



Integrated Annual Report 2017

Building our future together.





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TABLE OF CONTENTS

| | |
|---|-----------|
| About this Report | 5 |
| CEO Message | 6 |
| 2017 At a glance | 8 |
| Business Review | 9 |
| About TITAN Group | 9 |
| About ANTEA | 12 |
| Governing objective, values, and stakeholder engagement | 14 |
| Environmental performance | 19 |
| Responsible production | 19 |
| Air emissions | 19 |
| Climate change and energy | 21 |
| Responsible consumption of materials and resources | 21 |
| Water management | 21 |
| Waste management | 22 |
| Use of land: Biodiversity, quarry rehabilitation & land stewardship | 22 |
| Social Performance | 24 |
| Health | 24 |
| Safety | 25 |
| People management and development | 26 |
| Stakeholder engagement | 27 |
| Suppliers, customers, and business partners | 28 |
| Community | 28 |
| Other engagements of ANTEA | 29 |
| Financial Performance and Governance | 30 |
| Financial performance KPIs | 30 |
| Governance | 30 |
| Annex A Summary of basic terms | 34 |
| Annex B Environmental Performance Index Tables | 35 |
| Annex C Social Performance Index Table | 36 |
| Annex D References and useful links | 38 |

ABOUT THIS REPORT

In 2014, ANTEA¹ published its first Annual Integrated Report independently verified according to international standards and best practice (see www.antea.com). It was the first such corporate report published in the country and it coincided with the adoption by the European Commission of the relevant Directive (*ref: 2014/95/EU, for rules on disclosure of non-financial and diversity information by large companies*).

This year's Report is the 4th Integrated Annual Report independently assured for ANTEA, covering the period from January 1st until December 31st 2017. The Report covers the key operations of ANTEA S.A. in Albania and the Terminals of Tirana and Ortona (Italy) and particularly the production and distribution of cement and cementitious products.

The 'audience' of this Report is ANTEA's key stakeholders, namely shareholders, employees, customers, suppliers, government and regulatory authorities, local communities, and NGOs. In addition, the audience includes potential investors, analysts and any other interested party. Feedback related to nonfinancial performance is welcome, and should be addressed to the following email address: www.anteacement.com.

With a view to respond to our stakeholders' expectations, the 2017 Report presents both financial and non-financial performance achieved in a more integrated format and focuses on material issues as prioritized through consultation with internal and external stakeholders. Basic terms and definitions, used in this Report, are provided in Annex A, while useful references for reporting criteria and guidance documents are provided in Annex D. Annexes B and C are inclusive of the Index of Key Performance Indicators for ANTEA's Sustainability Performance.

All material issues are presented in alignment to the UN SDGs 2030 (*see respective Annex for references and related web links*) introducing as such the global framework for

sustainability and social responsibility as adopted by the United Nations member states in September 2015, underlining the common challenges the world is facing.

With this Integrated Annual Report, we aim to better respond to the needs of our stakeholders and, in particular, improve shareholder communication concerning our performance and the ways we build value and ensure our long-term sustainability. We use the Report to seek out feedback from stakeholders and it constitutes part of our stakeholder engagement process, enabling us to focus on the most material issues. We remain focused on the standards of international integrated reporting, and the reporting Standards and Criteria of TITAN Group, as strengthened in 2017, and in more specific:

- The United Nations Global Compact (UNGC) Criteria for Communication on Progress (COP) in adherence to the UNGC Ten Principles, and:

- The World Business Council for Sustainable Development/Cement Sustainability Initiative (WBCSD/CSI), Sectoral Guidelines for monitoring and reporting on performance, in the areas of: (a) Environment (CO₂ emissions, other air emissions, water management, quarry rehabilitation and biodiversity management), and (b) Health & Safety (see respective Annex of this Report for the list of CSI Guidelines).

The TITAN 'Global Sectoral' Approach is based on the integration of the UNGC COP (Global) and the Sectoral (CSI) Standards, and builds on the exemplification of the Guidelines with TITAN Guidance documents, for the Group level, and follow the Materiality Assessment acc. to the principles and guidance of the AA1000 Stakeholder Engagement Standard¹

The Assurance of this report has followed the TITAN Approach, for the reporting standards and criteria, as described in the above.

¹ ANTEA in this report signifies the combination of the financial and non-financial operations of the Antea Cement Plant and the Terminals of Tirana and Ortona (Italy). In this respect, the terms ANTEA and ANTEA S.A. are equivalent.



MESSAGE FROM THE CEO

Dear Stakeholders

2017 was a year of solid performance for ANTEA, significantly increasing our production compared to the last 3 years. This result had a positive impact to our employees, suppliers and other stakeholders, enabling the implementation of our long-term strategy for sustainable growth and creating added value for all. We recognize that not all returns can be found in financial statements and that our responsibility to stakeholders is complemented by responsibility to society, at large.

In an effort to improve, comparing with previous years' report elements, this year's Integrated Report has been prepared based on and focusing to the issues identified as material for ANTEA and its stakeholders through the comprehensive materiality assessment that we have gone through the past years. In addition, we have identified the Sustainable Development Goals that are the most relevant and impactful in our operations. The UN 2030 Agenda, which was launched at the beginning of

2016 and contains 17 Sustainable Development Goals (SDGs) shows the major challenges the world is facing. ANTEA has identified the goals mostly relevant to our operation and we aim at contributing in managing our impacts to the society by aligning sustainable business practices with the UN 2030 Agenda. For us, sustainability includes economic, environmental and social dimensions and we have been working towards taking these aspects into consideration for a long time.

In financial terms, ANTEA's *Earnings Before Interest Taxes Depreciation and Amortization* (EBITDA) in 2017 increased by 29%, as compared to 2016. ANTEA exported over 32 % of its production and generated revenues from exports of about €16.5 million. Although our last year's performance has shown to be very promising, this is not an excuse to relax and we have to remain focused on our long-term sustainability targets. We are committed to continue being a responsible business as

well as a social and environmentally friendly one. Our social footprint remains our priority and it is a non-negotiable target.

Our company also remains focused on the health and safety of our employees and contractors, environmental protection and human rights. As of November 2017, we have adopted the new ISO 14001:2015 and ISO 9001:2015 standard requirements. ANTEA is the first company in Albania to implement the Social Accountability Standard 8000 compliant with SA8000:2014 requirements. This auditable certification standard encourages organizations to develop, maintain and apply socially acceptable practices in the workplace and is based on the principles of international human rights norms as described in International Labor Organization conventions, the United Nations Convention on the Rights of the Child and the Universal Declaration of Human Rights.

As we have always shown in action, our employees continue to be the most valuable asset of our company, and we are determined to offer them equal opportunities for growth and development. Health and safety continues to remain our top priority. The primary goal of our Health and Safety Policy is to foster and nourish a healthy and safe working environment for all individuals in the work area. We will continue to invest in our safety performance, aiming at creating an accident/incident free working environment. We continue our efforts to embed a safety culture and improve our capabilities to lead safety performance, specialized and intensive training courses for all employees, managers, contractors, were relatively increased in total number of training hours dedicated to safety compared to 2016.

Engaging with our employees, business partners and communities is fundamental in our strategy. In 2017, we took a further step towards reviewing stakeholders' feedback regarding material issues with our scope in 2020 and beyond. TITAN Group has adopted the UN SDGs 2030 as a common framework to set future goals related to the Group sustainability strategy. It remains clear that we seek to compare at par with the global cement and building material players in environmental performance and stewardship while we seek to remain

distinctive in social responsibility and engagement.

People development is crucial to our operations and to our long-term sustainability. The TITAN Group Leadership Platform as a common framework for all TITAN employees and managers provides the tools for performance assessment and development of professional skills and behaviors to meet professional and personal objectives and goals.

We continue to regularly engage with the local communities and recognize their concerns. We try to improve the quality of our interaction by voluntarily providing transparent information concerning our policies and operations. Our mission is to balance profit-making activities with activities that benefit society, developing a more proactive way of interaction. During 2017, the investments of ANTEA to the local community increased significantly. These contributions were focused on supporting projects of immediate need for the community. We have invested in the improvement of school facilities and local roads, provided donations to improve housing conditions of poor households, subsidies to local schools, scholarships, etc. We will carry on this practice in the upcoming years.

For the third consecutive year, we continued financing the "Family Strengthening Project". The aim of this project is to provide the necessary educational, economical, legal and psychological support to children and their families in the community, in order to live a normal life. This year's project has been expanded to 22 families and 54 children from the local community. During 2018, this project will successfully complete its three years cycle matching our expectations and having made possible for these families to live independently and thus make space to other 30 families that will be next included.

We prepare to face the challenges of our times with the confidence of our people and values. We are confident that by living and operating according to our values we contribute to a better future for all. We are confident that with the sincere commitment and active engagement of our people we can achieve our goals for sustainable and responsible growth.

MARIO BRACCI
General Manager



2017

AT A GLANCE

With respect to socio-economic & sustainable development goals objectives, ANTEA discloses its impact and contribution in the different local contexts. ANTEA continues its efforts towards an effective reporting of topics with regional or local impact.

| VALUE CREATION | 2016 | 2017 |
|-------------------------------------|--------------|--------------|
| › Salary & Employees Benefits | € 2,767,289 | € 3,035,609 |
| › Suppliers Expenditure | € 23,558,154 | € 48,082,269 |
| › Tax to Central & Local Government | € 9,629,884 | € 11,018,845 |
| › CAPEX | € 520,000 | € 2,424,723 |
| › Employees training hour's | 10,046 hr | 10,538 hr |

| ENVIRONMENTAL MANAGEMENT | 2016 | 2017 |
|--|--------|--------|
| › Total rehabilitated quarries area (m ²) | 64,000 | 71,000 |
| › Specific waste production (kg/t clinker) | 62.69 | 20.1 |
| › Nitrogen oxides NO _x (g/ton clinker) | 752.66 | 803.98 |
| › Sulfur oxides SO _x (g/ton clinker) | 23.16 | 31.48 |
| › Dust (g/ton clinker) | 1.85 | 2.25 |
| › Gross Direct Carbon Dioxide CO ₂ (kg/ton product) | 636.17 | 672.09 |
| › Specific water consumption (lt/ton cement) | 231.55 | 197.41 |

| HEALTH AND SAFETY | 2016 | 2017 |
|--|-------|--------|
| › Fatalities | 0 | 0 |
| › Employee Lost Time Injuries (LTI's) | 0 | 2 |
| › Employee Lost Time Injuries Frequency Rate (LTIFR) | 0 | 5.41 |
| › Employee Lost Time Injuries Severity Rate (LTISR) | 0 | 507.12 |
| › Training Hours for direct employees | 3,523 | 3,619 |
| › Training Hours for contractors | 1,162 | 387 |

| VALUE CREATION / LOCAL COMMUNITY DEVELOPMENT | |
|---|-------------------------------|
| › Donations in cash & in kind to local community (2010-2017) | € 561,302 |
| › Donations in cash & in kind to all stakeholders (2010-2017) | € 760,129 |
| › Reconstruction of schools and roads | 4 schools; App. 20km of roads |
| › Grievance mechanism implemented | In 2017 |
| › Public services awareness raising through continuous dialogue | Meetings throughout the year |
| › Bilateral meetings | >10 in 2017 |

BUSINESS REVIEW

ABOUT TITAN GROUP

TITAN is an international cement and building materials producer, with a history of more than 110 years. The Group's business activities include the production, transportation and distribution of cement, concrete, aggregates, fly ash, mortars and other building materials.

The Group is headquartered in Athens, Greece and has operations in 14 countries, which are managed under four geographic regions: USA; Greece and Western Europe; Southeastern Europe; and Eastern Mediterranean. The Group also has joint ventures in Turkey and Brazil. In 2017, TITAN generated a consolidated turnover of €1,505.8 million and EBITDA of €273.4 million. At year-end TITAN employed 5,432 people in total.

