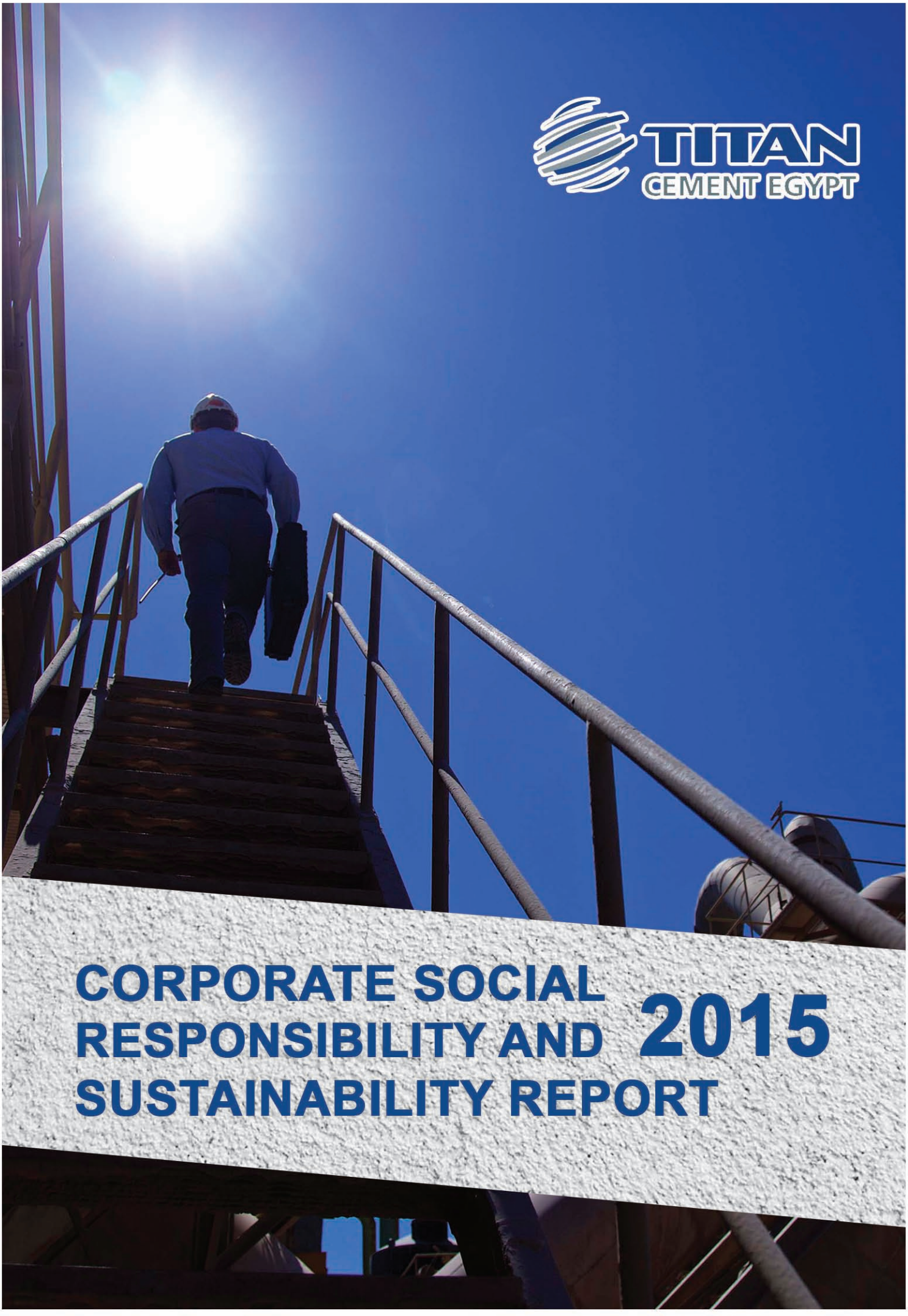


CORPORATE SOCIAL RESPONSIBILITY AND SUSTAINABILITY REPORT 2015

CONTENTS

CEO Message
Overview of business performance in 2015, commitments and priorities for 2016
03

Strategic Review
Our values and vision, our approach to conducting business and how we engage stakeholders
05

Financial / Non-financial Performance Highlights
Our production volumes, performance, growth, investments and our non-financial performance
15

Environmental Performance
Our environmental standards and how we manage our environmental footprint
17

Health and Safety
Our actions to promote and ensure safe and healthy working conditions across our operations
25

People Development
How we engage with our employees, contractors and business partners
29

Engaging with local Communities
Our goals, commitments and activities supporting the communities we serve and operate in
35

Annexes
Awards and recognition of our continous efforts
41

Welcome to TITAN Cement Egypt 2015 Corporate Social Responsibility and Sustainability Report

In this report, we want to share with our stakeholders our commitment, and efforts towards contributing to a sustainable future for all. This report outlines our action plan based around our related key non-financial performance indicators and it covers all relevant environmental, human rights and labor rights issues transparently, seeking feedback from stakeholders to initiate future progress.

TITAN Cement Egypt (TCE) aims to be the company of choice for each of our key stakeholders. We have an enduring commitment to social, environmental and economic sustainability, and Corporate Social Responsibility and environmental stewardship are fundamental pillars of our strategy for sustainable growth. We contribute both financial and non-financial resources towards local development through a range of programs and activities, ensuring that we create shared value for all stakeholders and that we address the issues that matter the most.

We are strongly committed to all environmental standards and we abide by all the requirements set by the United Nations Global Compact Initiative, to which TITAN is committed at both Group and local levels. Moreover, we have engaged with recognized global institutions, local networks and associations, as is the case with the UN Global Compact and the International Labor Organization, to continue improving our practices and performance, aligned with TITAN Group values. These include integrity, know-how, value to the customer, delivering results, continuous improvement, and corporate social responsibility.

2015 highlights

Turnover

MEGP 2,058

EBITDA

MEGP -45

Total assets

MEGP 3,201

Capital expenditure

MEGP 420

Employees

766

CEO Message

Dear Shareholders and Stakeholders

Welcome to our second Corporate Social Responsibility and Sustainability Report. This report confirms our continued commitment to the UN Global Compact principles, and summarizes our on-going efforts to improve our social and environmental performance.

The ten principles of the UN Global Compact constitute a good foundation for driving progress in a values-based management company like TITAN, while providing the framework for collaboration at all levels.

In 2015, two significant agreements were adopted and are expected to influence both our country and our business in the future: the Paris Agreement, following the COP21 Conference on Climate Change, and the United Nations Sustainable Development Goals 2030. Both of these agreements clearly set collaboration at the top of the sustainability agenda.

As a member of TITAN Group, TCE has provided feedback in response to the consultation on the UN Sustainable Development Goals 2030 and contributed to the alignment of TITAN's material issues with the SDGs 2030.

Following a materiality assessment conducted at Group level, a number of issues have been identified as important to TCE, including, among others, environmental management and climate change, health and safety, people management and community relations. We continue to seek feedback from stakeholders not only to confirm the outcomes of our materiality assessments, but also to develop focused and inclusive action plans.

2015 was a year of mixed performance and results. The market remained highly competitive and volatile. Demand for cement grew, but profitability was affected by market conditions and remained low. We continued to invest in improving further our environmental performance, particularly with the integration of the best available techniques and industry best practice. The total expenditure to meet this aim since 2010 reached EGP 352 million.

Accordingly, we have achieved an overall reduction of 80% in specific dust emissions and a 34% decrease in water consumption.

The energy situation in Egypt has been a major challenge in recent years, both for TCE and the heavy industry sector in general, leading to significant changes in operations and market conditions.

In light of the government's decision to cut the provision of natural gas for industrial operations, we have been working hard since 2013 to secure fuel supplies for our operations. In the short term, this has required the use of traditional fuels. However, we are creating the necessary infrastructure and conditions that will allow us to develop the use of alternative fuels that will at least partially replace traditional energy sources. To support this, we have conducted a long-term campaign directed at public authorities, communities, customers and NGOs under the title "Our Waste is Our Fortune". In 2015, we took this a step further with the foundation of GAEA (Green Alternative Energy Assets Ltd), a company specializing in waste management services. We also contributed to the foundation and operation of two local institutions in the Wadi El-Kamar area of Alexandria, which support the community by cleaning and managing waste through recycling and reuse of waste.

We seek to improve our overall sustainability performance by engaging with our employees, communities and local NGOs, and through adhering to the UN Global Compact. We focus our efforts in partnerships and collaborative actions in three areas: environmental awareness and information sharing; hygiene, health and safety; and vocational training and skills for jobs.

We consider that through collaboration and active involvement of key stakeholders, we ensure progress and positive impacts for all. We therefore continue to initiate stakeholder dialogue and feedback at both local and national levels. In early 2015, we completed a study for Alexandria plant stakeholders at the community level, which reaffirmed our materiality assessment outcomes and identified areas for improvement. When local stakeholders' needs and expectations were identified, waste management, good hygiene, health and education services were among the top-ranked issues. We have fully aligned our community engagement plans with stakeholders needs and we are working to establish partnerships based on mutual trust and shared responsibility.

Alexandria Cement plant

Accordingly, we have our Quality Education Program, which meets the TITAN Group pledge to the European Pact for Youth, a Group wide initiative that aims at promoting quality education for young people primarily from local communities.

Through our sustainability efforts, we seek to ensure long-term profitability by proactively managing risks and to enhance the positive contributions to society from our local operations. We understand that this is a challenging and long-term journey, but we are confident that, with the commitment of our employees and the support of the Group, we will succeed in enhancing the benefits of our sustainable and responsible development.

Khaled Badawy
Chief Executive Officer

Strategic Review

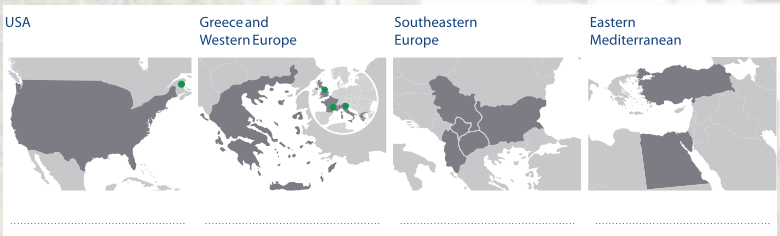
Aiming to be one of the world's most economically, environmetally and socially responsible providers of construction materials, we use our unique strengths, resources and relationships to create sustainable value for a wide range of stakeholders.

