

VERIFICATION AGAINST GLOBAL COMPACT CRITERIA FOR “ADVANCED LEVEL”

June 2015

As part of our engagement DNV GL evaluated extent to which Titan’s Integrated Annual Report 2014 meets the Global Compact criteria relating to an ‘Advanced Level’ Communication on Progress.

LEGENDA

☒ = requirement met

☐ = requirement not or partially met (opportunity for improvement has been raised)

What is the time period covered by your COP? *Annual basis*

Does your COP contain a statement by the CEO (or equivalent) expressing continued support for the Global Compact and renewing your company's ongoing commitment to the initiative and its principles?
Yes. Message from CEO.

Does your COP contain a description of actions and policies related to the following issue areas?

Human Rights: *Yes*

Labour: *Yes*

Environment: *Yes*

Anti-Corruption: *Yes*

Does your COP contain, if relevant, a description of policies and practices related to your company's operations in high-risk and/or conflict-affected areas?

Section Human rights: “Every year, our country management teams examine the potential risks for human rights abuse within the spheres of our influence. The Group CSR Committee also examines reports on human rights risks by country and identifies opportunities for improvement. In 2014, we completed human rights assessments in Albania, Bulgaria and Greece, covering 23% of our cement plants.”

Section "Principal risks".

Opportunity for improvement: Include a larger description of practices related to your company's operations in high-risk and/or conflict-affected areas undertaken during the year. For example in the specific section presenting the Regional review
In particular Egypt.

Does your COP include qualitative and/or quantitative measurement of outcomes illustrating the degree to which targets/performance indicators were met?

Yes.

In addition for the new KPIs "In 2014, assessment or re-assessment of material issues was conducted in all significant locations where TITAN operates and primarily "cement operations", to help ensure that the development of our new Sustainability objectives and targets for 2020 will be both inclusive and responsive to community needs."

How does your organization share its COP with stakeholders?

- Through the UN Global Compact website only
- COP is easily accessible to all interested parties (e.g., via its website)
- COP is actively distributed to all key stakeholders (e.g., investors, employees, consumers, local community)
- Both b) and c)

All.

How is the accuracy and completeness of information in your COP assessed by a credible third-party?
DNV GL assurance engagement (see DNV GL assurance statement).

- The COP describes any action(s) that the company **plans to** undertake to have the credibility of the information in its COP externally assessed, including goals, timelines, metrics, and responsible staff
- Information is reviewed by multiple stakeholders (e.g., representatives of groups prioritized in stakeholder analysis)
- Information is reviewed by a panel of peers (e.g., members of the same industry, competitors, benchmarked leaders, others organized via Global Compact Local Network)
- Information is assured by independent assurers (e.g., accounting or consulting firm) using their own proprietary methodology
- Information is assured by independent assurers (e.g., accounting or consulting firm) against recognized assurance standard (e.g., ISAE3000, AA1000AS, other national or industry-specific standard)
- Other established or emerging best practices

The COP incorporates the following high standards of transparency and disclosure:

- Applies the Global Reporting Initiative (GRI) Sustainability Reporting Guidelines
- Qualifies for Level B or higher of the GRI application levels
- Provides information on the company's profile and context of operation
- Is 'in accordance - core' with GRI G4

Implementing the Ten Principles into Strategies & Operations

Criterion 1: The COP describes mainstreaming into corporate functions and business units

Indicate which of the following best practices are described in your COP:

✘ Any relevant policies, procedures, and activities that the company plans to undertake to fulfill this criterion, including goals, timelines, metrics, and responsible staff

Message from CEO.

Section: TITAN commitments - "How TITAN builds value"

Section "Managing our risks".

✘ Place responsibility for execution of sustainability strategy in relevant corporate functions (procurement, government affairs, human resources, legal, etc) ensuring no function conflicts with company's sustainability commitments and objectives

✘ Align strategies, goals and incentive structures of all business units and subsidiaries with corporate sustainability strategy

✘ Assign responsibility for corporate sustainability implementation to an individual or group within each business unit and subsidiary

✘ Design corporate sustainability strategy to leverage synergies between and among issue areas and to deal adequately with trade-offs

✘ Ensure that different corporate functions coordinate closely to maximize performance and avoid unintended negative impacts

Sections: Section: "How TITAN builds value", "Corporate governance overview"-

✘ Other established or emerging best practices : "The Board and Social Responsibility": CSR Committee. CSR Delegates

Criterion 2: The COP describes value chain implementation

✘ Any relevant policies, procedures, and activities that the company **plans to** undertake to fulfill this criterion, including goals, timelines, metrics, and responsible staff

✘ Analyze each segment of the value chain carefully, both upstream and downstream, when mapping risks, opportunities and impacts

Section "How TITAN builds value".

