



CORPORATE SOCIAL RESPONSIBILITY AND SUSTAINABILITY REPORT 2012







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TITAN GROUP PROFILE

TITAN Group is an independent, vertically integrated cement and building materials producer with 110 years of industry experience. Headquartered in Greece, TITAN Group owns cement plants in 9 countries and employs more than 5,500 people worldwide. Principal products include cement, concrete, aggregates, building blocks, ProAsh®.

TITAN products serve fundamental social needs and their attributes include safety, durability, resource efficiency, interconnectivity, as well as saving and aesthetics.



HIGHLIGHTS 2012

In 2012, TITAN Group celebrated:

- 110 years** from the foundation of Titan's first plant in elefsina
- 100 years** on the Atehns Stock Exchange
- 10 years** of active participation in U.N. Global Compact

TITAN GROUP IS A MEMBER OF:

EMPLOYEES

(As of 31 December 2012)

U.S.A.	1,715
GREECE AND WESTERN EUROPE	1,161
SOUTHEASTERN EUROPE	1,629
EASTERN MEDITERANEAN*	1,031
TOTAL	5,536

* Total employment calculated for joint ventures

U.S.A.

Cement plants	2
Quarries	6
Ready-mix plants	90
Distribution terminals	14
Concrete block plants	9
Fly ash processing plants*	8

* One fly ash processing plant in Canada

GREECE AND WESTERN EUROPE

Cement plants	3
Grinding plant	1
Quarries	28
Ready-mix plants	28
Distribution terminals	4
Concrete block plants	1
Fly ash processing plants	1

SOUTHEASTERN EUROPE

Cement plants	5
Quarries	11
Ready-mix plants	6
Distribution terminals	2
Processed engineered fuel plant	1

EASTERN MEDITERANEAN

Cement plants	3
Grinding plant	2
Quarries	17
Ready-mix plants	4
Distribution terminals	1





USJE PROFILE

Cementarnica USJE AD Skopje (or USJE) was founded in 1955 near the USJE village in the southeast part of the city of Skopje. In 1998, USJE was acquired by the TITAN Group. The company employs 319 direct employees and 224 indirect employees. The Company also cooperates with over 571 (78%) local suppliers and contractors.

Our Group's Governing Objective is to grow as a multi-regional, vertically integrated cement producer, combining an entrepreneurial spirit and operational excellence with **respect** for **people, society** and the **environment**.

The achievement of this objective requires a framework of agreed-upon principles and Values that determine our everyday conduct and practice. This framework explicitly defines our responsibilities towards all those affected – directly or indirectly – by our business activities. Our actions reflect our commitments to all of our stakeholders.

- 1. To our Shareholders:** We strive to ensure a sufficient return on their capital, to protect their investment, and to be transparent in all our dealings.
- 2. To our Customers:** We do our utmost to provide quality products and services with competitive terms, tailored to our customers' needs and supported by the necessary technological, environmental and commercial experience.
- 3. To our Employees:** Our workforce is our most valued resource. Respect for their human rights, providing safe, open, non-discriminatory, diverse and good working conditions and an emphasis on employee development are essential in order for TITAN Group to attain its objectives.
- 4. To our Business Associates:** We believe in mutually-beneficial relationships with our contractors and suppliers and we are committed to promoting responsible supply chain management practices.
- 5. To the Society:** It is our belief that socially responsible businesses contribute to the prosperity and progress of society as a whole. Our commitment to Corporate Social Responsibility and Sustainable Development is integral component of our Governing Objective.

OUR CODE OF CONDUCT IS BASED ON OUR VALUES

INTEGRITY	KNOW-HOW	VALUE TO THE CUSTOMER
DELIVERING RESULTS	CONTINUOUS IMPROVEMENT	CORPORATE SOCIAL RESPONSIBILITY





MESSAGE FROM THE CHIEF EXECUTIVE DIRECTOR

It is an honor and pleasure to present another Annual Report on Corporate Social Responsibility and Sustainable Development of Cementarnica USJE AD Skopje. The pleasure is even greater because the document emphasises the efforts of our Company for continuous development through transparent operation and commitment to partnering with all stakeholders. Our success is possible only if all stakeholders are satisfied and exactly that is our priority and our corporate culture.

In our everyday operations, each of us in USJE is dedicated to deliver short-term and long-term company goals, work is as usual, activities are being implemented... The feeling of satisfaction when we look back at the year that has passed and when we see in one place the results of our collective effort and commitment is irreplaceable. Each year is a new challenge, new goals and priorities in order to improve our company, but also to promote and develop the community.

These efforts to harmonize the needs of the community and our associates were recognized, acknowledged and awarded with the National Award for Best Socially Responsible Practices. For us, that is just an additional incentive to continue in the direction in which we move for years.

Although amid specific economic and social conditions that resulted from the global economic crisis, Cementarnica USJE does not deviate from investments that contribute to long-term and sustainable development in business, but especially in environmental protection. In this regard, we are the first company in Macedonia to enter the process of treatment of atmospheric and surface waters, thus directly contributing to the protection of water as a natural resource. Since 2011, USJE is licensed with the A integrated environmental permit and we work consistently under the terms therein and during 2012 we put efforts to make another step towards the global trends in the cement industry in the direction of the A integrated environmental permit for the replacement of fossil fuels with alternative fuels.

USJE puts people first when designing the company's policy and implementing it. This holds true whether it comes to our employees, our partners, our neighbors or the wider community. Our company's success is undoubtedly due to the human capital in USJE. Therefore, our priority is the safety and health of our employees and of our close associates. We continuously strive for zero accidents in the workplace by providing safe conditions and means for safe operation, as well as continuous training programs for our employees and contractors.

On the other hand, we have expanded regular health checks for employees into other segments, thus directly affecting the healthcare prevention of our people.

It is worth mentioning that the cooperation with the local government, as in the previous years, goes as planned, with particular emphasis on schools and infrastructure projects, according to the plans of the municipality.

Finally, I would like to thank everyone who contributed to these achievements, with the sincere hope that this Annual Report on Corporate Social Responsibility and Sustainable Development of Cementarnica USJE AD Skopje will answer all pertaining questions that are discussed in detail.

Chief Executive Director
Boris Hrisafov





2012 AT A GLANCE

HEALTH AND SAFETY

- ✓ **Zero fatalities** and zero serious accidents
- ✓ **82% decrease** in the number of LTI (Lost Time Injury) since 2005
- ✓ 27% decrease in the LTIFR (LTI Frequency Ratio) since 2005
- ✓ USJE won the **National AWARD FOR BEST H&S PRACTICE IN 2012**



ENGAGING WITH OUR STAKEHOLDERS

Our Employees, Contractors, Suppliers & Customers

- ✓ **100%** of our contractors' employees were trained on Health & Safety through our new Contractor Management process
- ✓ **78%** of our suppliers and contractors are **local**, thus USJE providing work and revenue of more than **35 million euro** per year to the local companies
- ✓ About **5.800** training hours provided for all employees i.e. more than **18** training hours per employee
- ✓ To improve the wellbeing of our employees, **2/3 of all** employees received additional cardio medical check-up; all female employees received gynaecology and mammography & breast cancer check-up. This year the osteo check-up for all female employees was introduced.



* More than **150 direct visits** of our customers by our management team and other key employees to identify their needs and concerns

* **E-ORDER** launched



Communicating stakeholders

- ✓ **Stakeholders Communication Day** was organized aiming to communicate our CSR & Sustainability Report to all our stakeholders, local community, customers, contractors and suppliers, other businesses, as well as relevant parties in environmental area from MoEPP, NGO's, and relevant academia representatives
- ✓ **Communication Day for USJE employees**
Cementarnica USJE organized Communication Day for its employees in June 2012.



Environmental Protection

- ✓ Decrease of 1% in the specific gross CO₂ emissions per ton of clinker, compared to previous year
- ✓ Reduction of dust and SO_x emissions beyond the 2015 targets (30 mg/Nm³ and 400 mg/Nm³ respectively)
- ✓ USJE is the first industry in the country that purifies the atmospheric and street spraying waters
- ✓ The A integrated environmental permit extended for the replacement of fossil fuels with alternative fuels

More than 22.000 trees, saddles & flowers planted in 2012 in our Quarries and local Community

Community Development

- ✓ Partnering with Schools Project
- ✓ University & MBA scholarships
- ✓ Support of children with special needs
- ✓ USJE management and employees **volunteered** in the action **Macedonia Without Waste**



CSR Recognition

USJE receives the National Award for the best socially responsible practices for 2011 in the category *Relations with Employees* as well as Recognition in the category *Ethical Governance*.