GOVERNING OBJECTIVE

TITAN aims to grow as a multiregional, vertically integrated cement producer, combining entrepreneurial spirit and operational excellence with respect for people, society and the environment. This objective is translated into four (4) strategic priorities:



Geographic diversification

Expansion of the Group's business through acquisitions and greenfield developments into attractive new markets



Vertical integration

Extension of the Group into other product areas in the cement value chain



Continuous competitive improvement

Implementation of new efficiencies throughout the Group to reduce costs and to compete more effectively



Focus on human capital and Corporate Social Responsibility

Development of employees and continuous improvement of the Group's good relationships with all internal and external stakeholders.

TITAN VALUES

TITAN's values stem directly from the principles, beliefs and vision of its founders back in 1902. They are the core elements of TITAN's culture and family spirit, providing the foundations of the Group's operations and growth.



Integrity

- Ethical business practices
- Transparency
- Open communication



Delivering results

- Shareholder value
- Clear objectives
- High standards



Know-how

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



Continuous improvement

- Learning organization
- Willingness to change
- Rise to challenges



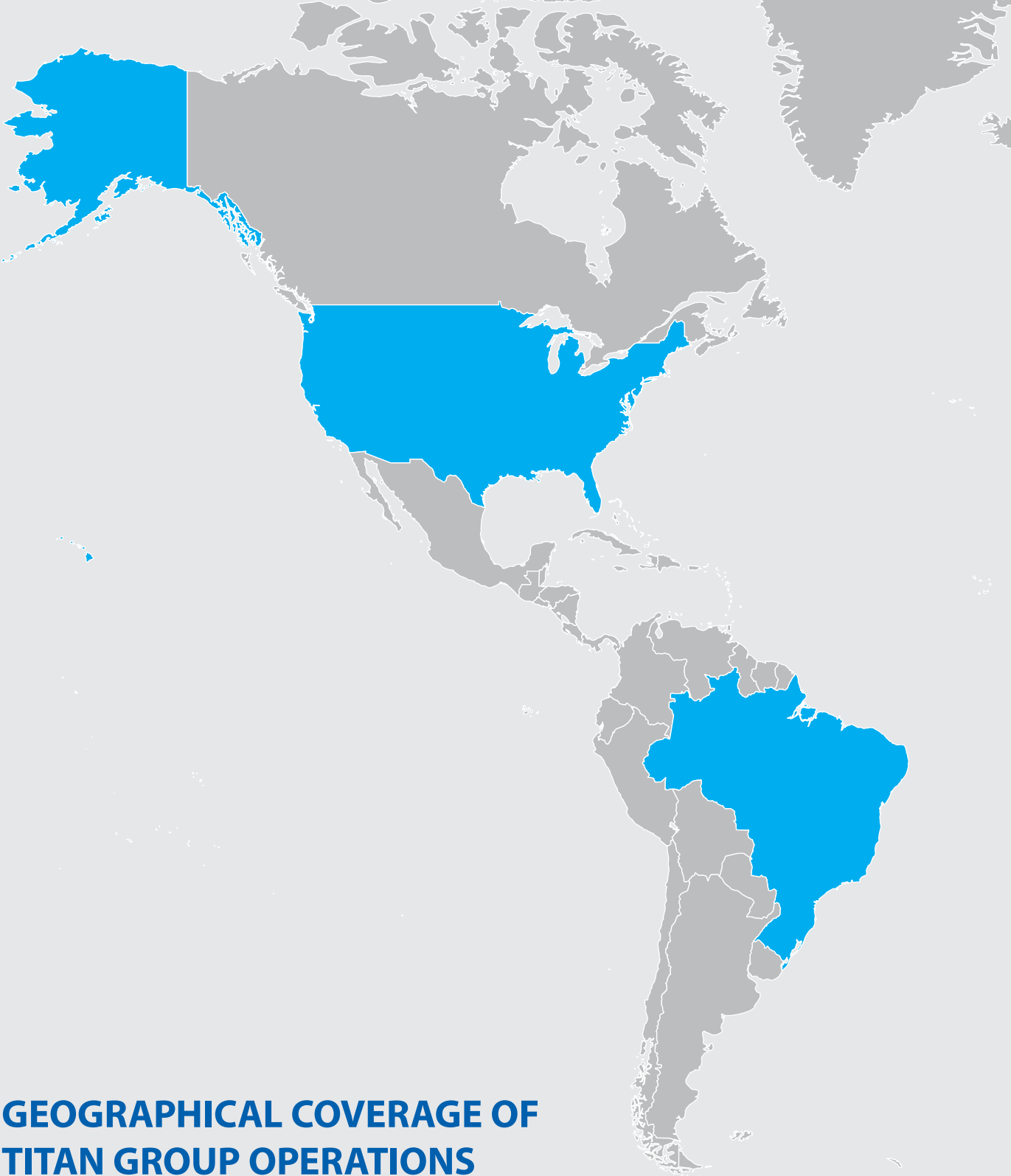
Value to the customer

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



Corporate Social Responsibility

- Safety first
- Sustainable development
- Stakeholder engagement



GEOGRAPHICAL COVERAGE OF TITAN GROUP OPERATIONS

The geographical diversification of TITAN is presented in the schematic map next. The Group (see above) has operations worldwide and sells products to 29 countries in North Africa, Western Africa, Canada, USA East Coast and Gulf of Mexico, Central America – Caribbean, Balkans and Western Europe. Recently, TITAN expanded its geographical footprint to Brazil, entering a promising market with long-term potential, joining forces with well-established local partners.



TITAN GROUP COMMITMENTS

TITAN Group's CSR and Sustainability commitment is demonstrated in its own policies and practices as well as through active participation in international initiatives. TITAN was the first company in Greece to sign the United Nations Global Compact, which aims to safeguard human rights, labor rights and the environment as well as to combat bribery and corruption. It is a member of CSR Europe, also a member of the World Business Council for Sustainable Development (WBCSD), and a member of the WBCSD/CSI (Sectoral Initiative). Also a member of the European Alliance for CSR.

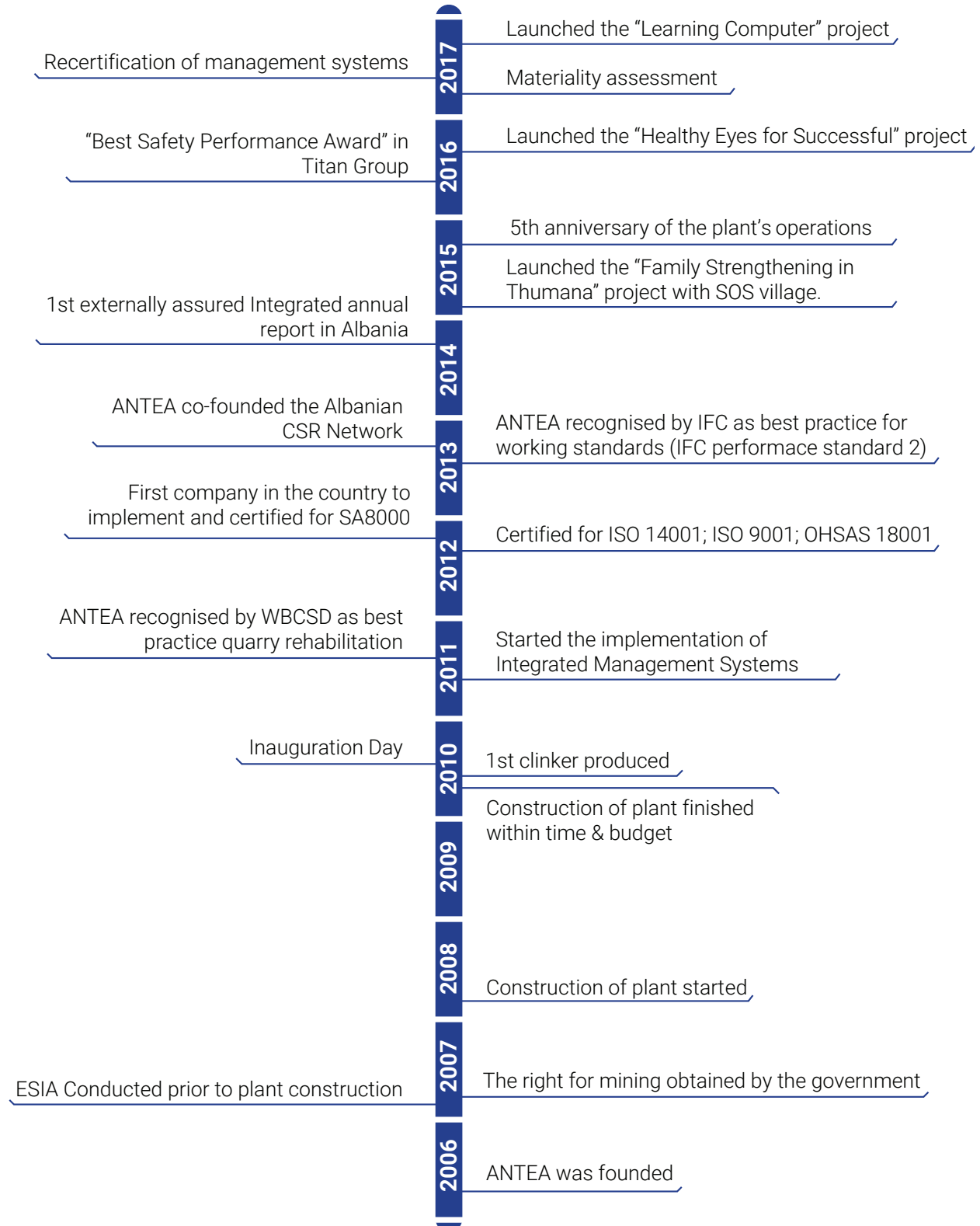
Reporting on social and environmental performance is based in an internal Integrated System developed by TITAN Group and updated within 2017, which facilitates

the process of collecting, compiling and reporting its non-financial performance throughout the Group in accordance to TITAN's sustainability strategy and commitments and more specifically UNGC COP criteria for advanced level and the WBCSD/CSI Guidelines and Reporting Criteria.

TITAN is reporting its non-financial performance data to stakeholders covering most material issues related to social, environmental and governance aspects and utilizing international and sectoral standards and best practice as well as its 10-year long experience of independent verification of the non-financial performance with 'reasonable assurance'

About Antea

HISTORY



ANTEA operates a cement plant in Albania and owns two cement terminals in Tirana and Ortona. It has production capacity of 1.4 million ton cement yearly and 3,300 ton clinker per day. The cement plant is located 50 km from the capital city of Albania, Tirana, in the locality of Boka e Kuqe, Borizane. The plant serves primarily local market demands and exports to other markets in the region. From the construction of the ANTEA cement plant, corporate social responsibility and sustainability were embedded in business strategy and provided the framework to build relations with all key stakeholders.

The cement plant of ANTEA is one of the biggest ‘green-field’ 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 best 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.

ANTEA is the first company to bring in the country a set of certified integrated management systems. This set is comprised by the ISO 9001 Quality management system, the ISO 14001 for the Environmental Management System, the OHSAS 18001 Occupational Health & Safety Management System, and the SA8000 Social Accountability Standard. SA8000 encourages organizations to develop, maintain and apply socially acceptable practices in the workplace.

Memberships and associations; ANTEA is:



- ANTEA is a member and co-founder of the Albanian CSR Network



- ANTEA is a member of the FIAA of Albania



- ANTEA is a member of the American Chamber of Commerce in Albania (AmCham)

- ANTEA is a member of the Hellenic Business Association of Albania (HBAA)

TITAN Group is a participant and active contributor:



- TITAN Group is a member of the CSR Europe Network; ANTEA is a member of the CSR Europe through our participation in the CSR Network of Albania



- TITAN Group is a Member of the World Business Council for Sustainable Development (WBCSD), and a Core Member of the Cement Sustainability Initiative, under the auspices of the Council (WBCSD/CSI)



- TITAN Group is a Participant to the United Nations Global Compact (UNGC)



- TITAN Group is an active contributor to the European Pact for Youth Program, of the CSR Europe Network

OUR PRODUCTS

Cem I /42.5 R

Portland Cement with the main constituents
95 – 100% Clinker.
Minor additional constituents 0 – 5% Gypsum

Cem II / A-LL 42.5

Portland Limestone Cement with the main constituents
80 – 94% Clinker.
6 -20% Limestone.
Minor additional constituents 0 – 5% Gypsum.