Section "Managing our risks".

Section on supply chain.

Opportunity for improvement: setting and disclosing metrics and quantitative information.

✘ Communicate policies and expectations to suppliers and other relevant business partners

"Section on supply chain. See the previous opportunity for improvement.

“We communicate our expectations to significant suppliers and primarily local contractors with whom we seek to develop long-term relations to make sure that they will acknowledge any potential risks and challenges for human rights issues within their sphere of influence. We arrange safety audits for our local contractors on an annual basis and these cover the main aspects of human rights concerns, such as working hours and labor rights. The Group CSR Committee also examines reports on human rights risks by country and identifies opportunities for improvement.

In 2014, we completed human rights assessments in Albania, Bulgaria and Greece, covering 23% of our cement plants. “

❖ Implement monitoring and assurance mechanisms (e.g. audits/screenings) for compliance within the company’s sphere of influence

Section on supply chain. Project looking to embed human rights assessments into the supply chain by 2020.

Opportunity for improvement:

Ensure going ahead with the project looking to embed human rights assessments into the supply chain by 2020.

Report on results in the following edition of the COP (qualitative and quantitative information).

❖ Undertake awareness-raising, training and other types of capacity building with suppliers and other business partners

Hard training (to owners of the supply firm) on Titan’s principles and Code of Procurement. Induction course contains specific training on health & Safety.

☑ Other established or emerging best practices

Robust Human Rights Management Policies & Procedures

Criterion 3: The COP describes robust *commitments, strategies or policies* in the area of human rights

❖ Any relevant policies, procedures, and activities that the company **plans to** undertake to fulfill this criterion, including goals, timelines, metrics, and responsible staff

❖ Commitment to comply with all applicable laws and respect internationally recognized human rights, wherever the company operates (e.g., the Universal Declaration of Human Rights, Guiding Principles on Human Rights) (BRE1 + ARE1)

Sections: “Human rights” and “Sustainable procurement”.

Opportunity for improvement:

Ensure going ahead with the project looking to embed human rights assessments into the supply chain by 2020

Setting and disclosing metrics and quantitative information.

☒ Integrated or stand-alone statement of policy expressing commitment to respect and support human rights approved at the most senior level of the company (BRE 1 + BRE5 + ARE 1 + ARE 5)

All policy documentation is endorsed and approved by the Board of Directors and CEO.

☒ Statement of policy stipulating human rights expectations of personnel, business partners and other parties directly linked to operations, products or services (BRE 1)

Code of Conduct.

Sections: "Human rights" and "Sustainable procurement".

TITAN policies and procedures by country EC6.

☒ Statement of policy publicly available and communicated internally and externally to all personnel, business partners and other relevant parties (BRE 1 + BRE 5 + ARE 1 + ARE 5)

Code of Conduct (more focused on human rights).

☐ Other established or emerging best practices

Criterion 4: The COP describes effective *management systems* to integrate the human rights principles

☒ Any relevant policies, procedures, and activities that the company **plans to** undertake to fulfill this criterion, including goals, timelines, metrics, and responsible staff

☒ Process to ensure that internationally recognized human rights are respected

See above.

☒ On-going due diligence process that includes an assessment of actual and potential human rights impacts (BRE 2 + BRE 3 + ARE 2 + ARE 3)

Sections: "Human rights" and "Sustainable procurement".

Opportunity for improvement:

Ensure going ahead with the project looking to embed human rights assessments into the supply chain by 2020

Setting and disclosing metrics and quantitative information.

☒ Internal awareness-raising and training on human rights for management and employees

Section "Collaborating for sustainable growth": "We also launched a new training tool developed by the UN in compliance with the Greek government's National CSR Strategy in May 2014."

Total contractors' training man-hours by subject 2014; Human Rights for 2014 = 0.

Training hours per subject per country per gender by country. Human Rights issue.

☒ Operational-level grievance mechanisms for those potentially impacted by the company's activities (BRE 4 + ARE 4)

The COP identifies the use of the Direct Employee Communication Lines across TITAN Group as a form of operational-level grievance mechanism for the business.

✘ Allocation of responsibilities and accountability for addressing human rights impacts

See section “Human rights”.

Every year, our country management teams examine the potential risks for human rights abuse within the spheres of our influence. We monitor our performance against fundamental human rights standards to ensure that we provide a safe, fair and reliable working environment for our employees.

The Group CSR Committee also examines reports on human rights risks by country and identifies opportunities for improvement.

✘ Internal decision-making, budget and oversight for effective responses to human rights impacts

See above.

Opportunity for improvement:

Include the description of the results (output of the risk assessment and of Titan’s performances) and actions undertaken.