In addition, USJE won a special jubilee recognition for continuous implementation of best socially responsible practices.



UN Global Compact Initiative

- ✓ Speakers on human rights in cement industry/H&S at the 1st Regional LN Conference in Thessaloniki
- ✓ Panelists at the 1st Business & Human Rights Conference in Geneva
- ✓ Presence at the 3rd European UNGC Local Networks Conference in Belgrade
- ✓ Board members of the UN Global Compact Local Network

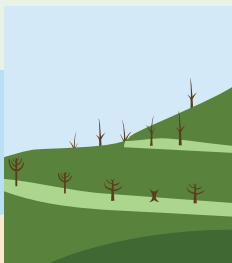


OUR FOOTPRINT



QUARRYING ACTIVITIES

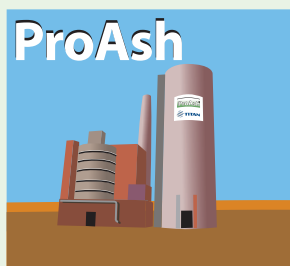
- > **1.5 million** tons of raw materials extracted from 3 active quarries
- > **1.1 million m²** is the total area of active quarries, out of which **627.000 m²** only are affected by operations
- > **42.000 m²** of active quarries have been rehabilitated in 2012 by planting local trees and bushes



QUARRY



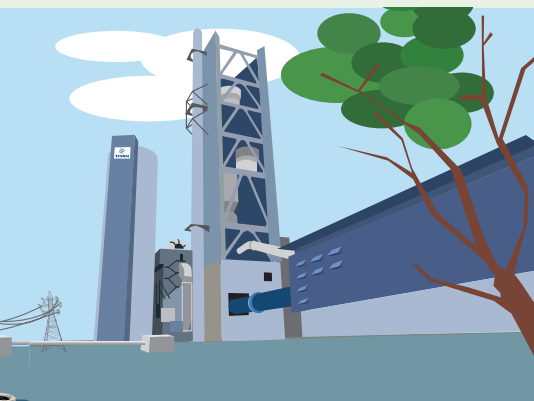
REHABILITATION



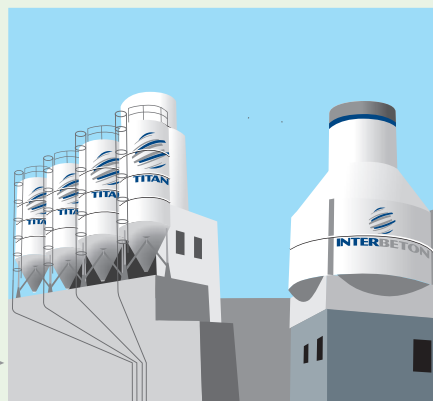
ENVIRONMENT FRIENDLY SOLUTIONS

- Total annual emissions:
- > Dust particulates **16.6** metric tons
 - > NOx **1854** metric tons
 - > Sox **47.8** metric tons





CEMENT PRODUCTION



READY-MIX PRODUCTION

> For new investment in fixed assets: More than **€ 68 million** since 1998

> More than **€ 65.000** spent for community development programs through donations in cash and in kind in 2012

> **317 attendees of training programs** including all own employees with **18.1 hours per attendee** in 2012

CONCRETE STRUCTURES FOR SOCIETY



1963 - USJE provides materials for reconstruction of Skopje after the earthquake

1967 - First Electrostatic precipitators are installed in Ex-Yugoslavia by Cementarnica USJE

2000/2001 - Bag-filter is installed on line no.3 and clinker cooler is reconstructed

2002/2003
- Bag-filter is installed at Kiln No.4

2004
- Installed system for independent 24-hour continuous measurement of emissions

2004
- Certified with Quality System ISO 9001:2000

2006
- Certified with Environmental Management System ISO 14001:2004

2008
- USJE becomes a member of the Global Compact Network Macedonia

2009 - For the first time in the region and in TITAN Group USJE starts with continuous public announcing of the environmental measurement data

2009
- USJE establishes CSR Committee

2010
- Contractors Management H&S System established

2010 - USJE publishes its First CSR and Sustainable Development Report

2010 - USJE receives National Award for best CSR practices in the category Employees Relation and Recognition by the Municipality of Kisela Voda

2010 - USJE organizes 1st Stakeholders Engagement Forum

Jan. 2011
- Certified with Health&Safety Management System OHSAS 18001-2007

2010-2011-556 days without workplace injury

2011-USJE obtains A Integrated Environmental Permit A-IPPC

2011-USJE receives National Award for best CSR practices in the category Environment and three plaques in the categories Community Investment, Employee Relations and Ethical Governance

2011-First Company Open Day organized

2012 - Stakeholders Communication Day was organized on communicating our CSR & Sustainability Report of 2011 to all our stakeholders

2012 - The first Communication Day for USJE employees was organized

CSR STRATEGY & CORPORATE GOVERNANCE

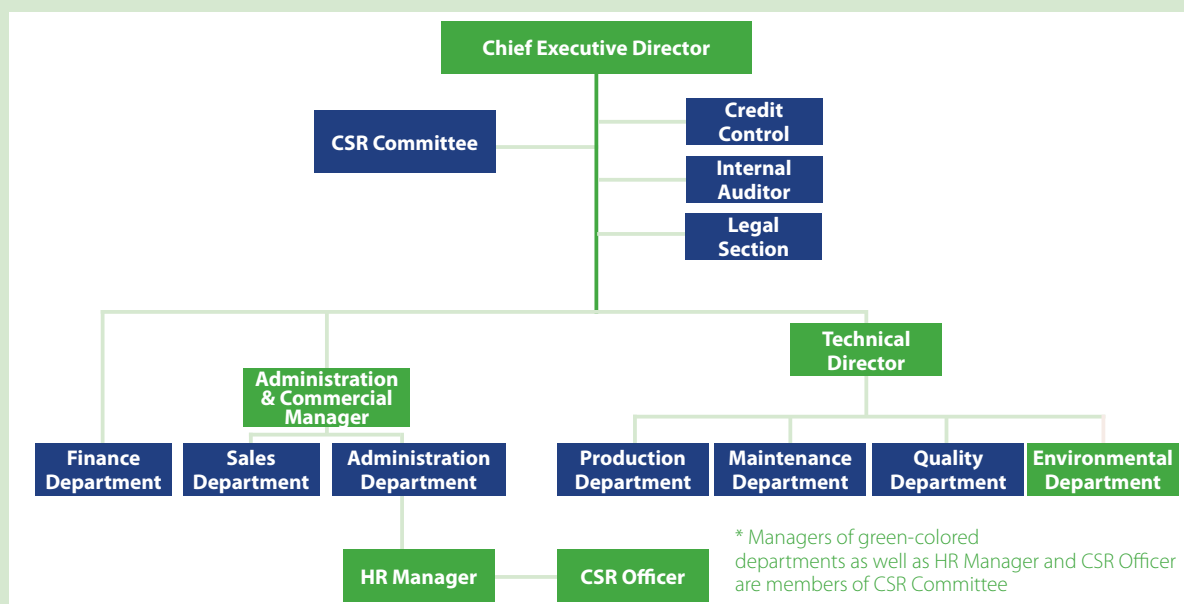
Our CSR vision is to “conduct its business in an ethical and socially responsible manner doing less harm and endeavoring to do more good”.

This vision is embedded in all our operations and CSR initiatives taking into considerations the local milieu and conditions as well as identified social and environmental needs in the country and in the local communities where we operate. The Company follows established global best practices of corporate governance in its management and has five non-executive members in its Board of Directors, two of which are also independent.

