

Corporate Social Responsibility
and Sustainability Report 2005

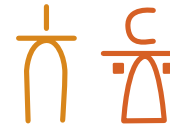
More than a century ago, in 1900, the discovery of King Minos's palace in Crete –a unique monument of pre-classical antiquity– was one of the most significant archaeological findings ever. That discovery brought also to light the most ancient deciphered European writing system –Linear B– a combination of syllabic signs, ideograms and arithmetic symbols. Linear B was used by the kings of bronze-age Mycenaean Greece to keep their accounts and organize administratively their pre-historic states.

In this year's CSR & Sustainability Report we have included a special chapter (p.26) dedicated to culture and the preservation of our cultural heritage as a constant reference point for every human society and essential element connecting man's present with his past and his future.

The ideograms of Linear B are used in each chapter of this Report to denote to the younger generations the timelessness of civilization and its symbols.



Chiton



Man, Woman



Olive tree



Crocus (flower)



Dagger

Introduction

The 2005 Corporate Social Responsibility & Sustainability Report (CSR & S Report) is published by TITAN Group as a separate Report accompanying the Annual Report which is presented at the Annual General Meeting of Shareholders'. In accordance with international standards, the CSR & S Report contains brief references to financial matters, which are detailed further in the 2005 Annual Report.

As it has already been pointed out in previous Reports, our aim is to incorporate guidelines and international standards (as defined by GRI and CoP) so that our CSR & S Report be a useful tool for a constructive dialogue with all our stakeholders. Additionally, we utilise the results evolving from the operations of the Cement Sustainability Initiative and adapt our Key Performance Indicators in accordance to the specific standards agreed at sectoral level. Although this goal has not yet been fully attained, we believe that considerable progress has been made in terms of:

- > Better organization, coordination and presentation of all basic information by sector of activity and use of specific examples of TITAN's CSR & SD practices
- > Standardization and control of the intra-Group information system so that verification of data be possible in the future
- > Expansion of the Report's contents and its target audiences so that it may serve as a more effective communication tool both within and outside the Group
- > Utilization and inclusion of comments made by independent bodies regarding our previous Reports

This Report includes references to pages of our Annual Report and our website, as well as other useful links. Special references are also made to the principles of UN's Global Compact, GRI and CSI.

Notes

Group or TITAN Group	All companies controlled by TITAN Group as a whole
TITAN Cement S.A.	TITAN Group's mother Company
Company	Used for the specific Company of TITAN Group referred to in the relevant text
CSR & S Report	Corporate Social Responsibility and Sustainability Report
CSR	Corporate Social Responsibility
SD	Sustainable Development
GRI	Global Reporting Initiative
CoP	Communication on Progress, U.N. Global Compact Office' guidelines in reference to the publication of CSR and SD Reports
WBCSD	World Business Council for Sustainable Development
CSI	Cement Sustainability Initiative under the auspices of WBCSD
U.N.	United Nations
Global Compact	A U.N. initiative for the implementation of international Conventions referring to the human and labor rights, to environmental conservation and combat against corruption
Stakeholders	All parties directly or indirectly affected by TITAN's business activities
ALBA	Athens Laboratory of Business Administration
NGO	Non Governmental Organization
ILO	International Labor Organization
WRI	World Resources Institute
OECD	Organization of Economic Cooperation and Development
Code of Conduct	"Corporate Values and Code of Conduct TITAN Group"
CDRSEE	Centre for Democracy and Reconciliation in South East Europe
ICED	International Center for Environment and Development
UNEP	United Nations Environmental Program
WWF	World Wild Life Fund for Nature

Useful Links

www.titan-cement.com

www.csrhellas.gr

www.csreurope.org

www.un.org

www.globalcompact.org

www.oecd.org

www.ilo.org

www.wbcsd.org

www.wbcsdcement.org

www.environmental-finance.com

www.siri.org

www.proash.com

www.faos.gr

www.cdsee.org

www.gri.org

www.nemea.civil.upatras.gr

www.canellopoulosmuseum.gr

www.unep.org

www.wwf.org

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From the Managing Director

FROM THE MANAGING DIRECTOR

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As our readers will see in our Annual Report, 2005 was a successful and a record year for TITAN. We believe it is only fair that corporate profitability and social responsibility should advance hand-in-hand.

Yet success should never be taken for granted. As the global economy powered ahead, driven by technological innovation and rapid growth in many developing countries, several events served as reminders of the vulnerability of human achievement: Natural disasters, epidemics, more conflict, growing reaction against inequities.

In our case, hurricanes Wilma and Katrina hit our operations in Florida and Mississippi and brought hardship to the families of our staff and thousands of citizens. Our people seized those occasions for a remarkable display of TITAN core values and social solidarity at all levels.

Besides natural disasters, another danger is self-complacency or self-indulgence, considering past successes as permanent achievements, taking them for granted. There is nothing worse than self-satisfaction in matters that require continuous vigilance and endeavor for improvement, such as safety.

Although our policies of respect for people, society and the environment are very much part of TITAN's culture, there is clearly a great deal more we can do in order to live up to our values. Given the nature and challenges of our business, we have chosen to focus our CSR efforts on three main areas in which TITAN has acquired expertise and trained staff: Education, environmental sustainability and health & safety. In each of those areas, we took up new initiatives during the year. Examples range from new state-of-the-art filters in our plants, to a new Technical Program for the unemployed in Skopje, or a health & safety awareness program for the families of our employees in Egypt.

In this Report, we have also included a section dedicated to TITAN's cultural contribution. Culture is not only art and national, or even world heritage. It is also part of the soul of the people. Preserving and promoting our culture belongs to TITAN's values and its notion of social responsibility. Among other such initiatives, last year TITAN fulfilled its commitment to its hometown, Eleusis, undertaken in 2002 on the occasion of its centenary celebrations: The lighting system of the Archaeological Site that all Eleusis citizens are proud of.

We also remain active participants in a number of significant international initiatives and organizations such as the United Nations' Global Compact, the World Business Council for Sustainability Development and CSR Europe, while continuously endeavoring to learn, yet also to contribute. The publication of the Cement Sustainability Initiative interim report, under the auspices of the WBCSD, is particularly noteworthy since it highlights our joint achievements since 2003 but also our joint targets until 2007.

Looking further ahead, the key challenges we face relate to upholding past initiatives while upgrading transparency, accountability and constructive dialogue with all stakeholders. Listening and responding to them is the driving force in our efforts for continuous improvement in the area of corporate social responsibility. In this spirit, we sincerely invite our readers to feedback whatever criticisms and/or constructive suggestions they wish.



Dimitri Papalexopoulos
Managing Director

TITAN's Governing Objective:

“We aim 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”.



Archaeological Site, Eleusis - Greece, 2005



Group Profile - 2005

FROM THE MANAGING DIRECTOR

GROUP PROFILE

Main activities, products and their uses

Corporate Governance

Distribution of income

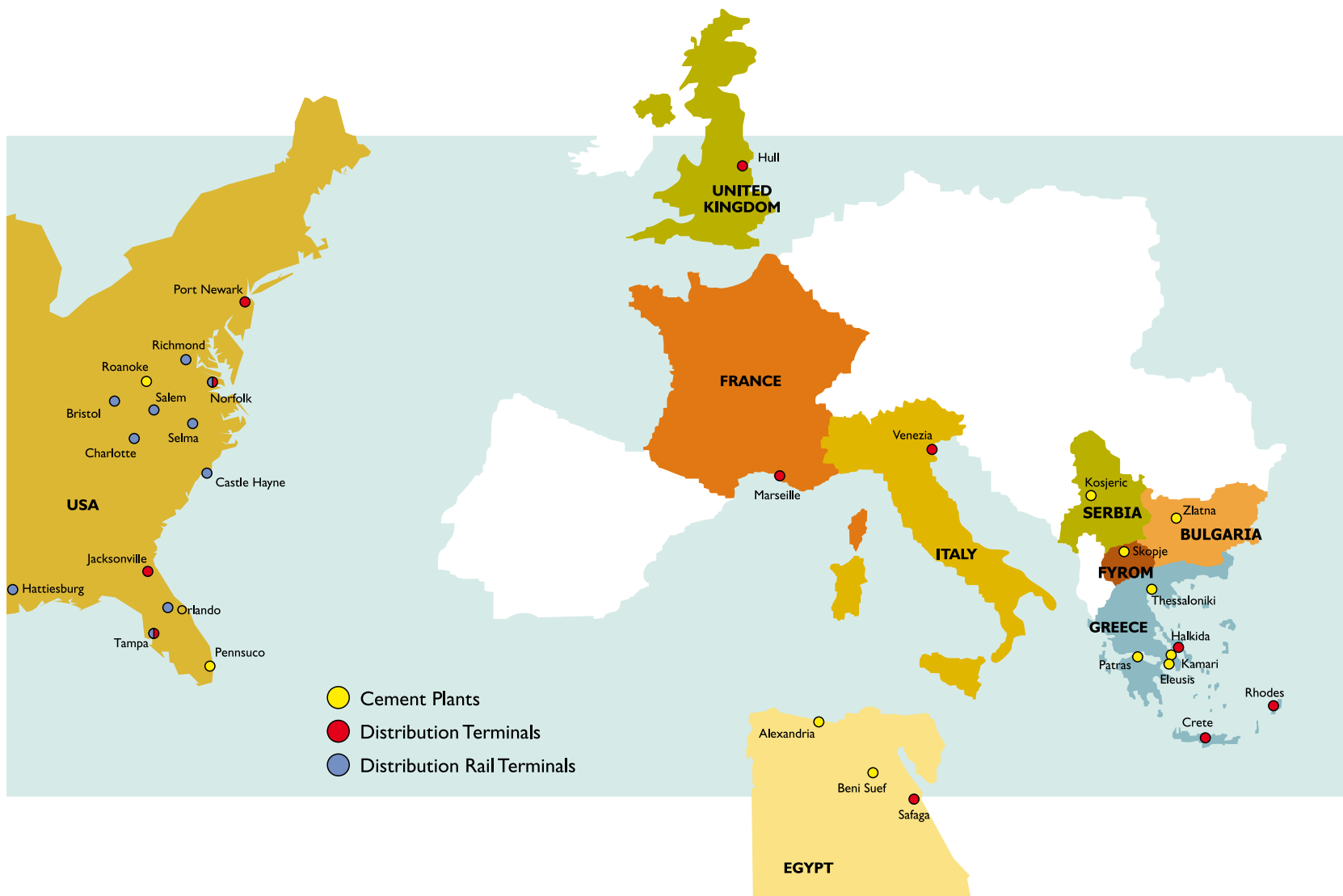
Corporate Social Responsibility and Sustainable Development

PEOPLE AND SOCIETY

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- Cement Plants
- Distribution Terminals
- Distribution Rail Terminals

Financial Results	
Turnover	€ 1,342 million
Net profit*	€ 210 million
Operating earnings	€ 391 million
Investments	€ 146 million

* after taxes and minority rights

> All TITAN affiliates are owned by the Group with the exception of companies in Egypt which are jointly controlled with Lafarge Group.

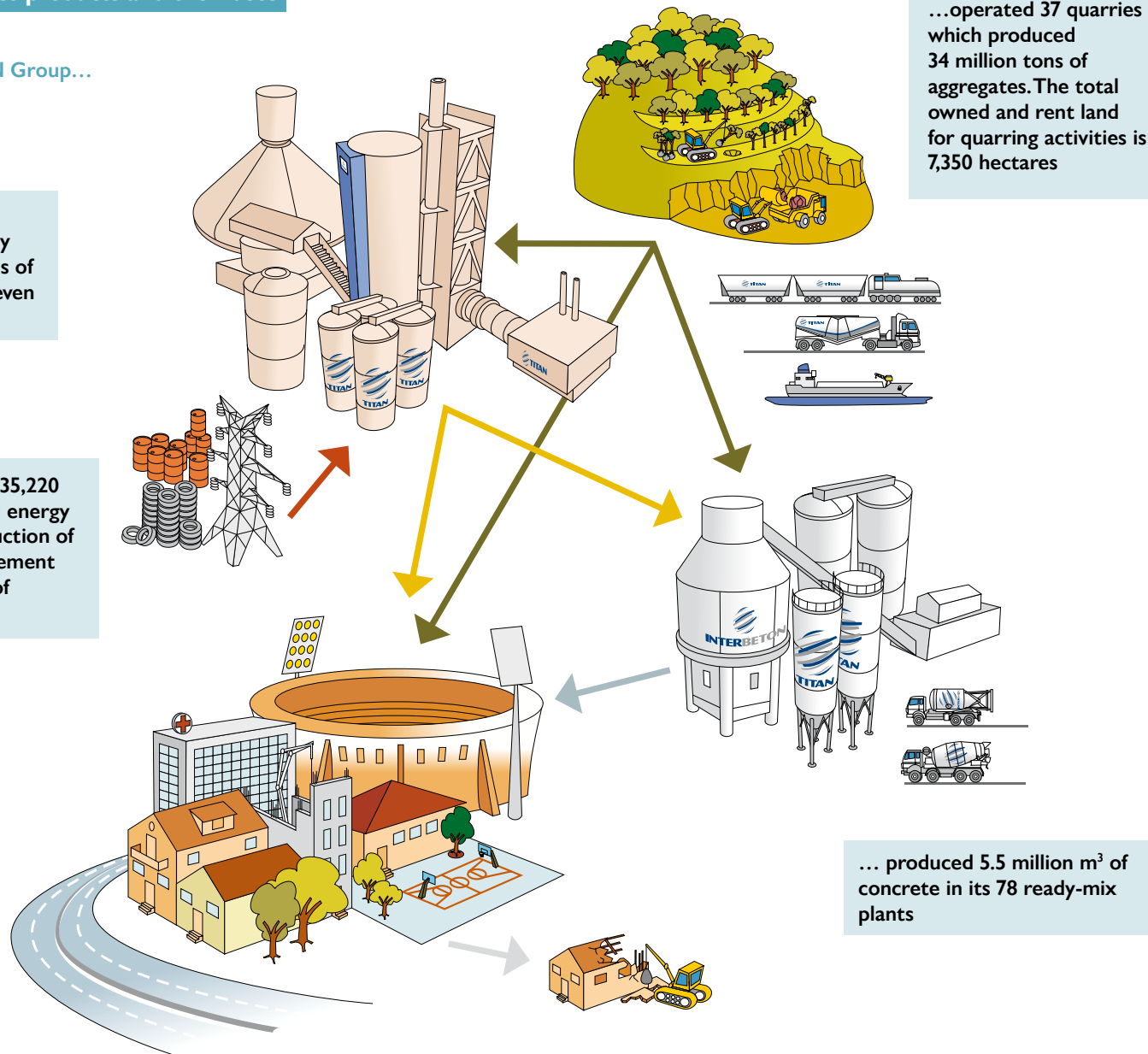


Main activities products and their uses

In 2005 TITAN Group...