About TITAN Group

TITAN Cement Group is an independent cement and building materials producer with 114 years' industry experience. Based in Greece, the Group owns cement plants in ten countries and is organized through four geographic regions: Greece and Western Europe; the USA; Southeastern Europe; and the Eastern Mediterranean. Our activities cover the production, transportation and distribution of cement, concrete, aggregates, fly ash, mortars and other building materials, and waste management services. Throughout our history we have sought to combine operational excellence with respect for people, society and the environment.

TITAN Group has been a member of the UN Global Compact Initiative since 2002, the World Business Council for Sustainable Development and the Cement Sustainability Initiative since 2003, and CSR Europe since 2004.

In 2015, TITAN Group became one of the founder members of the European Pact for Youth. The initiative aims to help improve the quality of internships and apprenticeships offered to young people, and to strengthen collaboration between academia and business.
For more information please visit TITAN Group website: www.titan-cement.com



USA		Greece and Western Europe		Southeastern Europe		Eastern Mediterranean	
Cement plants	Quarries	Cement plants	Grinding plants	Cement plants	Quarries	Cement plants	Grinding plants
2	6	3	1	5	17	3	2
Ready-mix plants	Distribution terminals	Quarries	Ready-mix plants	Ready-mix plants	Distribution terminals	Quarries	Ready-mix plants
84	15	26	29	7	1	17	5
Concrete block plants	Fly ash processing plants	Distribution terminals	Dry mortar plants	Processed engineered fuel facility		Distribution terminals	Processed engineered fuel facility
9	9	7	1	1		2	1

Principal products/ activities key: Cement · Ready-mix concrete · Aggregates · Dry mortars · Building blocks · Fly ash · Waste management and alternative fuels

About TITAN Cement Egypt

"Cement is the basis of much of civilization's infrastructure and physical development. Cement markets are growing fastest in the developing world, where population and infrastructure needs are growing rapidly. Given cement's key role in development, the industry needs to engage with that agenda and understand what it means for its own, and the planet's long-term future".

World Business Council for Sustainable Development (WBCSD)

TITAN Cement Egypt (TCE) produces cement and concrete to provide our society with essential building materials that are durable, long lasting and match the needs of modern society. TCE operates two cement plants, one in Beni Suef Governorate "Beni Suef Cement Company" and one in Alexandria Governorate "Alexandria Portland Cement Company," two ready-mix units, in Giza and Alexandria Governorates, and one aggregate plant, in Suez Governorate. TCE also has a cement import terminal in Hurghada Governorate.

Alexandria Portland Cement Company is a member of the Egyptian Stock Exchange, one of the oldest established stock markets in the Middle East.

Since 27 September 1995, we have fully complied with EGX legislation and rules. As a result of our membership at the EGX, each shareholder has the right to attend the General Assembly of the Shareholders, either in person or by proxy.

TITAN Beton and Aggregates Egypt (TBAE)

TBAE is a subsidiary of TCE and specializes in the production, distribution and sale of ready-mix concrete in the areas around Borg El-Arab in Alexandria Governorate, and 6th of October City in Giza Governorate.

We provide ready mix directly to customers' locations, in addition to a pumping service and quality assurance.

We began production of aggregates in 2015 at Attaqa quarry (Suez Governorate). To date this has been used internally for our ready-mix batch plants rather than for external sale.

Our Operations

TITAN CEMENT EGYPT

Head Office
Ready Mix Plant
Cement Plant
Quarry
Terminal

Our History

1948

The Alexandria Portland Cement Company (APCC) was established in Egypt.

1993

The Beni Suef Cement Company (BSCC) was established in Egypt.

1997

4M TITAN Silos was established by TITAN subsidiary.

1999

- TITAN, in association with Lafarge, acquired 50% of the shares of the Beni Suef Cement Company.
- Inauguration of the new terminal station in Safaga.

2001

Lafarge acquired Blue Circle Industries (BCI), owners of the Alexandria Portland Cement Company, which accordingly became part of Lafarge.

2002

TITAN expands in a joint venture with Lafarge to become three cement production plants: Alexandria Portland Cement, Beni Suef Cement Company and 4M TITAN.

2008

- Acquisition of 100% of the joint venture business Lafarge-TITAN Egyptian Investments Limited (LTEIL) became TITAN Egypt Investments Limited (TEIL).
- 4M TITAN changed its name to TITAN Beton and Aggregates Egypt (TBAE).

2010

- Alexandria Portland Cement acquired the Beni Suef Cement Company.
- Beni Suef's second production line commenced.
- The International Finance Corporation, part of the World Bank, became a shareholder in TCE.

2012

Completion of an environmental project at the Alexandria Plant to reduce emissions below 10mg/m3.

2014

TCE commits to actively support UNGC Network Egypt

2015

Completion of an environmental project at the Beni Suef Plant to reduce emissions below 10mg/m3
Green Alternative Energy Assets company established.

Our products and services

Our products and services are used for a variety of purposes, from major infrastructure projects (roads, airports, hospitals, schools, etc.) to housing, commercial buildings and social projects.

We actively promote new products that will improve quality and durability for our customers, as well as methods and materials that will make construction easier or contribute to reduced environmental impact.

Cement:

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

Ready-mix concrete:

This is made from cement, aggregates and water to produce a durable product that can be set in a variety of formats.

Aggregates:

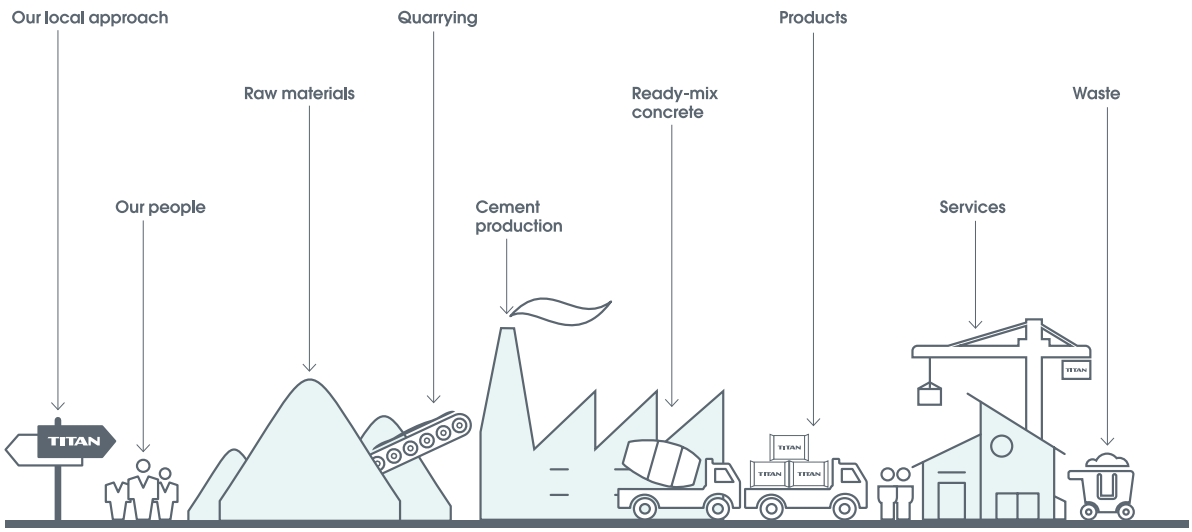
Coarse materials such as sand, gravel, crushed stone and recycled concrete are used as a raw material in cement and as a strengthening agent in asphalt and concrete. They can also be used in foundations for roads and railways.

Alternative Fuel and Waste Management Services:

Provide systems for recycling, production and use of alternative fuels through the newly established joint venture, GAEA.

Service and collaboration

Our service and collaboration covers among else transportation and distribution of products; transfer of know-how and expertise to customers, business partners, local communities and academia; research and development of new products.



Our strategy

We aim to grow as a vertically integrated cement producer, combining an entrepreneurial spirit and operational excellence with respect for people, society and the environment. This governing objective guides everything we do as a business, employer and neighbor within the communities in which we operate.

To achieve this objective, we focus on four strategic priorities:

GEOGRAPHICAL DIVERSIFICATION

We expand our business through acquisition and greenfield development into attractive new markets, to build production scale and mitigate the reliance on few markets.

CONTINUOUS COMPETITIVE IMPROVEMENT

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

VERTICAL INTEGRATION

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

FOCUS ON HUMAN CAPITAL AND CORPORATE SOCIAL RESPONSIBILITY

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

Underpinning these priorities is our approach to sharing best practice and leveraging expertise. We are committed to this, across the Group, to help us improve our capabilities and the efficient delivery of our governing objective.

Our values

Our values are at the core of who we are; they provide the foundations of our operations and growth. They have provided us with a strong bond and supported the growth that has sustained TITAN Group for over a century, stemming directly from the principles, beliefs and vision of our founders back in 1902. They remain the core elements of our culture and family spirit.

Integrity

- Ethical business practices
- Transparency
- Open communication

Value to the customer

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

Continuous improvement

- Learning organization
- Willingness to change
- Rise to challenges

Know-how

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

Delivering results

- Shareholder value
- Clear objectives
- High standards

Corporate Social Responsibility

- Safety first
- Sustainable development
- Stakeholder engagement

Our governance structure

Our corporate governance principles and Code of Conduct, along with our values, guide us through every aspect of our business.

TCE has a governance system in place that fully complies with TITAN Group's governance objective, corporate values, and international standards, going in many instances beyond local legal requirements.

For us, good corporate governance is synonymous with ethical business practices, transparency, open communication, accountability and sustainable development.

Our Committees

Four distinctive committees on Management, Health and Safety, Environmental, and Corporate Social Responsibility are operating at both business unit and plant levels in order to ensure good corporate governance.

Our Group Code of Conduct

TITAN Group's Code of Conduct defines the framework of agreed-upon principles and commitment to all of the company's stakeholders, including employees, their families, customers, suppliers and society in general. These principles include promoting human rights, eliminating forced labor and discrimination, and advancing environmental sustainability and stakeholder engagement. All local policies are expected to comply with the Code.

Our Group Code of Procurement

Our supply chain is integral to the organization's sustainability practices in accordance with TITAN Group's Code of Procurement. It guides the selection, management and evaluation of the suppliers who provide us with goods and services.