CSR & CORPORATE GOVERNANCE MILESTONES

- ⊕ 2008 – USJE joined UN Global Compact
- ⊕ 2008 & 2006 – H&S Policy and Environmental Policy adopted
- ⊕ 2009 – USJE was one of the leader members in TITAN Group being the first company to establish CSR Committee consisted of the top management as well as the managers of the key CSR related departments.
- ⊕ 2009 onwards – USJE regularly issues its CSR & Sustainability Report & GRI disclosures
- ⊕ 2010 – CSR Policy & CSR Vision adopted

ORGANIZATIONAL STRUCTURE AND CSR COMMITTEE



COMMITMENT TO STAKEHOLDER ENGAGEMENT & COLLABORATIVE ACTION

To provide long-term development and sustainability of their business, companies make their best efforts to contribute to community development. This approach is essential for each company's success. Guided by this, Cementarnica USJE AD Skopje presented its CSR and Sustainability Report 2011 and organized Round Tables where the effects of actions taken for community development were discussed. The discussion on the CSR and Sustainability Report was attended by representatives of companies, institutions and members of the community that the company cooperates with. “Community Engagement and Development - responsible business”, “Sustainable Production and the Environment” and “Social Responsibility - Consumers and Buyers”, were the three thematic sections that hosted discussions among attendees.





CSR PERFORMANCE

HEALTH & SAFETY

In USJE, safety at work has always been a top business priority. The Group's zero-injury objective and its ambition to lead the top performers in the building materials industry, have both led USJE's continuous pursuit of safety excellence.

There are significant challenges in embedding a culture of safety, not only within our own workforce, but also among third-party contractors and drivers transporting raw materials and products.

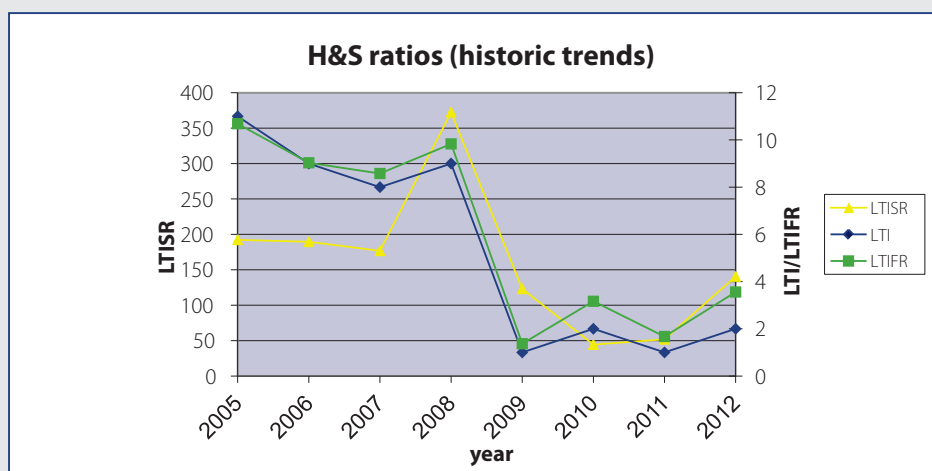
Our objective is to achieve our vision of a healthy work environment free of incidents, injuries and accidents

Target 2011	Results 2012	Target 2015
Complete the process of OHSAS 18001:2007 certification	Continuous improvement; Successful external audit on OHSAS 18001:2007 system;	Continuous improvement; Regularly audit and re-certify
Zero fatalities and zero serious accidents	Zero fatalities and zero serious accidents	Maintain Zero fatalities and zero serious accidents
Continuous decrease in the Lost Time Injury (LTI), LTI Frequency Rate and LTI Severity Rate	LTI and LTI Severity Rate have increased compared to 2011 because of two injuries which happened during the year compared to only one in 2011	Achieve and sustain zero LTI, LTIFR and LTISR
Implement the new Contractor Safety Management process	Full implementation of the Contractor Safety Management	Achieve full compliance with the CSI guidelines on Contractor Safety Management and Driving Safety



HEALTH & SAFETY RATIOS

Health and Safety Performance is continuously monitored, measured, developed, improved and branched out.



*LTI – A Lost Time Injury (LTI) is defined as a work-related injury causing the absence of one or more working days (or shifts), counting from the day after the injury, before the person returns to normal or restricted work. Excluded are injuries in transport to and from work, injuries due to criminal act and injuries due to natural causes.

**LTIFR – Number of LTIs in a year per 1,000,000 hours worked i.e. LTI Frequency Rate = (Number of Lost Time Injuries in a year x 1,000,000)/Total actual hours worked and paid to employees in the year.

***LTISR – Number of lost calendar days due to LTIs in a year per 1,000,000 hours worked i.e. LTI Severity Rate = Number of Lost Calendar Days in a year x 1,000,000)/Total Actual Hours worked and paid to employees in the year

OUR PEOPLE

CODE OF CONDUCT

As part of the continued commitment to strong governance for sustainability, the Group Code of Conduct sets out the principles of conduct that each individual throughout Group operations is expected to adhere to.

It is in addition shared with business partners, such as contractors and suppliers.

A revision of our Group Code of Conduct was completed in 2012, responding to the need for further cohesion following in the Group's growth into many countries, but also addressing relevant stakeholders' expectations and concerns.

A number of new areas were included in the Group Code of Conduct, including references among else to insider in the Group Code of Conduct, including references among else to insider trading, communication, confidentiality, group assets, fair competition, financial and non-financial reporting and raising concerns. Areas enriched in the new Code include further elaboration on human rights, fair competition, compliance, bribery and corruption, gifts and donations, employee relations, relations with customers and suppliers and implementation of the Code.



COMMUNICATION DAY FOR USJE EMPLOYEES

The first Communication Day of USJE was organized in June 2012 with about 70 of our employees from all Departments present. The Chief Executive Director of Cementarnica USJE, Mr. Boris Hrisafov, Mr. Konstantinos Derdemezis, Titan Group's Regional Director, and the special guest speaker of the event, the Governor of the National Bank of the Republic of Macedonia, Mr. Dimitar Bogov, addressed the current events in the cement industry and the world of finance and the economic trends regarding Europe and Macedonia.



EMPLOYMENT

TITAN HR Policy & Vision is shaped to "Ensure an engaged workforce, emotionally and mentally" recognizing that sustainable growth relies on the calibre, behaviour and collaboration of our people, who are at the core of our Governing Objective and our Strategy.

We are committed to:

- Building and retaining an engaged workforce and establishing TITAN Group as an employer of choice through:

- Best fit Candidate Selection when joining TITAN

In TITAN Group we "hire for character and train for skills" putting emphasis on personality traits, without overlooking candidate's qualifications.

In all our employment selection decisions, the principle of equal opportunity is applied, while, due consideration is also given to the local employment needs.

- Continuous Employee Development

Employee development begins with performance management in terms both of work accomplished and of behaviours demonstrated to accomplish it. The purpose is to provide employees with open and honest feedback focused on strengths they should further practice and the areas they need to develop.

- Meritocracy, Differentiation in rewards and Recognition

We aim to position the company as a desirable employer by providing competitive and fair compensation practices, taking into consideration market compensation levels and internal fairness. Moreover, reward is linked with performance, behaviours and demonstrated potential.

High importance is also given to the non-monetary, "intangible" rewards and recognition, such as the every-day acknowledgement of exceptional performance.

- Building trust by "living" our values and by practicing behaviours which ensure mutual respect, collaboration and an open flow of two-way communication:

- Respecting human rights, promoting them within the area of our influence and ensuring a law compliant and safe working environment

Employment at TITAN is characterized by long-term relations with employees.

The number of direct employees in 2012 was 319 while the number of indirect employees in 2012 was 224 in average. The indirect employees provide valuable services as support to our core business: quarrying, transportation of goods, maintenance and technical support, cleaning and catering.

Employment policies followed by USJE as part of TITAN Group focus primarily on people from local and surrounding communities.

Safety performance and transferring corporate values into practice are regarded as key criteria for managers' annual performance appraisals.

Communication day for employees is organized enabling direct communication with management as well as timely information-sharing on all issues related to employment conditions and future perspectives.



Human Rights & Equal Opportunities

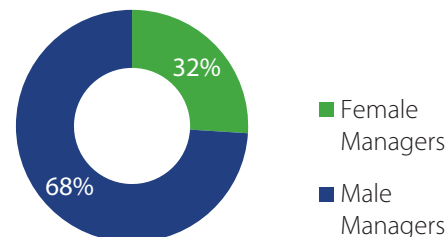
TITAN supports the Universal Declaration of Human Rights and is committed to the protection of fundamental human rights within its sphere of influence as proclaimed by the U.N. Global Compact. Respect for human rights is reflected and incorporated in Group Health & Safety Policy, applying equally to direct and indirect employees. Moreover, respect for human rights is expressed through practices that facilitate employee representation, communication and active involvement in USJE endeavours and achievements. Our Company offers equal opportunities to all people regardless of their gender, ethnicity, religion, age etc. It is reflected in our HR policies and strategies and is implemented throughout the organizational structure.