...produced approximately 15 million tons of cement in eleven plants

...consumed 35,220 TJ of thermal energy for the production of clinker and cement and 5,180 TJ of electricity



...operated 37 quarries which produced 34 million tons of aggregates. The total owned and rent land for quarrying activities is 7,350 hectares

... produced 5.5 million m³ of concrete in its 78 ready-mix plants

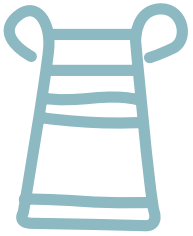
Cement, mixed with water and other materials it is the main construction material world-wide.

Aggregates: Natural raw materials with multiple uses, as materials for the construction sector, as basic ingredients of other building materials and as filling materials for the production of other everyday-use products.

Concrete: The safest and most economical construction material. It is produced by mixing aggregates with cement, water and conditioning additives. Armored appropriately, reinforced concrete is produced.

Mortars: Manufactured products derived from mixing cement with aggregates and other materials, and used in various construction sectors.

Fly ash: Power-plant by-products. When appropriately processed it can be used as an alternative raw material for the production of cement.



Group Profile - 2005

Corporate Governance

In the process of development as a Group of Companies, we experience the change from a nationally oriented structured to a transnational and multi-regional oriented structure.

The principles and rules governing the Group's operation have been stated in a booklet titled "TITAN Group Corporate Values and Code of Conduct" (www.titan-cement.com).

TITAN has adopted and implements corporate governance practices conforming with international standards far beyond those set forth by Greek legislation. For example, the Board of Directors has established Committees not provided for by Greek law (ref. p. 34, 36, Annual Report 2005).

Last year, a systematic evaluation began with regard to the implementation of:

- > The Code of Conduct, adopted in 2004 and published in all languages used within the Group
- > OECD standards for corporate governance
- > GRI standards for reporting on social and environmental impacts and performance

A process of self-evaluation, effective from January 1, 2006 is in place for the Board of Directors and its Committees.

Distribution of income

The Group's activities substantially contribute to economic and social development in the areas we operate.

The distribution of our income in 2005 was as follows:

- > To employees (salaries, pensions and additional social benefits, beyond those obligatory by law) / Total: €232,1 million
- > To our suppliers / Total: €712,0
- > For new investments / Total: €145,7 million
- > For taxes to the state and local authorities / Total: €153,5 million
- > For shareholder dividends / Total: €50,6 million

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Day dedicated to environment, Patra - Greece, 2005





Control centre, Kosjeric plant - Serbia, 2005

Excerpt from a speech by Leonidas Canelopoulos, Chairman of TITAN Cement S.A. (1957-1979) at the Annual General Meeting of the Federation of Greek Industries, 1961:

“We, industrialists, have to be leaders. We bear increased responsibilities and are fully aware of the daily struggle for a better life. Being conscious of this, I am sure that we will continue to always contribute more than we receive...”



Group Profile - 2005

Corporate Social Responsibility and Sustainable Development

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A guiding principle in our CSR policy is the concept “branching out and adding value” which was first detailed in last year’s Report. This approach of corporate social extrovertness aims at maximizing the positive impact of our CSR initiatives and programs by transmitting and better utilizing TITAN’s accumulated experience and expertise in various fields.

CSR & SD are strategically important for TITAN. The Group’s pertinent organizational structure includes a CSR Committee, a CSR Department and a Technical Department whose task is to implement new technologies aimed at enhancing natural-resource savings and protection of the environment. The Environmental Department of our mother company also provides specialized know-how on all matters regarding the implementation of our environmental policy to all TITAN affiliates and to all our external service providers and suppliers (www.titan-cement.com).

In 2005 social taskforces were set up in 4 cement plants in Greece. Their task is to cooperate with the competent departments of each plant in matters related to social policy, health and safety, protection of the environment and new initiatives both within the plants and outside.

Among the activities undertaken by social taskforces are the following:

- > An oral hygiene program for employees’ children (Thessaloniki)
- > Preventive medical tests for elementary school students in cooperation with the local council in the area of Kamari plant in Greece
- > Events for the children of Special Schools (Patras)

Establishment of a group consisting of plant employees and Eleusis’ municipality employees whose task will be to increase safety awareness among the municipality’s personnel.

In 2005, TITAN completed the following:

- > In Eleusis (Greece), the permanent lighting installation at the Archaeological Site, the creation of a Cultural Center and the construction of a new building for West Attica’s Fire Department.
- > In Florida (USA) and Thessaloniki (Greece), the complete modernization of our cement plants and further improvement of their environmental performance
- > In FYROM, the implementation of two new programs for local youth.
- > In Serbia and Bulgaria, the introduction of new social-policy programs mainly for our employees.

These accomplishments are detailed in the relevant chapters of this Report and on our website (www.titan-cement.com).

In 2005 we also had to deal with some extraordinary situations (e.g. hurricanes Katrina and Wilma in the USA). Social solidarity, as expressed in these and many other cases by TITAN and its people, offers new examples and inspiration for further emphasizing the value of participative efforts.

Especially significant were also last year’s developments at national and sectoral, as well as at European and international levels, with regard to joint initiatives in which the Group participates, such as the following:



> Work progress at collective and corporate levels, as summarized in CSR’s Interim Report (ref. p.48)



> Active participation in and support of initiatives taken by CSR Europe (ref. p. 46 and CSR Roadmap)



> Implementation and incorporation of Global Compact’s Ten Principles and corresponding guidelines for the presentation of results in the Annual Report (ref. p.47)



> Advancement of Hellenic CSR Network’s goals and participation in the publication of the first Greek catalogue of CSR good practices (ref. p.46)



Challenges and priorities

Our expansion in new regions with different infrastructures, different social and cultural perceptions, and different legal frameworks has turned the process of transferring and establishing common principles, values and standards into a major challenge.

A deeper understanding of social environment and a more effective response to diverse needs and expectations are basic conditions for realizing our vision, achieving our goals and conducting successfully our business.

For 2006 our action plan is focused on the following challenges and priorities:

- > Dissemination of our knowledge, experience and good practices to all stakeholders and, especially, our employees and external service providers
- > Improvement of existing communication policies and systems within the Group and upgrading of our programs designed to transfer know-how and evaluate our permanent external service providers
- > Expansion of interdepartmental working groups to enhance our effectiveness in specific areas, such as accident prevention
- > Emphasis on strengthening our employees' health-and-safety awareness and practices throughout the Group so as to generate a "zero accident" objective
- > Enrichment of our knowledge and experience through networking and learning from other companies' good-practice examples as well as from our own actions and initiatives
- > Continuation of our efforts to effectively incorporate our business principles as well as our CSR & S principles at all levels of Group activities

We also carry on intensively the implementation of a plan aimed at further improving our environmental performance (ref. p.32)



Thessaloniki plant - Greece, 2005

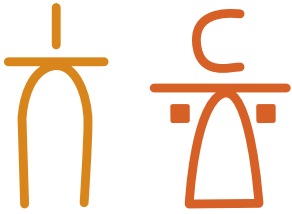


Lena Tsipouri,
Associate Professor,
Department of Economics,
University of Athens:

“Globalisation brought about the necessity for change in the role of the state. This led to a partial transfer of the responsibility for development and prosperity to national and international bodies as also to multinational enterprises.

In Greece the real meaning of CSR is gradually maturing to the point where it can now be better defined. Hence it is necessary to clarify which corporate activities are compatible with the concept of social responsibility, with a view to differentiating CSR from philanthropy. It is important for both shareholders and Society at large to understand this distinction.

Companies like TITAN can and should lead the way. Social responsibility, for TITAN, is the expression of a conscious policy of commitment to people, Society and the environment. TITAN adopted a multitude of voluntary social programs decades before they became law. This track-record and experience enable it to better evaluate new activities and remain in the forefront of Corporate Social Responsibility. These initiatives, by necessity, are linked to each sector of activity. Hence, in the case of TITAN, the environment is of prime importance.”



People and Society

Employment – Development of human resources

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Care for health and safety

Social solidarity and voluntarism

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A top priority of the Group human resources policy is respect for people and their needs. Our goal is to maintain a high level of employee satisfaction, safe working conditions and a work environment enhancing constructive cooperation, productivity and a climate of mutual trust.

To achieve this goal we implement a series of programs comprising:

- > A compensation system which takes into consideration market conditions and trends along with employee expectations
- > Benefits beyond and above those provided for by law and by collective labor agreements, in accordance with particular conditions prevailing in each country
- > Employee participation in business-goal achievement and systematic performance evaluation for human resources development
- > Training, professional development and advancement opportunities

> Open, two-way communication

> Care for our employees' families and efforts for a better balance of work and family life

Special attention is paid to maintaining among employees a sense of job security, derived from our corporate principle that no employment-status change is made before informing in a timely and proper manner those directly affected. Whenever personnel reductions become necessary, relevant decisions are implemented through voluntary early leaving plans and support for future employment prospects.

Group total employment in 2005 remained stable. Direct and indirect employment increased in the United States following the start-up of our new plant in Florida, while small fluctuations occurred in the other regions of TITAN operations.



* including full employment of subsidiaries consolidated on the proportionate basis

Evaluation System 360°

TITAN's policy is to continuously encourage its staff to promote its skills and competencies. In 2005 we carried on and expanded the implementation of Evaluation System 360° introduced in 2004. This evaluation system is based on the assessment of the individuals by their supervisors, peers and their subordinates, thus strengthening dialogue and communication at all hierarchical levels.



Communication, cooperation and participation

We seek and promote direct, creative and substantial communication with our employees. In this context –in addition to long-established procedures for negotiations with unions, which deal with such matters as salary/wage increases, collective agreements etc.– meetings of Group management with all employees are held regularly.

Subjects covered in these meetings include Group business progress, new programs for employees, Group targets and priorities, policies and practices by sector etc.

An employee opinion survey scheduled for 2005 in Greece was postponed for 2006. The reason being that another survey have been conducted in 2005, for a second consecutive year, in the framework of the European Contest “Best Places to Work” (TITAN ranked 6th in Greece).

Last year, the findings of an employee opinion survey conducted in the USA in 2004, were reported. Outcomes of this survey –in which 81% of our employees participated– are summarized as follows:

- > To a large extent employees understand business goals and recognize the special importance of their own contribution to achieving them.

The “Add Value” Program

In September 2005 a program titled “Add Value” was initiated in Greece, aiming at recognizing and encouraging efforts and initiatives undertaken by employees for continuous improvement. Emphasis is placed on cost reduction and productivity increase, value to customers, quality improvement, health and safety and environmental performance. The program facilitates and deepens communication between employees and managers while enhances recognition of employees’ participation.

- > They consider crucially important all efforts aimed to implement accident prevention measures and to maintain a safe working environment
- > They are satisfied with their job and the utilization of their skills
- > They believe that the emphasis given to customer needs and expectations and the Company’s reputation is particularly important.
- > They evaluate positively both the Company’s and their own prospects
- > They think emphasis should be given to achieving more balance between professional and family life
- > They place special importance on performance-based evaluation and its link with professional status and advancement prospects
- > They expect further improvement of intra-Company communication and broader group cooperation

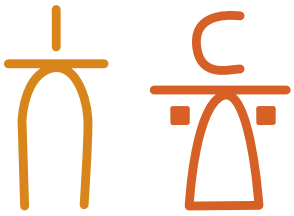
The findings of the survey have been evaluated and thoroughly discussed with Company personnel in special meetings, and task groups were set up to draft action plans for specific improvements in each sector.

Meetings with employees and “DigiVote”

One-day meetings are organized every year for all employees to give them the opportunity to be informed by senior Management on the Group’s challenges, goals and priorities. Participants are given the opportunity to raise issues and concerns, express their views and make proposals in an open discussion and through the use of methods such as the “DigiVote”, an anonymous electronic vote. The outcome of the discussions and the results from DigiVote are evaluated and form the basis for introducing new programs and improving existing policies and practices.



In the European edition of Fortune Magazine (January 2005) TITAN was included among the 10 greatest European companies “to work for”



People and Society

Education and training

In 2005 more than 90,000 man-hours were allocated to training our employees and the average number of training hours per employee at Group level amounted to 15.

Most education and training hours were devoted to health & safety and accident prevention. Technical training was also a major priority aiming at developing and continuously improving our employees' technical skills and, also, at disseminating specialized know-how throughout the Group.

Implementation of our MENTOR program, designed to improve the skills of our managerial and technical staff in the Group's South-East European affiliates, continued last year. In its context 45 people received training totalling more than 4,000 man-hours.

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Education and training

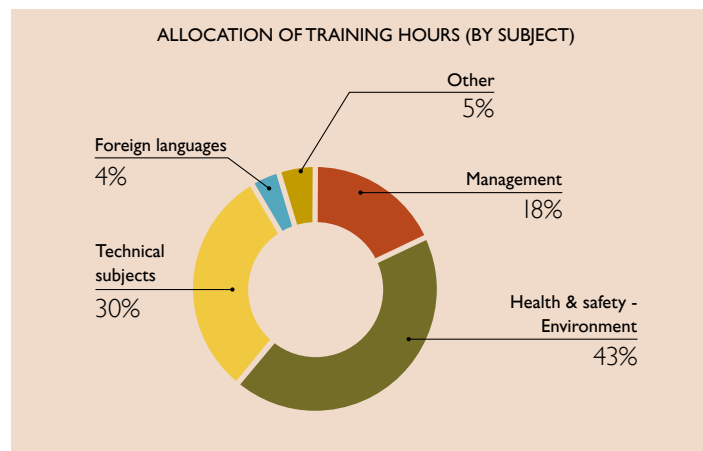
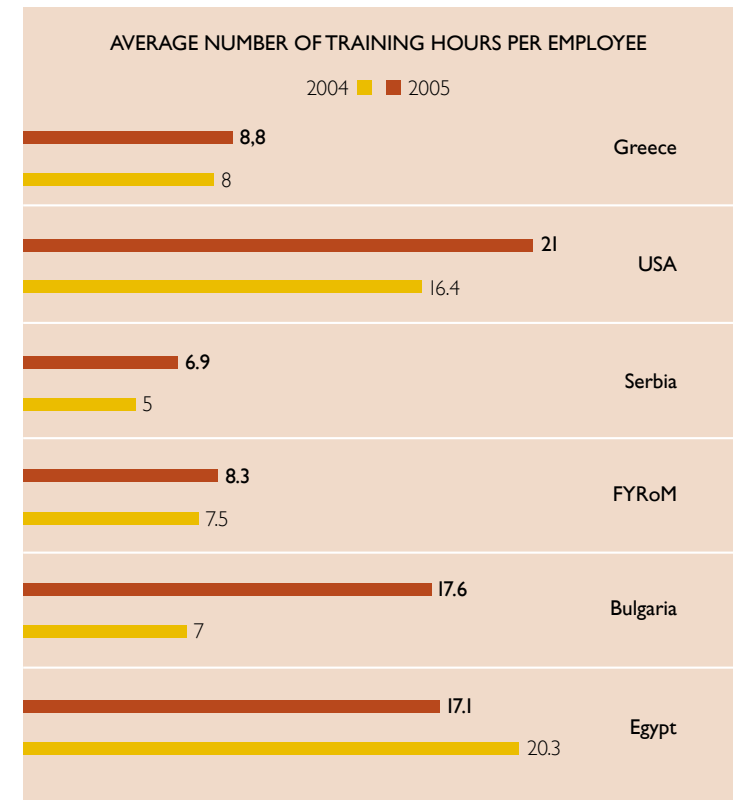
Care for health and safety

Social solidarity and voluntarism

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New initiatives

“Career Preheater”

TITAN’s expansion in new regions has created a new dimension in the process of attracting and employing new staff. The need, on one hand, to transmit valuable knowledge and experience to newly hired staff and, on the other, to integrate new employees into our corporate culture and practices has led to the formulation of an integrated training system titled “Career Preheater”.

