



2019 Corporate Social Responsibility and Sustainability Report

TITAN CEMENT EGYPT

BUILDING
OUR FUTURE
TOGETHER



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TITAN Egypt's 2019 Corporate Social Responsibility and Sustainability Report

TITAN Egypt Corporate Social Responsibility (CSR) and Sustainability Report for 2019 presents the financial and non-financial disclosures of all TITAN Group operations in Egypt, including the Cement Plants of Beni Suef and Alexandria, the ready-mix concrete plants, and the quarry of Attaqa.

For the purposes of clarity, the name 'TITAN Egypt' is used throughout this Report, when referring to the combined disclosures of our performance, with the exception of certain cases where the name of the subsidiary is explicitly mentioned for pertinent figures and other disclosures.

A glossary of financial and non-financial terms is available at the end of the report.

This represents our sixth CSR and Sustainability Report, which comprises certain key elements that are worthy of mention at the outset. Since 2018, TITAN Egypt has been fully aligned with the TITAN Cement International S.A. (TITAN Group) global sectoral approach in monitoring, reporting and verifying environmental, social and governance (ESG) performance. We also introduced the Sustainability Performance Index covering an extensive number of performance indicators related to material issues and the United Nation's Sustainable Development Goals (SDGs) 2030.

This report complies with TITAN Group sustainability reporting standards as defined with reference to the implementation of the United Nations Global Compact (UNGC) Communication on Progress (CoP) Guidelines, the Global Cement and Concrete Association (GCCA) Guidelines and the SDGs 2030. For more information about the TITAN Group global sector approach and standards, please refer to the 2019 TITAN Group Integrated Annual Report <https://www.titan-cement.com/newsroom/annual-reports/>.

In October 2019, TITAN Group updated the two internal sustainability glossaries and guidelines for social performance and environmental performance in order to align with the development of new internal group-wide reporting systems, specifically the TITAN Group Human Resources Management System (GHRMS) and with the GCCA Sustainability Charter and Framework Guidelines. These two documents are accessible globally through the TITAN Group social and environmental data collection systems: the CSR Databank, and the Environment Databank; where health, safety, and environmental key performance indicators are managed. More information about GHRMS and GCCA are presented in the Our People section, Unite People Online Platform in TITAN Egypt; in the Non-Financial Statements section under Sector Standards for Non-Financial Reporting in Table NFP 4, and in the Strategic Review section, Our Commitment to Sustainable Development - Global Collaborations.

In 2019, TITAN Egypt participated in the process of independent assessment delegated by TITAN Group to ERM Certification and Verification Services Ltd. (ERM CVS), entailing a study visit to our Alexandria operations, and a review of both reporting standards and stakeholder engagement. This independent verification for TITAN Cement Group's 2019 Integrated Report by ERM CVS was in accordance with the guidelines and protocols of the GCCA, as well as the advanced level criteria for the UNGC CoP.


The ERM CVS Independent Assurance Statement to the Board of Directors of TITAN Group is in the section titled 'Auditors Reports' pages 212 - 214 in the TITAN Cement Group 2019 Integrated Report available online at the TITAN Cement Group website: <https://www.titan-cement.com/newsroom/annual-reports/>



This report is available online at TITAN Cement Egypt's website: <http://titancementegypt.com/>. You may enter the Corporate Social Responsibility (CSR) and Sustainability Report 2019 link by scanning the QR code with your mobile device.

2019 Performance Highlights


Turnover

 EGP **2,196m**

EBIT

 EGP **270m**

Total Assets

 EGP **4,156m**

Capital Expenditure

 EGP **126m**

Capital Increase

 EGP **390m**

Wages, Salaries and Other Employee Benefits

 EGP **199m**


Taxes to National and Local Authorities

 EGP **377m**

Green Investments

 EGP **62m**

Investments for Local Communities

 EGP **10,676m**

Employees at Year-End

 **480**

Employees from the Local Community

 **88.96%**

Training Hours Per Employee

 **35**

Local Spend to Suppliers of Goods and Services

 EGP **1.6m** (75.51%)

Message from the CEO



“We are proud of our continuing improvements in our environmental and social footprint despite overall unfavorable financial conditions”.

Dear Stakeholders,

Welcome to our 2019 CSR and Sustainability Report, published in a challenging period during which we are addressing the impacts of an unprecedented global pandemic that is critically affecting both our lives and our businesses.

We would like to take this opportunity to voice our gratitude and appreciation to our people, customers, and communities, for joining our efforts to anticipate the need to safeguard health and promote safe working conditions during these exceptional circumstances caused by the novel coronavirus disease COVID-19.

Despite the challenging circumstances, we are continuing to collaborate at both the local and global levels towards the achievement of the United Nations Sustainable Development Goals (SDGs) 2030, in accordance with our commitments under the United Nations Global Compact.

Our 2019 Report is a summary of all our areas of focus and our accomplishments over the past year. We are proud of our continuing improvements in our environmental and social footprint despite overall unfavorable financial conditions.

In 2019, turnover reached EGP 2,196 million and capital expenditure was EGP 126 million. Investments to improve environmental performance added another EGP 62 million and reached in total almost EGP 260 million as investments for the environment (Green investment) since 2017.

We continued to take actions addressing material issues for local communities and stakeholders. We are glad that we could contribute to the design, furnishing and equipment of the new Beni Suef Hospital, a joint effort that started in 2019 that despite still being under construction is expected to very soon cover the needs of a local community of 150,000 people. The total investment from TITAN Cement Egypt has reached EGP 7 million to date.

We are proud of our engagement in implementing this project in a partnership with the Governorate of Beni Suef, who have undertaken the responsibility of the construction work; along with specialized organizations in medical services for the appropriate equipment for the operation of the hospital.

Health and safety remain our top priority, and we remain vigilant in our efforts to improve our safety performance, while enhancing the skills and the competences of our in-site contractors. 2019 was a positive year in our record of zero fatalities among our direct employees and contractors' employees¹.

We encourage accident investigation and the implementation of measures to eliminate reoccurrence; including reporting on near misses; and providing health and safety training for both direct and contractor employees.

We acknowledge that safeguarding our health and our safety also requires personal as well as collective responsibility.

Engaging with communities and local stakeholders to ensure our positive contribution to issues identified as material remains a continuing commitment, and in 2019 we completed, among others, the renovation of the buildings and landscape of our Alexandria cement plant, where the proximity of the community to the plant and the industrial zone of Alexandria is an exceptional case. We have continued the implementation of community engagement plans we developed in 2015 addressing the most material issues for our communities, like health care and quality education.

We also remain focused on assessing our impacts and improving the way we create and share value with our stakeholders, particularly at the local level.

The completion of our 5-year plan in Alexandria including implementing covered storage for raw materials and solid fuels, decreasing our transportation needs, and many other measures, have further improved our environmental impact with regards to fugitive dust emissions.

Furthermore, improvements in our energy performance have had a direct impact on further decreasing CO₂ emissions. The substitution of fossil fuels with alternative ones like biomass and refuse-derived fuel (RDF) have also contributed to the improvement of our carbon footprint.

Collaborative efforts — especially our engagement with academia and educational institutions to encourage and support quality education and skills for employment and entrepreneurship — are improving year by year. We are proud that both our employees (in the employee engagement survey that took place in 2019), and our local stakeholders (as reported by independent third parties and experts that conducted relevant assessments in our local operations last year), acknowledge and support our sincere commitment and dedication to sustainable and inclusive growth.

Your feedback is a valuable tool for our future progress, and we thank you for your interest.

Be safe and healthy,



Khaled Badawy
Chief Executive Officer

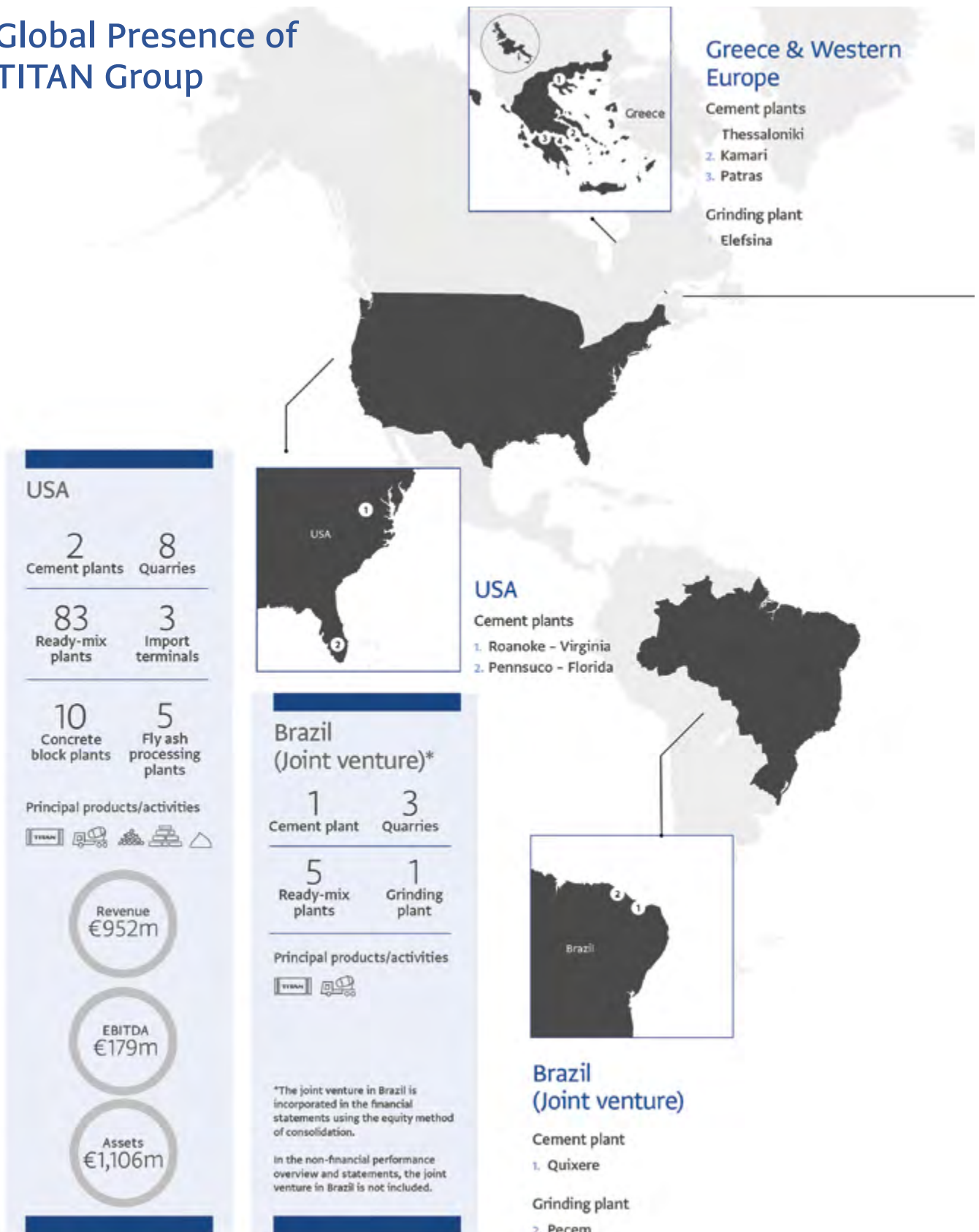
¹ Regrettably, one fatality occurred among our contractor personnel due to an accident in February 2020, prior to the release of 2019 CSR and Sustainability Report

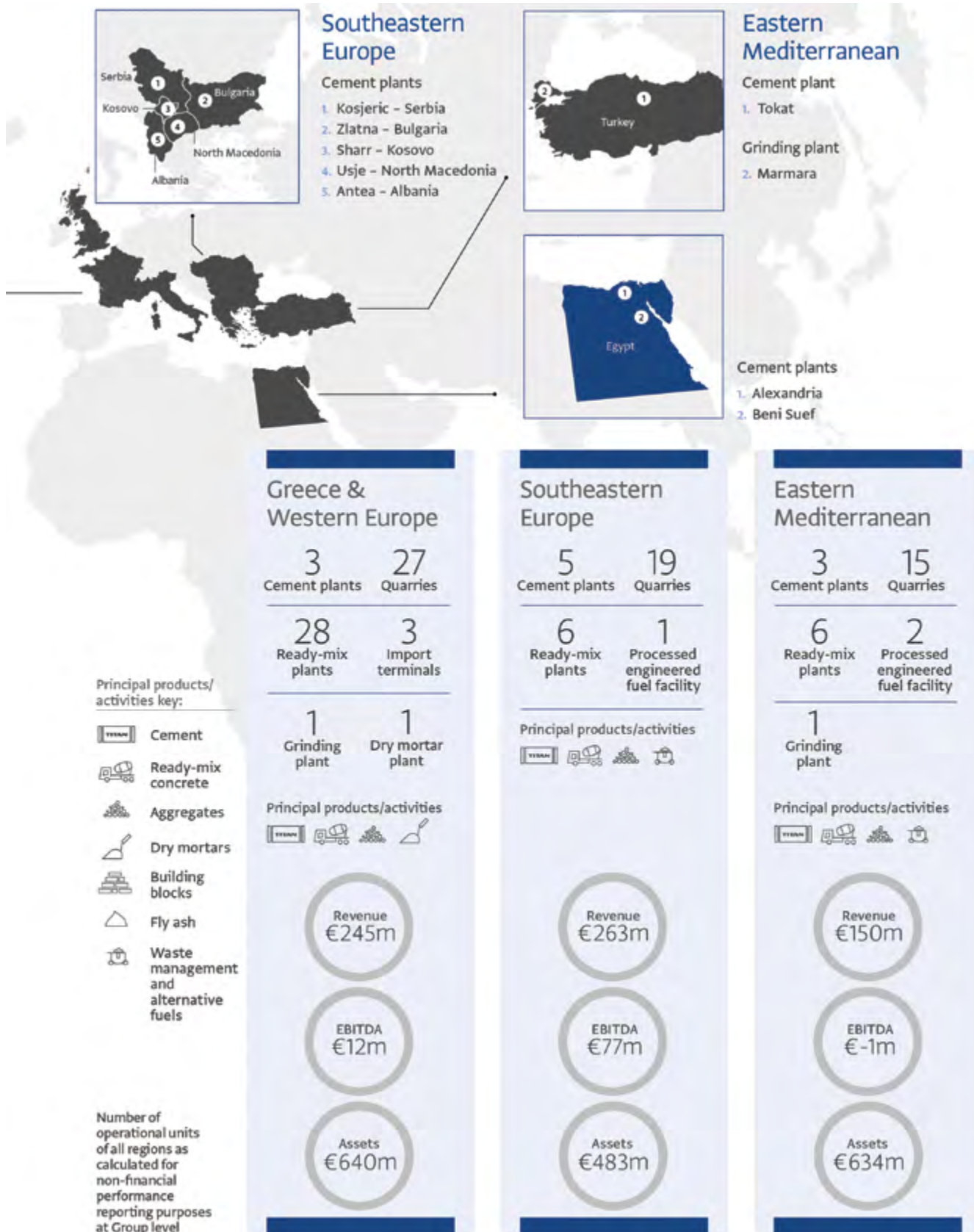


Strategic Review



Global Presence of TITAN Group





About TITAN Group

Building on 117 years of industry experience and driven by its commitment to sustainable growth, TITAN has become an international cement and building materials producer, serving customers in more than 25 markets worldwide through a network of 14 cement plants in 10 countries, as well as quarries, ready-mix plants, terminals and other production and distribution facilities. With an annual capacity of 27 million metric tons of cement and cementitious materials, it employs approximately 5,500 people worldwide.

