



Corporate Social Responsibility and Sustainability Report 2010



Dear stakeholders,

Welcome to our first Corporate Social Responsibility (CSR) Report, which represents an additional effort to present our commitment to sustainable development in a transparent and structured manner.

The challenging economic environment we are all experiencing has imposed new expectations underlining the significance of corporate social responsibility for safeguarding sustainability at all levels. As a member of TITAN Group, we share corporate values and priorities of the company which we constantly promote. Those are: occupational health and safety, care for the environment and cooperation with the local community.

Aiming to achieve the highest standards in the three areas, in 2010 we set the new Occupational Health and Safety Management system which enables constant improvements and will help us to reach our goal of “zero accidents”.

Furthermore, our investment program for the optimisation and further improvement of our environmental performance was completed, reaching a total of almost € 1,100,000, including the installation of new closed storages for materials and waste water treatment system.

Our presence in the local community is reflected in the implementation of numerous programs and activities aimed at developing the community. We also continued to facilitate and improve the quality of life, through various forms of support in the total amount of €580,000.

Here, we have briefly described results achieved so far in all important areas. It is important to note, however, that corporate social responsibility is an on-going endeavour to invest and improve. We are committed to that principle, through self-assessment and valuable feedback from our stakeholders.

We strive to respond proactively to social and environmental challenges of our time. Therefore, our strategy will remain focused on our key priorities. Those are primarily to safeguard a healthy and safe working environment, with no injuries at work. A permanent orientation is also to invest in the living environment, promote further reduction of air emissions, water consumption and use of fossil fuels. We advocate further development of our good relations and partnerships with the local community so as to enable a better future for all.

Miroslav Gligorijevic
General Manager



TITAN Group

Titan Cementara Kosjerić is a member of Titan Group, which, since its founding in Greece in 1902, has had a track record of continuous growth and business expansion. Owing to constant progress and efforts of its employees, the company is today positioned as a multi-regional, vertically integrated producer of cement and related building materials. It operates on three continents (Greece, USA, Canada, UK, France, Italy, Bulgaria, FYROM, Albania, Turkey, Egypt, Serbia, and the territory of Kosovo) and directly employs more than 6,000 people. A generating force of the Group is based on the postulate that business should combine an entrepreneurial spirit and competitiveness with ethical principles and understanding of needs of people, society and environment, while the commitment to CSR and support to sustainable growth represent a natural continuation of the practice from the previous period.

Titan is the first company in Greece that joined the UN Global Compact, which aims to protect human rights and environment and promote fight against corruption. The Group is a member of the European Business Network for CSR, the European Alliance for CSR, the World Business Council for Sustainable Development, and the Cement Sustainability Initiative.

Key Financial and Non-Financial Indicators for 2010	TITAN Group
Total Assets (€ million)	3.080
Turnover (€ million)	1.350
EBITDA (€ million)	314
Direct Employees (cement production)	6.161
Employee Lost Time Injury Frequency Rate	2,33
Average Training Man-Hours per Employee	30

Titan Cementara Kosjerić

Titan Cementara Kosjerić d.o.o. was established in 1976, and is the youngest and smallest cement plant in Serbia. Since the establishment, high product quality and professional customer relations have been its imperative, which has quickly turned it into a distinguished brand at the market. The present annual production capacity is around 750,000 tons of cement. It currently supplies significant parts of the markets in Serbia and Montenegro.

The production was launched in 1976, and in the course of the 1980s it reached more than 400,000 tons of cement annually. In April 2002, the company became part of Titan Group, a Greek and international cement producer, and since the privatisation until the present day, more than EUR 50,000,000 has been invested in improvements of working conditions, capacity and process optimisation, as well as in environmental protection.

In line with the Group's values, Titan Cementara Kosjerić consistently follows and implements principles of sustainable growth. International expertise applied at the local market and engagement of local resources contribute to the wellbeing of the community. Long-term results of such an approach are reflected in continuous investments in the production technology, which is, in addition to closer cooperation with the local community, a priority of the company.

Key Financial and Non-Financial Indicators for 2010	TITAN Cementara Kosjerić
Total Assets (€ million)	50
Turnover (€ million)	45
EBITDA (€ million)	21
Direct Employees (cement production)	330
Employee Lost Time Injury Frequency Rate	1,71
Average Training Man-Hours per Employee	29

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Our Values

Our corporate values are deeply rooted in our heritage. They are the essence of our everyday business and guide us in everything we do.

INTEGRITY <ul style="list-style-type: none">• Ethical business practices• Transparency• Open communication	KNOW-HOW <ul style="list-style-type: none">• Enhancement of our knowledge base• Proficiency in every function• Excellence in core competencies	VALUE TO CUSTOMER <ul style="list-style-type: none">• Anticipation of customer needs• Innovative solutions• High quality of products and services
DELIVERING RESULTS <ul style="list-style-type: none">• Shareholder value• Clear objectives• High standards	CONTINUOUS SELF-IMPROVEMENT <ul style="list-style-type: none">• Learning organisation• Willingness to change• Rise to challenges	CORPORATE SOCIAL RESPONSIBILITY <ul style="list-style-type: none">• Safety first• Sustainable development• Stakeholder engagement

Titan Cementara Kosjerić - History

2010

The waste water treatment system launched

Certification in accordance with the OHSAS 18001 standard – Occupational Safety and Health – and the ISO 14001 standard – Environmental Protection

2007

New bag filter on the cement mill was installed

2006

Certification in accordance with the ISO 9001 standard

2005

Equipment for continuous measuring of emissions at most important points (kiln, cement mill, solid fuels mill) was installed

2004

Investments in new chamber of the kiln electro-filter and clinker storage silo – another contribution to environmental protection

The cement packing and palletising facility opened – the first cement plant in Serbia which delivered the overall output of under-foil packed cement on pallets

2002

Cementara Kosjerić became a member of Titan Group

The first reconstruction of the kiln pre-heater was conducted, with an increase of the production capacity

1989

Transportation service established to satisfy customers' needs

1987

Modern mining machines were introduced to improve quarry operations

1976

The first cement bag left the production line, marking the official opening of the plant

Corporate Governance and Corporate Social Responsibility

We are committed to follow the highest standards in Corporate Governance. Corporate Social Responsibility, as an integral part of our governing objective, represents purposeful and voluntary commitment to the improvement of the world we live in, which has a human, social and dimension of care for the environment. Such an approach includes accomplishment of business objectives in an ethical and socially responsible manner.

The company is committed to focusing special attention to business aspects which include occupational health and safety, environmental protection, local development, corporate governance, and business ethics. All activities are implemented in accordance with principles of sustainable development, promoting dialogue and cooperation with stakeholders.

Four specific aspects of our business are especially influenced by our pledges and commitments:



Titan Group strives to present its policy and practice, as well as active participation in international initiatives, wishing other companies to undertake similar steps.

Our CSR vision is: *"To pursue at all times our business goals and create value, in an ethical and socially responsible manner, doing less harm, and endeavouring to do more good"*.