✘ Processes to provide for or cooperate in the remediation of adverse human rights impacts that the company has caused or contributed to (BRE 3+ BRE 4 + ARE3 + ARE 4)

Specific example in paragraph “Prevention of child labor and forced labor” (supply chain in Egypt).

See section “Human rights”: In 2014, we completed human rights assessments in Albania, Bulgaria and Greece, covering 23% of our cement plants.

Opportunity for improvement: Include the description of the results in the COP.

✘ Process and programs in place to support human rights through: core business; strategic philanthropic/social investment; public policy engagement/advocacy; partnerships and/or other forms of collective action (BRE 6 + ARE 6)

The Report disclose in the Country section the related initiatives.

Co-operation with CSR Europe.

Support and coordinate events and activities such as the Human Rights and Anticorruption Conference in Greece, in December 2014.

☑ Other established or emerging best practices

Criterion 5: The COP describes effective *monitoring and evaluation mechanisms* of human rights integration

✘ Any relevant policies, procedures, and activities that the company **plans to** undertake to fulfill this criterion, including goals, timelines, metrics, and responsible staff

See above.

✘ System to monitor the effectiveness of human rights policies and implementation with quantitative and qualitative metrics, including in the supply chain (BRE3 + ARE3)

See above.

☒ Monitoring drawn from internal and external feedback, including affected stakeholders
See above.

Opportunity for improvement: include in the COP external feedback.

☒ Leadership review of monitoring and improvement results

The Group CSR Committee also examines reports on human rights risks by country and identifies opportunities for improvement.

☒ Process to deal with incidents the company has caused or contributed to for internal and external stakeholders (BRE 4 + ARE 4)

Grievance mechanisms that are legitimate, accessible, predictable, equitable, transparent, rights-compatible, a source of continuous learning, and based on engagement and dialogue (BRE4 + ARE4)

Table “Anonymous concerns raised “. “55% of all of our employees have access to an anonymous grievance hotline.”

Opportunity for improvement:

Continue to extending to all other locations.

Increase the disclosure of information in respect to grievance mechanisms which are in place for other stakeholders (channels, activities, results).

☐ Outcomes of integration of the human rights principles

See section ““Human rights” and **previous opportunity for improvement:** include the description of the results (output of the risk assessment and of Titan’s performances) and actions undertaken.

Robust Labour Management Policies & Procedures

Criterion 6: The COP describes robust *commitments, strategies or policies* in the area of labour

☒ Any relevant policies, procedures, and activities that the company **plans to** undertake to fulfill this criterion, including goals, timelines, metrics, and responsible staff

See section “A people-driven organization: Our People”.

Labor rights are respected and safeguarded by TITAN in accordance with International Labor Organization Conventions and standards in addition to local regulations. All direct employees are covered by collective bargaining agreements in countries where such practices are applicable and participate through representatives in health and safety committees, providing support and advice for occupational health and safety programs.

☒ Reference to principles of relevant international labour standards (ILO Conventions) and other normative international instruments in company policies

☒ Reflection on the relevance of the labour principles for the company

TITAN Group emphasizes the important role of employee development, in respect of international codes of conduct and in line with TITAN Group's People Management Framework.

✘ Written company policy to obey national labour law, respect principles of the relevant international labour standards in company operations worldwide, and engage in dialogue with representative organization of the workers (international, sectoral, national).

TITAN Group's Code of Conduct:

TITAN Group's People Management Framework

✘ Inclusion of reference to the principles contained in the relevant international labour standards in contracts with suppliers and other relevant business partners

Code for Procurement:

✘ Specific commitments and Human Resources policies, in line with national development priorities or decent work priorities in the country of operation

TITAN Group CSR policy:

"We value our employees and follow human resources practices that promote equal opportunity in recruitment, employment and development, regardless of gender, ethnic origin, religion etc., respect individuality and are consistent with national laws and international voluntary guidelines, such as the UN Universal Declaration of Human Rights".

TITAN priorities for 2011-2015: Put emphasis on safety and wellness, leadership and adaptability, engagement through values and voluntarism.

Stability of employment (and TITAN's efforts in this area) is a key issue for TITAN.

✘ Participation and leadership in wider efforts by employers' organizations (international and national levels) to jointly address challenges related to labour standards in the countries of operation, possibly in a tripartite approach (business – trade union – government).

TITAN Group Social Policy: "Branching out and adding value".

See report cases as Group Performance by region and country.

✘ Structural engagement with a global union, possibly via a Global Framework Agreement

Health and Safety topics are covered in all formal agreements with trade unions.

Section "Collective bargaining and unionization".

See data for LA4: "All direct employees are covered by collective bargaining agreements in countries where such practices are applicable and participate through representatives in health and safety committees, providing support and advice for occupational health and safety programs."