TITAN Group's business activities include the production, transportation and distribution of cement, concrete, aggregates, fly ash, mortars and other building materials. The Group's parent company is TITAN Cement International (TCI), a Belgian company listed on Euronext Brussels, Euronext Paris and Athens Exchange.

About TITAN EGYPT



TITAN Egypt addresses the social need for safe, durable, resilient and affordable housing and infrastructure. It creates value by transforming raw materials into products, including cement, concrete and aggregates, and distributes these products to customers, while also providing related services.

TITAN Egypt operates two cement plants, Beni Suef Cement Company in Beni Suef governorate, and Alexandria Portland Cement Company in Alexandria governorate; TITAN Beton and Aggregates Egypt, a ready-mix unit in Giza governorate and Attaqa aggregate plant in Suez governorate.

Alexandria Portland Cement Company has been 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 listing on EGX, each shareholder has the right to attend the shareholders' general assembly, either in person or by proxy.

At the end of 2019, TITAN Group acquired the minority stake of the International Finance Corporation (IFC) that the latter held in TITAN subsidiaries in Egypt.

Following this transaction, Alexandria Portland Cement Company has initiated the process that will lead to its delisting from the Egyptian Stock Exchange.

Having sustainability as an integral part of our business, our commitment to corporate social responsibility goes beyond compliance; it is a voluntary pledge to make a positive impact on the world around us.

We are accelerating our efforts to promote sustainability throughout our value chain, empowering our people to grow within an inclusive and safe environment and fostering collaborations to address local community needs.

Our collaborations and information sharing with customers, business partners, local communities and academia increases the shared value we create and contributes to the advancement of material issues relevant to us and our stakeholders.

To continue improving the practices and performance in alignment with TITAN Group values, we actively participate at both the Group and local levels in global collaborations and international organizations. We are strongly committed to all environmental standards and we abide by all the requirements of the United Nations Global Compact (UNGC), the Global Cement and Concrete Association (GCCA) and the World Business Council for Sustainable Development (WBCSD). We aim to address global sustainability challenges within the framework of the United Nations Sustainable Development Goals (SDGs) for 2030.²

TITAN Beton and Aggregates Egypt (TBAE)



TBAE is a subsidiary of TITAN Egypt that specializes in the production, distribution and sale of ready-mix concrete, located in both east and west Cairo. TBAE’s main commercial plant is located in 6th of October City in Giza Governorate, West Cairo, while the New Capital mobile plant is located in East Cairo, in one of the New Administrative Capital projects. TBAE also has an aggregates quarry in Attaqa in Suez governorate that produces and sells aggregates for inter-company use as raw material input to the ready-mix batch plants.

During 2019, TBAE succeeded in further developing its customer base portfolio, achieving improved volumes and margins. Notably, TBAE Attaqa quarry produced enough volume not only to satisfy our plants’ needs, but also to generate extra volume for third party sales, during 2019 and beyond.

Green Alternative Energy Assets (GAEA)



GAEA Egypt is an innovative company fully owned and managed by TITAN Egypt and TITAN Cement Company S.A.

From its inception, GAEA was designed to represent the alternative fuel vehicle of TITAN Egypt, providing our kilns in both Alexandria and Beni Suef plants with their energy needs; and expanding into the market as an alternative fuel producer offering these services to others.

Our Operations



Our History

1948

Alexandria Portland Cement Company (APCC) established in Egypt.

1993

Beni Suef Cement Company (BSCC) established in Egypt.

1997

4M TITAN Silos was established by TITAN subsidiary.

1999

TITAN, in association with Lafarge, acquired 50% of the shares of the Beni Suef Cement Company.

Inauguration of New Terminal Station in Safaga.

2001

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

2002

TITAN expands its joint venture with Lafarge to Alexandria Portland Cement.

2008

Acquisition of 100% of the joint venture business Lafarge-TITAN Egyptian Investments Limited (LTEIL) to become TITAN Egypt Investments Limited (TEIL).

4M TITAN changed its name to TITAN Beton and Aggregates Egypt (TBAE).

2010

Alexandria Portland Cement acquires the Beni Suef Cement Company.

Beni Suef's second production line commences.

The International Finance Corporation (IFC), part of the World Bank Group, becomes a shareholder in TITAN Egypt.

2012	<p>Alexandria Portland Cement</p> <p>Upgrades its main ESP filter to baghouse to reduce dust Emissions. Completes environmental project to reduce emissions below 10mg/m³.</p>
2014	<p>TITAN Egypt commits to actively support the UNGC Egypt Network.</p>
2015	<p>Completion of Alexandria Portland Cement Plant social impact assessment study in collaboration with a local specialized NGO and local stakeholders, in order to optimize our community engagement plans.</p>
2016	<p>Solid fuel energy self-sufficiency achieved in Alexandria and Beni Suef Plants and introduction of alternative fuel use.</p> <p>Alexandria Portland Cement acquires the Beni Suef Cement Company. Completion of Technology and Policy Scoping for a Low-Carbon Egyptian Cement Industry, a Collaborative effort by a team of experts on behalf of the European Bank for Reconstruction and Development (EBRD).</p> <p>Beni Suef Line 1 main filter upgrade.</p>
2017	<p>Alexandria Portland Cement achieves 14% alternative fuel use. New product low-clinker cement (high slag). Solid fuel internal storage in Beni Suef plant. Beni Suef & Alexandria become the first complying plants in Egypt in NOx emissions.</p>
2018	<p>Alexandria Portland Cement</p> <p>Significant capital increase.</p> <p>18% alternative fuel enhanced by obtaining tiers derived fuel and used oils permit. Cooler upgrade from electrostatic filter to the latest state-of-the-art bag filter.</p>
2019	<p>Alexandria Portland Cement implements main solid fuel internal storage in compliance with environmental regulations and revamps water network and upgrades cooler filter.</p> <p>Beni Suef Cement Company significant capital increase. TITAN Beton and Aggregates Egypt capital reduction. TITAN Group acquires the minority stake of the IFC that the latter held in TITAN subsidiaries in Egypt.</p>

Our Products and Services

Our products and services are used for a variety of purposes, from major infrastructure projects (including roads, airports, hospitals, and schools) 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.



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.



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.

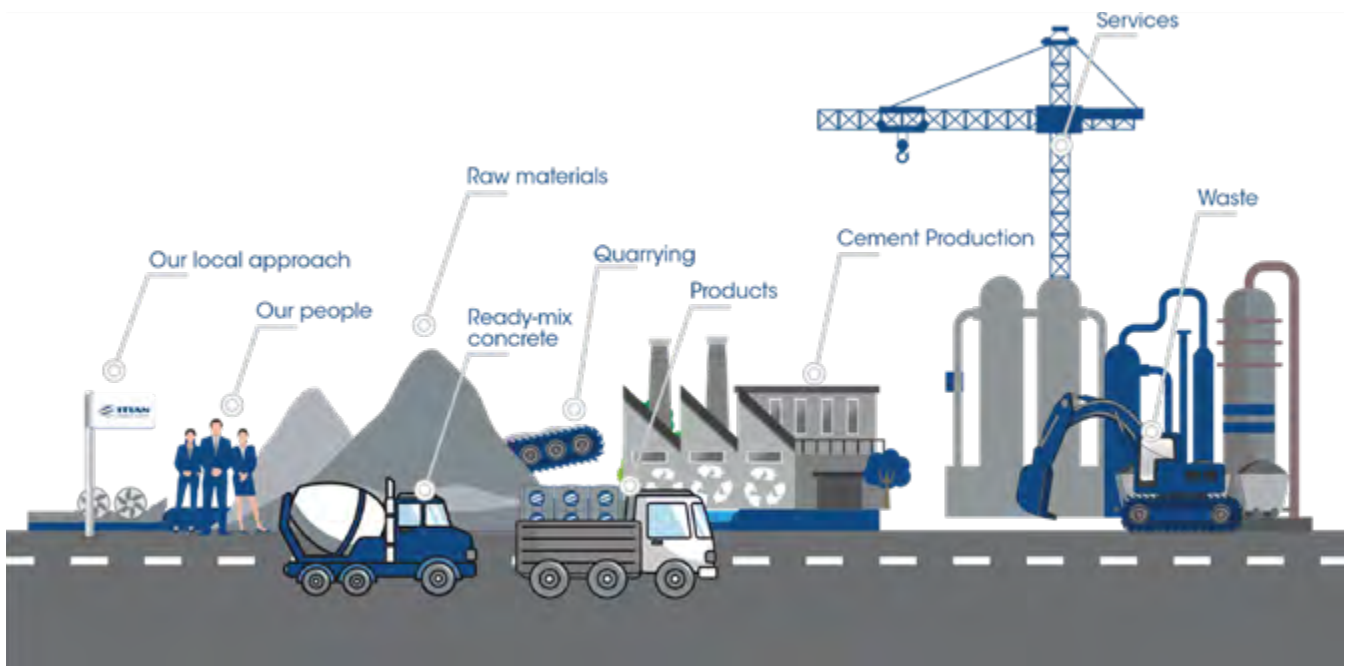


Alternative Fuel and waste Management Services

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

Other Services and Collaborations

In addition to our products, we offer the transportation and distribution of products, the transfer of know-how and expertise through collaborations with customers, business partners, local communities, academia, as well as the research and development of new products.

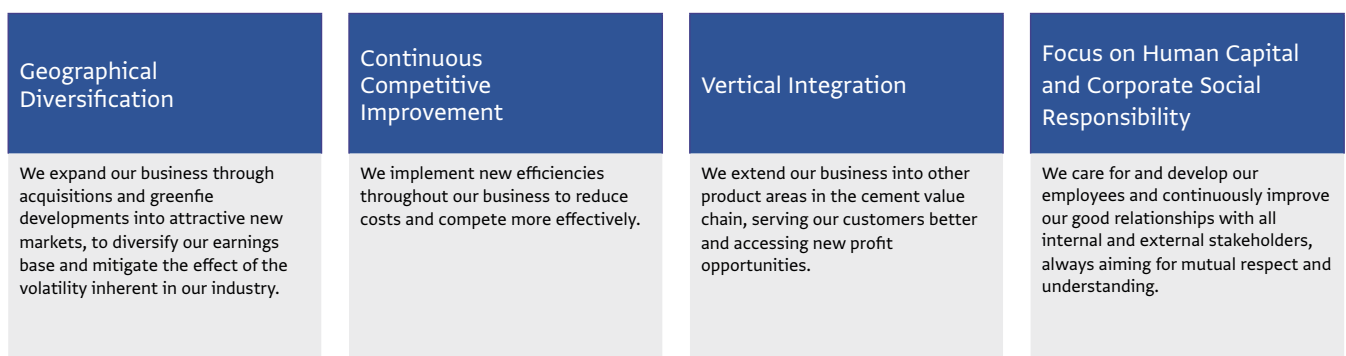


One Governing Objective, and a Set of Strong Values

Our Vision and Governing Objective

Our vision is to be the most preferred building materials provider in the market, combining operational excellence with care for people, environment and society.

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 pillars, represented in the figure below. Prioritizing these key pillars is our approach to sharing best practices and leveraging expertise. Applying this approach across the Group helps in maintaining an escalatory development of our capabilities and the efficient delivery of our governing objective.



TITAN Group Values

Our values are at the core of who we are; they guide our strategy and provide the foundations 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. Ingrained in the Group's identity and embedded in our culture and our people's practices, our values guide the way we conduct our business - with respect, accountability and responsibility.



TITAN Egypt Governance Structure

Our corporate governance principles and code of conduct, along with our values, guide us through every aspect of our business. TITAN Egypt has a governance system in place that fully complies with TITAN Group's strategic objectives, corporate values, and international standards, going in many instances beyond local legal requirements.³

We believe that good corporate governance is synonymous with ethical business practices, transparency, open communication, accountability and sustainable development.

TITAN Egypt Corporate Governance Report

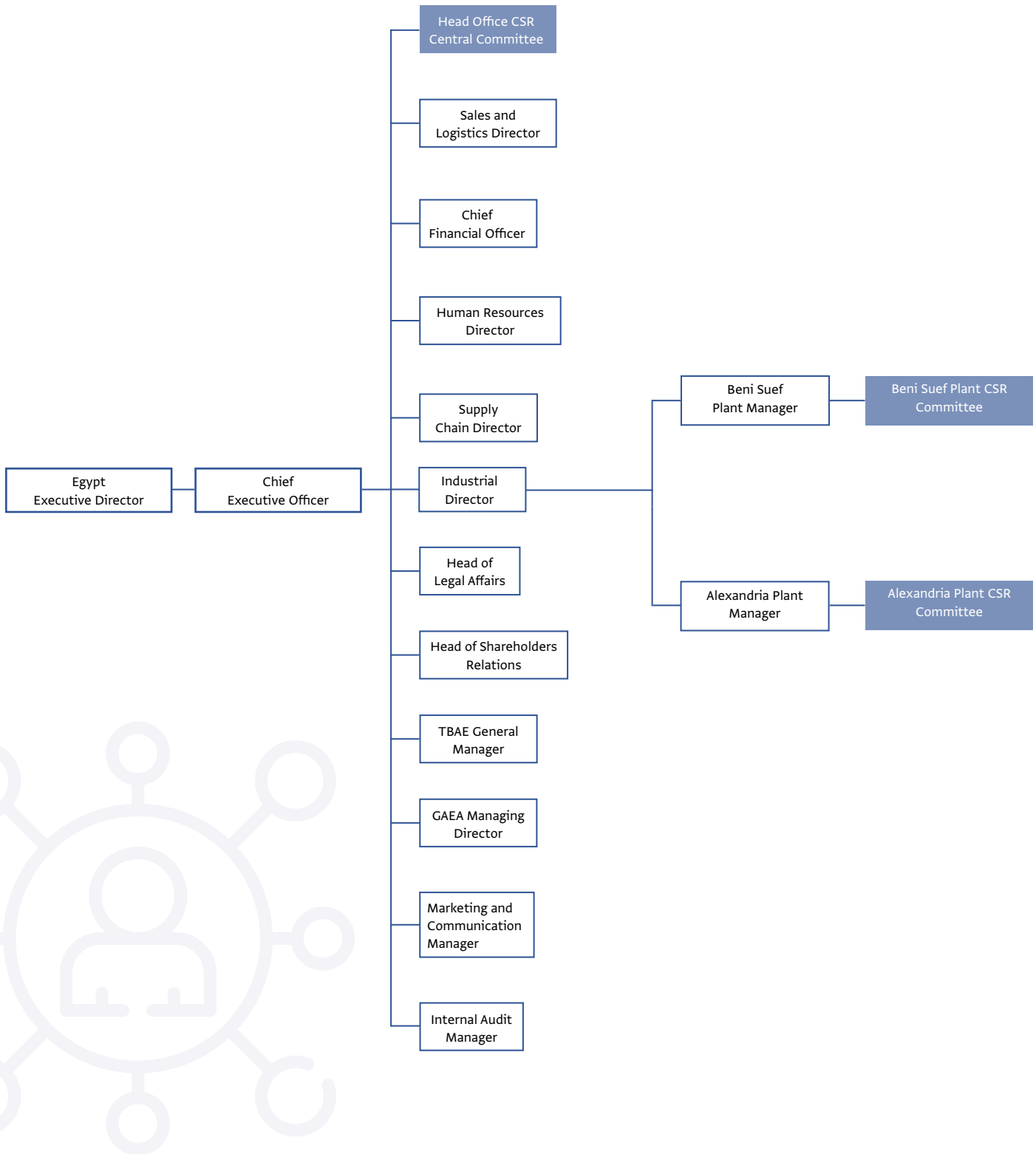
An independent audit firm verified the corporate governance report of Alexandria Portland Cement Board of Directors- Egyptian joint stock company.

