

Building Our Future Together

Corporate Social Responsibility
and Sustainability Report

2017



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WELCOME TO TITAN CEMENT EGYPT 2017 CORPORATE SOCIAL RESPONSIBILITY AND SUSTAINABILITY REPORT

While strengthening the business is a priority, collaboration with stakeholders at all levels is a key component of our approach to sustainability. We work to ensure that our operations grow responsibly, learn from stakeholders and deepen partnerships at all levels. To this end, we are committed to supporting the UN 2030 Agenda for Sustainable Development, engaging in global and local partnerships toward the achievement of its Sustainable Development Goals (SDGs). Continuous improvement remains a key driver for everyone at TITAN.

This is the summary of our fourth Corporate Social Responsibility and Sustainability Report to review our commitment, and efforts toward contributing to a sustainable future for all. This report outlines our action plan based on, our related to, key non-financial performance indicators and it covers all relevant environmental, and social issues transparently, seeking feedback from stakeholders to initiate future progress.

TITAN Egypt (TE) through its legal entities Alexandria Portland Cement Company, Beni Suef Cement Company and Titan Beton and Aggregates Egypt, aims to be the preferred choice for each of its key stake-

holders. 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 toward local development through a range of programs and activities, aiming to create shared value for all stakeholders considering 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 level and local level. Moreover, we have engaged with recognized global institutions, local networks and associations, as is the case with the International Finance Corporation, the Cement Association, 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 (CSR).

2017 highlights

 **Turnover**
EGP 2,853 m

 **EBITDA**
EGP 85 m

 **Total Assets**
EGP 4,032 m

 **Capital expenditure**
EGP 215 m

 **Employees (year-end)**
508



CEO MESSAGE

Corporate sustainability and social responsibility are fundamental for our performance and business growth. For TITAN Cement Egypt as for TITAN Group member companies, this is an enduring commitment that builds on our capacity and capabilities and aims to create and share value with our stakeholders.

Welcome to our 4th Annual Corporate Social Responsibility and Sustainability Report, which discloses information on our performance on social, environmental and governance issues that are material for our business and stakeholders. The Report materiality is aligned with the UN Sustainable Development Goals 2030, and is – for the first time this year – asserted in all material respects in accordance with the UNGC Ten Principles, and the Global Sectoral approach on best practices and criteria for reporting (developed by the WBCSD/CSI), by an independent Business Assurance Company.

2017 was another year to prove that we need to rebuild trust between business and stakeholders and safeguard the long-term interests of both enabling collaboration and value sharing. Meeting our commitment to sustainability is a driver of change and progress in all fronts that this Report covers as most material.

Stable performance at Group level enabled TITAN Cement Egypt to face the continuing challenges in the market and our sector. Construction activity slowed down, while costs, particularly those dependent on imports, rose significantly ahead of pricing.

Despite market conditions we have remained focused in the implementation of our long term improvement plan which provides new investments in energy and waste management, new and advanced management systems for NOx emissions, persistence on operating under conditions for the reduction of dust emissions, and improving our capabilities to operate with more advanced measures and Best Available Techniques which we have incorporated at both Beni Suef plant and Alexandria Plant. It is important to note that there was

an overall reduction of approximately 6,000 tons in dust emissions and at least 7.5 million tons of CO2 since 2010, accounting for the major improvements in our operating assets, technical equipment and expertise of our people. To be able to understand the magnitude of improvement, the dust 'abatement' is equivalent to approximately 4 years of dust emissions by operating under the pre-investment period of 2009. We have also saved 1.5 million m3 of water, or the equivalent to one (1) year of water consumption, and this was made possible by instilling good principles, increasing our vigilance, and applying advanced water management systems and techniques. Further, we continue to develop and implement biodiversity management plans in our quarry land areas.

Moreover, we have set new targets for our CO2 emissions, dust emissions and other air emissions, as well as for safety at work and sustainability of communities. We all strengthen our efforts in governance issues such as the dissemination and implementation of Group policies in respect to human rights, anti – corruption and conflict of interest. The Group Guide for Quality Internships underlined the importance of corporate initiatives addressing quality education and skills for employment through partnerships with education and academia.

We are proud that two of our recent efforts have been completed successfully in 2017, the first is the new public school of Wadi El Kamar the neighborhood of our Alexandria cement plant that hosts today more than 40,000 people although is considered an industrial operations zone.

The new Vocational Education Technical of Alexandria Business Association is operating since 2016. In 2017, a total of 111 were

trained for technical skills and in specific for welding of machinery.

We have also acknowledged health and safety of our employees, our business partners and communities living close to our operations as one of our top priorities and since 2015 we are working to address possible solutions to safeguard both sustainable operations for business and sustainable living for people. In this respect our on-going efforts in Alexandria are presented in this report as a case study to help us demonstrate how we implement our commitments and how we build on our future together with our employees, business partners and local stakeholders.

Through TITAN Leadership Platform TITAN is clearly advancing leadership and management standards in all countries, setting ethos and collaboration as fundamentals for all people. We continued to build the capabilities of our people but we also supported the implementation of a plan to refuel our talent pool with new and more advanced skills that are necessary to perform more efficiently and effectively.

We would like to thank our employees and our business partners for their trust and support in a challenging long-term endeavor to a more sustainable and responsible future.

Khaled Badawy
Chief Executive Officer



Strategic Review



About TITAN group

TITAN is an international cement and building materials producer, with a history of more than 110 years. The Group is headquartered in Athens, Greece and has operations in 14 countries, which are managed under four geographic regions: USA; Greece and Western Europe; Southeastern Europe; and Eastern Mediterranean. The Group also has joint ventures in Turkey and Brazil.

About TITAN Egypt

“ Sustainable development is fundamental to the cement industry. Cement is a key material for any country's economic and social development, but the cement industry has an ecological footprint which it needs to be managed over the long term. Indeed, it is precisely because of this footprint that the cement industry has been working hard for a number of years to put into place mechanisms to mitigate its environmental impact. ”

World Business Council for Sustainable Development/Cement Sustainability Initiative (WBCSD/CSI)

TITAN Egypt (TE) produces cement and concrete to provide our society with essential building materials that are durable, long-lasting and match the needs of modern society. TE 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 one aggregate plant, in Suez Governorate. TE also has a cement import terminal in Hurghada Governorate.

Alexandria Portland Cement Company is a member of the Egyptian Stock Exchange (EGX), 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.

About TITAN BETON and Aggregates Egypt (TBAE)

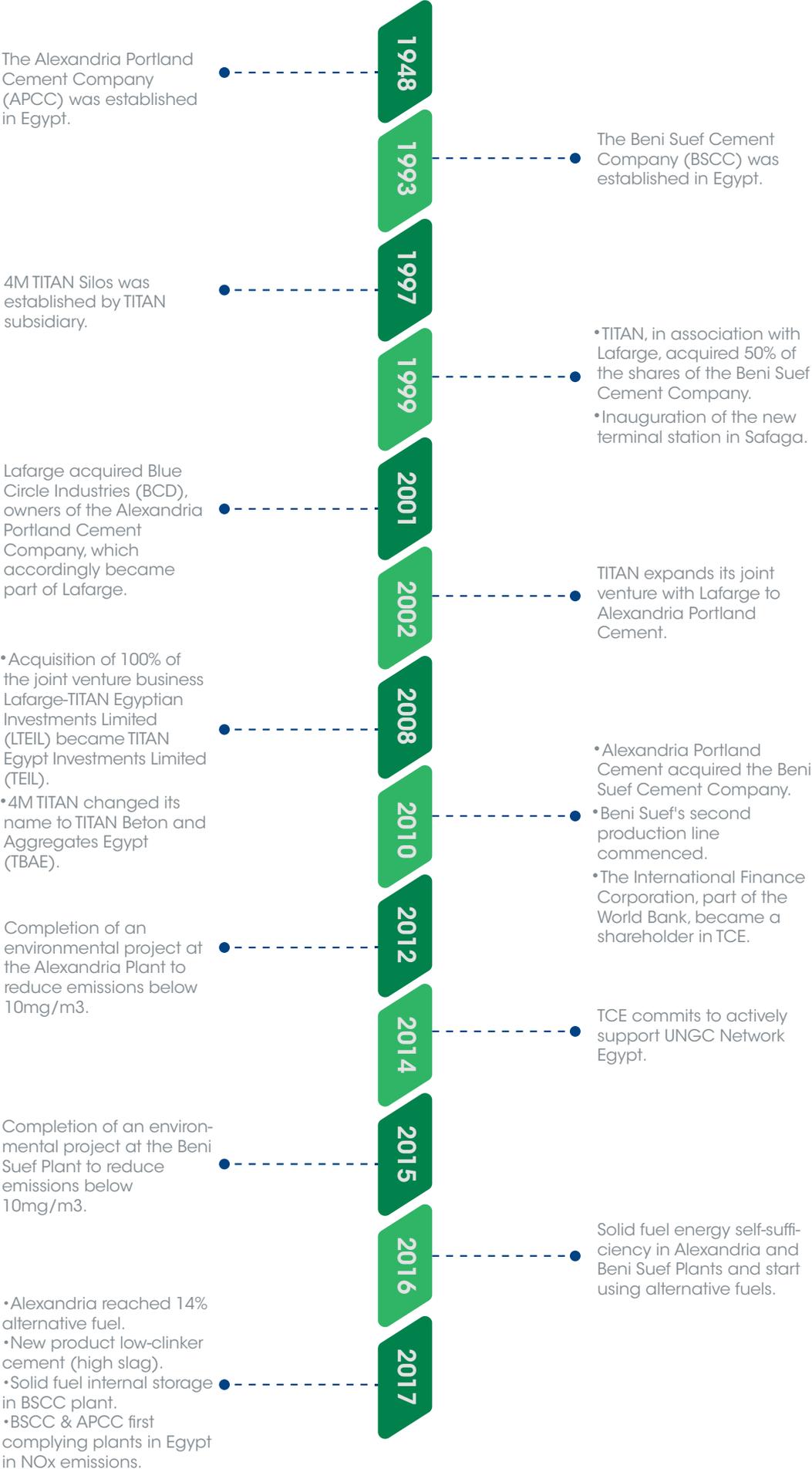
TBAE is a subsidiary of TE and specializes in the production, distribution and the sales of ready-mix concrete in the area of 6th of October City in Giza Governorate. TBAE has an aggregates quarry in Attaqa in Suez Governorate that produces and sells aggregates for inter-company use as raw materials input to our ready-mix batch plants.

During 2017, TBAE has boosted the brand equity and targeted high-end developers that enriched/diversified the customer portfolio at great deal, and remarkably heightened the margins.

Our operations



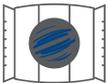
Our History



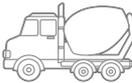
Our products and services

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.



