

ANNUAL SUSTAINABILITY REPORT

2017

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We grow and succeed together

In 2017 we made further progress towards our key priorities of balancing profitability and growth, building operational excellence and nurturing the long term sustainability of our business. Our sustainable development strategy and our 2020 goals were launched in 2016.

Developed with internal and external stakeholders, they are designed to help us raise a range of business, social and environmental challenges. The Company continues to expand its collaborative actions, learning from its

stakeholders and deepening its partnerships at all levels. This commitment to continuous improvement helps us to both integrate stakeholders' concerns in our strategy and to multiply the value we create and share with them.

2017 Highlights

Turnover

 4,248 mil MKD

EBITDA

 1,348 mil MKD

Profit After Tax

 1,093 mil MKD

Total Assets

 4,492 mil MKD

Invested capital

Total

 258 mil MKD

On environment and H&S:

 55 mil MKD

Employees (as at 31.12.2017)

 275

CED message



Dear stakeholders,

In 2017, we continued our commitment to a balanced, responsible and sustainable long-term growth in a world of growing environmental and social tensions and one of rapid technological change, prioritizing the needs of our partners and stakeholders. What makes our pleasure even greater is that this happened on the eve of the twentieth anniversary since TITAN entered our company. USJE has not only been a long-standing producer of proven and high-quality cement, but we have also striven to build and nurture partnerships, always providing values and talent development for the community and surroundings where we operate.

Although the country's political situation has stabilized, our total domestic cement consumption is estimated to have shrunk by about 5% compared to last year. This was mainly due to a decline in residential and commercial construction. USJE fared better than the market trend and ended the year with a moderate decrease of 3.7%. Even though USJE's domestic cement revenues fell by 5%, its increased export revenues resulted in increasing its total revenues by 2.6%. Along with implementing initiatives to drive growth, to restore profitability and to take operating excellence to a higher level, we continue to focus on the long-term sustainability of our business.

We recognize climate change as one of the highest global priorities and we have made a long-term action plan to reduce CO₂ emissions additionally. Following the European trends, in 2017, USJE started producing a new type of cement, which resulted in reduced specific gross CO₂ compared to 2016.

As regards health and safety, numerous technical improvements have enhanced overall safety in the plant. Furthermore, this year USJE marked the World Health & Safety Day and the European Health & Safety Week. Health and safety remain steadily among our top priorities. We have successfully launched targeted campaigns addressing two of our major causes of accidents, namely Lockout-tag out and Slips Trips & Falls.

Following the TITAN Group, we remain focused on our people as the driving force of our Company. To our employees, the Titan Leadership Platform has been a base for revised performance and development process that aims to enhance meritocracy and facilitate constructive feedback for personal development.

Our active engagement with all our stakeholders nurtures the sustainability of our business as we follow the principles of transparency, open dialogue and collaboration. In 2017, we continued to support the European Pact for Youth in an effort to increase youth employability.

By aligning our company priorities to the UN's 2030 Sustainable Development Goals, we seek to strengthen our collaboration with all stakeholders within the UN Global Compact, focusing on human rights, anti-bribery and anti-corruption and the environment.

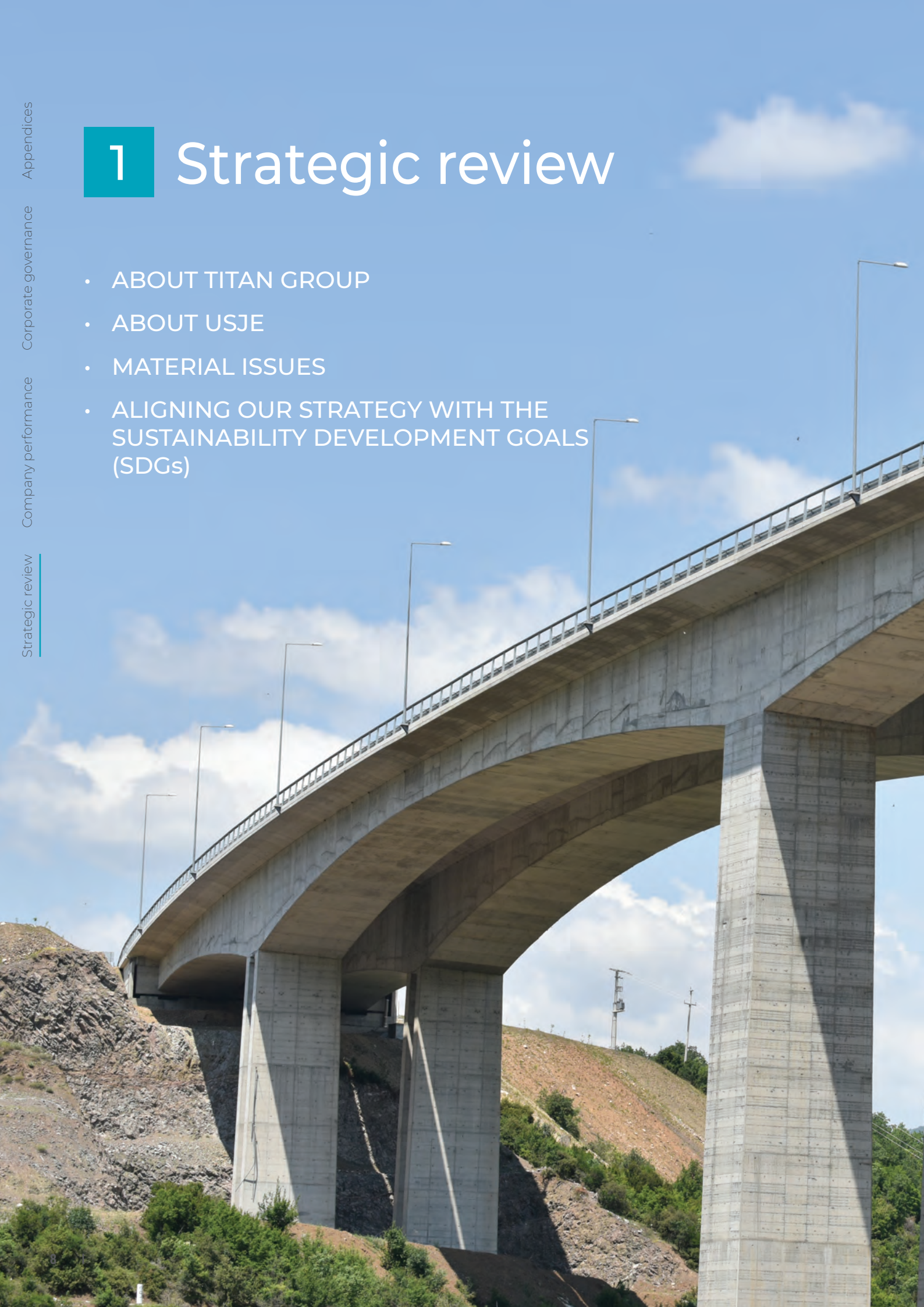
Boris Hrisafov

Chief Executive Director



1 Strategic review

- ABOUT TITAN GROUP
- ABOUT USJE
- MATERIAL ISSUES
- ALIGNING OUR STRATEGY WITH THE SUSTAINABILITY DEVELOPMENT GOALS (SDGs)



About TITAN Group

TITAN Group is vertically integrated cement and building materials producer with 115 years of industry experience. Headquartered in Greece, the Group 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. At yearend TITAN employed 5,432 people in total.

The Group's development growth is enhanced and ensured by a solid Corporate Governance system, an effective, flexible organizational and administrative structure; by the formulation and implementation of educational-training programs for employees

at all levels, all sectors and all regions of the Group's operations; and by a strong, all-pervading set of corporate values and social responsibility consciousness with sustainable development as its major pillar.

TITAN Group is a participant and active contributor:

WE SUPPORT



Governing objective

We aim to grow as a multiregional, vertically integrated cement producer, combining an entrepreneurial spirit and operational excellence with respect for people, society and the environment.

Strategic priorities

Geographical diversification

We expand our business through acquisitions and Greenfield developments into attractive new markets, to diversify our earnings base and mitigate the reliance on few markets.

Continuous competitive improvement

We implement new efficiencies throughout our business to reduce costs and compete more effectively.

Vertical integration

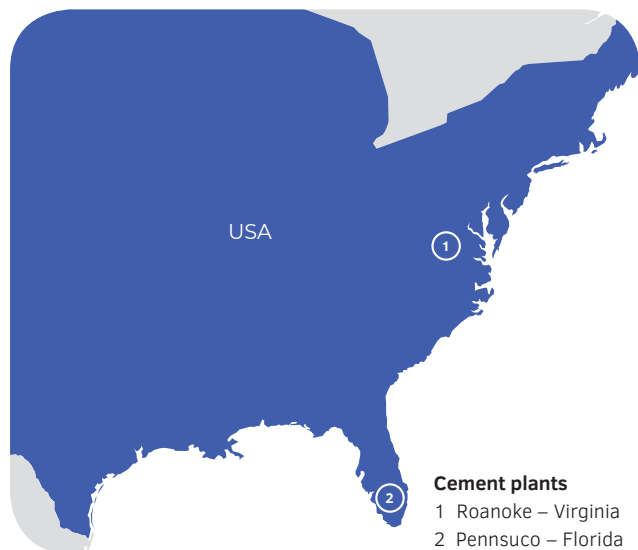
We extend our business into other product areas in the cement value chain, serving our customers better and accessing profit opportunities.

Focus on human capital and corporate social responsibility

We care for and develop our employees and continuously improve our good relationship with all internal and external stakeholders, always aiming for mutual respect and understanding.

Where we operate

USA



Greece and Western Europe



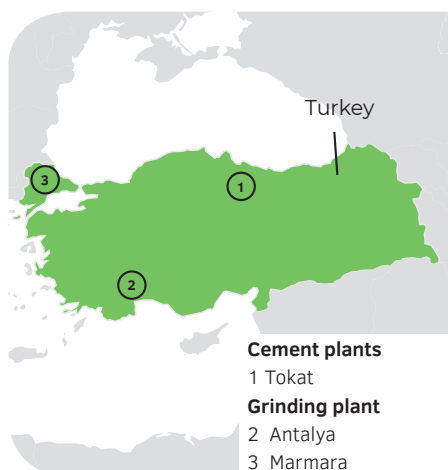
Southeastern Europe



Eastern Mediterranean



Joint ventures



About USJE

Cementarnica USJE is based in the southeastern part of Skopje and has been operating for more than 60 years. In 1998, Cementarnica USJE became a member of TITAN Group, multiregional cement producer, which significantly contributed to the company's growth, providing unlimited access to technological, financial, legal, human and other resources and expertise, and allowed USJE to gradually become a regional center of excellence in the sector of cement manufacturing.

The company employs on average 277 direct employees and 212 contractors. The capacity of both kilns is about 1,000,000 tons of cement, supplying the local market with Portland cement according to MKC EN 197-1

standard. USJE operates three quarries, the marl quarry USJE, the limestone quarry Govrlevo and the sand quarry. In addition to the cement production, USJE operates a Ready Mix plant producing different types of concrete.

Our values

Our values are at the basis of who we are. Our achievements and growth are driven by our core values. Cementarnica USJE is committed to and shares the TITAN Group values that have provided strong connection and continuous growth that has supported the company for more than one century, stemming directly from the principles, benefits and vision back in 1902. They remain the core elements of our business culture and family spirit.