Cem II / B-LL 32.5

Portland Limestone Cement with main constituents
65 – 79% Clinker.
21 – 35% Limestone.
Minor additional constituents 0 – 5% Gypsum.

GOVERNING OBJECTIVE, VALUES, AND STAKEHOLDER ENGAGEMENT

HOW ANTEA DELIVERS VALUE

At ANTEA we are committed to create value for our employees, the local community, suppliers and clients through strengthening our core values, applying ethical business practices, ensuring an open and continuous communication with all stakeholders and addressing their most material issues in time and in proper manner. Although the context we operate has its own challenges, we strive to be a responsible company through identifying our societal impacts and taking actions to create value for our stakeholders by minimizing the adverse ones, while increasing the care and well-being for our employees, local communities and partners.

CSR STRATEGY

The Environmental and Social Impact Assessment Study conducted prior to the construction of the plant identified the main stakeholders of the plant and the potential impacts of the plant's operations to these stakeholders, proposing mitigation measures for all listed impacts. We have prepared an annual CSR Action Plan designed to implement all the projects, actions and activities falling under the following four pillars of the CSR Strategy:

In pursuing its objectives, ANTEA incorporates the principles of corporate social responsibility and sustainability in its business operations in line with the belief that they constitute not only ethical responsibility, but also good business practice.



STAKEHOLDER² ENGAGEMENT

Stakeholder engagement is a continuous process through which ANTEA aims to build trust-based relationships with its main stakeholders.

Local community is one of the main stakeholders of ANTEA, and we aim at a great relationship with our neighbors by ensuring a continuous transparent dialogue and investing in the community. A grievance mechanism as defined by the ANTEA's Integrated Management System offers open and anonymous access to all stakeholders for raising complaints and issues to the top management. It is a tool, which allows direct feedback and dialogue, and aims at increasing effectiveness when communicating with both internal and external stakeholders.

In addition, we seek feedback from our stakeholders in all occasions regarding the impact of our activities and initiatives including training and people development programs or community outreach programs and partnerships, or independent assessment and certification of sustainability performance standards. We annually review the outcomes of stakeholder dialogue and we populate the list of material issues we consider for our plans to ensure that we respond or prepare accordingly. Safeguarding a healthy and safe environment for our employees and communities remain at the top of our sustainability agenda.

Other priority areas are quality education and skills for jobs (see reference to the *Pact4Youth* in the respective

Annex), improvement of infrastructure and local partnerships, and care for our children and helping the most vulnerable.

Collaboration is fundamental for long-term sustainability. We foster collaboration between private and public organizations and stakeholders for the implementation of UN Agenda and the national voluntary action plans that each country should adopt. TITAN Group has been committed in this effort worldwide as a core member. Since 2017 TITAN has been a participant of the UNGC NY Office, since 2004 a core member of CSR Europe, the largest EU-based business network for social responsibility, and since 2003 a Core member of the WBCSD/CSI (see reference in the respective *Annex*).

ANTEA has engaged since the establishment of the company in 2008, in promoting the collaboration with other business and stakeholders, corporate social responsibility and sustainable development in Albania. As a founding member of the CSR Network in Albania since 2013, ANTEA strives to contribute through financial and human resources, expertise and experience from practice in setting the foundations for transparency, integrity and accountability. CSR Network Albania is the national partner organization of CSR Europe in Albania and as such participates in the European Pact for Youth and the multi-stakeholder dialogue for the implementation of the Sustainable Development Goals 2030.

ANTEA'S KEY STAKEHOLDERS



2 Stakeholders are all groups who affect and/or could be affected by an organization's activities, products or services and associated performance." (www.accountabilityrating.com)

Listening and responding to the concerns of our employees, local communities, customers, shareholders, suppliers and other stakeholders is a driving force behind our efforts at meeting effectively corporate social responsibility challenges. Understanding and addressing the material issues of our stakeholders is an ongoing process, which ANTEA is committed to enhance further.

The main focus has been to increase our stakeholder engagement by:

- Continuous professional and personal training as a tool of vital importance and a 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 activities and to properly address their concerns
- Communicating our values, activities and good practices to our stakeholders through various channels.

TYPES OF STAKEHOLDER ENGAGEMENT IN ANTEA

| Stakeholder | Type of engagement | Intended Outcome |
|---------------------------|---|--|
| Employee | Performance Appraisal Processes | Employee assessment and career promotion |
| | Internal changes / policies communication | Working environment safeguard according to highest standards |
| | Feedback | |
| | Employee representative meetings through unions | Be an Employer of Choice |
| | Trainings | Be informed in relation to various topics |
| | Events | Celebration of important dates |
| | 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 | Awareness on environment and H&S |
| | Trainings | |
| | Impact assessment | Address concerns |
| Customers | Customer surveys | Customer satisfaction survey |
| Suppliers | Procurement procedures | Best practice and sustainability principles implementation |
| | Trainings | Equal training opportunities to all suppliers |
| | Best practice share | Improve quality of services |
| Government | Site visits | Promote transparency and best practice |
| | Multi-stakeholder forums | Local and national governments partnership engagement |
| | Agreements | |
| NGO | Education | Address main concerns |
| | Public meetings | Seek collaboration opportunities |
| Business community | CSR Network | Share CSR best practices |

MATERIALITY ASSESMENT | THE PROCESS IN STEPS

ANTEA has adopted materiality assessment as an on-going process in the implementation of its Sustainability Strategy. Materiality assessment is a five steps process that combines the outcomes of the dialogue with internal stakeholders with those of desktop research and direct feedback from external stakeholders.

The outcomes of this process were used as a basis for aligning ANTEA's priorities with stakeholders' needs, thus ensuring the implementation of an inclusive and consistent strategy for the ANTEA's long-term sustainability. The key steps of this process, at both Group and local level, are presented in the diagram next:



Materiality assessment and connection with the 2030 SDGs has been prepared for ANTEA in 2017 and will be further validated by taking feedback from its stakeholders. Clear targets have been set in the materiality assessment following environmental, health and safety, governance supply chain and social issues.

The outcomes of the yearly assessments were utilized in order to feed the on-going dialogue with stakeholders enabling mutual understanding, building trust and consensus, and thus collaboration in support of sustainable solutions at all levels. This Report was built with an aim to cover all material issues identified by the above process, and apply a structure associated to materiality.

OUTCOMES OF THE MATERIALITY ASSESMENT ALIGNING WITH THE UN SUSTAINABLE DEVELOPMENT GOALS

Defining our priorities

The Group Corporate Social Responsibility Committee has decided to utilize the SDGs in order to define our future priorities and areas for further improvement. We believe that these goals offer us a unique opportunity to strengthen collaborative action, deepen stakeholder engagement and increase the value we create at local level.

We have already begun the alignment of ANTEA's goals with the SDGs through our materiality assessment process, described in the above. However, we have agreed that not all SDGs are of equal importance to us, so we have defined some main categories in order to reflect -with an order of priority- to our business activities.

| Material issues for ANTEA and its Stakeholders | Description | SDGs relevant to Material issues |
|--|---|--|
| Environmental | Responsible Production (Air Emissions, and Climate Change & Energy), and Responsible Consumption of Materials and Resources (Water Management, Waste Management, Use of Land: Quarry Rehabilitation, caring for Local Biodiversity and Landscape) | SDG6, SDG7, SDG12, SDG13, SDG15, and SDG17 |
| Social | Health & Safety of our employees, business partners, and the community, People Management and Development, and Stakeholder Engagement (Suppliers, Customers, and Business Partners, Community, and Other collaborative engagement of ANTEA) | SDG3, SDG4, SDG5, SDG8, SDG9, SDG11, and SDG17 |
| Financial | Revenue & tax transparency, financial liquidity | SDG1, SDG8, SDG12, and DG17 |
| Governance and business ethics | Customers satisfaction, legal compliance, supply chain management, ethical code, human rights | |

SDGs most relevant to our business

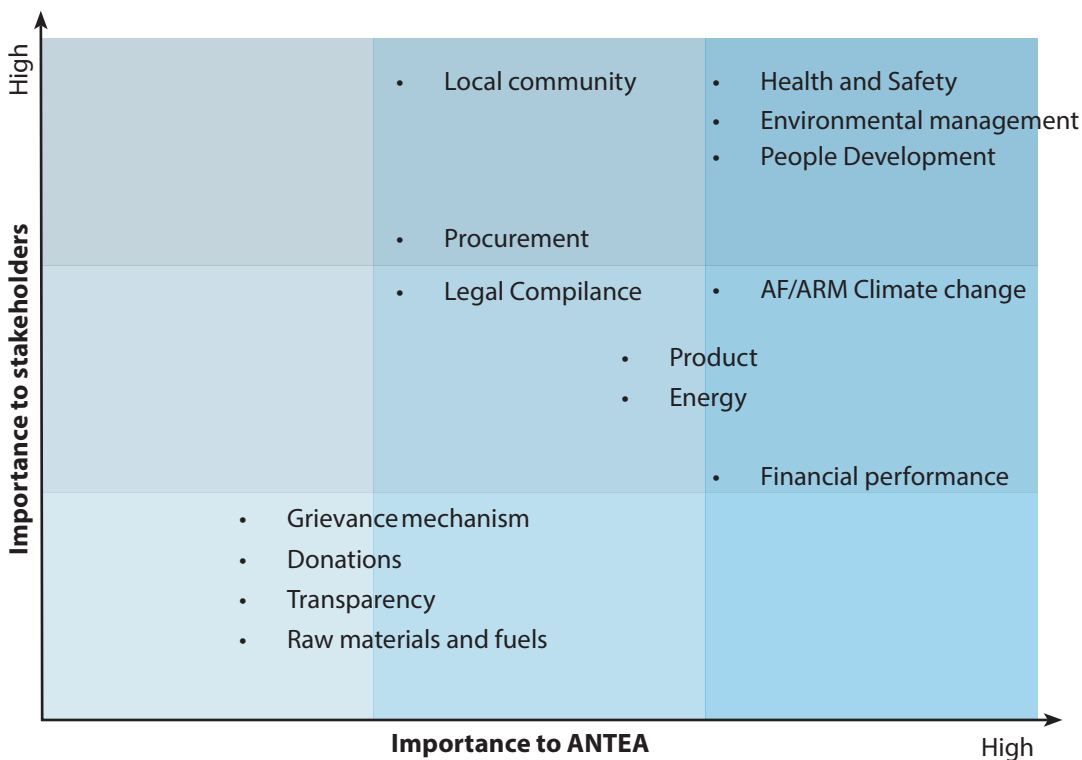


We will continue our assessment process throughout 2018, taking under consideration the consultations with national stakeholders, as we develop and promote the SDGs in each of the locations where we currently operate.

Given the significant changes all businesses have experienced over the last five years, we have revisited our sustainability strategy, expanding our scope and objectives while focusing on the implementation of

collaborative efforts. Since 2015, we have been following the key steps of the UNGC SDG Compass tool (“The guide for business action on the SDGs”, issued by the UNGC and WBCSD in 2015, *see ref in the Annexes*), starting with understanding and identifying the relevant SDGs for our business and how we can meaningfully contribute to their achievement. In particular, we are addressing health, the consumption of natural resources, climate change and collaboration for sustainable development as key areas to invest in the future.

THIS MATRIX SUMARIZES THE MOST MATERIAL ISSUES FOR OUR STAKEHOLDERS AND ANTEA



ENVIRONMENTAL PERFORMANCE

General Note: The performance of ANTEA is monitored and reviewed throughout the entire year. The review addresses accordingly and timely all the material issues of our operations. A framework of key performance indicators is presented in this report and divided in two main sets of KPIs: Financial, and Non-financial. Through the Non-financial KPIs we report on our environmental and social performance. Annexes B and C of this Report are inclusive of the Non-Financial KPIs for the period 2014-2017.