Its purpose is to develop structurally, effectively and equally the technological skills, leadership competencies and behaviors of new professionals. Group experts –both active and retired– as well as external organizations cooperate in the implementation of this new initiative.



First Technical Conference for Group managers on “Vertical Mills” (Thessaloniki, 2005)

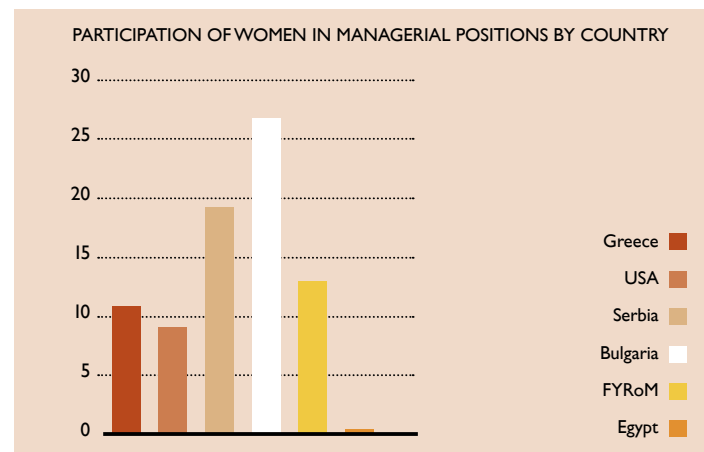


First HR Conference for Group officers on “The Human Side of Success” (Athens, 2005)

Human rights and equal opportunities

Respect for human and labor rights –as defined in international conventions– is a common practice with the TITAN Group, wherever it conducts its business activities.

Participation of its employees in local trade unions was 50% last year, the same as in 2004. Participation of women in the Group management team was approximately 10%. In the United States, last year, two cases regarding TITAN practices were submitted for examination by the Equal Opportunities Committee. One of them was rejected and the other was settled without any further involvement of the Committee.



U.N. Global Compact Principles on human and labor rights

Principle 1

Business should support and respect the protection of internationally proclaimed human rights

Principle 2

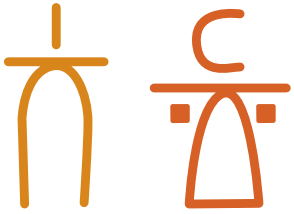
Business should ensure that they are not complicit in human rights abuses

Principle 3

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

Principle 6

Business should support the elimination of discrimination in respect of employment and occupation



People and Society

Occupational health and safety

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Accident prevention

Compared to other industrial sectors as reflected in the Batelle Report (2002) which led to the CSI initiative, the cement industry health and safety record leaves a lot to be desired.

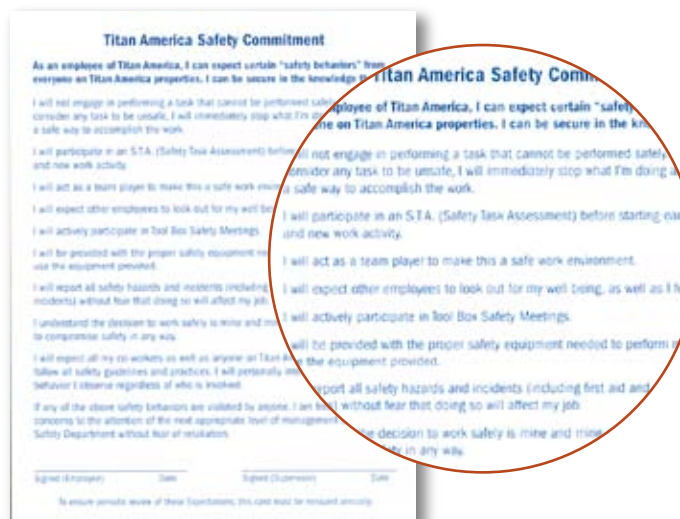
Within the framework of this initiative, the CSI founding members formulated and adopted commonly accepted definitions for health and safety (ref. p. 49). The structural collection of data now permits to benchmark within the cement industry and thus better evaluates the effectiveness of the new programs.

TITAN 2005 overall performance in health and safety was not as good as 2004. Three fatal accidents occurred –one worker and one contractor's staff member in the US plus one contractor's staff member in Serbia.

We were overwhelmed by these accidents not just because of their tragic nature but also because they inevitably convey an impression of loose safety measures.

This has led to a detailed review of the whole accident prevention system, starting with the equipment, maintenance and house-keeping and ending up with more effective information and intense training of all staff members. Particular attention is paid to the awareness-building of new recruits as also to the new system of a voluntary safety pledge by each and every employee.

We are convinced that our aspirational target of “zero-accident” is instrumental in bringing about behavioral change. This challenge is even greater in the case of indirect (contractors’) staff over which we have less control, hence our increased effort in the field of education and training.



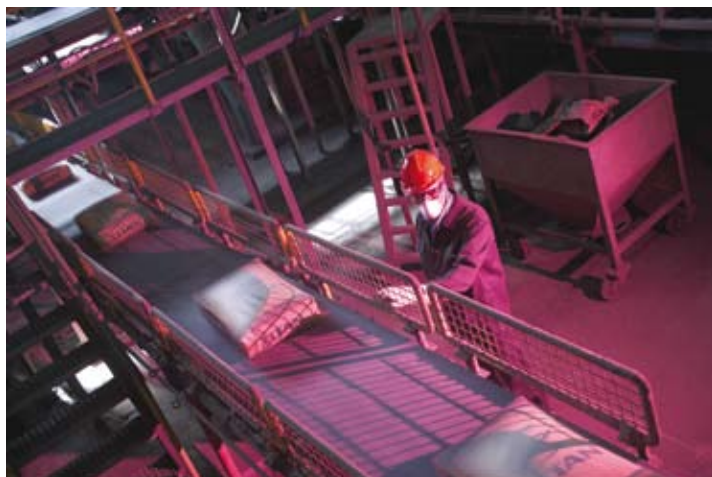
TITAN America, Safety commitment card



“Occupational Safety” TITAN Group Performance Indicators according to CSI standards

Total number of employees (directly employed)	6,000
Total number of man-hours worked in millions (directly employed)	12,094
Number of LTI's, directly employed	71
LTI frequency rate* directly employed (per million man-hours)	5,87
Number of fatalities (directly employed)	1
Fatality rate (per 10,000 directly employed)	1,6
Number of fatalities (indirectly employed)	2

* Frequency rate: Number of accidents multiplied by 1,000,000 and divided by the total hours worked.



Bagged cement loading, Kamari plant - Greece, 2005

Eleusis plant:
Zero-accident for the last five years

Accident prevention program (USA)

Accident prevention and safe behavior at work are also a matter of personal responsibility and commitment for each employee, irrespective of hierarchy and occupation. This is the message incorporated in the “Safety Commitment Cards” developed in the framework of TITAN’s new integrated program launched in the USA during 2005.

Employees by voluntarily signing a “Safety Commitment Card” undertake to manifest at all times safe behavior as well as ensuring safe working conditions for their colleagues.

The program adopted by TITAN includes also:

- > Daily safety meetings at every shift where all related issues are discussed and recorded
- > Systematic control in subcontracting selection; monitoring and ongoing assessment of their work, according to specific criteria concerning compliance with safety rules
- > Implementation of schemes to identify and compensate employees’ contribution to safety
- > Carrying out of competitions between employees for the development of signing posters and the selection of messages related to safety
- > Distribution of leaflets, t-shirts and caps with safety code-messages on

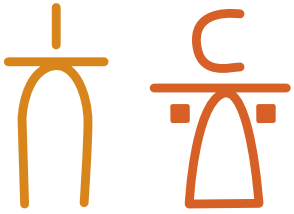
Anti-smoking program

In 2005 TITAN launched a multifaceted anti-smoking campaign. Extensive communication on the hazards of smoking was followed by banning smoking in all factories and central office in Greece. Smoking now is only allowed in specially designated areas.

A program, supported by TITAN’s medical staff, is available to help all these who are having difficulties in quitting smoking.

In addition TITAN is financially assisting staff that wishes to follow therapies aimed at quitting smoking.





People and Society

Contractors' personnel

Employment, education and training

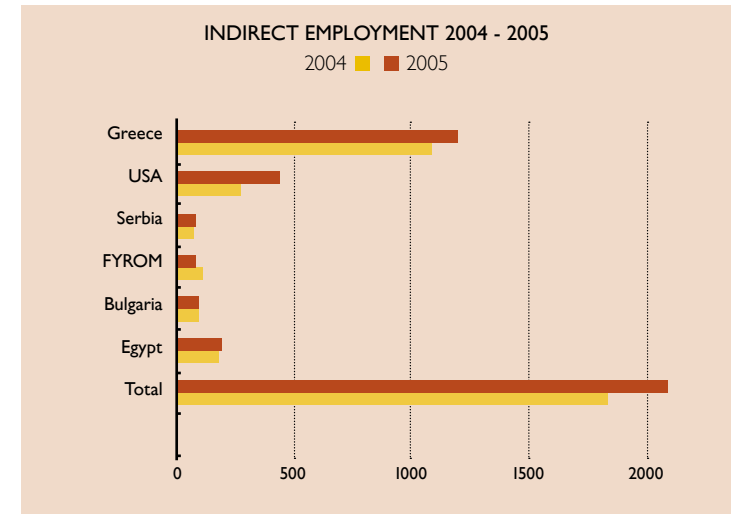
In 2005, contractors' staff (indirect personnel) accounted for 25% of total employment, mainly in the following activities:

- > Quarrying
- > Maintenance and cleanliness of facilities
- > Transportation of raw materials and products
- > Surveillance and security of facilities.

Transportation services, in particular, employ most of the contractors' personnel.

It is our belief that contractors' personnel is an active and essential participant in our smooth operation and business target attainment. Therefore, we invest in their systematic training and skill development, as well as in transferring knowledge and experience, especially on the fields of accident prevention and environmental protection.

In 2005, INTERBETON – a Group subsidiary in Greece – published a special guide entitled “SAFETY INSTRUCTIONS AND RULES FOR QUARRY SITES”, which was distributed to all personnel engaged in this specific field of activity.



Accident prevention

In 2005, information and training programs for contractors' personnel were implemented in all Group factories, addressing issues of prevention, recording and analyzing accident causes.

Such training programs involved contractors, subcontracting crew heads and their employed personnel. In 2005, total length of training was 2,000 man-hours, mostly held in Greece and the US. Our target is to intensify those programs during 2006 and expand them to all the fields of our activity.

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Shareholders - Customers - Suppliers

Shareholders –Special institutional investors

For a second consecutive year TITAN Cement SA was awarded 1st Prize for Corporate Social Responsibility following an open voting conducted by the financial magazine “Chrima”. The prize was presented to the company at the International Investment Conference “Euromoney”.

TITAN Group was included by special institutional investors in the “Kempen Capital Management’s Orange Sense Fund”, which invests in socially and environmentally sensitive “small cap” European companies (www.environment-finance.com, www.siri.org).

In a comparative survey conducted last year by Standard and Poors the “Kempen Capital Management’s Orange Sense Fund” returns for 2004 were higher by 24.8%, compared to similar funds.



Customers and suppliers

Customer and Supplier Satisfaction Surveys are regularly conducted by TITAN Cement SA and have been incorporated in the Quality Management System –ISO 9001/2000. Since 2005 such surveys have been adopted by all Group affiliates. Satisfaction Surveys were conducted in FYROM and Bulgaria, while in Serbia a special group was set up last October to provide advice and technical support to customers.

In the United States special one-day customer communication conferences take place. In Florida the second Regional Customer Conference was held in May 2005.



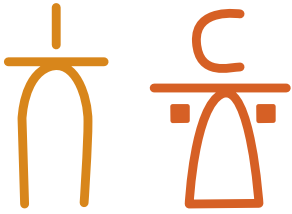
Mr. Takis Canellopoulos, Investor Relations Officer, receives the CSR award from Mr. K. Ouzounis, Publisher of the magazine “Chrima”.

From International Herald Tribune, March 3, 2006

TITAN Cement in Greece was the surprising choice of Susan Levermann, an equities portfolio manager at DWS Investments in Frankfurt. TITAN figures in the top 100 European employers as compiled by the Great Places to Work Institute.

“Cement companies are not often noted for their superior human capital management practices,” Levermann said. “But even more remarkable is that a Greek cement company made it into the European top 100.”

> TITAN Cement S.A. is one of the oldest companies listed on the Athens Stock Exchange (since 1912).



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Contribution to local development and cultivation of relations based on cooperation are central elements in the Group's policy regarding its external environment, especially in the regions where it has manufacturing and quarrying operations.