Similar to previous year, 2019's Report complies with corporate governance rules issued by the Egyptian guide to corporate governance of the Financial Regulatory Authority No. 84 dated 26th July 2016. The report is published on the Egyptian Stock Exchange, as well as in TITAN Cement Egypt's website: <http://titacementegypt.com>.

At the end of 2019, TITAN Group acquired the minority stake of the International Finance Corporation (IFC) that the latter held in TITAN subsidiaries in Egypt. Following this transaction, Alexandria Portland Cement Company has initiated the process that will lead to its delisting from the Egyptian Stock Exchange.



TITAN Egypt Organization Chart



TITAN Egypt CSR Governance

The TITAN Egypt Human Resources Director is responsible for Corporate Social Responsibility (CSR). A CSR Liaison Delegate reporting directly to the Human Resources Director, coordinates the implementation of sustainability commitments at the business unit level, in harmony with TITAN Group guidelines. The CSR Liaison Delegate represents the business unit in the Group CSR Liaison Delegates Network, aiming to improve communication, sharing and learning from the Group's best practices.

The CSR Liaison Delegate also represents TITAN Egypt in local CSR networks.

TITAN Egypt Committees

As a result of our good governance and consideration for sustainability in our local agenda based on TITAN Group governance and inclusive strategy, we have a number of committees that ensure that sustainability considerations are safeguarded and incorporated in strategy planning and operational decisions, while addressing local priorities.

Management Committee

Since 2002, TITAN Egypt has had a Management Committee team chaired by the Chief Executive Officer (CEO) to manage TITAN Egypt activities. The committee consists of directors with a diversity of high caliber expertise in different areas.

Health and Safety Committees

Health and safety awareness and commitment is a top priority of each employee from the CEO to the lowest employee career level. The common and ultimate goal is to safeguard the health and safety of our direct employees and our contractors as one of their basic human rights. Since 2004, we have striven to maintain continuous improvement in our performance:

- Each cement plant safety committee is chaired by Plant Manager, and is responsible for ensuring that direct employees and contractors respect and are in full compliance with local legal implications and TITAN Group's Health & Safety Policy.
- A Health and Safety Steering Committee located in the Cairo Head Office is chaired by the CEO, and engages the Senior Management team and the Health and Safety Department Manager, who are jointly responsible for the continuous monitoring and development of health and safety in TITAN Egypt.

CSR Committees

The objective of our community activities is to provide strategic support that would result in significant impact and contribute to sustainable community development. Since 2012, in line with our commitment, continuous improvement and engagement with our stakeholders, our community activities are directed by the feedback we receive through engaging with all stakeholders during meetings / events that are tackled in the following CSR committees:

- Cement Plant CSR committees chaired by Plant Managers.
- A Central Committee located in the Cairo head office, chaired by the CEO.

TITAN Group Code of Conduct

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

TITAN Egypt Procurement Business Manual

The purpose of this manual is the codification of all policies and regulations of TITAN Egypt within TITAN Group and provision of the relevant information in a form easily accessible to all purchasing related personnel, to ensure their strict compliance.

Furthermore, the manual is intended to provide the managers of TITAN Egypt with basic criteria, encouraging recognition and acceptance of each individual's responsibility for the institution of new or revision of existing effective control points in accordance with the standards laid down in the manual.

During 2019, TITAN Egypt updated its Procurement Business Manual developed in 2016, in light of market dynamics and variability.

TITAN Egypt's Policies

TITAN Egypt has a comprehensive set of local policies that are based on Group wide policies and standards that apply to all TITAN group operations, beyond local legislation and market norms. Group and local policies are available through TITAN Egypt intranet.

The TITAN Group responsibility is to set Group policies, ensure that they are adhered to at both Group and business unit levels, and guarantee their systematic review. Reporting policies should be followed consistently from one period to the next unless a change is needed to improve the quality of information reported.

In 2019 an assessment of Group policies was conducted by the Group Human Resources Department to define priorities and future targets related to diversity and inclusion. Employee communication with management regarding the implementation of our values and policies is encouraged with a complaints mechanism, which will be replaced in 2020 by a new Group wide Whistleblowing Policy and Platform to ensure employee engagement in promoting our values and ethical behaviors across TITAN Group.⁴

⁴ More information on policies are presented in the "Non-financial Statements" section "TITAN Egypt policies" in Table NFP 6.

TITAN Egypt Management Systems

TITAN Egypt has adhered to ISO international standards since 2004 and maintained the efforts to upgrade, enhance, ‘instill’ and ‘institutionalize’ the ISO-certified management systems in both the Alexandria and Beni Suef plants, who have integrated certificates ISO 9001, ISO 14001 and OHSAS 18001 by TUV SUD Management Service GmbH.

During 2019, TITAN Egypt obtained the certificates for Alexandria Portland Cement Company from the Russian Register Association, while Beni Suef plant certificates issued by TUV are still valid. The Alexandria plant is the first plant in TITAN Group to be awarded the new health and safety ISO certificate ISO 45001:2018.⁵

Beni Suef Cement Company Certificate	Description	Registration #	Issued on	Valid till
ISO 9001:2015	Quality Management System	12 100 56957 TMS	27/11/2018	26/11/2021
ISO 14001:2015	Environmental Management System	12 104 56957 TMS	27/11/2018	26/11/2021
OHSAS 18001:2007	Occupational Health and Safety	12 116 56957 TMS	27/11/2018	11/03/2021
Alexandria Portland Cement Company Certificate	Description	Registration #	Issued on	Valid till
ISO 9001-2008	Quality Management System	1210041014 TMS	10/12/2019	10/12/2022
ISO 14001: 2004	Environment Management System	1210441014 TMS	10/12/2019	10/12/2022
ISO 45001: 2018	Occupational Health and Safety	1211641014 TMS	10/12/2019	10/12/2022



ISO 14001 Environmental



ISO 45001 Occupational Health and Safety



ISO 9001 Quality



ISO 14001 Environmental



ISO 14001 Occupational Health and Safety



ISO 14001 Quality

17 ⁵ More information on TITAN EGYPT management systems are presented in the “Non-financial Statements” section “Management systems related to non-financial performance” in Table NFP 5.

Risk Management

Managing risks proactively enables TITAN Group and TITAN Egypt to better adapt to a changing business environment.

In TITAN Egypt, risks are managed through the Management Committee as per the following:

- Strategic Risks are monitored and handled by the Management Committee under an annual strategy process.
- Legal Risks are addressed by the internal legal department with the assistance of specialized external consultants when needed.
- Financial Risks such as currency risk, interest rate risk, and liquidity risk are managed by the Treasury department.
- Natural Hazards and business interruption risks are managed through a comprehensive insurance policy.

COVID-19 Risk Assessment

Beginning March 2020, due to the rapid spread of the novel coronavirus disease COVID-19, most countries have imposed large-scale social-distancing measures, disrupting the global economy.

From the emergence of the COVID-19 crisis, TITAN Egypt has taken measures to protect the health and safety of our people and to ensure operational continuity and the satisfaction of our customer needs. The health and safety of our staff, contractors, customers and suppliers is a top priority and several precautionary measures have been taken to this effect.

Business continuity plans have also been implemented, and all our locations remain operational. Although we have yet to see any significant impact on our operations, sales volumes were at good levels.

It is inevitable that as the COVID-19 crisis spreads, we will also be impacted in the short term and expect to suffer from reduced sales volumes, particularly and more severely in the next quarters.

Accordingly, we have created contingencies and flexibilities.

The management believes that, although COVID-19 may have a significant impact on our operations in 2020, we will do our best to absorb and weather the storm.

In the light of the above, TITAN Egypt management remains vigilant, and we are working closely with TITAN Group to explore the best strategies to mitigate the impacts and ensure business continuity in all aspects, including the sustainability of our communities.

Ensuring Fair Competition and Fighting Corruption

TITAN Egypt is committed to ensuring that all activities are carried out within a framework of fair competition and in strict compliance with all applicable laws and regulations. Our employees are considered as the ambassadors of the company not only in the market, but also in society. Their behavior impacts how external stakeholders perceive the company, and hence they are expected to live by the company's core values in every decision and action they take. To this end, all transactions must comply with the United Nations Convention Against Corruption and therefore they 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.⁶

As a standard process, TITAN Group assess risks to measure their effect on operations following a thorough review of performance regarding the UN Global Compact principles. Furthermore, the Transparency International Index and relevant reports are reviewed annually to inform the risk assessment process.

⁶ Further information in this area is provided in the TITAN Group Anti-Bribery and Corruption Policy available online at TITAN Group's website (<https://www.titan-cement.com/about-us/corporate-governance/group-policies/#Anti-Bribery-and-Corruption-policy>).

Transparency

Since 2014, TITAN Egypt has voluntarily committed to annually disclose the company's sustainability performance and address the stakeholders' material issues following TITAN Group's reporting standards and more specifically the requirements of the UN Global Compact criteria for Communication on Progress (CoP).⁷

In our plants we apply management systems to monitor and report occupational health and safety and environmental impact. Furthermore, since 2016, on voluntary basis, TITAN Egypt publishes quarterly dust emission and water consumption indicators on its website.

Starting 2017, TITAN Egypt started to publish NOx and SOx indicators as well.⁸

In TITAN Egypt for the second year consecutively, the Corporate Social Responsibility and Sustainability Report includes the following:

- An Updated framework of disclosure for all KPIs, in specific for environmental and social performance, by introducing an index system of KPIs.
- An index of disclosures for the adherence of TITAN Egypt to the UNGC Communication on Progress, along with clear reference to the KPIs index in the report.

Grievance Mechanism

TITAN Egypt stakeholders, whether internal stakeholders such as direct employees and contractors or external stakeholders such as suppliers, customers and local community members can report concerns, make suggestions or seek advice.

TITAN Egypt has various channels in place available to cover grievances and complaints in different locations such as complaints boxes, personal meetings or written letters.

All cases are investigated by the local management teams and are addressed accordingly.

In 2020, TITAN Group will launch a new Group Whistleblowing Policy and a Group-wide platform to support a positive work environment and promote ethical behavior across TITAN Group.

For employees, TITAN Egypt has a Problem Resolution and Grievance policy.

TITAN Egypt operations that are certified according to ISO 14000 and ISO 9000 apply mechanisms to record feedback and possible complaints by customers, communities and other external stakeholders. During 2019, we provided feedback to our stakeholders regarding their concerns.⁹

2018 and 2019 External Assurance Reports

During 2019, TITAN Egypt received a limited assurance verification for its non-financial performance disclosures for 2018, according to UNGC CoP criteria, and the sectoral approach and related criteria for reporting on health and safety performance, and environmental performance, in adherence with the Guidelines of the GCCA.

The third party (independent) auditors of Grant Thornton were assigned for this purpose under a contract, which adopted the same standards and reporting criteria with the Group level agreement on assurance for all TITAN operations in a number of countries, which publish their annual reports on CSR and sustainability performance.

During 2019, TITAN Group engaged with ERM Certification and Verification Services (CVS) to provide assurance on sustainability information in TITAN's Cement Group 2019 Annual Integrated Report.

This independent verification was in accordance with the guidelines and protocols of the GCCA, as well as the "advanced" level criteria for the UNGC CoP.

⁷ The TITAN Egypt 2019 Corporate Social Responsibility and Sustainability Report is available online at TITAN Cement Egypt's website: <http://titacementegypt.com/>.

⁸ More information on the "Environmental Performance Indicators Index", "Social Performance Indicators Index" and "2019 TITAN EGYPT Global Compact Communication on Progress Review (CoP)" are presented in the «Non-Financial Statements» section in Table NFP 2, Table NFP 3, and Table NFP 7.

⁹ More information on policies are presented in the "Non-financial Statements" section "TITAN Egypt policies" in Table NFP 6.

The Alexandria Plant, along with two other TITAN Egypt production operations, underwent audit visits to verify the source data underlying the 2019 data for the information in assurance scope and to review local environmental and safety management, labor and human rights, and stakeholder/community engagement.

ERM obtained sufficient evidence of performance data and information covering the first six months in 2019, through meetings, site tours, interviews with management and staff, and document reviews

ERM had to confirm that a management process is in place for the measurement, recording, reviewing and reporting of key performance data. Furthermore, they had to confirm that the site has appropriately applied TITAN Group corporate reporting definitions when calculating key performance data.¹⁰

More information on global collaborations is presented in the “Strategic Review” section - Our Commitment to Sustainable Development - Global Collaborations.



ERM CVS general impressions of site operations and data management:

- “Site was well prepared for the visit and all personnel available during our visit.
- General impression from site walkthrough is that housekeeping around the site is of a high standard and that rules relating to Personal Protective Equipment are understood and observed by personnel.
- Numerous recent investments in operations including new bag filters and solid fuel storage area.
- Uniquely located adjacent to a residential community of it, is apparent that significant investment (both financial and intangible) has been made to both improve the conditions and opportunities for local people and to ensure that Alexandria Portland Cement Company is seen as a partner to be worked with as opposed to an entity to be worked against.”

Our Commitment to Sustainable Development

TITAN'S CSR Vision

At TITAN Egypt, Corporate Social Responsibility is a shared responsibility and a common vision:

“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.”

TITAN Group CSR Policy

In support of this vision, CSR is one of the corporate values that is embedded in the company's governing objectives.

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 these goals, TITAN places CSR at the heart of its operations.¹¹

“We are committed to sustainable growth, integrating human, environmental and social elements into our business decisions.

TITAN aims to continuously improve its environmental and social performance, measuring the impacts and contributions, and assessing environmental and social footprint.

We aim to build trust with all our stakeholders by communicating openly and transparently and seeking engagement to understand the impact of our operations and their concerns.”

Abstract from Group Corporate Social Responsibility Policy.

¹⁰ The ERM CVS Independent Assurance Statement to the Board of Directors of TITAN Group is in the section titled “Auditors; Reports” pages 212 - 214 in the TITAN Cement Group 2019 Integrated Report available online at TITAN Cement Group website: <https://www.titan-cement.com/newsroom/annual-reports/>.

¹¹ More information about the “TITAN Group Corporate Social Responsibility Policy” is available online at TITAN Group's website (<https://www.titan-cement.com/about-us/corporate-governance/group-policies/#CSR-policy>).

Achieving Sustainable Growth

TITAN Egypt has worked together with stakeholders at the global, regional and local levels since 2002, to ensure collaboration for sustainable development.