☑ Other established or emerging best practices

Criterion 7: The COP describes effective *management systems* to integrate the labour principles

✘ Any relevant policies, procedures, and activities that the company **plans to** undertake to fulfill this criterion, including goals, timelines, metrics, and responsible staff

See above.

☒ Risk and impact assessments in the area of labour

See section “A people-driven organization: Our People” “Human Rights and Equal Opportunities”.

Materiality assessment activities include the identification of health & safety as being one of the most relevant issues relating to labour, as highlighted by stakeholders.

☒ Dialogue mechanism with trade unions to regularly discuss and review company progress in addressing labour standards

“freedom of association of employees, beyond local legal requirements.

We acknowledge the importance of unions in improving working conditions and safeguarding workers' rights. Union representatives at TITAN have the right to meet with line management to discuss their concerns and suggest improvements.”

☒ Allocation of responsibilities and accountability within the organization

See TITAN Group CSR Management Structure and Organization Chart.

☒ Internal awareness-raising and training on the labour principles for management and employees

All new and existing employees receive formal inductions, and are provided with the TITAN Code of Conduct and related training (induction; GC Principles focus too).

TITAN Group's People Management Framework.

☒ Active engagement with suppliers to address labour-related challenges

TITAN Group systematically monitors and objectively evaluates the performance of its suppliers on the basis of working conditions criteria (health & safety and labour conditions-according to the law), which constitute contractual and ethical obligations of these suppliers.

TITAN provides training for contractors in order to allow the owners to understand Titan's principles and requirements, and supports these contractors where further development is required in order to meet the requirements set out by TITAN.

☒ Grievance mechanisms, communication channels and other procedures (e.g., whistleblower mechanisms) available for workers to report concerns, make suggestions or seek advice, designed and operated in agreement with the representative organization of workers

TITAN's People Management Framework

GRI HR11 Number of grievances related to human rights filed, addressed, and resolved through formal grievance mechanisms: No such case was reported in 2013

☒ Other established or emerging best practices

Criterion 8: The COP describes effective monitoring and evaluation mechanisms of labour principles integration

☒ Any relevant policies, procedures, and activities that the company **plans to** undertake to fulfill this criterion, including goals, timelines, metrics, and responsible staff

See above.

☒ System to track and measure performance based on standardized performance metrics

Section Our people A people-driven organization - TITAN's approach to people management

"This year, another important step was taken in this area with the launch of the TITAN People Management Framework. This sets out guidance on all people related issues and human rights of our people and our business associates."

✘ Dialogues with the representative organization of workers to regularly review progress made and jointly identify priorities for the future

Union representatives at TITAN have the right to meet with line management at any time and discuss their concerns as well as suggest improvements. All issues of major importance, including collective agreements are discussed directly with the Chief Executive Director and accordingly with the Board of Directors.

✘ Audits or other steps to monitor and improve the working conditions of companies in the supply chain, in line with principles of international labour standards

TITAN Group systematically monitors and objectively evaluates the performance of its suppliers on the basis of working conditions criteria (health & safety and labour conditions-according to the law), which constitute contractual and ethical obligations of these suppliers.

TITAN provides training for contractors in order to allow the owners to understand Titan's principles and requirements, and supports these contractors where further development is required in order to meet the requirements set out by TITAN.

□ Process to positively engage with the suppliers to address the challenges (i.e., partnership approach instead of corrective approach) through schemes to improve workplace practices

Section "Looking after our suppliers".

Contractors and suppliers had the opportunity to participate in the training activities with their employees and benefit from sharing of know-how, experience and best practice in respect to environmental challenges and opportunities to continuous improvement.

Opportunity for improvement: wider description of engagement and actions Titan develops towards suppliers particularly to workplace practices.

✘ Outcomes of integration of the Labour principles

TITAN CSR Committee convenes every year, in which the group discusses and assesses the year's performance, in terms of key strengths and weaknesses across the Group in its performance against its CSR commitments. Clear actions are identified coming out of the meeting.

Internal procedure: investigation and in positive evidence immediately resolving.

See "Direct Employee Communication Lines".

Equal opportunities for all are also safeguarded by human resources policies at both Group and local levels.

Presence of Direct Employee

Robust Environmental Management Policies & Procedures

Criterion 9: The COP describes robust *commitments, strategies or policies* in the area of environmental stewardship

- ✘ Any relevant policies, procedures, and activities that the company **plans to** undertake to fulfill this criterion, including goals, timelines, metrics, and responsible staff
- ✘ Reference to relevant international conventions and other international instruments (e.g. Rio Declaration on Environment and Development)

CSR report fully describes commitments, strategies or policies in the area of environmental stewardship.

- ✘ Reflection on the relevance of environmental stewardship for the company
Fully described.