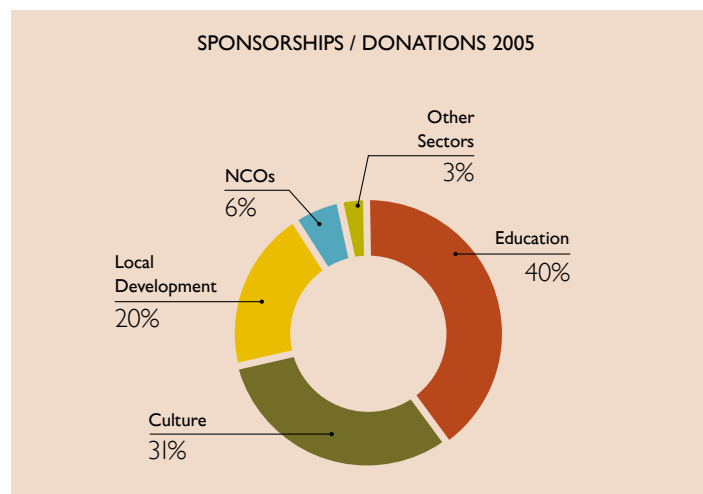
With the concept "branching out and adding value" as our guiding principle, we aim at a more active contribution to local development through endeavours that endorse:

- > Voluntary participation of Group employees
- > Know-how and technical support offered to local authorities and local organizations
- > Our direct contact and cooperation with stakeholders

In 2005 our activities in this sector were mainly addressed to education & training, health & safety and protection of the environment

Our sponsorships and donations program for 2005 focused on:

- > Education/Training
- > Culture
- > Local development



Initiatives for education - 2005

- > Two events were organized at our plants in the framework of the Post-Graduate Student Forum -one in Thessaloniki and one in Kamari. 320 students from eleven post-graduate programs and eleven instructors (University professors) and eight businessmen participated in these events
- > The "TITAN Distinguished Visiting Professors Program" at the Athens Laboratory of Business Administration (ALBA) was extended for three more years.
- > TITAN initiated a program which offers scholarships to students from FYROM for post-graduate studies in Greece
- > Sponsored by TITAN, 40 post-graduate students participated in a Conference ("Making Europe more competitive through CSR") which was organized by "The Economist" in Athens
- > Financial aid was granted to the "Step Up For Students" program which grants scholarships to children of low-income families in Florida - USA
- > TITAN supported CDRSEE initiatives aimed at strengthening peace and cooperation in South-East Europe through the adoption of democratic and social responsibility principles

TITAN fully subsidized a new Technical Training Program for unemployed youngsters in Usje-FYROM. This 500-hour program was attended by 14 persons



Post-Graduate Student Forum, Kamari - Greece, 2005



Neda Tozija
Civil Engineer,
ALBA post-graduate student:

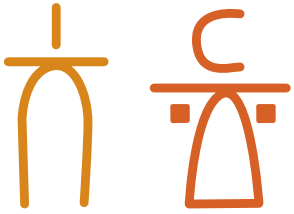
“I think that the scholarship program that TITAN runs is a great help to society, especially to young people in my country. At a time, when the job market is saturated and it is difficult for young people to find employment, it is very important to have a relevant and quality education. Therefore I consider it an excellent opportunity and privilege to be given the chance to study at ALBA, one of the most prestigious graduate schools in Greece. Moreover I have the opportunity to learn more about the Greek culture and way of life.”



Goce Serafimov
Electrical Engineer,
ALBA post-graduate student:

“I used to think that having an engineering degree would be enough to be competitive on the job market. I was wrong. TITAN, through the scholarship program at ALBA, gave me a tremendous opportunity to broaden my knowledge and get an insight into the soft skills that are becoming a decisive factor in today’s job market.”

“Through the scholarship program at ALBA I had a tremendous opportunity to broaden my knowledge and get an insight into the soft skills that are becoming a decisive factor in today’s job market. Together with the financial, I also received moral support, which was even more important to me.”



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Care for health and safety

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- > FAOS –Program for the prevention of accidents at schools (Achaia and Thessaloniki)

This successful program was initiated in 2000 in Achaia and, last year, was extended to the Thessaloniki region. 35 schools in the area neighboring our Thessaloniki cement plant underwent safety-condition inspections.

A non-profit organization FAOS was set up as an autonomous legal entity with headquarters in Thessaloniki, its task being to develop and implement a thorough action plan.

In 2005 a comparative inspection of safety conditions in 33 schools was carried out in Achaia. These schools, which have joined Achaia FAOS organization from its start, have had an almost zero -accident record, whereas three of the schools which joined FAOS recently recorded a few accidents.

Special events were organized in Achaia and Thessaloniki to train teachers and students on accident-prevention matters and to enhance school and out-of-school safety awareness among parents. The response of all target audiences was very positive.

- > Preventive medical program for children (Kamari)

On the initiative of our Kamari plant's Social Task Force a preventive medical program was implemented last year. 88 children from neighboring communities were examined by Aglaia Kyriakou Hospital's specialist medical teams.

- > AIDS awareness-raising program in Egypt

TITAN's affiliate in Egypt participated in an initiative undertaken up by local authorities in cooperation with the United Nations for the purpose of educating and sensitizing youngsters about AIDS. More than 1,500 persons took part in the events.



Event to enhance AIDS – awareness among youngsters, Alexandria-Egypt, 2005



Social solidarity - Voluntarism

Voluntary initiatives and actions by our employees, often anonymously, are very encouraging in our efforts to embed Corporate Social Responsibility in TITAN.

Last year employees' voluntarism manifested itself in many ways. In addition to the ongoing voluntary blood donation program, our employees participated and substantially contributed to the completion of the lighting project at Eleusis Archaeological Site, supported Salvation Army's Christmas campaign and the Habitat for Humanity program in the States.

Social solidarity initiatives, that have been undertaken by TITAN Group in 2005, include among else:

- > TITAN America's assistance to the victims of hurricanes Katrina and Wilma
- > Support to the victims of floods in Bulgaria
- > Financial aid to the victims of the December 2004 tsunami in South-East Asia (through UNICEF)
- > Donations –both financial and in kind– to meet needs of communities neighboring TITAN facilities

For a second consecutive year the Union of our headquarters employees offered aid in kind to the Lyreion Foundation which provides shelter to homeless children and handicapped individuals.

KATRINA – WILMA

When, last fall, the Southeast regions of the United States were hit by hurricanes Katrina and Wilma, the response of TITAN's management and employees to the needs of the victims was immediate, substantial and manifold.

In the case of Katrina, TITAN provided financial aid, food, clothing and other necessary assistance to the families of Separation Technologies' employees, living in Hattiesburg, Mississippi, which was devastated by the hurricane (ST is a TITAN affiliate). TITAN also contributed to a fund-raising campaign conducted by American Red Cross to aid hurricane victims and took measures to support its employees' noteworthy volunteer mobilization to help colleagues and other fellow citizens in distress.

Hurricane Wilma followed, causing extensive damage in Florida and leaving some 3,000,000 people without water, electricity, telephone communications etc.

TITAN immediately responded by providing monetary aid, bottled water, fuel, generators and even temporary lodging to company employees. Furthermore, work schedules were modified at our Pennsuco plant allowing those who were more seriously affected maximum flexibility to attend to their families requirements.



Remarks from Lt. Governor of the State of Florida, Toni Jennings regarding TITAN America's Corporate Responsibility March, 2006

“TITAN America has consistently shown itself to be a generous and responsible corporate citizen, as well as an excellent neighbor within our communities. It's encouraging to see corporate social responsibility listed as one of TITAN America's core values.”



People and Culture

Our ancestors' wisdom and ideals, their art and literary works preserved to date is the sum of mankind's most important achievements, our cultural heritage.

Especially for Greece, the cultural heritage is invaluable.

No nation is an island in the history of mankind.

No civilization is an island in the ocean of humanity's progress. Every civilization is part of the history, the evolution and the complex feature of our world's cultural heritage –unitary and indivisible in its essence– despite differences in its specific characteristics.

It is the responsibility of international community to encourage and support every effort aimed at preserving cultural monuments and historical memory, thus contributing to the protection of our cultural heritage worldwide.

TITAN, since its beginnings, has been –and still is– a supporter of initiatives whose purpose is to save and promote cultural heritage, as well as a sponsor of contemporary cultural activities.

Today TITAN is a multi-regional Group. Its values –in the cultural sector, too– extend in all countries where it operates within the broader framework and scope of its Corporate Social Responsibility.

It is both our duty and our common interest to preserve our common roots, our history, our cultural heritage and, in turn, pass the “baton” to the next generation.

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For TITAN, 2005 was a very productive year in cultural activities among which two were particularly notable:

- > The installation of a permanent lighting system at the Eleusis Archaeological Site
- > The inauguration of the Eleusis Cultural Center, donated by TITAN to its native city

Both projects have been named after Leonidas Canelopoulos, for many years Chairman of TITAN Cement SA, whose life and work were closely linked with Eleusis.

Other significant cultural initiatives taken up by the Group were:

- > Maintenance and restoration of 4 old churches and one Byzantine monastery in Serbia
- > Continued support to the restoration of columns of the Temple of Zeus in Nemea
- > Support of the 7th International Conference of Hellenistic Ceramic Art and sponsorship of the publication of a book titled “Hellenistic Ceramic Art from the Peloponnese” in cooperation with the 6th Ephorate of Prehistoric and Classical Antiquities

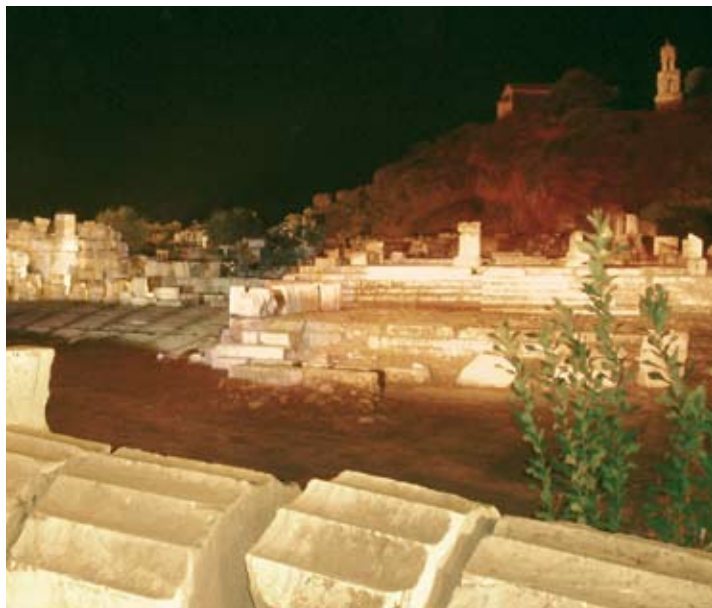


Lighting system at Eleusis Archaeological Site

The lighting system at the Eleusis Archaeological Site (“Eleusinian Lighting –Leonidas Canellopoulos”) was designed by Pierre Bidot, whose works include similar projects at the Athens Acropolis, the Eiffel Tower in Paris etc.

The Eleusis project was implemented by TITAN with the active participation of staff members. It enhances the beauty of one of Greece’s most important, evocative, yet less well-known archaeological sites.

The Eleusis Archaeological Site is closely associated with the ancient Eleusinian Mysteries and the worship of Demeter, goddess of Agriculture and Fertility. Eleusis is inseparably connected with the Group, as the first plant of TITAN was established there, in 1902.



Eleusis Archaeological Site - Greece, July 2005

The “Leonidas Canellopoulos Cultural Center”

Since July 5, 2005, the new Cultural Center of Eleusis is housed in a completely renovated neo-classical building donated by TITAN to the city and the people of Eleusis.

The first event hosted by the Cultural Center was an exhibition of works by the late Thanassis Tsingos, a renowned Eleusinian painter. It was accompanied by the publication of a book dedicated to him.

The Eleusis Municipality has taken charge of the administration and activities of the Center, yet TITAN will support each year at least one art exhibition in this venue.



“Leonidas Canellopoulos Cultural Center”, Eleusis - Greece, July 2005



Calliope Papangeli,
Principal, Eleusis
Archaeological Museum

“Business draws profit from society; it is therefore right that part of this profit be returned to society. It’s a two-way relationship, where all stakeholders should benefit.

The lighting system at the Eleusis Archaeological Site was the outcome of a long-lasting cooperation, based on mutual trust and cultivated in the course of time. This cooperation has been continuous and has contributed eventually to the development of mutual respect, good-will and constructive dialogue. Even before the implementation of the Archaeological Site lighting project, many other of smaller-scale but significant projects had been implemented by TITAN without being given any publicity by the Company. This specific project was the result of joint effort. It is a project enhancing an important Archaeological Site.

It is a gift for the city of Eleusis and, despite not being in itself a monument preserving and protecting activity, it brings forth the site, ending up to its protection and preservation.”



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Some of TITAN'S most important contributions to culture, through the years

- > Support of archaeological excavations, research, studies and other projects related to the preservation of historically important monuments (classical, Byzantine and contemporary)
- > Promotion of significant Greek architectural works through the production of a series of collector's plates depicting neoclassical buildings
- > Support of the Eleusis Archaeological Site and promotion of the city's history through the production of informative (printed and audio-visual) material, such as a publication titled "The ancient site of the Eleusinian Mysteries"
- > Contribution to the annual cultural festival "Aeschilia" in Eleusis
- > Construction of open-air municipal theaters in Drymos and Nea Eukarpia near Thessaloniki
- > Contribution for the construction of the Thessaloniki Concert Hall
- > Donation of a vehicle to the Ministry of Culture - Byzantine Archaeology Department
- > Cooperation with cultural organizations, museums etc. in order to make it possible for TITAN'S employees and their families as well as children from communities neighboring Company facilities to visit and be hosted there
- > Support of cultural organizations and art groups such as the Sofia Symphony Orchestra
- > Support of museums, such as the Benaki Museum, the Paul and Alexandra Canellopoulos Museum etc.
- > Contribution for the construction of sports facilities and playgrounds for children, school libraries etc.

The Paul & Alexandra Canellopoulos Museum in Athens is of special interest to us because its founders are shareholders of TITAN Group and had been members of our Board of Directors for many years. The Museum –a Public Legal Entity– is housed in a building near the Acropolis donated for this purpose by the Greek State.

The Museum collection –one of the largest private collections in Greece– includes cultural treasures from the classical antiquity through the 19th century A.D. –the result of life-long efforts by the two donors.

In 2004 construction work began for the extension of the Museum building, so as to provide more space for the exhibition of further items donated by the founders to the Museum.



ΜΟΥΣΕΙΟ ΠΑΥΛΟΥ ΚΑΙ ΑΛΕΞΑΝΔΡΑΣ ΚΑΝΕΛΛΟΠΟΥΛΟΥ
ΠΛΑΚΑ - ΑΘΗΝΑ

Sketch of the Paul and Alexandra Canellopoulos Museum after completion of its extension, currently underway, Athens-Greece, 2005





Temple of Zeus, Nemea-Greece, up to 2000

Restoration of columns at the Temple of Zeus in Nemea

Efforts to restore the temple near the town of Nemea (dated back to 330 BC) began in the 1980's.