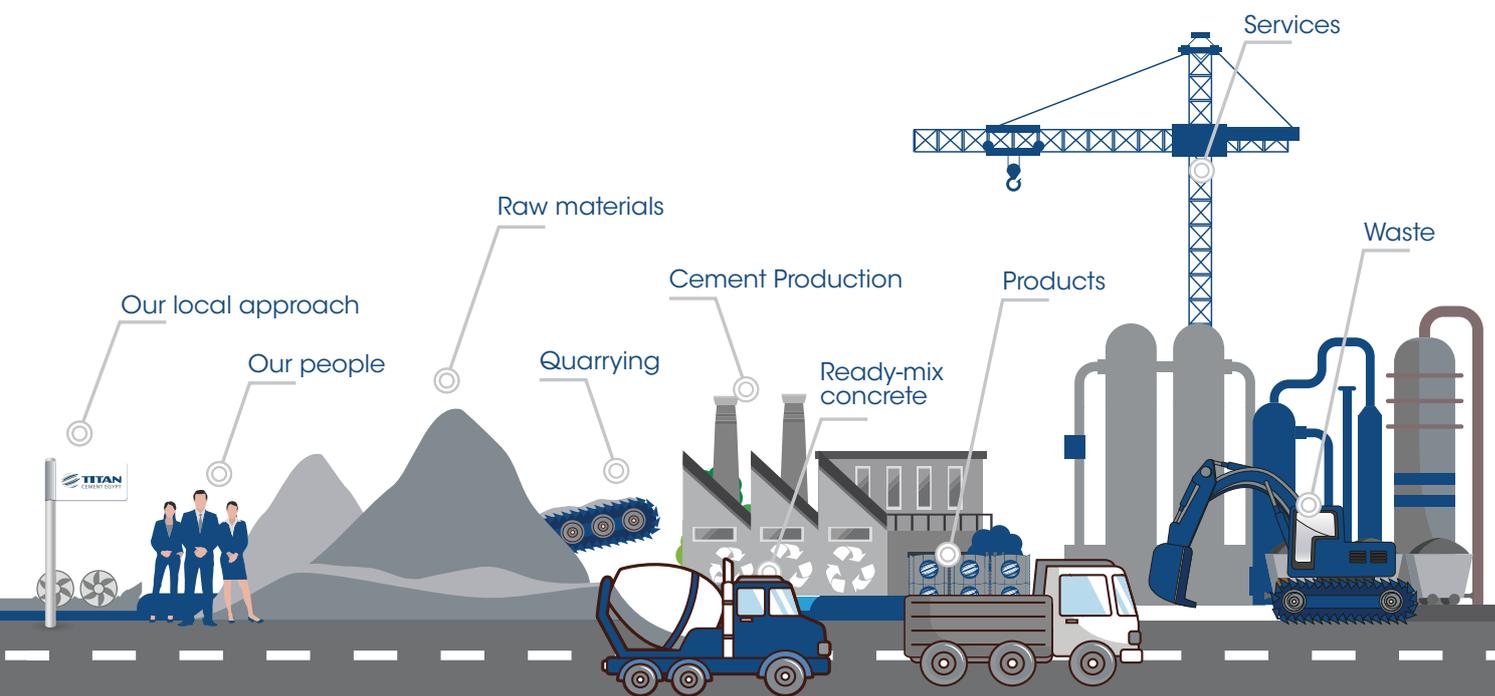
Aggregates:
Coarse materials such as sand, gravel, crushed stone and recycled concrete are used as a raw material in cement and as a strengthening agent in asphalt and concrete. They can also be used in foundations for roads and railways.



Alternative fuel and waste management services:
Provide systems for recycling, production and use of alternative fuels through the newly established joint venture, Green Alternative Energy Assets (GAEA).

Other service and collaboration

Transportation and distribution of products, the transfer of know-how and expertise through collaborations with customers and business partners, local communities and academia, and research and development of new products.



One governing objective, one set of strong values

Our vision

Titan Egypt to become the most competitive player in the industry, capitalizing on our people, respecting the society and environment.

Our governing objective

We aim to grow as a multiregional, vertically integrated cement producer, combining an entrepreneurial spirit and operational excellence with respect for people, society and the environment. This objective is translated into four strategic priorities

<p>Geographical diversification</p> <p>We expand our business through acquisitions and greenfield developments into attractive new markets, to diversify our earnings base and mitigate the reliance on few markets.</p>	<p>Continuous competitive improvement</p> <p>We implement new efficiencies throughout our business to reduce costs and compete more effectively.</p>
<p>Vertical integration</p> <p>We extend our business into other product areas in the cement value chain, serving our customers better and accessing new profit opportunities.</p>	<p>Focus on human capital and corporate social responsibility</p> <p>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.</p>

Underpinning these priorities is our approach to sharing best practice and leveraging expertise. Applying this approach across the Group helps the development of our capabilities and the efficient delivery of our governing objective

Our values

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

<p>Integrity</p> <ul style="list-style-type: none"> - Ethical business practices - Transparency - Open communication 	<p>Know-how</p> <ul style="list-style-type: none"> - Enhancement of our knowledge base - Proficiency in every function - Excellence in core competencies 	<p>Value to the customer</p> <ul style="list-style-type: none"> - Anticipation of customer needs - Innovative solutions - High quality of products and services 
<p>Delivering results</p> <ul style="list-style-type: none"> - Shareholder value - Clear objectives - High standards 	<p>Continuous improvement</p> <ul style="list-style-type: none"> - Learning organization - Willingness to change - Rise to challenges 	<p>Corporate Social Responsibility</p> <ul style="list-style-type: none"> - Safety first - Sustainable development - Stakeholder engagement 

Our values are ingrained in the Group’s ethos – the Greek word for “character” or “spirit” – that guides the way we conduct our business with respect, accountability and responsibility.

Our governance structure

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

TE has a governance system in place that fully complies with TITAN Group's strategic 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 level in order to ensure good corporate governance.

Our Code of Conduct

TITAN Group's Code of Conduct defines the framework of agreed-upon principles and commitments to all of the Company's stakeholders, including employees, their families, customers, suppliers and society in general.

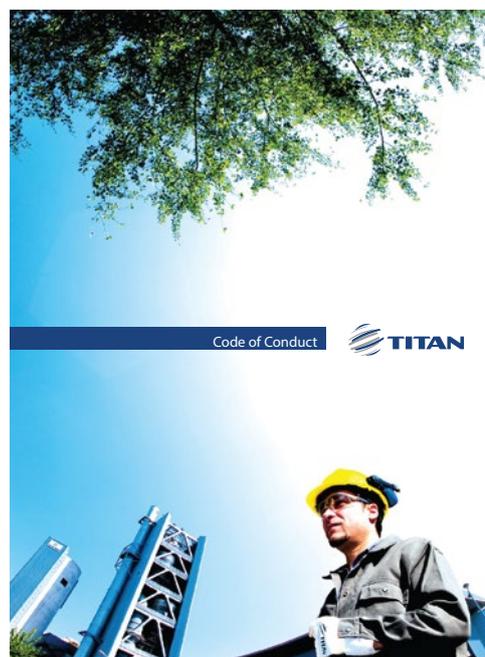
These principles include promoting human rights, eliminating forced labor and discrimination, and advancing environmental sustainability and stakeholder engagement. All local policies are expected to comply with the Code.

Our 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.

TE Policies

TE has a comprehensive set of local policies that are based on Group standards (beyond local legislation and market norms).



Certified management systems

TITAN Egypt has adhered to ISO international standards since 2004. Both of Alexandria Portland Cement Company and Beni Suf Cement Company have integrated certificates ISO 9001, ISO 14001 and OHSAS 18001 by TUV SUD Management Service GmbH.

APCC certificates are valid until 2018-09-14 with the exception of OHSAS which is valid until 2020-10-05 while BSCC certificates are valid until 2018/08/04. In 2017, TE continued the efforts to upgrade, enhance, 'instill' and 'institutionalize' the ISO-certified management systems in both plants of Beni Suf and Alexandria.



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 following a thorough review of performance regarding the UN Global Compact principles. Among else we review the Transparency International Index and relevant reports annually to inform our risk assessment process.

TE'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 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, CSR 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 CSR at the heart of our operations.

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. We have worked together with stakeholders at global, regional and local level since 2002 to ensure collaboration for sustainable development.

Through partnerships and collaborative action, we aim to multiply the value we create, sharing our know-how, experience and best practices, while working together with stakeholders to address the impacts and opportunities facing our business.

The following are our most important global collaborations:



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 ten universal principles on human rights, labor, the environment and anti-corruption, and take actions that advance societal goals.

TE 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 ten principles.

As a natural progression of the Global Compact network in Egypt is to move towards its next goal which is to establish itself as an independent entity according to the UN Global Compact mandate that encourage this business led initiative to all local networks all over the world to turn into independent entities to work on achieving and mainstreaming the main objective of the Global Compact where just few local networks globally have stepped forward and could achieve their independency form. TE is one of the founding organizations of the new independent entity.

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.



wbcasd

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 and health at work;
- CO2 emissions;
- Dust and other air emissions;
- Water stewardship;
- Quarry rehabilitation and protection of local biodiversity;
- Responsible procurement and supply chain;
- Stakeholders engagement and environmental and social impact assessment.



Supporting the European Pact for Youth

Fully aligned with TITAN Group priorities, we have undertaken a detailed mapping of our activities focused on Youth, and aiming at improving professional skills and capability for employment.

In Egypt, we are currently working, among else, on the implementation of four distinctive initiatives:

- Since 2015, 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.
- Similar to every year, summer traineeship opportunities in our plants and head office for university undergraduates to gain work experience.
- Since 2016, in the general area of interest: 'Care for education and employability', and with target group: youth and technicians in the Alexandria Governorate in general and in the neighborhood in particular, TE proceeded with the project of 'Gheit ElEnab Vocational Training and Employability Center (VTEC) of Alexandria Businessmen

Association (ABA)', VTEC's mission is to provide the market with professional technicians; by providing vocational training programs designed according to international standards.

In 2017, TE in coordination with a leading Human Resources Organization, is offering a learning and development 23-day program for three selected sustains from Beni Suef public university who aim to be potential entrepreneurs.

Focus on material issues

As expectations from business are growing at all levels, focusing on material issues is becoming increasingly important in developing a coherent, inclusive and consistent sustainability strategy.