About our Environmental Performance:

ANTEA has operated since the beginning, according to ISO 14001 environmental management system certified accordingly by independent third party. The certification covers the quality and the adequacy of all applicable systems enforced to control and reduce air emissions, quarry rehabilitation and landscape aspects, groundwater, wells and wastewater aspects, liquid and solid waste, natural resources & energy consumption,

noise, and other environmental aspects.

Albeit difficult financial conditions in the country, ANTEA's Environmental expenditures, accounting for the investments in equipment, processes & systems, and projects for the impact mitigation, remained high in 2017, reaching almost €190,000 (See Annex B of this Report).

RESPONSIBLE PRODUCTION

Air emissions

Emissions management: Beyond national legislation requirements, the company has established a Continuous Emission Monitoring System (CEMS), in compliance with the EN 14181 Standard. In order to assure and validate the data which are continuously collected, CEMS is annually calibrated and tested for validity of the monitored data from third party accredited laboratories.

Additional investments to the CEMS: ANTEA has installed the MEAC 2000 system (*Acquisition and Evaluation of Emissions data*) 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 competence and transparency of ANTEA's reporting.

ANTEA operates according to BAT (Best Available Technique), in alignment with industrial Emissions Directive 2010/75/EU, although not an Albanian legislation requirement. The plant has covered

storages for over 100.000 tons of raw materials, and all transportation of materials within the plant is carried out via covered conveyors, aiming at decreasing the fugitive dust. Hybrid filters were installed at all point sources, and emissions are monitored and controlled regularly. Also, the decision was to install the latest technology of vertical grinding mills, for grinding of raw materials and also cement, because of their superior environmental performance and improved efficiency in electrical consumption.

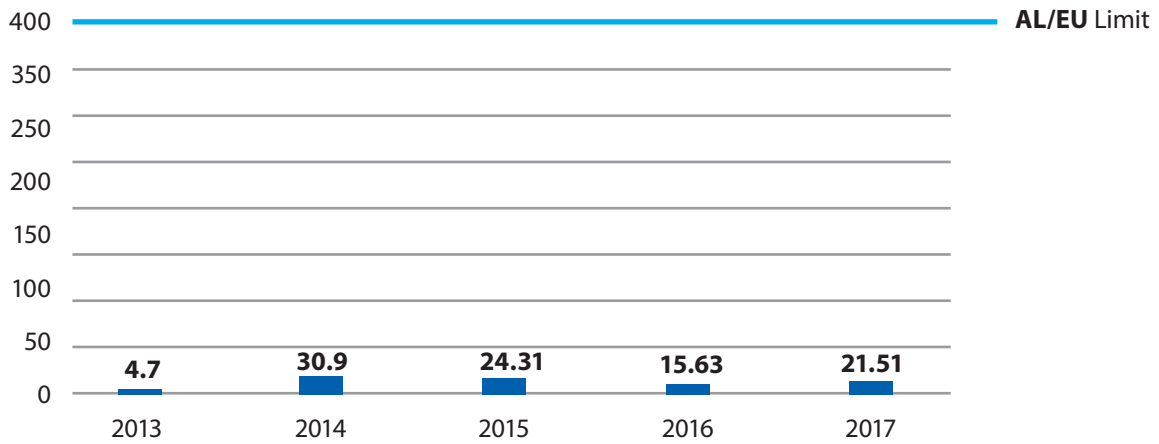
An example of the commitment of the company to decrease the emission levels under the limits required by legislation, is the installation of an 'SNCR' installation (Selective Non-Catalytic Reduction). This facility practically allows the company to decrease its NOx emissions. Although our NOx emissions were within the limits imposed by national legislation, the company invested €500,000 in an installation to further decrease emissions even to lower levels than the EU standards. The annual operational cost of the installation was estimated between €300,000 and €500,000.

(For historical data of ANTEA's Air Emissions performance, see Annex B of this Report).

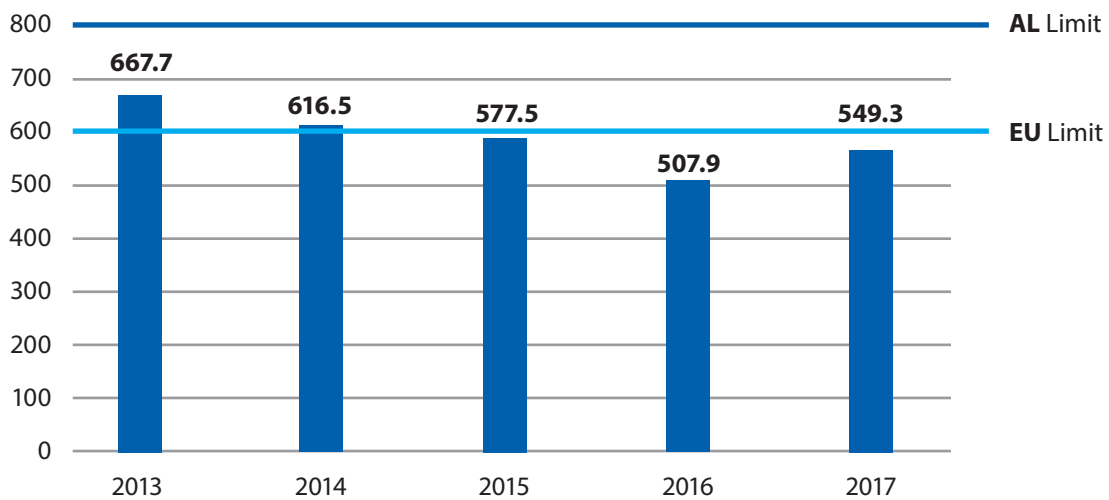
EMISSIONS PERFORMANCE IS SHOWN IN THE BELOW GRAPHS

ANTEA measures and reports on all required air emissions, in accordance with the WBCSD/CSI Guidelines for Emissions Monitoring and Reporting in the Cement Industry (ver. 2.0, 2012).

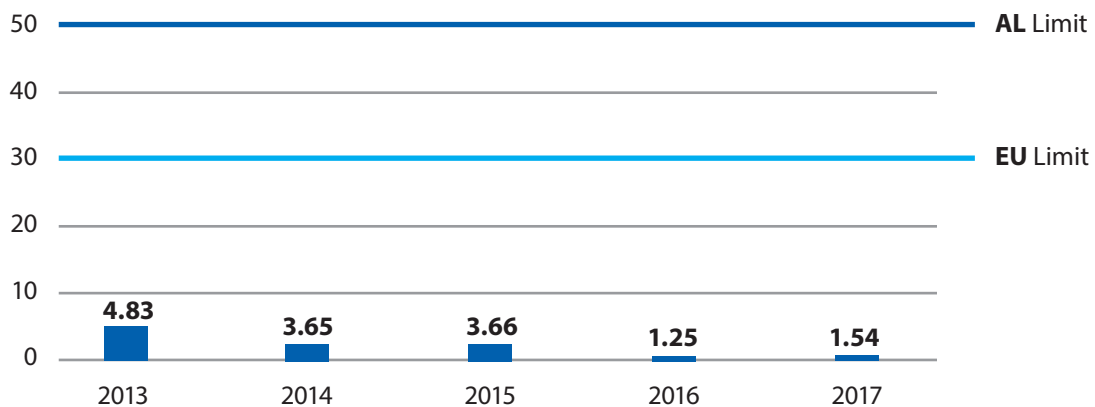
SOx emissions (mg/Nm³)



NOx emissions (mg/Nm³)



Dust emissions (mg/Nm³)



Climate Change and Energy

Carbon dioxide generated by the cement industry contributes to the “greenhouse effect”. TITAN group is focused on improving energy efficiency in industrial processes and developing eco-effective products. In this improvement, the substitution of fossil fuels with alternative fuels plays a central role. For this purpose, a lot of effort has been made by ANTEA already:

- An environmental impact assessment study was prepared for the usage of Alternative Fuels (AFs). The existing cement plant installations allow for the usage of AFs.
- The license for the AFs co-processing has been approved.
- Small quantities of AFs were co-processed during 2017, and the industrial test has been completed successfully.
- Intensive market research for possible sources is taking place today, as part of a continuous effort plan.

Until today, the substitution rate of fossil fuels with alternative fuels was negligible, and there is large room for improvement.

ANTEA applies the principles and best practices of the WBCSD/CSI, according to the CSI CO₂ and Energy Protocol: CO₂ and Energy Accounting and Reporting Standard for the Cement Industry (ver. 3.0, 2011). In

accordance to this protocol, ANTEA implements the calculation and reporting of CO₂ and energy on regular basis, despite the fact that it does not constitute a legal requirement in Albania. For this purpose, as well as in the areas of other air emissions monitoring and reporting (principles and practices), ANTEA is a pioneer in the country and a model of responsible industrial Operator.

(For historical data of ANTEA's CO₂ & Energy performance, see Annex B of this Report).

RESPONSIBLE CONSUMPTION OF MATERIALS AND RESOURCES

Water Management

ANTEA implements a water management system since the first day of its operation. Data on water consumption and discharge by every production unit are collected on monthly basis. Water management is monitored through monthly measurements. These measurements consist of the piezometric water level measurement performed in the four (4) water drills that supply water to the plant. Through this regular monitoring plan we aim at achieving a high level of responsible operation of the water wells and also the ability to identify and manage any potential losses. Proof of successful water management by ANTEA is also the identification of losses in/along the water circulation network, which require – on regular basis – maintenance.

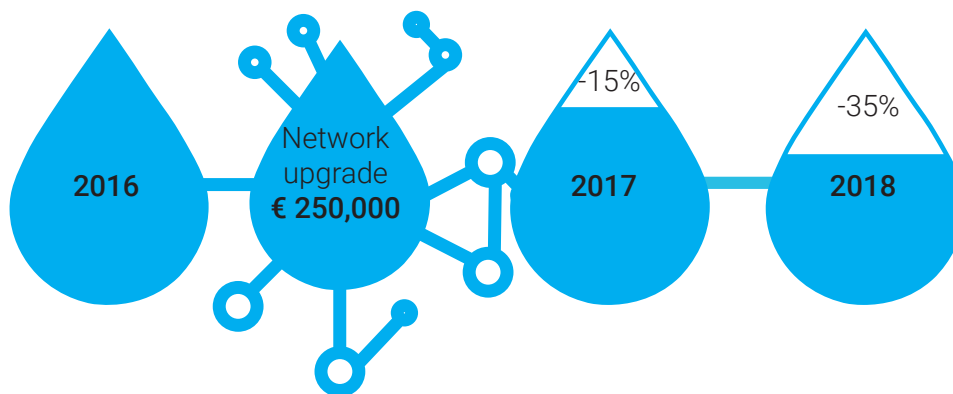
ANTEA applies the principles and best practices of the WBCSD/CSI, In line with the CSI Protocol for Water Reporting Protocol (published in 2014), and the CSI

Guidance on Good Practices for Water Accounting (companion document to the Water Protocol, published in 2016).

Only because we are monitoring continuously and we keep a detailed base of data collected on monthly basis by the plant we were able to notice an increase in the water consumption. For this purpose, ANTEA invested around €250,000 in 2017 to upgrade its water distribution and management network.

The project came to a successful conclusion in October 2017. Although only three (3) months in operation during 2017, we have managed to reduce our water consumption by around 15%. In 2018 the new system for water management is expected to be in full operation, aiming at further reducing our specific water consumption by -at least- 35%, compared to year 2016.

(For historical data of ANTEA's Water management performance, see Annex B of this Report).



Waste Management

In ANTEA we operate a waste management system following the waste hierarchy and trying to reduce, reuse and recycle as much of our waste as possible. Based on the best practices, the different types of waste are being separated at the source, collected and temporarily stored to a waste collection unit and then sent out for treatment through licensed contractors. ANTEA is putting effort to recycle and reuse internally as much as possible of the waste generated from its activities.