This temple, known today as the Temple of Nemeian Zeus, is considered as one of the earliest monuments combining all three architectural orders –Doric, Ionic, Corinthian.

33 of the 36 Doric columns were destroyed during the early Christian period (450-550 AD) and only three of them remained intact as reminders of this great ancient monument.

Through restoration work –currently underway– which was undertaken by the University of California-Berkeley under the auspices of the American School of Classical Studies in Greece and the Ministry of Culture, three columns have been restored while three more are scheduled for this phase. TITAN played an active role in this project, putting one of its large cranes and the services of an operator at the disposal of the erection team.



Temple of Zeus, Nemea-Greece, 2005



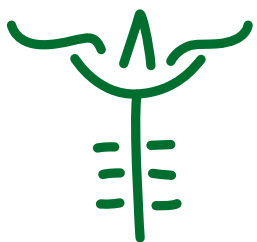
Temple of Zeus, Nemea-Greece, January 2006



Stephen Miller,
Emeritus Professor,
University of California -
Berkeley:

“In 122 B.C., the Athenians honored Dionysios, son of Sokrates from Phyle, because he prepared the young citizens-to-be that year by leading them “to the shrines throughout Attica where they sacrificed ... and to the Tomb of the Unknown at Marathon and laid a wreath there ... and to the Amphiareion where they learned the protection of the shrine from ancient times ... and to the festival of Ajax on Salamis”. The actions of Dionysios were not unique, for the ancient Athenians understood that good citizens needed to know their cultural heritage and that only by visiting the monuments –the visual remnants of their common history – could they function together as an integrated community.

TITAN, as a responsible member of today’s society, also understands this principle: that our common history binds us together. It is taking a lead in the conservation and preservation of the physical remains of our cultural heritage, for TITAN understands that this will increase the common awareness of our historical continuity and community. This, in turn, will effect the co-operative achievement of communal goals, even as the ancient Athenians evoked through cultural heritage the talents of the individual citizen for the greater good of the city”.



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Environmental impacts and management

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Quarry management and rehabilitation

Cement production and environmental performance

PARTICIPATION IN JOINT INITIATIVES / NETWORKS



1 Extraction of raw materials – Quarries

Environmental impacts:

- > Landscape alteration and impact on flora
- > Dust emissions, noise and vibrations
- > Nuisance to local communities

Environmental management:

- > Selecting quarry locations to minimize environmental and social impacts
- > Operating quarries to make the most efficient use of natural resources in a way that facilitates full landscape restoration
- > Gradual rehabilitating quarry sites as operations proceed
- > Use of new technologies for the abatement of noise and vibrations during quarrying
- > Measures to limit fugitive dust

2 Cement production

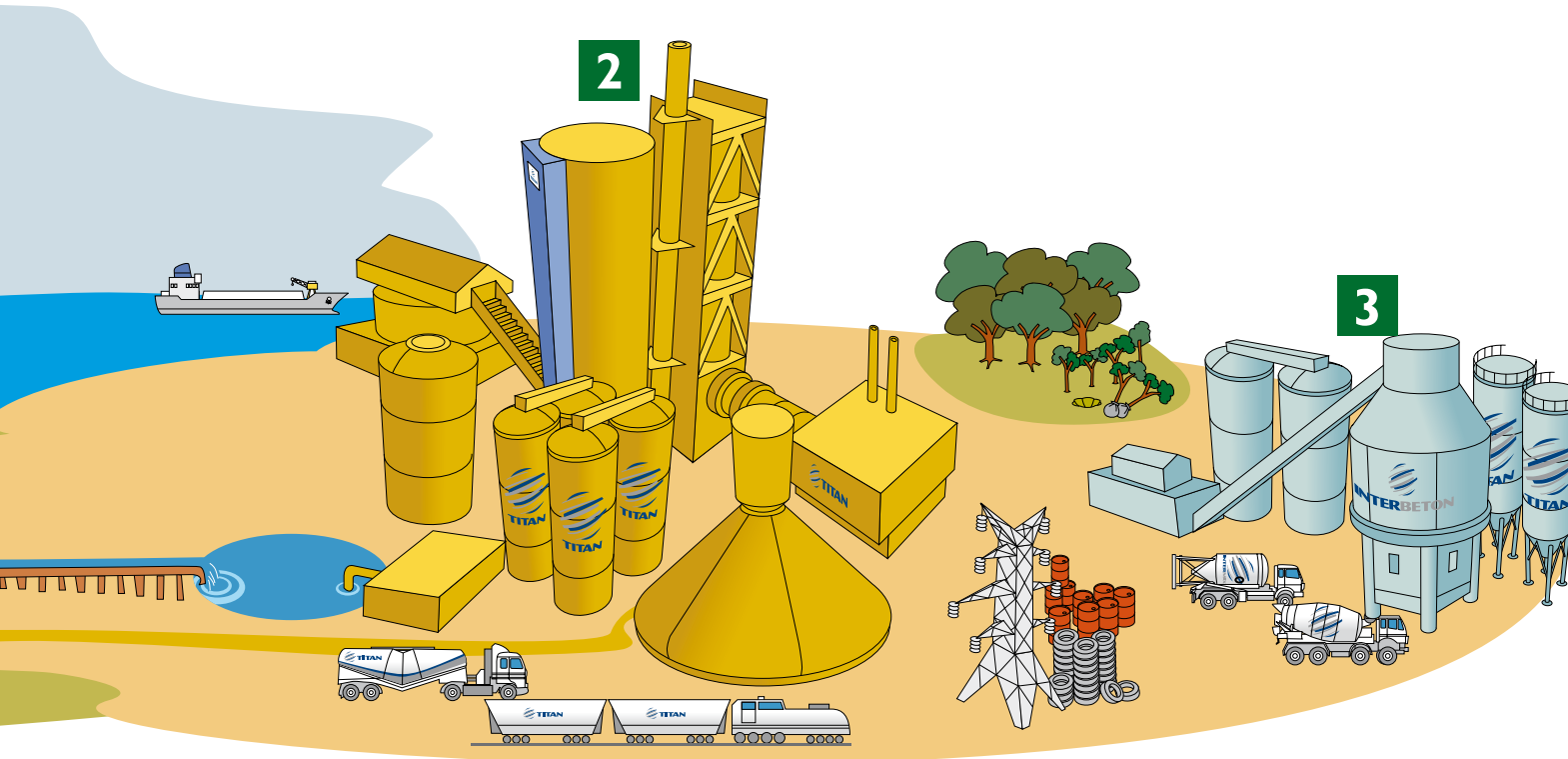
Environmental impacts:

- > Use of natural resources (raw materials, fossil fuels, water)
- > Use of electricity
- > Carbon Dioxide emissions, dust and other air pollutants
- > Noise
- > Transport (by road and sea)

Environmental management:

- > Use of by-products and waste products of other industries as alternative raw materials
- > Improving thermal efficiency of production plants and use of alternative fuels
- > Saving electricity and water





3 Production of ready-mix concrete

Environmental impacts:

- > Use of natural resources (aggregates and water)
- > Dust emissions during treatment of aggregates
- > Noise
- > Liquid waste disposal

Environmental management:

- > Maximum efficiency in exploitation of natural resources
- > Limiting dust emission through careful handling of aggregates, water-sprinkling of the areas where vehicles are moving and planting of trees
- > Use of special filters
- > Regular maintenance of all fixed and mobile equipment
- > Water recycling

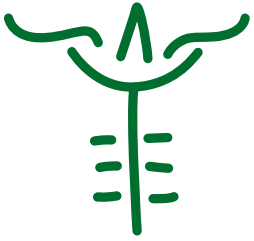
- > Reducing carbon dioxide emissions through programs targetted to save thermal energy and electricity, and through the production of blended cements
- > Limiting dust emissions by use of state-of-the-art filters
- > Use of new technologies to reduce specific emissions of NO_x and SO_x
- > Use of state-of-the-art equipment and appropriate planning of activities to reduce noise
- > Introduction of dedusting measures during loading and transportation of materials

Minimizing vibrations and noise during quarrying operations

TITAN applies the latest technology for control blasting at its quarries, aiming at reducing vibrations and noise significantly without any substantial increase in operational costs.

Measurements have shown a reduction of at least 40% at the level of vibrations velocity. The current level is just 10% of the maximum vibrations velocity permitted by law.

Moreover, advanced blasting technologies have prevented fly-rock phenomena and reduced noise to minimum levels.



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One of TITAN Group core values –at the very heart of our business policy and practice– is respect and concern for the environment. Environmental protection is an essential element of sustainable development.

This respect is manifested in a whole complex of measures designed to prevent, where possible, or minimize the environmental impact of all our activities – from quarrying through to final distribution of our products.

Wherever the Group engages in new activities, we implement our own environmental policy, above and beyond the requirements of local environmental legislation.

Group investment solely in environmental protection amounted to approximately 18m Euro in 2005.

Joint action

In 2002 the TITAN Group joined forces with other major cement producers in a common endeavour to promote a sustainable future. This initiative enjoys the support of the World Business Council for Sustainable Development.

For further information, visit the website at www.wbcscement.org

Environmental management systems

Since 1996 all the Group cement production plants in Greece and the ten quarries from which it extracts its raw materials have applied ISO14001 environmental management systems. The Zlatna Panega plant in Bulgaria is also certified according to ISO14001 standard, while the Usje cement plant in FYROM is under certification process. Environmental management systems are also in place at the Group's two facilities in the US – Pennsuco and Roanoke.

In the year 2005 approximately 78% of all cement manufactured by the Group was produced at plants with full environmental management systems in place.

These systems do not just cover the Group's own activities; they imply that all our suppliers and external service providers too, have to meet the environmental requirements of the new standards.

Environmental Targets - 2010

	1990	2003	2010
CO ₂ (kg/ton of cement)	805	721	-15%
Dust emission (gr/ton of clinker)		272	-50%
NO _x emission (gr/ton of clinker)		3.034	-35%
SO _x emission (gr/ton of clinker)		494	-30%

These targets were set with the year 2003 as starting date – the year in which the first Report on Corporate Social Responsibility and Sustainability was published at Group level. For the carbon dioxide emission target, the reference year is 1990, according to Kyoto Protocol.





Plant nursery, Patra - Greece, 2005



U.N. Global Compact Principles on protection of the environment

Principle 7

Business should support a precautionary approach to environmental challenges

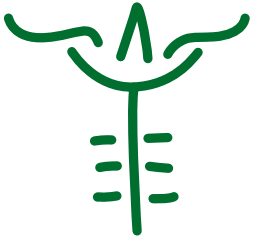
Principle 8

Business should undertake initiatives to promote greater environmental responsibility

Principle 9

Business should encourage the development and diffusion of environmentally friendly technologies

The three environmental principles of the Global Compact are based on the Declaration of Principles and International Action Plan (21st Agenda) drafted at the United Nations Conference on the Environment and Development (Summit Conference) held in Rio de Janeiro in 1992.



People and Environment

Quarry management and rehabilitation

At 22 out of our 37 quarries –accounting for about 90% of our overall production– approved environmental impact assessment is in place. At the other facilities, which have been acquired by the Group only recently and where no plans were drawn up (not required by the existing legislation), the Group is carrying out the necessary comprehensive environmental impact assessment for restoration of the landscape when quarrying is complete –in line with international standards. Ten of the quarries, producing about 18% of our total needs in aggregates, hold an ISO 14001 certificate.

Landscape rehabilitation - examples of practice

The usual approach to restoration of the landscape when quarrying is complete involves terracing of the quarry area, reforestation and other planting with flora. The following examples highlight some aspects of the Group's endeavours in this area:

1. At the Usje cement plant in FYROM experimental reforestation of the marl quarry involves the use of a variety of trees planted in specially laid soil. The work is being overseen by the Forestry Department of the Scopje University in FYROM.
2. In association with the National Institute for Agricultural Research and the University of Bangor, Wales, TITAN is studying ways of improving soil fertility through the use of natural compost made from recycled household organic waste.
3. At one of the Group's two quarries on Mylos rehabilitation work has involved revegetation by hydroseeding, using a mixture of flora (bushes and brushwood). Only local species are planted, fully adapted to the island's environment and climate.



Rehabilitation of Xirorema quarry – first stage

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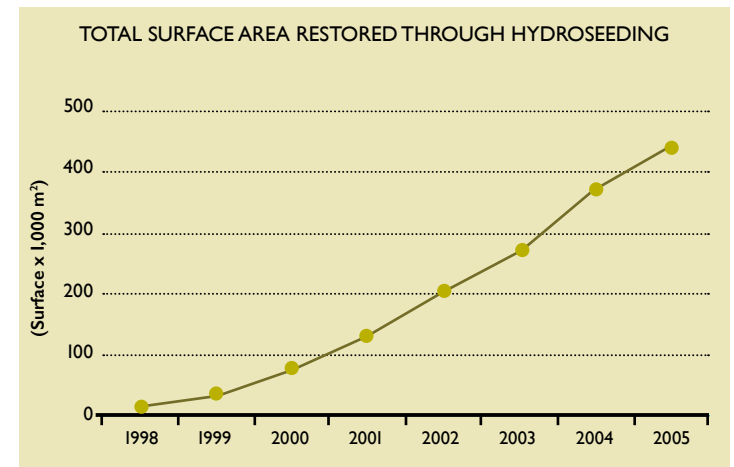
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Restoration of Xirorema quarry – six years later

Biodiversity

By biodiversity we mean the variety of life forms present at any particular location. Greece is a country of extraordinary biodiversity, opulent of flora and fauna and a remarkable variety of landscapes and ecosystems.

The Group's quarries in Greece cover a total surface area of approximately 850 hectares, none of them located within an ecologically protected area. Just one of our quarries, on a site of about 4.5 hectares, and the coastal strip of a second quarry (both on the island of Milos) are close to protected areas with widely diverse ecosystems, characteristic vegetation and a significant reptile population – areas forming part of the E.U. NATURA 2000 Network. A special plant nursery has been set up on Milos to make the maximum use of the local flora in the Group's planting programme. The wide diversity of the species planted allows self-propagation, while the use of local soil in the process makes it easier for the plants to re-establish themselves in the location.

At both these quarries specially developed exploitation conditions are applied, such as using non-aggressive methods of extraction.

At our Pennsuco plant in Florida, where the high level of underground water affects quarrying activity, special operating methods are in place and quarrying must comply with the requirements of special permits issued by the appropriate state agency (US Army Corps of Engineers). Both during and after quarrying special management procedures are in place to ensure there is no disturbance of the ecological balance at the adjacent wetlands. Depleted quarries are converted into artificial lakes which form part of the state water resource management system.

Reforestation results

Between 1976 and 2005 in our plant nurseries a total of more than one million saplings and shrubs have been grown.