Stakeholder engagement

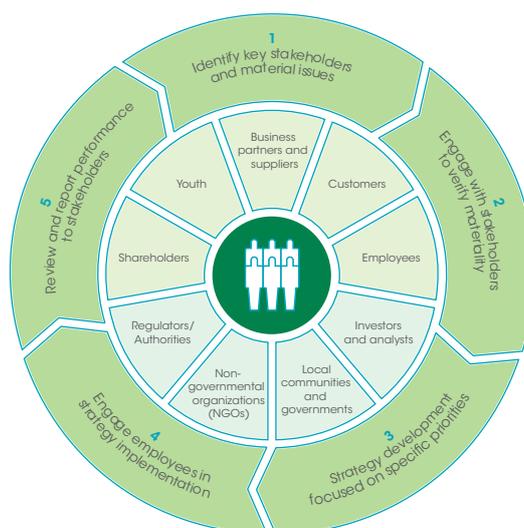
Stakeholder engagement is an important element of our corporate social responsibility policy; it builds trust, improves understanding of the impacts of our operations and addresses stakeholder concerns, while providing input to the materiality assessment process.

TE seek out feedback to help us address and further improve on issues that are of increasing importance to our stakeholders.

We regard stakeholder engagement as a long-term, ongoing process, enabling mutual understanding, establishing and maintaining good relationships, building consensus on issues of common interest, and activating bilateral and multilateral partnerships to support sustainable solutions at both global and local levels.

The following diagram illustrates our ongoing five-step stakeholder engagement process and key stakeholders as defined for the Group.

We follow a five-step approach to stakeholder engagement as per the following diagram:



Materiality assessment

In 2016, TE reviewed – and updated where needed – the materiality assessment following TITAN Group standards, taking into consideration the outcomes of employee opinion surveys (completed in 2015) and stakeholder consultations (through sustainability initiatives like the Cement Sustainability Initiative, investor roadshows and meetings with local stakeholders).

Material issues were ranked according to their impact and importance, for both the external stakeholders (local and national), and the management of the company who are responsible for decision-making and for shaping the business model.

The results served as a basis to decide upon needed actions and activities during years 2016 and 2017. The materiality assessment provides a clear connection between the identified key materiality issues and the relevant SDGs, and helps in shaping future action plans.

Issues with high Priority as identified in 2016	Relevant SDGs
Health & Safety	(SDG 3, SDG 17)
Environment & energy management	(SDG 6, SDG 7, SDG 12, SDG 13, SDG 15,SDG 17)
Community development	(SDG 4, SDG 8, SDG 11, SDG 12, SDG 17)
Currency devaluation	(SDG 8, SDG 17)
Transparency	(SDG 4, SDG 8, SDG 17)
Suppliers' relations & management	(SDG 4, SDG 8, SDG 16, SDG 17)

In 2018, an update of materiality assessment will take place through consultation with the local and national stakeholders.

We are committed to align our strategy and business action plans with material issues of our stakeholders' highest priority and work towards meeting their needs, using the SDG's 2030 as a 'compass'.

Examples of collaboration on local level:

Area of collaboration	Activities during 2017	Activities during 2017
Community development and employment	TE continued to focus on quality education in line with the commitment undertaken by TITAN as an initiator of the European Pact for Youth. We continued to offer educational and traineeship summer programs for young people to enhance their professional skills. Also, the VTEC "Vocational Educational and Training Center" of Alexandria offered training opportunities to technicians through our welding workshop. During 2017, TE offered 393 summer traineeships and 111 people were trained in VTEC.	 
Health and Safety	TE cares for hygiene and preventive health of direct employees and contractors. During 2017, TE had two medical examination events covering 508 direct employees, 410 contractors and 5,070 persons from local community.	   
Environment and energy management	CO2 emissions volume remained at a level similar to that of 2016 in spite of the complete switching to solid fuel. The reason is the increased utilization of alternative raw materials, the improved overall operation of our kilns and the promotion of new low-clinker cement products. In addition, TE increased the utilization of alternative fuels an important area for potential improvement, which can only be sustainable as a collaborative initiative between national and local stakeholders, and TE.	   
Suppliers relation and management	Since 2016, TE started a program that optimizes the number of suppliers by replacing foreign suppliers with local ones. In addition, the company technical staff gives support and necessary training to local workshops that construct items and spare parts in order to replace the overseas providers.	  

Transparency:

Since 2016, on voluntary basis, TE publishes every quarter on its website the dust emission and water consumption indicators. During 2017, TE started to publish as well NOx indicators.

Moreover, this year for the first time, TE has received a limited assurance verification for its non-financial performance disclosures for year 2017, according to the criteria for Communication on Progress of the UN Global Compact, and the sectoral approach and related criteria for reporting on: (a) Health and Safety performance and (b) Environmental performance, in adherence with the Guidelines of the WBCSD/CSI.

Financial/ Non-Financial Performance Highlights



In 2017, the increase challenges in the economic environment in Egypt continued including the increase cost of fuel and electricity in addition to the high inflation rate.

Financial performance highlights

2017 showed a slowdown in market demand of cement in conjunction with oversupply. The sharp devaluation resulted in significantly increased operating costs, mainly energy costs, as well as in higher financing expenses.

Furthermore, heavily investing in converting towards solid fuels as a substitute for natural gas and the devaluation directly led to a significant increase of the Company's liabilities including the Company's outstanding debt.

Having said the above, the company managed to increase the domestic cement deliveries of APCC to reach 1.91 million tons for the fiscal year ended 31/12/2017 compared to 1.69 million tons in the same period of 2016 with an increase of 13%.

With the increase of the cement deliveries by 13%, the net sales of the company for the fiscal year ended 31/12/2017 reached MEGP 1,237 compared to net sales of MEGP 1,050 in the same period of 2016 with an increase of MEGP 187 representing 18%.

The cost of sales for the fiscal year ended 31/12/2017 has increased to reach MEGP 1,194 compared to MEGP 932 in the same period of 2016 posting an increase of MEGP 262 representing 28%. This is the result of the increase of the electricity and fuel prices consequently the increase in transport costs, cost impact of Egyptian Pound devaluation including the increased cost of packing.

Gross profit for the fiscal year ended 31/12/2017 decreased and reached MEGP 43 compared to MEGP 118 in the same period of 2016 as the increase in the cost of sales exceeded the increase in total sales.

Key Financial Indicator in Million EGP (MEGP)	Definition	2013	2014	2015	2016	2017
Total Assets	The sum of all current and noncurrent assets	2,568	2,877	3,201	3,824	4,032
Shareholders' Equity	Total assets minus total liabilities	722	532	318	(386)	(912)
Turnover	Revenue received from the sale of goods and services to customers in all regions of operation	2,287	1,850	2,058	2,581	2,853
EBITDA	Organic profitability excluding interest, tax, depreciation and amortization	528	172	(45)	260	85
Earning before tax and minority interest	Net profit before minority interests and taxes	337	129	(264)	(275)	(643)
Earning after tax and minority interest	Net profit after minority interests and taxes	240	41	(214)	(703)	(514)
Shareholder equity ratio	Shareholder equity ratio = total shareholder equity over total assets	28%	18%	10%	-10%	-23%

Looking ahead

Having completed the investments for the utilization of solid fuels at cement plants, TE has ensured fuel sufficiency and improved its cost structure and plant performance for the long run.

At the same time the group identified the need for a capital restructure including settlement of foreign currency loan and absorb the retained losses, this has been communicated to the shareholders and expected to take corrective measures in 2018 to remedy the situation.

Non - financial highlights

Despite all the challenges faced in 2017, we remained focused on responding and delivering results, creating value and following our commitments to employees, communities and the environment.

Key Non-Financial Indicator	Definition	2012	2013	2014	2015	2016	2017
Employment (End Year)	Number of direct employees end year	781	773	767	767	661	508
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.	0.68	0	0.72	0.61	0.68	0.00
Training man-hours	Time measured in hours dedicated to training.	22,154	15,938	19,701	13,152	18,640	17,959
Environmental expenditure (Million EGP)	Cost of environmental management and environmental friendly technologies for cement plants	33.59	57.50	30.28	198.98	110	97

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
 EGP 176 m
- 
Environmental expenditure
 EGP 97 m
- 
Local & International suppliers
 EGP 2,664 m
- 
Capital expenditure
 EGP 215 m
- 
Taxes to authorities
 EGP 494 m
- 
CSR Initiatives (including donations)
 EGP 10.7 m

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

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 environmental impact. This is not only a key part of our environmental stewardship, but also central to our responsibility toward 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, energy efficiency, and all other aspects. 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 continuously 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 (UNGC) and the sectoral approach of the Cement Sustainability Initiative (CSI), under the auspices of the 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 part of our carbon footprint management, we report our CO₂ emissions publicly on a voluntary basis, applying the sectoral criteria which follow the WBCSD/CSI Guidelines: "The Cement CO₂ and Energy Protocol – CO₂ and Energy Accounting and Reporting Standard for the Cement Industry", v.3 (2011).

Data is also used for a global industry benchmark; TITAN participates and contributes to the "GNR" for CO₂ and energy information, acc. to the sectoral approach reflected in the 2016 CSI Document: "Getting the Numbers Right" (GNR), on Cement Industry Energy and CO₂ Performance", and to the CSI data bank, where our Group performance indicators are reported annually.

As a result of implementing a persistent program of water monitoring and appropriate reporting systems in the last two years, TE has identified opportunities for improvement, such as upgrading our plants' piping system and enhancing water recycling practices. This has reflected directly in a positive way on our water footprint, and will enable TE to achieve a major and strategic sustainability improvement target.

To optimize our water management and the responsible use of this sensitive resource in the long term horizon, TE reports on water measurement of withdrawal and consumption, based on the sectoral principles and guidance of the WBCSD/CSI Guidelines: "Protocol for Water Reporting" (2014), and its CSI companion document: "Guidance on good practices for Water Accounting" (2016).

Further, in the areas of Quarry Rehabilitation and Biodiversity Management, wherever needed or advised, TE implements the sectoral Guidelines of the WBCSD/CSI: "Guidelines on Quarry Rehabilitation" (2011), and "Biodiversity Management Plan" (2014).

Ensuring compliance

We are very pleased to state that in 2017 our cement plants dust emission levels were in full compliance with legal limits and regulations stipulated by the Egyptian Environmental 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. TE is applying an online monitoring system to measure and report air emissions as required, by the legislation in Egypt. 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. In addition, TE publishes every quarter on its website the dust emission, NO_x, and water consumption indicators.

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



Improving our environmental performance

TE as part of TITAN Group has long recognized environmental management as a material issue, and especially with priority to the management of local impacts from our operations. This is why the Company has invested over the last 8 years (since 2010) more than EGP 811 million, in order to incorporate Best Available Techniques and reach an advanced level of environmental performance.

In 2015, the first year of the publication of our CSR and Sustainability Report, TE had 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. Ever since, the efforts were intensified in the direction of improving the efficiency of operation of the assets and in particular the equipment for environmental management, and for the mitigation of our overall environmental footprint.