Certified management systems

TCE has adhered to ISO international standards since 2004. In 2015, the Beni Suef Cement Company renewed the ISO management system certifications below; the Alexandria Portland Cement renewed the same certifications in 2014.

Ensuring fair competition and fighting corruption

We are committed to ensuring that our activities are carried out within a framework of fair competition and in strict compliance with all applicable laws and regulations.

As a standard process, we assess the risks that might affect our operations, including the risk of corruption. The 10th principle of the UN Global Compact and the Group Code of Conduct are our reference points in better understanding the business dilemmas and issues that may be raised in respect to incidents of corruption. We review the Transparency International Index and relevant reports annually to inform our risk assessment process.

TCE's employees are the company's ambassadors. Their behavior impacts how our external stakeholders perceive the company, and they are therefore expected to live by our values in every decision and action they take. To this end, all transactions must comply with the United Nations. Convention against Corruption and employees must not offer, provide, accept, or promise, either directly or indirectly, any undue financial or other advantage to a public and/or private official for the purpose of obtaining any favorable treatment or business advantage. Employees violating this principle of ethical conduct are subject to civil and criminal liability.

Meeting our CSR and sustainability commitments

Our CSR vision

Our Corporate Social Responsibility (CSR) vision is "To pursue at all times our business goals and create value, in an ethical and socially responsible manner, doing less harm, and endeavoring to do more good".

Group CSR policy

In support of this vision, Corporate Social Responsibility is one of our corporate values and is embedded in our Governing Objective. It is a step further than legal or regulatory compliance, a conscious and free pledge to improve the world around us. It has human, social and environmental dimensions.

To achieve our goals, we place Corporate Social Responsibility at the heart of our operations.
For more information on our CSR Policy, please visit: www.titan.gr/el/corporate-social-responsibility

Achieving sustainable growth

Building collaborations to address material issues is crucial for fulfilling our governing objective and in line with our strong set of values. Working together, both within the business and through our local and global partnerships, has helped us and will continue to enable us to achieve sustainable growth.

Network Egypt
WE SUPPORT

The United Nations Global Compact Initiative

The UN Global Compact is the world's largest corporate sustainability initiative. It is a call to companies to align their strategies and operations with universal principles on human rights, labor, the environment and anti-corruption, and take actions that advance societal goals.

TCE signed the UNGC pledge in 2014. Since then we have actively participated in the local Global Compact network, aiming both at awareness building and collaboration with key stakeholders, to further embed the 10 principles.

TITAN Group was among the first 500 signatories of the UNGC worldwide. It is involved in the development of local networks in the countries in which it operates, particularly in Greece, Serbia, FYROM and Egypt.

The Global Compact Principles

Human Rights
Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights;
Principle 2: Make sure that they are not complicit in human rights abuses.

Labor
Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;
Principle 4: The elimination of all forms of forced and compulsory labor;
Principle 5: The effective abolition of child labor;
Principle 6: The elimination of discrimination in respect of employment and occupation.

Environment
Principle 7: Businesses should support a precautionary approach to environmental challenges;
Principle 8: Undertake initiatives to promote greater environmental responsibility;
Principle 9: Encourage the development and diffusion of environmentally friendly technologies.

Anti-Corruption
Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery.

The World Business Council for Sustainable Development and Cement Sustainability Initiative

The World Business Council for Sustainable Development (WBCSD) is a CEO-led organization of forward-thinking companies that galvanizes the global business community to create a sustainable future for business, society and the environment.

The Cement Sustainability Initiative (CSI) is a global effort by 24 major cement producers with operations in more than 100 countries who believe there is a strong business case for the pursuit of sustainable development. Collectively these companies account for around 30% of the world's cement production and range in size from very large multinationals to smaller local producers.

Following TITAN Group's voluntary engagement in the framework of the (WBCSD) and CSI, TCE applies the CSI Guidelines for monitoring, assessing and reporting its sustainability performance, in particular for the following areas:

- Safety at work
- CO_2 emissions
- Dust and other air emissions
- Water consumption
- Protection of biodiversity

Supporting the European Pact for Youth

TITAN Group was, among other large enterprises, the initiator of the Pact for Youth, an initiative adopted by European Commission and CSR Europe to promote quality internships, apprentices and partnerships between business and academia. Fully acknowledging that developing appropriate professional skills is a priority for economic growth in Egypt, we are currently working, among else, on the implementation of two distinctive initiatives:

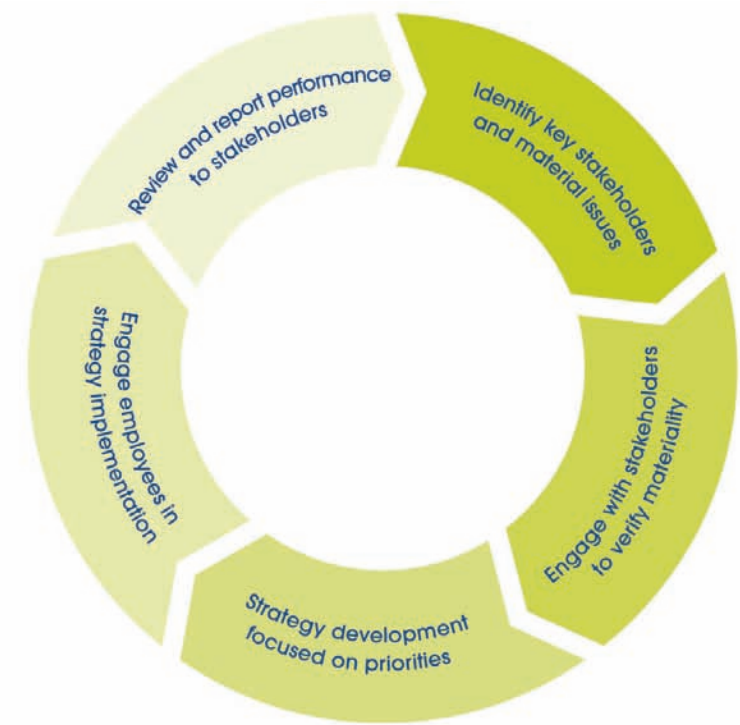
- An annual scholarship program in partnership with the Technical University of Berlin El-Gouna Campus and the Sawiris Foundation for Social Development. This scholarship supports the academic and personal careers of young graduate engineers.

- Summer internship opportunities in our plants and head office for university undergraduates to gain work experience, we have also established a close partnership with Cairo University and the Technical University of Berlin El-Gouna campus, and joined youthinkgreen Egypt, a national organization that fosters sustainability and entrepreneurship among young people.

Engaging with stakeholders

Engaging with internal and external stakeholders is a core element of the way we do business directly linked to our values and key priorities for sustainable growth.

We follow a five step approach to stakeholders engagement:



Our key stakeholders:

- Employees
- Customers
- Suppliers
- Local communities
- NGOs
- Local and national governments
- Investors and analysts

In 2015 we continued to seek feedback from our stakeholders on material issues, including Governmental authorities, academia, NGOs, the Federation of Egyptian Industries and other specialized organizations, organizing or participating in a range of relevant activities such as:

- Municipal Solid Waste Awareness Campaign in schools in Alexandria
- World Safety Day
- World Environment Day
- CSR conference organized by the Federation of Egyptian Industries/ international Labor Organization CSR conference
- Employment fairs
- 13th Scientific Conference on Sustainable Development Challenges

Financial / Non-financial Performance Highlights

2015 saw a challenging economic environment, but also improvements in growth and demand, and an easing of the fuel crisis that severely affected production in the previous year. Our overall financial, non-financial performance and results showed our underlying strength as a company, and how we are well positioned for future growth.

Financial Performance

Despite numerous economic challenges in 2015, demand for cement grew by approximately 5%, our production volumes recovered from the drop in 2014 caused by the fuel crisis, and TCE's turnover increased by 22.3%. In total, we sold 3.8 million tons of cement and cementitious materials in 2015. However, due to cost levels in Egypt exceeding international prices, export opportunities were restricted and TCE did not export any materials in 2015.

Key Financial Indicator in Million EGP (MEGP)	Definition	2011	2012	2013	2014	2015
Total Assets	The sum of all current and noncurrent assets	2,907	2,719	2,568	2,877	3,201
Shareholders' equity	Total assets minus total liabilities	1,245	673	722	532	318
Turnover	Revenue received from the sale of goods and services to customers in all regions of operation	1,961	2,009	2,287	1,850	2,058
EBITDA	Organic profitability excluding interest, tax, depreciation and amortization	755	535	528	172	(45)
Earnings before tax and minority interest	Net profit before minority interests and taxes	677	404	337	129	(264)
Earnings after tax and minority interest	Net profit after minority interests and taxes	521	306	240	41	(214)
Shareholder equity ratio	Shareholder equity ratio = total shareholder equity over total assets	43%	25%	28%	18%	10%

Looking ahead

Moreover, we continue to invest in the use of both solid and alternative fuels which will help achieve significant reductions in operating costs and future improvements in environmental management.

It is expected that by the end of 2016, both our plants will run exclusively on solid and alternative fuels by March 2016, and the Alexandria plant by the end of the year.

Non -financial performance

Despite the economic challenges faced in 2015, we remained focused on responding and delivering results following our commitments to employees, communities and the environment.

Key Non-Financial Indicator	Definition	2011	2012	2013	2014	2015
Employment (End Year)	Number of direct employees end year	759	781	773	767	766
Lost Time Injury Frequency Rate	Number of LTIs in a year per 1,000,000 hours worked i.e. LTI Frequency Rate = (Number of Lost Time Injuries in a year x 1,000,000)/Total actual hours worked and paid to employees in the year.	0.69	0.68	0	0.72	0.61
Training man-hours	Time measured in hours dedicated to training.	13,325	22,154	15,938	19,701	13,152
Environmental expenditure (Million EGP)	Cost of environmental management and environmental friendly technologies for cement plants	31.99	33.59	57.50	30.28	200

Value Creation

The value we create from our operations is shared with a wide range of stakeholders contributing to sustainable growth and social progress in the long term.