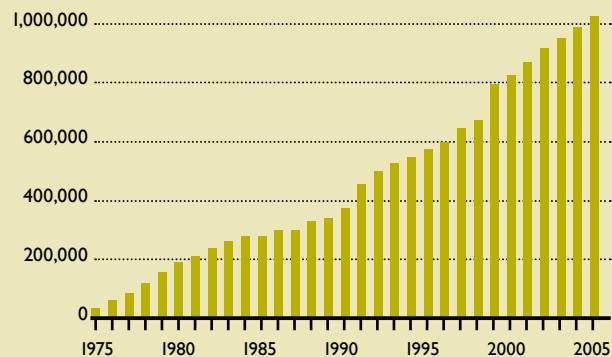
Of these, 940,000 were planted at our own production facilities and quarries, while the remainder were donated to our clients and local councils.

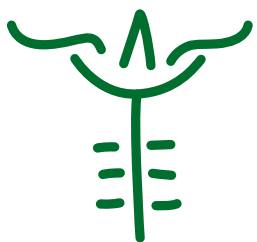
A total of 700,000 trees are now thriving at locations supervised by the Group; the remainder sadly failed to survive –victims of fires, animal grazing and interventions by state agencies.

With the passing of time the areas first planted have thinned out and matured into Mediterranean woodland with thick undergrowth. The average density of vegetation is about 2,200-2,800 trees/shrubs per hectare.

The areas more recently planted have a density of around 2,500-3,000 young trees and shrubs per hectare, and are well on the way to restore the natural landscape.

TOTAL NUMBER OF TREES PLANTED BY TITAN
(CUMULATIVE FIGURE)





People and Environment

Cement production and environmental performance

Saving natural resources and energy

In each of its sectors of activity the Group has applied appropriate measures in order to make more rational use of natural resources and energy:

I. Raw materials

In 2005 the Group's cement plants consumed a total amount of 19m tons of raw materials, of which 17.7m tons were natural materials and 1.3m tons (7.05% of all raw materials) were by-products and waste disposal from other industries (alternative raw materials). These included fly ash, pyrite ash, blast furnace slag, etc.). Using alternative raw materials like these reduces the consumption of natural resources and helps with the wider problem of disposal of industrial waste.

Separation Technologies

In 2005 the Group's US-based subsidiary company Separation Technologies processed some 700,000 tons of fly ash –which is a waste product of electricity generating stations, rich in carbon deposits. The process separates out the carbon, for use as fuel, while the ash which remains can be used in the production of concrete.

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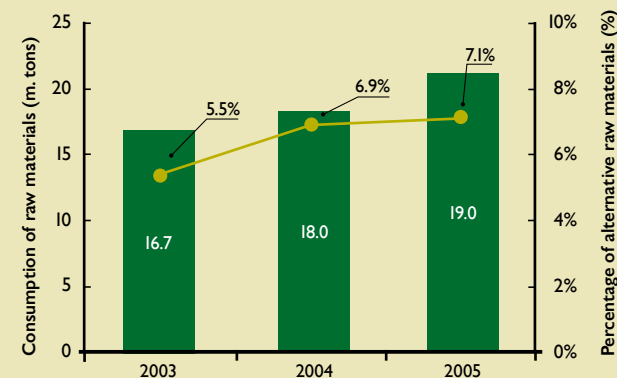
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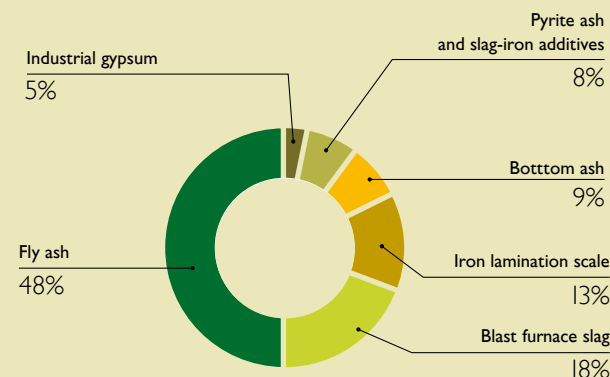
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CONSUMPTION OF RAW MATERIALS AND PERCENTAGE OF ALTERNATIVE RAW MATERIALS IN PRODUCTION OF CLINKER AND CEMENT



USE OF ALTERNATIVE RAW MATERIALS – 2005



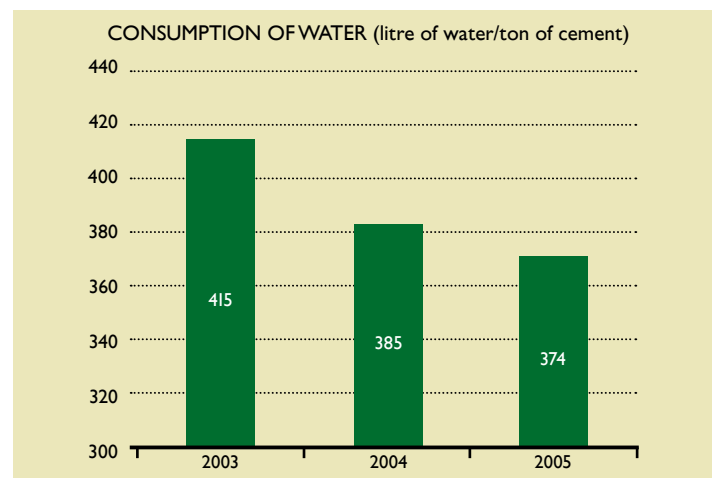
2. Water

In 2005 the Group used a total of 7.5 m³ of water. At our cement production facilities we succeeded in reducing water consumption to 374 lt./ton of cement as compared to 415 lt./ton in 2003.

With the Pennsuco plant in Florida switching from wet to dry process, water consumption was reduced even further in 2005. Most of the water used in the cement production process is released as vapour during pyroprocessing and grinding. Water is also used for cooling equipment, but only in small quantities, as all the Group's plants use closed recycling systems.



Concrete plant, Rhodes - Greece



Water recycling at ready-mix concrete plants – Greece

At the Group's ready-mix facilities all waste water used in hosing down working areas and equipment is gathered in settling tanks where it can be purified and then re-used in the production process.

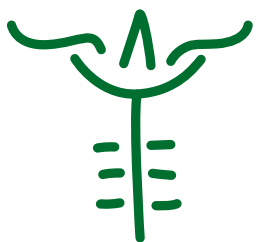
A total 80,000 m³ of water was recycled at our concrete facilities in 2005. At the units where recycling systems are in place, the quantity of water recycled amounts to 20% of all water used.

Consultation with local communities

Apart from its tree-planting activities the Group has also launched an initiative to consult with local communities so that future rehabilitation of exhausted quarries can take into account the views and priorities of local population.

In 2005, an important agreement was accomplished with the local community regarding rehabilitation of a quarry currently supplying materials at TITAN's Kamari plant.

TITAN has transferred bare ownership of this location to the local council and committed itself to the creation of a water reservoir to serve the whole of the surrounding plain, once quarrying operations are completed.



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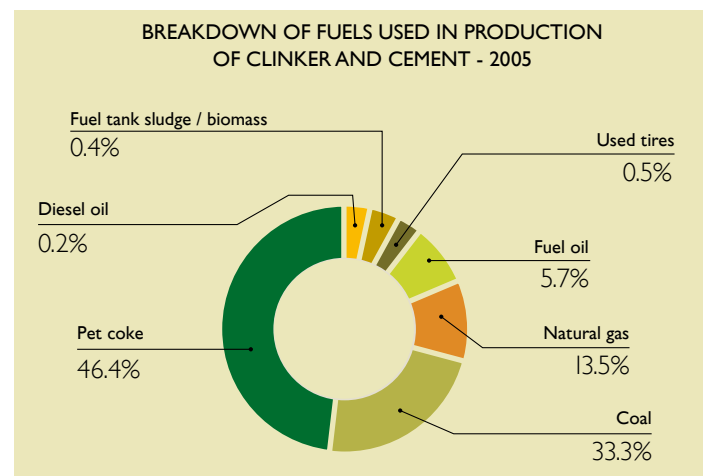
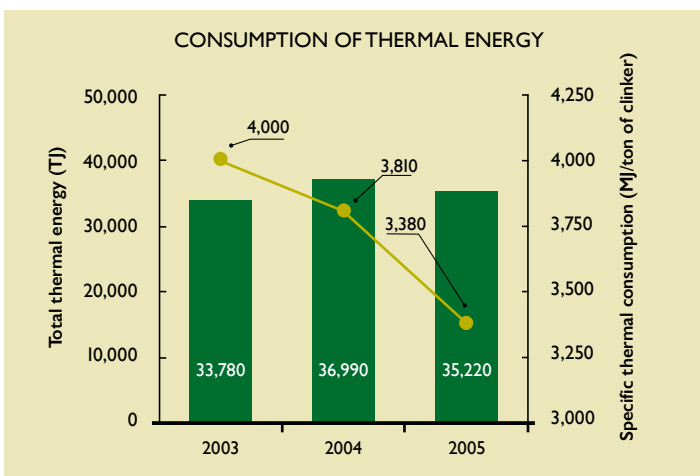
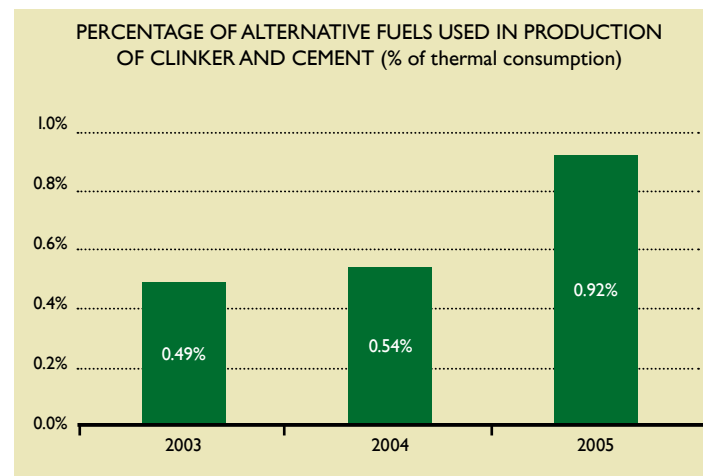
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3. Thermal energy

By introducing the latest technology and making more extensive use of alternative fuels, the Group is achieving ongoing improvement in the thermal efficiency of its cement production plants.

In 2005 TITAN consumed 35,220 TJ of thermal energy in its clinker and cement production processes. When the new production lines came into operation at the Thessaloniki and Pennsuko plants, overall Group thermal energy consumption fell by 5% as compared to 2004 levels, despite a 7.5% increase in clinker production.

In 2005 the Group almost doubled its use of alternative fuels; these fuels could make an even larger contribution if waste collection systems were more advanced.





Prehomogenization of raw materials area, Thessaloniki - Greece, 2005

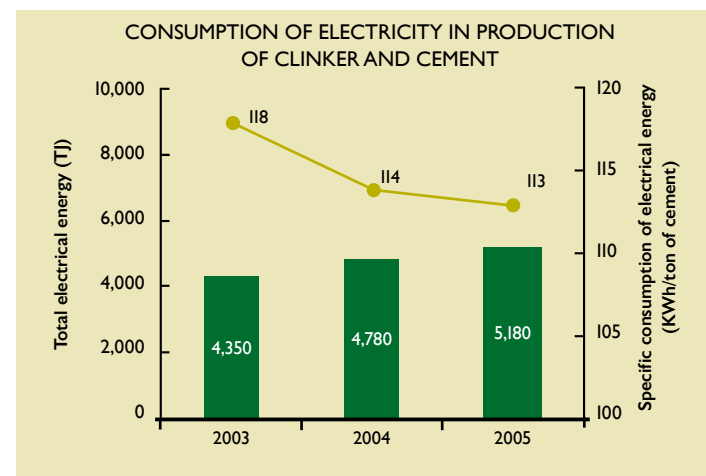
4. Electricity

In 2005 the Group's cement plants consumed a total of 1,436 GWh (5,180 TJ) of power. Our objective is to keep our future consumption of electricity at this level (113 kWh/ton of cement) and if possible to reduce it even further.

The Group's investment in vertical grinding mills has also helped to reduce electricity consumption.

Experience so far has shown that grinding cement vertical mills are 40% more efficient in terms of energy-saving than ball mills. The Group's first vertical cement mill was installed at the Kamari plant in 1998, and the second in Thessaloniki in 2004. Vertical mills also permit energy-savings of as much as 20% in grinding of solid fuels and raw materials.

In 2005 TITAN completed the installation of a new vertical mill for solid fuels at Kosjeric, Serbia, began the installation of a second vertical cement mill in Thessaloniki and ordered a vertical cement mill for the Zlatna Panega plant in Bulgaria.

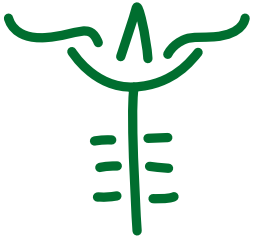


Use of alternative fuels

By using selected alternative fuels for thermal energy TITAN is not only making more economical use of fossil fuels but also helping to solve Greece's massive waste management problem. One example of our resourceful use of alternative fuels is seen in the processing of fuel tank sludge, which can be converted into suitable fuel without any adverse effect on the environment.

In its selection and use of alternative fuels and raw materials TITAN has adopted the strategy of the Cement Sustainability Initiative, which envisages:

- > Proper control of the acceptance and use of materials, protecting the health and safety of employees and those living nearby
- > Suitability checks on materials to guarantee the quality of the final product is not compromised
- > Ongoing monitoring and analysis of the materials' impact on the environment
- > Collaboration and dialogue with all agencies involved
- > Active involvement in efforts of local authorities and organizations to solve the problem of waste disposal



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Reducing air pollution

I. Total and specific CO₂ emissions*

In its emissions of carbon dioxide, the cement industry contributes in the greenhouse effect. Direct emissions of CO₂ come from two main sources:

- > Calcination or chemical decomposition (during pyroprocessing in the kiln) of calcium carbonate (e.g. limestone) into lime, which results in the release of CO₂
- > Fuel burning

Since 2003 the TITAN Group has been publishing its figures for direct CO₂ emissions in line with the WBCSD/WRI Protocol on cement production. In 2005 total CO₂ emissions amounted to 8.9m tons.