The company also works extensively on building collaborations to addressing material issues which are crucial for fulfilling the governing objective in line with its solid set of values.

Through partnerships and collaborative actions, TITAN aims at multiplying the value it creates, sharing know-how, experience and best practices, while working together with stakeholders to address the impacts and opportunities that the business faces.

Global Collaborations / Participations

The United Nations Global Compact (UNGC) 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. The UN SDGs 2030 cover the three dimensions of sustainable development: social, economic and environmental. The SDGs 2030 are grounded on five principles:

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

TITAN Group was among the first 500 signatories of the UNGC worldwide.

We acknowledge that our parent company participates in the UN Global Compact, and we support the Ten Principles and advancement of the Sustainable Development Goals as well as broader UN goals.

We consolidate our support for this initiative fully under our parent's commitment. Therefore, we do not participate in UN Global Compact activities nor do we participate in activities of a Global Compact Local Network.

Global Cement and Concrete Association (GCCA) Initiative



Since 2003, TITAN has integrated in its own guidelines and policies the sectoral guidelines created by WBCSD Cement Sustainability Initiative (CSI), a Sector Project of the World Business Council for Sustainable Development (WBCSD).

The work and activities carried out by the CSI were transferred from WBCSD to the Global Cement and Concrete Association (GCCA) on 1 January 2019, following a strategic partnership between the two parties (GCCA and WBCSD).

The partnership aimed to facilitate sustainable development of the cement and concrete sectors and their value chains.

The new partnership also created synergies between their sector-focused work programs to benefit both GCCA and WBCSD members.

TITAN, also a member of the WBCSD, has become a full member of the GCCA since 2018, and as a member has endorsed its Charter and Framework Guidelines that identify five key pillars, which encompass the sustainability spectrum of the cement and concrete sector. As per the requirements set out for the full members in the GCCA Charter, TITAN is committed to setting targets for performance improvement and implementing sustainability initiatives across all five pillars.

Supporting the European Pact for Youth



The European Commission and business leaders launched the «European Pact for Youth» to improve partnerships between business and education to boost the chances of young people getting jobs.

The Pact, initiated by The European Business Network for Corporate Social Responsibility (CSR Europe), is an appeal to all business, social partners, education and training providers and other stakeholders to develop or consolidate partnerships in support of youth employability and inclusion.

TITAN engaged with the European Pact for Youth through partnership agreements with academia and educational support programs focused on providing opportunities for work-related experience, traineeships and training for young people who benefitted from programs implemented.

Material Issues and Stakeholder Engagement

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.

Materiality Assessment

TITAN Egypt had the first materiality assessment exercise in 2014 following TITAN Group standards, taking into consideration local and national stakeholders.

A review and update of the materiality assessment was conducted in 2016, then again in 2018.

The materiality assessment at the local level is used as an input for the materiality assessment at the Group level, and vice versa.

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

The results served as basis to decide upon needed actions and activities during years 2018 and 2019.

The materiality assessment provides a clear connection between the identified key material issues with the relevant Sustainable Development Goals (SDGs), established by the UN to achieve long-term growth and development by 2030.

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».

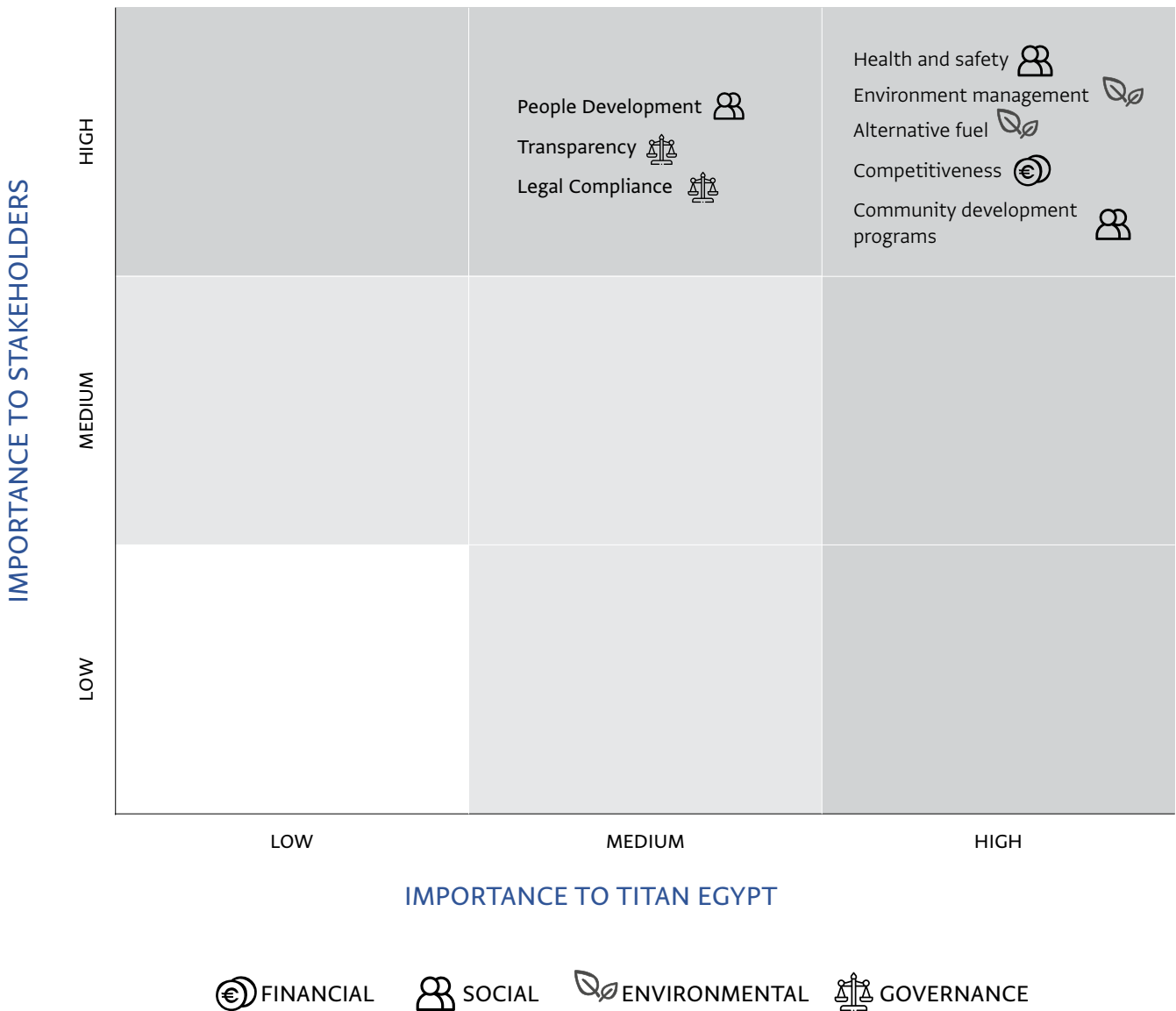
TITAN Egypt recognizes that conditions with respect to the identification and prioritization of material issues for the internal and the external stakeholders were changed since the previous cycle of the materiality assessment in our business unit during 2018.

New conditions include of course the impacts of the public health crisis due to the COVID-19 pandemic in 2020.

In 2019, the decision of TITAN Group, was to open a new cycle of materiality assessment in order to incorporate up-to-date stakeholder perspectives in our strategic planning, the outcomes of which will be presented in 2020 TITAN Group Integrated Annual Report.

TITAN Egypt will open the new materiality assessment cycle on BU level in 2020, and the outcomes for the key material issues will be presented in TITAN Egypt’s 2020 CSR and Sustainability Report.

The information below summarizes the outcomes of the materiality assessment process that took place in 2018:



2018 HIGH PRIORITY MATERIAL ISSUES	WHAT IT MEANS TO TITAN EGYPT	CORRESPONDING KPIs IN INDEX SYSTEM	CORRESPONDING UN SDGS 2030
Health and Safety	- Protect employees, contractors and local communities.	TABLE NFP 3.1-: Health and Safety KPIs SP01L-SP12L	
Environment and Energy Management	- Follow international best practices. - CO ₂ footprint. - Focus on increasing alternative fuels.	TABLE NFP 2-: Environmental Performance Indicators Index KPIs EP01L-EP40L	
Competitiveness	- Low operating fixed and variable cost, optimum working capital. - Digitalization. - Product quality and customer service.	TABLE NFP 3.2-: Employment Indicators Index KIPs SP14L-SP29L TABLE NFP 3.3-: People Development Indicators Index KPIs SP30L-SP39L TABLE NFP 3.4-: Stakeholder Engagement Indicators Index KPI SP45L	
Community Development Programs	- Development for our neighborhood and local communities.	TABLE NFP 3.4-: Stakeholder Engagement Indicators Index KPIs SP40L-SP49L	

More details about our non-financial disclosures approach is presented in the Performance Overviewed chapter, in the section on TITAN's Approach for Non-Financial Performance Disclosures.

CONCERNED STAKEHOLDERS FOR 2018 HIGH PRIORITY MATERIAL ISSUE	HEALTH AND SAFETY	ENVIRONMENT AND ENERGY MANAGEMENT	COMPETITIVENESS	COMMUNITY DEVELOPMENT PROGRAMS
Employees	✓	✓	✓	
Employee Families	✓	✓		
Unions	✓	✓		
Contractors	✓	✓	✓	✓
Suppliers	✓	✓	✓	✓
Local Communities	✓	✓	✓	✓
Local Authorities	✓	✓		✓
Customers	✓	✓	✓	
NGOs	✓	✓	✓	✓

Stakeholder Engagement

Stakeholder engagement is an important element of TITAN Group’s Corporate Social Responsibility policy; it builds trust, improves understanding of the impacts of operations, and addresses stakeholder concerns, while providing input to the materiality assessment process.

TITAN seeks out feedback to address and further improve issues that are of increasing importance to our stakeholders.¹²

Accordingly, TITAN is working towards building an inclusive long-term relationship, through ongoing engagement with stakeholders at all levels.

This enables mutual understanding, establishes and maintains good relationships, builds consensus on issues of common interest, and activates bilateral and multilateral partnerships to support sustainable solutions.

The information below summarizes the outcomes of the continuous stakeholder dialogue and engagement in 2019:

KEY STAKEHOLDERS	FORMAL AND INFORMAL COMMUNICATION CHANNELS	KEY ISSUES PER STAKEHOLDER GROUP
Employees - Unions	Employee opinion survey 2019 - Collective agreement - Communication days / events - Regular meetings	Occupational health and safety - Compensation and benefits - Training and development - Restructuring
Contractors - Suppliers	Bilateral meetings - Communication days / events - Seminars and workshops particularly in respect to safety and working conditions.	Occupational health and safety - Long term contracting - Training and development
Communities	Regular meetings - Socioeconomic studies - Students development programs - Onsite visits - Events participation / sponsorship	Health and safety - Local environmental impacts - Employment opportunities - Community development programs - Minimize gap education and employment needs for youth - Visual impact
Customers	Regular meetings	Prices instability - Quality improvement - Customer service (complaints) - Diversity of products
Governorates - Local Authorities	Regular meetings - Formal letters	Legal compliance - Community development programs

Furthermore, TITAN Egypt has memberships, partnerships, formal or informal cooperations with other stakeholders.

TITAN Egypt is also recognized and awarded by other stakeholders.

Since 2014, TITAN Egypt has voluntarily committed to annually disclose the company’s sustainability performance and address the stakeholders’ material issues. All reports are available online at TITAN Cement Egypt’s website: <http://titancementegypt.com/>.

In its two key operations of Alexandria and Beni Suf Cement Plants and based on community studies, TITAN Egypt has community engagement plans that are related to material issues. Furthermore, TITAN Egypt is currently considering updating its community studies.¹³

25 ¹² More information about the TITAN Group Corporate Social Responsibility Policy is available online at TITAN Group’s website <https://www.titan-cement.com/about-us/corporate-governance/group-policies/#CSR-policy>.

¹³ More details are available in the Non-Financial Statements section of the report, in Table NFP 8, Table NFP 9, and Table NFP10 (Memberships 2019, Co-operations and Participations 2019, and Awards and Recognition 2019) Table NFP 8, Table NFP 9 and Table NFP10.

2019 Indicative Collaborative Activities Per Area of Concern at the Local Level

AREA OF COLLABORATION	ACTIVITIES DURING 2019 AND CORRESPONDING SDGS
Health and Safety	<ul style="list-style-type: none"> • Two medical check-ups and health surveillance campaigns for both Alexandria and Beni Suef cement plant direct employees and contractors (SDG 3.9 - SDG 8.8 - SDG 17.17) • Partnership to improve health care services in Beni Suef (SDG 3.8 - SDG 3.c - SDG 4.4 - SDG 8.6 -SDG 11.1 - SDG 17.17).
Environment and Energy Management	<ul style="list-style-type: none"> • Revamping water network (SDG 3.9 - SDG 6.3 - SDG 6.4 - SDG 6.5 - SDG 12.2). • Improving dust control systems (SDG 3.9). • Finalizing solid fuel storage (SDG 3.9 - SDG 7.3 -SDG 7.b -SDG 9.4 - SDG 11.6). • TITAN Egypt continued to increase alternative fuel utilization, as part of the strategic plan for substituting fossil fuels with alternative sources for the pyro-line (SDG 3.9 -SDG 7.3 -SDG 7.b - SDG 11.6 - SDG 12.2 - SDG 12.4 - SDG 12.5 - SDG 17.17).
Community Development Programs	<ul style="list-style-type: none"> • 5th year partnership with local NGO to improve local conditions in Alexandria Plant neighborhood (SDG 3.9 - SDG 4.4 - SDG 11.6 - SDG 17.17): • Partnership to improve health care services in Beni Suef (SDG 3.8 - SDG 3.c - SDG 4.4 - SDG 8.6 -SDG 9.1 - SDG 11.1 - SDG 17.17). • Student development program, summer traineeship opportunities and site visits to learn from the manufacturing process (SDG 4.4 - SDG 8.6 - SDG 17.17). • Joined forces with a multinational organization to develop hard and soft skills for undergraduates (SDG 4.4 - SDG 8.6 - SDG 17.17).
Supplier Management and Relations	<ul style="list-style-type: none"> • Continue localization project of replacing imported materials and spare parts with locally produced ones (SDG 4.4.- SDG 9.3) • Duration of contracts has been extended to 2 - 3 years for local preferred suppliers (SDG 4.4.- SDG 9.3).

Long Term Commitment to Community Engagement

In addition, other indicative collaborative activities before 2019 in Alexandria and Beni Suef are provided below, and demonstrate the continuous response of TITAN Egypt to the needs of stakeholders and its impact / return on the company¹⁴:

2014

Socio-economic study through independent specialized NGO.

2015

Community engagement plan.
Three-year partnership agreement.
Health care study through independent specialized NGO.

2016

Welding workshop in vocational technical center.
Neighborhood satisfaction survey.

2017

Public elementary school uplifting and revamp after assessment by reputable NGO.

2018

Playground building and equipping for youth and children.

2019

Positive feedback received by local stakeholders.

Conditions examined by independent auditors identified as extreme, if not unique.

Partnership to improve health care services through independent specialized NGO.