By producing materials for building concrete structures, Titan Cementara Kosjerić contributes to the establishment of social values, such as safety, durability, cost-effectiveness, resource efficiency and connecting people. At the same time, we

understand that our activities impact the living environment and the local community. Therefore, we are committed to mitigating and reducing this impact.

To that aim, Titan Cementara Kosjerić has established the **CSR Board**. The Board is a body which designs activities and monitors the implementation of the CSR Action Plan.

Being committed to following the highest standards in our operations, independent external bodies are periodically invited to assess our management systems and practices in respect to financial, social and environmental performance.

KEY STAKEHOLDER

- Employees
- Shareholders
- Customers
- Suppliers
- Local communities
- Public authorities

CSR MANAGEMENT

- Set and communicate pledges and commitments
- Apply and assess policies and practices
- Define areas of improvement and examples of good practice
- Develop systems and monitor performance
- Communicate and seek feedback from stakeholders
- Review policies, practice and outcomes

Understanding Our Footprint

OPERATIONS AND OUTCOMES

Titan Cementara Kosjerić defines sustainable development as “the development which meets the needs of the present generations without compromising needs of future generations”.

Our business activities represent a process which includes ore exploitation, raw material crushing and grinding, blending, burning of raw materials, cement milling, packaging and distribution of products.

The product which we return to society through building concrete structures enables the establishment of values such as safety, durability, cost-efficiency, resource efficiency and connecting people.

In everything we do, we respect principles of sustainable development and strive to accomplish the vision of corporate social responsibility of Titan Group. In our efforts, we recognise that there are opportunities for the general social benefit which we aim to pursue. Cooperation, dialogue and trust with key stakeholders are essential for the implementation of the defined objectives.

We are aware of the impact of those processes on the environment and the local community and therefore strive to reduce or mitigate them completely, in order to save the planet for future generations.

DURING THE YEAR 2010

757,503 t
of raw materials extracted from two active quarries

554,669 m²
is the total area of active quarries, out of which
418,047 m²
are affected by operations

340 employees attended various development programs

New Environmental Projects: almost
EUR 1,100,000

Total annual emissions:
NO_x 645.3 t
SO_x 0.09 t

For goods and services to suppliers: more than
EUR 19,000,000

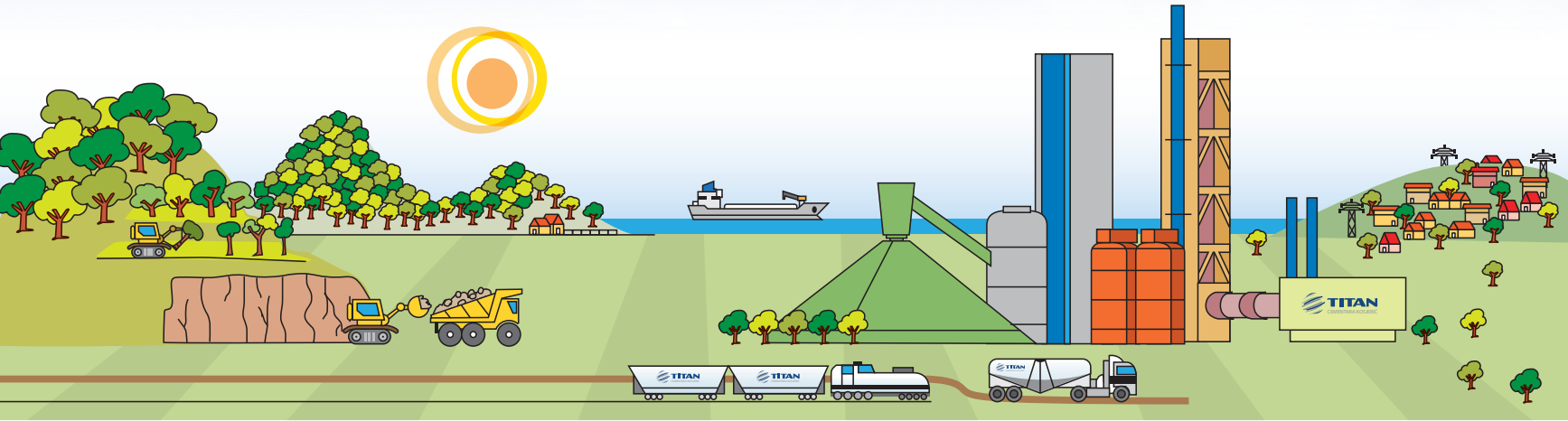
Through direct taxation to the state and local authorities: more than
EUR 8,500,000

More than
EUR 580,000
invested in development programs of the local community, through donations in cash and kind

- Main impact of quarries:
- Noise
 - Vibrations
 - Dust
 - Alternation of landscape
 - Potential effects on biodiversity
 - Energy consumption

- Main impact of cement plants:
- CO₂ emissions
 - Energy consumption
 - Other emissions (dust, NO_x, SO_x)
 - Noise

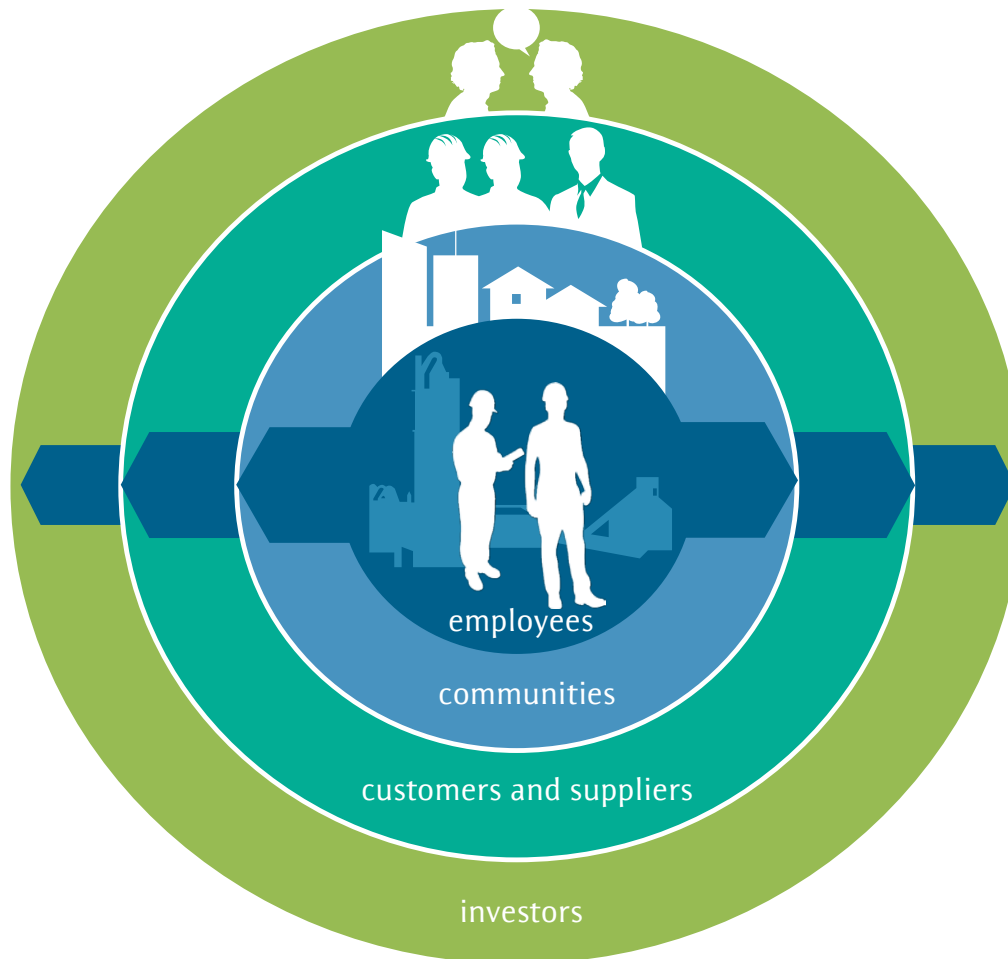
- Indirect impacts:
- CO₂ emissions
 - Other gas emissions
 - Use of raw materials