Integrity

- Ethical business practices
- Transparency
- Open communication



Value to customers

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



Continuous improvement

- Learning organization
- Willingness to change
- Rise to challenges



Know-how

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



Delivering results

- Shareholder value
- Clear objectives
- High standards

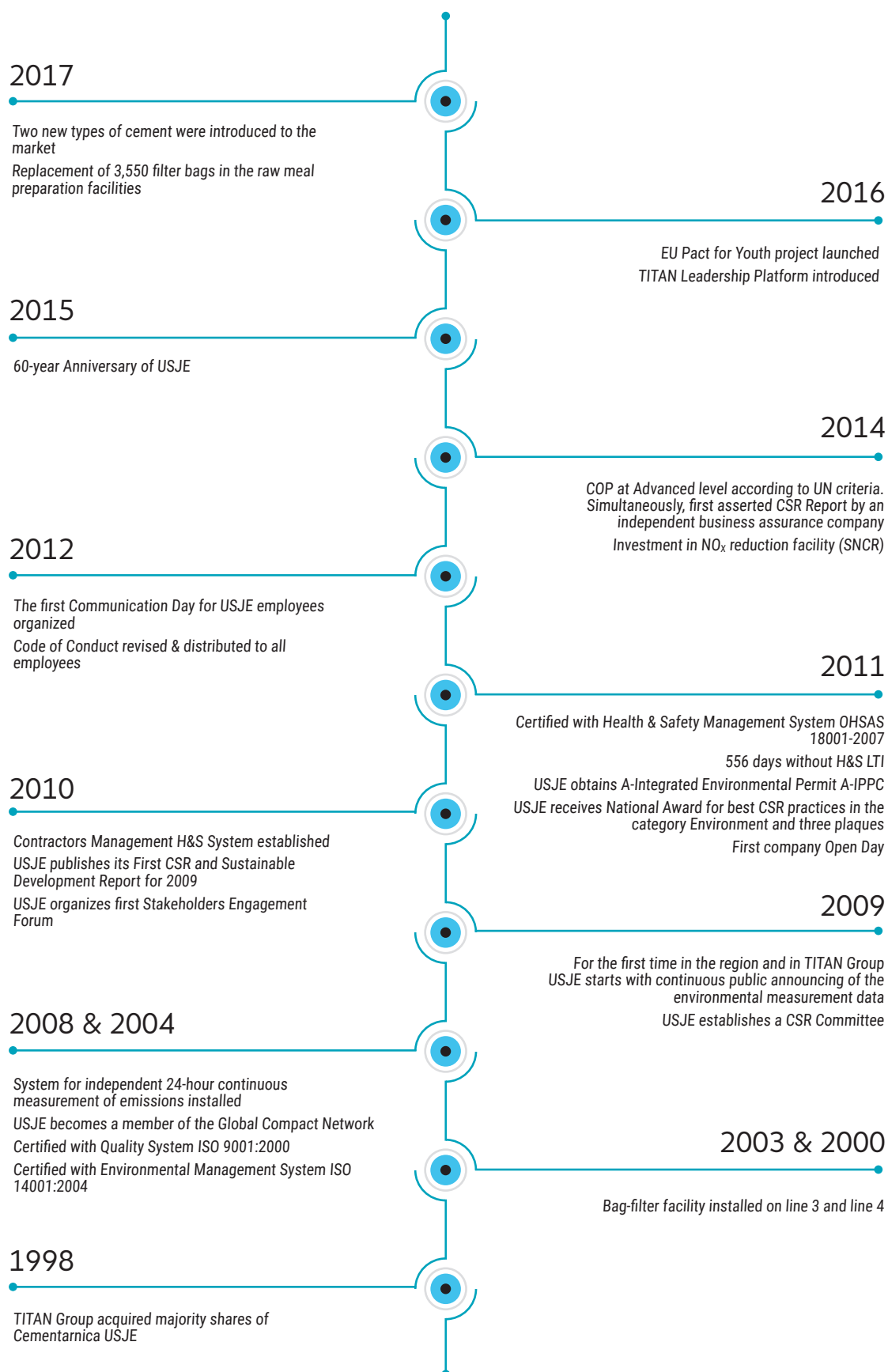


Corporate social responsibility

- Safety first
- Sustainable development
- Stakeholder engagement



20 years milestones



Our products



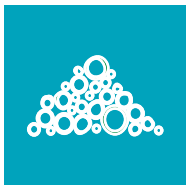
CEMENT

Cement is a binding substance and the main component in ready-mix concrete. It is made by grinding clinker, gypsum and other cementitious materials to a fine powder.



READY-MIX CONCRETE

Ready-mix concrete is made from cement, aggregates and water to produce a durable product that can be set in a variety of formats. It is typically mixed at the production plants to specification and then transported to construction sites



AGGREGATES

Aggregates are coarse materials such as sand, gravel, crushed stone and recycled concrete used in construction. They are the most mined materials in the world and are used as a raw material in cement and as a strengthening agent, for example, in asphalt and concrete. They can also be used in foundations for roads and railways.

Types of cement produced by USJE:

CEM II/B-M (V-L) 42,5N

CEM II/A-V 42,5R

CEM I 42,5R

Masonry cement USJEMAL MC5



Material issues

The non-financial performance review covers all issues that have been identified as material for USJE key stakeholders. TITAN and USJE have adopted materiality assessments as an ongoing process in the implementation of our sustainability strategy. Materiality assessment is a five steps process that combines the outcomes of dialogue with internal stakeholders with the outcomes of desktop

research and direct feedback from external stakeholders. The outcomes of this process are used as a basis for aligning USJE's priorities with stakeholders' needs, ensuring the implementation of an inclusive and consistent strategy for the long-term sustainability. The process is run in a three to five years cycle, whereby the key steps of this process are presented at the diagram below:



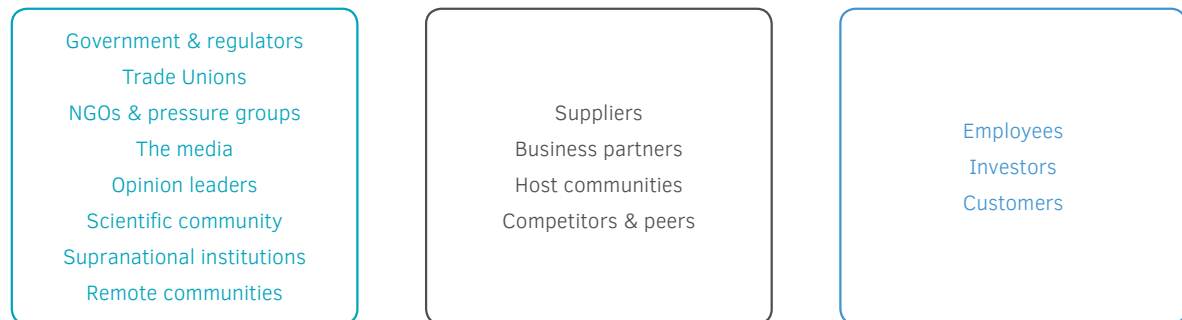
The outcomes of materiality assessments every year feed the ongoing dialogue with stakeholders enabling mutual understanding, building trust and consensus, and thus collaboration in support of sustainable solutions at all levels.

USJE materiality assessment 2016 & 2017



Importance to USJE ■ Low ■ Medium ■ High



































Importance of our stakeholders to our business



Importance to USJE ■ Low ■ Medium ■ High

Aligning our strategy with the Sustainability Development Goals (SDGs)

Since 2015, when USJE decided to align its sustainability strategy with the UN SDGs 2030, USJE has been using the SDGs as a common basis for dialogue and cooperation with its key stakeholders, as well as to define our priorities and areas for future improvement.

Material Issue	Priority Level	Who cares? (stakeholders)	What it means to USJE?	Correlation to SDG's
Health and Safety	1	Employees Business partners Government NGO	Well-being of our people and contractors. Continuous effort.	   
Environmental Management	2	Employees Communities Business partners NGO Government	A way to improve performance and keep license to operate.	   
People Management and Development	3	Employees Business partners Communities	Take care of people, training, development, succession planning, retention, employer brand.	   
Sustainability of Communities	4	Communities Business partners Employees	Interaction with local communities, stakeholders' dialogue and engagement, collaborations, cooperation / partnerships.	   
Customer Relations & Satisfaction	5	Employees Customers Business partners Investors	Competitiveness.	 
Political & Social Instability	6	Employees Communities Investors	Political instability affects USJE's operations and sustainability.	    
Governance and Transparency (incl. Ethics)	7	Employees Business partners Communities Society	The way USJE operates and governs its business.	   
Supply Chain	8	Business partners Communities Employees Investors	Systems in place to ensure selecting and working with suppliers which are consistent with TITAN's values and standards. Need to ensure implementation.	 
Climate Change & Energy	9	Employees Business partners Communities NGO Government	Minimize impact on climate change.	    





2 Company performance

- FINANCIAL PERFORMANCE
- DELIVERING VALUE FOR ALL
- NON-FINANCIAL PERFORMANCE

Social Performance

- Health and safety
- Our people
- Stakeholder engagement
- Sustainability of communities

Environmental Performance

Financial performance

The company achieved good overall results in 2017. The company's turnover increased by 3.46%, compared to the previous year, to 4,248 mil MKD. The EBITDA in 2017 was decreased by 9.40% versus 2016.

		2016	2017
NPAT: net profit after tax	mil MKD	1.201	1.093
CAPEX	mil MKD	179	257
ROCE (EBIT / Capital Employed)		44,8%	38.03%
Earnings per share	MKD	2.131	1.939

Sales volume

Cementarnica USJE registered a significant increase in cement sales volume of 6.5%. In 2017 a total of 938 thousand tons of cement were sold compared to 881 thousand tons in 2016, 289 thousand tons of which have been exported.

		2017
Cement	k tones	938
Ready-mix concrete	k m ³	25
Aggregates	k tones	75

Delivering value for all

Financial success is not possible without social and environmental responsibility. These are the basis of our sustainability strategy and ambitions, for which we take the expectations of our stakeholders into account. Our vision is to continuously follow our business goals and to create values in an ethical and socially responsible way, by doing less harm and more good.

USJE creates value through its products and services; they serve the need for safe, durable, resilient, affordable and sustainable housing and infrastructure. The related core activities of the company include the extraction of raw materials and their transformation into building products, the distribution of the products to customers and the transfer of know-how and expertise through collaborations with customers and business partners, local communities and academia.

Main raw materials used include limestone, clay, gypsum, mineral aggregates and energy. TITAN also operates

systems for recycling, processing and utilizing waste as alternative raw materials and alternative fuels, thereby preserving valuable resources and reducing the carbon footprint. USJE follows the global trends regarding the environmental footprint reduction, with particular focus on CO₂ reduction, both through process improvements, as well as through the development of low carbon clinkers. Another focus area is the development of new products, applying for example nanotechnology in cement and clinker, as well as the development of new cement, mortar and concrete recipes to serve our customers' needs.

How we create value

Main impact of quarrying activities:

- Fugitive dust
- Noise and vibration
- Alteration of the landscape
- Potential impact on biodiversity
- Energy consumption

- 1.521.441 t of raw materials have been extracted from 3 active quarries
- Almost 1 million m² is the total area of USJE active quarry, of which 580,000 m² are affected by operations
- Around 17,000 m² of active quarries have been rehabilitated by planting local trees
- Total quarry area that has been rehabilitated is 148,000 m²
- 925,375 tons is the total cement produced
- 540,100 t limestone produced
- Reduction in usage of natural resources as fuel and initiated projects for replacement with alternative fuels

Main impact of cement production:

- CO₂ Emissions
- Other Emissions (dust, NO_x, SO_x)
- Energy Consumption
- Noise
- Safety Risks

- Decrease by 2.6% in the average specific gross CO₂ emissions per ton of cementitious product
- Decrease by 8.6% in the average specific NO_x emissions per ton of clinker produced
- More than 243,000 trees planted by USJE or donated to third parties for planting since 1998, while about 18,100 trees were planted in 2017 only
- Within the year 2017 in total, there were 1,015 hours training related to environmental issues, which is 3.7 hours per employee on average
- More than €750,000 spent for environmental investments in 2017



Value created in 2017

Through direct taxation to the national and local authorities: **5.3 mil EUR**

To suppliers for goods and services over **54 mil EUR**
(of which 47.9% local suppliers)

Over **98,000 EUR** invested to local community

4.2 mil EUR in investments for company growth

To employees salaries and other benefits: **4.8 mil EUR**

Each employee received **41 hours** of training on average

Non-financial performance

Social performance

Cementarnica USJE is trying to develop further distinctive approach to social engagement inside and outside the organization.

Health and safety

Health and safety at work is a top priority at USJE plant. Our stated objective is to minimize the risk of accidents and injuries and the risk of occupational illness by means of effective preventive measures in order to achieve our vision of a healthy work environment free of incidents, injuries and accidents.

The given figures and indicators are in line with the following Group standards:

- “Safety measurement & reporting update”, November 3, 2015 which serves as a cover to the CSI Guideline on safety in cement industry, “Guidelines for measuring and reporting, Version 4”, May 2013
- Group Guideline “Leading indicators, Revision 1”, November 5, 2015
- CSI Driving safety and Contractor management

H&S performance of the plant is regularly audited by internal Group experts in line with the “Group HSE audit scope and rating” from 21/07/2018 which is part of the system for measuring-reporting-benchmarking and continuous improvement.

2017 key H&S indicators

- Zero fatalities and two LTIs of direct employees as a result of slip-trip-fall incidents
- 5.5 times decrease in LTIs of direct employees (Lost Time Injury) since 2005
- 2.7 times decrease in LTIFR (LTI Frequency Ratio) of direct employees since 2005
- 4.8 times decrease in the LTISR (LTI Severity Ratio) of direct employees since 2005

Insuring safety of employees, contractors and visitors

We believe that a safe and healthy workplace is a fundamental right of every person and also a business imperative. We are also convinced that our long-term success depends on working to ensure the safety of our employees, contractors and visitors. We work relentlessly to strengthen our safety culture and leadership: this means caring for people, their proactive involvement, learning from incidents within the Group and other companies. Furthermore we strive to help improve safety performance throughout our numerous contractors.

H&S Total training hours- employees	3,610
H&S Total training hours- contractors	1,433

Respecting that a safe working environment is based on how well the people on all levels adhere to and communicate about safety, our focus was to involve everyone. Safety is the first topic discussed at all meetings; managers do regular Safety Walks, while involvement of plant employees is continuous and is becoming an every-day routine. The OHSAS 18001 system, scheduled audits, trainings, reporting of incidents, investigations of incidents, improvement of work conditions and equipment, open communication are the basic tools for achieving our goals.

Incidents prevention

Prevention is fundamental instrument to achieving our goals. We implement many preventive methods like trainings, safety audits, safety walks, incidents reporting, process improvements, etc. Compared to the previous year, the 2017 indicators show that we have an increasing tendency in most of the preventive methods. It is important to highlight that 83% of agreed corrective actions were completed throughout the year (586 corrective measures out of 708). This does not only contribute to the improved safety of the work environment, but also demonstrates our commitment to fix things and further encourage people to report issues related to health and safety.