Equal opportunities for all are also safeguarded by Human Resources Policies at both Group as well as company's local level.

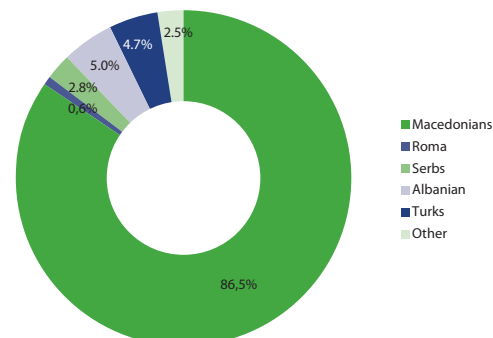
Accordingly:

- ✦ The Company's management team is comprised of local managers to a level of 86%;
- ✦ Participation of women in managerial position is 32%;
- ✦ 18.5 % of all employees are female;
- ✦ More than 13% of all employees belong to the ethnic minorities;

Managers in Usje



Employment Diversity



BUSINESS & HUMAN RIGHTS FORUM – UN GENEVA

USJE as part of TITAN Group was present and fully participated at the first United Nations Forum on Business & Human Rights in Geneva, Dec. 2012. HR Manager of USJE was a panellist on the Forum Session "The Guiding Principles and New Audiences - Challenges and Opportunities: Perspectives from Global Compact Participants" representing our Country and the businesses contributing towards the global aim on human rights awareness development in the world.

Human Resources Development

The continuous development of human resources is a priority for USJE aiming at life-long learning and enhancement of professional skills and competencies that are necessary to anticipate present and future challenges.

In 2012, we have provided about 5.800 training hours for all employees or more than 6.200 hours for employees and contractors. Training hours provided per person is more than 18 hours.

Further emphasis was placed by USJE on training and development programs, expanding the scope and the participation of employees from different hierarchical levels.

A Program for the development of the management team of Usje, section heads and engineers in various management areas was developed and organized as an annual training program including a series of seminars and workshops. All seminars were delivered by international experts in the subject field.

Development activities in environmental area were directed towards sustainable development including in-house training sessions for groups of employees on topics such as waste management and alternative fuels. Also, this year USJE branched out its development endeavors towards contractors by organizing and delivering training on waste selection and management for contractors employees.

Moreover, new programs like the "Step Change" have been introduced with positive outcomes.

STEP PROGRAM

In pursuit of the corporate value of continuous improvement, the "STEP - Self Training E-learning Program" has been implemented for USJE employees.

This is a flexible and up-to-date one year program adjusted to the fast-moving and technologically advanced contemporary working environment. The e-learning content has been developed by Harvard Business Publishing, a non-profit organization that is fully owned by Harvard Business School, one of the most prestigious educational institutions in the world.

The program's purpose is to enhance leadership and management skills of our key employees. Following a mixed approach, and adopting various learning methods such as case studies, assessment tests and workshops as well as e-learning modules, it allows the development of a learning culture, transferring know-how and fostering the TITAN corporate culture.

STEP Program addresses the areas of coaching, leadership and emotional intelligence. It provides immediate and constant access to the learning content, through an e-learning platform that is interactive and easy to navigate. It is a flexible developmental program, since participants may study at their own pace, taking personal responsibility for its completion.



EMPLOYEE BENEFITS, COMPENSATION AND WELFARE PROGRAMS

The employee benefits and social welfare are covered by USJE, according to the Labour Law and Collective agreement as a minimum. In addition, the Company is committed to the wellbeing of our employees and their families thus our additional benefits respond to their needs.

EXTRA MEDICAL CHECKUPS

The health of our employees is one of the Company's priorities. We consider the legal requirements in this area as bare minimum and we make efforts to extend the health prevention and protection benefits for all employees.

As of this year, further to the extra medical exams, additional osteoporosis check-up was introduced for our employees.

Continuing from last year, the regular annual medical check-ups have been extended with cardio exams for all USJE employees at the age of 50 and over. The examinations include physical test, BMI, EKG, ultrasound, cardiac stress test, laboratory analyses and defining the cardiovascular risk and predictors of heart diseases.

In total, 30.000 Euro were invested in additional health prevention measures for our employees.

JUBILEE SERVICE AWARDS

Every year Cementarnica USJE AD Skopje traditionally awards its employees with 10, 20, 30, 35 and 40 years of service with jubilee awards. USJE significantly appreciates and is proud of its employees, their accomplishments and their contribution to the Company's strategic goals and long term sustainability.

This year the ceremony took place at the Communication Day with Employees (see page 12)



SCHOLARSHIP PROGRAM FOR THE CHILDREN OF OUR EMPLOYEES

In the effort to create more opportunities for the employees' families, the Company every year since 2003 implements the Scholarship program for the children of our employees. With this program, the Company grants scholarships for all children of our employees who are successful students at universities, in the course of their graduate or master studies. Scholarships are granted to the children of our deceased employees as well.

The program aims to enhance the professional opportunities of the children of our employees through supporting their studies, but in the same time through supporting the higher education to invest in the future of the country. In 2012, 89.000 Euro were invested in the education of the children of all our employees through scholarships and school packs.



SCHOOL PACKS FOR EACH STUDENT/PUPIL

Acknowledging the financial challenges that every family with children faces at the beginning of every school year, USJE decided to provide additional support to our employees. Since 2010, USJE provides school packs for the children of all our employees. The school packs include back packs, notebooks to all primary and high school children.

In addition, every year the Company organizes New Year celebration for the youngest children of the employees to celebrate the holidays. The children receive gifts including books and encyclopaedias that further support their education.





ENVIRONMENT AND CLIMATE CHANGE

We are aware of our impact on nature and that is the reason why environmental care is our immense priority in all aspects of our conduct. USJE operations are heavily dependent on the use of natural resources. Dust, noise, safety risks, landscape alternation by using raw materials, air emissions, energy and water consumption are issues related to our day-to-day conduct. For this reason, we are committed to actions that reduce our operational impact on the environment. Monitoring, measuring, reporting, cooperating, continuously acting and improving is how we address environmental issues.

Through our CSR approach, we aim to address these main environmental issues:

- ✦ Climate Change
- ✦ Energy and raw materials
- ✦ Air and other emissions
- ✦ Biodiversity
- ✦ Water

USJE 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. In addition, we are regularly conducting audit and re-certification of the Environmental Management Standard ISO 14001:2004. About 897.000 euro (~35% of Capital Expenditure Budget 2012) was spent in 2012 for environmental investments, studies & fixed assets.

USJE is dedicated to actions that provide both the environment and the economy win-win solutions. Working together with our contractors, suppliers, collaborators and our community, committed to do more good we continuously contribute and invest in the environment in order to do a positive change locally, regionally and globally.

Target 2011	Results 2012	Target 2015
Finalize the process of obtaining A-IPPC Permit from the MoEPP and implement planned activities from the Operational Plan for the year	95% of planned activities from the Operational Plan are already implemented Treatment of atmospheric and street spraying water started	Fully implement the Operational Plan from the A-IPPC Permit
	About 897.000 euro (~35% of Capital Expenditure Budget 2012) spent for environmental investments, studies & fixed assets	
Reduction of CO ₂ emissions compared to the previous year	Decrease of 1% in the specific gross CO ₂ emissions per ton of product, compared to previous year	Continuous reduction of CO ₂ emissions
Dust	2.3 mg/Nm ³ for Kiln 3 and 14.7 mg/Nm ³ for Kiln 4 or 2.2 tons and 14.4 tons, respectively	We are already below the target for dust emissions 30 mg/Nm ³
SOx	18.2 mg/Nm ³ for Kiln 3 and 31.5 mg/Nm ³ for Kiln 4, or a total of 16.9 tons and 30.9 tons respectively	We are already below the target for SOx emissions 400 mg/Nm ³
NOx	929 mg/Nm ³ for Kiln 3 and 1013 mg/Nm ³ for Kiln 4, or total 862 and 992 tons respectively	Reduce specific NOx emissions to 1200 mg/Nm ³
Participate in at least one global and national environmental protection and climate change initiatives	USJE became pilot installation in the country for implementing the PRTR Protocol	Increase the level of participation in global and national environmental protection and climate change initiatives

TREATMENT PLANT FOR ATMOSPHERIC AND STREET SPRAYING WATERS

Following the Policy for environmental protection, USJE has established a system for rational usage of waters that includes:

- Water from the city water supplying network is used only for sanitary purposes
- The technical waters (for cooling of the equipment) is filtered and recycled in closed system
- Sewage waters are separated from the atmospheric waters and discharged in the city sewage network
- Atmospheric waters and street spraying waters from the plant are drained and collected in the open canals

Upgrading the existing system, Cementarnica Usje, in March 2013 put into operation a treatment plant for purification of atmospheric and street spraying water from the factory. It is the first treatment plant for atmospheric water on the territory of the Republic of Macedonia. A compact treatment plant with mechanical and chemical treatment was chosen as a technical solution. Storm waters and waters from street spraying in the factory are burdened only with suspended solid particles.