Direct Employees

MEGP 182

Capital expenditure

MEGP 420

Local & International Suppliers

MEGP 2,195

Environmental expenditure

MEGP 200

CSR initiatives (including donations)

MEGP 8.7

Taxes to authorities

MEGP 244

Environmental Performance

We recognize that our operations inevitably create an environmental footprint, but this is something we are actively seeking to reduce. Addressing environmental concerns is not an add-on to our business - it is central to what we believe and what we do. The actions we take in support of this, underpin both our operational efficiency and our focus on sustainability.

Managing our environmental footprint means reducing our emissions to the minimum. This is not only a key part of our environmental stewardship, but also central to our responsibility towards local communities. We focus on the development and implementation of sustainable and responsible solutions through waste processing projects, as well as by applying the best available techniques for emissions control. This is in line with the country's municipal solid waste management plan that serves local communities and helps combat energy shortage problems.

Environmental policy and management systems

We are committed to sustainable development aiming to be acknowledged as a responsible and transparent company. We are focused thus, in continously improving our environmental footprint by mitigating negative impacts and multiplying positive ones. We also actively engage in worthwhile local and international initiatives, such as the UN Global Compact and the Cement Sustainability Initiative, under the auspices ofthe World Business Council for Sustainable Development.

All our cement and quarry operations apply environmental management systems certified by independent third parties to the ISO 14001 standard, along with OHSAS for Health and Safety and 9001 for Quality. We are also applying a waste management system according to TITAN Group standards. As a result of implementing water monitoring and reporting systems, we have identified opportunities for improvement, such as upgrading our plants' piping system and enhancing water recycling practices. This will reflect directly in a positive way on our water footprint.

As part of our carbon footprint management, we report our CO2 emissions publicly on a voluntary basis, applying the WBCSD/CSI Protocol version 3. Data are also used for a global industry benchmark, the GRI CSI data bank.

Ensuring compliance

We are very pleased to state that in 2015 our cement kiln and mill dust emission levels were in full compliance with legal limits and regulations stipulated by the Egyptian Environment Affairs Agency, as well as European Union and International Finance Corporation limits. This is a direct result of our implementation of best available technologies and best practice. We continue to invest in developing our expertise, as well as in state-of-the-art control equipment.

Controlling our emissions

Monitoring and reporting our air emissions is part of our effort to tackle our impact on the environment and an essential part of our environment management system. TCE is applying an online monitoring system to measure and report air emissions as required. Results are transferred directly to the Egyptian Environmental Affairs Agency control room. This enables us to monitor the emissions closely in real time and take action accordingly.

For emission data quality assurance, calibration and emission measurements work is carried out by university, governmental third-party and specialized international laboratories. Based on these monitoring programs, we are able to make the right decisions regarding environment protection projects, as well as provide interested stakeholders with regular, updated information on our performance.

Improving our environmental performance

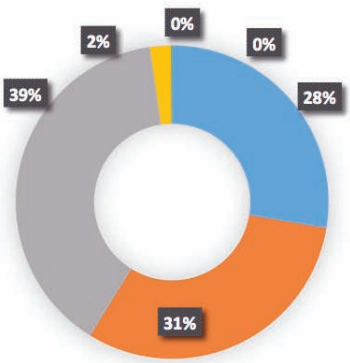
1. Environmental investments and expenditure

In 2015 we completed a five year environmental action plan in line with our environmental policies, aiming to ensure compliance with national and international standards, which reached a total expenditure of EGP 378 million. Expenditure in 2015 reached more than six times the one of 2014, despite the serious fuel shortage and the implementation of the solid fuel/AF projects, as well as the severe shortage of foreign currency. Almost 96% of the money spent was invested in environmentally friendly technology projects related to environmental sustainability. Such projects are helping us achieve our targets, such as the Beni Suef line 1 filter upgrade.

Environmental investments

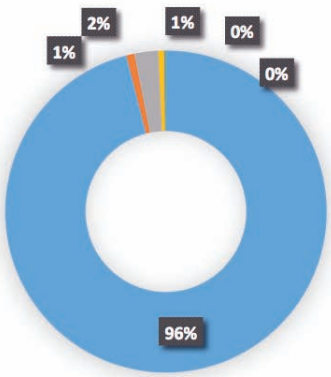
2014

Total EGP 32.5 million



2015

Total EGP 200 million



Environmentally friendly technologies	27.67 %		Environmentally friendly technologies	96.04%	
Environmental management	31.11%		Environmental management	0.80%	
Waste management	38.93%		Waste management	2.39%	
Reforestation	2.17%		Reforestation	0.59%	
Rehabilitation	0.00%		Rehabilitation	0.07%	
Environmental training and awareness	0.12%		Environmental training and awareness	0.10%	

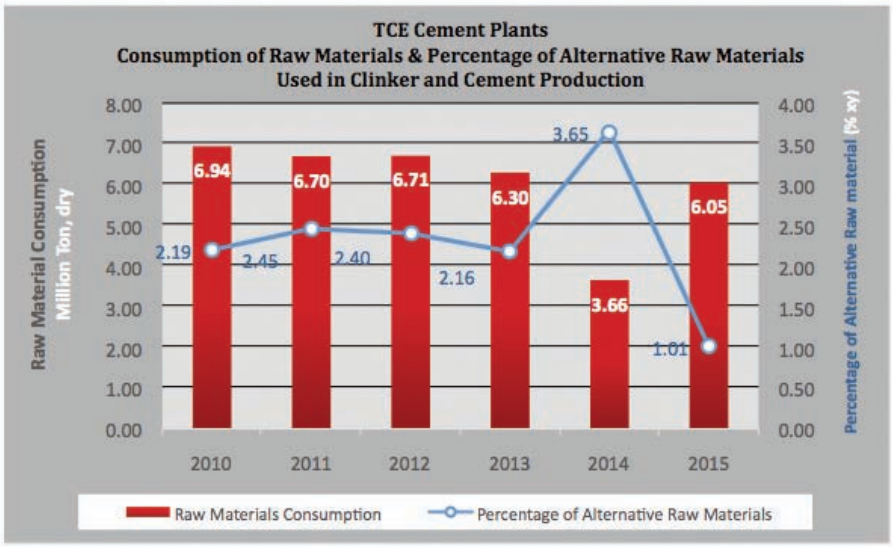
2. Raw materials and energy conservation

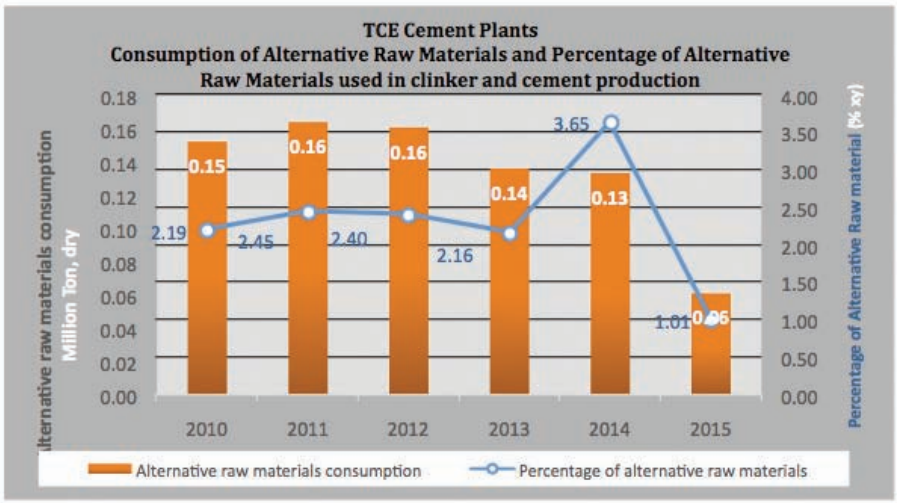
Cement production consumes both raw material and energy, in the form of thermal and electric energy. Systematic monitoring and recording of consumed quantities is required to ensure that any environmental impact is adequately appraised. Being environmentally conscious, TITAN Group gives a high priority to applying and improving its monitoring mechanisms.

- Raw materials

In 2015, we used 6.05 million tons (dry basis) of raw materials for our total cement production. Approximately 1% of all raw materials (about 0.06 million tons - dry basis) were alternative raw materials, namely recycable by-products recycled from other industries such as blast furnace slag (from steel production) and industrial gypsum. The remaining 5.99 million tons (dry basis) were natural materials from mining and quarrying activities.

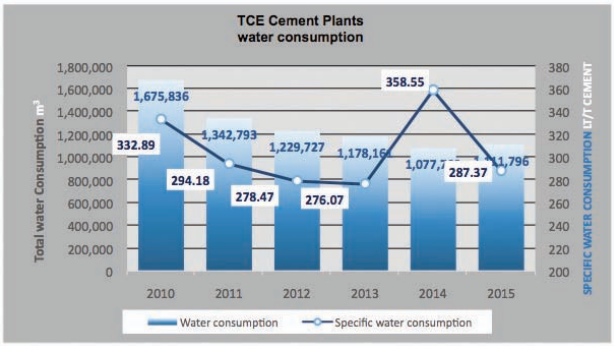
Compared to 2014, the total quantity of alternative raw materials, consumed has decreased. This is attributed to the shortage of supply of these alternative raw materials as fuel shortage has also affected the steel industry, who are the main producers of these alternative raw materials (air cooled slag) to our plants.





- Water consumption

In 2015 our total water consumption increased by only 3.2% compared to 2014, despite an increase of more than 60% in production volume. Specific water consumption (287 lt/ton of cement) fell by 20% compared to 2014. As part of the Group's environmental consciousness, in 2009, we began the implementation of our initiative to develop and apply an integrated water management system to all cement plants wholly owned by TITAN.



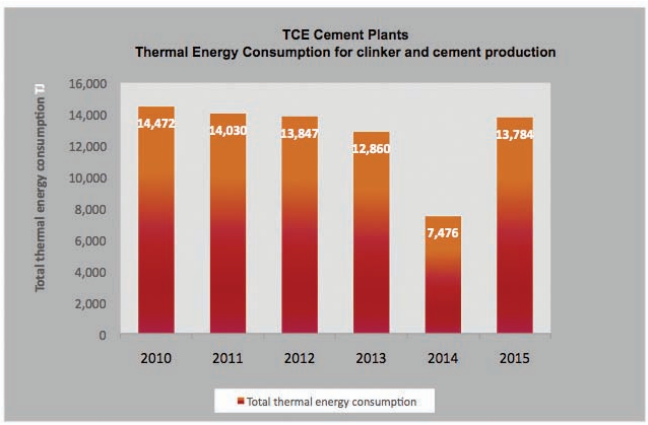
- Thermal energy

In 2015, TCE consumed 13,784TJ of thermal energy, in our clinker and cement production processes. There has been an improvement in specific thermal consumption over the last five years compared to the base year 2003, as a result of performance improvements at the Alexandria kiln and the installation of a new, state-of-the-art L2 kiln at Beni Suef. However, the annual total thermal energy consumption increased in 2015 compared to the previous year. This was a result of the sharp rise in production volumes in 2015, as production returned to its pre-2014 fuel crisis levels.