A Sustainability Vision for Egypt 2030

By 2030, Egypt will possess a competitive 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 with the aim of improving Egyptians' quality of life. TITAN Egypt is already committed to these ideals, which are reflected in its corporate activities and objectives. Consequently, TITAN Egypt believes in its key role in furthering this vision of the Egypt of the future.

Aligning TITAN Egypt's Priorities with the UN SDGs 2030

Since 2015, TITAN Egypt's objectives are fully aligned with the UN's 2030 Agenda for Sustainable Development and ensuring its support for them.

TITAN Egypt directly links the SDGs 2030 with its targets and priorities that have been identified by the materiality assessment process as the most relevant to the business considering the company's community study findings and national priorities.

Among the 17 SDGs 2030, TITAN Egypt has identified the most relevant and important to our business. We map TITAN Egypt's contribution to all SDGs throughout the 2019 CSR and Sustainability Report.





TITAN
CEMENT EGYPT

Performance Overview



Overview of the Egyptian Cement Market

BEFORE 2019

- During the last decade, the total domestic demand of cement was around 50 million tons with a peak of 56.5 million tons in 2016. During the same period, new production lines were introduced to the market which resulted in an increase in production capacity from between 52 to 53 million tons in 2010 to 83 million tons in 2018.
- Only in 2018, a new cement plant with 6 new production lines (total capacity of between 12 and 13 million tons (about 15% of the market capacity) started to produce cement, while the market dropped by 6% in the same year. As a result, the utilization factors of the plants dropped from 85% to 60-65%.
- In addition, during recent years, the production cost has increased dramatically because of the increase in costs related to energy, fuel, quarry royalties, clay tax, etc. The devaluation of the Egyptian Pound after the free float of the currency increased the cost of production in EGP.
- Since 2010-2011, domestic selling prices went up around 60%, at the same time, the inflation went up by 160%.
- The industry lost its competitiveness for exports while huge quantities coming from other countries are available for export at a very low cost.

DURING 2019

- The cement industry in Egypt continued to suffer from oversupply, exacerbated by the entry of new capacities, which entered the market in the second half of 2018.
- Total demand dropped from 50.5million tons in 2018 to 48.7million tons in 2019, as a result, capacity utilization rates fell significantly.
- A further decline in cement prices and demand was experienced due to prolonged weakness in the construction sector amidst an oversupplied market.
- The significant cost increases, resulting from production cost increases, electricity price rises and transportation cost put further pressure on margins.
- The closure of some of the old capacities (liquidation of the National Cement Company) and the partial suspension of some of the production lines (Tora Portland Cement Factory) that occurred in 2019 were not sufficient to raise utilization rates and prices.
- Despite the reduction of gas prices for the cement industry from USD 8 to USD 6 per MBTU, still this type of fuel is more expensive than pet coke and coal.
- At the end of 2019, TITAN Group acquired the minority stake of the International Finance Corporation (IFC) that the latter held in TITAN subsidiaries in Egypt.
- Following this transaction, Alexandria Portland Cement Company has initiated the process that will lead to its delisting from the Egyptian Stock Exchange.

Financial Performance Highlights

As per the consolidated financial statements for the fiscal year ended 31/12/2019:

The consolidated net sales of the company amounted to EGP 2,196 million, compared to net sales of EGP 2,866 million in the same period of 2018, representing a decrease of EGP 670 million.

Gross loss reached EGP 100 million compared to gross profit of EGP 250 million in the same period of 2018, representing a decrease of EGP 341 million. Consolidated losses after taxes reached EGP 236 million, compared to losses of EGP 394 million in the same period of 2018, marking an EGP 158 million and 40% reduction in losses.

The main reason for the reduction in loss is the improvement in financing expenses resulting from the replacement of bank loans with a loan in euros from the parent company at a lower interest rate. Finally, there was a decrease of EGP 670 million in the consolidated net sales of the company, representing 23%.

During 2019, the company did not undertake any export activity due to the economic infeasibility of export as a result of the increase of production costs and the competition from neighboring countries. Accordingly, in 2019 the company took two bold decisions, the first of which was to increase the capital of the Beni Suef Cement Company by EGP 390 million, representing 75% of its original capital, reaching EGP 910 million through cash funding from its main shareholder, the Alexandria Portland Cement Company and TITAN subsidiaries.

The second decision was to reduce the capital of TITAN Beton and Aggregates Egypt by EGP 49.6 million, to offset its previous year's losses and allow for a better capital structure.¹⁵

CONSOLIDATED KEY FINANCIAL INDICATORS (IN EGP MILLIONS)	2019	2018	2017
Total Assets	4,156	4,795	4,032
Shareholder Equity	(277)	(40)	(912)
Turnover	2,196	2,866	2,853
EBIT / Operating Profit	(270)	29	85
Earnings Before Tax and Minority Interest	(312)	(470)	(643)
Earnings After Tax and Minority Interest	(236)	(394)	(514)
Shareholder Equity Ratio	-7%	-1%	-23%

¹⁵ More details about key financial indicator definitions are available in "Glossary" section.

Non-Financial Performance Highlights

Despite all the challenges TITAN Egypt faced during 2018 and 2019, we remained focused on responding to stakeholder needs, delivering results, creating value and following commitments to our stakeholders. TITAN Egypt further improved its sustainability performance in 2019, specifically in the areas of safety and environmental performance. We achieved better safety results for both direct employees and contractors, and we also continued our efforts towards environmental contribution, through the use of alternative fuels, at both the Alexandria and the Beni Suef plants, aiming at cost containment and reduction of carbon footprint of our operations. We also reduced specific water consumption.¹⁶

The continuous improvement with respect to local impacts, and our continuous engagement with our key stakeholders through specific initiatives and actions which aim at strengthening the sustainability of local communities are two crucial elements of our business strategy. Under this framework TITAN Egypt is positively contributing to the achievement of 2020 TITAN Group targets related to environmental and social performance. A new target-setting process is underway in 2020 on the Group and business unit levels, for committing to 2025 new Targets for Sustainability.

TITAN Group launched a new web-based platform for self-assessment of all community engagement plans for all business units. This new platform is a new module of the Group data collection system -TITAN Group CSR Databank. This will encourage the focus on material issues in community engagement initiatives. During 2019, TITAN Egypt, along with some other business units, participated in the testing phase of this new platform.

In 2020, among all other business units, TITAN Egypt will actively participate in the assessment of our business unit initiatives and actions for community engagement, by responding with input on the new platform.

In 2019, TITAN Egypt disclosed its first independently verified CSR and Sustainability Report for 2018. We continued building strong relationships with local communities which is key to value creation for our stakeholders.

The company continued the implementation of community engagement plans in both Alexandria and Beni Suef, where the priority in 2019 was to equip and furnish a public hospital in Beni Suef, in co-operation with the governorate and a specialized local NGO.

TITAN's Approach to Non-Financial Performance Disclosures

TITAN Egypt follows TITAN Group's integrated Global Sectoral Approach to disclose non-financial performance in alignment with voluntary commitments to UN Global Compact (UNGC) and Global Cement and Concrete Association (GCCA).

Moreover, to further align with SDGs 2030, TITAN Egypt incorporated in 2019, the "Guidance on Core Indicators for entity reporting on the contribution towards the attainment of the Sustainable Development Goals" of the United Nations Conference on Trade and Development (UNCTAD, latest publication in 2019).

The non-financial performance indicators and statements focus on material issues for TITAN Egypt operations and key stakeholders.

TITAN Egypt covers sustainability performance indicators that are structured in a codified manner under three separate index tables in the Non-financial statements / Non-financial indicators.

We provide a three-year data history in both environmental and social Performance Indicators indices having connection between the disclosures (KPIs) and the standards for reporting, with specific Targets to the SDGs 2030.

More information on sustainability performance indicators are presented in the chapter on Non-financial Statements, in the section on Sustainability Performance Indices.

31 ¹⁶ More details about sustainability key achievements during 2019 are presented in the Health and Safety section on Health and Safety Key Achievements during 2019; the Environmental Performance section on Environmental Key achievements during 2019; and the Non-Financial Statements chapter's section on Sustainability Performance Indices.

An illustration of this approach for non-financial performance is presented in the table below.

MATERIAL ISSUE	KEY PERFORMANCE INDICATOR	REFERENCE INDEX IN THIS REPORT	UNGC	SDGs and TARGETS	UNCTAD Edition 2019	Global Sectoral Approach
Health and Safety	Employee Lost Time Injuries (LTIs)	Table NFP 3.1-: Health and Safety-Indicators Index SP05L	UNGC Ten Principles	SDG 3.6 SDG 8.8	UNCTAD 8.8.1	GCCA
Environment and Energy Management	Alternative fuels and material	Table NFP 2-: Environmental Performance Indicators Index EP21L - EP22L - EP23L	UNGC Ten Principles	SDG 7.2 SDG 7.3 SDG 7a	UNCTAD 7.2.1	GCCA
Competitiveness	Training investment per gender*	Table NFP 3.3-: People Development Indicators Index SP31L	UNGC Ten Principles	SDG 4.3 SDG 4.4 SDG 4.5 SDG 5.1 SDG 5.5 SDG 8.5 SDG 10.2 SDG 10.3	UNCTAD 4.3.1	-
Community Development Programs	Donations	Table NFP 3.4-: Stakeholder Engagement Indicators Index SP40L - SP41L - SP42L	UNGC Ten Principles	SDG 3.8 SDG 3.9 SDG 3.c SDG 4.4 SDG 8.6 SDG 9.1 SDG 11.1 SDG 11.6 SDG 17.17	UNCTAD 17.17.1	-

* In addition to the above, diversity and inclusion is covered by this indicator.

Value Creation

Driven by our Governing Objective

we draw on our capital



Financial capital

We use our economic resources efficiently to support our business growth and safeguard our competitiveness.



Manufactured capital

We manufacture our products using best available techniques through exchanging with TITAN Group network in different countries. This network consists of cement plants, quarries, ready mix plants and other production facilities. Also, we distribute products reliably to our customers.



Intellectual capital

We exchange with TITAN Group network about R&D capabilities, core competence and keep knowledge of the building materials industry to enhance our offerings and further improve our performance.



Human capital

We value our people's contribution to our achievements, continuously supporting their professional development in an engaging, inclusive and collaborative working environment.



Social and Relationship capital

We engage with our stakeholders building long-term relationships of trust and working together in collaborative projects to make a positive impact on society and local communities.



Natural capital

We source materials responsibly and we preserve natural resources and biodiversity in the areas where we operate. We contribute to circular economy, by applying the principles of "reduce, recycle, reuse, recover".

to provide our products and services and to make a meaningful and sustainable contribution for our wide range of stakeholders contributing to the UN SDGs 2030

VALUE CREATION KEY INDICATORS FOR SUSTAINABILITY ¹⁷	AMOUNT / CORRESPONDING KPI CODE IN INDEX SYSTEM*	STAKEHOLDERS	CORRESPONDING UN SDGs
Salaries, Pensions, and Social Benefits (including Additional Benefits Beyond those Required by Law)	EGP 199m	Employees Employees' Families Local Communities	
Investments on Training of Direct Employees, as Total Expenditures	EGP 1.4m KPI SP30L and KPI SP31L	Employees Employees' Families	
Internships	145 interns KPI SP43L	Employees Employees' Families Local Communities Youth	
Green Investment	EGP 62m KPI EP40L	Local Communities Youth Society at Large	
Alternative Fuels	74,000 tons refused derived fuel and biomass KPI EP21L, KPI EP22L and	Local Communities Youth Society at Large	
Total Spend on Local and International Suppliers for Goods and Services	EGP 2,1m	Suppliers Contractors	
Local Spend on Suppliers for Goods and Services	EGP 1,6m (75.51%) KPI SP45L	Suppliers Contractors	
Total Spend on Donations and Social Engagement Initiatives	EGP 10.7m KPI SP40L, KPI SP41L and KPI SP42L	Local Communities Academia Educational Organizations Civil Society Society at Large	
Taxes to National and Local Authorities	EGP 377m	Governments Local Authorities	
Other Payments to Governments	EGP 159m	Governments Local Authorities	
Capital Expenditure	EGP 126m	Employees Suppliers Contractors Local Communities Governments Local Authorities	

* Non-financial Statements section Table NFP 2 Environmental Performance Indicators Index and Table NFP 3 Social Performance Indicators Index.

¹⁷More information on value creation is presented in the "Non-financial Statements" section "Value Creation Core Indicators Index" Table NFP 1.



Health and Safety

A close-up photograph of a construction worker's waist and hand. The worker is wearing a dark-colored work shirt and a tool belt. The tool belt is filled with various tools, including wrenches, a screwdriver, and a tape measure. The worker's right hand is holding a white hard hat. The hard hat has the logo for Titan Cement Egypt, which consists of a stylized globe icon followed by the text "TITAN CEMENT EGYPT". The entire image is tinted with a blue color.

TITAN
CEMENT EGYPT

Health and Safety

Health and safety remain our top priority, and we are vigilant in improving our safety performance, while enhancing the skills and the competences of our direct employees and contractors. We aim to build a positive safety culture 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, in addition to insurers, shareholders, lenders, customers, authorities, and our parent organization 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 operations and locations is one of the Group's highest priorities.

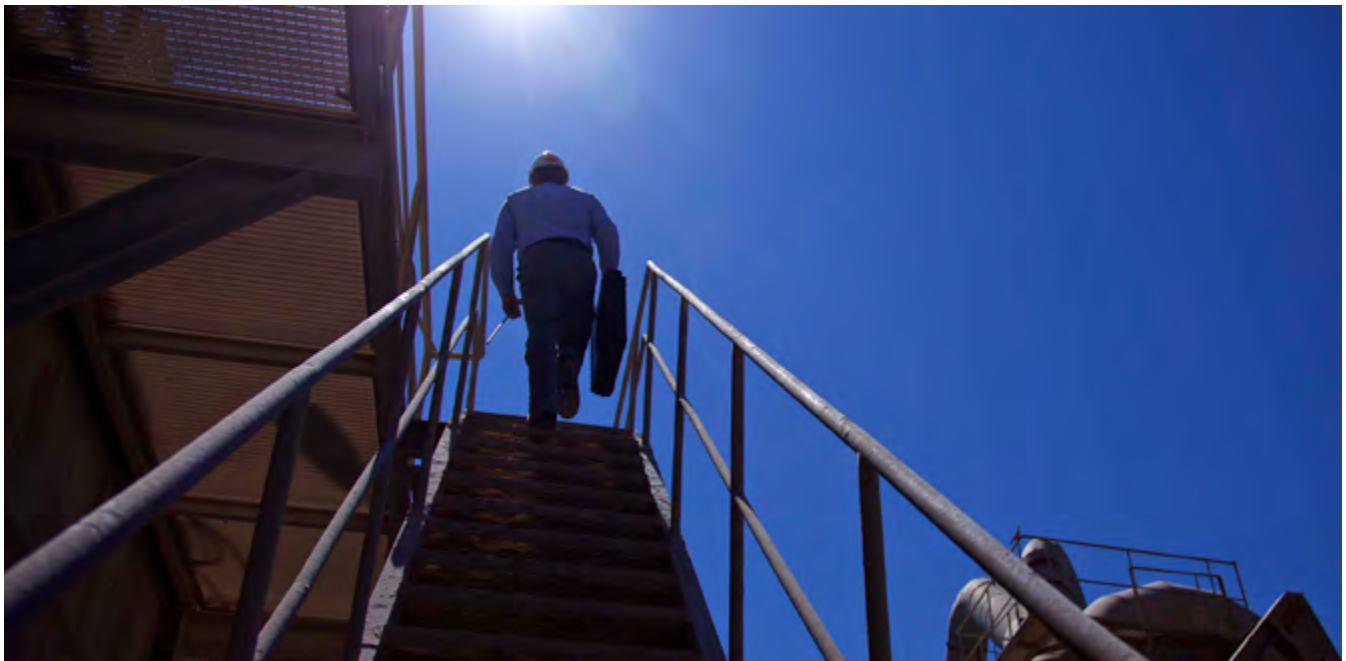
We positively engage with suppliers and contractors through a partnership rather than corrective approach, in order to effectively address challenges and improve workplace practices as much as possible.