Our People and Society

Responsible and open relations, communication and building of mutual trust are all of essential importance for maintenance of good relations with all stakeholders. We endeavour to provide transparent presentation of our business activities, which are in the interest of the society, and to transfer know-how and skills, in order to contribute to the development of the local community. We respect all interested factors, as well as our employees, and implement human resources management practices which are in accordance with the national laws and relevant international guidelines. We conduct various activities in order to create a workplace free of injuries.

Although our employees and their families represent a key part of the sphere of the company's influence, we have identified other stakeholders related to operations and influenced by the company in many ways. The next level includes contractors, suppliers, clients and associates who are less influenced by the company's corporate decisions. In accordance with the aforementioned parameters, local community and society that comprises authorities, non-governmental organisations, academic, national and international organisations, media and future generations, are positioned at the third level of influence.



Occupational Health and Safety

The occupational health and safety policy adopted in 2008 is more advanced and in accordance with policies and high standards set by Titan Group. The aim of Titan Cementara Kosjerić to be a leader in the area of occupational health and safety in the region is in line with the strategy of Titan Group related to standards of occupational safety. We apply Titan Group's practices and strategies to achieve this goal. Basic safety principles define that all injuries and incidents can be prevented, and that safe conduct and compliance with safety regulations are a condition for employment.

We are proud of the fact that 2010 was the most successful year in regard to achieved results in the area of occupational health and safety, ever since the company's foundation.

Lost time frequency rate (number of injuries at work per 1,000,000 working hours) is 1.71, which represents the lowest value in the plant's history. More than 5,800 hours of training on occupational safety were held for employees (17.63 hours per employee), including a defensive driving course, a work at height course, a course on hazardous materials management and transport, on welding and cutting safety, on safety in work with mechanisation (forklift trucks, loaders, etc), incident investigations, analyses of job risks and issuance of working permits. The total of 49 incidents was completely investigated and corrective measures were introduced to prevent occurrence of the same or similar incidents in the future.

Parameter	Definition	2008	2009	2010
LTI	Number of injuries at work accompanied by lost working days	4	5	1
LTIFR	Number of injuries at work per one million working hours	6.5	8.5	1.71
Near Misses	Overall number of registered Near Misses		60	95
Investigated Near Misses	Percentage of investigated Near Misses compared with overall number of registered Near Misses			32%

OHSAS 18001

In December 2010, Titan Cementara Kosjerić was granted a certificate on compliance with the international OHSAS 18001 standard, as the ultimate confirmation that we established the controlled system of occupational safety and health.

The achieved results confirm that the company is on the right track and that the system whose implementation is in progress will bring even better results in the future.

“STEP CHANGE” – OCCUPATIONAL SAFETY IMPROVEMENT PROJECT

Aiming to develop and maintain a safety culture among all employees and contractors, the management of Titan Group has launched a long-term project titled “Step Change” – Occupational Safety Improvement Project.

Through the process of implementing this project, care for safety has become integral part of everyday job of all employees, significantly raising safety awareness. The company's management and employees have taken the project seriously and they are engaged in it in accordance with their authorisation and knowledge.

CONTRACTORS SAFETY

Care for employees of Titan Cementara Kosjerić does not involve only the company's employees, but also all other persons who abide at the company premises – contractors, visitors, students at internship. The Sub-Committee for Contractors Safety has established basic principles of work and support of

contractors aimed at overcoming potential problems, as well as at transferring our experiences and methods of work. The concept implies cooperation with contractors and transfer of know-how and good practice in the form of training courses, launched in 2010.

SAFETY AUDITS AND INCIDENT INVESTIGATIONS

In 2010, 484 safety audits were conducted in Titan Cementara Kosjerić, and it is essential to get a high number of employees engaged in the realisation of audits.

We encourage our employees to give their proposals and suggestions regarding workplace safety enhancements. We maintained the good practice of rewarding and in 2010, three best proposals among the total of 103 were selected and granted awards at an official ceremony, marking the factory's anniversary. At the beginning of 2010, we established a new approach

to incident investigations and by the end of the year the investigation of 49 incidents was conducted. Out of all investigated incidents, most cases (30) referred to anear misses, i.e. to incidents without consequences. The investigation resulted in the implementation of 90 preventive and corrective measures.

Incident

Unplanned events, or a chain of events, which caused or could have caused an injury, disease and/or harm to people, damage of property, environment or company's reputation.

Near Misses (NM)

Incidents which could have resulted in an injury or damage of people health, in property damage, environmental violation or damage of company's reputation, but they did not (an incident has occurred).

Incident Investigation

Incident investigation is launched right after an incident has occurred and it represents identification of basic causes, system mistakes above all, which led to an incident, aiming at taking precautions against another occurrence of the same or similar situations.

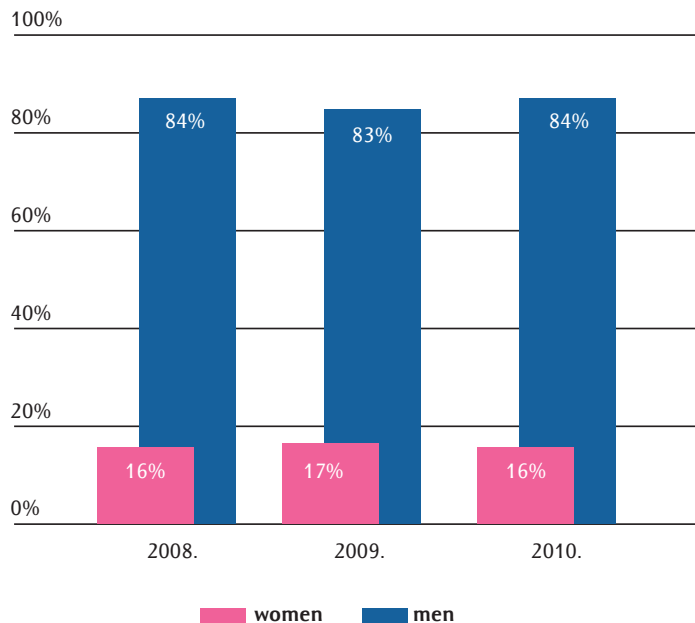


Practical training on work at slopes

Employment and People Development

For Titan Cement Plant Kosjerić, employees are of the utmost importance in everyday business, representing its most valuable resource and strongest support. Through their efforts and talents employees contribute to the implementation of the corporate mission and vision. Owing to them, we have been successful for 35 years. Respect of their rights and continuous support to personal and professional development are inseparable parts of business. The company encourages local employment at all levels, and the strategy of human resources development is intertwined with the business strategy and based on three principles: to attract, develop and retain the best people.