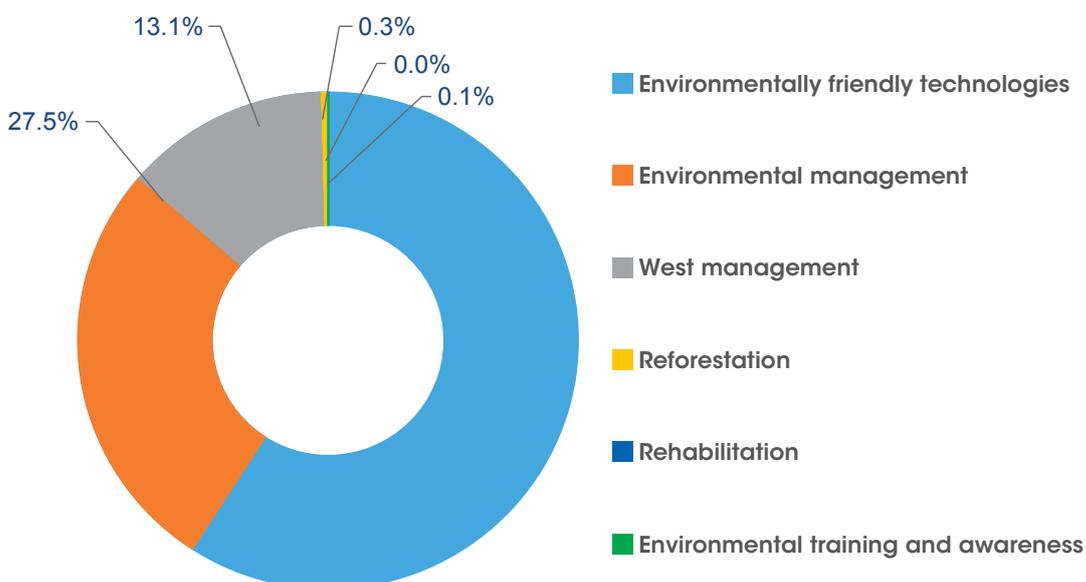
The investments in the area of Environment continued in 2017 with total expenditures of about EGP 97 million, the majority of this amount was invested in environmental friendly technologies.

The biggest project of improvement in the industrial facilities was the Beni Suef Line 1 filter upgrade from electrostatic filter to the latest, state-of-the-art bag filter. This upgrade was completed before the end of 2015, and was actively contributing to reaching our emissions reduction target in 2016 (a full year of operation of Line 1 with the new bag filter). Such projects are helping us today to achieve our targets in specifically reducing our dust emissions, reaching performance levels even lower than the European limit values. Another similar project was done in APCC in 2012 replacing the main EPS filter with a new bag filter resulting in significant improvement in dust emission.

Also, a new investment in the environmental sustainability was initiated in 2017:

- Installing SNCR (ammonia spray) for NOx reduction in both TE plants.
- Completing the solid fuel state-of-the-art storage in BSCC plant.
- APCC plant have taken a huge step in housekeeping and visual beautification, complete revamping of internal roads, and storage yards to serve both visual impact and better working conditions.

Environmental investments cost - All activities 2017 Total EGP 97 million

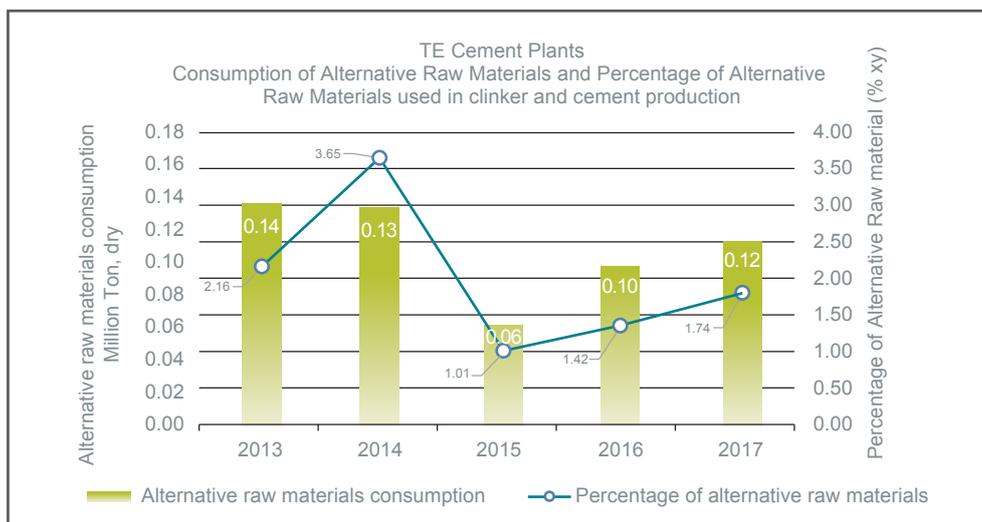
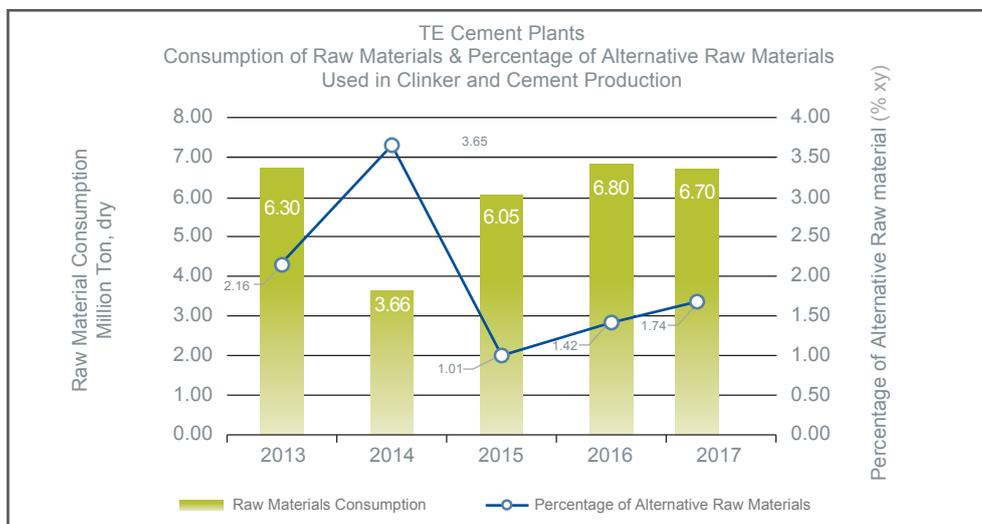


Raw materials, water, and energy conservation

Cement production consumes natural resources (raw materials and water) and also 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, and aiming always to lead by example, TITAN Group gives a high priority to applying and improving its monitoring mechanisms.

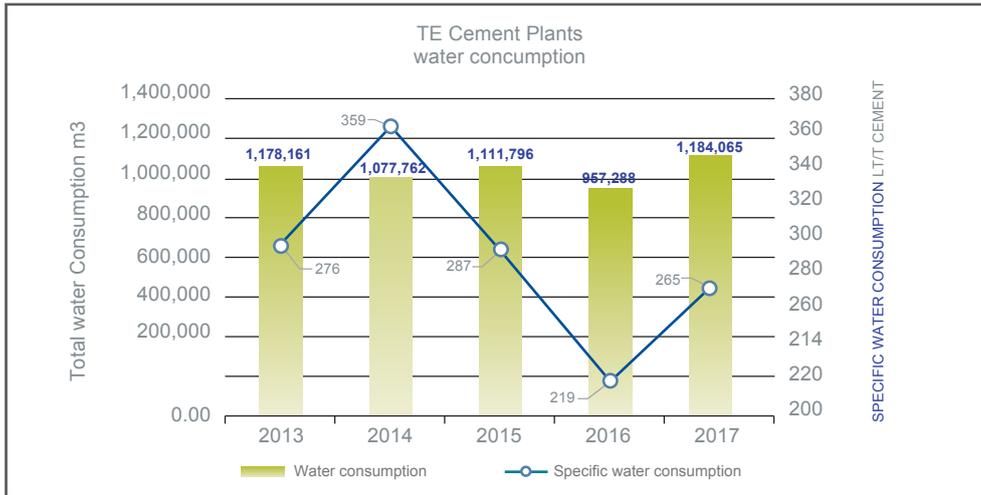
Raw materials

In 2017, TE consumed 6.7 million metric tons (dry basis) of raw materials for our total cement production. Approximately 1.8% of all raw materials (about 0.12 million metric tons - dry basis) were alternative raw materials, namely recyclable by-products from other industries, such as blast furnace slag (from steel production). TE has an ambitious plan to increase alternative raw materials in the raw material mix significantly.



Water consumption

In 2017, the total water consumption for our cement plants and attached quarries was increased due to new water consumers; such as solid fuel mill in APCC and dust suppression system in BSCC solid fuel storage. Intensive measures are taken to optimize water consumption and enhance re-using waste water in green areas and closed water loops.



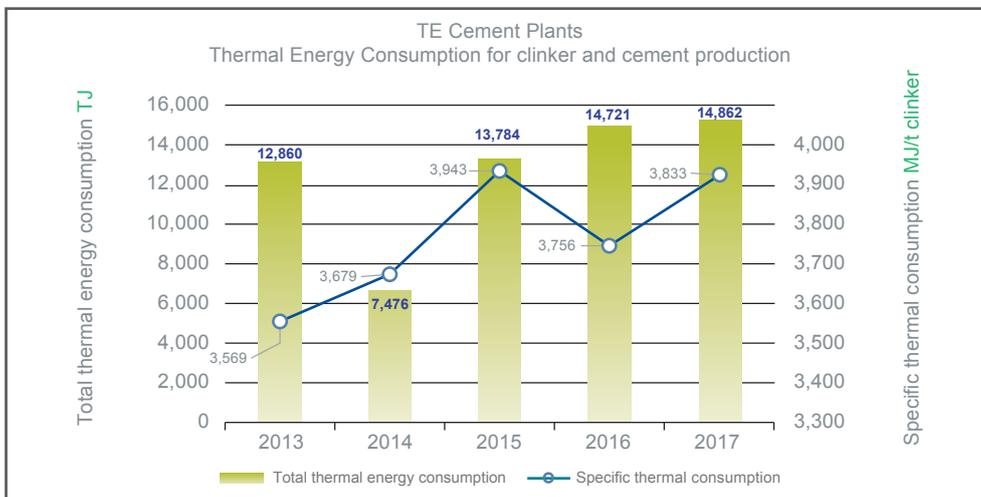
Highlights of achievements to date in reducing our water consumption, and targeting for the future:

- The avoided consumption of water between the base year 2010 and 2017 exceeded 1.5 million m³.
- This volume of avoided water consumption is the equivalent to abatement of almost 1 year of consumption with base year 2010.
- The target is to reach 2.4 million m³ avoided consumption of water, cumulatively since 2010, by year 2020.
- By applying best operating practices TE aims at sustaining and further improving our performance in managing our local impacts to the environment, and we consider water as a key resource for the local environment and the natural capital wherever we operate.