This project allows Cementarnica USJE to perform with standards beyond the legal requirements. By the realization of this investment USJE has completed all activities foreseen in the in the Adjustment Plan of A-IPPC Permit before the deadline in April 2014.



Monitoring Emissions

Monitoring emissions is a pre-condition for controlling and reducing environmental impacts from cement production. In 2004, USJE was the first company in the country to introduce independent continuous monitoring systems operating 24 hours. 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.

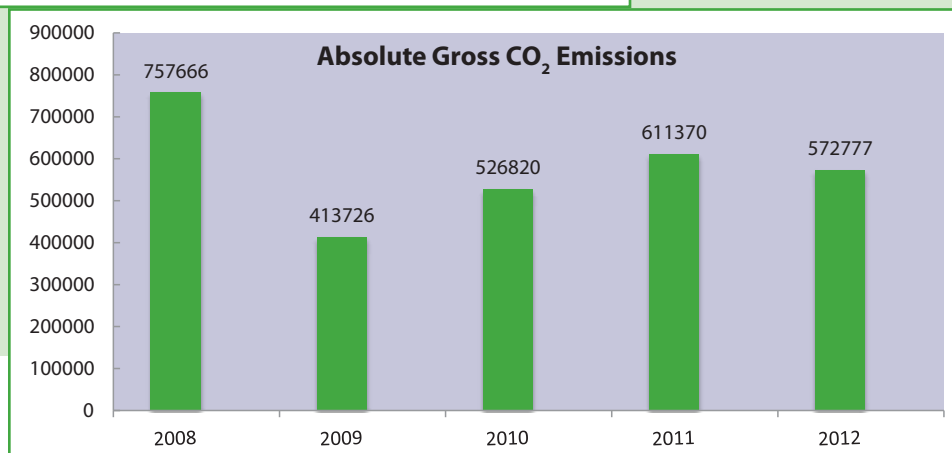
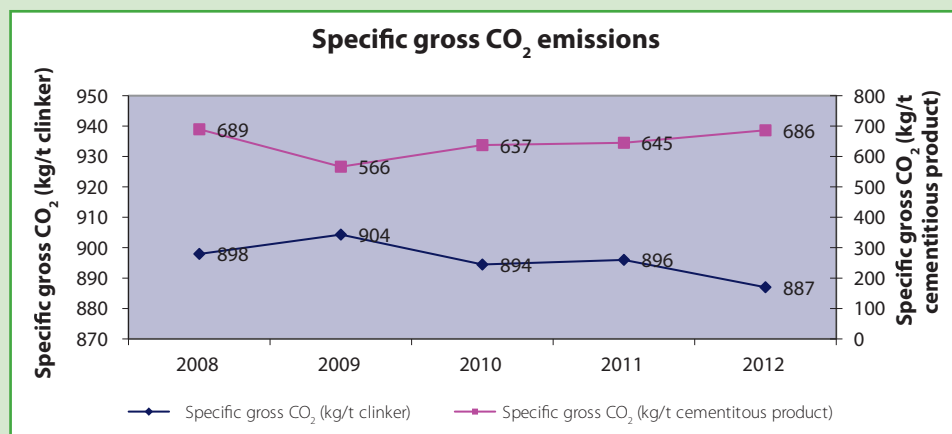
MEASURING OUR CO₂ FOOTPRINT

Climate change is considered as the most important environmental challenge of our time. The nature of the cement industry is such that it produces and emits carbon dioxide (CO₂), thus contributing to the greenhouse effect and climate change. Direct CO₂ emissions from the production of cement itself are attributed to:

- Decarbonisation, the process of transforming raw materials (mainly marl) into clinker, the main component of cement;
- Fuel consumption, including both fuels burned in the kilns (heavy oil and pet-coke) and fuels used for internal transportation, driers and boilers (heavy oil and natural gas), produce CO₂ as a result of the chemical reaction between carbon (C) and oxygen (O₂).

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 are following WBCSD/CSI standards for calculation and reporting of CO₂ emissions. In 2012, USJE's total direct CO₂ emissions were 0.57 million tons, which are lower by 6.6% compared to the previous year, while the specific CO₂ emissions were 887 kg CO₂/t clinker which is lower than 2011 by 9kg CO₂/t clinker or 1%.



MEASURES FOR REDUCTION OF CO₂ EMISSIONS – REPLACEMENT OF FOSSIL FUELS WITH ALTERNATIVE FUELS

USJE AD Skopje, following the positive world experience for usage of renewable energy sources, has initiated the Project for introduction of alternative fuels in the production process. With this project as alternative fuels are covered non-hazardous waste fractions such as: biomass and RDF (Refuse Derived Fuels) -fuel fractions of municipal waste that otherwise could be used.

Under the procedure for assessing the environmental impact of the Project: "Introduction of alternative fuels in cement USJE" a public hearing for this initiative held on 18.04.2012 in the Municipality of Kisela Voda.

The public hearing was attended by representatives of state and local government, NGO's, top management of USJE AD Skopje and the representative of the independent consulting firm that prepared the Study for assessment of the environmental impact.

The public hearing took place in a positive atmosphere with more discussion of governmental representatives, academia and the local population.

All present agreed that this project will have a positive impact and will imply the establishment of a sustainable system for collection and treatment of target waste fractions, utilizing their energy potential, and will reduce both consumption of fossil fuels and emissions of green-house gases (CO₂).

USJE continued its endeavours to make another step towards the global trends in the cement industry in the direction of extending the A integrated environmental permit for the replacement of fossil fuels with alternative fuels.

We believe that the use of alternative fuels in the production process will give an additional contribution to the overall sustainable development of our society.

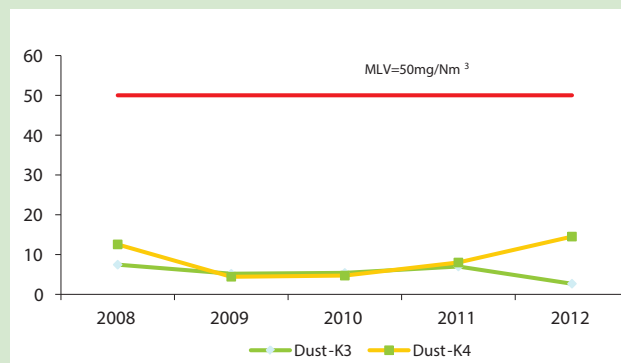


Air emissions

DUST

At cement plants, major dust emission sources are kiln stacks and open surfaces creating fugitive dust from the transportation of materials.

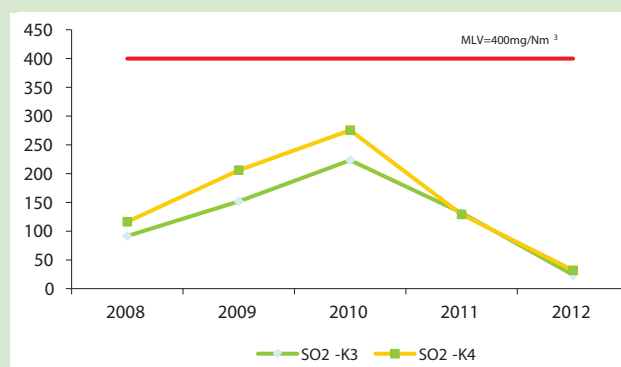
In 2012 specific emissions of dust were 6 g/ton clinker for Kiln 3 and 48 g/ton clinker for Kiln 4. This is equivalent to approximately 2.2 tons and 14.4 tons, respectively per year. Dust emissions are many times below the limits (MLV) set by the environmental terms and conditions of both local and EU legal requirements. The average concentration of dust for Kiln 3 is 2.3 mg/Nm³ and for Kiln 4 is 14.7 mg/Nm³. The MLV is 50 mg/Nm³.