We will continue to apply alternative fuel projects at both plants (DSS & RDF), based as much as possible on the latest best available technologies.

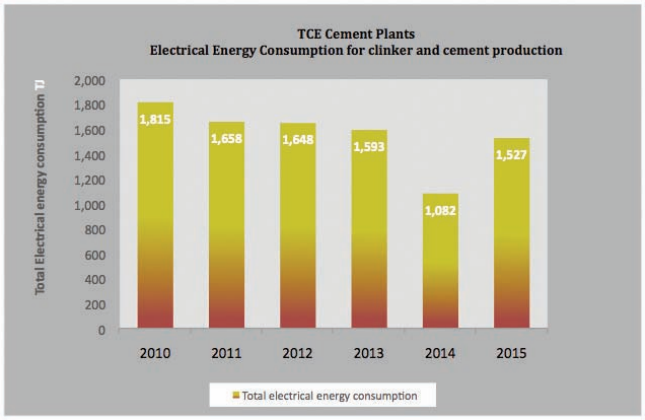
Thus will also ensure our support for local communities by contributing to municipal solid waste management within the country.

In line with the Group's policy of continuous improvement, our efforts will continue to take advantage of available technologies. At the same time, we are continuously improving our energy efficiency through monitoring and systematic maintenance of equipment.



- Electrical energy

Electrical energy consumption for our cement plants in 2015 was 1527TJ. The rise compared to 2014 was due to the increase in production volume referred to above.



3. Audits and verifications

The following audits were carried out in 2015:

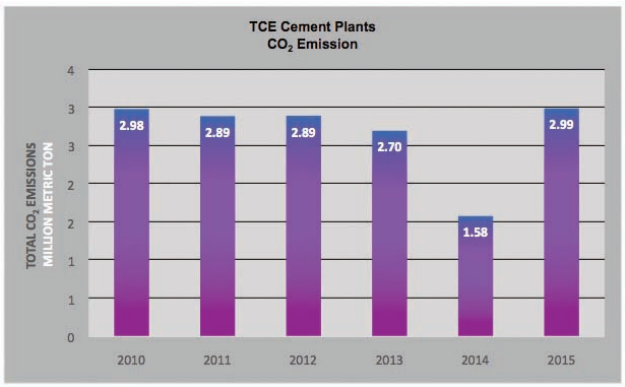
- Regular external audits by relevant local and national authorities to monitor our progress and level of compliance
- An environmental audit by internal experts of the Group Engineering and Technology Department
- An integrated management system ISO 14001 surveillance audit by inspection body, TUV

4. Reducing emissions and impact to the environment

- CO_2

As part of TITAN Group, we have reported the total direct GROSS CO_2 emissions related to our activities every year since 2003, in line with our commitment to WBCSD/CSI.

In 2015, total direct gross CO_2 emissions from our cement plants were 2.99 million tons, including emissions from on-site vehicles and mobile equipment. The increase compared to 2014 is due to the increased production volume referred to above.

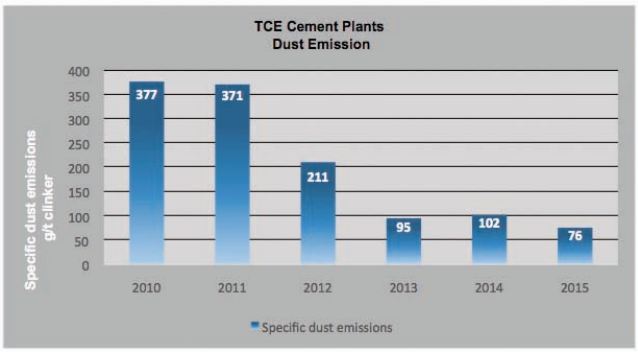


- Dust

Dust is a major environmental impact of many industrial operations. At cement production plants in particular, smokestacks are major sources of emissions, while fugitive dust is created from material transportation. All of TCE's facilities have been equipped with dust monitoring and recording equipment, enabling systematic measurements and relevant reporting in accordance with environmental legislation and TITAN Group standards.

Dust emissions at our facilities in 2015 were well below the limits set by the environmental terms and conditions of related operating permits.

In 2015, the total dust load was 264 tons, while the specific emissions were 76 gr/ton clinker. This represents an 80% reduction in specific dust emissions compared to 2010 figure of 377 gr/ton, due to the upgrade of the Alexandria main kiln. The figure was also well below the 2014 total of 101 gr/ton.



Investing in Best Available Techniques to minimize impacts

In 2011, we launched a project to upgrade the Line 1 kiln electrostatic precipitators at Beni Suef to a bag house. The bag house installation has an efficiency better than 10 mg/m3, well below the new environmental regulation of 50 mg/Nm3 and the EU and World Bank standards of 30 mg/Nm3. Installation was completed in December 2015 at a total cost of EGP 112 million.

As a result, we have limited emissions to a level that meets international standards, while at the same time we have increased efficiency by fully incorporating best available techniques.

At the same time, we replaced a cement mill filter at Alexandria, again with a bag house system, producing similar results. As a result, these facilities now produce far lower emissions, making them safer and significantly reducing their environmental impact.

Strengthening environmental responsibility

In 2015, we placed particular emphasis on developing our employees' capabilities regarding the handling and use of new energy sources. This was in order for us to manage the major challenges and rapid changes in the country involving new energy sources, with a shift to both solid fuel and new alternative fuels.

We also raised employees' environmental awareness and responsibility through increasing the green areas in our cement plants, especially in Beni Suef plant where we added 600 m^2 of green areas and increased the green areas to 28,000 m^2.

Training of employees and contractors

Our aim is to develop a culture in which all types of fuel are used in the most environmentally responsible way.

To this end, we have created a training program that increases employees' understanding of issues around environmental protection and health and safety, and develops their capability to respond to changes in our day-to-day operations.

We also run training courses for employees and contractors on a range of environmental topics, such as solid fuel management, climate change, energy use and management, waste management and recycling, water use, quarry rehabilitation and raw materials handling. As we continue to apply monitoring and integrated management systems, these courses equip our employees to participate in helping us achieve our objectives.

At the same time, we are working to increase the awareness of our stakeholders in these issues. We sponsor selected events, conferences and initiatives and support the environmental campaigns of academic organizations.

Raising awareness at local community

We truly believe that only in collaboration with stakeholders and peers can we achieve our long-term objectives.

TCE continues to participate effectively in local and international events on environmental protection and raising environmental awareness:

- We participated in the celebration of World Environment Day in cooperation with the Arab Academy for Science and Technology and the UN Environment Program.
- We organized, in cooperation with the Egyptian Environmental Affairs Agency, a World Environment Day celebration in the town of Marina on the Mediterranean coast.
- In co-ordination with Alexandria University, we organized a scientific seminar entitled "Save for your environment" at the Public Health Institute.
- We successfully organized public hearing sessions for our solid fuel projects.
- We won the Federation of Egyptian Industries Award 2015 by participating in the Pioneer Businesses to Achieve Sustainable Development Competition for best environment protection project and renewable energy project.

Engaging stakeholders in culture change

We continue to extend our environmental protection activities in order to serve local communities. For the third year, we participated in the 'Our Waste, Our Fortune' campaign in partnership with Alexandria University, the Directorate of Education and the Alexandria Governorate (environment department). As part of the campaign, we held awareness sessions for 4,000 school students, raising their understanding of solid waste management. We placed particular focus on waste processing projects to create alternative fuels. We demonstrated to the students how these projects will improve our ecological footprint by reducing the use of fossil fuels, conserving natural resources, and offering a safer solution for waste disposal.

As part of the awareness sessions we ran a competition for the students, with an awards celebration for the winners taking place at Alexandria University. In all, around 100 stakeholders attended, including numerous government officers.

Alexandria plant manager and environment manager receiving the cup from dean of Alexandria Research institute and head of environment in Alexandria Governorate

Distribution of awareness campaign brochures

Head of environment Alexandria Governorate and Alexandria Environmental Manager during the awareness session

Looking ahead

We will continue to apply our continuous improvement plan to reduce our environmental footprint. Specifically, we will further mitigate CO2 emissions through sustainability initiatives, and continue to reduce our water usage. Using state-of-the-art facilities, we aim to reduce our consumption of non-renewable resources by using municipal and agricultural waste as alternatives fuels in our cement plants, in line with the Egyptian regulations and guidelines. In addition to environmental benefits, the use of these alternative fuels will also benefit local economic development through the creation of new jobs, and will further improve the national solid waste management

Health and Safety

Health and safety is a top priority for us, at all times and in all we do. We aim to build a culture of awareness and care across the company and beyond - at home, in schools and in the community. Through regular audits, communications, activities and initiatives, we engage closely both with our employees and contractors, and with external partners and communities to embed health and safety in all our operations.

"Building and maintaining a `national preventative safety and health culture' means increasing general awareness, knowledge and understanding of the concepts of hazard and risk, starting from the age of basic education and continuing throughout working life.

Such a culture requires the development of practices that contribute to the prevention and control of risks at all levels. It should include the promotion of safety consciousness in general and an openess to build on lessons learned. It can be significantly enhanced by strong leadership and visible commitments to high standards of occupational safety and health.

Such a culture can make a contribution to creating decent work by encouraging respect for workers' safety and dignity".

International Labour Organization.

Sadly, in 2015, there were two fatalities at TCE's Alexandria cement plant, one involving an employee and the other involving a contractor. These tragic deaths underline the necessity of continuing and further enhancing our efforts to embed a safety culture. In this context, we are working with our regional teams to ensure that our employees understand the causes as well as ways to prevent and avoid any serious accidents and fatalities.