Additionally, we continue with the awarding system for reported incidents focusing on near misses (four people were awarded). As a result, the number of reported incidents has increased by 82% compared to the previous year. Very important is that people are reporting more and more unsafe activities (45 compared to 38 last year) and, especially, the 35 near misses compared to 14 last year.

Hazard identification, risk assessment and risk control process

As a set priority for this year, we have successfully introduced “Safe Work Plans” for jobs/projects rated with higher risk. These thorough plans include work method statement, hazards analysis for each phase and task, preventive measures and risk assessment matrix. They are composed by involved parties, meaning our people, contractors and the H&S department. Continuous improvement asks for more and more new approaches and methods. Therefore, for 2018 our goal is to strengthen the “Hazard Hunting” process, meaning deeper and deeper analysis of jobs, production processes, etc.

Raising H&S awareness

Cementarnica USJE is strongly committed to people development aiming to increase employees' H&S awareness. In 2017 the "Wednesday Lectures" trainings had a special topic focusing on safety awareness. The topic of safety is continuously communicated on every-

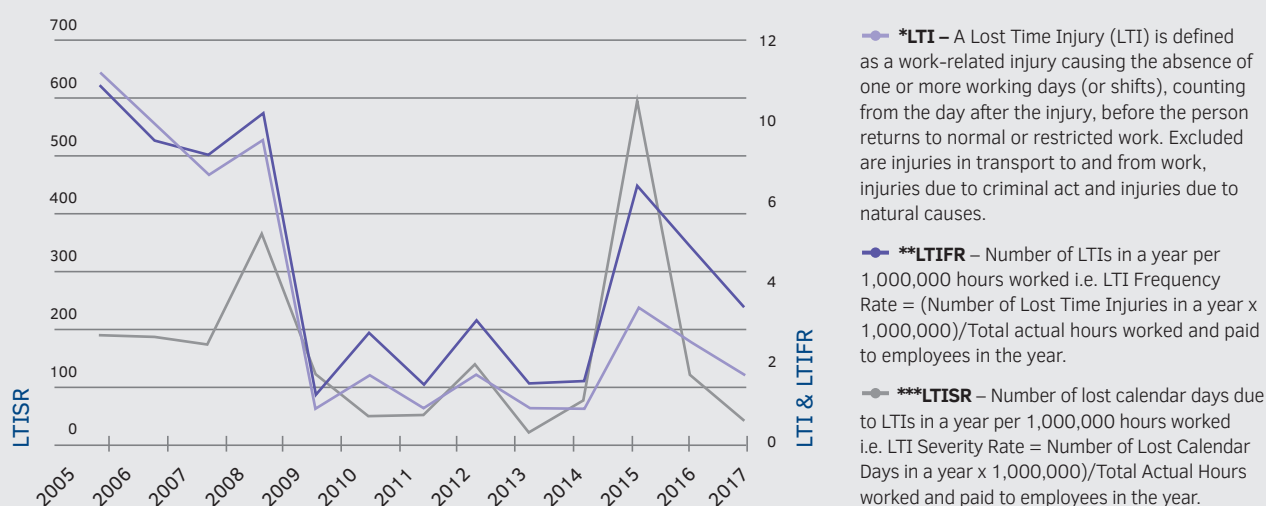
day basis and at all company's events, including jubilee awards, communication days, and employee gatherings and is promoted in management speeches and by giving awards. Additionally, we traditionally mark the International Occupational Health and safety Day and the European H&S Week.

H&S ratios

Cementarnica USJE does a continuous effort to improve health and safety performance by measuring, monitoring and developing the H&S KPIs in line with the Group Guidelines and standards.

	INDICATOR	TARGET 2017	RESULT 2017	TARGET 2018	TARGET 2020
1	Number of reportable fatalities (full year) – Direct Employees	0	0	0	0
2	Number of reportable fatalities (full year) – Contractors	0	0	0	0
3	Number of accidents (full year) – Direct Employees	0	2	0	0
4	Number of accidents (full year) – Contractors	0	1	0	0
5	Fatality rate – Direct Employees	0	0	0	0
6	LTI Frequency Ratio – Direct Employees	0	3.97	0	0
7	LTI Frequency Ratio – Contractors	0	2.28	0	0
8	Severity Ratio – Direct Employees	0	39.75	0	0
9	Near Misses	30	35	30	40
10	Safety Audits Completion Ratio	100%	100%	100%	100%
11	Safety Walks Completion Ratio	100%	68%	100%	100%
12	Recommendations, Remarks & Corrective Actions Closed Out	>80%	83%	>85%	>85%
13	Training Hours per employee (direct + contractors)	11	10.32	11	11
14	Training Hours per employee (direct only)	14	13.03	14	15
15	Training Hours per employee (contractors only)	6	6.77	6	6

H&S ratios (historic trends)



H&S improvements

Focusing on realization of set priorities has highly contributed to increased overall level of safety.

Thus during 2017 we have:

- Completed the “Pre start up alarms” project
- Completed the fire detection/extinguishing systems in electrical rooms and transformer stations
- Installed the ATEX vacuum cleaning system in the horizontal mill
- Successfully introduced lignite as fuel (with high content of volatiles)
- Started developing training programs and corresponding learning materials (booklets, printed material per topic, etc)
- Established regular “Safety Walk” practice by managers
- Started preparing “Safe Work Plans” for projects with higher risk
- Started with installation of new Process Automation with certified PLCs (CEMAT)
- Started with implementation of e-Lototo
- Implemented large percentage of requirements stated in the Group “Equipment for high level safety”
- Maintained the good level of legal compliance – no remarks from the two inspections made by state H&S inspectors
- Continued the good cooperation with the Faculty for Technology. 63 students had a one-day practical education in our plant. In addition to the one-hour presentation, we have a plant tour and onsite training.

Our people

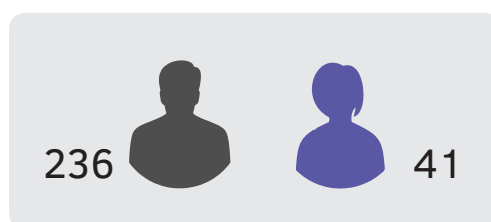
Cementarnica USJE is a company driven by people and oriented towards people. We highly value the importance of being a responsible employer that builds long-term relationships with its employees, founded on mutual

trust, respect and company’s values. We promote equal opportunities in recruitment, employment, promotion, development and retention.

Average number of employees

Direct employees	2014	2015	2016	2017
Male	264	254	245	236
Female	58	53	46	41
Total	322	307	291	277
Contractors	2014	2015	2016	2017
Total	198	200	195	212

Direct employment per gender in 2017



2017 New hires

Total hires per gender		under 30		30-50		over 50		Total new hires
Male	Female	Male	Female	Male	Female	Male	Female	
8	4	3	3	5	1	0	0	12

2017 Employment average per gender

Total	Men	Women	% of women in employment
277	236	41	14,8%

2017 Percentage of women in management (average)

Managers Total	Men	Women	% of women in country's management	% of women in country's employment
25	18	7	28	2.53%

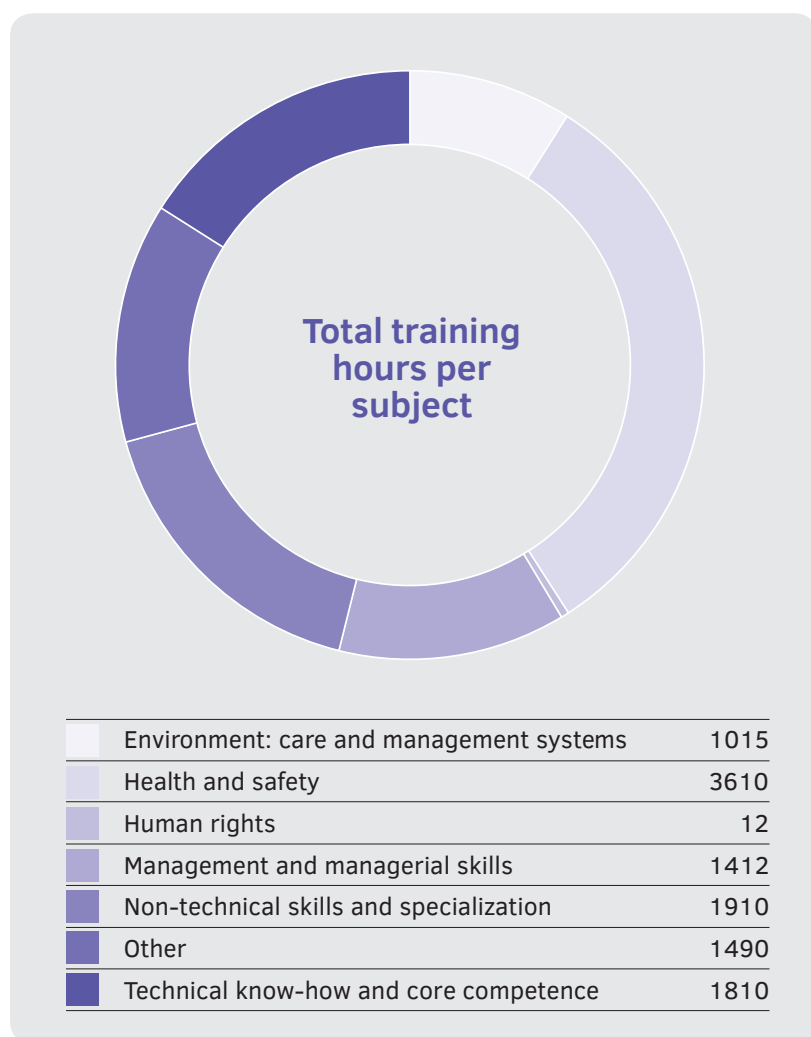
2017 Employment from the local community (average)

2017 Average			2017 from the local community			
2017 total	2017 Men	2017 Women	Total from local community	Male	Female	% of employment from local community
277	236	41	71	63	8	25.63%

Human capital development

USJE acknowledges that people's talent, skills, personal attributes and creativity affect organizational performance and shape the future growth of the Company. Qualified, motivated employees are a key prerequisite for the long-term success of our company. Our strategic focus is to be an employer of choice by developing and identifying highly talented individuals, as well as focusing on retaining talents.

Employee training and development is an ongoing effort, encouraging life-long learning, development of skills and reskilling, preparing for the future. More than 95% of our employees participated in training programs throughout 2017, with the majority of training man-hours focused on health and safety being our top priority concerning our people.



TOTAL TRAINING HOURS
1 1259

TOTAL EMPLOYEES TRAINED
268

TOTAL CONTRACTORS TRAINED
212

Trained employees 2017

Employees 2017 average	Trained employees 2017	Trained males 2017	Trained females 2017	% of trained women in trained employees 2017	% of trained women in total employees 2017
277	268	232	36	13%	13%

Trained employees 2017 per employment category and gender

Managers			Senior Managers			Administration/Technical			Semi-skilled / Unskilled			Total		
M	F	Total	M	F	Total	M	F	Total	M	F	Total	M	F	Total
16	5	21	3	1	4	62	22	84	151	8	159	232	36	268

Trained employees in Total Management 2017

Male	Female	Total
19	6	25

Trained employees 2017 per age group

Under 30	30-50	Over 50
35	86	147

Trained employees 2017 per age group and gender

Under 30			30-50			Over 50			Total M	Total F	TOTAL
Total	M	F	Total	M	F	Total	M	F	Total	M	F
35	29	6	86	71	15	147	132	15	232	36	268

Training man-hours and distribution of training man-hours per employee 2017

Total training hours 2017	Total training hours males	Total training hours females	Total employees (average) 2017	2017 men (average)	2017 women (average)	Average training hours 2017		
						Per male	Per female	Per employee
11.259	8.663	2.596	277	236	41	37	63	41

Training hours by subject and gender 2017

	Environment care and management systems	Health & Safety	Human rights	Management and managerial skills	Technical know-how and core competence	Non-technical skills and specialization	TITAN Group Code of Conduct	Other	Total
M	782	3.292	8	947	1.551	1.190	0	893	8.663
F	233	318	4	465	259	720	0	597	2.596

Training investment in euro 2017

Employees (average) 2017	Total investment	Total investment per employee	Investment for males 2017	Investment for females 2017
277	€ 41.044	€ 148,2	€ 31.750	€ 9.294

Building know-how in cement technology for young engineers

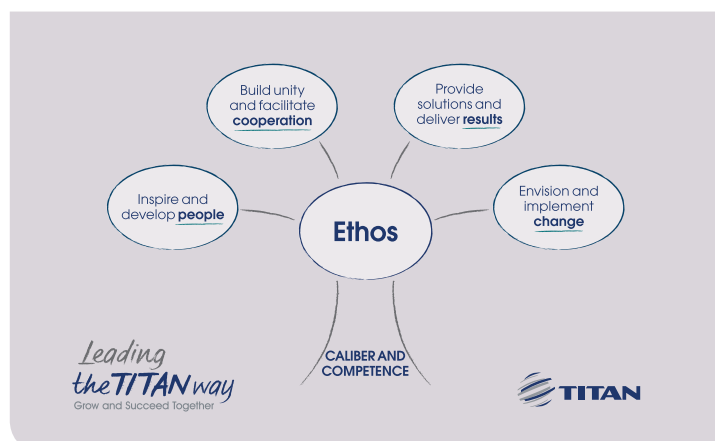
This year we continued with C-mentors program for new engineers and other young professionals in our plant by providing five C-mentors trainings with total of 18 participants. Besides professional trainings, we offered courses at the Verein Deutscher Zement-weke (VDZ) through e-learning.