For the heavy industry, Titan Cementara Kosjerić employs a significant number of women, who account for 30 percent of the management.



In accordance with the national legislation, the company employees are members of the Independent Trade Union of Titan Cementara Kosjerić, and its representatives discuss issues of importance to employees, through regular contact with the

management. Out of the total number of employees, **83.73** percent are members of the Independent Trade Union of the company.

EMPLOYMENT

The company's employment policy reflects a commitment to corporate values. Since the employees are the pillars of our business, we continually work on developing their skills and competencies, in order to enable them to fully use their professional potential.

EMPLOYEES	2010*
Direct and full-time Employment – excluding Logistics and Transportation	325
Direct and full-time Employment – Logistics and Transportation	0
Number of part time employees	0
Number of temporary employees	5
Total Number of direct Employees	330

** Average number of employees for the period recorded*

The indirectly employed belong to a group of employees who provide services for the company, as well as contractors and suppliers.

INDIRECT EMPLOYEES	2010
No. of persons indirectly employed	207*
Estimated number of indirect employees (excluding logistics and transportation)	41*
Estimated number of indirect employees – only logistics and transportation	166*
Total number of working hours provided by employees indirectly employed	391.190

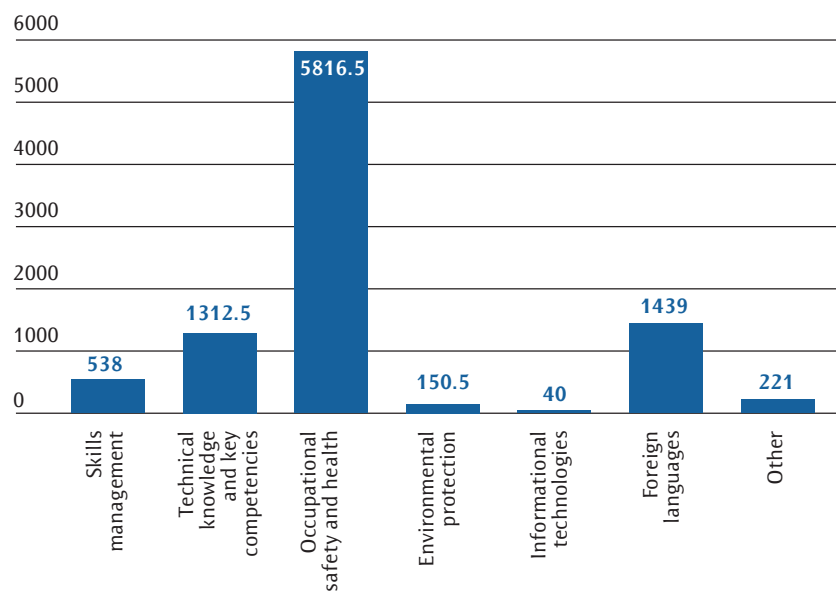
** The number of contractors estimated FTE (full time equivalent)*

The average salary at Titan Cementara Kosjerić for 2010 was **2.38 times** higher than the average salary in the Republic of Serbia. The percentage of employees who participate in the annual performance evaluation and career development review is **12.73 percent**.

The percentage of employees who receive productivity bonus is **100 percent**.¹

PEOPLE DEVELOPMENT

Investing in people development is the main prerequisite of our continuous improvement. To all our employees, we offer a variety of training courses and development programs, striving to identify issues that are important for both personal growth and achievement of business goals. In 2010, each member of the team spent **28.84 hours** in various trainings. A total of **9517.5 hours** of training was realised, based on an annual training plan adopted by **TCK Training Board** in April each year.



In 2010, a total of 340 employees underwent various training and development programs.

Years of age	<25	25-29	30-34	35-39	40-44	45-49	50-54	55-59	60...
Number of employees	1	17	32	39	50	49	58	72	22
%	0,29	5,00	9,41	11,47	14,71	14,41	17,06	21,18	6,47

1 Data include employees in the cement production

Care for Employees

Within the framework of our CSR Policy we continuously invest in programs aimed at the wellbeing of our employees and their families.

CARE ABOUT HEALTH OF EMPLOYEES

Aiming to response to needs and expectations of our staff, the company insists on raising employees’ awareness of the need to take care of their health. In this sense, regular medical examinations and check-ups are organised. For employees who work in places with a high risk or occasionally perform work at height, regular annual medical examinations are organised, and all other employees are entitled to a medical check-up once in three years.

RECOGNITION FOR EMPLOYEES

Commitment, loyalty and contribution of employees to overall results and sustainable business operations of the company are reflected in the fact that some of the employees have been with us for four decades. Every year, Titan Cementara Kosjerić awards recognitions and anniversary cash prizes to employees who have been employed at the factory for 10, 15, 20, 25, 30, 35 and 40 years. Organising an award ceremony during the celebration of the Factory Day is one of the ways to express gratitude and pride in maintaining a strong team that is the pillar of successful business.

FAMILY CARE

The company takes care of the children of its employees, striving to motivate them further to make effort and develop working habits. In August, for five years in a row, elementary school students receive school supply kits corresponding to their age. In 2010, 114 children of the employees at Titan Cementara Kosjerić received such gifts.

Local Community

Dealing with challenges such as poverty, unemployment, disease and climate change is not only the responsibility of governments, but also of companies which are expected to contribute to these issues through joint efforts and cooperation. In addition to our donations in building material, our activities directed to local community projects are focused on the following main areas:

- Care for health, safety and environment
- Education and training
- Community involvement and development.

BUILDING SAFETY AWARENESS FOR A LIFETIME

In cooperation with the “Mito Igumanović” Elementary School, a series of workshops titled “Safety First” was realised in November and December 2010. One of the most important aspects was involvement of important institutions that deal with safety of children, and therefore all activities were conducted with the help and voluntary work of members of the Kosjerić Police Station, employees of the Healthcare Centre and members of the Volunteer Fire Department.

The target groups were fourth-graders with whom, through brief interactive presentations, games and drawing workshops, the following topics were covered:

- Safety on the way from home to school
- Safety during play time (spare time)
- Safety at school
- Safety at TCK.