SOx

The presence of sulphur (S) in raw materials is the primary cause of SOx emissions. USJE's SOx emissions are substantially below the limits (MLV) set by the applicable local and EU regulations. The average concentration of SOx for Kiln 3 is 18.2 mg/Nm³ and for Kiln 4 is 31.5 mg/Nm³, while the MLV is 400 mg/Nm³. In 2012 our activities resulted in specific emissions of approximately 48.6 g/ton clinker for Kiln 3 and 103.4 g/ton clinker for Kiln 4, or a total of 16.9 tons and 30.9 tons SOx, respectively.

Significant reduction of SOx emissions on both Kilns compared to ones in the year 2011 is result of implementing selective exploitation in the Marl Quarry.

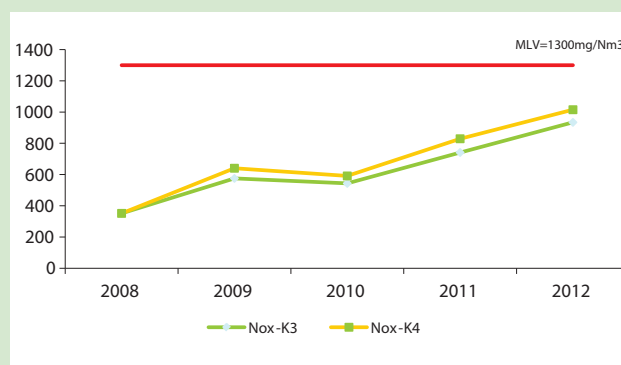


NOx

Combustion at high temperatures leads to NOx emission. Scientific studies have indicated that NOx emissions may contribute to acid rain and smog.

In 2012 USJE's specific NOx emissions were 2487 g/ton clinker for Kiln 3 and 3326 g/ton clinker for Kiln 4, or total 862 and 992 tons NOx respectively per Kiln. The overall NOx emissions were within the limits (MLV) set by the local and EU legislation. The average concentration of NOx for Kiln 3 is 929 mg/Nm³ and for Kiln 4 is 1013 mg/Nm³, while the MLV is 1300 mg/Nm³.

This is the result of the continuous and systematic efforts to ensure the optimal performance of the pyroprocess units.





INITIATIVES FOR IMPROVEMENT OF ENERGY EFFICIENCY

Undoubtedly energy is essential for the industry, while the electric energy consumption per capita is indicator of a country's development. The increasing awareness on environmental protection and the continuous increase of the price of electric energy contribute to the trend that energy saving is one of the top priorities of every company responsible towards the environment and the society.

Cementarnica USJE has a strategy for reduction of the electric energy consumption. In this framework, we have a system for measuring electric energy according to which we know exactly how many kilowatt hours are consumed per ton of product in any part of the plant. There are international targets for consumption of electric energy in cement industry. We make efforts for approaching to these standards and accordingly take measures for improvement. Instead of controlling gas flow in the process by dampers, for instance, (huge energy quantities are wasted by dampening gas flow), the big fans in the plant are designed with a mechanism for regulation of the speed of the fan engine as most energy-efficient way of regulation of gas flow.

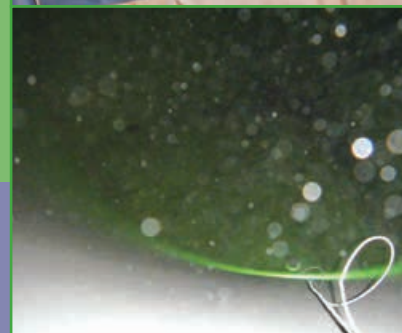
Cementarnica USJE has applied this modification to the bigger fans, while such activities will continue in the forthcoming period when similar measures will be applied to the smaller fans as well.

FOURTH YEAR IN A ROW A "EARTH HOUR"

Fourth year in a row, our Company has been a part of the global action "Earth Hour" that gained the support of hundreds of millions of people, companies and organizations in 5.200 cities from 135 countries throughout the world, becoming the largest environment protection event.

USJE switched off its cement mills to join this global action. Company's cement mills were shut down for one hour on 31st March this year, when the supporters and participants of this global action did the same.

By switching off the cement mills, USJE saved 10MWh electrical energy, or approximately the amount of the consumption of over 3000 households in Skopje. At the same time the lights were switched off in those locations in the company where the safety measures for occupational safety and health allow that.



USJE TOOK PART IN “TREE DAY - PLANT YOUR FUTURE” ACTION FOR THE 10TH TIME

Corporate volunteering and care for the environment are important priorities of USJE and one of the main pillars of our corporate social responsibility policy. Hence, on November 21st, 2012 the Company for the tenth time joined the “Tree Day - Plant Your Future” action.

Cementarnica USJE AD Skopje donated 200 trees with a height from 150 to 170 cm, of which 100 of type European ash and 100 of evergreen species Thuja Columnaris.

About twenty of our employees along with the management team, through this volunteering action, planted the trees at a location in the Municipality of Kisela Voda.

Our support of the action “Tree Day - Plant Your Future” is part of our strategic initiative for environmental protection. Among other activities, we improve the horticultural arrangement in the educational institutions and public spaces in the Municipality of Kisela Voda. This way, we contribute to improving the health of the citizens of our neighbourhood and we encourage sustainable development of the Municipality.



STAKEHOLDER ENGAGEMENT

WE LISTEN & RESPOND

USJE has a long history of engaging with local communities in a spirit of honesty, mutual trust and shared values - based on the concept of branching out and adding value.

Local communities are one of USJE's most significant stakeholders. Building and retaining good relations grounded on mutual understanding, sharing of common interests and perspectives and responding to potential concerns are the pillars of USJE's relevant policy and practices.

In 2012 USJE continued to contribute to local community projects with financial, human and technical resources. Priority was given to long-term community and business engagement programs amounting to € 65.000 in total.

Transparent communication and honest dialogue are essential to foster mutual trust and cooperation with all stakeholders and particularly employees, local communities, customers, suppliers, shareholders, nongovernmental organizations and public authorities.

In all cases however, there is a firm commitment to listen, understand and respond to concerns of our stakeholders.

To adopt an even more strategic approach to engagement with stakeholders and to sharing value created by USJE, we issue our CSR & Sustainability Report for 4 years in a row now. Aiming to further strengthen the relations and deepen our transparent communication and engagement with all our stakeholders, on December 18th, 2012 USJE organized stakeholders' event. All relevant partners and interested parties, local community, customers, contractors and suppliers, other businesses, as well as relevant parties in environmental area from MoEPP, NGO's, relevant academia representatives were invited to discuss and receive feedback related to the data and targets published in our CSR & Sustainability Report 2011.

Target 2011	Results 2012	Target 2015
Improve health & safety in the local community	Project infrastructural activities in 10 schools worth €33.000 Extended with 1 more kindergarten	Continue Partnering with Schools Project. Expand H&S initiatives in the local communities in terms of scope and content. Branch out to other businesses
Provide direct support to the educational prospects of pupils and students in the country	68 students –children of our employees received scholarships 4 students received MBA scholarships 60 primary students visited the Company 13 students were interns in the Company	Company open-door policy & implementation of the project "Introduction into professions" Continue with scholarships for university & MBA studies for young people in the country
Diversify corporate volunteering activities with at least one new initiative	Participation of our employees in the initiative "Macedonia without Waste 2012"	Increase number of employees engaged in corporate volunteering initiatives Cooperation with Red Cross Macedonia

Communicating our third CSR and Sustainability Report 2011

THE DEVELOPMENT OF THE COMPANY MUST ENCOURAGE COMMUNITY DEVELOPMENT

To provide long-term development and sustainability of their business, companies make their best effort to contribute to community development. This approach is essential for each company's success. Guided by this, Cementarnica USJE AD Skopje presented its CSR and Sustainability Report 2011 and organized Round Tables where the effects of actions taken for community development were discussed. The discussion on the CSR and Sustainability Report was attended by representatives of companies, institutions and members of the community that the company cooperates with. "Community Engagement and Development - responsible business", "Sustainable Production and the Environment" and "Social Responsibility - Consumers and Buyers", were the three thematic sections that hosted discussions among attendees.