Our vision is to achieve a healthy working environment free of incidents, injuries and accidents.

Our Organizational Health and Safety 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 our peers and members of the Global Cement and Concrete Association (GCCA) that follow the same industry specific guidelines for monitoring and reporting safety performance¹⁸



Health and Safety Key Achievements in 2019

In 2019, and in accordance with the Group strategic health and safety plan, we continued to implement programs such as Safety Leadership in the Field which commenced in 2018 and focuses on improving safety of on-site driving with the use of regular audits and the Group Guideline on Safe Driving in the Workplace.

We also participated in the newly launched program, Hazard Identification for Shift Leaders and Foremen, with engineers from TITAN's Egypt, Greece, Southeast Europe and Turkey operations being trained as trainers to support the implementation of the program.

We have been working over the last three years on a continuous safety improvement plan aiming to have sustainable and superior safety performance, supported by clear vision, SMART actions, and needed resources.

Our 2019 health and safety results represent the harvesting of the fruits of this development plan.¹⁹



1st Achievement-New Standard ISO 45001

- The world decided to migrate from the health and safety standard (OHSAS 18001) to the new ISO 45001 standard of health and safety, a process that requires careful planning, professional implementation, and flexible safety system.
- Our Alexandria plant has succeeded in migrating swiftly to the new standard, getting the first ISO certificate in the whole group in Dec 2019.
- Our Beni Suef plant has also finished the migration and is expected to be the second plant in the Group to be awarded the certificate in early 2020.

2nd Achievement-Zero-LTIs

- TITAN Egypt has succeeded in ending the year with zero LTIs for our direct employees and our contractors for the first time in the last 5 years. This achievement is clearly the result of the hard work and enhanced safety culture of our people, regard less of their jobs and regardless of whether they are direct employees or contracted personnel.
- Notably, the Beni Suef plant is now exceeding 3 years without LTIs, setting a new record for itself, and TITAN Egypt as a whole.

3rd Achievement-Green Business Unit

- The annual safety audit by the Group Health and Safety Director was a success story for both Alexandria and Beni Suef plants.
- The Beni Suef plant obtained the highest GREEN score for the second year in row after a comprehensive 4-day audit, while the Alexandria plant obtained a GREEN score as well this year, for the first time. This made TITAN Egypt a "GREEN" business unit in 2019; such an honorable achievement.

4th Achievement-Health and Safety Targets

- TITAN Egypt also managed this year to achieve all health and safety targets in all locations, in safety training hours, in the reporting of hazards, and in the closing of all safety actions.



¹⁹ More information on health and safety are presented in the Non-Financial Statements chapter, in the Health and Safety Indicators Index in Table NFP 3.1, providing a three-year history of consolidated data (2017-2018-2019) related to relevant SDGs 2030. For 2019 Group Integrated Report independent assurance, please refer to the commentary on Group Integrated Report Assurance in the Strategic Review chapter.

TITAN Group Health and Safety Project-Next Step to Safety

TITAN Group has decided to launch a new health and safety project that will bring a revolution not only in safety performance levels but also and mainly in the core of health and safety definitions and concepts. The new project introduces the philosophy of prevention of serious injuries and fatalities (SIF) and potential serious injuries and fatalities (PSIF) instead of the traditional approach of working on LTIs prevention criteria. The innovative “Krause-Bella Module” will finally replace, working parallel with the biggest industrial firms in the world, the well-known “Pyramid of Heinrich”.

The new project will be implemented through 4 major phases in a total period of between two to three years. The Group has chosen only two business units, one of which is TITAN Egypt, to apply this new project and lead the rest of the Group to new horizons in health and safety. TITAN Egypt has managed to have a very positive start in 2019 with a very ambitious and well-designed plan for 2020.

Safety Performance

During 2019, TITAN Egypt continued to undertake specific measures to strengthen its safety performance. The biggest effort was paid to the area of professional hazards, monitoring and evaluating thorough and detailed workplace inspections and high-quality audits. Any actions required to close findings were always tackled in a timely manner.²⁰

DIRECT EMPLOYEE SAFETY PERFORMANCE

No fatalities nor Lost Time Injuries were recorded in 2019 for direct employees.

This represents the third year in row without any LTIs for direct employees.²¹

CONTRACTOR SAFETY PERFORMANCE

As a continuation of what we started during 2018, the safety performance of contractors was given very high attention in 2019. The strategy has shifted from only evaluating and tracking the safety performance of contractors. Retaining only good performers allows us to invest in our contractors, helping them directly to improve their performance through specific actions and plans. This overcomes the problem of scarcity of high performing contractors in terms of both safety and technical performance in the Egyptian local market. This has resulted in having zero LTIs for contractors for the first time in the last 5 years.²²

DIRECT EMPLOYEE KPIS FOR SAFETY	2019	2018	2017
Fatalities	0	0	0
Fatality Rate	0	0	0
LTIs	0	0	0
LTI Frequency Rate	0	0	0

CONTRACTOR KPIS FOR SAFETY	2019	2018	2017
Fatalities	0	0	0
Fatality Rate	0	0	0
LTIs	0	3	2
LTI Frequency Rate	0	0.72	0.49

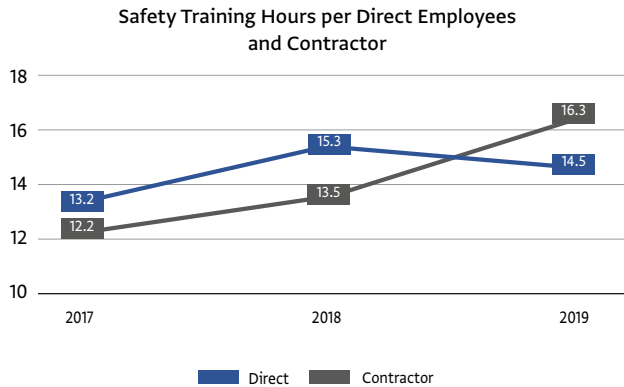
37 ²⁰ Definitions related to safety key performance indicators as per TITAN Group sustainability performance standards are available in the Glossary at the end of the Report).

²¹ More information on health and safety is presented in the chapter on Non-Financial Statements, in the Health and Safety Indicators Index in Table NFP 3.1; KPIs SP01L-SP02L- SP05L- SP06L- SP07L-SP8L.

²² More information on health and safety is presented in the chapter on Non-Financial Statements, in the Health and Safety Indicators Index in Table NFP 3.1; KPIs SP03L-SP04L- SP09L-SP10L).

Safety Training in 2019

TITAN Egypt developed a high quality and unprecedented training plan for all employees addressing both the emergency response plans and the implementation of the new essential safety rules.



Site Audits and Incident Prevention

- TITAN Egypt has successfully passed all external audits from all parties:
- The TITAN Group 360 Degree safety audit held by the Group Health and Safety Director was a success story, previously referred to in the section on Health and Safety Key Achievements in 2019.
- Additionally, TITAN Egypt underwent several successful audits from legal authorities, insurance companies, the Regional Safety Director, among others.

Paramount effort was made to improve internal audits, focusing on having several and different layers of audits for each and every area and safety aspect:

- Safety Audit Teams (SAT) were assigned to audit areas.
- Manager Audit Teams (MAT) were assigned to audit safety aspects in all areas, in addition to normal audits from the safety team.

All actions resulting from internal and external audits as well as incident investigation processes have been formalized in fully detailed action plans that are finalized within specific timeframes, with responsibilities that are electronically tracked and evaluated.

Promoting Health and Hygiene for Employees, Contractors and the Community

Beyond the requirements of local laws, TITAN Egypt offers private health care coverage to our direct employees and their families. We also include in the contract terms with contractors that outsourced per sonnel must have a private medical coverage.

TITAN Egypt in collaboration with specialized organizations runs medical examinations and health care programs beyond local legal requirements, to monitor the health of its direct employees and contractors. Doctors and occupational physicians monitor the health of individual employees, ascertaining their fitness to work and offering advice or intervening as necessary.

During 2019 and in compliance with our Group Health Guidelines, TITAN Egypt launched two medical check-up and health surveillance campaigns in Alexandria and Beni Suef cement plants covering the following:

1. Dust, crystalline silica and noise exposure measures for 22 jobs as representative samples.
2. Audiometry, spirometer tests for all employees.



SALAMA - TITAN Egypt Safety Character



Environmental Performance



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.^{23,24}

Environmental Policy and Management Systems



We are committed to sustainable development aiming to be acknowledged as a responsible and transparent company.

Accordingly, we strive to continuously improve our environmental footprint by mitigating negative impacts and multiplying positive ones.

We also actively engage in worthwhile international initiatives, such as the UN Global Compact (UNGC).

TITAN also joined the Global Cement and Concrete Association (GCCA) as one of the key members since

its establishment in 2018 as the new authoritative platform for the cement and concrete sector worldwide.

More information on global collaborations are presented in the Strategic Review chapter, in the section on Our Commitment to Sustainable Development and Global Collaborations.

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.

Since 2018, TITAN Egypt follows the updated TITAN Group environmental policy which reflects our commitment to sustainable development and our approach towards addressing the challenges and opportunities of climate change.

TITAN Egypt has uploaded bilingual version of the new policy on employees' local intranet.

As part of our carbon footprint management, we report our CO₂ emissions publicly on a voluntary basis to GCCA, applying sectoral criteria following their Guidelines "The Cement CO₂ and Energy Protocol - CO₂ and Energy Accounting and Reporting Standard for the Cement Industry", by v.3 (2011).

Data is also used for a global industry benchmark. TITAN participates and contributes to the "GNR" for CO₂ and energy information, according to the Global Cement and Concrete Association (GCCA): "Getting the Numbers Right" (GNR), on Cement Industry Energy and CO₂ Performance", where our Group performance indicators are reported annually.

As a result of implementing a persistent program of water monitoring and appropriate reporting systems over the past few years, TITAN Egypt has identified opportunities for improvement, such as upgrading our plants' piping and cooling systems, and enhancing water recycling practices.

This reflected directly in a positive way on our water footprint and will enable TITAN Egypt 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, TITAN Egypt reports on water measurement of withdrawal and consumption.

39 ²³TITAN Group's Environment Policy and Climate Mitigation Strategy is available online at TITAN Group's website <https://www.titan-cement.com/about-us/corporate-governance/group-policies/#Environmental-policy>

²⁴More information on our environmental performance is presented in the chapter on Non-Financial Statements, in the Environmental Performance Indicators Index in Table NFP 2, with a three-year history of consolidated data (2017-2018-2019) related to relevant SDGs 2030. For 2019 TITAN Group Integrated Report independent assurance, refer to the commentary on Group Integrated Report Assurance in the Strategic Review chapter of this report.

Full Compliance with Local and Global Legislation

We are very pleased to state that in 2019 our cement plants' dust emission levels were in full compliance with legal limits and regulations stipulated by the Egyptian Environmental Affairs Agency (EEAA), as well as international and EU standards.

This is a direct result of our implementation of best available technologies and best practices. We continue to invest in developing our expertise, as well as in state-of-the-art control equipment. This compliance has had a positive impact on the company's reputation and acceptance among communities.

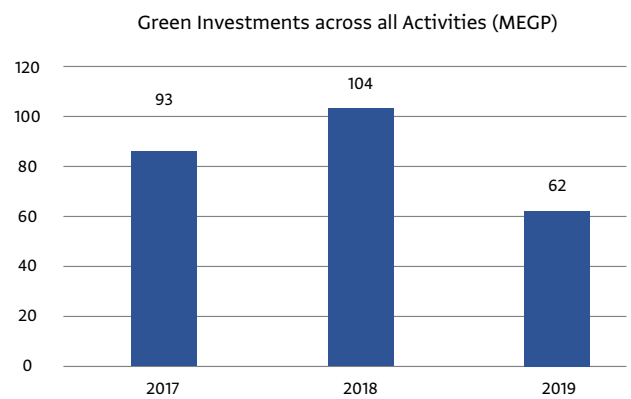
Controlling Our Emissions

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. TITAN Egypt 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 EEAA control room. This enables us to monitor emissions closely in real time and act accordingly. In addition, TITAN Egypt publishes dust emission, NOx, SOx, and water consumption indicators every quarter on its website.

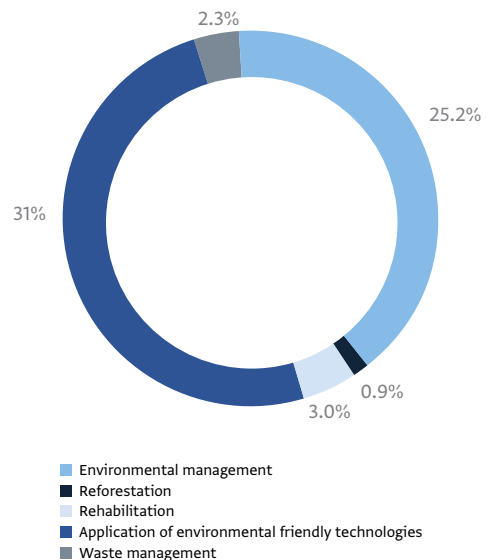
Improving Our Environmental Performance

As part of TITAN Group, TITAN Egypt has long recognized environmental management as a material issue, and especially with priority to the management of local impacts from our operations. TITAN Egypt 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.

In spite of the recent unfavorable financial status of TITAN Egypt and the general cement industry in Egypt, the total green investment in the area of environment continued in 2019 with a total of about EGP 62 million (KPI EP40L), with the majority of this amount invested in environmental friendly technologies and the environmental management system. Revamping water networks, improving dust control systems, and finalizing solid fuel storage are major objectives and priorities for the 2019 investment plan. As a result of these investments, TITAN Egypt significantly improved its environmental and social performance.



TITAN Egypt Green Investments Distribution 2019



Key Environmental Achievements in 2019

In 2019 TITAN Egypt managed to achieve several challenging sustainability goals, including the following:

- Reducing specific water consumption in the Alexandria plant by one third. Detailed water mapping identified potential areas of improvement, with action plan to tackle these points (water cooling system, distribution network).
- Finalizing the Alexandria plant’s solid fuel closed storage, which resulted in the avoidance of double handling and additional transportation of solid fuels. This significantly improved the fugitive dust not only inside the plant but in the surroundings as well.
- Reducing specific CO₂ emissions by 6% year-on-year basis. This achievement has a direct impact on climate change mitigation. TITAN Egypt reduced both processed CO₂ (by partially replacing raw material with alternative raw material) and thermal CO₂ from burning fuels (by using alternative fuel and improve burning efficiency).