- ✘ Written company policy on environmental stewardship

Yes, with specific reference to carbon emissions, alternative fuels and water management. In addition the wide implementation of ISO 14001 for production plants and quarries.

- ✘ Inclusion of minimum environmental standards in contracts with suppliers and other relevant business partners

In the contract are present requirement for health & safety, working conditions and environment (depending to the activity).

Opportunity for improvement: Evaluate the opportunity to disclose quantitative information: % of contracts including environmental clauses as the total number of main contractors which was included in the scope of health, safety and environmental audits.

- ✘ Specific commitments and goals for specified years

Environmental targets for certain parameters are set and progress is monitored periodically (at least annually).

- ☐ Other established or emerging best practices

Criterion 10: The COP describes effective *management systems* to integrate the environmental principles

Indicate which of the following best practices are described in your COP:

- ✘ Any relevant policies, procedures, and activities that the company **plans to** undertake to fulfill this criterion, including goals, timelines, metrics, and responsible staff
- ✘ Environmental risk and impact assessments

A large majority of the reporting units has already implemented certified ISO 14001 management systems.

Quarry Rehabilitation Plans in place at almost 80% of the Group's quarry sites and similar plans are being developed for the remaining sites. Eight of Group quarry sites have been recognized as areas of high biodiversity value and three of the eight operate under a Biodiversity Management Plan that has

been developed according to the Biodiversity Management Plan Guidance (BMP) launched by WBCSD/CSI in 2014

✘ Assessments of lifecycle impact of products, ensuring environmentally sound management policies
Activities in this area are on-going. Various new technologies and research activities with European Union and Universities are pursued (concrete sciences, sustainability-LCA, hydraulic roof binder, blended cement, self-healing concrete, nanotubes, etc.).

✘ Allocation of responsibilities and accountability within the organisation

Organization chart. Environmental departments/responsible within each reporting unit. Collection of environmental data from Titan's operations is managed by HQ Group Engineering and Technology department. The company has implemented an electronic reporting system (EPI database), including necessary QC/QA. Sites are responsible for collecting the data and reporting using the corporate tool.

ISO14001 procedures are implemented. In addition cement production sites report annual emissions as part of Titan's commitment to the WBCSD CSI.

✘ Internal awareness-raising and training on environmental stewardship for management and employees

ISO14001, other programs are implemented.

Report disclosures expenditures on environmental training.

✘ Grievance mechanisms, communication channels and other procedures (e.g. whistleblower mechanisms) for reporting concerns or seeking advice regarding environmental impacts

ISO14001 and other reporting systems exist. Procedures for incidents are implemented at site level and internal communication procedures IHQ exist.

☑ Other established or emerging best practices

Criterion 11: The COP describes effective *monitoring and evaluation mechanisms* for environmental stewardship

✘ Any relevant policies, procedures, and activities that the company **plans to** undertake to fulfill this criterion, including goals, timelines, metrics, and responsible staff

✘ System to track and measure performance based on standardized performance metrics

The Group Engineering and Technology department tracks performance on environmental indicators by means of EPIs database system. The reporting units need to provide data on several environmental indicators (CO₂, dust, SO, NO_x, electricity consumption, energy consumption, sources, water consumption, water use, water discharge, recycled water, waste management). The frequency of reporting is at least annually for all the indicators.

Titan is an active member of the Cement Sustainable Initiative (CSI) under the WBCSD. In this respect CO₂ emissions and water management are in line with the CSI reporting standards and reported annually.

Specific targets or objectives (Cement Plants and Quarries) have been set for various indicators: CO₂ per ton product, NO_x and SO, water consumption, use of alternative fuels, ISO14001 systems, environmental impact study and implementation of rehabilitation plans

✘ Leadership review of monitoring and improvement results

Progress to targets is discussed at management level (at least annually in the management review). Discussion on strength and lacks (special focus for local level) to define new actions and challenges, with particular reference to Alternative Fuels and environmental impacts of products.

✘ Process to deal with incidents

Incidents are dealt with on site level – reporting to HQ level, depending on type and size of incidents.

☐ Audits or other steps to monitor and improve the environmental performance of companies in the supply chain

Opportunity for improvement: Audit/evaluation and recording of suppliers environmental performances are not fully structured yet.

✘ Outcomes of integration of the environmental principles

See GRI DMA and Indicators: EN 1-3, 5-6, 8, 10, 11-16, 18-19, 21-27, 29, 31-33.

Reporting by using EPI tool and other procedures.

☑ Other established or emerging best practices

Robust Anti-Corruption Management Policies & Procedures

Criterion 12: The COP describes robust *commitments, strategies or policies* in the area of anti-corruption

✘ Any relevant policies, procedures, and activities that the company **plans to** undertake to fulfill this criterion, including goals, timelines, metrics, and responsible staff

✘ Publicly stated formal policy of zero-tolerance of corruption (D1)

Section:

“Sustainability: at the heart of our business”: we have joined the Campaign to fight against corruption.