Thermal energy

In 2017, TE consumed 14,862 TJ of thermal energy, in total for our clinker and cement production processes. The annual total thermal energy consumption slightly increased in 2017 compared to 2016, with increase in specific thermal energy consumption; which is a direct impact of the low utilization in BSCC plant due to surplus in supply compared to demand. Also achieving more TSR (Thermal Substitution Rate) in APCC is attributed with higher thermal heat consumption.

Heat efficiency audits were conducted with practical action plans to optimize thermal energy consumption and reduce heat losses. Finding better raw materials in Beni Suef resulted in reducing heat losses in by-pass and improving heat efficiency.



Substituting solid fuels by alternative fuels

TE continued to use alternative fuels, as part of the strategic action plan for substituting solid (fossil) fuels with biomass and other alternative sources of thermal energy for the pyro-line. In 2016 GAEA Egypt commenced operation, producing refuse-derived fuel from municipal solid waste in Alexandria to supply the local cement plant, and dried sewage sludge and biomass for the Beni Suef plant. Co-processing rate increased in 2017, with daily peaks of thermal substitution rate around 20% in Alexandria and 5% in Beni Suef. The improvement in 2017 was substantial: The total consumption of alternatives, mainly dried sewage sludge (DSS) and refuse-derived fuel (RDF) and bio-mass reached 60,000 tons, compared to 20,000 tons in 2016. This was equivalent to 5.3 % substitution of fossil fuels, calculated on the basis of heat value on compound average figures for the two cement plants compared to only 1.8% in 2016.

In order to enrich the alternative fuels utilization and to diversify AF sources, TE has applied for local permit to co-process TDF (Tires Derived Fuels) in APCC plant, which once approved will increase the TSR tremendously.

The effort of TE is to utilize the best available technologies, having as first priority the safety and health of employees and of the local citizens, and the protection of the natural environment. Under our policy we seek for the consent and support from the local communities where we operate, while aiming at contributing to the sustainability of the local communities, through fostering the responsible management of municipal solid waste within the country. These conditions provide the basis for a 'balanced' approach, which creates win-win solutions for the society and our business.

TE's strategy of continuous development, with GAEA's facilitation, is in line with the strategic plan of TITAN Group, focuses on the local waste markets, including the commercial & industrial sectors, and the agriculture areas for biomass, where we expect stricter enforcement of regulations and higher State controls. Such regulations and the rule-of-law for proper waste management practices of the country are expected to generate higher volume of waste materials under proper treatment (like DSS and RDF), and enable the access to secured and sustained 'waste streams', resulting in higher long-term benefits to TCE.

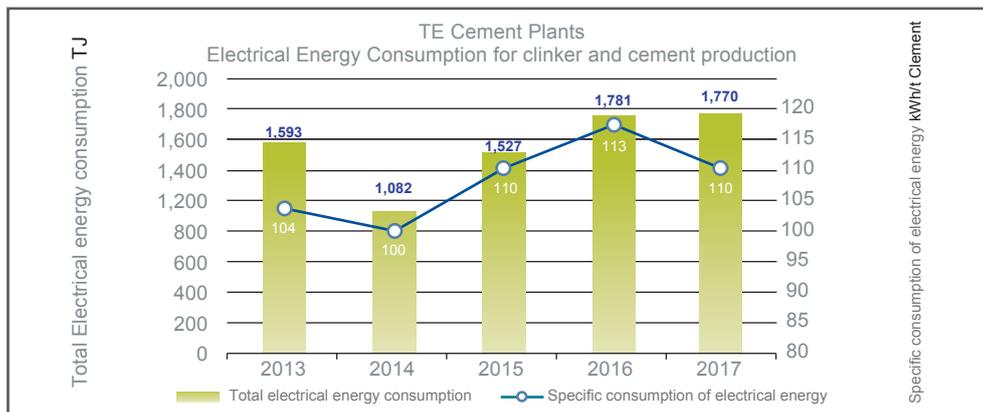
Green Alternative Energy Assets - GAEA:

In late 2017, GAEA managed to revamp the Municipal Solid Waste sites within Beni Suef Governorate territories. These 3 sites have obsolete sorting lines, where TE (through GAEA) have invested EGP 38 million to up-grade these lines and improve its yield of RDF, together with installing new wind shifter and shredder to have ready-to-burn RDF stream. It is expected to start production of RDF from these lines early 2018 with estimated capacity 40,000 tons/yr. This material will be utilized in APCC plant until TCE installs the co-processing facility in BSCC.



Electrical energy

Electrical energy consumption for our cement plants and attached quarries in 2017 was 1,770 TJ, almost the same as 2016. Specific electrical consumption was highly reduced thanks to detailed power mapping where areas of improvement are optimized. TE has some initiatives for increasing renewable energy sources; mainly solar park system in BSCC plant which is the main renewable potential; however financial funding and pay-back time is still under verification.



Audits and verifications

The following audits were carried out in 2017:

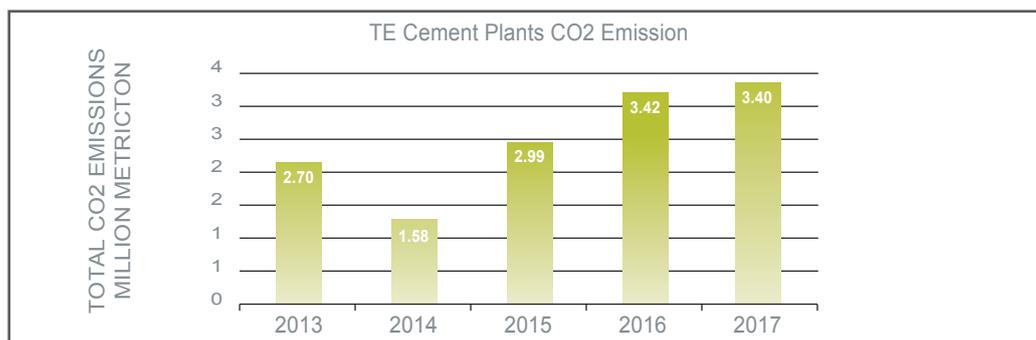
- Regular external audits by relevant local and national authorities to monitor our progress and level of compliance.
- An integrated management system ISO 14001 surveillance audit by inspection body, TÜV
- CAO integrated audit on APCC in Jan, 2017

Reducing emissions and impact on the environment

CO2 emissions

TE reports according to the Guidance of TITAN Group, and in line with the WBCSD/CSI Guidelines on CO₂ and energy. We have reported the total direct gross CO₂ emissions related to our activities every year since 2003, in line with our commitments to the WBCSD/CSI.

In 2017, total direct gross CO₂ emissions from our cement plants and attached quarries was 3.40 million tons, including emissions from on-site vehicles and mobile equipment. In total, our CO₂ emissions volume remained at a level similar to that of 2016.



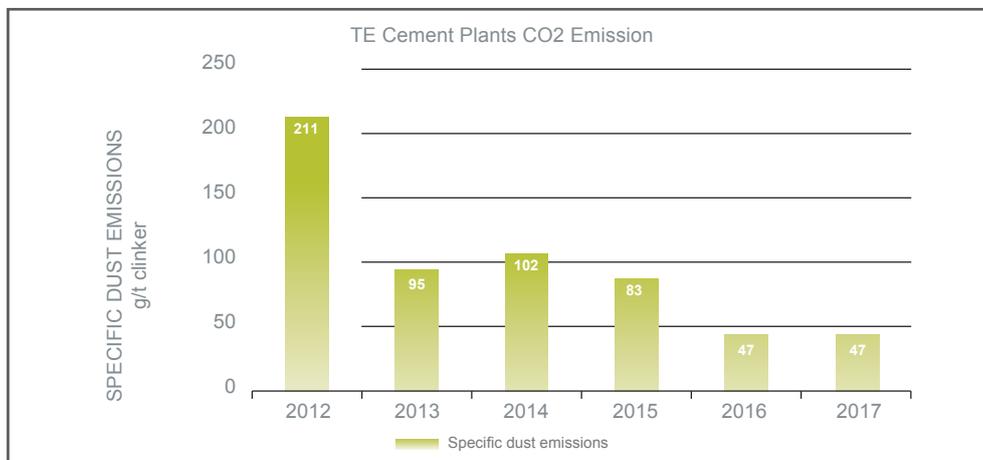
Highlights of achievements to date in reducing our CO2 emissions, and targeting for the future:

- The avoided emissions of CO2 between the base year 2010 and 2017 exceeded 7.5 million tons, calculated as net direct emissions.
- This is the equivalent to abatement of almost 2.5 years of emissions of CO2 with base year 2010.
- The target is to exceed 10.5 million tons of avoided (net direct) CO2 emissions, cumulatively since 2010, by year 2020.
- By applying best operating practices TE aims at sustaining and further improving our performance in managing our impacts to the environment, and we care for reducing our Green House Gas emissions, referring to the CO2 in more specific.

Dust

All of TE'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 2017 was well below the limits set by the environmental terms and conditions of related operating permits. The improvement between 2016 and 2017 has followed the trend of considerable decrease of the dust emissions since 2010, and was mainly due to improvement in environmental performance and efficiency of the installations for the control of dust emissions. This in turn demonstrates the effect of the technological improvement of the Beni Suef Line 1 bag filter for the reduction in specific dust emissions. The investment in Beni Suef has actively contributed to the sustainability targets of TE in 2017.

The above improvement is part of the overall plan which – as elaborated above under: "IMPROVING OUR ENVIRONMENTAL PERFORMANCE" – already included in 2012 the upgrade of the Alexandria Plant main ESP filter by new state-of-the-art bag filter.



Highlights of achievements to date in reducing dust emissions, and targeting for the future:

- Through upgrading and modernization of both cement plants with new bag filters, and by substantially improving the conditions of our production operations, with continuous efforts in the field of environmental sustainability, TE has resulted in avoiding the emissions of nearly 6,000 tons of dust already, as calculated with reference-base year 2010 (as cumulative tons).
- This is equivalent to the abatement of almost 4 years of dust emissions, calculated as multiple of the base year's emissions.
- The target of TE is to reach the abatement of app. 10,000 tons of dust emissions by year 2020 (cumulative, with base year 2010).
- By applying best operating practices TE aims at sustaining and further improving our performance in managing our local impacts to the environment, and we consider dust as a key issue for the local environment wherever we operate.