Examples of this practice are: (a) The reuse of waste raw materials from quarries as alternative raw materials for our production processes; and (b) Thousands of tons of materials coming out from the preparation of quarries are stored internally, and reused in the rehabilitation of quarry areas. At ANTEA, we follow the requirements for waste management of our Environmental Management System, certified acc. to ISO 14001:2015. (See Annex B of this Report)

Use of Land: Quarry rehabilitation, caring for Local Biodiversity, and Landscape

Following the initial stage of the Environmental and Social Impact Assessment (ESIA), for the establishment of the cement plant and related raw materials quarries (see graph "Environmental Performance Index Tables" of ANTEA History in the above), and based on the findings and recommendations of this assessment,

ANTEA conducted all necessary plans for the quarry development, management of natural resources, and rehabilitation. The assessment was in accordance to the principles of the International Finance Corporation (IFC). Also, for this purpose, ANTEA followed the principles of the WBCSD/CSI Guidelines for the ESIA (first ver. 2005).

The case study for the quarry rehabilitation was awarded as best practice from the WBCSD/CSI, for the following actions:

- A quarry management plan in place prior to quarry operation;
- A rehabilitation plan in place prior to quarry operation;
- Identification of the flora and endemic species of the region prior to quarry operation;
- Rehabilitation actions place within the first year of quarry operation;
- Two Albanian endemic flora species were included in the quarry rehabilitation (See pictures below)
- The first quarry in Albania to work acc. to EU standards, beyond compliance to the national legislation.

The Quarry Management Plans (QMPs) for both quarries were completed in 2010 and comprised of 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.

Two flora species included in the Red List of threatened species of Albania, namely quercus ilex (holly or holm oak) and salvia officinalis (sage) have been introduced in the quarry rehabilitation process. The filling of the depleted benches is carried out progressively as the

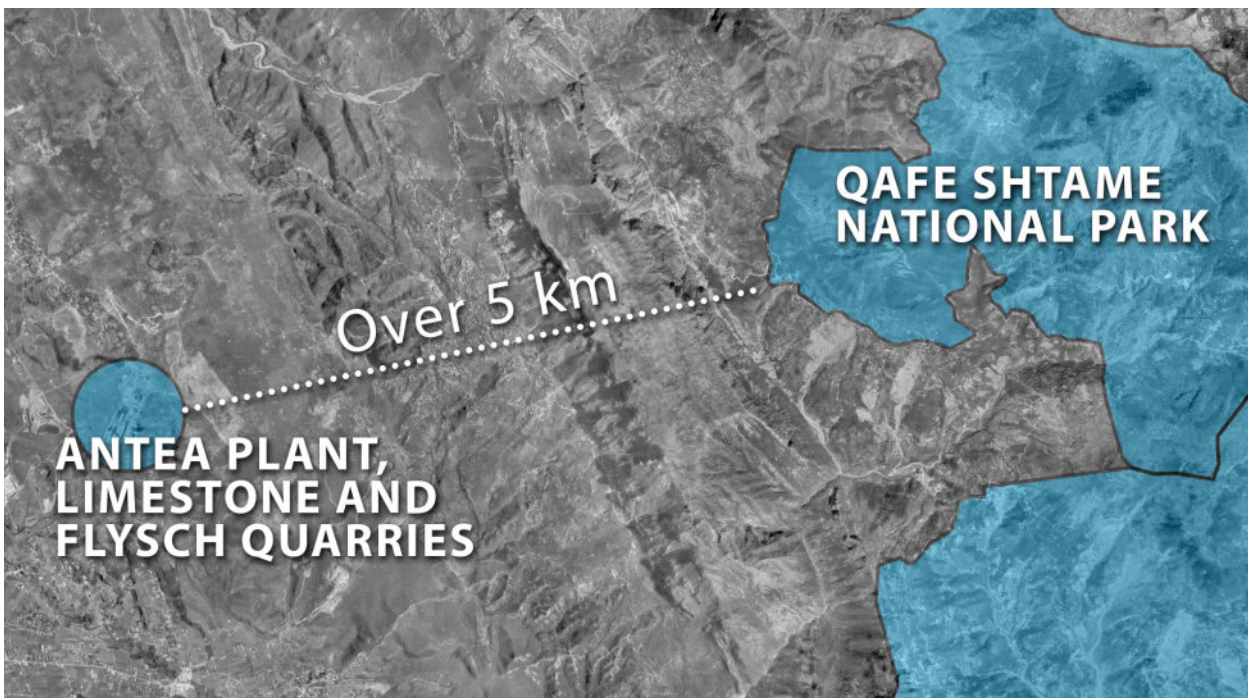
quarries develop and depleted parts are being created, by using soil / humus according to the specifications (thickness, type of soil and filling with inert materials) described in the environmental impact assessment studies and the specific needs of the site under rehabilitation. To date, more than 70,000m² of quarry area have been rehabilitated through the planting of more than 7,000 trees on top of depleted benches at the two operating quarries of ANTEA. The area near the plant and the associated quarries is open scrubland, used partly for grazing and hunting, and also as a source of wood for fuel.

No 'red-listed' (IUCN-listed) species for protection, and no habitat or other elements of high biodiversity value were identified, neither inside the ANTEA areas, nor and

in the vicinity of the plant and the associated quarries, and not even in a radius of 1 km from the area's borders. This is proof –to date- that the areas are not considered of important ecological value or high biodiversity value, compared to habitats of similar composition and quality, which are abandoned in the surrounding area.

Scanning of the plant and associated quarries area for possible high biodiversity zones is a continuous process, and it was last performed in the period 2013-2014 via the Integrated Biodiversity Assessment Tool (globally acclaimed tool for business use, in assessing for biodiversity value, acc. to the WBCSD/Natural Capital Protocol and Toolkit) application. The assessment will be repeated in the period 2019-2020, as ANTEA is committed to remain vigilant.

Map of the nearest by protected area is shown below, updated with the protected areas acc. to the IBAT.



Since 2011, ANTEA applies the principles and best practices of the WBCSD/CSI, in specific for the rehabilitation of quarries (ref: CSI Guidelines on Quarry Rehabilitation, published in 2011). ANTEA also makes efforts to manage all matters around the rehabilitation with using local species, in order to enhance the local biodiversity, acc. to the respective Guidelines of the CSI (Biodiversity Management Plan Guidance, published in 2014).

SOCIAL PERFORMANCE

General: At ANTEA we are committed to create value for our employees, local community, suppliers and clients through strengthening our core values, applying ethical business practices, ensuring an open and continuous communication with all stakeholders and addressing their most material issues in time and in proper manner. Although the context within which we operate has its own challenges, we strive to be a responsible company through identifying our impacts to society and taking actions to minimize the adverse ones, while increasing the care and well-being for our employees, local communities and partners.

We follow strictly TITAN Group's CSR Policy and 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:

1. Engage with our stakeholders
2. Provide healthy and safe working place for our employees
3. Reduce environmental footprint
4. Promote Corporate Social Responsibility in business community



Transportation Cost
EUR 243,593



Bottled water Cost
EUR 12,015



Catering Cost
EUR 255,868

HEALTH

Health is a very sensitive issue in the area wherever ANTEA operates. Due to the lack of infrastructure and to the weak health care provided, health has been identified as a material issue for ANTEA from the very beginning, during the ESIA conducted in 2008. Health came as a top priority also in the SIA conducted in 2015,

and also during the materiality assessment of ANTEA in 2017. For this purpose, and in order to support the communities in respect to this very sensitive and material issue, ANTEA has launched two important projects as follows:

“STRENGTHENING THE FAMILIES” PROJECT

This project was launched in 2015 and is going on for more than 3 years. ANTEA supported the ‘Family strengthening’ project in the villages of Thumana and Borizana, at Krujë Municipality. The project started with 19 families and 47 children from Borizana and Thumana villages and was extended to 21 Families in 2017. The project aimed at supporting families with social problems whose parents are not able to provide the

necessary economical and educational support to raise their children properly. Children were offered services to ensure their right to a decent life and development while parents were offered services in order to improve their capacities regarding the protection of children's rights and to enhance their capacities to provide due parental care.

Activities implemented by the project are:

- Material Support
- Food, clothes and hygienic items
- Improvement of living condition
- Support for home appliances
- Cash support
- Health support
- Medical assessment for children and caregivers
- Regular check-ups,

- Emergency visits and other services requiring examination/screening
- Specific vaccination
- Specific child health assessments
- Medical treatment for children and caregivers
- Medicines for children and caregivers
- Educational support
- Pre-school services
- School support
- School performance support and trainings
- To after-school day care
- Homework assistance
- Mentoring/tutoring
- As well as vocational/skills trainings and child rights trainings
- Psycho-social support
- Counselling for children and care givers
- Home attendance: home-based support

“HEALTHY EYES FOR SUCCESSFUL EDUCATION” PROJECT

Following the findings of the Social Impact Assessment (SIA) back in 2015 and Environmental Social Impact Assessment (ESIA) in 2008, health continues to constitute a top priority issue for our local community. In this respect and in line with SDGs 2020 Goal number 3 (“Good Health and well-being”), ANTEA initiated the “Healthy Eyes for Successful Education” project in 2017. This project aims at providing the necessary facilitation for the children to have proper eye tests. It is also a legal requirement for the children attending the school to provide a report of ocular health.

ANTEA started this initiative taking into consideration the location of the areas surrounding the plant and the fact that many local parents straiten to have

professional eye tests for their kids due to economical and also transportation difficulties. A professional eye-examination station was installed in the Thumana School and all the children of the school, as well as the teacher, were offered free eye tests. In this project 367 pupils of the Thumana School were given eye check-up. 245 of them required a more specialized examination and were sent in Tirana for professional eye tests. Out of the total, 82 kids were donated glasses as they were diagnosed with eye problems.

The same project will be implemented in 2018 in Borizana, Shperdhjet, Picrrage, Brret and Fushe-Mamurras village, and thus this service we will be available to all the children living in the communities.

SAFETY

Health and safety never ceased to constitute one of the top priorities of our company. We care not only for the safety, good health and the wellbeing of our employees, but also for their families, our contractors, and other business partners. We aim to promote and implement practices and set examples, which could also be followed by other industry operators, and other companies in Albania, regarding this global target.

No fatalities for direct employees and none for contractors were recorder in 2017. There were two (2) LTIs recorded for direct employees, and 14 near misses reported, all of which were investigated.

The Group’s zero-injury objective and its efforts for a place among the top performers in the international building materials industry have led ANTEA’s continuous pursuit of safety excellence. The vision of occupational health and safety has also led the company to seek certification in order to ensure that proper procedures and controls are in place.

ANTEA Cement has a yearly training program in place. Specific topics are chosen in order to ensure that

proper and adequate safety 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. The KPI of training hours per employee for Health & Safety reached 17, same with previous year, and increased from the period 2014-2015. The percentage of training man-hours dedicated to H&S trainings remained the highest among all other subjects in ANTEA, and reached 34% in 2017.

In addition to the training it provides, ANTEA also implements measures for keeping a ‘zero’ accident culture in the plant not only for direct employees, but also for contractors, drivers and transporters. ANTEA’s Management is focused on identification of leading causes of near misses, incidents or accidents and implementation in timely manner of corrective actions in order to prevent reoccurrence of incidents. Daily safety inspections are part of the daily routine job such as talking with the employees at work place on identification of hazards, improving the workplace and setting a continually training program following the plant needs for health and safety.

(For historical data of ANTEA’s Safety performance, see Annex C of this Report).

PEOPLE MANAGEMENT AND DEVELOPMENT

People are central to everything we do. It is through their efforts and talents that we have been successfully operating since the construction of the plant in 2010. At ANTEA Cement we share a genuine interest in people and society. Therefore, employment in our company is characterized by a long-term relationship based on mutual trust, directly reflecting our corporate values and consistency with our principles. Health and safety at work as well as employees' wellbeing are essential company priorities for us, while we systematically invest in our people in order to prepare them for dealing with everyday challenges. By joining ANTEA Cement, you not only join a company, which is part of TITAN multi-regional leading Group in the building materials industry, but also a company with strong commitment to the development of its people.