At the last workshop, during their visit to the company, children were presented with safety measures implemented at the workplace of their mothers, fathers, relatives and neighbours. The result of the project is a safety calendar for the year 2011, comprising children's drawings, granted to all employees of Titan Cementara Kosjerić, participants in the workshops, local institutions and associations, as a gift.



Drawing workshop

PARTNERSHIP APPROACH – COLLECTIVE ACTION

The Ministry of Environment and Spatial Planning and the Association of the Cement Industry of Serbia (CIS) inked the Memorandum of Understanding in Belgrade on May 4th 2010, whereupon they initiated implementation of the project titled “Usage of alternative fuels and raw materials in the cement production process”. The document was inked by Minister Dr Oliver Dulic, and representatives of the CIS members: General



Manager of Lafarge BFC, Costin Borc, General Manager of Holcim (Serbia), Gustavo Navarro, and General Manager of Titan Cementara Kosjerić, Miroslav Gligorijević.

The Memorandum promotes usage of individual waste streams as alternative fuels and raw materials in the cement industry. Its signing is a result of the need to solve problems related to types of waste for which there is no adequate opportunity to treat and store them, as well as to use potential of the cement industry to resolve those issue.

CHILDREN'S ENVIRONMENTAL CAMP IN SKAKAVCI VILLAGE

One of the most important initiatives is the support to the children's environmental camp in the village of Skakavci, which was initiated by teacher Mihailo Joksimovic. Through various activities, children of the school in Skakavci, with guests, children from Belgrade and Novi Sad, learn about ecological values and through games develop friendships, creativity and care for nature. According to managers of the camp, the children have showed great curiosity, creativity and readiness to cooperate, in line with the basic aims of the project: improvement of environmental awareness of pupils, development and care for nature, creation of healthy living habits.

VIDOVDAN AWARDS

In cooperation with teachers from primary and secondary schools in Kosjerić, Titan Cementara Kosjerić has been implementing a project of rewarding the best pupils in the last five years. This project is a confirmation of our position that knowledge, commitment and continuous improvement are the basis of achieving good results.

As in the previous years, most promising pupils from the "Mito Igumanović" and "Jordan Đukanović" Primary Schools and Technical School Kosjerić were awarded in 2010. As recognition for the results achieved during the academic year 2009/2010, the best pupils were granted laptops, desktop computers, digital cameras and MP3 players.

FIRST JOB PROGRAM

In February 2010, Titan Cementara Kosjerić signed a contract for the employment of trainees with the Municipality of Kosjerić. In accordance with the long-term orientation towards the problems of the local community, our employees have invested time, energy and knowledge in the development of three highly educated unemployed persons from Kosjerić. These persons have undergone one-year professional practice and gained new knowledge and experience in the business environment. In addition to the program, a number of professional practices and visits in a total of more than 500 hours has been organised.

INVESTMENT FOR THE FUTURE

Owing to the support of cement producer Titan Cementara Kosjerić, Gordana Đurović from Kosjerić, a final-year student of the Faculty of Medicine in Belgrade, raised funds and participated with her research work at the Congress of Young Scientists in Porto (Portugal), on September 24-26, 2010. Her work was based on the research on alcohol intoxication of deadly injured drivers of passenger vehicles. In accordance with its vision of safety at work, the company recognised the importance of this project and gladly helped its realisation, wishing to encourage similar activities of young people.

CULTURE

Titan Cementara Kosjerić strives to preserve the spirit of cultural values and transfer it to the youngest generation. That is why it realises a series of activities that includes the selection and financing of the performance of suitable theatre plays, which are performed for free for children in kindergartens and elementary schools. In April and December 2010, the company presented the youngest fellow citizens with two theatre plays. "Drvka – Ecological Story" was performed to mark the Earth Day, and the "Fairytale about the Ice Lake" to mark the New Year's holidays.

Care for Environment

ENVIRONMENTAL PROTECTION AND SUSTAINABLE DEVELOPMENT

With the aim of contributing to sustainable development, acknowledging the impact that cement production has on the environment, the priorities of business operations were defined, which imply the use of Environmentally Friendly Technologies, seeking for and applying solutions that will respond to climate change, and the development of environmentally responsible attitudes and conduct.

The company formally expressed such orientation by adopting the Environmental Protection Policy, which determined the goals governing our realisation of constant improvement of performance in that area. Titan Cementara Kosjerić has established and applied the Environmental Management System, in accordance with the international ISO 14001:2004 standard, confirmed by obtaining the certificate in December 2010. The system includes all the aspects of environmental protection that refer to the operations of the plant, production of cement and exploitation of mineral raw materials. Titan Cementara Kosjerić is the first company in Serbia which submitted the complete documentation for obtaining the integrated permit to the Ministry of Environmental Protection and Spatial Planning, in March 2010, in order to secure responsible maintenance of our operations.

CLIMATE CHANGE

Meeting one of the greatest challenges of the 21st century - the reduction in greenhouse gas emissions, and thus mitigation of climate change - the cement industry constantly researches and takes initiatives that reduce the carbon footprint of cement production and use.

Based on the available technology, there are four distinct "reduction levers" available to the cement industry to reduce carbon emissions:

- Energy efficiency – installation of efficient state-of-the-art equipment in new cement plants and adaptation of the existing plants, with the aim of reducing the amount of heat and electrical energy necessary for cement production
- Use of alternative fuels – increased use of alternative fuels and bio-masses, replacing the use of fossil fuels
- Clinker substitution – replacement of clinker in cement with other materials of suitable features (blast furnace slag, fly ash, etc.)
- Carbon Capture and Storage – Capturing CO₂ resulting from cement production before it is released into the atmosphere and safely storing it. The development of that technology requires substantial public and private investment in order to be made commercially viable for the cement sector.

Titan Cementara Kosjerić directly benefits from evaluating the feasibility of each of the said methods that are already being conducted within Titan Group and that achieved evident improvements through a number of projects and initiatives (more information at www.titan.gr).

REDUCE – REUSE – RECYCLE: PROVIDING NEW OPPORTUNITIES FOR THE INDUSTRY AND SOCIETY

By responding to the challenges imposed by global development, every industry must evaluate possibilities of reducing, reusing or recycling raw materials, energy, waste (3R: Reduce – Reuse – Recycle). As cement production is an intense process in terms of energy, i.e. fuel and raw materials, Titan Cementara Kosjerić constantly develops methods of efficient implementation of the 3R concept, at the same time increasing the energy efficiency of its production process.

Titan Cementara Kosjerić has several-year-long experience in reducing use of natural resources and reusing materials by the use of some industrial waste, i.e. secondary raw materials in the

Many materials that are created as waste in other industries can be used in cement production, at the same time securing the quality of the end product – cement. Whether those materials are used as raw materials – addition to the final product, or as fuel enable the production of clinker, the material out of which cement is obtained through grinding – the final goal is to reduce negative impact on the environment through the reduction in greenhouse gas emissions, reduction of the quantity of waste, which is permanently disposed of at refuse dumps and preservation of natural resources.

production process: pyrite ash, fly ash, granulated blast furnace slag, industrial gypsum. In 2010, the ratio of secondary raw materials compared to the total consumed raw materials reached 6.96%. The target is to increase that percentage to 12% by 2015.