Communication Day with employees

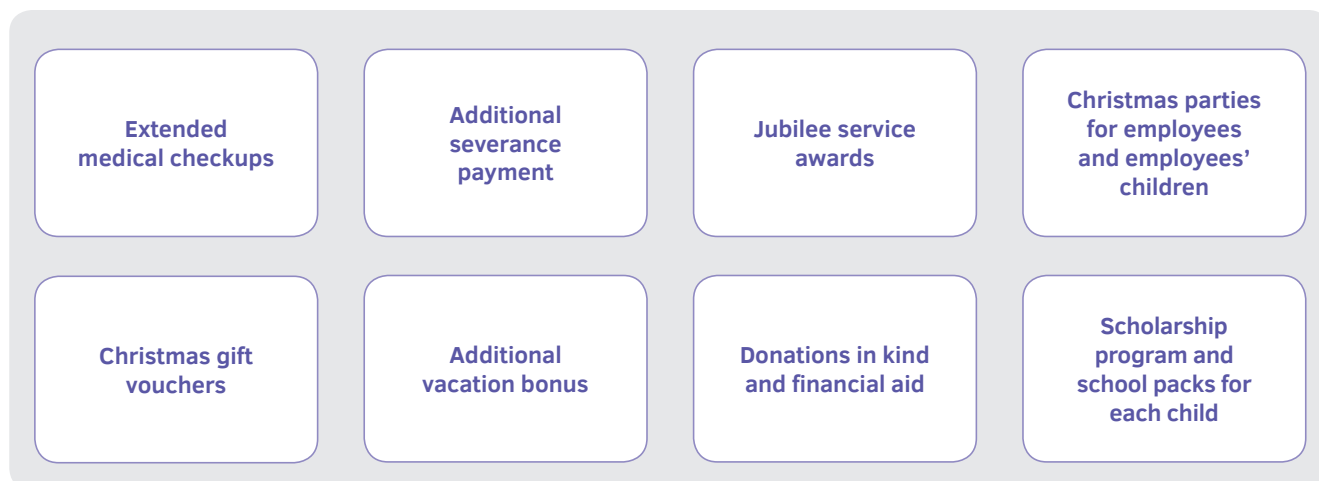
Communication Day with all employees was organized on April 25th 2017 when the business strategy and results of USJE and TITAN Group, as well as the future strategy and plans were presented. The importance of health and safety for our Company was emphasized once again. The program continued with a ceremony of presenting employees with jubilee awards for their continuous employment in the Company.

Leading the TITAN Way

USJE adopted, as of 2016, a new Group leadership platform, “Leading the TITAN Way”, which describes the key requirements for high performance and leadership. In 2017 we strongly continued to spread the leadership platform among our employees. This platform assumes a series of behaviors which support our employees’ ethical and competent connective tissue of all successes of the Company. During 2017 the HR Department completed 14 TLP sessions of training to 237 employees.



Welfare programs and employee benefits



Stakeholder engagement

Stakeholder dialogue & transparency

Stakeholder engagement is a long-term, ongoing process for USJE, enabling mutual understanding, establishing and maintaining good relationships, building consensus on issues of common interest, and activating bilateral and multilateral partnerships to support sustainable solutions. It is the core element of USJE's business model directly linked to our values and key priorities for sustainable growth.

However, it can only be achieved through accountability to all the people whose lives we touch, both inside and outside the company. The Group's coherent and robust management framework sets out our governing objectives, values and strategic priorities at a Group level.

Engaging with customers and suppliers

Value to the Customer

Value to the Customer is one of our six Company values, stating that We do our utmost to provide quality products and services under competitive terms, tailored to our customers' needs and supported by the necessary technological, environmental and commercial experience. USJE has a policy to serve the needs of customers and be proactively responsive to their expectations. Aiming at customer satisfaction and support we undertake many activities in this regard, including:

- Direct joint visits to our customers by the management team and other key employees from all departments, together with the sales representatives, to identify customers' needs and concerns.
- Technical support to customers related to their equipment, recipes etc.
- Procedures for customer support; customer claims and customer satisfaction.
- Reduced hexavalent chromium in bagged cement at least three months after packaging, which results in prevention of allergic contact reaction of the cement users.
- E-Order introduced in 2012 provides a tracking service for customers, from issuance of the loading order to follow-up status. In addition, customers can also monitor their financial condition.
- Over 70 silos and associated equipment for storing bulk cement provided to customers free-of charge.
- Customer satisfaction survey is conducted every year to seek feedback from our customers aiming to strengthen our relations and cooperation and improve our service.

Responsible Supply Chain

We believe in mutually-beneficial relationships with our contractors and suppliers and we are committed to promoting responsible supply chain management practices. To this effect, our suppliers are expected to be quality-driven, innovative and efficient and to operate in accordance with the applicable laws and regulations. Wherever possible, USJE sources locally, thus ensuring benefit to the local community by creating local jobs. Our supply chain is integral to the sustainability practices of the organization. The TITAN Code of Conduct for Procurement guides the selection, management and evaluation of suppliers. Quality, reliability, flexibility and location of business are considered key criteria for this process.

The contracts with our suppliers and contractors include clauses related to contractors' obligation to respect health & safety, labour & human rights, and environment standards and regulations for which they sign a declaration. USJE's Contractor Management System ensures safe operation and behaviour of contractors on our site. The project owner in USJE then monitors the compliance and observation of the contract by the respective contractor and reports to the Central Committee.

Sustainability of communities

Engaging with the local communities provides the framework to build trust with local stakeholders and to focus on opportunities to create value for all. USJE strives to develop further its distinctive approach to social engagement, with humbleness and authenticity and it is primarily addressed to the local communities building on the enthusiasm, energy and competences of our people. Quality education, safety and environment, employment

and economic development, infrastructure and waste management are among the material issues USJE has incorporated in action plans. The plans are reviewed annually in combination with the results of the consultation with local stakeholders acquired through selective events, like open days, stakeholder forums and performance reports to local stakeholders.

Support of youth employability

Building upon the outcomes of its participation to the European Pact for Youth, in 2017, TITAN Group introduced a Quality Internships Guide that provides practical guidance on the design and implementation of internships and apprentices programs, emphasizing providing quality training, and addressing the need to cover skills gaps.

In 2017 USJE continued with the internship program aimed at attracting ambitious young people, who wish to learn and acquire practical knowledge in real working environment. During the year 42 interns were part of the USJE internship program.

In 2017, more than 140 students from the Faculty of Technology, University American College Skopje and the Secondary Chemistry School had the opportunity to visit our plant and to be introduced to our process of production, quality control aspects, community commitment and H&S efforts we put in our performance.

Aiming to raise the level of education of the young people in the country, Cementarnica USJE strategically supports education, and for twelve consecutive years has awarded 3 scholarships for postgraduate studies. Additionally, about 35 children of our employees that are successful in their graduate and postgraduate studies received one-year scholarships.



Internships/Traineeships 2017

Internships/ Traineeships 2017	Business-Education Partnerships 2017	Learners 2017	New entry-level jobs 2017	% of new entry-level jobs in new hires 2017	% of new entry-level jobs in Internships/ Traineeships 2017
42	26	42	1	8%	2%

Memberships and cooperations

In line with our strategic commitment to support education and youth employment, Cementarnica USJE became a member of the Business Council of the University American College Skopje (UACS). Magdalena Slavejkova, HR Manager in Cementarnica USJE, was elected vice-president of the Business Council.

In 2017, USJE became a member of the Responsible Business Club created in our country for the first time, under patronage of the British Ambassador, by a socially responsible NGO and several prominent businesses.

The Club is a unique platform for pooling initiatives, ideas and resources of companies for implementation of larger and more complex projects that will have significant effects on people's lives, the prosperity of communities and sustainable development of the society. The Club will be strategically governed by the Board composed of top managers of some of the most successful companies that have great experience and significant activities in the area of social responsibility.



Community engagement

European Waste Reduction Week

Cementarnica USJE participated in the organization and presentations in the panel discussion "From Waste to Energy – Challenges and Opportunities".

Moreover, USJE participated in the working groups on the topic "Networking of Macedonia in the world trends for solid waste management" within the conference organized by MaSWA, the IPPC Department and the environmental inspectorate from the City of Skopje.



Support of local primary school for energy efficiency



New thermal facade insulation was provided by USJE for the Primary school "Kuzman Shapkarev" to improve the conditions in the school, as well as the energy efficiency of the school premises.

Open Day in USJE



Following its transparency policy, Cementarnica USJE organized an Open Day with citizens, NGOs, the Director and State inspectors from the State Environmental Inspectorate, representatives of the Environmental Directorate at the Ministry of Environment and Physical Planning, the IPPC Department and environmental inspectorate from the City of Skopje. Issues related to the company operations and environment protection were discussed at the Open Day.

Sharing best practices

The HR Manager participated in a workshop dedicated to sharing practices of Macedonian companies, entitled "Employee performance management systems", discussing the system for employee performance management (law regulation/procedures/IT solution) established, the steps for establishing and selecting the most appropriate solution, its role, risks and mistakes that can arise in measuring performance, the process of the overall analysis and management of the results obtained, advantages and disadvantages of different models.

Employee volunteering and environment protection initiatives

Planting trees action



The company organizes and supports actions related to foresting and horticultural arrangement of the area, thus contributing to expansion of the green areas in the plant and the municipality. In 2017, more than 500 trees were planted by employees and management.

“To work without a car” initiative



USJE continued the implementation of the “To work without a car” initiative and even expanded it by motivating the employees to come to work not only by bicycle, but also by bus or on foot. These employees receive coupons for free meal and also participate in a lottery game for winning a bicycle.

Earth Hour initiative



USJE switched off its cement mills and lights to join the global action “Earth Hour”. The company's cement mills were left without electricity for one hour in the period from 20:30 to 21:30 on 25th of March 2017, when the supporters and participants in this global action did the same. By switching off the cement mills and lights, we saved more than 10 MWh electrical energy, or approximately the amount of the consumption of over 3,000 households in Skopje, and at the same time saving around 7,600 kg of CO₂ indirect emissions. Also, the lights were switched off in those locations in the company where the safety measures for occupational safety and health allow that.

EU Mobility Week



Cementarnica USJE joined the European Mobility Week whose goal is, by organizing various activities, to motivate using cars less, to improve human health and protect the environment. USJE rented two buses and organized transportation for the employees to and from work in order to provide an alternative for using their vehicles to come to work. Also, large number of USJE employees took part in the bike parade through the streets of Skopje, which marked the World Car Free Day.

Environmental performance

Fully aware that our operations are dependent on the use of natural resources, we are committed to actions that reduce our operational impact on the environment. Pursuing our vision to mitigate the effects of our operations on the environment, we strive to be recognized as one of the leading enterprises in our industry on sustainability and environmental stewardship.

Usje is the first company in the country that has fully implemented the activities from the Operational Plans from the A-IPPC Permit issued in 2011 and Amended A-IPPC issued in 2013 by the Ministry of Environment and Physical Planning (MoEPP). The Company has established, documented, implemented and maintains an Environmental Management System and continually improves its effectiveness in accordance with the requirements of the ISO 14001:2004 standard. The scope of the System is to cover all environmental issues concerning the production and the exploitation of quarries. The system is maintained and audited on yearly basis for its compliance.

We have defined the following principles for environment:

- USJE Cement plant complies with its legal and other duties in order to minimize the effect of company operations on the environment.
- The Company is committed at all levels and within all functions of the organization to continual improvement.
- The Company's environmental performances are continually monitored against pre-determined objectives.

- The only acceptable standard of environmental performances are fully and in proper compliance with the requirements of applicable legislation, as well as other defined requirements. Where it is possible, the company exceeds the minimum requirements of the legislation and approaches the subject of environmental protection with thought and understanding.
- USJE Cement plant ensures that the companies with whom we contract or subcontract have an appropriate environmental performance.

Through our CSR approach, we aim to address the following environmental aspects:

- Emissions
- Biodiversity
- Water
- Waste
- Energy
- Climate Change
- Raw materials
- Noise and vibration

USJE Cement plant continuously strives to address the defined environmental challenges. In this area, we are fully implementing TITAN policies which guarantee sound and transparent environmental management according to the international best practices. Monitoring, measuring, reporting, cooperating, continuously acting and improving is how we address environmental issues.