We in ANTEA **aim to attract, retain and develop the best people**, create an environment that ensures the best possible working conditions, promote transparency, reward performance and operate within the framework of TITAN Group Code of Conduct. Fundamental to our policy is the creation of a working environment that respects and values the individuals' and the employees' rights.

We provide mechanisms that promote open and direct communication with our employees. It is our commitment to offer equal opportunities both to applicants and employees, not allowing any form of discrimination related to gender, nationality, race, religion, family status or else and promoting transparency and meritocracy. We offer equal opportunities for all individuals with regard to employability, training, development, promotion or career advancement.

In 2017 the headcount of ANTEA at the end of the calendar year reached 193 people. The average number for the year reached 196 people. The KPI % of employees new hires reached 11%, (increased from 2016), whereas the turnover increased at a higher rate (reaching 16%).

The minimum monthly salary provided by ANTEA for semi-skilled/unskilled personnel is 1.6 times higher, compared to the minimum monthly salary established by the legislation in force. The company provides other benefits free meal, transportation and drinkable water to every employee. All female employees are entitled to maternity leave, which is fully utilized to date.

During 2017, 23% of employees received a performance appraisal through the **Performance Development Review process**, which is an annual assessment

process primarily for senior managers, managers, and administration/technical employees.

The development of our people is a responsibility, which helps us in retaining high-qualified personnel. In the area of Trainings, ANTEA contributed in 2017 to the development of our employees by providing **continuous training in technical and management skills**. The focus of our training (beyond what we provided above under the chapter of Health & Safety) 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.

Further, the **ANTEA Academy Training Program** in 2017 was intended for two levels of management, supervisors and managers, and aims at enhancing and strengthening our management team skills on the selected topics: (1) Meaningful Communication, (2) Conflict Resolution, (3) Providing Feedback, (4) Team Management, and (5) Project Management.

Between 2016 and the end of 2017 we have completed the first four modules. At the end of each module, participants develop an action plan for their improvement and steps which they commit to follow up. In total for 2017, 10,538 hours of training were delivered to our employees, and the ratio was app. 54 hours per employee. The investment for Trainings reached €385 per employee.

Strive to achieve gender equality: At European level, an equal opportunities policy was developed by ANTEA, through a series of Community Action Programs. These were aimed at enhancing women's rights in terms of employment and pay, promoting equality by means of positive action in favor of women, and promoting female employment through initiatives in education and training, new technologies, social security, and the reconciliation of work and family life. Given the demand for high skills in a shrinking labor pool, it is important that employers -like ANTEA- build on the strengths of non-traditional labor and work to meet employees' changing needs and aspirations. ANTEA, despite operating in the heavy industry sector, employed 22 females in total in 2017, of which 3 were engaged in managerial positions. In total females accounted for 11% of the employees, and the share of female employees in the management of ANTEA reached to 10%, decreased from previous years. Considering these two are important indicators of gender equality in the workplace, we are committed to apply equal compensation and

benefits between genders. This means implementing programs that help women not only stay in the workforce, but thrive in the workforce. Clearly defined paths for promotion, a flexible work culture and mentorship are all significant drivers of inclusion. Moreover, ANTEA through its actions for employees provides training

on gender equality to management personnel and educate managers in both the obvious and the subtle discrimination that takes place in business by teaching them how to identify discrimination when it takes place among their staff, how to deal with the situation and how to prevent it from happening in the future.

(Detailed disclosures of 2017 and historical data of ANTEA's Employment and Trainings are provided in Annex C of this Report, under 'Social Performance').

STAKEHOLDER ENGAGEMENT

Stakeholder engagement is a continuous process through which ANTEA Cement aims at building trust-based relationships with the community and other stakeholders. During this process, operational issues and concerns by different stakeholders are identified and consequently strategies and action plans are developed or improved, aiming to address those issues and concerns. Our main stakeholders are:



In order to manage the stakeholder engagement process we use the following focus areas as instruments for better involvement and engagement with community and other stakeholders:

- We organize various training events and activities aiming to raise awareness regarding important issues related to environmental care and health and safety as well as the celebration of important International Days and achievements of the plant.
- We have in place a development program aiming to support our stakeholders - especially the local community - with better infrastructure, increased opportunities for better education and public services.
- We are continuously in an open dialogue with our stakeholders aiming for transparency of our performance and proper address of their most material issues
- We communicate our values, activities and good practices to our stakeholders through various channels.



Suppliers, Customers, and Business Partners

At ANTEA Cement, we are committed to create value for our employees, local community, 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 on time and in a proper manner. Although the context where we operate has its own challenges, we strive to be a responsible company through identifying our impacts to society and taking actions to create value for its stakeholders by minimizing the adverse ones while increasing the care and well being for our employees, local communities and partners.

We ask to our customers to be part of the solution, and don't view them as part of the problem.

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.

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 for 35 of our contractors, including transportation companies. The scope of this procedure is to define the steps and responsibilities of progressive discipline identification in relation to dangerous behaviour and safety violations of ANTEA contractors and their subcontractors.

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

Community

ANTEA offered a three-month traineeship to 5 students of different university backgrounds. As of September 2017 we have a new group guideline on "Quality of Internship" that we follow at group level to secure Quality of the internship we offer, and to monitor from close the internships organized by ANTEA. We supported the summer school "Learning Computer Literacy" for the children/pupils of Thumana and Borizana village.

ANTEA supported/donated to the Institution of Business Studies (ISAB), for organizing the workshop "How to create a Business Online. Self-employment skills to minimize unemployment in Albania". Also, ANTEA participated and supported the organization of the academic conference "CSR as a Development Program" for the Responsible Businesses.

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 companies in the area. In 2017, 43.9% of ANTEA Cement employees are from local communities.



Other engagement of ANTEA

Awards and Recognitions

| Award, Recognition or other | Name of the award or recognition | Why this award/recognition was awarded |
|--|----------------------------------|--|
| DDAER (Earth Environment) | Thank You letter | For the implementation of the project "Healthy eyes for a successful education" |
| Liburnetik | Thank You letter | For the implementation of the project "Learning computer literacy" |
| SOS village | Award | For the continuous contribution if the "Strengthening the families in Thumana" project |
| Duart e Pajtimit (DEP) {hands of reconciliation} | Thank You letter | For the implementation of the Project "Recycle our waste" |
| Professional academy of Business | Thank You letter | For organizing the academics conference on CSR in Albania |
| Agricultural university of Tirana | Thank You letter | For the partnership in organizing study visits and internships with the students of this University |
| National Environmental Agency | Thank You letter | For being a contributor and supporter for other business in implementing the PRTR register for Albania |

Memberships

| Memberships | Website |
|---|--|
| American Chamber of Commerce | www.amcham.com.al |
| Embassy of Netherlands | www.albania.nlembassy.org |
| Foreign Investment Association | www.fiaalbania.al |
| Hellenic Albanian Business Association | www.hbaa.al |
| Albanian Banks Association | www.aab.al |
| Albanian Institute for Corporate Governance | www.cgi-albania.org |

FINANCIAL PERFORMANCE AND GOVERNANCE

FINANCIAL PERFORMANCE KPIs

The financial performance of ANTEA is monitored and assessed throughout the entire year. During 2017 demand for cement in the Albanian domestic market increased unexpectedly, compared to the levels of 2016, such increase was predominantly driven by the socio-economic developments in the country which led to an unexpected and seasonal increased activity in residential building as well as the finalization of several major infrastructure projects, nevertheless unfortunately such significant increase as anticipated was seasonal and in the subsequent year the cement demand in the country would return to its normal levels affected by the:

- Lack of liquidity in the market
- Low level of public projects
- High stock of non-sold residential projects

Total turnover of the company increased by 56% and amounted at €51,3 mln. The company capitalized over the improved business result by continuing its efforts to maximize the efficiency of its operations, achieving a stable variable cost and savings in its fixed costs.

The most important Financial KPIs are provided next:

| Year | 2016 | 2017 |
|--|------|-------|
| Total Revenues in million Euros | 32.9 | 51.3 |
| EBITDA Earnings Before Interest Tax Depreciation and Amortization in million Euros | 9.27 | 12.27 |
| Export Revenues in million Euros | 7.34 | 19.5 |

Our local community and other stakeholders have benefited as follows:

Between 2010-2017:

- Total of Euros 665,800 was provided to local communities and stakeholders under our development programs; And in total:
- Total of Euros 799,200 given as Donations, of which: Euros 103,076 in year 2017; And:
- Total of Euros 561,100 given to all local community programs, of which: 79.400 in year 2017.

GOVERNANCE

Corporate governance at Antea is based on the underlying principles of all good governance: accountability, transparency, integrity and sustainability.

ANTEA Cement is the first company in Albania and in the TITAN Group companies 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. 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.

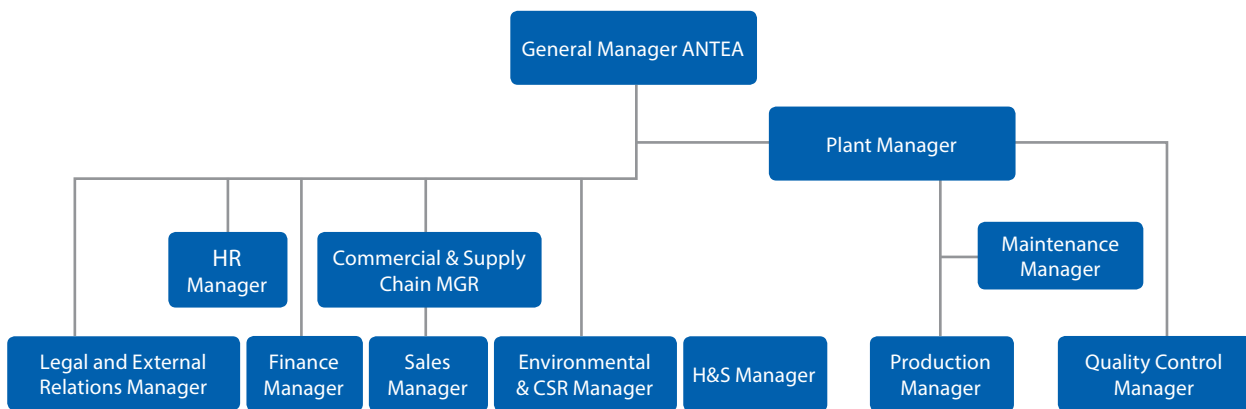
Health and Safety has been and is one of the top priorities of governance in our company. Group zero-injury objective and its efforts to be on the top performers of the international building materials industry have led ANTEA Cement to continuously pursue safety excellence. Occupational Health and Safety 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.

ANTEA Cement’s management team assesses the social, environmental, managerial and financial risks that the company can confront given not only the issues that Albania is facing, but the challenges are stemming from the region and further. The company manages the risks through:

- Internal audits 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

ANTEA’s organizational chart



At ANTEA Cement, we have the following Boards and Committees:

Quality Board:

The company’s management is involved in the Quality System through the Quality Board. The responsibilities of the Quality Board are the following:

- Establishing the Company’s Quality Policy
- Adopting the Quality System’s documents
- Conducting the internal quality audits
- Conducting reviews of the Quality System
- Establishing quality targets

Environment Board:

It is responsible to identify the environmental aspects, determine the emergency situations and the need for preparation of emergency plans, 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 improvement initiatives regarding safety and health at ANTEA plant. It establishes effective business processes to promote the full implementation of the TITAN's Group Health & Safety Policy. The Central Committee's Members must demonstrate visible leadership, personal commitment, active support, actions' accountability and timely follow-through for all safety programs.

The Social Accountability Board:

The Plant has also appointed a Social Accountability Board responsible to identify the social accountability issues, determine the required preventive or corrective actions, review on annual basis the Social Accountability Management System etc.