“Principal risks”.

“Translating the e-based training tool related to UN efforts to fight against corruption - fightagainstcorruption.org - into Greek through the UN Global Compact Greece.”

Table “Training hours per subject per country per gender by country” – issue anti-corruption.

Table “Supplier selection criteria by country”

✘ Commitment to be in compliance with all relevant anti-corruption laws, including the implementation of procedures to know the law and monitor changes(B2)

TITAN Group’s Code of Conduct (all Group transactions must be carried out in accordance with all applicable laws and regulations and must always respect UNC against Corruption (UNAC).

✘ Statement of support for international and regional legal frameworks, such as the UN Convention against Corruption (D2)

See above.

❑ Detailed policies for high-risk areas of corruption (D4)

Table “TITAN operating exposure by country according to 2014 Transparency International Index”.

Opportunity for improvement :

Insert an explanation enabling the reader to understand the table contents.

Although the COP describes commitments, strategies and policies in the area of anti-corruption, a broader description of specific activities, cases is recommended. In particular in respect to: risk assessment activities (country and site level), actions undertaken, metrics.

✘ Policy on anti-corruption regarding business partners (D5)

Section “Employment and people development” describing Code of Conduct.

Section “Sustainable procurement” describing Code for Procurement.

Table “Supplier selection criteria by country”.

Opportunity for improvement: a clearer description of the policy contents and of their implementation across the organization.

Example “Are all the suppliers formally asked to comply with the Code of Conduct?”; “Is such practice in place across all the operations?”

✘ Other established or emerging best practices

Criterion 13: The COP describes effective *management systems* to integrate the anti-corruption principle

✘ Any relevant policies, procedures, and activities that the company **plans to** undertake to fulfill this criterion, including goals, timelines, metrics, and responsible staff

See above.

✘ Support by the organization’s leadership for anti-corruption (B4)

See above.

✘ Carrying out risk assessment of potential areas of corruption (D3)

See **Opportunity for improvement above:** although the COP describes commitments, strategies and policies in the area of anti-corruption, a broader description of specific activities, cases is recommended. In particular in respect to: risk assessment activities (country and site level), actions undertaken, metrics.

✘ Human Resources procedures supporting the anti-corruption commitment or policy, including communication to and training for all employees (B5 + D8)

Section “Employment and people development” describing Code of Conduct and its implementation across the organization.

Training hours per subject per country per gender by country – Code of conduct: zero for 2014.

Hot Line.

✘ Internal checks and balances to ensure consistency with the anti-corruption commitment (B6)
G4-S03: 100% of operations have been assessed for risk of corruption.

See [Opportunity for improvement](#) above

✘ Actions taken to encourage business partners to implement anti-corruption commitments (D6)
Training on Titan's principles and Code of Procurement.
Table "Total contractors' training man-hours by subject 2014": zero for 2014.

✘ Management responsibility and accountability for implementation of the anti-corruption commitment or policy (D7)
See above.

✘ Communications (whistleblowing) channels and follow-up mechanisms for reporting concerns or seeking advice (D9)
Direct Employee Communication Hot Lines

✘ Internal accounting and auditing procedures related to anticorruption (D10)
See above

☑ Other established or emerging best practices

Criterion 14: The COP describes effective *monitoring and evaluation mechanisms* for the integration of anti-corruption

✘ Any relevant policies, procedures, and activities that the company **plans to** undertake to fulfill this criterion, including goals, timelines, metrics, and responsible staff
See above

✘ Leadership review of monitoring and improvement results (D12)
CSR Committee, every year. TITAN Group is thoroughly examining the risk of corruption particularly in countries identified as the most vulnerable ones.

✘ Process to deal with incidents (D13)
The internal process: investigation and in positive evidence immediately resolving.
See "Hot Line".

✘ Public legal cases regarding corruption (D14)
See GRI S04

☐ Use of independent external assurance of anti-corruption programmes (D15)

Opportunity for improvement: not implemented and anti-corruption programme progress update required

☑ Outcomes of integration of the anti-corruption principle

See above.

GRI S02, S04

Hot Line

☑ Other established or emerging best practices

Taking Action in Support of Broader UN Goals and Issues

Criterion 15: The COP describes core business contributions to UN goals and issues

☒ Any relevant policies, procedures, and activities that the company **plans to** undertake to fulfill this criterion, including goals, timelines, metrics, and responsible staff

☒ Align core business strategy with one or more relevant UN goals/issues

☒ Adopt and modify operating procedures to maximize contribution to UN goals/issues

Section Global collaboration.