Each round table was attended by 15-20 participants of the relevant group of stakeholders including our Managers. The topics discussed on the three round tables were Synergy CSR projects with our suppliers and customers, Environment protection and sustainable production, and Collaborative CSR projects for community development of the CSR business leaders and other businesses at local and national level.

At the Round Tables, attending representatives expressed their views and opinions regarding the actions taken so far and exchanged experiences about the activities on this plan.



VALUE TO THE CUSTOMER

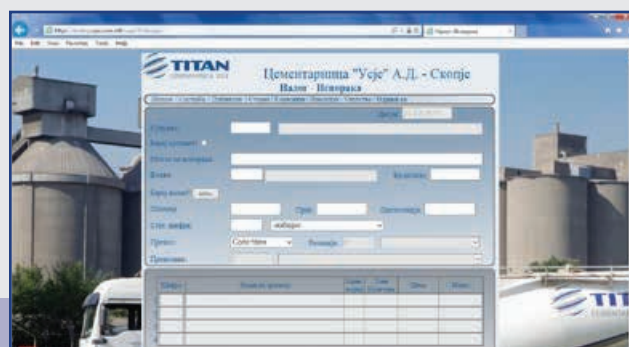
USJE has a policy to serve the needs of customers and be proactively responsive in their expectations. We consider that the demand for new products will be more important in the future and we invest more in research and development seeking solutions that can be customized to local needs and be better in terms of their environmental impacts.

New products have been developed to responds to the need of our valuable customers.

In order to give further value to our customers, to strengthen our relations and to create environment of trust and support, the Company's management team, together with the sales representatives have made personal visits and meetings with all direct and indirect customers. Moreover, these meetings provided feedback from the customers with regards to the quality and their satisfaction from our mutual cooperation.

These joint visits of representatives of sales department and managers and key employees from other departments ensures direct contact with our customers, thus showing deeper respect to the customers and increase customer awareness of our key employees. Everyone in this joint effort is able to directly learn about the possible concerns of the customers and to understand that customer satisfaction is an effort of the whole company, and that each activity contributes to the customer satisfaction.

In 2012, aiming at supporting our customers and ensuring direct involvement in the process of delivery of our products, we introduced the E-Order. This E-Order provides several services to the customers that would ensure their easier everyday operation and work. This service involves direct issuance of loading order, follow-up of the status of their order and, finally, direct view in their material and financial card. In this transparent way, USJE aims at ensuring direct involvement of the customers in its operations by saving their time and efforts in product delivery.



COMMUNITY DEVELOPMENT

Cementarnica USJE Hosted Children from the “8th of March” Kindergarten

Cementarnica USJE gladly opened the doors for the children from “8th of March” Kindergarten from Przino. On 08.05.2012, fifteen children accompanied by their teachers were our guests curiously asking questions about the cement and its use. In accordance to the education program of the kindergarten, children were visually introduced to the cement- material of which their homes, as well as all the houses, buildings, bridges, etc. are built. Our laboratory was especially interesting for the children.



Partnering with Schools Project

As part of our voluntary commitment for support of education and educational process in the country as well as our H&S and environmental commitment and know-how, USJE continually supports the public schools in the Municipality. The project is aimed at continuous improvement of the health & safety and environmental conditions in the public schools and kindergartens in the territory of the Local Municipality where our Company operates as well as at raising the awareness of the children on their own health & safety thus cultivating the health & safety culture in the early stages of education.

Through the project we make efforts to branch out CSR to our suppliers & contractors and through this CSR Project to encourage more businesses that work in our Municipality for community development.

The Project covers eight primary schools, one school for children with special needs and 2 kindergartens with 4 different buildings each in the Municipality of Kisela Voda with 6650 children studying in the schools and 671 employees in the schools covered.

As of the beginning of the project, more than 100.000 euro have been invested in-kind and labor and more than 3.000 hours have been spent by our management and employees and more than 6.500 hours have been spent by our contractor's and suppliers' staff.

All the activities have been coordinated and implemented by the respective Manager and a team comprised of employees from his/her respective Department.

Health & Safety of the children is the main goal of our Project; hence to secure their stay at school, in 5 schools and 1 kindergarten the old and damaged or completely destroyed fences have been replaced with new fences in total length of 540 meters.

Our contractor was engaged in the project partly voluntarily by installing the fences in the schools.

Some of the activities were implemented as joined actions together with the teachers, children and USJE employees.

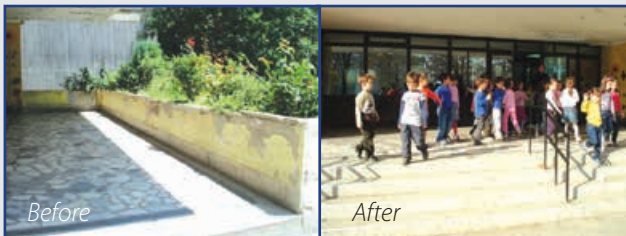


USJE employees painting the newly installed fence in Veseli cvetovi kindergarten

To further support improvement of the infrastructure and conditions in the schools, we donated concrete and performed concrete works on pathways, playgrounds, parking lots and fundaments in area of **1000** square meters in all schools. We donated other material, such as steel, reinforcement, sand, buffer, mortars, concrete elements, sand and performed civil works needed to enhance the health & safety conditions and to safeguard the stay of the children in the schools.



Aiming at energy efficiency and to protect the health and the safety of the children, we replaced the old and damaged windows with new aluminium windows in 3 schools and protective bars were welded on some windows.



The main entrance of the school was reconstructed, namely USJE demolished the old stairs and the old broken concrete jardinières and constructed new stairs with handrails along with a ramp for disabled persons and handrails.



The basements openings full of garbage were completely cleaned, the garbage was removed and new metal plates were installed to cover the openings.



Playground accessories and toys were donated and installed in one school and 2 kindergartens.



Sand and usjermal have been donated and transported to set in mortar the damaged parts of the facade before painting. The whole facade has been filmed with a donation from our customer's company as a basis before painting. We established cooperation with another company to donate paint and finally the entire facade was painted

The outcomes of the first year were decisive to expand the Project in 2011 and 2012 by including another primary school for children with special needs and another kindergarten thus covering all schools and kindergartens in the territory of Kisela Voda.

INTRODUCTION INTO PROFESSIONS

During the interaction with our partners in this Project, we became aware of their further needs.

USJE aims to help the young people in finding out their interests, talents and dispositions through direct presentation of the professions to the students of the final grades in primary schools and to help them choose their future career. Hence, in framework of the Partnering with Schools Project, USJE organizes visits and tour around the company as well as direct acquaintance with the employees and the management. The students closely meet with their job position, working environment, behaviour, responsibilities, and everyday activities.

During the project span, more than 150 students of eight grades from the primary schools from our Municipality had the opportunity to visit the Department of Finance and the Quality Department and directly to be introduced to their operations and processes. The students participating in this project improved their understanding of the occupations and job positions in real life and real company for easier identification of their potential future professions.



ECO CLASS

To introduce the young population in the importance of the protection and promotion of the environment, Cementarnica USJE AD Skopje started, in the framework of this Project, with environmental training in the primary schools of Kisela Voda Municipality.

The activities were launched with an environmental class to the pupils of the 4th grade through presentation of positive examples and waste handling activities (separation and recycling) as well as energy and water savings that can be practiced by them.

Our Environmental Manager and the Environmental Engineer with their individual efforts & technical know-how conveyed the messages in a simple way through a short presentation and the pupils accepted gladly the idea to draw on cement bags. The drawings and the other creative works designed during the class have been exhibited in the school thus conveying the environmental messages to their schoolmates.

Cementarnica USJE AD Skopje presented all the pupils that took part in the environmental class with books about nature as a reminder about the fact that we are all responsible for the environment.



PLANTING TREES AND OTHER HORTICULTURAL ARRANGEMENTS OF THE SCHOOL YARDS

Aiming at raising the awareness of the students and pupils about importance of environment protection as well as improving their environment, we continually donate and plant trees in the primary schools and kindergartens in the Municipality of Kisela Voda.