Objective	Results 2017	Target 2020
Water consumption	150lt/cement	Usje remains committed to sustaining the current level of excellence in environmental performance with respect to this objective
Dust emissions	5.73 mg/Nm ³ for Kiln 3 and 9.15 mg/Nm ³ for Kiln 4 or 4.15 tons/year and 12.46 tons/year, respectively	<10 mg/Nm ³
SO _x emissions	7.84 mg/Nm ³ for Kiln 3 and 6.64 mg/Nm ³ for Kiln 4, or a total of 5.68 tons/year and 9.04 tons/year respectively	<20 mg/Nm ³
NO _x emissions	529.32 mg/Nm ³ for Kiln 3 and 459.8 mg/Nm ³ for Kiln 4, or total 383.5 and 626.26 tons/year respectively	<600 mg/Nm ³
Participate in at least one global and national environmental protection and climate change initiatives	"Earth Hour", "From Waste to Youth Clean Energy", "European mobility week" and others.	Increase the level of awareness related to environmental protection and climate change

Measuring our CO₂ footprint

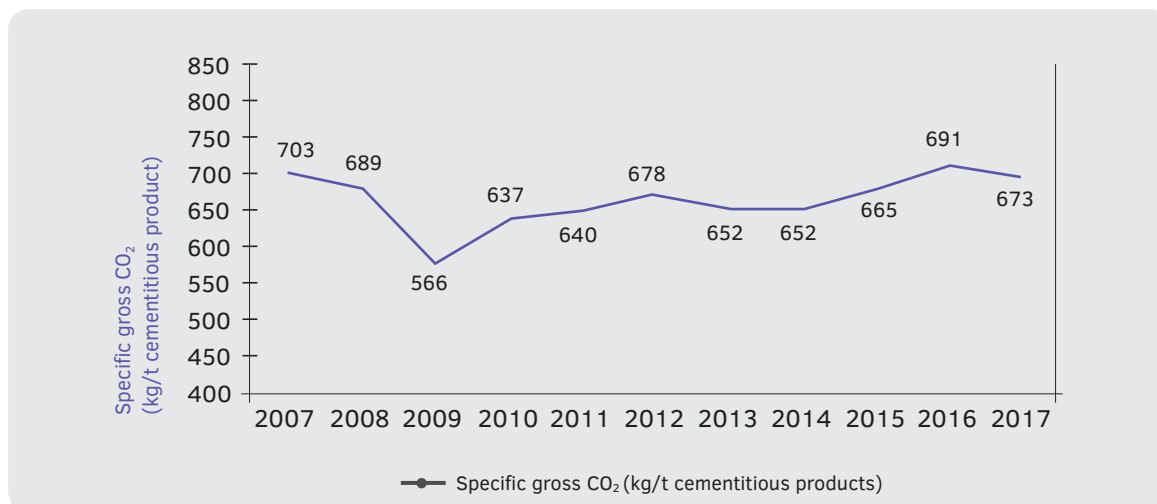
The overall worldwide cement production contributes with about 5% of total anthropogenic greenhouse gases emission. Therefore, this issue is considered as one of the most important environmental challenges in the cement production industry.

The total emission of direct CO₂ is a result of the following: calcinations of carbonates and combustion of organic carbon contained in raw meal, combustion of fuel in the rotary kiln for clinker production, combustion of fuels used for heating and transportation of materials on plant premises. Indirect emissions of carbon dioxide are released during the production of electricity required for the production of clinker and cement, as well as during

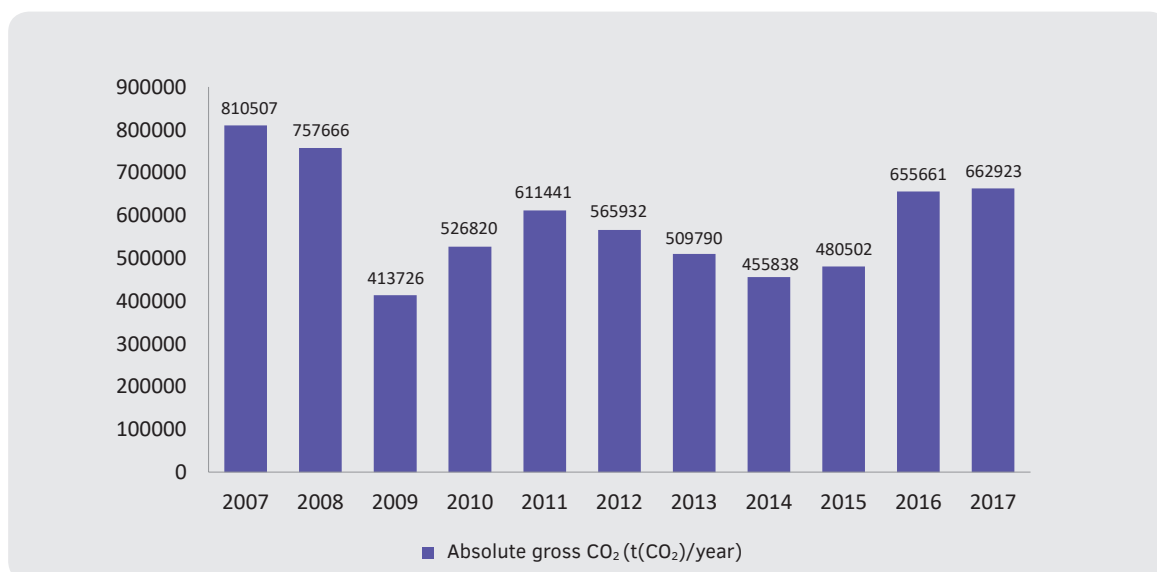
the external transportation of raw materials, fuel and final products.

As part of TITAN Group, we follow the WBCSD/CSI protocol¹ for calculating and reporting CO₂ emissions. In accordance with this protocol, the calculating and reporting of CO₂ and energy is done on a regular basis, despite the fact that this is not a legal requirement in the Republic of Macedonia. In 2017, USJE's total direct CO₂ emissions were 0.663 million tons, while the specific CO₂ emissions were 673.11 kg CO₂/t cementitious product which is 2.55% lower compared to 2016. The reduction in the specific gross CO₂ emissions is due to decreased clinker to cement ratio compared to 2016.

Specific gross CO₂ emissions



Absolute gross CO₂



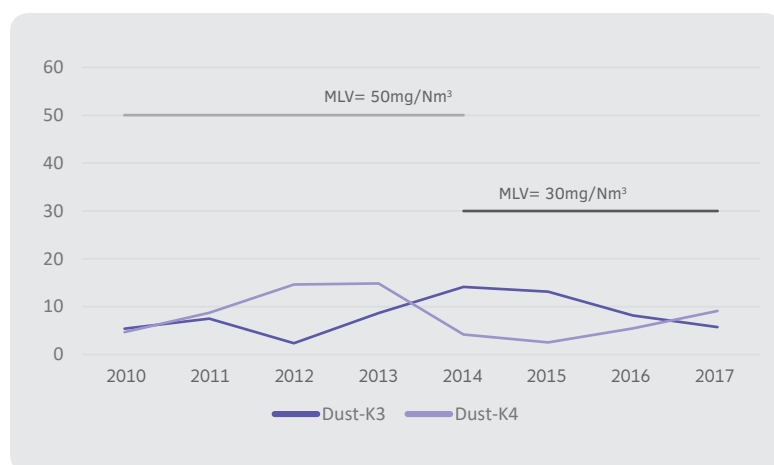
¹) (WBCSD, 2013. CO₂ and Energy Accounting and Reporting Standard for the Cement Industry, version 3.0. World Business Council for Sustainable Development, Cement Sustainability Initiative)

Monitoring emissions

Monitoring of the air emissions from our operations is a precondition for controlling and reducing environmental impacts.

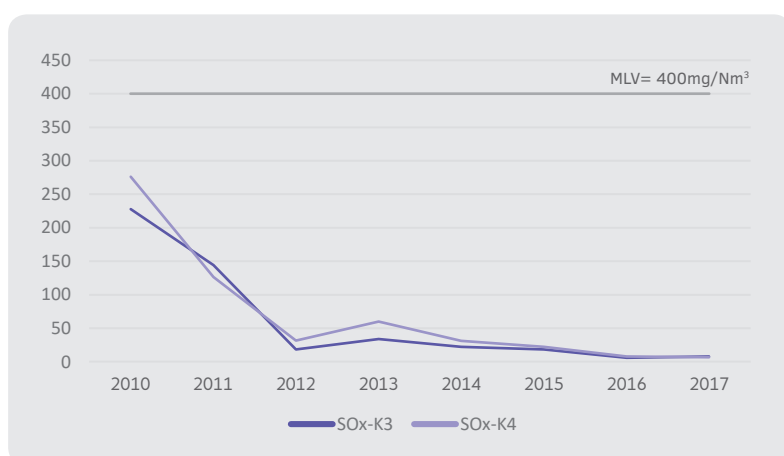
This enables the company to closely monitor the emissions on real-time basis and take action accordingly. At the same time, it gives interested stakeholders regular, updated information on our performance. At our initiative, results from the monitoring are presented at USJE's web page as monthly emission reports from the main emission sources. USJE plant is reporting in accordance with the Guidelines for Emissions Monitoring and Reporting².

Dust	16.6 t/year
NO _x	1009.7 t/year
SO _x	14.7 t/year



Dust

At cement plants, major dust emission sources are kiln stacks. In 2017 the emissions of dust were 4.15 tons for Kiln 3 and 12.46 tons for Kiln 4, respectively per year. Dust emissions are many times below the limits (MLV) set by the environmental terms and conditions of both local and EU legal requirements. The average concentration of dust for Kiln 3 is 5.73 mg/Nm³ and for Kiln 4 is 9.15 mg/Nm³. The MLV is 30 mg/Nm³.



SO_x

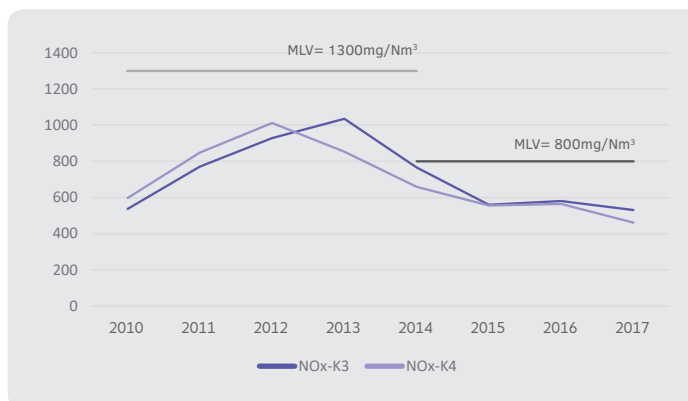
The presence of sulphur (S) in raw materials is the primary cause of SO_x emissions. USJE's SO_x emissions are substantially below the limits (MLV) set by the applicable local and EU regulations. The average concentration of SO_x for Kiln 3 is 7.84 mg/Nm³ and for Kiln 4 is 6.64 mg/Nm³, while the MLV is 400 mg/Nm³. In 2017 our activities resulted in SO_x emissions of 5.68 tons for Kiln 3 and 9.04 tons for Kiln 4, respectively. Significant reduction of SO_x emissions on both Kilns compared to ones in the year 2010 or 2013 is result of implementing selective exploitation in the Marl Quarry.

2) Guidelines for Emissions Monitoring and Reporting in the Cement Industry, amended version 2.0, 2012.
World Business Council for Sustainable Development, Cement Sustainability Initiative

NO_x

Combustion at high temperatures leads to NO_x emission. In 2017 NO_x emissions were 383.5 tons for Kiln 3 and 626.26 tons for Kiln 4 respectively. The overall NO_x emissions were within the limits (MLV) set by the local and EU legislation. The average concentration of NO_x for Kiln 3 is 529.32 mg/Nm³ for Kiln 3 and 459.80 mg/Nm³ for Kiln 4, while the MLV is to 800 mg/Nm³.

Reduction of NO_x emissions on both kilns is result of usage of the installation for selective non-catalytic reduction (SNCR). This new technology is used in our plant as a method for reducing the emissions of nitrogen oxides since 2014.



Noise minimization

USJE Cement Plant is located in a combined industrial and residential zone, surrounded by streets with heavy traffic; therefore it is difficult to make distinction between noise generated by activities within Usje Cement Plant and outside activities (traffic, other industrial activities). The measured noise at the monitoring points at the perimeter of the factory and quarries does not exceed the

stipulated permissible limits. Nevertheless, in the year 2016, Usje Cement plant in cooperation with the Faculty of Natural and Technical Sciences in Shtip conducted a Follow-up study with Action Plan for Noise minimization in the vicinity of Usje Cement plant. Within the year 2017 priority measures were completed according to the Action Plan and investments for noise minimization will continue in 2018, as well.

Water management

USJE Cement plant is using so called 'dry technology' for cement production, meaning that water is not used for the main production process. Technical water is used only as a cooling media and there are no waste water discharges from the production, in line with Guidelines for water reporting and Accounting³, to which Usje is adhere to. Our continuous efforts to protect water as a natural resource are reflected with the sustainable water management in the plant that includes:

- Use of water from the city water supplying network for sanitary purposes only
- Closed system for filtering and recycling technical waters (for cooling of the equipment)
- Separation of sewage from atmospheric waters and discharge in the city sewage network
- Collection of atmospheric waters and street spraying waters from the plant in the open canals, and their treatment in the waste water treatment plant before discharging in the recipient.

³) Protocol for Water Reporting, 2014, and Guidance on Good Practices for Water Accounting, 2016. World Business Council for Sustainable Development, Cement Sustainability Initiative

In 2017, USJE withdrew a total of 126,339 m³ of water, of which 97,403 m³ is ground water from our licensed dwellings, and 28,936 m³ from public municipal water network. Increasing of ground water consumption is because of use of this water for irrigation of the green areas in the plant and our target to maximize the green areas in the plant.

