significant suppliers identified as having significant risk for incidents of child labor, and measures taken to contribute to the effective abolition of child labor.	23	PR1	Life cycle stages in which health and safety impacts of products and services are assessed for improvement, and percentage of significant products and services categories subject to such procedures.	30
HR7	Operations and significant suppliers identified as having significant risk for incidents of forced or compulsory labor, and measures to contribute to the elimination of all forms of forced or compulsory labor.	23	PR2	Total number of incidents of non-compliance with regulations and voluntary codes concerning health and safety impacts of products and services during their life cycle, by type of outcomes.	No incidents for 2014
HR11	Number of grievances related to human rights filed, addressed and resolved through formal grievance mechanisms.	No grievance for 2014	PR3	Type of product and service information required by procedures and percentage of significant products and services subject to such information requirements.	30
Social: Society			PR4	Total number of incidents of non-compliance with regulations and voluntary codes concerning product and service information and labeling, by type of outcomes.	No incidents for 2014
SO1	Percentage of operations with implemented local community engagement, impact assessments, and development programs.	100%	PR5	Practices related to customer satisfaction, including results of surveys measuring customer satisfaction.	30

Appendix

Table No 11: Total water consumption

Total water withdrawn (by course)⁽⁵⁾	m³/y	243,325
Surface water ⁽⁶⁾	m ³ /y	0
Ground water ⁽⁷⁾	m ³ /y	243,257
Rain water ⁽¹⁸⁾	m ³ /y	0
Waste water ⁽⁸⁾	m ³ /y	0
Municipal water ⁽⁹⁾	m ³ /y	68
Ocean or sea water	m ³ /y	0
Total water use (by destination)⁽⁵⁾	m³/y	243,325
Process water ⁽¹⁰⁾	m ³ /y	55,328
Non recycled water for mechanical cooling ⁽¹¹⁾	m ³ /y	70,354
Water for environmental purposes ⁽¹²⁾	m ³ /y	60,000
Potable water (for drinking, cleaning, hygiene, etc.)	m ³ /y	26,389
Losses ⁽¹³⁾	m ³ /y	31,254
Total water discharge (by destination)⁽⁵⁾	m³/y	10,412
Surface water (river, lake) ⁽¹⁶⁾	m ³ /y	10,412
Sub-surface water (well) ⁽¹⁷⁾	m ³ /y	0
Off-site water treatment	m ³ /y	0
Ocean or sea water	m ³ /y	0
Total water consumption	m³/y	232,913
Total recycled water	m³/y	103,588
Recycled water for mechanical cooling ⁽¹⁴⁾	m ³ /y	94,588
Other (washing of vehicles, etc.)	m ³ /y	9,000
Total water demand	m³/y	336,501

Table No 12: Quarries rehabilitation

Year	Type of tree	Number	Surface	Type of tree	Number	Surface
	Limestone quarry			Flysch Quarry		
2011	Pinus alepensis	400	9200 m2	0	0	0
	Quercus Ilex	520				
	Laurus nobilis	300				
2012	Pinus alepensis	215	4334 m2	0	0	0
	Quercus Ilex	215				
	Laurus nobilis	216				
2013	Pinus alepensis	440	14400 m2	Pinus alepensis	41	3000 m2
	Quercus Ilex	430		Quercus Ilex	70	
	Laurus nobilis	430		Laurus nobilis	59	
	Salvia officinalis	1000		Cupressus	64	
	Cercis silicestrum	150		Acacia	175	
	Ginestra	150		Chestnut	30	
2014	Pinus alepensis	300	5600 m2	Pinus alepensis	51	2700 m2
	Quercus Ilex *	300		Quercus Ilex*	60	
	Laurus nobilis	300		Laurus nobilis*	56	
	Salvia officinalis *	1000		Acacia	75	
	Cercis silicestrum	150		Chest nuts	130	
	Ginestra	150		Cypress	60	

Table No 14: Monitoring points and frequency

Monitoring point	Monitoring frequency	Monitored parameter	Monitored from
Kiln stack	Continuous (24 h/day ; 365 days/year)	NO ₂ ; SO ₂ ; Dust	CEMS[1]
Cooler stack	Continuous (24 h/day ; 365 days/year)	Dust	CEMS
Cement mill stack	Continuous (24 h/day ; 365 days/year)	Dust	CEMS
Clinker cooler stack	Continuous (24 h/day ; 365 days/year)	Dust	CEMS
Kiln stack	Spot measurements & Spot checks	NO ₂ ; SO ₂ ; Dust; heavy metals; PCDD/PCDF; Benzene; PCBs; PAHs; HCl; HF; NH ₃ ; TOC; HCN;	Third Party monitoring Certified according to ISO 17025
Cooler stack	Spot measurements & Spot checks 2 times/year	Dust	Third Party monitoring Certified according to ISO 17025
Cement mill stack	Spot measurements & Spot checks 2 times/year	Dust	Third Party monitoring Certified according to ISO 17025
Clinker cooler stack	Spot measurements & Spot checks 2 times/year	Dust	Third Party monitoring Certified according to ISO 17025