Safety is a priority for TCE and we acknowledge that there is always room for improvement in order to enhance a safety culture. We must all take a more proactive, precautionary approach to health and safety at work and we aim to achieve a safer, healthier working environment with zero fatalities. This is clearly demonstrate by our Health and Safety Performance which clearly defines the role of everyone involved in achieving and continuously improving our strong culture of accident prevention in all our operations.

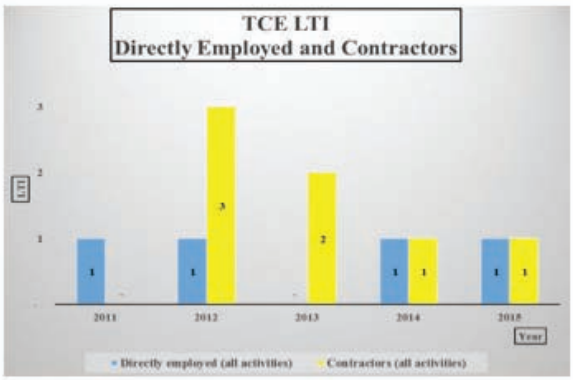
Having recognized health and safety as a material issue - not only in the workplace but also at home, at school and in the community - we are working on the development and implementation of targeted, selected initiatives that will create a wider culture of awareness and care. We have strict safety systems and processes in place across both Group and business unit levels, monitored by the Group's Health and Safety division. We continuously monitor, measure, develop and improve our health and safety performance and we run educational programs to train and educate our direct employees and contractors. In addition, our Annual Safety Awards recognize the Group's best performers and the most innovative initiatives.

Safety performance

Employees' safety performance

Following our 0.72 Lost Time Injury Frequency Rate (LTIFR) in 2014, the rate for direct employees decreased in 2015 to 0.61 Lost Time Injuries (LTIs) per million hours worked. Since 2005, TCE has undertaken specific actions to strengthen its safety performance.

These include: on-the-job training to weave safety into all daily tasks; and zero-base reviews of selected work processes' safety improvement programs to enhance the safety skills of employees and contractors. TCE offers a high-standard private medical coverage above what is required by law for our direct employees and their families.



Contractors' safety performance

The safety improvement process for contractors continued in 2015, with an improvement in the LTIFR of nearly 35% compared with 2014. TCE expects that all contractors will apply the required health and safety standards and provide all necessary training, personal protective equipment and tools to safeguard healthy and safe working conditions and medical care for their employees. All contractors are regularly evaluated for how well they meet their contractual obligations and TITAN provides special training for contractors to ensure that safety standards are met.

Our Employees	2011	2012	2013	2014	2015
Fatalities (1)	0	0	0	0	1
Fatality Rate (2)	0	0	0	0	13.46
LTIs (3)	1	1	0	1	1
LTI Frequency Rate (4)	0.69	0.68	0	0.72	0.61

Our Contractors	2011	2012	2013	2014	2015
Fatalities (1)	0	0	0	0	1
Fatality Rate (2)	0	0	0	0	5,95
LTIs (3)	0	3	2	1	1
LTI Frequency Rate (4)	0	0.83	0.60	0.29	0.19

Definitions as per the WBCSD/CSI

(1) Fatality: A death resulting from a work-related accident, with no time limit between the date of the accident and the date of death.

(2) Fatality Rate: Number of fatalities in a year per 10,000 people directly employed i.e. Fatality rate (Directly employed) = (Number of Fatalities in a year (Directly employed) x 10,000 / Number of Directly employed personnel).

(3) Lost Time Injury (LTI): a work-related injury causing the loss on one or more working days (or shifts), counting from the day after the injury, before the person returns to normal or restricted work. Injuries incurred while travelling to and from work, arising from criminal acts and due to natural causes are excluded.

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

Site audits and preventing incidents

Throughout 2015 there were numerous internal inspections carried out by TCE senior management, as well as internal audits have been also conducted / independent and third-party auditors. While the findings were used to improve safety behavior, processes, equipment and training.

Internal inspections by TCE senior management	29
Internal audits by group experts	30
Other audits by third / parties	2

Strenghting corporate safety culture of employees and contractors

Communicating health and safety

TITAN Group places great emphasis on continuously seeking and sharing health and safety-related information, especially descriptions of incidents that have occurred in the Group's business units or elsewhere. Lessons learnt are disseminated throughout the Group and introduced into training programs across all business units.

Within the context of further enhancing our corporate safety culture, TCE has developed an occupational health and safety manual that is inspired by international standards and practices but adapted to the local Egyptian context. To encourage employees to attend the mandatory safety inductions and monthly training, and to motivate them to adopt our safety standards, TCE has devised fictitious characters, Salama (Arabic word for safety) and Darbaka (Arabic word for chaos), who feature in entertaining visual materials including booklets and a video for employees and their families.

In 2015, we continued with the health and safety training cycle. Training sessions were addressed to employees and contractors and took place throughout the year, with an average of three hours of health and safety training per employee.

Promoting employee health and hygiene

TCE runs medical examinations and health care programs beyond the local legal requirements in collaboration with specialist medical organizations to monitor the health of our employees and contractors. Doctors and occupational physicians monitor individual employees' and contractors' health, ascertaining their fitness to work and offering advice or intervening as appropriate. Further improvements to our health protection program will be considered within the framework of our Sustainability 2020 strategy.

Contractor safety days

TCE cares about improving the safety performance both for employees and contractors. We understand the need for an increased emphasis on safety in the management of contracts of all types, at all scales and risk levels, both on- and off site. In 2015 we held two safety days at our two cement plants. We invited contractors on all types of contracts, including both daily workers and seasonal contractors who work with us during shutdown periods. During these safety days we launched a contractor safety management program that complies with TITAN Group standards and requirements. We carried out a gap analysis, set procedures and held a communication event with all contractors.

Celebrating World Occupational Health and Safety day

TCE promotes its safety culture and exchanges knowledge and ideas on occupational health and safety best practice. At a local level, TCE has been among the main sponsors and participants of the World Occupational Health and Safety day in Alexandria since 2010.

People Development

Our success is dependent on our employees and contractors. Our vision is to grow a workforce - including both employees and contractors - that is fully engaged in every way with our goals and aligned with our values. We acknowledge our responsibility to provide fair employment that respects people's rights, and to create opportunities for people, including young people and those from the communities in which we operate.

Direct employees' total cost includes salaries, social insurance, additional benefits beyond those provided by law, and training and development.

Training hours: 13,152

For more information about non - financial data go to page 16

Creating and safeguarding employment

Unemployment is a material issue for our stakeholders. This is particularly so for employees who feel they and their families could be exposed to risk due to uncertainties in the economy, and to wider local communities who rely on local employers to generate income. Regulators and society at large also see unemployment as an important issue.

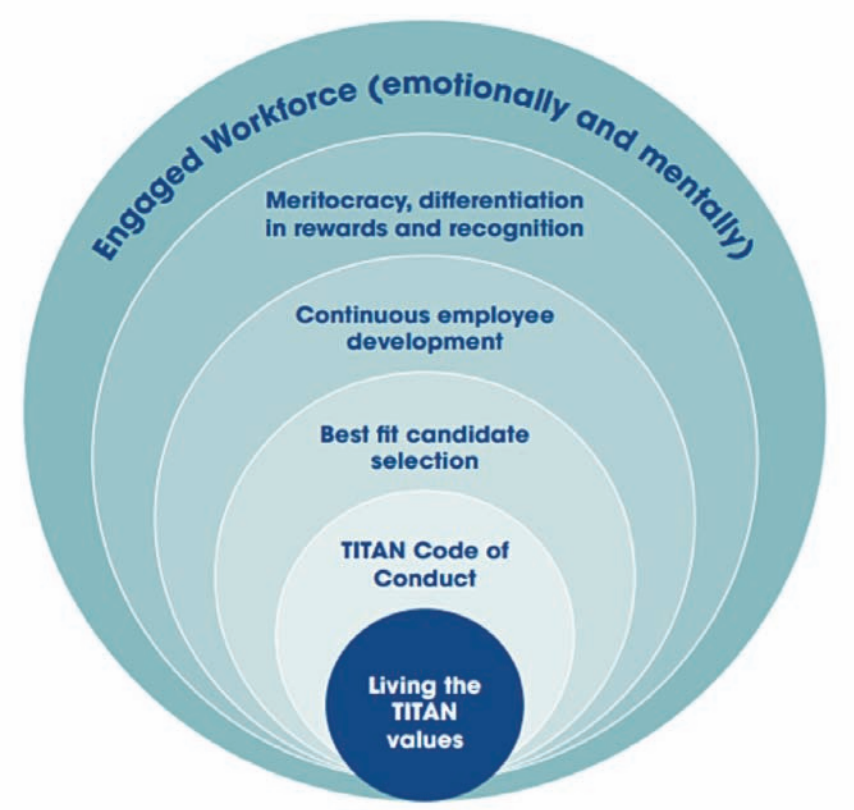
Creating opportunities for long-term and stable employment for competent and talented people, particularly those who live in our local communities, is not only good for our business on a day-to-day basis, but also contributes to our overall efforts for sustainable development.

Our policy is to be a preferred employer in our local markets. By providing education and vocational training, we aim to make employment opportunities available to people in our local communities and help them to join us as employees or as contractors.

Thus, we pay an equivalent rate for the same job, with no differentiation by gender. The only differentiation factor for pay is related to employees' personal performance. The ratio of basic salaries and remuneration remains in line with market norms.

In 2014, the volatility in performance due to the energy crisis in Egypt brought corresponding instability in our direct employees' total income. In line with TITAN's deep-rooted values around caring for our employees, we signed a three-year collective agreement with direct employees covering the period until 31 December 2017. This agreement is based on a new remuneration system that guarantees paying part of the profit sharing on a monthly basis in advance.

In addition, TCE supports the family environment and upholds the rights of female employees to exercise parental leave. In 2015, two female employees entitled to take parental leave did so, returning to work afterwards. TCE has a 100% employees return to work rate. Although the Group operates globally, 99.73% of employees at our operations in Egypt, including management teams, are Egyptian nationals.



Our approach to people management

We believe that an effective and engaged workforce should live our values and have a strong understanding of our Code of Conduct. Following the update of our Code of Conduct, a People Management Framework was launched to provide all TITAN operations with clear and consistent guidance on how to address people-related issues. The framework serves as the pathway towards the accomplishment of our vision. It applies both to direct employees and to our business associates, and serves as a model for all people-related policies developed at local level.