Global and Local participation in Global Compact, CSR Network.

Various collaboration in Global Compact projects.

UN Global Compact Campaign for Anticorruption

☒ Develop relevant products and services or design business models that contribute to UN goals/issues

See above

☑ Other established or emerging best practices

Criterion 16: The COP describes strategic social investments and philanthropy

☒ Any relevant policies, procedures, and activities that the company **plans to** undertake to fulfill this criterion, including goals, timelines, metrics, and responsible staff

Section “Communities- Enabling local development by supporting communities”: Our community strategy and plan of activities is led and implemented by local CSR Committees operating in every country. The CSR Liaison Delegate appointed by the local management in each country is the contact person for both internal and external stakeholders.

Table “Donations 2014 by country”.

☒ Pursue social investments and philanthropic contributions that tie in with the core competencies or operating context of the company as an integrated part of its sustainability strategy

Section “Our social investment themes”: We contribute both financial and non-financial resources

towards local development and, while priorities vary from one community to another, they usually fall

into one of our strategic social investment themes: safety; healthcare; poverty and unemployment; and environmental awareness. This means they are also strongly aligned with the material issues for the Group and, in particular, they help us deal with Health and Safety concerns, community relations, our socio-economic impacts, our reputation for integrity and transparency, and climate change and air emissions.

✘ Coordinate efforts with other organizations and initiatives to amplify—and not negate or unnecessarily duplicate—the efforts of other contributors

Number of initiatives in all countries underline how the concept of branching out and adding value works at TITAN

Value is created from the sharing of resources both among our employees and with external stakeholders who often lack know-how and expertise as well as technical, financial and in-kind capital CSR Network.

CSI.

See country based reporting .

☐ Take responsibility for the intentional and unintentional effects of funding and have due regard for local customs, traditions, religions, and priorities of pertinent individuals and groups

Opportunity for improvement: Not disclosed.

☑ Other established or emerging best practices

Criterion 17: The COP describes advocacy and public policy engagement

✘ Any relevant policies, procedures, and activities that the company **plans to** undertake to fulfill this criterion, including goals, timelines, metrics, and responsible staff

✘ Publicly advocate the importance of action in relation to one or more UN goals/issues

Section Global collaboration.

Global and Local participation in Global Compact, CSR Network.

Various collaboration in Global Compact projects.

UN Global Compact Campaign for Anticorruption

Message from CEO.

✘ Commit company leaders to participate in key summits, conferences, and other important public policy interactions in relation to one or more UN goals/issues

See above

☑ Other established or emerging best practices

Criterion 18: The COP describes partnerships and collective action

✘ Any relevant policies, procedures, and activities that the company **plans to** undertake to fulfill this criterion, including goals, timelines, metrics, and responsible staff

✘ Develop and implement partnership projects with public or private organizations (UN entities, government, NGOs, or other groups) on core business, social investments and/or advocacy

- ✘ Join industry peers, UN entities and/or other stakeholders in initiatives contributing to solving common challenges and dilemmas at the global and/or local levels with an emphasis on initiatives extending the company's positive impact on its value chain
 - ✘ Other established or emerging best practices
- See section "Global collaboration", "Collective action", "Collaborating for sustainable growth".

Corporate Sustainability Governance and Leadership

Criterion 19: The COP describes CEO commitment and leadership

- ✘ Any relevant policies, procedures, and activities that the company **plans to** undertake to fulfill this criterion, including goals, timelines, metrics, and responsible staff

[Message from CEO.](#)

- ✘ CEO publicly delivers explicit statements and demonstrates personal leadership on sustainability and commitment to the UN Global Compact

- ✘ CEO promotes initiatives to enhance sustainability of the company's sector and leads development of industry standards

[Message by CEO, specific declaration on commitment to the UN Global Compact.](#)

- ✘ CEO leads executive management team in development of corporate sustainability strategy, defining goals and overseeing implementation

[Message from CEO.](#)

[Section "Corporate governance".](#)

- ✘ Make sustainability criteria and UN Global Compact principles part of goals and incentive schemes for CEO and executive management team

Opportunity for improvement: Not disclosed.

- ☐ Other established or emerging best practices

Criterion 20: The COP describes Board adoption and oversight

Indicate which of the following best practices are described in your COP:

- ✘ Any relevant policies, procedures, and activities that the company **plans to** undertake to fulfill this criterion, including goals, timelines, metrics, and responsible staff

- ✘ Board of Directors (or equivalent) assumes responsibility and oversight for long-term corporate sustainability strategy and performance

[Message from CEO.](#)

Sections “Global collaboration”, “Collective action”, “Collaborating for sustainable growth”.

✘ Board establishes, where permissible, a committee or assigns an individual board member with responsibility for corporate sustainability.
Section “Corporate governance”.