Credit Control Committee:

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

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

CSR Committee:

The main task of our 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

ASSURANCE LETTER

With reference to page 8 ('About this Report'), please note that: In 2017 ANTEA focused more on establishing TITAN Group criteria for the assurance of the Non-financial disclosures, and leveraging as much as possible the 'Global Sectoral' Approach of TITAN, in order to strengthen the disclosures and narrative of the 2017 Annual Report. This ambition required the alignment with the United Nations Global Compact Ten Principles, as criteria for the communication on progress in the areas of Social Performance, and the strengthening of the reporting criteria and narrative in this Report for the adherence to the WBCSD/CSI Guidelines for Health & Safety, and Environmental Performance. The CSI Guidance (Sectoral Approach), as criteria, were exemplified into TITAN's reporting standards already in 2017.

The Assurance of this report has followed the TITAN Approach, for the reporting standards and criteria, as exemplified in the above.

The scope and methodology of the Assurance by the experts of Grant Thornton is outlined in more detail inside the Assurance Letter (Independent limited assurance report), which is provided next, as inseparable part of this Report".

Annex A

Summary of basic terms

- Absentee: A worker who is absent from work
- Apprenticeship: A form of Initial Vocational Education and Training
- Award and/or recognition: Prizes or other marks of acknowledgement, or recognition, awarded to ANTEA.
- Child: Reference to the ILO Convention 138.
- Contractor: A company or an individual, who is not a TITAN direct employee, and contracted to carry out specified works.
- Subcontractor: A company or an individual, who is not a TITAN direct employee, but has been engaged by a Contractor to carry out a specific work.
- Supplier: A person or organization providing goods or services.
- Local suppliers: Suppliers are considered local when they provide goods or services to the company within a limited scope of geographic area.
- Third party: Any person not categorized as direct employee, or Contractor/Subcontractor.
- Donations and/or community investments: Voluntarily investments in the community.
- Employees: An employee is an individual who is, according to national law or practices, recognized as employees of the reporting organization.
- Employees' category: A categorization or breakdown of employees by level and function.
- Employee turnover: The number of employees who leave the organization voluntarily, or due to dismissal, retirement or death in service.
- Local employee: Individual who is employed and lives in the same location with the facility.
- Local community: Individuals or group of individuals who live and/or work in any areas that are impacted economically, socially, environmentally both positively and negatively by the operation of the facility.
- Stakeholders: Individuals or group of people who have an interest in any decision or activity of an operation.

Annex B

Environmental Performance Index Tables

| | WBCSD/CSI | 2014 | 2015 | 2016 | 2017 |
|--|--|------------|------------|------------|------------|
| Impact on Natural Resources | Raw Materials extracted for cement production in metric tons (wet) | 1,367,010 | 1,148,424 | 985,667 | 1,659,984 |
| | Total heat consumption (TJ) | 2,509 | 2,064 | 1,680 | 2,852 |
| Water consumption | Specific water consumption , lt/tCement | 328.0 | 228.2 | 231.6 | 197.4 |
| Land impact; Quarry Rehabilitation and Biodiversity | % Active Quarry Sites (wholly owned) with ISO 14001 or similar | 100% | 100% | 100% | 100% |
| | % Active Quarry Sites (wholly owned) with Quarry Rehabilitation Plans in place | 100% | 100% | 100% | 100% |
| Climate Change | Specific gross direct CO ₂ emissions, kg/tCementitious product | 681.35 | 661.89 | 636.68 | 672.09 |
| | Specific net direct CO ₂ emissions, kg/tCementitious product | 681.35 | 661.89 | 636.68 | 670.72 |
| Alternative fuels | Alternative fuels substitution rate, %Heat basis | 0 | 0 | 0 | 0,53 |
| | Alternative raw materials for producing Cement and Clinker, % | 0.92 | 0.93 | 0.82 | 1.25 |
| | Clinker to cement ratio , % | 74.89 | 73.66 | 73.72 | 77.65 |
| Other emissions to air | Coverage rate in % continuous measurements | 100 | 100 | 100 | 100 |
| | Specific dust particulates, g/tClinker | 4.95 | 5.41 | 1.85 | 2.25 |
| | Specific NOx, g/tClinker | 823.72 | 845.06 | 752.66 | 803.98 |
| | Specific SOx, g/tClinker | 41.29 | 35.49 | 23.16 | 31.48 |
| Investments in Environment | Environmental expenditures, in Euros/year (Total) | 319,701.00 | 192,812.00 | 295,387.00 | 197,984.00 |
| | Environmental management | 150,829.00 | 123,432.00 | 199,848.00 | 154,801.00 |
| | Rehabilitation | 6,317.00 | 15,618.00 | 30,357.00 | 11,299.00 |
| | Reforestation | 9,789.00 | 17,837.00 | 10,550.00 | 8,283.00 |
| | Environmental training and awareness building | 5,784.00 | 3,854.00 | 3,767.00 | 0 |
| | Application of environmental friendly technologies | 141,141.00 | 8,472.00 | 24,874.00 | 1,059.00 |
| | Waste management | 5,481.00 | 23,599.00 | 25,991.00 | 22,542.00 |

Annex C

| Social Performance Index Tables | | 2014 | 2015 | 2016 | 2017 |
|---------------------------------|--|-------|-------|-------|-------|
| Health and safety | Direct Employees fatalities | 0 | 0 | 0 | 0 |
| | Contractors fatalities | 0 | 0 | 0 | 0 |
| | Direct Employees Lost Time Injuries (LTIs) | 0 | 0 | 0 | 2 |
| | Direct Employees Lost Time Injuries Frequency Rate (LTIFR) | 0.00 | 0.00 | 0.00 | 5.41 |
| | Total number of near misses (direct employees and contractors) | 41 | 43 | 40 | 33 |
| | % of Investigated Near Misses | 95 | 100 | 100 | 100 |
| | Training hours for Health and Safety (Direct Employees) | 2,363 | 2,994 | 3,523 | 3,619 |
| | Training hours for Health and Safety (Contractors) | 596 | 854 | 1162 | 387 |
| Employment | Number of Direct Employees as of 31st December | 198 | 199 | 201 | 193 |
| | Employees left | 28 | 26 | 20 | 30 |
| | Employee turnover (%) | 14% | 13% | 10% | 16% |
| | Under 30 | 9 | n/a | 9 | 5 |
| | 30-50 | 16 | n/a | 11 | 18 |
| | Over 50 | 3 | n/a | 0 | 7 |
| | Employees new hires | 18 | 28 | 21 | 22 |
| | Employees new hires (%) | 9% | 14% | 10% | 11% |
| | Average number of Direct Employees | 206 | 199 | 200 | 196 |
| Employment per type | Full time | n/a | n/a | 196 | 195 |
| | Part Time | n/a | n/a | 1 | 1 |
| | Temporary | n/a | n/a | 0 | 0 |
| Employment per category | Managers | n/a | n/a | 24 | 22 |
| | Senior managers | n/a | n/a | 4 | 8 |
| | Administration/technical | n/a | n/a | 69 | 61 |
| | Aemi skilled/unskilled | n/a | n/a | 103 | 104 |
| Employment per gender | Females | 23 | 24 | 26 | 22 |
| | Males | 183 | 175 | 174 | 174 |
| | Share of women in employment | 11% | 12% | 13% | 11% |
| | Share of women in management | 14% | 14% | 14% | 10% |
| | Employees from local community | 42% | 43% | 43% | 44% |
| | Unionized employees | 30% | 33% | 29% | 49% |

| Social Performance Index Tables | | 2014 | 2015 | 2016 | 2017 |
|---|--|---------|--------|--------|---------|
| People Development Trained employees | Training investment per employee (Euros/employee) | 373 | 139 | 566 | 385 |
| | Trained females | 19 | 25 | 27 | 24 |
| | Trained males | 176 | 194 | 173 | 190 |
| | Share of trained female employees | 10% | 11% | 14% | 11% |
| Trained employees per category | Managers | n/a | n/a | 24 | 24 |
| | Senior managers | n/a | n/a | 5 | 8 |
| | Administration/technical | n/a | n/a | 79 | 74 |
| | Semi skilled/unskilled | n/a | n/a | 92 | 108 |
| Trained employees per age group | Under 30 | n/a | n/a | 62 | 57 |
| | 30-50 | n/a | n/a | 119 | 132 |
| | Over 50 | n/a | n/a | 19 | 25 |
| | Training hours | 6,459 | 5,736 | 10,046 | 10,538 |
| Training hours per gender | Female | 719 | n/a | 809 | 739 |
| | Male | 5740 | n/a | 9237 | 9799 |
| | Average training hours per employee | 31 | 29 | 50 | 54 |
| | Average training hours per female employee | n/a | 28 | 31 | 34 |
| | Average training hours per male employee | n/a | 29 | 53 | 56 |
| Training hours per subject | Environment: care and management systems | 98 | 237 | 227 | 187 |
| | Foreign languages | 1,748 | 112 | 1,680 | 452 |
| | Health and safety | 2,603 | 2,994 | 3,523 | 3,619 |
| | Human Rights | 18 | 185 | 19 | 199 |
| | Management and managerial skills | 16 | 297 | 1,882 | 1,878 |
| | Non-technical skills and specialization | 848 | 352 | 288 | 644 |
| | Other | 192 | 267 | 88 | 0 |
| | Security | 0 | 0 | 0 | 0 |
| | Technical know-how and core competence | 936 | 791 | 2320 | 3539 |
| | TITAN Group Code of Conduct | 0 | 501 | 19 | 20 |
| Stakeholder Engagement | Donations | 356,444 | 65,909 | 50,773 | 103,076 |
| | Internships | 4 | 16 | 5 | 16 |
| | New entry level jobs from internships/traineeships | n/a | 2 | 1 | 1 |

Annex D

References and useful links

| TITAN collaborative Initiatives | Principles/Guidelines/Commitments |
|--|---|
| <p>United Nations Global Compact (UNGC)</p> | <p>The Ten Principles and the “Advanced” level criteria for the UN Global Compact Communication on Progress (COP) UNGC Advanced COP submission guide COP Policy</p> |
| <p>World Business Council for Sustainable Development/ Cement Sustainability Initiative (WBCSD/CSI)</p> | <p>Sectoral Guidelines for reporting on environmental performance</p> <ul style="list-style-type: none"> • CSI: The Cement CO₂ and Energy Protocol, v.3.1 (2011) • CSI Guidelines for Quarry Rehabilitation (2011) • CSI Biodiversity Management Plan (BMP) Guidance (2014) • CSI Guidelines for Emissions Monitoring and Reporting in the Cement Industry, v.2.0 (2012) • CSI Protocol for Water Reporting (2014) • CSI Guidance on Good Practices for Water Accounting (2016) • CSI Guidelines for Co-Processing Fuels and Raw Materials in Cement Manufacturing, v.2.0 (2014) <p>and companion document:</p> <ul style="list-style-type: none"> • Creating solutions for safe, resource-efficient waste management (CSI, 2014) • CSI Guidelines for Environmental & Social Impact Assessment (2016) • WBCSD: The Integrated Biodiversity Assessment Tool (IBAT) • WBCSD/CSI: A Sectoral Approach - Greenhouse gas mitigation in the cement industry <hr/> <p>Sectoral Guidelines for reporting on social performance</p> <ul style="list-style-type: none"> • CSI: Recommended Good Practice(s) for (a) Driving Safety and (b) Contractor Safety, (2009) • CSI Guidelines for Measuring and Reporting on Safety, amended version 2013 • CSI Health Management Handbook, 2015 • CSI: Sustainable supply chain management principles and guides (3 documents), 2016 |

| TITAN collaborative Initiatives | Principles/Guidelines/Commitments |
|---|--|
| <p>Other, International References and Best Practice Documents</p> | <p>Sources related to reporting on environmental performance</p> <ul style="list-style-type: none"> • World Resources Institute • United Nations Framework Convention on Climate Change • Kyoto Protocol • Convention on Biological Diversity • International Union for the Conservation of Nature and Natural Resources (IUCN) • World Health Organization (WHO) <hr/> <p>Sources related to reporting on social performance and corporate governance</p> <ul style="list-style-type: none"> • The European Pact for Youth • European Quality Charter on Internships and Apprenticeships • The International Integrated Reporting Council (IIRC): Principles for Integrated Reporting • International Labor Organization (ILO): ILO Convention 138, 'Minimum Age Convention', 1973; Collective Bargaining Convention, 154, 1981; Forced Labor Convention, 29, 1930; Indigenous and Tribal Peoples Convention, 169, 1991; Declaration on Fundamental Principles and Rights at Work (Guiding principles on Business and Human Rights, United Nations Human Rights, 2011; • Transparency International: Business Principles for Countering Bribery 2013 • United Nations: Guiding Principles on Business and Human Rights, Implementing the United Nations- "Protect, Respect and Remedy" Framework, 2011; Declaration on the Rights of Indigenous Peoples, 2007; Convention on the Elimination of All Forms of Racial Discrimination, 1966; Convention on the Elimination of All Forms of Discrimination Against Women (CEDAW), 1979; Convention on the Rights of the Child, 1989; International Convention on the Protection of the Rights of All Migrant Workers and Members of Their Families, 1990; Universal Declaration of Human Rights, 1948; International Covenant on Civil and Political Rights, 1966; International Covenant on Economic, Social and Cultural Rights, 1966; International Bill of Human Rights; • World Health Organization (WHO); The Brundtland Commission • SustainAbility.com • International Finance Corporation (IFC): Performance Standards, 2012 • Danish Institute for Human Rights, June 2006 • ISO26000:2010 • OHSAS 18001:2007 |