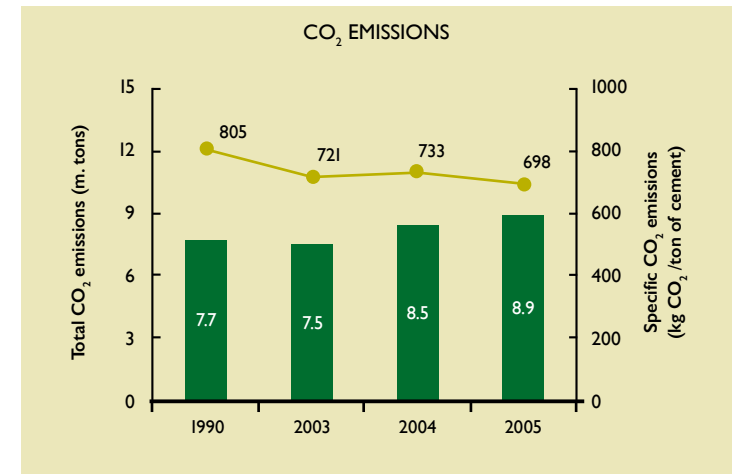
Apart from these direct emissions, the cement industry is also responsible for indirect emissions of CO₂, i.e. that released into the atmosphere during generation and transmission of the electricity used to run the cement plants.

The Group is making systematic efforts to limit CO₂ emissions from its facilities. The target it has set is a 15% reduction by 2010 vs. CO₂ emissions level of 1990 (i.e. emissions must be cut from 805 to 685 kg CO₂ /ton of cement). A reduction in the order of 13% has already been achieved (698 kg CO₂ /ton of cement). The achievement of this target is mainly due to the installation of new dry-method production lines at all the clinker production units.

The Group's policy to reduce CO₂ emissions even further is based on the following:

- > Reduction in consumption of thermal energy through operation of new clinker production lines, modernization of older facilities and exhaustive maintenance work on the kilns.
- > Reduction of clinker/cement factor ratio (clinker content of cement) by using such methods as the production of blended cements, which helps to bring down specific CO₂ emissions. In 2005 the average clinker/cement ratio was 81%, with prospects of a further reduction.
- > Recycling of dust removed from certain rotary kilns for operational reasons.
- > Reduction in consumption of electrical energy.

In 2005 the Group's Greek cement plants completed a new programme to develop and implement CO₂ emission management procedures. The programme was developed in collaboration with KPMG Consultants and designed to permit ongoing monitoring of emissions and verification of relevant figures in line with the European System for CO₂ Emission Trading.



* CO₂ emissions for 1990 were calculated for all the facilities now owned by the Group.



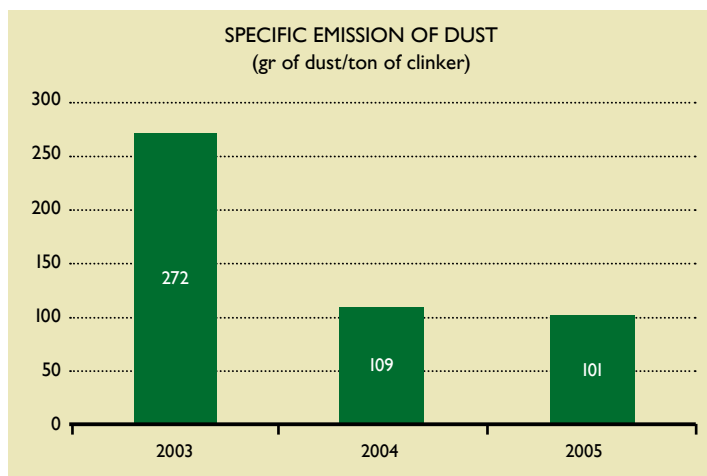
2. Dust

At cement plants, measures to control dust focus mainly on emission of particulates from the kiln stacks and prevention of fugitive dust during production and movement of materials.

At its eleven plants TITAN monitors and records dust emissions from stacks using monitoring apparatuses. At all our plants dust emission levels are significantly lower than the levels permitted by law.

In 2005 specific emission of dust fell to 101gr/ton of clinker, from a corresponding figure of 109 in the previous year.

Overall annual emissions of dust amounted to 1,056 tons at same levels as in 2004 despite an increase in clinker production.



Pennsuco plant, Florida - USA

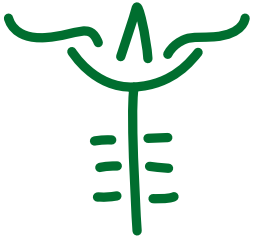
Reducing dust from stacks

To cut down the emission of dust from its kiln stacks, the Group is investing in the modernization of the existing filters. In 2005 the electrostatic filter of one of the two rotary kilns at the Kamari plant was replaced with a bag filter, while work has begun on replacing the filter on the second kiln with a hybrid combination of electric and bag filters. Hybrid filters will also be installed at one of the Patra kilns and on both kilns at Zlatna Panega.

Reducing fugitive dust

To keep down fugitive dust, the Group is investing in the construction of closed storage areas and silos for raw materials and finished products. In 2005 a new clinker silo was constructed, with a capacity of 37,500 tons, at the Kosjeric plant in Serbia.

Fugitive dust can also be much reduced by regular maintenance of machine equipment and the careful handling of materials.



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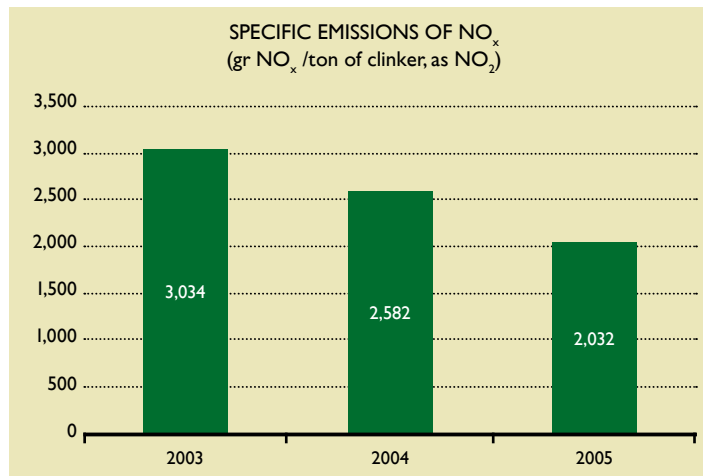
3. Nitrogen oxides (NO_x)

NO_x emissions take place during combustion at high temperatures and may result in the forming of smog and acid rain.

The Group is taking the following measures to control and limit these emissions:

- > Modernization of the older clinker production lines
- > Control of the pyroprocessing to ensure uniform operating conditions
- > Use of low-NO_x burners

Use of alternative fuels in the combustion process also helps to keep NO_x emissions down. In 2005 total annual emissions of NO_x amounted to 20,000 tons.

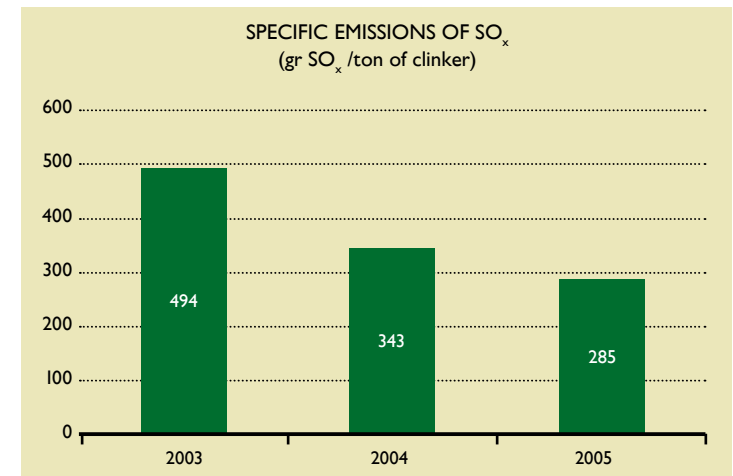


4. Sulphur oxides (SO_x)

SO_x emissions from the clinker production kilns occur only when the raw materials contain sulphur. These emissions need to be curbed as far as possible, because SO_x is the main gas responsible for acid rain. SO_x emissions are kept down through:

- > Analysis and assessment of the chemical composition of raw materials and fuels
- > Monitoring of operating conditions in the rotary kilns
- > Use of other, complementary, measures such as capturing SO_x in the exhaust gas through lime injection

In 2005 total SO_x emissions amounted to 2,800 tons.



Regular measurements of nitrogen oxides and sulphur oxide emissions are monitored at all the Group's cement plants. 94% of the Group's entire clinker output in 2005 was produced in kilns with continuous SO_x and NO_x monitoring apparatuses.



5. Persistent organic pollutants

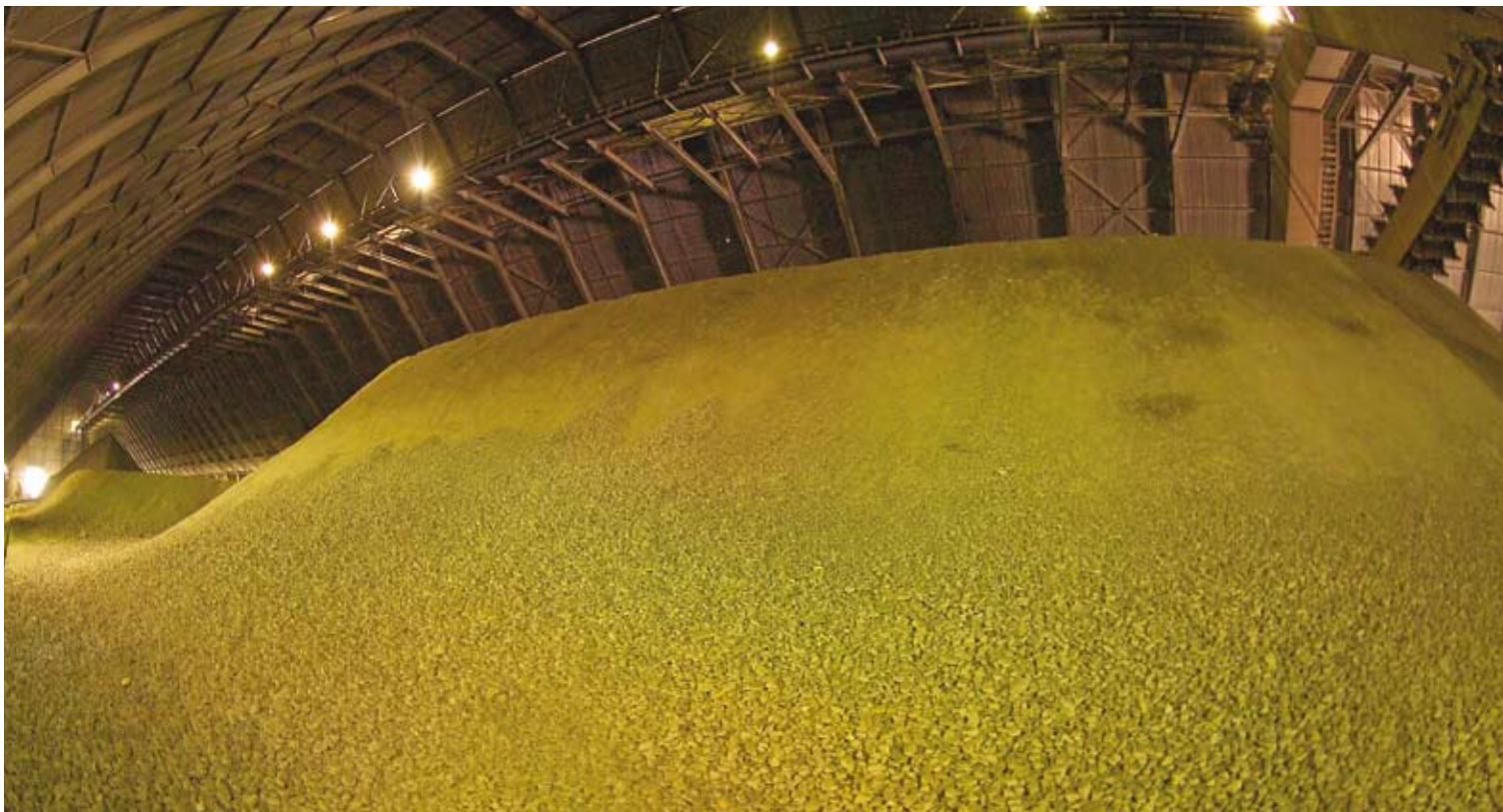
This class of pollutants includes heavy metals and persistent organic pollutants, such as dioxins and furans.

Studies have shown that the cement industry plays very little part in the release of persistent organic pollutants into the atmosphere. TITAN has measured persistent organic pollutant emissions at most of its rotary kilns and all the figures recorded were well below permitted limits.

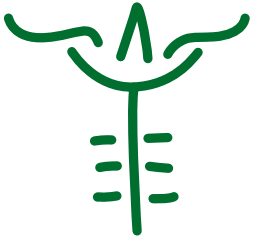
Spills of liquid and solid materials

No leaks of dangerous materials, such as mineral oils or fuels, were reported at any of our plants last year.

At just one of the Group's plants (Alexandria, Egypt) there was a report of an incident involving a substantial leak of raw meal (ground raw material used in clinker production), caused by a breakdown in the conveying system. The plant was not fined but the authorities did close it down for three days while the problem was corrected. The plant undertook to clean up the surrounding area at its own expense. This was the only case of environmental incident caused anywhere across the whole range of Group activities.



Prehomogenization of raw materials area, Patra plant - Greece, 2005



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Waste management

TITAN Group runs a variety of recycling and waste management programmes. Common industrial waste, such as used mineral oils and batteries, is disposed through licensed networks. The Group is also involved in the collective alternative packaging management system of the Hellenic Recovery and Recycling Corporation (EEAA).

At three of the Group's plants dust is removed from the kilns, for operational reasons, and then either reintroduced to be used as an additive in the cement or sold for various purposes.

Transport

Pollution of the environment is caused not just by production processes but also during the transportation of raw materials, solid fuels and products.

TITAN has introduced a range of measures and procedures to minimize pollution during loading/unloading and transport by road or sea.

Noise

Noise controls are in place at all the Group's plants, ensuring noise levels stay below maximum permitted limits. To keep noise nuisance to local communities to the very minimum, our plants schedule their activities accordingly and select the least noisy equipment.



The Roanoke plant – USA, 2005





Dry mortars facility, Eleusis - Greece, 2005

The role of the TITAN Group in used tire disposal system

Using alternative fuels in cement production means that TITAN can offer other Greek industries the opportunity to manage their waste in a more environmentally friendly way. Take, for example, the Ecoelastika company, in which a number of tire importers have holdings. Its objective is to create a national management system for used tires.

As part of this system (up and running since 2004) our Kamari plant takes delivery of whole used tires for generating thermal energy in the rotary kiln. In 2005 the plant had the capacity to absorb the entire supply of used tires delivered – some 6,000 tons. It was also able to use about 11,000 tons of fuel tank sludge, mixed with sawdust.