Raw Materials, Water, and Energy Conservation

Cement production consumes natural resources (raw materials and water) and energy, in the form of thermal and electric energy. Systematic monitoring and recording of consumed quantities is required to ensure that any environmental impact is adequately appraised. Being environmentally conscious, and aiming always to lead by example, TITAN Group places high priority on applying and improving its monitoring mechanisms.

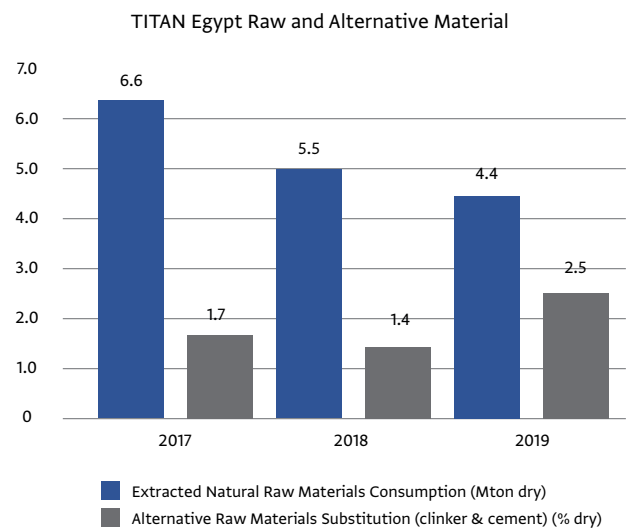
TITAN Egypt made significant achievements in 2019 in reducing natural resourcing in both the fuel and raw materials fields. Utilizing waste streams as alternative fuels and raw materials has resulted in significant reductions in fossil fuel and natural raw material consumption. We consumed 74,000 tons of waste alternative fuels (KPI EP25L), with the majority as municipal solid waste (MSW) and biomass, with a low carbon footprint. We also used 110 kilotons (kt) of alternative raw material (KPI EP27L), mainly steel-industry waste slag, resulting in a significant positive impact both on local communities as well as on global climate change.

Raw Materials

TITAN Egypt managed to replace many of the natural raw materials required in our production processes, by using 110 kt of air-cooled blast furnace slag, a steel industry by-product.

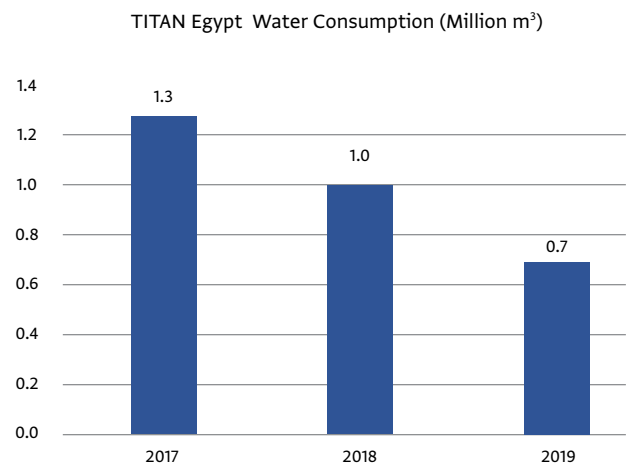
In 2019, TITAN Egypt consumed 4.4 million metric tonnes (dry basis) of raw materials for our total cement production (KPI EP27L).

Approximately 2.5% of all raw materials were alternative raw materials, namely recyclable by-products from other industries, including blast furnace slag.



Water Consumption

In 2019, the total water consumption for our cement plants and attached quarries, including ready mix, was reduced compared to 2018. This was not only a result of intensive measures taken to optimize water consumption, including enhancing waste-water re-use in green areas, and using closed water loops, but also reflects lower cement production during this time period. Total water withdrawal in TITAN Egypt in 2019 was 0.71 million cubic meters (m³) (KPI EP07L).



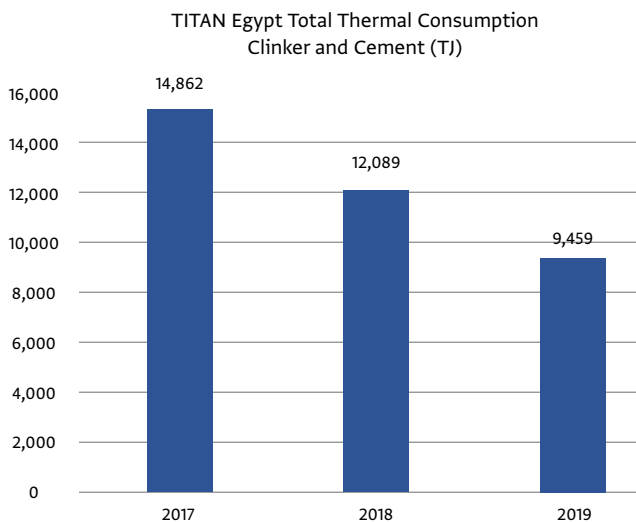
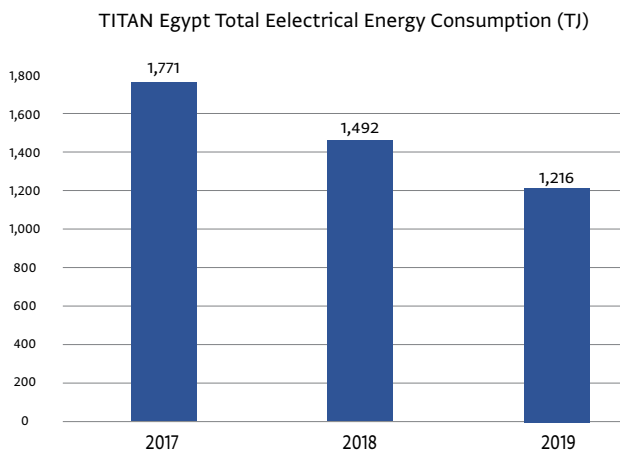
Thermal and Electrical Energy

In 2019, TITAN Egypt cement plants consumed a total of 9,459 terajoules (TJ) of thermal energy for our clinker and cement production processes (KPI EP24L).

Both total and specific thermal energy consumption was significantly reduced compared to 2018, due to low utilization resulting from a surplus in cement supply compared to demand. TITAN Egypt's strategy is to utilize the more energy-efficient production lines.

Regarding electrical energy consumption in TITAN Egypt cement plants and attached quarries in 2019, this was 1,216 TJ (KPI EP17L), which is highly reduced compared to 2018, thanks to detailed power mapping that allowed for the targeting of areas of improvement, as well as reduced volumes.

Similar to every year, heat and electrical efficiency audits were conducted, and practical action plans were developed to optimize thermal energy consumption and reduce heat losses.

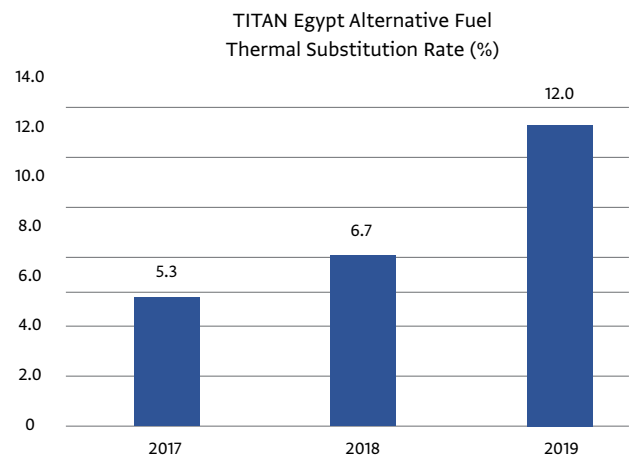


Substituting Solid Fuels with Alternative Fuels

TITAN Egypt continued to increase alternative fuel utilization, as part of the strategic plan for substituting fossil fuels with alternative sources for the pyro-line.

The co-processing rate increased in 2019, and the total consumption of alternatives, including RDF and biomass exceeded 74,000 tons (KPI EP25L), compared to 65,000 tons in 2018. This was equivalent to a 12.0% substitution of fossil fuels, calculated on a heat basis compared to 6.7% in 2018 (KPI EP21L).

In order to enrich alternative fuel utilization and diversify alternative fuel sources, for the past two years, TITAN Egypt has obtained permits allowing it to co-process Tires Derived Fuels (TDF) in both the Alexandria and Beni Suef plants.



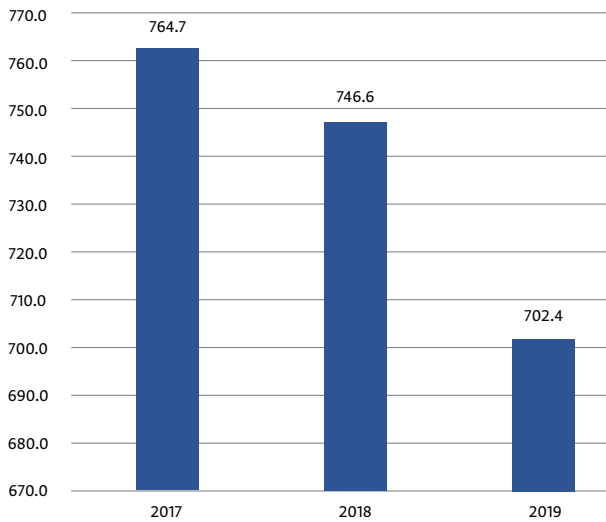
Thermal Substitution Rate: Thermal energy taken from alternative fuels as percentage of total consumed thermal energy.

Reducing Emissions and Environmental Impact

CO₂ Emissions

In 2019, specific net CO₂ emissions from our cement plants and attached quarries was 702 kg/ton of cementitious products, compared to 746 kg/ton in 2018 (KPI EP19L).

TITAN Egypt Specific Net Direct CO₂ Emission (kg/tCementitious Product)



Specific CO₂ emissions per ton of product improved by 6% compared to 2018, due to increasing use of alternative fuels, decreasing use of natural raw materials, and optimizing heat consumption. This significant improvement is aligned with TITAN’s initiative to reduce CO₂ emissions.

Dust and NOx Emissions

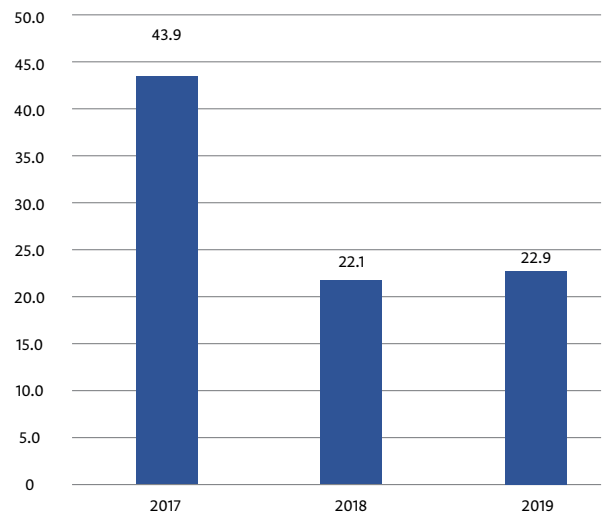
All of TITAN Egypt’s facilities have been equipped with continuous dust monitoring and recording equipment.

All emission parameters at TITAN Egypt facilities in 2019 were well below the limits set by the environmental terms and conditions of related operating permits, such as dust and NOx emissions.

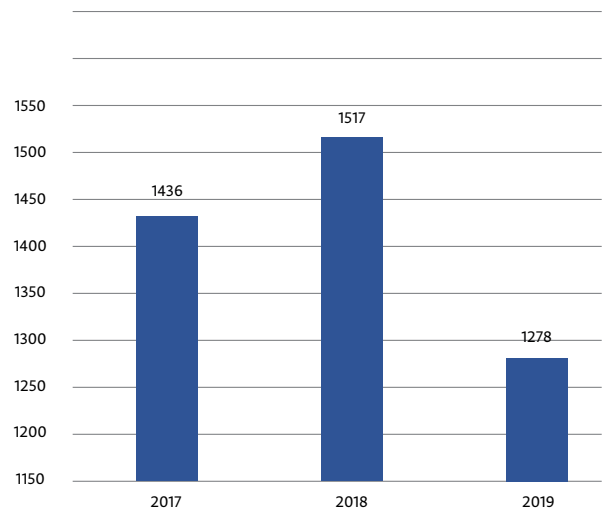
Sustainable low dust emissions at 23 (g/ton clinker in 2019 (KPI EP31L), are maintained through an optimized inspection and maintenance system.

NOx (Nitrogen Oxides) emissions improved significantly, also as a result of increasing use of alternative fuels and the optimized operation of NOx reduction additive.

Specific Dust Emission (g/tClinker)



Specific NOx emission (g/tClinker)

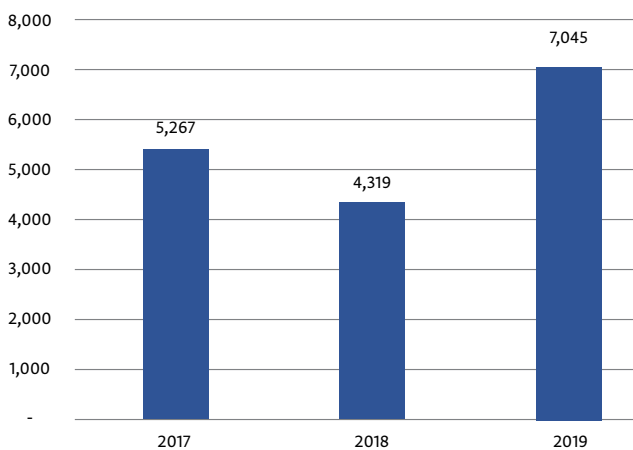


Recycling and Managing Our Waste

TITAN Egypt is continuously working to increase waste recycling. In 2019, internal waste recycling combined with waste recycling from the operating cement plants and attached quarries resulted in approximately 7,045 tons of waste being recycled or reused externally (KPI EP06L).

Main recycling streams are related to packaging material(s), refractories, and metal waste. This increase in recycling volume compared to 2018 was enhanced by recycling part of the by-pass dust from a road paving process.

TITAN Egypt Externally Recycled Waste (ton)



Biodiversity, Quarry Rehabilitation and Land Stewardship

Rehabilitation activities and biodiversity management at quarry sites are a key focus area for TITAN, to mitigate the impacts of the raw materials extraction process.

In line with the Group's targets, TITAN Egypt has developed rehabilitation plans for the plant quarries of both the Alexandria plant and the Beni Suef plant, thus covering 60% of TITAN Egypt active quarry sites in 2019.

These rehabilitation plans were prepared in cooperation with local experts and in accordance with TITAN and international principles and standards. Furthermore, our target is to develop rehabilitation plans for the new Gharbaniat quarry and the Attaqa quarry, by 2020.

The respective engagement of local communities is achieved through the compliance of TITAN Egypt operations with the required permits, as well as the design and implementation of the rehabilitation plans at the quarry sites.

The TITAN Egypt operating sites will be part of the Group project in 2020 for the assessment of the status and the value of biodiversity in all Group quarries, with the use of the Integrated Biodiversity Assessment Tool (IBAT).