The framework includes guidance on building and retaining an engaged workforce, building trust by living our values and respecting human rights.

We apply equal opportunity principles in all our employment selection decisions, while also taking account of local employment needs. We respect human rights, promoting them within our sphere of influence and ensuring a safe and healthy working environment for all.

The Group's latest worldwide employee opinion survey was completed in 2015, with an 82% participation rate among TCE employees. The survey revealed that over 70% of our employees feel that TCE has a strong safety culture and engages well with its employees. The survey also highlighted opportunities for improvement, such as improving communication across all organizational levels, and management development. We have put in place action plans at country level to address these opportunities.

TITAN Group employee standards

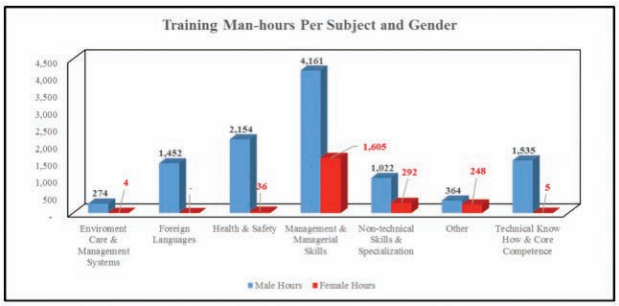
Employee Standard	TITAN-Related Action
Non-discrimination	Prohibit discrimination in all employment related practices
Working hours	Respect the right to leisure and avoid excessive overtime
Wages and benefits	Guarantee a wage that – as a minimum – meets national legal standards and provides additional benefits that respond to local needs
Discipline	Apply appropriate disciplinary measures
Fair treatment	Prohibit bullying and harassment
Prohibition of child and forced labor	Prohibit the use of all forms of forced and child labor, complying with International Labor Organization standards
Freedom of association	Respect our employees' freedom of association and related rights, within the framework of local laws

Performance evaluation and people development process

All TCE employees undertake an annual performance review. This ensures a fair and transparent evaluation process for all staff. In addition, we follow a well-established People Development Review system to improve performance management.

Training and development

We seek to promote life-long learning among our people and enhance their professional skills and competencies to meet local and global challenges. In 2015, we provided 13,152 training hours for 769 direct employees, with a total investment per employee of EGP 3,440, demonstrating our continuing commitment to the development of our employees. The ratio of training man-hours was 17 man-hours per employee.



The 'Mindset' Program

One of the major programs delivered to head office employees during 2015 was the 'Mindset' program. This was designed to build on transversal skills such as proactive behavior and a collaborative working culture.

The program included five different modules in a period of over five months, and almost 3,000 training man-hours.

Fostering human rights and equal opportunities

We fully acknowledge the importance of protecting human rights in our sphere of influence. We follow the UN Global Compact principles and the Universal Declaration of Human Rights as a reference in our assessment of potential risks and we continuously work on improving our policies and practices. TITAN's Code of Conduct and People Management Framework ensure we fully comply with applicable legislation, particularly relating to diversity, equality and non-discrimination. We pay particular attention to the following principles:

- Forced, compulsory and child labor are prohibited
- Harassment is not tolerated
- Employees' health and safety is a top priority
- The right of freedom of association is respected
- Employees are equipped to address current and future challenges.

In fostering a culture that respects human rights, TCE has developed a set of policies on equal opportunities and recruitment that are based on the 1948 United Nations Declarations of Human Rights and the International Labor Organization's Declaration on Fundamental Rights at Work.

To this end, recruitment, compensation and career development are all carried out regardless of gender, ethnic origin, ethnicity, race, religion or sexual orientation. Similarly, harassment and abuse are not tolerated within TITAN Group. Local management is responsible for ensuring that these human rights principles are implemented locally.

We aim to promote respect for human rights within areas of our influence, including respect for the freedom of association. We value diversity, with equal opportunities for all, the elimination of any kind of discrimination, and consideration of human rights issues in investment decisions. 3.8% of all employees are female, while the percentage of women in managerial positions is 5.7%.

Ensuring labor rights and freedom of association

Respect for labor rights is a material issue for all employees, regulators and communities. Acknowledging the importance of our commitment to safeguarding these rights, TCE actively promotes the freedom of association of employees, in compliance with local legal requirements. Unions, when established by employees, participate in bilateral meetings with the management on a yearly basis. approximately 88% of our employees belong to unions. Union representatives in TCE have the right to meet with line management to discuss their concerns and suggest improvements, and to negotiate agreements on different issues covering employees' expectations, such as salaries, additional benefits, and proposals to improve health and safety conditions.

Employee benefits, compensation and welfare programs

Employees and their families are a key stakeholders and direct beneficiaries of the value we create through our operations.

We seek to employ the best and most talented employees in our market. For this reason, we provide fair and competitive wages based on employees' competences and expertise. We also provide additional benefits packages fostering the principle of 'reward and recognition' in our continuous effort to retain exceptional and motivated employees.

Accordingly, our employees' benefit and social welfare program follows, as a minimum, Egyptian labor law. TCE also contributes to the well-being of employees and their families with additional benefits above local legal requirements. These are paid either in cash or in kind, and include life insurance, family medical insurance, further financial support for medical cases that exceed or are not covered by the medical insurance, a pilgrimage lottery, jubilee and retirement awards, financial aid to our employees in the case of emergency, a savings plan, subsidized summer resorts, amusement park tickets, football and sports tournaments, transportation, housing, meal allowances, parking and playground renting.

We also provide our employees with professional development opportunities to help them improve their competencies and reach their potential.

Communicating with employees

Our values are based on transparency and open dialogue. We believe that it is very important to communicate regularly with our employees to inform them about TCE and the Group's performance. Employee opinion surveys and organized events provide opportunities for all employees to communicate openly with management, exchanging views and opinions and contributing to a process of continuous improvement.

We especially recognize employees who reach 25 and 35 years of service, celebrating their anniversaries with special awards and events.

Business partners

We recognize that we cannot achieve our objectives alone. We believe in a collaborative approach that means building strong and enduring relationships with our suppliers, customers and shareholders. By working together, we can all achieve more.

Engaging with our suppliers and cutomers

We aim to serve the needs of our customers by providing high-quality products and services. To achieve this, we seek to build long-term, trustworthy relationships with our suppliers and contractors.

Contractors make a significant contribution to our performance, and support us in meeting our customers' expectations. Our supply chain is composed of a number of business partners who provide us with materials, products and services. The total spend to suppliers in 2015 was EGP 2,195 million. Wherever possible, we aim to use local suppliers, as this benefits local economy and provides jobs to local communities. We estimate that our spend with local suppliers in 2015 contributed to approximately 1,000 jobs. We follow a policy that requires on time payments, regulatory requirements and contractual terms.

Our suppliers' sustainability performance is among the requirements of TITAN Group's Code for Procurement. The Code guides the selection, management and evaluation of suppliers. Key selection criteria include quality, reliability, flexibility and location of business. The focus of our supply chain management is on maintaining cost effective and sustainable relationships with all suppliers, whether global, national or local. We are also committed to improving safety standards among our suppliers.

Satisfying customers' needs

TCE is certified according to ISO 9001. Our commercial team meets regularly with customers to transfer know-how and expertise regarding product use. This covers a variety of issues for our suppliers, fair and transparent relationship grounded on local conditions from health and safety best practices to advantages of using different products.

Significant Contractors and Screening 2015	
Total number of significant contractors	% of local contractors
83	79.52%

Engaging with local communities

We aim to make a positive contribution to sustainable community development, supporting and participating in the wider communities in which we operate. From environmental protection and developing employment opportunities, to providing educational, cultural and sporting activities, TCE aims to be at all times a good neighbor.

Focusing on local development

Our operations are local and our relationship with neighboring communities around our operations is fundamental for meeting our strategic objectives. We work with local stakeholders such as public authorities, civic society groups, academia and business partners to ensure we understand local needs and stakeholders' expectations, and we incorporate feedback received into our plans and activities.

We contribute both financial and non-financial resources toward local development. While priorities vary from one community to another, they usually fall into one of our strategic social investment themes: support for health, safety and the environment, and employment and education. In 2015 we contributed by EGP 8.7 million to communities in cash and in kind. Our direct employment from the local communities is 93.89%, with 691 male employees and 31 females.

We are focused on continuous improvement across all our activities. For this reason, we have acknowledged that our community policy should further evolve from corporate philanthropy and social solidarity efforts into integrated and inclusive long-term social engagement. Accordingly, we have conducted community impact assessments in collaboration with relevant local stakeholders to determine needs and priorities in our neighborhoods in Alexandria and Beni Suef. The outcomes are informing our efforts to ensure that our sustainability objectives and targets meet local priorities.

In 2015, we focused on implementing an action plan for our neighboring communities in Alexandria based on a specialized study. We are planning to continue this effort in Beni Suef.

TCE supports the UN's Sustainable Development Goals 2030 and aims to be an enabler of long-term sustainability and growth for our communities. Our goals and aims are aligned with the SDGs 2030, which guide our operations and activities at all levels.

Aligning with UN Sustainable Development Goals

The UN's SDGs 2030 cover the three dimensions of sustainable development: social, economic and environmental.

The SDGs 2030 are grounded on five principles:

- Leave no one behind
- Put sustainable development at the core
- Transform economies for jobs and inclusive growth
- Build peace and effective, open and accountable institutions for all
- Forge new global partnerships

A sustainability vision for Egypt 2030

By 2030, Egypt will possess a competitive, balanced and diversified economy, dependent on innovation and knowledge, based on justice, social integrity and participation, characterized by a balanced and diversified ecological collaboration system, and investing the ingenuity of place and humans to achieve sustainable development and to improve Egyptians' quality of life. TCE is already committed to these ideals, which are reflected in our corporate activities and objectives. Consequently, we believe we have a key role to play in furthering this vision of the Egypt of the future.

Aligning priorities with UN SDGs 2030

TCE's objectives are fully aligned with the UN SDG 2030 goals, ensuring our support for them furthers our own achievement of our aims.

We are particularly supporting the following UN SDG 2030, based on our community study findings, materiality assessments and national priorities.