Alternative fuels have not been used in the production process of Titan Cementara Kosjerić so far, but in the upcoming period, in accordance with the Waste Management Strategy of the Republic of Serbia through the practice accepted in the cement industry and goals of Titan Group, suitable steps will be taken for the use of those fuels. The company plans to use solid fuel obtained from household and non-hazardous waste in its production process (SRF – Solid Recovered Fuel). Such solid fuel is obtained through the processing of non-hazardous waste components, which can be used to obtain energy and are not suitable for recycling, which is one of the aspects of adhering to the waste management hierarchy.

Appropriate quality control defined by legal regulations and standards is strictly applied to all materials, thus protecting the health and safety of workers, as well as of people living in the vicinity of production facilities, the quality of the production process and the final product.

MEASURING AND REDUCING AIR EMISSIONS

The establishment of a suitable system for measuring – monitoring – is a prerequisite for successful control and reduction of air emissions. Since 2005, Titan Cementara Kosjerić has

provided systems for continuous monitoring at its main emitters – rotary kiln (dust, NO_x, SO_x, CO), cement mill (dust) and solid fuel mill (dust).

The system for continuous monitoring comprises modern devices for measuring emissions (SICK MAIHAK) and suitable software for keeping data. The application of those modern devices has enabled informing of stakeholders, comparison of data with other companies and verification of reports on emissions.

CO₂

Direct CO₂ emission from cement production process emerges as a result of:

- Decarbonisation – transformation of raw materials (mainly limestone) in clinker, which represents the main component of cement,
- Fuel consumption that is used in rotary kiln (coal, fuel oil, pet coke) for heating, for transport in factory surroundings; during combustion, CO₂ is released as a product of chemical reaction between carbon (C) and oxygen (O₂).

Indirect emission of CO₂ is released during the production of the electricity required for the production of clinker and cement, as well as during the transport of raw materials, fuels and cement.

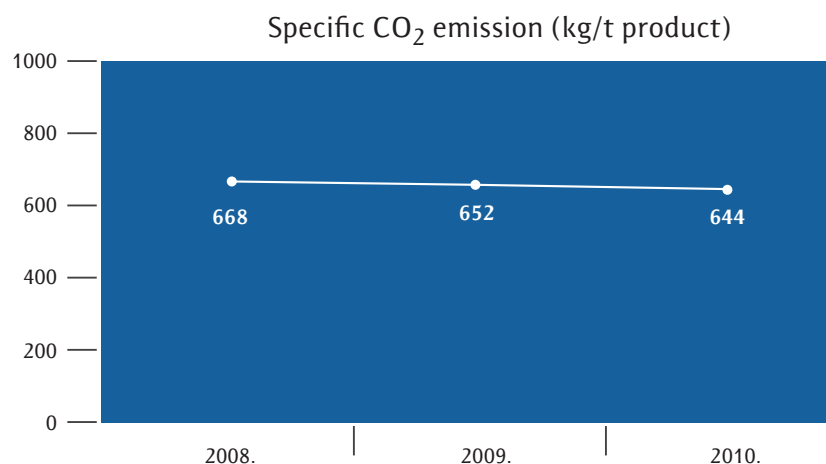
Titan Group target on CO₂ emissions

Reduction of specific CO₂ emissions by 22% until 2015 compared to 1990

Cilj 2015. – 628 kg CO₂ /t product which is also 5% below the projected for 2015 CO₂ emissions by WBCSD

Titan Group target on alternative fuels

Substitute conventional fuels with alternative fuels by 10% (on heat base) until 2017



NO_x

Emissions of nitrogen oxides (NO_x) result from combusting at high temperatures. According to scientific studies, there is a correlation between NO_x emissions and acid rains and smog, which is why we invest efforts to decrease these emissions. Increase in NO_x emissions in 2010 resulted from unusual changes in natural raw materials composition.

Titan Group targets for emissions

Reduction of specific dust emission by 65% up to 2015, compared to 2003:

2015 target: 95 g/t_{clinker}

Reduction of specific NO_x emissions by 45% up to 2015, compared to 2003:

Keep the target of 1670 g/t_{clinker} set in 2008 for Group operations owned in 2009

Reduction of specific SO_x emissions by 51% until 2015, compared to 2003

2015 target: 240g/t_{clinker}

Emissions	Measurement units	2009	2010	Titan Group target
Specific dust emission	g/t _{clinker}	27.9	9.2	95
Specific SO _x emission	g/t _{clinker}	0.5	0.2	240
Specific NO _x emission	g/t _{clinker}	1280	1552	1670

DUST

Emission of dust substance is a characteristic of many technological processes in various sectors of the industry. Most significant sources in the cement industry represent emitters of technological process – kilns, mills and fugitive sources of emissions, resulting from manipulation with and transport of the material.

Continuous monitoring of fugitive dust emissions is not possible, still, we implemented ambient air quality measurement program, aiming to protect our employees' health and decrease environmental impact. Measures providing regular maintenance and optimal functioning of the machines and equipment have been undertaken as well.

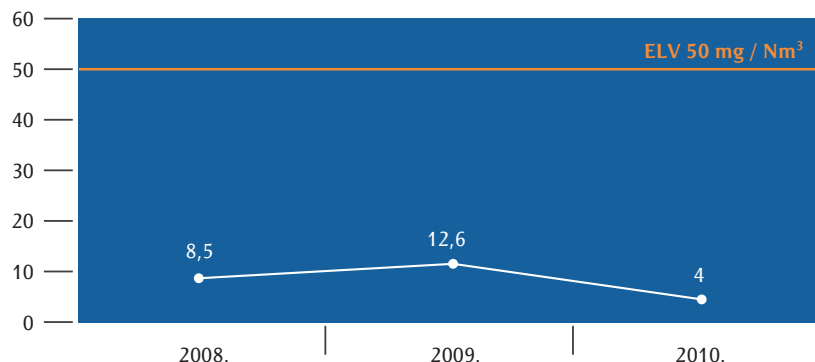
SO_x

Presence of sulphur (S) in raw materials is the primary cause of SO_x emissions, which are directly linked with the formation of acid rains. Therefore, it is very important to keep these emissions as low as possible.