In line with improvements in water management, USJE installed continuous on-line monitoring for quantity of underground water used in the Plant. Following the Group guidelines for water management and efficiency, this system will alarm for unwanted water loses or leakages from these installations. Within the same project, we installed 6 new digital water flow meters providing data for water consumption every 10 minutes.



Software for monitoring of ground water consumption

Waste management

The reduction, re-use and recycling of raw materials, energy and waste are key elements of the Group's environmental policy. The production of clinker and cement does not produce waste or waste by-product. Waste is mainly generated from maintenance activities and product packaging. Based in the best practices, the waste is separated at source, collected and temporarily stored to a waste collection storage area.

In 2017 we safely disposed around 1,600 tons of waste, of which 1,144 tons were internally reused or recycled. In 2017 we started measuring all leaked materials that were collected and returned to the process. With this action we have detailed analysis for handling with all wastes generated in the plant. The specific waste produced in the factory, is disposed as follows:

Specific total wastes produced (excluding printing toner and cartridges)	kg/t Clinker	2.18
Specific wastes disposed externally	kg/t Clinker	0.62
Specific wastes disposed internally	kg/t Clinker	1.56

Energy efficiency

Energy efficiency measures are increasingly recognized as valuable means to achieve a sustainable energy supply. Furthermore, they reduce greenhouse gas emissions, improve security of supply, lower costs, and even promote competitiveness. Cement production is an energy intensive process requiring large volumes of energy and fuels, as well as large quantities of raw materials. For this reason, the cement industry has developed a range of technological solutions which enable lowering the energy needs for manufacturing cement products.

A team for energy efficiency in the plant was created in order to determine and implement measures for increasing energy efficiency. The focus of the team is not only on the energy intensive production lines, but also on determining the needs for improvement, implementing measures and monitoring the progress related to EE for “small energy consumers in the plant”.

In 2017, several activities for improvement of energy efficiency were performed, such as installation of photo sensors for outdoor lighting, trial with replacement of office lights with new LED efficient lights, installment of waste heat recovery installation on air compressor station and usage of the waste heat for auxiliary processes. The team for energy efficiency will continue its engagement with planned activities for 2018, such as: Lighting around the plant, offices and utility rooms; Study for determining hot water needs for processes and for room heating; Energy audits for buildings; Upgrade of installation for energy recovery.

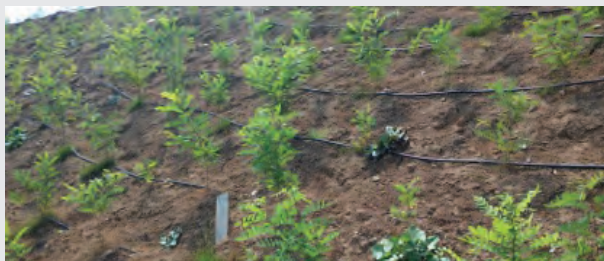
Biodiversity and land management

Our operations are heavily dependent on the use of natural resources. Comprehensive environmental impact assessments and rehabilitation plans cover all aspects of development, operation, as well as decommissioning of quarries. Both traditional and novel methods for reforestation are employed for quarry rehabilitation. All activities for quarry rehabilitation, and biodiversity management of sites are in line with the Guidelines on Quarry Rehabilitation⁴, and Biodiversity Management Plan (BMP) Guidance⁵.

We employ our best efforts to abate all kinds of impacts on the environment. In line with these efforts is the development of Studies for Rehabilitation of Quarries owned by the Company, produced by the Faculty of Forestry Skopje, as well as a Plan for Green Belt along the Plant's perimeter.

To ensure quality implementation of these plans, we engaged a professional company and part of the plant area has been transformed into a nursery producing planting material necessary for realization of the targets set in the Studies.

Within this project, a total of 18,179 plants were planted in 2017. On final benches of the marl quarry 7,120 trees were planted, 589 cypress trees were planted at the limestone quarry in Govrlevo, 9,550 trees planted in the Ljubos quarry, and 920 plants (trees, flowers and bushes) were planted at the factory green areas.



Continuing with the CSR practices, our company donated to the neighbors and local communities more than 180 trees that were planted in public green areas.

4) Guidelines on Quarry Rehabilitation, 2011. World Business Council for Sustainable Development, Cement Sustainability Initiative.

5) Biodiversity Management Plan (BMP) Guidance, 2014. World Business Council for Sustainable Development, Cement Sustainability Initiative.

3 Corporate governance

- GOOD GOVERNANCE
- FINANCIAL AND NON-FINANCIAL RISKS
- UN GLOBAL COMPACT COMMITMENT



Good governance

As a company we believe that good corporate governance is synonymous with ethical business practices, transparency, open communication, accountability and sustainable development. For us, good corporate governance creates long-term value for all our stakeholders who have benefit from the way we operate.

Engaging on human rights

In 2017 USJE adopted the Human Rights Policy which underlines the commitment to respect human rights as defined in the Universal Declaration of Human Rights (UNDHR) and the ILO conventions. Aligned with the UN Global Compact Ten Principles and the Guiding Principles for Business and Human Rights, USJE recognizes as most relevant and material issues in its sphere of influence health and safety, labor rights and the freedom of association, as well as respect for diversity and equal opportunities for all. Through its participation in the UNGC initiative at both global and local levels, USJE promotes collaboration and stakeholder dialogue, as well as awareness and competence building, to enhance better understanding and response to human rights.

During the induction program in the HR Department, all new employees receive training on their rights for protection against harassment at the workplace, as well as a written information guide on the same.

Respecting human rights and protecting rights of people who report unlawful or inappropriate behavior is a vital part of USJE's approach to good corporate governance. We have established procedures to report grievances, incidents or issues related to TITAN's Code of Conduct and policies. In 2017, USJE took a step further by introducing a rulebook that is designed to protect the rights of whistleblowers and appointing an authorized person, who is responsible for receiving whistleblowers' reports. The new rulebook sets down the procedures for whistleblowing, including the steps that should be taken to protect the anonymity of those raising concerns. In 2018, USJE will continue to train all employees, to help them better understand the new guidelines and ensure whistleblowers have the support and protection that they deserve.

Transparency and ethics

USJE has developed and adopted policies that ensure good governance and ethical business principles aiming to enhance awareness and ensure compliance with the respective legislation and rules, and in many cases go beyond the legally stipulated conditions:

- Quality Policy
- Health and Safety Policy
- Environmental Policy
- Corporate Social Responsibility and Vision
- Human Rights Policy
- Anti-bribery and Corruption Policy
- Sanctions Policy
- Competitions Law Compliance Policy

These policies apply to all individuals working at all levels including directors, senior managers, officers and employees, all of whom are expected to apply the highest standards of professional and personal behavior under all circumstances, as well as other stakeholders, such as contractors where applicable.

The policies have been introduced to the Company Management through training, and the policies have been incorporated in Company operations.



Diversity and equal opportunities

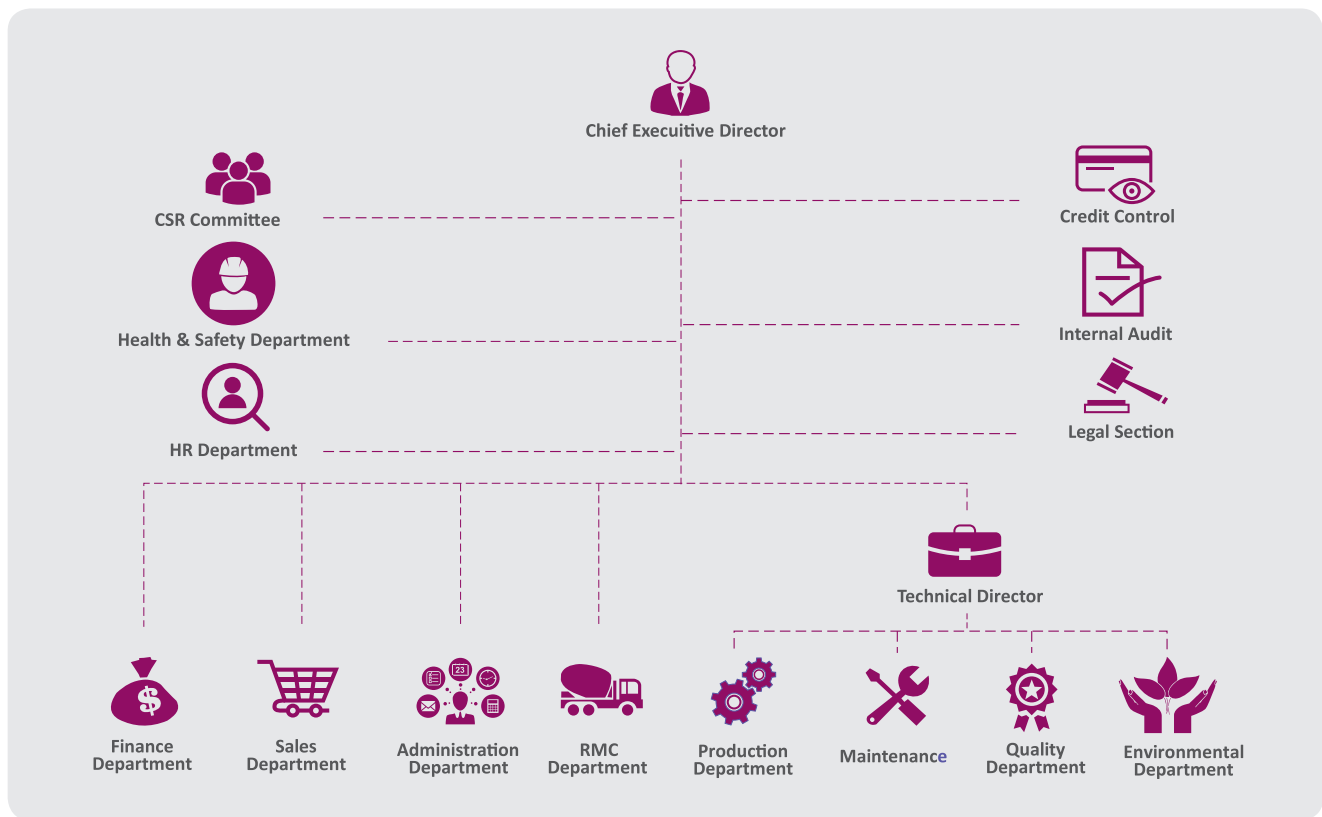
USJE is committed to providing equal opportunities for all. USJE is among the members of TITAN Group with the highest rates of women in management (28%). USJE supports the development of local communities, offering employment to people from communities around its operations. The percentage of employees from the local communities reached almost 26% of total employment. Labor rights are also a material issue for all employees, regulators and communities. USJE adopted TITAN Group policies aimed at ensuring the freedom of association of employees. USJE's induction training program raises

awareness of this issue. The Union participates in bilateral meetings with the management on a regular basis, as well as in stakeholder dialogue that addresses important issues within the framework of sustainable development. In 2017, the percentage of unionized employees reached 78%. Union representatives have the right to meet with line management to discuss their concerns, suggest improvements, and negotiate agreements on various issues. Their suggestions on health and safety conditions carry particular weight.

2017 Unionized employees

Total unionized employees	Unionized males	Unionized females	% unionized males	% unionized females	% Total unionized employees
216	196	20	83%	49%	78%

Organizational structure and committees



The following boards assure that the aforementioned policies are respected, followed and implemented:

- **Board of Directors** – consists of five non-executive members and two executive ones that incorporate the best global practices in our corporate governance.
- **Central Management Committee** – has meetings on a monthly-basis, discussing the strategic development of the Company.
- **Credit Control Committee** – in charge of evaluation and approval of credit, customer's appraisal forms, settlement of customers' debts, debt coverage, credit monitoring and control, definition of provisions linked to credit risk.
- **H&S Committee** – structured in 5 subcommittees, safeguards the H&S as our ultimate priority.
- **Internal Audit** – an independent department, supervised by the Group Internal Audit.
- **CSR Committee/CSR Task Force** – responsible for support and implementation of CSR activities of the Company.
- **Quality Board** – conducts reviews of Quality system, internal audits and ensures implementation of the Quality Policy.
- **Environmental Board** – promotes Environmental Policy and sets environmental targets as well as plans for their achievement.

Financial and non-financial risks

During operations USJE faces risks of financial and non-financial nature which the management seeks to prevent or mitigate. Our company has developed flexible systems for monitoring and eliminating or minimizing various potential and significant risks such as:

- Internal and Systems' audits to keep the consistency with Management Systems requirements in place

- Committees that address challenges and risks
- Code of Conduct trainings to enforce anti-corruption awareness
- Policies in place to safeguard good corporate management

Risk management

The Board is responsible for determining the nature and extent of the principal risks that the Company should be willing to take in achieving its strategic objectives. The Board has delegated responsibility for monitoring the effectiveness of the Company's risk management and internal control systems to the Group Audit Committee. Such systems are designed to manage rather than eliminate the risks involved in aiming to achieve business objectives. The Board and the Audit Committee receive on a regular basis reports from management on the key risks to the business and the steps taken to manage/mitigate such risks and consider whether the significant risks faced by the Company are being properly identified, evaluated and managed.