Full compliance with local and global legislations

TE in 2017 was fully complying with all legislations and accomplished all compliance action plan (CAP) agreed with local authorities. This had positive impact on company reputation and acceptance among communities; ended up with approval for renewal of solid fuel operation permit (renewed every 2 years) in BSCC, and we are in the process of get the renewal for APCC in early 2018 as well.

Investing in best available techniques to further minimize impacts

In 2017, TE finalized the solid fuel internal storage in BSCC plant with investment EGP 15 million. The project is a state-of-the-art in storing solid fuels with concrete ground and 4-sides wind breaker and mist fans to suppress any evolved dust. The installation was highly appreciated by local authorities and considered it as role model to be followed by other cement plants.



TE also managed to operate the SNCR project to control NOx emissions by ammonia spraying in the high temp preheater. TE proud to be the 1st complying plant in Egypt in NOx emissions in both its plants BSCC and APCC. The total investment of this project in both plants was EGP 20 million.



Thanks to these initiatives of TE and its honorable compliance record, TE successfully renewed the solid fuel operation permit for BSCC plant in 2017 and is preparing for the renewal of APCC in beginning of 2018. As per Egyptian Environmental Law, the solid fuel operation permit is subject to renewal every 2 years after full plant audit and revision of plant compliance in all environmental aspects.

Recycling and managing our Waste

In 2017, waste recycling from the operating cement plants and attached quarries was continued, with about 5,250 tons being recycled or reused externally, with the help of third-party contractors, which are specialized and equipped with the appropriate licenses for this purpose. This process was active for the first time, and will surely continue on annual basis, while it is expected to raise the awareness on environmental responsibility for other industrial facilities in the areas where TE operates.

Rehabilitation of Quarries

Quarry rehabilitation and biodiversity management are a key focus area for TITAN. The effort is to mitigate the adverse impacts from the extraction process and to have a positive effect on biodiversity where possible. In line with the Group target, TE initiated an effort in 2013 with the development of rehabilitation plans at the quarries of Alexandria plant and in 2016 completed the rehabilitation plans also for the quarries of the Beni Suef plant, thus covering all TCE quarry sites for the cement operations. The rehabilitation plans were prepared in cooperation with local experts and in accordance with the WBCSD/CSI Guidelines on Quarry Rehabilitation.

Strengthening environmental responsibility

In 2017, we continued the efforts in 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 fuels and new alternative fuels.

We also raised employees' environmental awareness and responsibility through increasing the green areas in our cement plants.

Training of direct 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 direct employees and contractors on a range of environmental topics, such as solid fuel management, 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.

TE continued in 2017 to participate effectively in local and international events on environmental protection and raising environmental awareness.

Looking ahead

TCE will continue to apply the continuous improvement plan, and to reduce our environmental footprint. Specifically, we will further mitigate CO2 emissions through sustainability initiatives, and continue to improve our performance in water management, through recycling and reuse, and usage. Using state-of-the-art facilities, we aim to reduce our consumption of non-renewable resources by using municipal and agricultural waste as alternative 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 system.

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, communication, activities and initiatives, we engage closely both with our direct employees and contractors, and with external partners and communities to embed health and safety in all our operations.

Providing a healthy and safe working environment for all our direct employees and contractors at all our operations and locations is among the highest Group priorities.

Our vision is to achieve a healthy working environment free of incidents, injuries and accidents. Our OH&S policy is supported by a Group Framework for action aiming at continuous improvement of our safety performance. Our goal is to have zero fatalities and zero serious accidents. We benchmark our Group safety performance against the Cement Sustainability Initiative (CSI).

We all take a proactive, precautionary approach to health and safety at work and we aim to achieve a safer, healthier working environment with zero fatalities or serious accidents. This is clearly demonstrated by our Health and Safety Performance which 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

No fatalities nor Lost Time Injuries were recorded in 2017 for direct employees; it is the first year to have LTI free after three consecutive years with one LTI for direct employees. The Lost Time Injuries frequency rate (LTIFR) in 2016 (0.68) decreased to 0.00 in 2017. The LTIFR is calculated as lost time injuries (LTIs) per million hours worked.

In 2017 TCE continued to undertake specific actions to strengthen its safety performance. These include: on-the-job training to weave safety into all daily tasks; and zero-based reviews of selected work processes' safety improvement programs to enhance the safety skills of direct employees and contractors. TCE offers a high-standard private medical coverage, above what is required by law for our direct employees and their families.

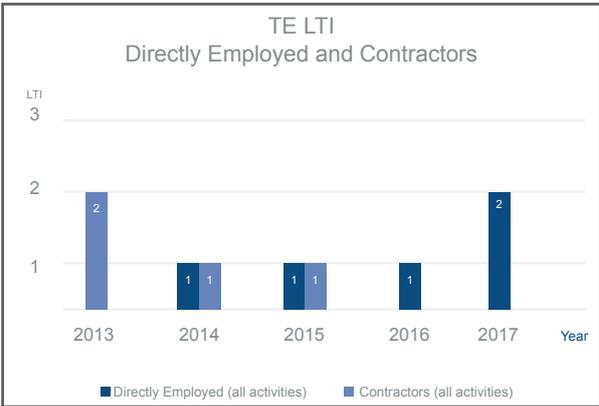
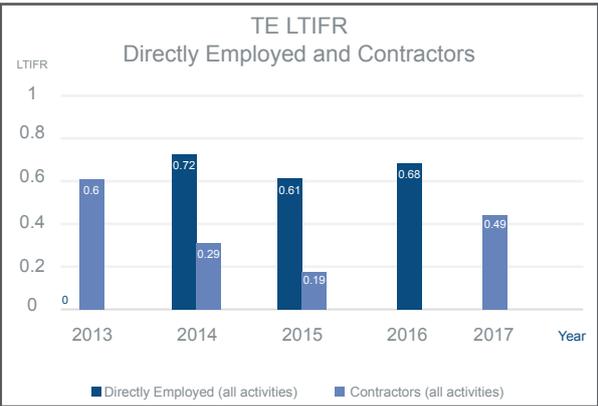
Direct Employees	2013	2014	2015	2016	2017
Fatalities (1)	0	0	1	0	0
Fatality Rate (2)	0	0	13.46	0	0
LTIs (3)	0	1	1	1	1
LTI Frequency Rate (4)		0.72	0.61	0.68	0.00

Contractors	2013	2014	2015	2016	2017
Fatalities (1)	0	0	1	0	0
Fatality Rate (2)	0	0	5.95	0	0
LTIs (3)	2	1	1	0	0
LTI Frequency Rate (4)	0.6	0.29	0.19	0	0.49

Contractors' safety performance

The safety improvement process for contractors continued in 2017. No fatalities were recorded in 2017; two cases of lost time injury were occurred.

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.



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): 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 2017, many safety audits had been carried out by different parties: One by ERM CV's, two 360 degree audits by Group HSE Director, 5 Health & Safety Review by Regional H&S Director and six by local authorities.

There were numerous internal inspections (193) carried out by TCE senior management and by TCE audit groups. The findings were used to improve safety behavior, processes, equipment and training.

TITAN group health and safety guidelines

TITAN Group has always been committed to health and safety in the workplace, a commitment that is clearly expressed through TITAN's corporate values. Within the context of pursuing the philosophy of 'zero harm to people' the company's management and employees have been personally engaged in further increasing safety awareness throughout its operations.

We envision a work environment free of incidents, pursuing to be among the best performers within the building material sector.

Our Occupational Health & Safety policy clearly defines the role of everyone involved in reaching and continuously improving a strong culture of accident prevention in all our operations. We are aligned with the world statistics that the root cause of more than 95% of incidents has to do with the human factor, and thus we are concentrating our efforts on safety awareness of our people. For that effort, our Contractors are treated the same way with our direct employees.

We are focused and benchmarking ourselves on continuously improving the leading rather than the lagging H&S key Performance Indicators. Reporting and thoroughly investigating all accidents and near misses, training our own employees as well as contractors' employees, establishing safety committees on site but also on higher levels and recognizing and awarding good safety performance have been among the numerous actions we have undertaken and are in a non-ending implementation process. In addition, risk assessment for routine and non-routine jobs has been a power tool in the hands of our people, proactively working towards further developing a safety culture. Finally, performance on safety has become a key career management criterion for the development of our people, placing health & safety as a top business priority.

Many H&S Guidelines have been issued by TITAN Group and are implemented. Not only Guidelines but also Audit Check Lists, Training materials for prevention of serious accidents, Chapters on Safety and Plant Equipment for High level Safety.

Strengthening corporate safety culture of direct employees and contractors

Communicating health and safety

TITAN Group places great emphasis on continuously seeking and sharing health and safety-related information, including descriptions of incidents that have occurred in the Group’s business units or elsewhere. Lessons learned 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 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 material, including booklets and a video for employees and their families.

In 2017, we continued with the health and safety training cycle. Training sessions were addressed to direct employees and contractors and took place throughout the year, at an average of 12.15 hours per person for TCE employees and 13.16 training hours per person for contractor’s employees, including a full day of health and safety training per employee.

Completion of the Prevention of Serious Accidents program: TCE continues with the program roll-out, while the focus of training of operational staff is currently about the change from natural gas to solid fuels.



Promoting health and hygiene of direct employees, contractors and community

TE, in collaboration with specialist organizations runs medical examinations and health care programs beyond the local legal requirements to monitor the health of our employees. Doctors and occupational physicians monitor individual employees’ 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.

During 2017, we had two medical examination events. The first one was the Occupational Health Surveillance covering 508 employees in all locations in coordination with a private medical provider. The second one was in collaboration with Beni Suef Health Affairs Directorate for field Health Survey Hepatitis C Virus covering 410 Beni Suef Plant contractors.

On the other hand, TE in collaboration with Beni Suef Health Affairs Directorate for field Health Survey Hepatitis C Virus covered 5,070 persons from East of Nile villages near BSF plant plus 410 of contractors’ employees working at Beni Suef Plant.



People Development



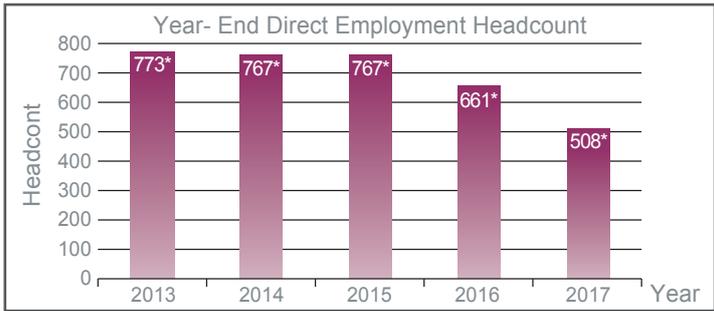
Our success is dependent on our direct employees and contractors. Our vision is to grow a workforce-including both direct employees and contractors-that is fully engaged in every way with our goals and aligned with our values. We acknowledge our responsibility to provide fair employment that respects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

	Total	Male	Female
Total Training hours	17,959	16,454	1,505
Training man - hours per employee	30	29	46

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.