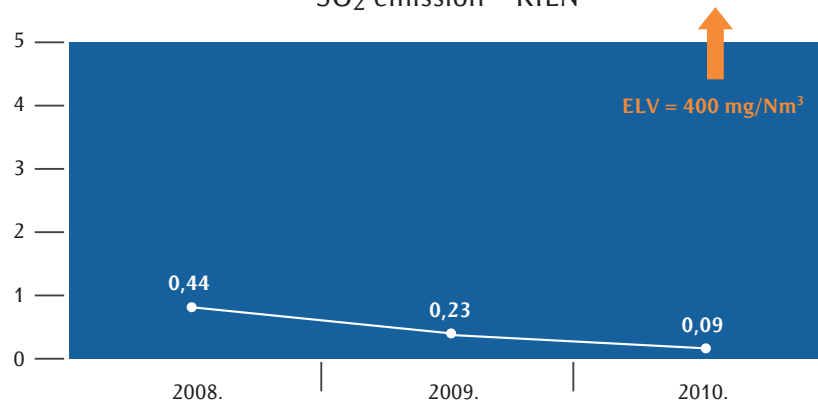
EMISSION COMPARED TO LIMIT VALUES PRESCRIBED BY NATIONAL LEGISLATION

During 2010, emissions in the air from Titan Cementara Kosjerić were below the limit values of emissions prescribed by laws (ELV).

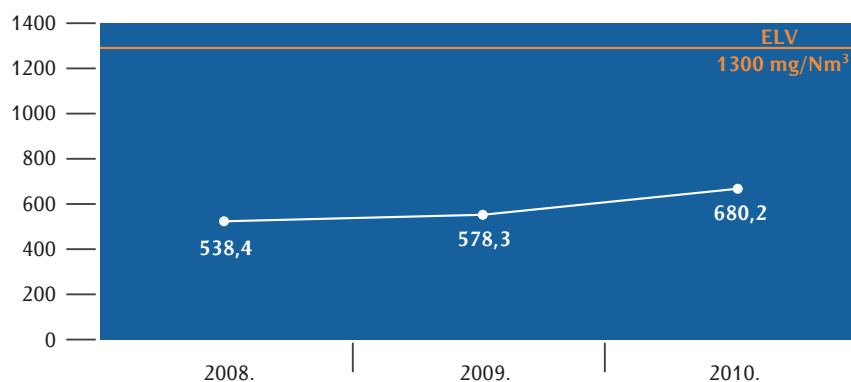
Dust emission – KILN



SO₂ emission – KILN



NO_x emission – KILN



Projects Implemented in 2010

REDUCTION OF FUGITIVE DUST EMISSION

With the aim to reduce fugitive emissions, Titan Cementara Kosjerić in 2010 implemented projects to store fly ash and pyrite ash in closed storages.

Fly ash is transported to the factory in truck tanks, stored in silos and then conveyed to the cement mill by the measurement and dosage system. Dedusting of the silo as well as of the complete conveying system is solved with installations of bag filters on three positions.

By the implementation of this project, the fugitive dust emissions related to the fly ash use are prevented.

WATER MANAGEMENT

Rational use and sustainability of water resources is a global problem today. Titan Cementara Kosjerić is implementing an integral system of water management "Every Drop Counts", as part of the environmental protection policy of Titan Group. We have completed the phase of mapping all water streams in our plant, and next steps are directed towards evaluating possibilities for fresh water consumption decrease.

In 2010, Titan Cementara Kosjerić implemented the project of reconstruction of the existing sewage system and development of the waste water treatment plant. The facility consists of two independent entities – sanitary wastewater treatment plant, and industrial, atmospheric and drainage wastewater plant.

Owing to that project, all waters from Titan Cementara Kosjerić are redirected to one collective pipeline which brings them to the facility, where from the treated water is drained away through a collector to the Skrapež river.

Policies


Principles of corporate social responsibility and sustainable development, occupational health and safety and environmental protection, in line with the vision on corporate social responsibility, are applied in everyday activities and in relations with all stakeholders. Formally, this focus is presented within three documents – Policies, which are in line with high standards of Titan Group and which define frameworks for the establishment and revision of goals in each of those areas.



Bezbednost i zdravlje na radu VIZIJA I POLITIKA

Kako bismo ostvarili našu Viziju zdravog radnog okruženja bez incidenata, povreda i akidenata:

1. Obavezali smo se da ćemo dati sve od sebe da sačuvamo bezbednost i zdravlje svih naših direktno i indirektno zaposlenih tokom svih aktivnosti kojima upravljamo.
2. Kontinuirano unapređujemo naš učinak u oblasti bezbednosti i zdravlja na radu, upravljajući njime kao prioritetom poslovanja.
3. Upravljamo bezbednošću i zdravljem na radu kao integrisanim sistemom ciljeva, jasnih dužnosti i odgovornosti.
4. Neprekidno nastojimo da uspostavimo bezbedno i sigurno ponašanje kroz organizaciju svakodnevnih aktivnosti, i da stvorimo okruženje na kome smo svi odgovorni za svoju, kao i za bezbednost svojih kolega.
5. Od svih zaposlenih se očekuje da primenjuju praksu bezbednog rada, da poštuju pravila i propise, i da rade na način koji podržava visoke standarde bezbednosti Grupa razvila.
6. Koristimo naš uticaj da uverimo naše dobavljače, izvođače i posetioce da usvoje sličnu politiku bezbednosti i zdravlja na radu.
7. Voljni smo da pomognemo svim zainteresovanim stranama koje zatraže naš savet.


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TITAN Cementara Kosjerić

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Politika društveno odgovornog poslovanja

Društveno odgovorno poslovanje (DOP) je vrednost Titan Grupe, i integralni deo naše ideje-vodilje. DOP predstavlja korak dalje u odnosu na poštovanje zakona. To je svesna i dobrovoljna posvećenost unapređenju sveta oko nas, koja ima svoju ljudsku, društvenu, i dimenziju brige o životnoj sredini.

Pošto proizvodimo građevinske materijale, naši proizvodi, kroz stvaranje betonskih konstrukcija doprinose stvaranju društvenih vrednosti, kao što su bezbednost, trajnost, ekonomičnost, efikasnost resursa i povezivanje ljudi. Istovremeno, shvatamo da naše aktivnosti utiču na životnu sredinu i lokalnu zajednicu. Posvećeni smo eliminisanju i smanjenju ovog uticaja, nastojeći da činimo što manje lošeg.

U našim nastojanjima da činimo što manje lošeg, prepoznajemo prilike za širu društvenu korist koju možemo da ostvarimo.

Nastavićemo da ostvarujemo naše poslovne ciljeve na društveno odgovoran način, doprinoseći dobru naših zaposlenih, njihovih porodica, lokalnih zajednica i društva uopšte, kroz primenu drugog principa – činimo što više dobrog.

Naša posvećenost društvenom odgovornom poslovanju nije samo etički pristup, vođen vrednostima, već i dobra poslovna praksa koja kreira vrednost, doprinosi našoj reputaciji, omogućujući našu društvenu dozvolu za rad i unapređujući našu konkurentnost. Podjednako važno, DOP je i izvor ponosa i motivacije za naše ljude, koji doprinosi i našoj sposobnosti da privučemo i zadržimo najbolje talente.