Risk management is built into the daily operations of USJE. Management identifies risks as part of their

day-to-day activities. They are also required to carry out a robust assessment of all risks which could have an impact on the current or future operation of their business. Accountability and clear division of roles and responsibilities throughout the organization are part of USJE's risk management. As a result, risks can be quickly identified from multiple sources, ensuring quick and effective response.

The effectiveness of the systems and policies implemented at Company and Group level are systematically reviewed by management, including in terms of compliance with relevant standards of the Group. Whenever weaknesses are identified, corrective measures are taken. Group Internal Audit reports on the effectiveness of the risk management and internal control frameworks to the Audit Committee on a regular basis.

Anticorruption management

In 2016 USJE adopted TITAN's Policy on Anti-Bribery and Corruption and developed an action plan 2017-2020 for its implementation and communication to all employees. This policy aims at enhancing awareness and ensuring compliance with the respective rules preventing bribery and corruption. The Policy applies to all individuals working at all levels and deals with a range of issues relating to bribery and corruption. As signatories to the Global Compact we are fully committed to join national and other programs aiming at elimination of bribery and corruption.

Objective	Results 2016	Results 2017	Target 2020
Reinforcement of anti-bribery and corruption management mechanisms related to employees	TITAN Policy on Anti-Bribery and Corruption adopted	Adoption of legal framework on whistle-blowers protection	Dissemination and information on the policy of all employees and business partners
Anti-corruption management with all business partners	Definition of the clause based on the Anti-Bribery and Corruption Policy	Preparatory activities for implementation of grievance mechanism	Anti-corruption clause in all contracts with suppliers

UN Global Compact commitment

Cementarnica USJE is a signatory and a member of the United Nations Global Compact since 2008, which obligates the company to observe the principles of

socially responsible action in the areas of environmental protection, human and labor rights, anti-corruption activities and corporate management and leadership.

UNGC Principles

PRINCIPLE 10

Businesses should work against corruption in all its forms, including extortion and bribery

PRINCIPLE 9

Businesses should encourage the development and diffusion of environmentally friendly technologies

PRINCIPLE 8

Businesses should undertake initiatives to promote greater environmental responsibility

PRINCIPLE 7

Businesses should support a precautionary approach to environmental challenges

PRINCIPLE 6

Businesses should uphold the elimination of discrimination in respect of employment and occupation

PRINCIPLE 1

Businesses should support and respect the protection of internationally proclaimed human rights, within the scope of their influence

PRINCIPLE 2

Businesses should make sure that they are not complicit in human rights abuses

PRINCIPLE 3

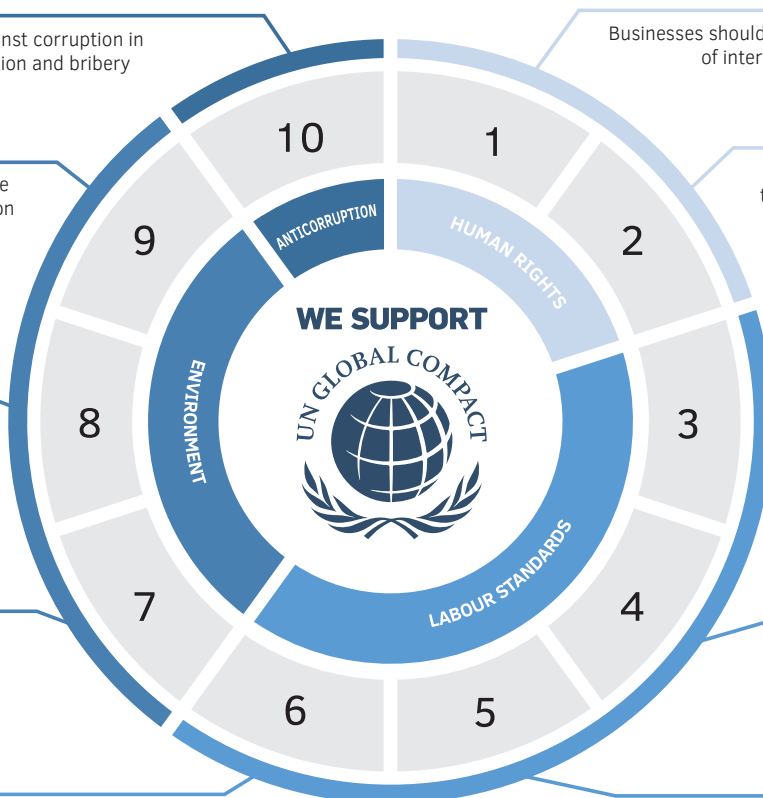
Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining

PRINCIPLE 4

Businesses should uphold the elimination of all forms of forced and compulsory labour

PRINCIPLE 5

Businesses should uphold the abolition of child labour



4 Appendices

- FINANCIAL STATEMENTS
- NON-FINANCIAL STATEMENTS



Financial Statements



Independent auditor's report

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

Report on financial statements

We have audited the accompanying separate financial statements of Cementarnica Usje AD – Skopje (the “Company”), which comprise the separate statement of financial position as of 31 December 2017 and the separate statement of comprehensive income, separate statements of changes in equity and cash flows for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

Management's responsibility for the financial statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting standards applicable in Republic of Macedonia, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the accompanying separate financial statements presents fairly, in all material respects, the financial position of the Company as of 31 December 2017, and of its financial performance and its cash flows for the year then ended in accordance with accounting standards applicable in Republic of Macedonia.

PricewaterhouseCoopers Revizija doo, 8th September 16, Hyperium Business Center, 2nd floor, 1000 Skopje, Republic of Macedonia, VAT No. MK4030008022586, T: +389 (02)31 40 900/901, F: +389 (02) 31 16 525, www.pwc.com/mk

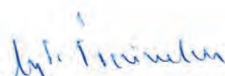


Report on Other Legal and Regulatory Requirements

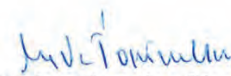
Annual Report prepared by the Management in accordance with the requirement of the Company Law, article 384.

Management is responsible for the preparation of the Separate Annual Accounts and Annual Report of the Company, which were approved by the Board of Directors of the Company on 26 February 2018.

As required by the Audit Law, we report that the historical information presented in the Annual Report prepared by the Management of the Company in accordance with article 384 of the Company Law is consistent in all material respects with the financial information presented in the Separate Annual Accounts and audited Separate Financial Statements of the Company, as of and for the year ended 31 December 2017.


Ljube Gjorgjievski
General Manager




Ljube Gjorgjievski
Certified Auditor

PricewaterhouseCoopers REVIZIJA DOO - Skopje

16 April 2018
Skopje



Independent limited assurance report

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To the management of Cementarnica USJE AD, Skopje

Introduction and scope of work

We were engaged by Cementarnica USJE AD, Skopje (further referred as to “the Company”), to provide limited assurance in relation to the following information, presented in Cementarnica USJE AD’s CSR Report for the year ended 31 December 2017:

- 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 sustainability 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 compared to the guidelines of AA1000 Standard.

Management responsibility

The Management of the Company is responsible for accurate preparation and presentation of the Sustainability Report in accordance with the UN Global Compact principles. This responsibility also includes the selection and application of appropriate methods to prepare the Sustainability Report and the use of assumptions and estimates for the individual sustainability disclosures which are reasonable in the circumstances. Furthermore, the responsibility includes designing, implementing and maintaining systems and procedures relevant for the preparation of the Sustainability Report.

Our Independence and Quality Control

We have complied with the independence and other ethical requirements of the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants (IESBA-Codex), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

In this context, the assurance team is independent from the Company and has not participated in the preparation of the Company's Sustainability Report for the year 2017.

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

Our responsibility

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

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

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

Summary of work performed

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

- Read the Sustainability Report (in its entirety) to ensure it is in accordance with the criteria for Communication on Progress of the UN Global Compact.
- Interviews with key personnel responsible for the preparation of the Sustainability Report, providing the sustainability performance information to understand and evaluate the processes, internal controls and information systems relating to the preparation of the aforementioned information;
- Understanding the Company regarding to its sustainability organizational structure, stakeholder dialogue and development process of the sustainability program;

- Comparing text and data (on a sample basis) presented in the Sustainability Report to underlying sources. This included considering whether all material issues had been included and whether the reported text and data was accurately drawn from the underlying information.

Limitations

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

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

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

Limited assurance conclusion

Based on the procedures performed and evidence obtained, nothing has come to our attention that caused us to believe that there are any errors or misstatements that would materially affect the data and information as presented in the Sustainability Report and that the Sustainability Report of Cementarnica USJE AD, Skopje for the year ended 31 December 2017 was not prepared, in all material respects, in accordance with the criteria mentioned above, in the "Introduction and scope of work" section.

Skopje,

02 October 2018

Grant Thornton DOO, Skopje


 Director
 Marjan Andonov


 Certified auditor
 Marjan Andonov

SEPARATE STATEMENT OF COMPREHENSIVE INCOME
For the year ended 31 December 2017

	Notes	2017 MKD '000	2016 MKD '000
Sales	3a	4,146,425	4,003,254
Other revenue	3b	102,314	103,164
Cost of sales	3c	(2,778,046)	(2,522,764)
Gross profit		1,470,693	1,583,654
Other operating income	3d	97,449	63,799
Other operating expenses	3e	(182,801)	(121,232)
Selling and marketing expenses	3f	(35,915)	(33,979)
Administrative expenses	3g	(163,467)	(177,851)
Operating profit		1,185,959	1,314,391
Finance income		6,791	7,070
Foreign exchange gains/(losses) net		5,494	7,605
Finance costs		(1,240)	(2,644)
Net finance income	3h	11,045	12,031
Profit before tax		1,197,004	1,326,422
Income tax expense	4	(103,632)	(125,057)
Profit for the year		1,093,372	1,201,365
Earnings per share information:			
Basic, profit for the period attributable to ordinary equity holders of the ultimate parent	5	1.94	2.13
Net profit for the period attributable to:			
Equity holder of the ultimate parent		1,036,954	1,139,375
Non- controlling interest		56,418	61,990
		1,093,372	1,201,365
Other comprehensive income			
<i>Other comprehensive income not to be reclassified to profit or loss in subsequent periods:</i>			
Investment Property revaluation surplus	7	-	35,468
Total comprehensive income for the year		1,093,372	1,236,833
Earnings per share information:			
Basic, total comprehensive income for the year attributable to ordinary equity holders of the ultimate parent	5	1.94	2.19
Total Comprehensive income for the period attributable to:			
Equity holder of the ultimate parent		1,036,954	1,173,012
Non - controlling interest		56,418	63,821
		1,093,372	1,236,833

The accompanying notes from 8 to 44 are an integral part of these financial statements

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SEPARATE STATEMENT OF CASH FLOWS
For the year ended 31 December 2017

	<i>Notes</i>	<i>2017</i> <i>MKD'000</i>	<i>2016</i> <i>MKD'000</i>
Cash flows from operating activities			
Profit before income taxes		1,197,004	1,326,422
<i>Adjustments for:</i>			
(Gain) on disposal of property, plant and equipment		-	(1,149)
Depreciation of PPE and investment properties		162,586	173,993
Actuarial (gain)/losses, net		5,613	1,430
Interest income		(6,791)	(7,070)
Provision for obsolete inventory		9,991	9,998
Shortage of goods in the warehouse		456	9,865
Fair value (gain)/losses, net		(2,150)	(6,275)
Reversal of accrued income for compensation vehicles at a standstill		(14,757)	-
Interest expense and bank charges		1,240	2,644
Write off trade receivables		608	-
NBV of disposed and written off PPE		-	39
Operating profit before working capital changes		1,353,800	1,509,897
(Increase) / Decrease in trade and other receivables		(118,240)	48,959
(Increase) / Decrease in inventories		(16,691)	(59,852)
Increase / (Decrease) / in trade and other payables		65,311	(38,213)
Cash generated from operations		1,284,180	1,460,791
Interest expense and bank charges paid		(1,240)	(2,644)
Income tax paid		(104,583)	(114,140)
Net cash flows generated from operations		1,178,357	1,344,007
Cash flows from investing activities			
Purchase of property, plant and equipment		(263,154)	(179,289)
Expenditures for exploration and evaluation assets		(15,169)	-
Proceeds from sale of property, plant and equipment		-	1,034
Interest income received		6,791	7,070
Loan to associate		10	-
Net cash flows generated (used in) investing activities		(271,522)	(171,185)
Cash flows from financing activities			
Dividends paid to group shareholders		(892,894)	(1,050,086)
Dividends paid to minority shareholders		(48,612)	(57,176)
Net cash flows (used) in financing activities		(941,506)	(1,107,262)
Net increase in cash and cash equivalents		(34,671)	65,560
Cash and cash equivalents at 1 January		863,995	798,435
Cash and cash equivalents at 31 December	11	829,324	863,995

The accompanying notes from 8 to 44 are an integral part of these financial statements

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SEPARATE STATEMENT OF FINANCIAL POSITION
at 31 December 2017