Table No 16: Monitoring points and frequency

Monitoring point	Monitoring frequency	Monitored parameter	Monitored from
Quarries perimeter (4points)	4 times/year	SPM; Noise; Vibration	Third party monitoring, A Consultant (Certified according to ISO 17025)
Plant perimeter (6 points)	4 times/year	NO2; SO2; SPM; PM10; O3; Noise	Third party monitoring, A Consultant (Certified according to ISO 17025)
Waste Water	Every week	BOD5 & COD	ANTEAs Laboratory
Waste Water	Monthly	BOD5, COD, TSS, Total Coliforms, Oil & Grease, Turbidity, Total Nitrogen, Total Phosphorus, E-Coli, pH, Electrical Conductivity	Third party monitoring, Agricultural University of Tirana (Certified according to ISO 17025)
Surface Water (Decantation units)	Monthly	TSS, oil & Grease, pH, Turbidity	Third party monitoring, Agricultural University of Tirana (Certified according to ISO 17025)
Water wells	4 times/year	Water quality parameters	Third party monitoring, Agricultural University of Tirana (Certified according to ISO 17025)

Letter of assurance

Limited assurance report on the Corporate Social Responsibility and Sustainable Development Report 2014

To Management of Antea Cement SH.A.

Scope and Responsibility

We have reviewed the Corporate Social Responsibility and Sustainability Report 2014 (the "Report") of Antea Cement SH.A (the "Company"). Management is responsible for the preparation of the Report in accordance with the Global Reporting Initiative Guidelines (GRI) G3.1. as set out in the "Reporting Principles" section. Management is also responsible for determining the Company's objectives in respect of sustainable development performance and reporting, including the identification of stakeholders and material issues, and for establishing and maintaining appropriate performance management and internal control systems from which the reported performance information is derived. Our responsibility is to issue this report based on our review.

Procedures performed

We carried out our work in accordance with the criteria established for review engagements by International Standard on Assurance Engagements 3000 - Assurance Engagements other than Audits or Reviews of Historical Financial Information (ISAE 3000) issued by the International Auditing and Assurance Standards Boards (IAASB). That Standard requires that we comply with applicable ethical requirements of the Code of Ethics for Professionals Accountants issued by the International Federation of Accountants (IFAC), including independence requirements, and that we plan and perform the engagement to obtain limited assurance about whether the report is free from material misstatement. A limited assurance engagement on a sustainability report consists of making inquiries, primarily of responsible for the preparation of information presented in the sustainability report, and applying analytical and other evidence gathering procedures, as appropriate.

These procedures included:

- Comparison of information and data presented in the "2014 at a Glance" section of the Report to the corresponding information and data included in the Company's standalone audited financial statements as at and for the year ended 31 December 2014.
- Analysis of key processes underlying the generation, recording and management of quantitative data presented in the Report. In particular, we performed the following procedures:
 - Interviews and discussions with management and personnel of the Company to gather information on the IT, accounting and reporting systems used in preparation of the Report, and on the processes and internal control procedures used to gather, combine, process and transmit data and information to the office that prepares the Report;

- Sample based analysis of related documents used in preparing the Report to confirm the reliability of the information derived from the interviews, the effectiveness of procedures and their adequacy with respect to business objectives and the operation of internal control system in managing the data and information included in the Report;

- Analysis of consistency of qualitative data included in the report with the Global Reporting Initiative Guidance (GRI) G3.1;
- Verified the process of stakeholder involvement, in terms of methods used, completeness of stakeholders and analysis of data findings compared to the information reported in the Report;
- Obtained representation letter on the compliance of the Report with the GRI G3.1 Guidance issued in 2006 and on the reliability and completeness of the information and data contained therein.

Our work has been performed to achieve the scope of our engagement. We did not perform audit procedures and our work was substantially less in scope than an audit conducted in accordance with ISAE 3000 "Assurance Engagements Other than Audits or Reviews of Historical Financial Information". Accordingly, the work performed does not give us assurance to be aware of all relevant fact and circumstances that could have been identified by performing the audit.

Conclusion

Based on the procedures performed, nothing has come to our attention that causes us to believe that the Report is not prepared, in all material respects, in accordance with the Global Reporting Initiative Guidelines GRI G3.1 issued in 2006, as set out in the "Reporting Principles" section.

As indicated by the management in the "About this Report" section of the Report, the Company intends to continue to extend the reporting scope of the Report through further standardization of the existing information and data gathering procedures.

Ernst & Young EKA Shkup – Dega Shqipëri



1 December 2015
Tirana, Albania

ANTEA

REPORT Corporate Social
Responsibility
and Sustainability
2014

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