Napor koji ulažemo u oblasti društveno odgovornog poslovanja smatramo proaktivnim i kontinuiranim procesom učenja i poboljšanja, koji omogućava prilagođavanje promenljivom društvenom i poslovnim okruženju. Za ovaj trud, od suštinskog značaja je slušanje, angažovanje, komunikacija i stvaranje uzajamnog poverenja sa ključnim zainteresovanim stranama.

Naša Vizija društveno odgovornog poslovanja je:

„da uvek ostvarujemo naše poslovne ciljeve i kreiramo vrednosti, na etičan i društveno odgovoran način, čineći što manje lošeg, i nastojeći da činimo što više dobrog“

Da bismo postigli našu Viziju:

- Naše poslovne prakse zasnovane na našim Vrednostima i našem Etičkom kodeksu.
- Bezbednost je naš poslovni imperativ čiji je krajnji cilj postizanje radnog okruženja bez povreda na radu i incidenata
- Naša posvećenost održivom razvoju integriše ljudske, socijalne i elemente brige o životnoj sredini u naše poslovne odluke
- Stalno unapređujemo naš ekološki i društveni učinak, meredi uticaj i doprinose, i ocenjujuci ekološke i društvene rezultate
- Gradimo poverenje sa svim zainteresovanim stranama, kroz održavanje otvorene komunikacije, i transparentno predstavljanje naših poslovnih aktivnosti koje su od interesa za širu društvenu zajednicu
- Prenošimo naša znanja, veštine, iskustvo i najbolje prakse iz oblasti koje su relevantne za naše poslovne aktivnosti, kako bismo doprineli razvoju lokalnih zajednica
- Cenimo naše ljude i primenjujemo prakse upravljanja ljudskim resursima koje promoviraju jednake šanse pri zaposlenju, radu i razvoju, bez obzira na pol, nacionalno poreklo, veru, seksualno orijentaciju, i u skladu sa našim poslovnim politikama i međunarodnim smernicama, kao što je Deklaracija o ljudskim pravima Ujedinjenih nacija
- U procesu nabavke, radimo u skladu sa Etičkim kodeksom Titan Grupe
- Dobrovoljno se angažujemo i podržavamo partnerstva i poslovne mreže koje promoviraju naše poslovne ciljeve i viziju društveno odgovornog poslovanja, kao što su Globalni dogovor Ujedinjenih nacija, Svetski poslovni savet za održivi razvoj/inicijativa za održivi razvoj cementne industrije, Alijansa za DOP Evropske unije, Udružena inicijativa za održivost SAD, itd.
- Nastojimo da budemo aktivni u društvenim inicijativama i procesima koji imaju za cilj unapređenje koristi koju pružaju naši proizvodi, i očuvanje dugoročnosti i ekonomskog prosperiteta industrije
- Prepoznajemo i ohrabrujemo individualne inicijative, volonterizam u zajednici, i građanske aktivnosti svih naših zaposlenih, bez obzira na to da li su u vezi sa našim poslovanjem
- Naši izveštaji i prakse iz oblasti društveno odgovornog poslovanja periodično prolaze eksternu verifikaciju


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POLITIKA ZAŠTITE ŽIVOTNE SREDINE

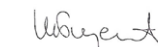
TITAN Cementara Kosjerić d.o.o. ustanovila je i primenjuje Sistem upravljanja zaštitom životne sredine u skladu sa međunarodnim standardom ISO 14001:2004. Sistemom upravljanja zaštitom životne sredine uspostavlja se, promovise, proverava i preispituje neprekidno poboljšanje učinka Titan Cementare Kosjerić d.o.o. u oblasti zaštite životne sredine. Sistemom su obuhvaćeni svi aspekti zaštite životne sredine koji se odnose na rad postrojenja, proizvodnju cementa i eksploataciju mineralnih sirovina.

Ciljevi kojima se Titan Cementara Kosjerić d.o.o. rukovodi u ostvarivanju neprekidnog poboljšanja učinka u oblasti zaštite životne sredine su:

- Neprekidni rad na smanjenju i sprečavanju uticaja aktivnosti Kompanije na životnu sredinu.
- Usaglašenost sa važećim zakonima, propisima i drugim zahtevima u vezi sa zaštitom životne sredine.
- Kontrola proizvodnih procesa, kako bi se obezbedila efikasnost mera zaštite životne sredine.
- Efikasno korišćenje energije u cilju očuvanja prirodnih resursa, unapređenjem tehnoloških karakteristika i načina rada postrojenja.
- Obezbeđivanje stalne obuke i obrazovanja, podsticanje zaposlenih na razvoj svesti i odgovornosti o zaštiti životne sredine.
- Praćenje učinka Sistema upravljanja zaštitom životne sredine u cilju stalnog unapređivanja.
- Promovisanje naše politike zaštite životne sredine i podsticanje naših dobavljača, kupaca i drugih poslovnih partnera na usvajanje slične prakse.
- Unapređenje i podsticanje razmene znanja i iskustava iz oblasti zaštite životne sredine između Kompanije i lokalne zajednice.
- Učešće Kompanije u definisanju ciljeva industrijskog (građevinskog) sektora, kao i u procesu donošenja nacionalnih standarda za sektor.
- Podrška i učešće u istraživačkim programima, u cilju dostizanja najvišeg nivoa zaštite životne sredine.

Rukovodstvo Titan Cementare Kosjerić d.o.o. ovim se obavezuje da će:

- Neprestano unapređivati Sistem upravljanja zaštitom životne sredine i stalno promovisati njegovo poboljšanje u skladu sa zahtevima međunarodnog standarda ISO 14001:2004.
- Uspostaviti, pratiti i preispitivati relevantne ciljeve i planove, kao i programe za njihovo ispunjenje, obezbediti potrebna sredstva za njihovu realizaciju i konstantno unapređivati učinak Kompanije u oblasti zaštite životne sredine.
- Osigurati da su svi zaposleni u potpunosti svesni svojih odgovornosti i obaveza, koje su opisane u Sistemu upravljanja zaštitom životne sredine, i obezbediti njihovo aktivno učešće u održavanju i razvijanju Sistema.


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Report assessment and verification

This report follows Titan Group practice in communication and reporting on CSR performance on a regular basis. Since 2007, Titan Group has been conducting report assessment and verification by independent experts in order to ensure accuracy, completeness and relevance of the announced data, as well as to provide for their harmonisation with adequate international standards.

Titan Cementara Kosjerić has also participated in this process from the very beginning and has produced this report using data and information audited by representatives of the independent foundation DNV (Det Norske Veritas).

The foundation was established in Norway in 1864, to examine and check technological conditions of Norwegian merchant vessels, and today it aims at safeguarding life, property, and the environment. The foundation is engaged in identification, assessment and consultation with clients about risk management, with a focus on improvement of business operations in a socially responsible manner.

Our commitment to CSR principles and wish to meet expectations of the relevant stakeholders have initiated this and future CSR and Sustainable Development Reports. In order to improve our reporting in the following years, please send your questions and suggestions related to the Report at csr@titan.rs.