✘ Board (or committee), where permissible, approves formal reporting on corporate sustainability (Communication on Progress)
Sustainability Report must be approved by the Board.

☑ Other established or emerging best practices

Criterion 21: The COP describes stakeholder engagement

Indicate which of the following best practices are described in your COP:

- ✘ Any relevant policies, procedures, and activities that the company **plans to** undertake to fulfill this criterion, including goals, timelines, metrics, and responsible staff
- ✘ Publicly recognize responsibility for the company’s impacts on internal and external stakeholders
- ✘ Define sustainability strategies, goals and policies in consultation with key stakeholders

The Report covers stakeholder engagement activities developed by Titan HQ and by plants related to their own impacts.

Commitment to stakeholder engagement.

Key material issues and outcomes by country (table).

Specific sections “Regional performances”.

Opportunity for improvement: Although the section “Materiality and stakeholder engagement” presents the company approach in engaging with the different stakeholders, the outcomes, the actions taken as a result we would encourage Titan to enlarge the description of the specific activities and outcomes. In particular the information at country/local level could be increased (or better linked to local reporting, where in place).

Evaluate the opportunity to use the table “Additional material issues” to enlarge the information.

✘ Consult stakeholders in dealing with implementation dilemmas and challenges and invite them to take active part in reviewing performance

Section Stakeholder engagement process: The Group’s sustainable growth depends on balancing short-term and long-term interests. In line with our strategic priorities, we adapt our policies and practices to local market needs. This means understanding and responding proactively to the needs of the individuals, organizations and businesses with whom we interact.

Section Collective action.

Stakeholder engagement in Serbia.

Opportunity for improvement Increase the COP with specific examples (ex case study as “Stakeholder engagement in Serbia”) of stakeholder consultation where they have been asked to deal with implementation dilemmas and challenges and to take active part in reviewing Titan’s performance.

✘ Establish channels to engage with employees and other stakeholders to hear their ideas and address their concerns, and protect ‘whistle-blowers’
See about Hot Line.

☑ Other established or emerging best practices

ANNEX: Business & Peace

The COP describes policies and practices related to the company's core business operations in high-risk or conflict-affected areas

✘ Any relevant policies, procedures, and activities that the company **plans to** undertake to fulfill this criterion, including goals, timelines, metrics, and responsible staff

✘ Information on how policies, strategies and operating practices have been adapted to the specific high-risk/conflict context based on due diligence

See above.

✘ Adherence to best practices even where national law sets a lower standard, including in the management of security services

✘ Management of the supply chain to avoid contributing to conflict through purchasing decisions and practices

Specific example: section “Prevention of child labor and forced labor”

The risk of child labor has been identified through a human rights self-assessment and a mapping by our CSR Department in the supply chain in Egypt, where some transport contractors employ young people from 15 to 17 years old as support to load and unload their vehicles, a practice that is very common in many developing countries. To avoid such risks, TITAN has imposed strict requirements on its contractors and does not allow them to carry out our work with the help of any person younger than 18 years old. All contractors are expected to present us with a full list showing the profile and training of their employees before being commissioned for any contracted job

☑ Other established or emerging best practices

□ The COP describes policies and practices related to the company's government relations in high-risk or conflict-affected areas

Indicate which of the following best practices are described in your COP:

☑ Any relevant policies, procedures, and activities that the company **plans to** undertake to fulfill this criterion, including goals, timelines, metrics, and responsible staff

- ☑ Assessment of opportunities for constructive engagement with government actors in order to support peace
- ☑ Measures undertaken to avoid complicity in human rights violations by government actors
- ☑ Management practices aimed at preventing corrupt relationships with government officials

Section “Delivering value far beyond the cement plant”

Opportunity for improvement: Disclose policies and practices related to Titan's government relations in high-risk or conflict-affected areas; generally report on internal defined practices and activities for constructive engagement with government actors in order to support peace as to avoid corruption risks.

- ☑ Other established or emerging best practices

The COP describes local stakeholder engagement and strategic social investment activities of the company in high-risk or conflict-affected areas

✘ Any relevant policies, procedures, and activities that the company **plans to** undertake to fulfill this criterion, including goals, timelines, metrics, and responsible staff

The Report disclose in the Country section the related initiatives.

See previous opportunity for improvement.

Assessment of opportunities for constructive engagement with government actors in order to support peace

See above.

- ✘ Stakeholder engagement mechanisms across company and contractor operations
- ✘ Approaches to stakeholder engagement involving civil society, international organizations, etc
- ✘ Actions toward constructive and peaceful company-community engagement

See above.

- ☑ Sustainable social investment projects

See specific projects within the Report.

- ☑ Other established or emerging best practices