	<i>Notes</i>	<i>2017</i> <i>MKD '000</i>	<i>2016</i> <i>MKD '000</i>
ASSETS			
Non-current assets			
Property, plant and equipment	6	2,289,939	2,179,433
Investment properties	7	168,498	166,349
Investment in subsidiary		157	157
Exploration and evaluation assets	8	4,183	19,352
		2,462,777	2,365,291
Current assets			
Inventories	9	672,241	665,543
Trade and other receivables	10	502,674	369,677
Short term loan		-	10
Income tax receivable		25,060	8,934
Cash and short term deposits	11	829,324	863,995
		2,029,299	1,908,159
TOTAL ASSETS		4,492,076	4,273,450
EQUITY AND LIABILITIES			
Capital and reserves			
Share capital	12	1,747,730	1,747,730
Retained earnings		1,093,372	1,201,365
Other reserves	13	538,148	538,148
Reinvested profit		568,606	308,760
		3,947,856	3,796,003
Non-current liabilities			
Provision for retirement benefits	14	54,111	54,198
Provision for rehabilitation of quarries		10,612	12,693
		64,723	66,891
Current liabilities			
Trade and other payables	15	452,869	384,704
Provision for unused holidays		10,321	9,865
Current portion of retirement benefit obligations	14	5,298	4,830
Income tax payable		10,755	10,916
Dividend payable		254	241
		479,497	410,556
TOTAL EQUITY AND LIABILITIES		4,492,076	4,273,450

Authorized on behalf of the Board of Directors on 26 February 2018:

Hrisafov Boris

Nikos Mousouras

Chief Executive Director

Finance Manager

Prepared by authorised accountant with certificate number 102613:

Barlakoska Gabriela

Head of accounting

The accompanying notes from 8 to 44 are an integral part of these financial statements

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Non-financial statements

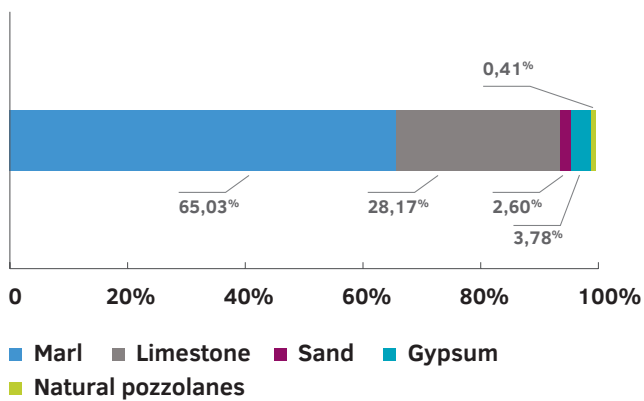
Appendices Environment

Water				2015	2016	2017
Water withdrawn		Total water withdrawn (by course)	m³/y	70,621	78,275	126,339
		Surface water	m³/y			
		Ground water	m³/y	40,531	53,729	97,403
		Rain water	m³/y			
		Waste water	m³/y			
		Municipal water	m³/y	30,090	24,546	28,936
		Ocean or sea water	m³/y			
		Quarry water used (from quarry dewatering)	m³/y			
		Quarry water not-used (from quarry dewatering)	m³/y			
	Water use	Total water use (by destination)		m³/y	70,621	78,275
		Process water	m³/y	2,358	5,794	8,431
		Non-recycled water for mechanical cooling	m³/y	13,239	11,885	11,794
		Water for environmental purposes	m³/y	25,205	37,176	82,960
		Potable water (for drinking, cleaning, hygiene, etc.)	m³/y	28,406	21,854	20,627
		Water stocks change (+ = increase; - = reduction)	m³/y			
		Losses	m³/y	1,412	1,566	2,527
Water discharge	Total water discharge (by destination)		m³/y	33,862	31,610	44,076
		Surface water (river, lake)	m³/y	33,862	31,610	44,076
		Sub-surface water (well)	m³/y			
		Off-site water treatment	m³/y			
		Ocean or sea water	m³/y			
Water consumption	Total water consumption		m³/y	36,938	46,665	82,263
Recycled water	Total recycled water		m³/y	1,494,097	1,563,146	1,445,487
		Recycled water for mechanical cooling	m³/y	1,494,097	1,563,146	1,445,487
		Other (washing of vehicles, etc.)	m³/y			
Water demand	Total water demand		m³/y	1,531,035	1,609,811	1,527,750

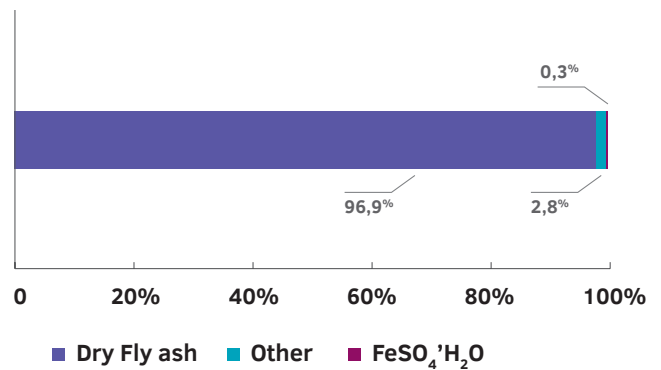
Specific waste production	Specific total wastes produced (excluding printing toner and cartridges)		1,36	0,93	2,18	
		Specific wastes disposed externally	kg/t Clinker	1,27	0,88	0,62
		Specific wastes disposed internally	kg/t Clinker	0,09	0,05	1,56
Waste production distribution	Total wastes production (excluding printing toner and cartridges, per sub unit)		100	100	100	
		Wastes disposed externally	%Total	93,16	94,15	28,57
		Wastes disposed internally	%Total	6,84	5,85	71,43
		Total wastes production (excluding printing toner and cartridges, overall)	%Total	100	100	100
		Wastes disposed externally	%Total	100	100	100
		Wastes disposed internally	%Total	100	100	100
CO ₂ Emissions	Total Direct CO ₂ Emissions		0,48	0,65	0,66	
		Specific Direct Emissions of CO ₂	kgCO ₂ /t cementitious product	665	691	673

Enviromental Costs	Total enviromental cost		808,900	562,379	751,664	
		Cost for environmental management	€/y	37,508	27,708	47,164
		Cost for rehabilitation	€/y	38,879	41,111	34,425
		Cost for reforestation	€/y	79,963	64,085	53,640
		Cost for environmental training and awareness building	€/y	1,237	1,980	2,647
		Cost for the application of environmental friendly technologies	€/y	504,756	279,200	517,945
		Cost for waste management	€/y	146,558	148,295	95,844

Use of Natural Raw Materials (%)



Use of Alternative Raw Materials (%)



UN Global Compact Criteria		
Implementing the Ten Principles into strategies and operations		
Criterion 1)	The COP describes mainstreaming into corporate functions and business units	USJE commitments a. TITAN Group and USJE CSR Policy & Vision Page/s: 9, 11
Criterion 2)	The COP describes value chain implementation	USJE commitments a. TITAN Group and USJE CSR Policy b. TITAN Group and USJE Code of Conduct c. TITAN Group and USJE Code of Conduct for Procurement Page/s: 9, 11, 12, 18, 19, 27, 39, 41, 42
Robust Human Rights Management policies and procedures		
Criterion 3)	The COP describes robust commitments, strategies or policies in the area of human rights	USJE commitments a. TITAN Group and USJE Governing Objective b. TITAN Group and USJE Code of Conduct c. TITAN Group and USJE CSR Policy d. TITAN Group and USJE Code of Conduct for Procurement e. TITAN and USJE People Management Framework f. TITAN and USJE Occupational Health and Safety Vision and Policy Page/s: 9, 11, 20-22, 27, 39
Criterion 4)	The COP describes effective management systems to integrate the human rights principles	USJE commitments a. TITAN Group and USJE CSR Policy b. TITAN and USJE People Management Framework c. TITAN Group and USJE Code of Conduct d. TITAN Group and USJE Code of Conduct for Procurement Page/s: 9, 11, 27, 39, 41, 42
Criterion 5)	The COP describes effective monitoring and evaluation mechanisms of human rights integration	USJE commitments a. TITAN Group and USJE CSR Policy b. TITAN Group and USJE Code of Conduct c. TITAN Group and USJE Code of Conduct for Procurement Page/s: 9, 11, 41, 42
Robust labor management policies and procedures		
Criterion 6)	The COP describes robust commitments, strategies or policies in the area of labor	USJE commitments a. TITAN Group and USJE CSR Policy b. TITAN and USJE Corporate Values c. TITAN Group and USJE Code of Conduct d. TITAN Group and USJE Code of Conduct for Procurement e. TITAN and USJE People Management Framework f. TITAN and USJE Occupational Health and Safety Vision and Policy Page/s: 9, 11, 15, 22, 27
Criterion 7)	The COP describes effective management systems to integrate the labor principles	USJE commitments a. TITAN Group and USJE Code of Conduct b. TITAN Group and USJE Code of Conduct for Procurement c. TITAN and USJE People Management Framework d. TITAN and USJE Occupational Health and Safety Vision and Policy Page/s: 20-26, 41, 42
Criterion 8)	The COP describes effective monitoring and evaluation mechanisms of labor principles	USJE commitments a. TITAN Group and USJE CSR Policy b. TITAN Group and USJE Code of Conduct c. TITAN and USJE People Management Framework Page/s: 20-26, 41, 42
Robust environmental management policies and procedures		
Criterion 9)	The COP describes robust commitments, strategies or policies in the area of environmental stewardship	USJE commitments, strategies or policies a. TITAN and USJE Corporate Values b. TITAN Group and USJE CSR Policy c. TITAN Group and USJE Code of Conduct d. TITAN Group and USJE Environmental Policy Page/s: 5, 12, 14, 18, 32-37, 40
Criterion 10)	The COP describes effective management systems to integrate the environmental principles	USJE commitments a. TITAN Group and USJE CSR Policy b. TITAN Group and USJE Environmental Policy Page/s: 5, 12, 14, 18, 32-37, 40
Criterion 11)	The COP describes effective monitoring and evaluation mechanisms for environmental stewardship	USJE commitments a. TITAN Group and USJE CSR Policy b. TITAN Group and USJE Environmental Policy Page/s: 5, 12, 14, 18, 32-37, 40, 53-55

Robust anti-corruption management policies and procedures		
Criterion 12)	The COP describes robust commitments, strategies, or policies in the area of anti-corruption stewardship	USJE commitments a. TITAN and USJE Corporate Values b. TITAN Group and USJE CSR Policy c. TITAN Group and USJE Anti-bribery & Corruption Policy d. TITAN Group and USJE Code of Conduct e. TITAN Group and USJE Code of Conduct for Procurement Page/s: 5, 9, 12, 14, 22, 41-43
Criterion 13)	The COP describes effective management systems to integrate the anti-corruption principle stewardship	USJE commitments a. TITAN and USJE Corporate Values b. TITAN Group and USJE CSR Policy c. TITAN Group and USJE Anti-bribery & Corruption Policy d. TITAN Group and USJE Code of Conduct e. TITAN Group and USJE Code of Conduct for Procurement Page/s: 5, 9, 12, 14, 22, 41-43
Criterion 14)	The COP describes effective monitoring and evaluation mechanisms for the integration of anti-corruption stewardship	USJE commitments a. TITAN and USJE Corporate Values b. TITAN Group and USJE CSR Policy c. TITAN Group and USJE Anti-bribery & Corruption Policy d. TITAN Group and USJE Code of Conduct e. TITAN Group and USJE Code of Conduct for Procurement Page/s: 5, 9, 12, 14, 22, 41-43
Taking action in support of broader UN goals and issues		
Criterion 15)	The COP describes core business contributions to UN goals and issues stewardship	USJE commitments a. TITAN and USJE Corporate Values b. TITAN Group and USJE CSR Policy c. TITAN and USJE CSR pledges and commitments d. TITAN Group and USJE Code of Conduct e. TITAN Group and USJE Code of Conduct for Procurement Page/s: 12, 14, 22, 41-43
Criterion 16)	The COP describes strategic social investments and philanthropy stewardship	USJE commitments a. TITAN Group and USJE CSR Policy Page/s: 12, 14, 22, 41-43
Criterion 17)	The COP describes advocacy and public policy engagement stewardship	USJE commitments a. TITAN Group and USJE CSR Policy b. TITAN Group and USJE Code of Conduct Page/s: 12, 14, 22, 41-43
Criterion 18)	The COP describes partnerships and collective action stewardship	USJE commitments a. TITAN Group and USJE CSR Policy b. The Company Charter of the Cement Sustainability Initiative c. TITAN and USJE Climate Change Mitigation Strategy d. TITAN and USJE Occupational Health and Safety Framework Page/s: 12, 25, 27, 39, 42
Corporate sustainability governance and leadership		
Criterion 19)	The COP describes CEO commitment and leadership stewardship	USJE commitments a. TITAN Group and USJE CSR Policy b. TITAN Group and USJE Code of Conduct Page/s: 12, 14
Criterion 20)	The COP describes Board adoption and oversight stewardship	USJE commitments a. TITAN Group and USJE CSR Policy b. TITAN Group and USJE Code of Conduct Page/s: 12, 14, 25, 27, 29, 42
Criterion 21)	The COP describes stakeholder engagement stewardship	USJE commitments a. TITAN Group and USJE CSR Policy b. TITAN Group and USJE Code of Conduct c. TITAN and USJE People Management Framework Page/s: 12, 14, 25, 27, 29, 42



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