Given the adoption of the UN SDGs 2030 and vision for Egypt, in 2015, TCE focused to better understand how material issues and business priorities relate with specific SDGs so as to align future action plans with national plans for the SDGs 2030.

From our current assessments and stakeholder feedback, we consider as more relevant and important the following:

Three - years partnership in Alexandria serving 50,000 residents

Although the Alexandria cement plant is located in an industrial area, it is adjacent to a large and crowded residential area with a population of around 50,000 citizens. In 2014, we implemented a social impact assessment study in collaboration with a local specialized NGO and local stakeholders so as to optimize our community engagement plans.

The study was completed in early 2015 and resulted in proposals to create added economic and social value for residents of Wadi El-Kamar, the district in which our plant is located. These covered youth education and women employment, as well as collaboration with NGOs and both public and private businesses to improve living conditions in the area. Accordingly, based on the findings of the study and our materiality assessment, we identified four main priorities, which are outlined below.

These will be addressed through various activities as part of a three-year partnership with a local NGO. In the meantime, we continue to engage with NGOs, local authorities and other stakeholders in order to find better solutions for people in the area.
Outcomes of the study highlighted four main priorities that will drive our community plants over three years:

Priority 1
Raising capabilities of local organisations

We work with the Directorate of Social Solidarity to improve the capabilities and resources of various local associations, serving the community needs. In this framework, two new local non-profit making organizations were established with the aim to assist waste collection and management. The organization employed 35 local residents who received specialized training.

Priority 2
Improving local conditions

We partnered with the Egyptian Environmental Affairs Agency (EEAA) as well as a local NGO to improve local conditions in Wadi El-Kamar. In particular, we supported training sesions for local cleaners who care for cleaning the roads, the houses and the public schools. In addition, we provided a water pump to support street cleaning, and water trees while we also supported tree planting.

Raising Capabilities & Resources of Local Associations	Environmetal Care & Protection
Women & Youth Employment	Culture & Entertainment

Priority 3
Supporting employment for women and young people

TCE is committed to supporting opportunities for employment of local residents. Working with local NGOs we supported the implementation of two training sessions focused on 102 female local residents in Wadi El-Kamar. The women were looking to develop their own businesses, and by the end of the training had identified the types of projects they wanted to set up. TCE then provided financial support and materials for the women to launch their businesses. Some of the women are now trading in baking, sweet products, children's clothes, vegetables and electrical supplies. Other women were provided with sewing machines, and a number of them participated in a products distribution project.

Every year, we offer summer internship opportunities in technical and non-technical functions to young people from local communities. The internships include organized programs in partnership with Alexandria and Beni Suef Universities, and help develop essential employability skills and competencies. In 2015, 220 summer interns took part.

We also welcomed 50 students from the Faculty of Engineering at Alexandria University to our Borg El Arab Ready-Mix site, enabling them to see the site in operation and gain valuable experience.

Each year TCE supports children of poorer families by meeting the cost of their annual school fees.

TCE in 2015 particpated in two major job fairs in 2015 - Job Fair -15, at Alexandria University, and the Annual American Chamber of Commerce Job Fair at Cairo.

TCE in 2015 offered eleven laptops to the Audiovisual Hall in the Faculty of Arts at Beni Suef University, for the use of students.

Priority 4
Culture and entertainment

TCE has worked with the Ministry of Endowment to provide a range of cultural and entertainment events for Wadi El-Kamar residents. For the second successive year we supported the Ramadan Quran Memorization Contest, organized by local residents. The contest, in the Cement Mosque, attracted 24 participants along with their families.

We also fully sponsored the Ramadan Football Tournament organized by local residents at the El-Maax Police Club. We provided a set of sportswear for each player, staged a celebration event attended by 100 people and provided awards for the top three teams and the referees. The tournament had six teams with 48 players in total.

Fighting hunger at Beni Suef

As in previous years, TCE worked with NGOs to combat hunger by distributing dry food bags to poor residents, both in our own locality and the western area.

In partnership with the Ministry of Youth and Sports, we also sponsored the Ramadan Quran Memorization Contest for 500 participants.

Studying health in Beni Suef

In coordination with a local NGO, TCE sponsored a health study for the whole Beni Suef Governorate, with a particular focus on the east area (where our plant is located). The study covered both community and health experts' recommendations.

Joining youthinkgreen Egypt

In 2015 we became a Golden Sponsor for the second Youth National Sustainability Summer Camp, organized by youthinkgreen Egypt and held at the Technical University of Berlin (TUB) campus at El Gouna.

To promote the camp at both Alexandria and Beni Suef Universities, we assisted youthinkgreen Egypt volunteers to spend a day at each university to engage with and inspire the students to participate. At the camp itself, we held a session called 'Together We Make a Change', about the cement industry and environmental sustainability within TCE. On the last day of the camp, we hosted a cycling event.

Celebrating Earth Day

To coincide with youthinkgreen Egypt's visit to Alexandria University, TCE sponsored the Earth Day celebrations, which saw youthinkgreen stage a series of Green activities to inspire students.

Celebrating World Environment Day

In 2015 we celebrated World Environment Day by hosting, in collaboration with the Egyptian Environmental Affairs Agency, a number of events at Marina, on the Mediterranean coast.

Supporting Alexandria University

To support the work of Alexandria University and its students, we sponsored the renovation and refurbishment of the main discussion hall of the University's Institute of Graduate Studies and Research.

Scholarship programs

In 2011, TCE launched the Stamatis Douzinas Annual Scholarship Program in honor of the memory of our late chairman. This scholarship supports the academic and personal career paths of young graduate engineers, with the aim of developing and raising educational levels in Egyptian society. Since the program's launch, we have supported two graduates every year - one from Beni Suef and one from Alexandria to pursue their postgraduate studies.

In 2015, we partnered with the Technical University of Berlin and the Sawiris Foundation for Social Development to provide an annual scholarship aligned our program's objectives and supporting social development initiatives. We held launch events at both Alexandria and Beni Suef Universities. The first scholarships were awarded to Ahlam Abou-Elftough and Fouad Ahmed Lail, who will pursue Master's degrees in Energy Engineering and Urban Development.

Annexes

In this chapter, we present the awards and recognition we received in 2015, together with useful information, contact details and external websites where further information on TCE, our partners and activities can be found.

Awards and recognition

Federation of Egyptian industries award 2015

In recognition of our strong commitment to sustainable development, in 2015 we received an award from the Federation of Egyptian Industries (FEI) as one of the top ten Egyptian companies for sustainable development initiatives. This was the second consecutive year in which we had received this accolade. The FEIís Environmental Compliance Office organized the awards for Pioneer Businesses to Achieve Sustainable Development, for which some 190 firms applied. The award was received for our successful project to provide lighting for 2.5km of roads at our Beni Suef plant using renewable (solar) energy, which achieved a power saving of 108,000 kWh a year.

Minister of the Environment presenting the award to TCE

The FEI's Environmental Compliance Office certificate and shield

TCE received numerous other awards and certificates in 2015 in recognition of our participation in: Other awards received in 2015 recognized our active and successful participation in:

- The Municipal Solid Waste Awareness Campaign
- 'Safety for All Day' at Alexandria University, with awards from the Ministry of Labor
- Job Fair '15
- Our sponsorship of the refurbishment of the main discussion hall at the Institute of Graduate Studies and Research, Alexandria University
- World Environment Day at Marina
- A donation to the Alexandria Northern Military project at Gheit El-Enab

Our memberships and partnerships

The Egyptian Financial Supervisory Authority (EFSA)	www.efsa.gov.eg/
The Egyptian Exchange (EGX)	www.egx.com.eg/
Real Estate Publicity District and Documentation	
General Authority For Investment and Free Zones (GAFI)	www.gafi.gov.eg/
Egyptian Bar Association	www.baegypt.org/
Central Agency for Public Mobilization and Statistics (CAPMAS)	www.capmas.gov.eg
Beni Suef Governorate	www.benisuef.gov.eg
Al-Waqa'i'a Al-Masriya	www.alamiria.com/a/index.html
Cement Association - Egyptian Chamber of Building Materials Industries -	www.fei.org.eg/
Federation of Egyptian Industries	www.fei.org.eg/index.php/en/committees
Tabbin Institute for Metallurgy Studies	www.tims.gov.eg
National Research Institute of Astronomy and Geophysics	www.nriag.sci.eg
Faculty of Science Analysis Unit	www.bsu.edu.eg
United Nations Global Compact Network Egypt (UNGC)	www.gcnetworkegypt.org/
Sustainability Center For Development (SCD)	
Protocol of Cooperation between Alexandria Portland Cement	
Company and Arab Contractors	
Company "The Safe Disposal of Bypass Dust By Using for Paving"	
Technische University Berlin (TUB-Campus El Gouna)	www.campus-elgouna.tu-berlin.de/
Sawiris Foundation for Social Development	http://sawirisfoundation.org/
Youthink Green Egypt	http://youthinkgreen-egypt.org/
Cairo University	www.cu.edu.eg/Home
Egyptian Businessmen's Association (EBA)	www.eba.org.eg
Egyptian Junior Business Association (EJBA)	www.ejb.org.eg
Egyptian-Greek Business Council	
Egyptian Environment Affairs Agency	www.eeaa.gov.eg

Useful links

TITAN Group	www.titan-cement.com
Alexandria Portland Cement Company	www.apcc-eg.com
Beni Suef Cement Company	www.mbccegypt.com
Egypt's vision 2030	Sustainable Development Strategy: Egypt's vision 2030
Code of Conduct	www.titan-cement.com/codeofconduct/en
Code of Conduct for Procurement	www.titancement.com/UserFiles/File/omilos/Code_Conduct_Procurement_01082008.pdf
CSR Policy	www.titancement.com/UserFiles/File/csr/titan_Group_CSR_policy.pdf
People Management Framework	www.titancement.com/UserFiles/File/our_people/161055_TITAN-People-Management-Framework-en.pdf

Contact Details

Cairo Head Office:
Florida Towers, 7th Floor, ElSheikh Ali Gad El-Haq Street, Masaken Sheraton, Heliopolis, Cairo.
Phone Numbers: +202 26 96 7000

TITAN Cement Egypt
Florida Tower
El Sheikh Ali Gad El Haq ST.
7th Floor, Heliopolis, Cairo, Egypt
Tel: +2 02 2696 7000

Cover photo : Yannis Kontos