Participation in Joint Initiatives / Networks

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Hellenic Network for CSR

CSR Europe

U.N. Global Compact

WBCSD – Cement Sustainability Initiative (CSI)

Global Reporting Initiative (GRI)

TITAN Group participates in joint initiatives which have as a primary goal the implementation of CSR & SD principles and policies. The growing social awareness of companies and their collaboration in the framework of joint action have had positive impacts on their operations and their stakeholders as well as on society at large.

Hellenic Network for CSR

TITAN is a founding member of the Hellenic Network for CSR in which two companies of the Group are represented: TITAN Cement SA and INTERBETON SA.

Our support of and involvement in the Network’s activities last year was manifested in various ways:

- > Participation in the presentation of CSR good-practice examples in the first publication titled “50+ CSR Practices”, edited by the Hellenic Network
- > Participation in two voluntary working groups for the improvement of services offered to Network members and the preparation of a 3-year program to promote equal opportunities in business
- > Representation of the Network in events organized by professional organizations, universities etc.
- > Presentation of the Global Compact, its progress and prospects to Network members, in order to promote adoption of its principles on a broader scale in Greece
- > Support of networking and cooperation with Transparency International in Greece in a campaign to disseminate Global Compact’s 10th Principle aimed at combatting corruption



CSR Europe

Since 1994, TITAN has been following closely the efforts of CSR Europe –then “European Business Network for Social Cohesion”– to develop a Europe-wide movement aimed at strengthening and promoting CSR practices at both European and national level.

The Group joined CSR Europe as a full member in 2004. Meanwhile close cooperation with the European Network led to the creation of the Hellenic Network for CSR which was founded in 2000 as a joint effort with 12 more companies and 3 business associations. This initiative has had considerable appeal as demonstrated by growing participation (80 members today).

In March 2005 –exactly 10 years after the signing of the first Declaration of European Business for Social Cohesion– a new Declaration was proclaimed. With this Declaration, titled “CSR Roadmap” the member companies of CSR Europe and its national associate members (among them, the Hellenic Network chaired by a TITAN executive) renewed their commitment and broadened their strategy to achieve the goal of sustainable development in a “participative Europe”.



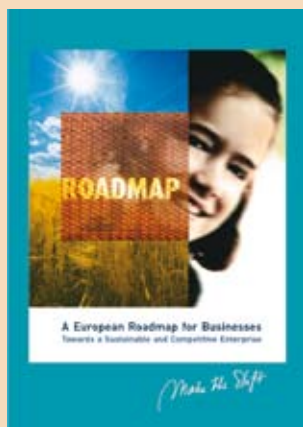
In 2005, TITAN Group participated in the 1st European Marketplace for CSR organized by CSR Europe in Brussels to display and encourage CSR best practices. The Group also accepted CSR Europe’s invitation to commit itself in a broad partnership between European companies and the European Commission. The main goal of this “Alliance” is to enhance Europe as a “Pole of Excellence for CSR” contributing thus, to the attainment of Lisbon goals.



Excerpts from an address by Mr. J. Manuel Baroso, President of the European Commission, on the occasion of the official presentation of “CSR Roadmap” in Brussels (March 4, 2005).

“The Commission explicitly recognised that voluntary business initiatives, in the form of corporate social responsibility practices, can play a key role in contributing to sustainable development while enhancing Europe’s innovative potential and competitiveness...”

The Commission therefore welcomes CSR Europe’s courage and engagement and looks forward to a fruitful partnership for the future”.



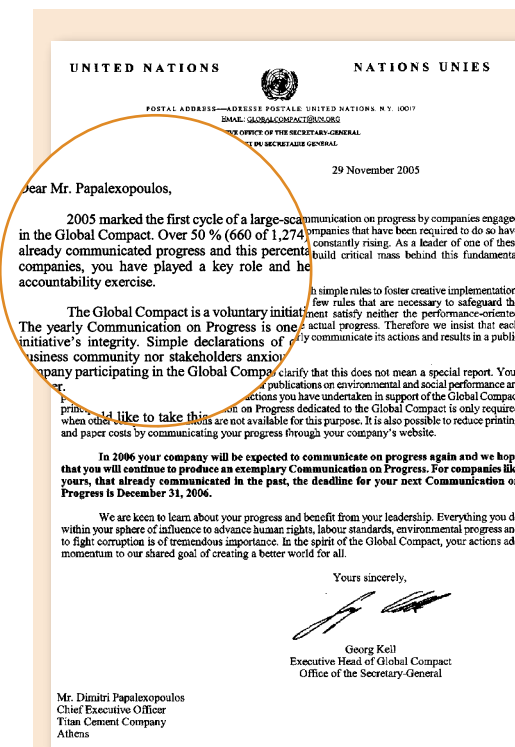
Global Compact

In 2003, the Group adopted a Code of Conduct with TITAN’s basic policies on all matters related to the first 9 principles of the Global Compact, as well as on the matter of corruption addressed by the 10th principle (www.titan-cement.com). This new principle has been included in the Global Compact following consultations in 2004.

In the CSR & S Report published by TITAN Group in May 2005 we incorporated all guidelines set by the U.N. and defined in the CoP, focusing on examples of CSR practices which implement the Group’s basic tenet: “branching out and adding value”.

TITAN was invited to participate in the first meeting of experts organized by the U.N. in Geneva (“Communication on Progress, first assessment - A Workshop for major actors”). A letter sent last November by Mr. George Kell, Executive Head of Global Compact, underlines the need for consistency and continuity in reporting social and environmental-performance results and practices of the companies participating in this initiative. The letter points out that TITAN’s actions “add momentum to our shared goal of creating a better world for all”.

 www.globalcompact.org



U.N. Global Compact Principle 10 against corruption

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



Participation in Joint Initiatives / Networks

WBCSD

Cement Sustainability Initiative - a World Business Council for Sustainable Development sectoral program- is one of the most important industry initiatives on an international scale. Participation and representation in CSI of all major cement groups, consultation and communication with stakeholders, as well as concrete results of the Initiative, included in the 2005 Interim Report, make this a pioneer endeavor focusing on the attainment of goals set on both a collective and a corporate level.



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CSR Europe

U.N. Global Compact

WBCSD – Cement Sustainability Initiative (CSI)

Global Reporting Initiative (GRI)

Agenda for Action - CSI		Actions and Results 2003 - 05
Environment	Climate protection and CO ₂ management	Produced and then updated a protocol for accounting and reporting CO ₂ emissions that establishes a common approach to monitoring and reporting all direct and indirect CO ₂ emissions from cement manufacturing
	Responsible use of fuels and materials	Developed a set of guidelines on fuels and materials use, promoting good practice and setting out a consistent approach in line with the principles of sustainable development
	Emissions reduction	Agreed on a common emissions monitoring and reporting protocol that identifies measurement methods for nitrogen oxides, sulfur compounds, and particulates (the high-volume emissions); and defines an approach to obtain a fingerprint of key micro-pollutant emissions
Workplace	Employee health and safety	Agreed on an industry-wide set of safety metrics enabling consistent and accurate reporting
Local Community	Local impacts on land and communities	Drafted detailed guidelines for an Environmental and Social Impact Assessment process to enable companies and communities to work together on issues during each phase of cement facility's development, operation, and closure
Communication and dialogue with stakeholders	Reporting and communications	Established a Senior Advisory Board to advise the CSI leaders on critical issues
		Organized meetings with stakeholders to discuss guideline development and ensure that critical concerns would be addressed Made its website a comprehensive reference source for the critical sustainability issues facing the industry



Key Performance Indicators - WBCSD/CSI

Climate change management

1. Number of facilities and percentage using the WBCSD CO₂ Protocol Guidelines for emissions inventory
2. Company-wide total CO₂ emissions (gross and net), tonnes/year
3. Company-wide gross and net CO₂ emissions per tonne of cementitious product

Fuels and materials use

Energy use

1. Specific heat consumption of clinker production, in MJ per tonne of clinker
2. Alternative fossil fuel rate: consumption of alternative fuels, as a percentage of thermal consumption
3. Biomass fuel rate: consumption of biomass, as a percentage of thermal consumption

Raw materials use

1. Alternative raw materials rate: consumption of alternative raw materials, as a percentage of total raw materials for cement and clinker production (calculated on a dry basis)
2. Clinker / cement factor: ratio between clinker consumption and cement production calculated according to cement protocol.

Emission monitoring and reporting

1. Percentage of clinker produced by kilns covered by a monitoring system, either continuous or discontinuous for main and other pollutants
2. Percentage of clinker produced by kilns which have installed continuous measurements for the main pollutants
3. Company-wide specific (g/tonne of clinker), and total (tonnes/year) releases for:
 - 3.1 NO_x
 - 3.2 SO_x
 - 3.3 Dust

Local impacts

1. Percentage of sites with community engagement plans in place
2. Percentage of active sites with quarry rehabilitation plans in place
3. Number of active sites where biodiversity issues are addressed

Health and Safety

1. Number of fatalities and fatality rate per 10,000 for directly employed
2. Number of fatalities indirectly employed (contractors and subcontractors)
3. Number of fatalities involving third parties (not employed)
4. Lost time injuries and injury frequency rate (per 1,000,000 man-hours directly employed)
5. Number of lost time injuries for indirectly employed (contractors and subcontractors)

Dr. Mostafa Tolbas,
Chair President ICED, Cairo
Former Director, UNEP

Dr. Claude Marting,
Director General
WWF International, Switzerland

Dr. Jim Macneill,
Distinguished Fellow
International Institute for
Sustainable Development, Canada

“This Initiative represents a serious effort by an important industrial sector to tackle complex sustainability issues in a practical, results-oriented way. Using a common set of key performance indicators, which address both business and stakeholder concerns, while requiring public reporting of individual company achievements, is a major step forward in providing an important level of accountability for a voluntary program. We encourage the CSI to continue to address ongoing assurance concerns as this work moves forward.

We believe the approach used here could well be applied to other industrial sectors. We encourage others to make the most from both the results and the collaborative, research-based, results-driven approach used in this program.”

CSI - Progress Report, June, 2005



FROM THE MANAGING DIRECTOR

GROUP PROFILE

PEOPLE AND SOCIETY

PEOPLE AND CULTURE

PEOPLE AND ENVIRONMENT

PARTICIPATION IN JOINT INITIATIVES / NETWORKS

Hellenic Network for CSR

CSR Europe

U.N. Global Compact

WBCSD – Cement Sustainability Initiative (CSI)

Global Reporting Initiative (GRI)

Participation in Joint Initiatives / Networks

GRI

In 2003, we voluntarily adopted GRI principles, in accordance to the guidelines issued in 2002.

In 2004, our CSR & S Report combined the guidelines set by UN's Global Compact Communication on Progress with GRI standards. Reference was made to examples of CSR practices corresponding to Global Compact's 10 principles and to GRI main social and environmental indicators.

Our efforts in this direction have received recognition from both GRI and the Global Compact Office. TITAN has been invited by GRI to participate –and does so– in consultations regarding the adoption of new guidelines titled G3.



GRI Principles

GRI views the following principles as integral part to its reporting framework:

- > **Completeness**
- > **Relevance**
- > **Sustainability**
- > **Context**
- > **Accuracy**
- > **Neutrality**
- > **Clarity**
- > **Timeliness**
- > **Comparability**
- > **Quality / Reliability of reported information**
- > **Inclusiveness**
- > **Auditability**
- > **Transparency**

The principles of transparency and inclusiveness represent the starting point for the reporting process and are woven into the fabric of all the other principles.



Kiln lining repair, Kamari plant - Greece, 2005



GRI Performance Indicators				
	Indicators based on fully available data	Indicators based on partially available data	Indicators not included due to zero impact	Indicators not included due to limited data
Social	LA1, LA2, LA3, LA4, LA5, LA7, LA9, LA17, HRI, HR2, HR4, HR5, HRI2, PR8, SO4,		PR3, PR4, PR5, PR9, PRI0, SO5, SO6	
Environmental	EN1, EN2, EN3, EN5, EN6, EN7, EN8, EN10, EN13, EN14, EN16, EN17, EN23, EN25, EN26, EN27, EN29, EN33, EN35	EN11, EN15, EN22, EN30, EN34	EN9, EN12, EN18, EN20, EN24, EN28, EN31, EN32	EN4, EN19, EN21
Economic	EC1, EC5, EC13	EC8, EC10		

KPMG International Survey of Corporate Responsibility 2005

“Currently, 660 companies spread throughout 50 countries report on the basis of GRI guidelines. Since 2002, the number of separate Corporate Responsibility reports in most countries has increased considerably with nearly a twofold increase seen in Italy, Spain, Canada and France.”



Participation in Joint Initiatives / Networks

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Note

This Report is about TITAN Group CSR & SD activities in 2005. All information refers to the operation of TITAN's cement plants, concrete producing facilities and quarries in Greece, the United States, Bulgaria, Serbia, FYROM and Egypt, unless otherwise specified.

In the case of Egypt –where TITAN owns 50% of a joint venture with Lafarge– calculations have been made on the basis of our respective participation rate.

Our cement terminals in France, the U.K. and Italy, which account for just 0.3% of the Group's total manpower (22 persons), and the porcelain sector, which accounts for 2% of total manpower (120 persons) are taken into consideration only in the direct-employment indicators.

To measure and present the results of TITAN Group's CSR and SD policies and practices we have used:

- > Main and supplementary indicators of GRI 2002 related to our activities (ref. p. 51)
- > Specific Indicators conforming to the priorities of cement industry which have been developed and adopted in CSI framework
- > Guidelines for the publication of reports on the implementation of Global Compact's 10 principles

The Annual Report –besides being a medium of communication with our stakeholders– gives a concise picture of our progress.

In our pursuit of continuous improvement with regard to both the contents of this Report and the measurement of our effectiveness, we have set the following priorities for 2006:

- > Be prepared for verification of the Report's contents by external auditors in the future
- > Further systematize and broaden communication and consultation with stakeholders
- > Depict the main performance-measuring indicators over a time span and evaluate them in connection with medium- and long-term targets.

To date we have succeeded in developing an internal data-collection system throughout our Group at all levels. We will continue to work towards upgrading and optimizing this process, so as to ensure that the information we dispense is substantial and reliable.

Acknowledgments

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We also wish to address special thanks to:

Lena Tsipouri
Associate Professor, Department of Economics, University of Athens (p. 13)

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Goce Serafimov
Electrical Engineer, ALBA post-graduate student (p. 23)

Toni Jennings
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Calliope Papangeli,
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Stephen Miller
Emeritus Professor, University of California - Berkeley (p. 29)