Reporting Principles

WE SUPPORT



We published our first report on Corporate Social Responsibility and Sustainable Development for 2014 in 2015, being the first company in Albania to published an externally assured report covering also the non-financial performance. For the fifth year we continue to be the only company in Albania reporting by following the Guiding Principles of the International Integrated Reporting Council (IIRC, <https://integratedreporting.org/>). The Integrated Report follows the Global sustainable development goals in accordance with the priorities of the Company.

The 2017 Integrated Report includes material topics related to Antea Cement (cement plant, quarries, Tirana and Ortona terminal for cement).

The 2017 Report follows an integrated reporting framework with limited assurance verification for its non-financial performance disclosures for year 2017, according to the criteria for Communication on Progress of the UN Global Compact, and the sectoral approach and related criteria for reporting on Health and Safety performance and Environmental performance, in adherence with the Guidelines of WBCSD/CSI, as determined by the independent auditors from Grant Thornton ALBANIA. Their statement on the audit is a part of this Report.

The World Business Council for Sustainable Development and Cement Sustainability Initiative

The World Business Council for Sustainable Development (WBCSD) is a CEO-led organization of forward-thinking companies that galvanizes the global business community to create a sustainable future in which the principles of business, society and the environment are functioning in harmony. The Cement Sustainability Initiative (CSI) is a joint commitment by 24 major cement producers with operations in more than 100 countries who believe there is a strong business case for the pursuit of sustainable development. Collectively, these companies account for around 30% of the world's cement production and range in size from very large multinationals to smaller local producers.

Following TITAN Group's voluntary engagement in the framework of the WBCSD and CSI, Antea applies the CSI Guidelines for monitoring, assessing and reporting its sustainable development performance, in particular for the following areas:³

- Safety and health at work
- CO₂ emissions
- Dust and other air emissions
- Water management
- Quarry rehabilitation and protection of local biodiversity
- Responsible procurement and supply chain
- Stakeholders engagement and environmental and social impact assessment

The United Nations Global Compact Initiative⁴

The UN Global Compact is the world's largest corporate sustainability initiative. It is a call to companies to align their strategies and operations with Ten Universal Principles on human rights, labor, environment and anti-corruption, and to develop practice that advance societal goals.

TITAN Group was among the first 500 signatories of the UNGC worldwide.

³ Annex B and C

⁴ Refer to the Ten Principles of the UN Global Compact

The Ten Principles of the UN Global Compact

| | PRINCIPLE | EXPLANATION |
|------------------------|---|---|
| Human Rights | Businesses should support and respect the protection of internationally proclaimed human rights. | Antea is certified according to SA8000 standard which assures the full compliance with principle 1 and 2 of the UNGC |
| | 2. Make sure that they are not complicit in human rights abuses. | |
| Labour | 3. Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining. | Antea is certified for the Health & Safety Management System acc. to the OHSAS 18001:2007 Antea is certified according to SA8000 standard which assures the full compliance with ILO standards . 45% of our workforce are unionized. |
| | 4. The elimination of all forms of forced and compulsory labour. | |
| | 5. The effective abolition of child labour. | |
| | 6. The elimination of discrimination in respect of employment and occupation. | |
| Environment | 7. Businesses should support a precautionary approach to environmental challenges. | Antea is certified for the Environmental Management System acc. to the ISO 14001/2015 |
| | 8. Undertake initiatives to promote greater environmental responsibility. | |
| | 9. Encourage the development and diffusion of environmentally friendly technologies. | See section environmental performance |
| Anti-Corruption | 10. Businesses should work against corruption in all its forms, including extortion and bribery. | See section governance and business ethics |

SA8000 Requirements

CHILD LABOR

The company shall not engage in or support the use of child labor.

FORCED OR COMPULSORY LABOUR

The organisation shall not engage in or support the use of forced or compulsory labour, including prison labour, as defined in Convention 29, shall not retain original identification papers and shall not require personnel to pay 'deposits' to the organisation upon commencing employment.

HEALTH AND SAFETY

The organisation shall provide a safe and healthy workplace environment and shall take effective steps to prevent potential health and safety incidents and occupational injury or illness arising out of, associated with or occurring in the course of work. It shall minimise or eliminate, so far as is reasonably practicable, the causes of all hazards in the workplace environment, based upon the prevailing safety and health knowledge of the industry sector and of any specific hazards.

FREEDOM OF ASSOCIATION & RIGHT TO COLLECTIVE BARGAINING

All personnel shall have the right to form, join and organise trade union(s) of their choice and to bargain collectively on their behalf with the organisation. The organisation shall respect this right and shall effectively inform personnel that they are free to join a worker organisation of their choosing without any negative consequences or retaliation from the organisation. The organisation shall not interfere in any way with the establishment,

functioning or administration of workers' organisation(s) or collective bargaining.

DISCRIMINATION

The organisation shall not engage in or support discrimination in hiring, remuneration, access to training, promotion, termination or retirement based on race, national or territorial or social origin, caste, birth, religion, disability, gender, sexual orientation, family responsibilities, marital status, union membership, political opinions, age or any other condition that could give rise to discrimination.

DISCIPLINARY PRACTICES

The organisation shall treat all personnel with dignity and respect. The organisation shall not engage in or tolerate the use of corporal punishment, mental or physical coercion or verbal abuse of personnel. No harsh or inhumane treatment is allowed.

WORKING HOURS

The organisation shall comply with applicable laws, collective bargaining agreements (where applicable) and industry standards on working hours, breaks and public holidays. The normal work week, not including overtime, shall be defined by law but shall not exceed 48 hours.

REMUNERATION

The organisation shall respect the right of personnel to a living wage and ensure that wages for a normal work week, not including overtime, shall always meet at least legal or industry minimum standards, or collective bargaining agreements (where applicable). Wages shall be sufficient to meet the basic needs of personnel and to provide some discretionary income.

MANAGEMENT SYSTEM

Senior management shall write a policy statement to inform personnel, in all appropriate languages, that it has chosen to comply with SA8000.

This report has been prepared by the CSR team of Antea Cement with the support from the TITAN Group CSR Department.

This report can also be found in

<http://www.anteacement.com/wp-content/uploads/2018/11/antea-report-2017-eng.pdf>

For more information please refer to:

Klajdi Gjondedaj, CSR & Communications Officer

gjondedajk@anteacement.com

More information on the Company:

www.anteacement.com

More information on TITAN Group:

www.titan.gr

Independent Limited Assurance Report

To the Board of Directors of Antea Cement sh.a.

The Board of Directors of Antea Cement sh.a. (the “Company”) engaged “Grant Thornton sh.p.k” (“Grant Thornton”) to review the non-financial disclosures presented in the 2017 Integrated Annual Report for the fiscal year ended on December 31st, 2017 (“selected data”), in order to provide limited assurance in relation to the criteria as described below (Scope of work). For the purposes of this Report, the selected data relate to the Company’s activity in Albania and do not include information pertaining to other cooperating companies or third-party activities / performance.

Scope of work

The assurance engagement has been planned and performed in accordance with the International Standard on Assurance Engagements 3000: Assurance Engagements other than Audits or Reviews of Historical Financial Information (“ISAE 3000”), in order to provide limited level assurance opinion on:

- The consistency of qualitative and quantitative non-financial disclosures presented, with regard to the criteria for Communication on Progress of the UN Global Compact.
- The completeness and accuracy of qualitative and quantitative non-financial disclosures, in specific for the areas of Environment and Health & Safety and regarding the criteria applicable in 2017, which are aligned with the sectoral guidelines and reporting standards (Cement Sustainability Initiative), and with the TITAN Standards for Reporting on Group and BU level.
- The methodology of materiality assessment, with regard to the AA1000 AccountAbility Principles.

Management Responsibility

Antea Cement sh.a. is responsible for the preparation, presentation, completeness and accuracy of the non-financial data provided to us, as incorporated in the 2017 Integrated Annual Report. Furthermore, the Company’s Management is responsible for maintaining records and adequate internal controls that are designed to support the reporting process. In particular, the Company’s Management is responsible for internal controls being designed and implemented to prevent the Report from being materially misstated.

Grant Thornton Responsibility

We have performed a limited assurance engagement. Our responsibility is to express our conclusions based on the procedures carried out for the selected data, as described above in the “Scope of work” section.

Our responsibility is limited to the non-financial information related to the fiscal year that ended on December 31, 2017, as these were presented in the 2017 Integrated Annual Report.

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 Group, unless the terms have been agreed explicitly in writing, with our prior consent.

We conducted our work so as to collect all the data, relevant documentation, information and explanations we considered necessary as to the selected data described above, in the “Scope of work” section. The procedures followed with regard to the selected data included:

- Interviews with executives and key personnel responsible for the relevant information and assumptions.
- Visits to the Company premises.
- Review and assessment of the processes and controls used to collect, aggregate, validate and report the data;
- Sample tests on collected data, conversion factors and formulas, where required.

Level of Assurance

The procedures we carried out were designed to provide limited assurance, as specified in ISAE 3000, based on which we shaped the conclusion to our engagement. These procedures are not as extensive as those required for providing reasonable assurance; consequently, a lower level of assurance is obtained.

Limitations

To conduct our work, we relied exclusively on the information provided to us by the Company’s executives, which we accepted in good faith as being complete, accurate, real and not misleading.

- Therefore, we did not submit it to any verification procedures, apart from the procedures explicitly stated in our 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.

Independence

Grant Thornton implements the requirements of International Standard on Quality Control 1. Based on this, it maintains an integrated quality control system that includes policies and procedures for compliance with moral principles, professional standards and relevant legal and regulatory requirements. We comply with the independence requirements and other ethical standards of the IFAC Code of Ethics for Professional Accountants of the International Ethics Standards Board for Accountants (IESBA), which is based on the fundamental principles of integrity, impartiality, professional adequacy, confidentiality and professional conduct. In this context, the assurance team is independent from the Company and has not participated in the preparation of the 2017 Integrated Annual Report.

Conclusions

Based on the procedures performed and evidence obtained, nothing has come to our attention that causes us to believe that there are any errors or misstatements that would materially affect the non-financial disclosures (including explanatory notes and relevant references) as presented in the Integrated Annual Report of Antea Cement sh.a. for the year ended 31 December 2017. Moreover, nothing has come to our attention that causes us to believe that the non-financial data presented, are not prepared, in all material aspects, in accordance with the criteria mentioned above, in the "Scope of work" section.

Tirana, 20/12/2018

The Chartered Accountant



Kledi Kodra







Antea Cement sh.a.

Boka e Kuqe, Borizan, Krujë, Albania

www.anteacement.com