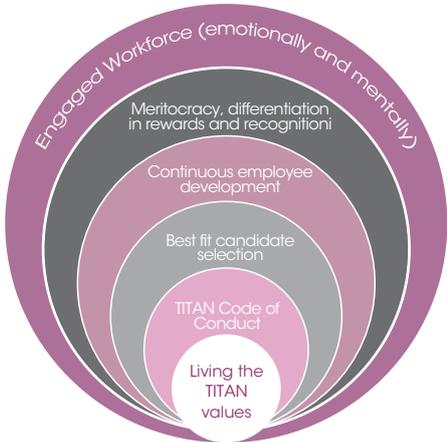
Our policy is to be a preferred employer in our local markets. By providing education and vocational training, we aim to make employment opportunities available to people in our local communities and help them to join us as direct employees or as contractors.

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, TE supports the family environment and upholds the rights of female employees to exercise parental leave. In 2017, 6 female employees entitled to take parental leave did so, returning to work afterwards.

TE has a 100% employees return to work rate. Although the Group operates globally, 99.02% of employees at our operations in Egypt, including management teams, were Egyptian nationals.



TITAN people management framework

We believe that an effective and engaged workforce should live our values and have a strong understanding of our Group 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 toward the accomplishment of our vision. It applies both to direct employees and to our business associates and serves as a guidance for all people-related policies developed at local level.

The framework incorporates TITAN’s commitments to 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 into account the local employment needs. We respect human rights, promoting them within our sphere of influence and ensuring a safe and healthy working environment for all.

In 2017, work started on the design and implementation of a Group Human Resources Management System that will simplify processes and improve employee experience with regards to all personnel matters, while facilitating and harmonizing HR procedures.

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 – at 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

People Development

Performance evaluation and people development process (PDP)

All TE employees participate in an annual performance review. This ensures a fair and transparent evaluation process for all employees. During 2017, all concerned employees and people managers were trained on the new PDP that values equally both the ‘WHAT’ of performance- performance against performance objectives and main responsibilities of role- and the ‘HOW’- behaviors critical for the role in the context of ‘Leading the TITAN Way’.

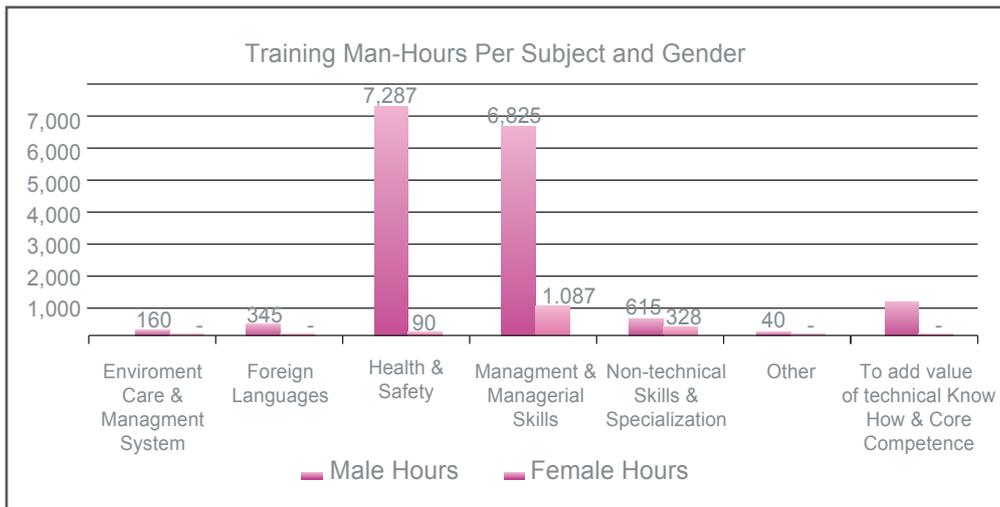
- In addition, the process of People Development Review ensures that there is a senior forum to:
- Agree on priorities for people agenda going forward
 - Understand health of talent coverage and succession for key roles
 - Validate development actions for key talent
 - Identify potential talents

Training and development

Employee training and development is an on-going effort, encouraging life-long learning among our people, development of skills and reskilling, preparing for the future to meet both local and global challenges.

In 2017, overall number of training hours is 17,959 for 547 trained direct employees, with a total investment per employee of EGP 3,933, demonstrating our continuing commitment to the development of our employees. The ratio of training man-hours was 30 man-hours per employee.

TE gives special attention to Health & Safety and Environment care training. In total during 2017, TE had 7,537 training hours.



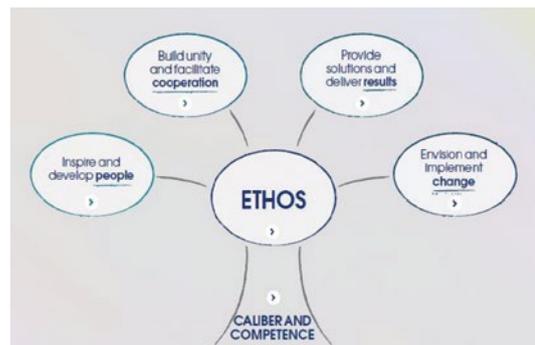
iLEAD 100 Development Program- Case Study

During 2016, TE launched one of the major development programs “iLEAD 100” to all TE employees on Section Head level and up, with the objective of engaging, supporting and equipping them with the required learning tools and the how to of “Leading the TITAN Way” to further instill it in our day-to-day working behaviors, interactions and operations.



Phase one covering TITAN Leadership Platform- People Dimension was launched Sept 2016 and was completed June 2017 for Section Head level and up. Phase Two covering TITAN Leadership Platform -Results Dimension was launched Oct 2017 and will continue till May 2018.

Furthermore, the program has been extended to individual contributors to cover the whole white collar employees in TE. We almost had 6,894 training man-hours for 113 learners.



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, TE 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. In 2017, women made up *5.45% of all employees, while the percentage of women in managerial positions is *2.94%.

*Based on average employment.

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, TE 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 50% of our employees belong to unions. Union representatives in TE 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 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 offer 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. TE also contributes to the wellbeing 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. 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 believe that it is very important to communicate regularly with our employees to inform them about TE's and the Group's performance.

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

TE management maintains an open communication channel with employees on all levels.

Ramadan Football Tournaments for direct employees and contractors

Similar to every year, Alexandria and Beni Suef plants organize a football tournament for direct employees and contractors. In Beni Suef, the tournament took place in Beni Suef Public Stadium having 54 players and in Alexandria, it took place in ElMaax Police Club having 40 players.

By the end of the tournament, big celebration events attended by direct employees, contractors and their families took place in Beni Suef and Alexandria.



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, TE aims to be at all times a good neighbor.

The assessment of material issues at local level underlined the importance of quality education and new skills requested for employment and economic growth. This is a common area of interest among stakeholders due to the high rates of unemployment and the need for developing skills necessary for the young generation of employees.

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 2017, we contributed EGP 10.7 million to communities in cash and in kind for community development programs primarily in the areas of education, health and safety, unemployment and environment.

TE supports the development of local communities offering employment to people from communities in governorates where we operate. On average, the total direct employment during 2017 was 606 employees. The percentage of employees from the local communities reached 89.60%, 543 employees (510 male and 33 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 highlighting our efforts to ensure that our sustainability objectives and targets meet local priorities.

Since 2015, we focused on implementing an action plan for our neighboring communities in Alexandria based on a specialized study.

TE supports the UN's Sustainable Development Goals (SDGs) 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, which guide our operations and activities at all levels.



Aligning with the UN Sustainable Development Goals

The UN 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. TE 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 the UN SDGs 2030

TE's objectives are fully aligned with the UN SDG 2030 goals, ensuring our support for them furthers the achievement of our own 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 and vision for Egypt, since 2015, TE 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 the following relevant and important to us:

The infographic displays 11 UN Sustainable Development Goals (SDGs) relevant to TE, arranged in two rows. Each goal is presented in a colored box with an icon, the goal number and title, and a brief description of the goal's focus.

- 3 GOOD HEALTH AND WELL-BEING**: Ensure healthy lives and promote well-being for all at all ages.
- 12 RESPONSIBLE CONSUMPTION AND PRODUCTION**: Ensure sustainable consumption and production patterns.
- 6 CLEAN WATER AND SANITATION**: Ensure availability and sustainable management of water and sanitation for all.
- 7 AFFORDABLE AND CLEAN ENERGY**: Ensure access to affordable, reliable, sustainable and modern energy for all.
- 13 CLIMATE ACTION**: Take urgent action to combat climate change and its impacts.
- 11 SUSTAINABLE CITIES AND COMMUNITIES**: Make cities inclusive, safe, resilient and sustainable.
- 4 QUALITY EDUCATION**: Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all.
- 8 DECENT WORK AND ECONOMIC GROWTH**: Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all.
- 15 LIFE ON LAND**: Protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, and halt and reverse land degradation and halt biodiversity loss.
- 16 PEACE, JUSTICE AND STRONG INSTITUTIONS**: Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels.
- 17 PARTNERSHIPS FOR THE GOALS**: Strengthen the means of implementation and revitalize the global partnership for sustainable.

Engaging with
Local Communities

Business Partners

Annexes

Three-year 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.

During 2017, for the third successive year, we continue addressing various activities as part of a three-year partnership with a local NGO through four main priorities that will drive our community plans over three years. 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:

Priority 1: Raising the capabilities of local organizations

In 2015, we worked 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 assisting waste collection and management. Since 2015, the organization employed 35 local residents who received specialized training. We still support and work with the two new local non-profit-making organizations established during 2015. They assist with waste collection and management and women employment. During 2017, workshops on administrative and financial systems as well as necessary soft skills took place for the management of the two non-profit-making organizations. The management staff were offered field visits to other non-profit-making organizations having various activities in Alexandria and four other governorates.

Priority 2: Improving local conditions

In the last three years, we partnered with the Egyptian Environmental Affairs Agency (EEAA) as well as a local NGO to improve local conditions in Wadi El-Kamar. Since 2016, we supported training sessions for local cleaners who are responsible for cleaning the roads, the houses and the public schools. In addition, we provided a water pump to help street cleaning, and to water trees while we also supported tree planting. During 2017, we provided cleaners with new uniforms and new necessary cleaning tools

Priority 3: Supporting employment for women and young people

TE is committed to supporting opportunities for employment of local residents. During 2015, TE provided financial support and materials for the women to launch their small businesses. being 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 product distribution project.