The Company every spring and autumn organizes actions for planting trees in the schoolyards of the primary schools and kindergartens.

So far, more than 600 trees have been planted in the yards of the schools and the kindergarten by our management and employees along with the children and the teachers of the schools.



CORPORATE VOLUNTEERING

USJE EMPLOYEES VOLUNTEERED IN THE INITIATIVE MACEDONIA WITHOUT WASTE 2012

The World Cleanup 2012 Action takes place in over 100 countries throughout the world, from March to September. On a global scale, tons of inappropriately disposed waste will be collected. Macedonia is part of this story.



In anticipation of Earth Day, spring action took place on April 21, 2012 in the municipalities of Kisela Voda, Dojran, Struga and Saraj, and on April 22 in Lipkovo. These pilot actions are the beginning of a campaign to clean up the waste "Macedonia Without Waste 2012" by which Macedonia joins the global initiative to clean the waste "Let's Do It! World 2012".

Applying the concept of corporate volunteering and guided by our commitment for environmental care USJE employees gladly joined this initiative. During the weekend we rolled up our sleeves and got to work. More than 40 employees, including the management, volunteered on the territory of the Municipality of Kisela Voda in 3 locations: Rasadnik settlement; Prvomajska Street, and the surroundings of the factory. Waste from landfills was collected and selected in bags with different colors in order to facilitate its separation, transport and recycling.



Our support to the action "Let's Do It! Macedonia" is in line with our strategic initiative for environmental protection within the framework of corporate social responsibility. In the same time, with actions like this one, Cementarnica Usje with voluntary activities of its employees contributes to improving the health of the citizens in the neighbourhood.

RECOGNITIONS AND AWARDS

USJE WON THE NATIONAL AWARD FOR BEST SOCIALLY RESPONSIBLE PRACTICE IN 2012

Cementarnica USJE AD Skopje won the first prize, the National CSR Award, in the category Market Relations, for the project "Customer Support". The competition National Awards for Best Socially Responsible Practices in 2012, is organized by the National Coordinating Body for CSR, supported by the European Union and implemented by the Ministry of Economy in partnership with the NGO Zenith.

This year, as the sixth year of this competition is taking place, there were 43 companies from the Country, competing with 66 projects.

In addition to the first prize, USJE won Recognition in the category Environment with our Project Treatment of Atmospheric and Surface Waters.

These recognitions acknowledge our endeavors for customer satisfaction, which is among the top priorities of our Company, and our corporate social responsibility policy, as well as our commitment and efforts in the protection of the environment.

Usje has strategic efforts and commitment to be a responsible corporate citizen and to contribute for the growth and the well being of all stakeholders, including our customers and suppliers, the environment, and the society as a whole.

USJE WON THE NATIONAL AWARD FOR BEST H&S PRACTICE IN 2012

Cementarnica Usje was awarded with the "National Award for Best H&S Practice for 2012". This award is organized by the Macedonian Occupational Safety and Health Association (MOSHA) in cooperation with its social partners, the "State Labor and Health & Safety Inspectorate", the "Federation of Trade Unions of Macedonia", the "Confederation of Free Trade Unions of Macedonia" and the "Organization of Employers of Macedonia".

The awarding ceremony took place during the "International Conference on National OSH Strategies" on the 26th of April 2013, in Mavrovo.

USJE participated with its "Internal Health & Safety Training Program" as a best practice and won the National Award in competition with 16 other companies.

The commitment of USJE to maintain the Health & Safety as a first priority is applied through continuous training for every employee. For that purpose we developed the Wednesday's lecturing program which is implemented since November 2004 by the Health & Safety Department and it is attended by all employees in the company. The lectures are run weekly with specific topics per cycle where employees are encouraged to be involved in consultation and communication on health & safety matters that affect their work.

This award is not only recognition of our commitment and efforts in achieving our vision of providing a healthy working environment free of incidents, injuries and accidents, but also our encouragement to move forward.

The Company's approach to reducing occupational hazards is a continuous joint effort of the management and employees. We adopt this systematic approach to Health & Safety in order to achieve continuous performance improvement.



UN GLOBAL COMPACT INITIATIVE & GRI DISCLOSURES

USJE REMAINS ACTIVE MEMBER OF THE LEADERSHIP OF THE GLOBAL COMPACT NETWORK

Securing sustainable development is the responsibility of the companies. The use of the latest international practices aims to ensure the long-term sustainable development of companies through greater application of the principles of the Global Compact in the daily operations. This was the main topic at the annual conference of the Macedonian Global Compact Network "In Step with World Events" which was held in Skopje on November 7th, 2012.

In order to improve practices in this area in the business sector and to follow the latest trends in this area, the Network is active at the international level by taking part in conferenc-

es such as the Meeting of European GC Networks, at which spoke Magdalena Slavejkova, HR Manager at Cementarnica USJE AD Skopje.

The conference was attended by representatives of the business sector, associations, institutions and representatives of the National Coordination Body for Social Responsibility. The keynote speeches at the conference were given by the Assistant Resident Representative of UNDP in Macedonia and the representative of the Delegation of the European Union.

Target 2011	Results 2012	Target 2015
Actively engage in the Global Compact Network Macedonia	USJE actively participates & represents the LN as socially responsible company in the country and at international level, among which: <ul style="list-style-type: none"> - Speakers on human rights in cement industry/H&S at the 1st Regional LN Conference in Thessaloniki - Panelists at the 1st Business & Human Rights Conference in Geneva - Presence at the 3rd European UNGC Local Networks Conference in Belgrade 	Actively build and strengthen the leadership of the Global Compact Network Macedonia
Support the implementation of the initiatives under the Global Compact Network Macedonia	USJE actively supported the Global Compact Network, including support of: <ul style="list-style-type: none"> - Annual Conference - Presentation & dissemination of Company's CSR principles 	Support the implementation of the initiatives under the Global Compact Network Macedonia
Promote CSR concept and UNGC principles in the public	Dissemination of CSR principles to our suppliers, contractors, customers, NGO's and other stakeholders at open Round Tables	Actively engage in activities for broader and better understanding of the context and the application of the ten universal UNGC principles in the local context

ABOUT UNGC

The Global Compact is the largest voluntary initiative for social responsibility of companies around the world and it derived from the United Nations. This agreement is based on the ten principles that incorporate the areas of human rights, non-abuse of child labor, environment and fight against corruption. Companies-members of the UN Global Compact accept these principles and apply them in their daily operations and thus comprise the driving force

of global development, through concrete contribution for the development of the community they work in. The UN Global Compact is the largest global voluntary social responsibility initiative, with over 8700 members in 130 countries worldwide. Titan Group, the mother Company of USJE is a member of the UN Global Compact since 2002. The Global Compact Network Macedonia was established in 2004. USJE joined the Network in 2008.



By joining the UN Global Compact in December 2008, USJE embraced at the local country level the ten principles of good corporate management, which are the foundation of this Compact.

TITAN Group, the mother Company of USJE, is a member of the UN Global Compact since 2002.

Global Compact Principles	GRI reference	USJE reference (Sections in this Report)
Principle 1 Businesses should support and respect the protection of internationally proclaimed human rights	HR1, HR2, HR3, HR4	Health & Safety Our People
Principle 2 Businesses should make sure that they are not complicit in human rights abuses	HR2, HR3	Our People
Principle 3 Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining	HR5, LA3, LA4	Our People
Principle 4 Businesses should uphold the elimination of all forms of forced and compulsory labor	HR7	Our People
Principle 5 Businesses should uphold the effective abolition of child labor	HR6	Our People
Principle 6 Businesses should uphold the elimination of discrimination in respect of employment and occupation	HR4, LA10, LA11	Our People
Principle 7 Businesses should support a precautionary approach to environmental challenges	EN1 - EN30	Our Footprint Environment & Climate Change
Principle 8 Businesses should undertake initiatives to promote greater environmental responsibility	EN1 - EN30	Our Footprint Environment & Climate Change
Principle 9 Businesses should encourage the development and diffusion of environmentally friendly technologies	EN1 - EN30	Our Footprint Environment & Climate Change
Principle 10 Businesses should work against all forms of corruption, including extortion and bribery	SO2, SO3	TITAN Group Overview CSR & Corporate Governance





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