Priority 4: Culture and entertainment

For the fourth consecutive year, TE has worked with the Ministry of Endowment to provide a range of cultural and entertainment events for Wadi El-Kamar residents. We supported the Ramadan Quran Memorization Contest, organized by last year winners local residents.

Wadi ElKamar Elementary School Renovation Case Study

In the general area of interest: 'Care for education in local community', and with target group: Wadi El Kamar (WEK) Elementary Public School Students (1,280 members) and 54 Staff members, TE developed the initiative: 'Neighborhood Elementary Public School Renovation and Maintenance' as a new beneficial project for Wadi El Kamar residence.

This project was part of the priorities based on the social impact assessment study in collaboration with a local specialized NGO and local stakeholders.

By partnering with TE Civil Consultant and one of Alexandria Plant contractors from Wadi ElKamar and under the supervision of Educational Building Authority, the full renovation and also rebuilding some parts of Wadi ElKamar Elementary School started in 2016 and was finalized in 2017.

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

Vocational Training and Education Center at Gheit ElEnab- Case Study

The assessment of material issues underlined the importance of quality education and new skills requested for employment. This is a common area of interest among stakeholders due to the high rates of unemployment and gap of skills in Egypt's market.

Based on the above, TE is very keen to participate in supporting closing the gap between education and required technical skills in market. Since 2016, TE engaged with the federation of local business associations and fully equipped a welding workshop in their new Vocational Training and Education Center at Gheit ElEnab, a newly renovated district in Alexandria by the Army. The target is to train youth in Alexandria about up-to-date welding accredited curriculum. During 2017, 111 people were trained.

As a consequence of this partnership with Alexandria Businessmen Association in their Vo-Tech center, Alexandria Businessmen Association added TE to their CSR Network since 2016.

Fighting hunger at Beni Suef

As in previous years, TE worked with NGOs to combat hunger by distributing 2,000 dry food bags to poor residents, both in our own locality and the western area.

Culture at Beni Suef

In partnership with the Ministry of Youth and Sports, TE sponsored the Ramadan Quran Memorization Contest for 300 participants in Beni Suef Youth Centers



Celebrating WORLD ENVIRONMENT DAY

As in previous years, we celebrated in Alexandria the World Environment Day by hosting, in collaboration with the Environmental Office in Alexandria Governorate through number of events with Alexandria Public University students and Institute of Graduate Studies and Research.

Scholarship programs and summer internships

In 2011, TE 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.

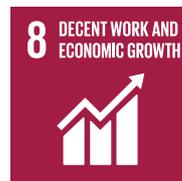
In 2015, we partnered with the Technical University of Berlin and the Sawiris Foundation for Social Development to provide an annual scholarship aligned to our program's objectives and supporting social development initiatives.

Every year, we offer summer traineeship opportunities in technical and non-technical functions to young people from local communities. The traineeships include organized programs in partnership with 28 public and private universities that help develop essential employability skills and competencies. In 2017, 393 summer traineeships took part compared to 342 in 2016. In 2017, we offered to 77 Beni Suef summer traineeships one-day workshops about career coaching through a specialized non-profit-making organization.

Entrepreneurship - 23day program for three sustains BENI SUEF public university

In 2016, TE arranged for a three-day soft skills and sustainability training for Alexandria and Beni Suef public universities sustains being the two universities students who participated in three-month program with youthinkgreen Egypt "The 1st On-Campus Sustainability Challenge- Put your campus on the green Map". The three-day program aimed to enhancing sustains basic interpersonal skills and empower them to implement their on-campus sustainability projects professionally. In addition to soft skills sessions provided by TE, TE arranged for some sustainability sessions as well.

In 2017, TE in coordination with a leading Human Resources Organization, is offering a learning and development 23-day program for three selected sustains from Beni Suef public university who aim to be potential entrepreneurs after last year activity. The program is still on-going as sustains are still in need for additional skills support.



Laptops donation to BENI SUEF public university

TE donated 20 standard laptops to Beni Suef Public University audiovisual hall dedicated for different-abled students especially the blind ones.

Other Activities

We welcomed students in our plants and quarries in order to enable them see the manufacturing process and gain valuable experience. 53 students from the faculty of science at Alexandria Public University visited Alexandria Plant.



TE offered soft skills sessions for undergraduates in Alexandria public and private universities, Beni Suef and Ain Shams public universities. Also, TE offered a ready-mix and concrete industry technical session in Mansoura public university. TE in 2017 participated in one major job fair in "8th ALEXA Job Fair" in Alexandria.



Business Partners



TITAN is committed to building strong and lasting relationships with customers and suppliers *, founded on trust and mutual benefit. The Group actively seeks out and favors business partners who have been also committed to apply the UNGC principles within their sphere of influence. Supporting local communities in the areas where TITAN plants are located constitutes an integral part of TITAN’s corporate philosophy. To this end, we seek to maximize the collaboration with local suppliers and contractors.

Group Purchasing Manual provides a guide for the selection of potential candidates and the recommendation for the preferred bids. The awarding process includes a list of specific criteria, which take into consideration, beyond the standards conditions of health and safety, also additional aspects of environmental legislation, quality, compliance with specifications and reliability, and clauses regarding sustainability and localization.

In TE 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.

Contractors and suppliers make a significant contribution to our performance, and support us in meeting our customers’ expectations. In this direction, we seek to build long-term, trustworthy relationships with them, and embed the right principles in our strategy.

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 2017 was EGP 2,664 million.

Wherever possible, we aim to use local suppliers being suppliers who operate in Egypt, as this benefits the local economy and provides jobs to local communities. We estimate that our spend with local suppliers in 2017 was EGP 1,982 million. In addition, we contributed to approximately 1,400 jobs through contractors. We follow a policy that requires on-time payments, regulatory requirements and contractual terms.

In addition to the governmental medical coverage, TE provides a private medical insurance to all outsourced personnel.

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. Our supply chain management focus, 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, especially those on local level.

Significant Suppliers and Screening 2017	
Total Number of Significant Suppliers	% of Local Suppliers
94	86%

Procurement transformation program group initiative

Since 2016, TITAN Group is still working on the Group Procurement Transformation program. The objective is to address both procurement spend, as well as overall business effectiveness, through improved processes, specifications, and quality and risk management. More specifically, the target is to optimize the number of suppliers and establish and maintain long-term value-added supplier relationships with an emphasis on “total cost” reduction, transparency and enhancement of the sustainability impact into the supply chain.

Improve suppliers' overall performance according to TITAN standards

In order to guarantee that performance levels of contractors / suppliers meet the Group standards, TE communicated since 2016 a new supplier contract addendum related to CSR issues and based on TITAN Group Code of Conduct through bilateral meetings with all concerned local suppliers in a series of one-to-one meetings. The changes consider occupational health and safety, working conditions, labor rights, forced labor, child labor, non-discrimination, environmental regulatory compliance, management of environmental impact, bribery and corruption and transparency and integrity.

On the other hand, within the market, it is common to see overloaded trucks but TITAN guidelines prohibit this practice within TE. Despite the economic disadvantage, TE is maintaining this approach by applying the international standards.

Optimization of local suppliers program

Since 2016, TE started a program that optimizes the number of suppliers by replacing foreign suppliers with local ones. During 2017 there is an evolution as far as new technologically advanced local Workshops is concerned and Purchasing Department with the assistance of the company technical staff gives support and necessary training to local workshops that construct items and spare parts in order to replace the overseas providers. In addition, during 2017, TE succeeded to have partial replacement of imported Petcoke by locally produced one.

Important definitions:

• **Supplier:** is a person or organization providing goods or services. The term 'contractor' can be used for denoting the same subject matter, but in specific related to services provided by a person or organization, and where in the majority of cases these services are provided within the areas of operations and/or control of ownership by the company. The term 'supplier', under the current terminology, is broader and in principle covers also the contractors.

• **Contractor:** is a company or an individual who is not a TITAN company or employee but has been engaged by a TITAN company to carry out specified work, either on a short-term (specific job) or long-term basis (such as drivers or maintenance crews). This definition includes all levels of subsequent subcontractors. Specifically related to the works carried by a contractor, in the majority of cases these are carried within the areas of operations and/or control of ownership by the Company. Works performed by contractors on company premises and transportation activities performed everywhere are under TITAN's supervision regarding the health and safety aspect.

• **Local suppliers:** Suppliers are considered local when they provide goods or services to the company within a limited scope of geographic area, such as a country, or a locality which is neighboring to the operations of the company (municipality or other). In this context local suppliers are all suppliers which are not considered as global. In addition, local suppliers are the suppliers who are headquartered for their business activity and have their tax registration in the same area of operations of the company or in the same geographic area where they provide services to the company, in line with this definition.

Annexes



Awards and Recognition

TE received the following awards and certificates in 2017 recognizing our active and successful participation in:

- World Environment Day celebration in Alexandria.
- Our sponsorship of Environmental Forum of Alexandria University, Faculty of Science, "Green sustainable City" event.
- World Health and Safety day celebration in Alexandria.

Memberships 2017

Memberships	Website
The Egyptian Financial Supervisory Authority (EFSA)	www.efsa.gov.eg
The Egyptian Exchange (EGX)	-
Real Estate Publicity District and Documentation	www.egx.com.eg/arabic/homepage.aspx
General Authority For Investment and Free Zones (GAFI)	www.gafi.gov.eg
Central Agency for Public Mobilization and Statistics (CAPMAS)	www.capmas.gov.eg
Egyptian Chamber of Building Materials Industries - Federation of Egyptian Industries	www.fei.org.egt
Cement Association- Federation of Egyptian Industries	-
Energy Committee - Federation of Egyptian Industries	www.fei.org.eg
United Nations Global Compact Local Network (UNGC)	www.gcnetworkegypt.com
Egyptian Business Men Association (EBA)	www.eba.org.eg
Egyptian Junior Business Men Association (EJBA)	www.ejb.org.eg
Egyptian Environment Affairs Agency	www.eeaa.gove.eg
The American Chamber of Commerce	www.amcham.org.eg

Cooperations 2017

Cooperations	Website
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"	-
Cooperation agreement with the Technische Universität Berlin (TUB-Campus El Gouna) and Sawiris Foundation for Social Development re Annual Scholarship Programme (Stamatis Douzinas Scholarship) to support the graduates from Beni Suef and Alexandria to pursue their post-graduate studies	www.campus-elgouna.tu-berlin.de
Egyptian-Greek Business Council	
Alexandria Businessmen Association CSR Network As a consequence of our future partnership with ABA in new Vo-Tech school, ABA added TE to their CSR Network	www.aba.org.eg



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