Although our sites have not been recognized for high biodiversity value so far, this assessment will help TITAN Egypt to update the status and potential risks, so as to decide specific actions where appropriate.

Audits and Verifications

The following audits were carried out in 2019:

- Regular external audits by relevant local and national authorities to monitor our progress and level of compliance.
- An integrated management system ISO audit with new certificates.
- National Environmental Authority Audits in Beni Suef plant for solid fuel permit renewal, new permit obtained.

Strengthening Environmental Responsibility

In 2019, TITAN Egypt continued our efforts in developing our employee capabilities regarding the handling and use of new energy sources. This allows us to manage the major challenges and rapid changes in the country with regards to new energy sources, with a shift to both solid fuels and new alternative fuels.

During 2019, TITAN Egypt increased green areas in the Alexandria and Beni Suf cement plants and started a beautification project at the Alexandria plant, improving visual impact on employees and adjacent community as well.



Alexandria Plant Wall Graffiti

Forward Looking

TITAN Egypt will continue to apply a 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, 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 relevant 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.



Alexandria Plant Graffiti



Our People



Our People

We believe that our workforce, encompassing our direct employees and contractors, is a key component to our success.

Our vision is to grow a workforce that is fully engaged in every way in our goals and aligned with our values. Our policy is to be a preferred employer in our local markets.

Accordingly, we acknowledge our responsibility to provide fair employment that respects people’s rights; creates opportunities for all, including young people and those from the communities in which we operate; and to strives for the best possible safe and healthy working environment for all.

We are happy to report that in 2019, no human rights, labor rights nor labor law abuses / violations were reported in TITAN Egypt.²⁵

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 ongoing efforts for sustainable development.

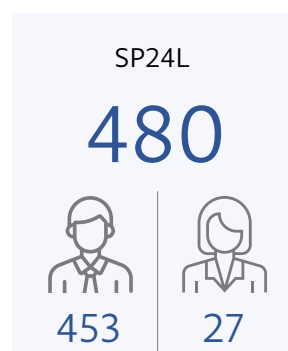
Since 2014, the volatility in performance due to the energy crisis in Egypt brought corresponding instability in our direct employees’ total income. In line with TITAN’s deeply rooted values revolving around caring for our employees, we signed a three-year collective agreement with direct employees covering the period until 31 December 2017.

This agreement was based on a new remuneration system that guarantees paying part of the profit sharing on a monthly basis in advance. The collective agreement was renewed in 2018 to cover three more years till 31st of December 2020.

Creating and Safeguarding Employment

Due to uncertainties in the economy, unemployment is a crucial and important issue for our direct employees and their families, our contractors and their families, regulators, and society at large.

2019 DIRECT EMPLOYEES KPI	KPI VALUE	Reference KPIs in Social Performance Index
Total Direct Employment at year-end	480	KPI SP14L
Employees from Local Community	427	KPI SP28L
Employees Belonging to Unions	288	KPI SP29L
Women Employees who took Maternity Leave*	3	
Share of Women in Employment (%)**	5.63%	KPI SP25L



* Notably, the share of women in senior management decrease in 2019 is due to the replacement of a senior position by a male after the resignation of the female job holder.

** TITAN EGYPT respects the right to maternal leave and to job retention after maternal leave for women employees. In 2019, 21 women employees were entitled to maternal leave as per the Egyptian Labor Law. 3 women took maternal leave and two of them returned to work after the maternity leave. The woman who did not return to work submitted a voluntary resignation.

Human Rights

We fully acknowledge the importance of respecting and protecting human rights within our sphere of influence. In 2019 an assessment of Group policies was conducted by the Group Human Resources Department to define priorities and future targets related to diversity and inclusion.

We follow...

- ✓ UN Declarations of human rights.
- ✓ ILO Declaration on fundamental Rights at work

We ensure that we fully comply with applicable legislation through

- ✓ TITAN Group Code of Conduct
- ✓ TITAN Group people management framework
- ✓ TITAN Group Human Rights policy

We continuously work to improve

- ✓ Our local policies
- ✓ Our local practices

Labor Rights

In compliance with local legal requirements, TITAN Egypt is committed to respect and safeguard labor rights, which represent a crucial issue for all employees, regulators and communities. TITAN Egypt actively promotes the freedom of association of employees, in compliance with local legal requirements.

Unions have the right to regularly participate in bilateral meetings with the line management to review progress made, discuss their concerns, suggest improvements, and to negotiate agreements on different issues covering employee expectations. Unions operate according to Egyptian's laws and regulations.

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 (ILO) standards
Freedom of Association	Respect employee freedom of association and related rights, within the framework of local laws

Performance Evaluation and People Development Process (PDP)

All TITAN Egypt employees participate in an annual, fair, and transparent performance evaluation process. The PDP values equally both the 'WHAT' of performance, measuring performance against performance objectives and main responsibilities of the role; and the 'HOW', referring to 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 the people agenda going forward.
- Understand the status of talent coverage and succession for key roles.
- Validate development actions for key talent.
- Identify potential talents.

During 2019, all concerned individual contributors and people managers were trained on the PDP cycle through the unTe people online human resource management system platform.

Our Online Human Resources Management System Platform



In 2018, TITAN Egypt introduced employees to the newly launched TITAN Group-wide online platform for the Group Human Resources Management System (GHRMS) the design of which began in 2017. unTe people is based on SAP Success Factors, one of the leading cloud-based Human Capital Management software solutions customized to meet our needs.

The platform will help in improving and simplifying our daily people related processes in a digital, fast, and unified way.

We expect that unTe people will support our employees, people managers and senior management in everyday people related business, on a daily basis.

The GHRMS supports an enhanced employee experience and ownership of people processes by managers, while increasing efficiency and effectiveness.

1053 | 6
Training Hours | Modules

During 2019, 1,053 training hours for white collar system users to cover six modules that were fully tested and operable:

- 1- Employee Central.
- 2- Performance and Goals.
- 3- Succession and Career Development Planning.
- 4- Learning Management System.
- 5- Recruitment and Onboarding.
- 6- Compensation and Benefits.

Employee Training and Development

We encourage life-long learning, and support our people to develop and enhance their skills by providing capacity building and training, to better equip us to meet future challenges at the local and global levels. In TITAN Egypt, we give special attention to health & safety training for both direct employees and contractors.

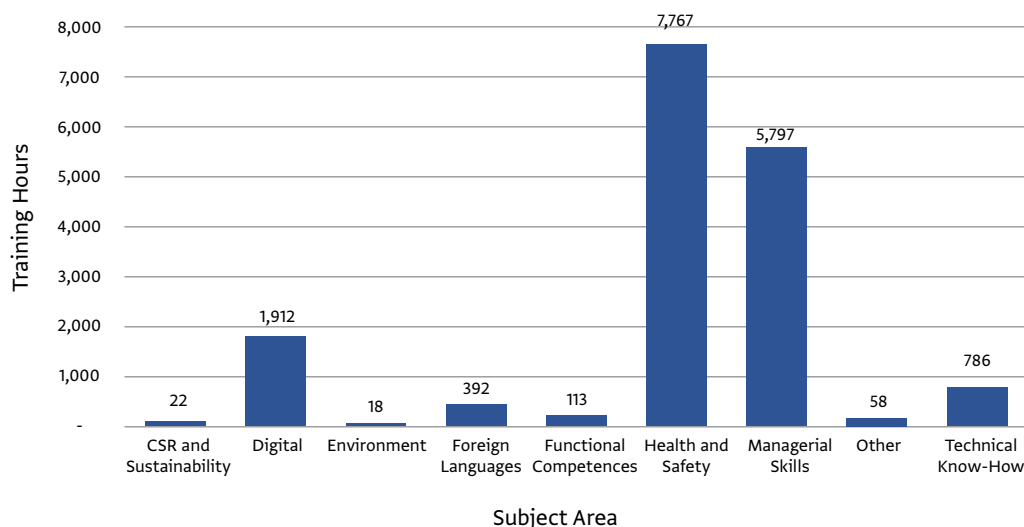
2019 DIRECT EMPLOYEES TRAINING KPI	KPI VALUE	REFERENT TO KPIS IN THE CORRESPONDING INDEX OF SOCIAL PERFORMANCE
Overall Number of Training Hours ²⁶	16,664	KPI SP37L
Number of Employees Trained	404	KPI SP32L
Total Investment Per Employee	3,445	KPI SP30L
Health and Safety Training Hours	7,767	KPI SP39L

During 2019, in an effort to further develop the professional capacities of our employees, we formed a partnership with LinkedIn Learning, one of the world's top 10 on-demand libraries of high-quality courses in English, covering a vast range of technology, business and creative skills. LinkedIn Learning is fully integrated with our uniTe people platform, with more than 7,500 online courses, available to our employees 24/7.

We also continued offering our employees one of the major development programs "iLEAD 100" to all TITAN Egypt employees from the engineer/staff level and upwards. The objective of this program is to engage, support and equip them with the required learning tools and the knowhow of "Leading the TITAN Way" to further instill it in day-to-day working behaviors, interactions and operations.



2019 Direct Employees Training Hours per Subject Area



²⁶ Notably, the overall number of training hours in 2019 increased by 2,910 hours compared to 2018. This 21% increase is mainly due to an increase in digital, health and safety, and management training hours.

Employee Compensation, Benefits 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 the market

- ✓ We provide fair and competitive wages solely based on employee competences and expertise.
- ✓ We pay an equivalent rate for the same job, with no differentiation by gender.
- ✓ We apply equal opportunity principles in all our employment selection decisions, while also taking into account local employment needs.

We exert continuous effort to retain exceptional and motivated employees

- ✓ The only differentiation factor for pay is related to employee personal performance.
- ✓ The ratio of basic salaries and remuneration remains in line with market norms.
- ✓ TITAN Egypt 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.

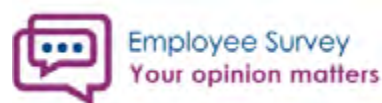
Communicating with Our Employees

Our values are based on transparency and open dialogue. TITAN Egypt management maintains an open communication channel with employees at all levels. Therefore, Employee Opinion Surveys and organized events provide opportunities for all employees to communicate openly with management, exchanging views and opinions, and contributing to a process of continuous improvement.

We especially recognize employees who reach 25 and 35 years of service, celebrating their anniversaries with special awards and events. Alexandria plant direct employees and on-site contractors celebrated the new year 2019 in the plant in the first day of the year; as well as celebrating the end of 2019 with a fun day of outdoor activities at the plant.

We Need to Hear from Our Employees

One of the important ways to improve employee engagement is the employee opinion survey. The previous survey took place in 2014. In 2019, TITAN Group conducted a new Employee Opinion Survey which ran concurrently across all countries, using a common questionnaire. The survey was designed for TITAN Group by an independent specialized international company with extensive survey experience. The survey was available in all languages of the countries the Group operates in, and for all TITAN Group employees, at all levels. Participation and access were encouraged for all, with employees having access to participation



both through the web-based platform, as well as through printed materials for those with no easy access to the web. Employees were afforded the opportunity to provide their opinions and feedback freely and anonymously. To ensure confidentiality and encourage participation in the survey, the same independent company assisted in processing the survey results through external benchmarks that will help us understand our results in relation to other companies. In Egypt, the response rate was 88%. The results will be communicated during 2020 across all the countries where TITAN operates, and will be used as inputs for Group and country action plans that will be launched in 2020.

Holy Month of Ramadan Football Tournaments for Direct Employees and Contractors

As we do every year, and in order to increase the engagement of different categories of employees, in 2019 the Alexandria and Beni Suef plants organized a football tournament that brings direct employees and in-site contractors together during the Holy month of Ramadan.

The end of the tournament was celebrated through two events, one in each plant, attended by management, direct employees, contractors and their families took place in Beni Suef and Alexandria.



Alexandria Plant Football Tournament



Beni Suef Plant Football Tournament



Engaging with
Local Communities



TETRA
CEMENT

Continuous

People & Oper

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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. TITAN Egypt always aims to be a good neighbor.

With an aim to continue building relationships of open communication and mutual trust and to collaborate with our key stakeholders, we have been publishing local annual CSR and sustainability reports since 2015, disclosing our social and environmental performance.

This report is available online at TITAN Cement Egypt's website: <http://titancementegypt.com/>.²⁷

The assessment of material issues at the local level underlined the importance of quality education and new skills required for employment and economic growth.

This is a common area of interest among stakeholders due to the high rates of unemployment and the need to develop the necessary skills for the young generation of employees.²⁸

Focusing on Local Development

Supporting and contributing to the sustainable growth of our local communities constitutes an integral part of our corporate philosophy.

Our operations are local and our relationship with neighboring communities around our operations is fundamental to meeting our strategic objectives.

Together with our local stakeholders, we work to implement community engagement plans, which we regularly adapt and update to better address our stakeholders' needs and expectations.

Accordingly, we have conducted community impact assessments in collaboration with relevant local experts and stakeholders to determine needs and priorities in our neighborhoods in Alexandria and Beni Suef.

We ensure that we understand local needs and stakeholder expectations, and we incorporate feedback received into our plans and activities.

We dedicate both financial and non-financial resources for 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, environment, employment and education.

In 2019, we contributed EGP 10.7 million in cash and in-kind support for community development programs (KPI SP40L – SP41L – SP42L).

In 2019, we continued to analyze our impact at the local level. Most of our employees, contractors and suppliers are members of our local communities in the governorates where we operate:

- The total direct employment at end of 2019 was 480 employees (KPI SP14L).
- The percentage of employees from local communities reached 88.96% (KPI SP28L).
- We also collaborate with local business partners, with approximately 75.51% (KPI SP45L) of our spend allocated to suppliers who provide our operations with materials and services. We have expanded the methodology provided by UNCTAD to estimate local spend in a more accurate manner.

We are focused on continuous improvement across all our activities.

For this reason, we have reviewed the approach of our community policy to evolve from one that operates within the frameworks of corporate philanthropy and social solidarity efforts into one that champions integrated and inclusive long-term social engagements.

TITAN Egypt supports the SDGs 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.

53 ²⁷ TITAN Group's Corporate Social Responsibility Policy is available online at TITAN Group's website <https://www.titan-cement.com/about-us/corporate-governance/group-policies/#CSR-policy>

²⁸ More information is provided in the chapter on Non-Financial Statements, through the Employment Indicators Index found in Table NFP 3.2 and the Stakeholder Engagement Indicators Index in Table NFP 3.4, with a three-year history of consolidated data (2017-2018-2019) related to relevant the SDGs. The Strategic Review chapter of this report also provides information on the 2019 Group Integrated Report independent assurance in the section on Group Integrated Report Assurance.

Five-Year Partnership in Alexandria, Serving 50,000 Residents



Although 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 residents living in a district called Wadi Elkamar. In late 2014, we implemented a social impact assessment study in collaboration with the Sustainability Center for Development, a specialized local NGO, along with other local stakeholders in order to optimize our community engagement plans.

The study was completed in early 2015 and resulted in proposals to improve living conditions in the area and create added economic and social value for Wadi Elkamar residents.

Accordingly, based on the study findings and our materiality assessment, we identified four main priorities that drive our community plans, which are outlined below for the fifth successive year:

Priority -1 Raising the capabilities of local organizations

- Improve capabilities and resources of various local associations serving the community needs.
- Two new local non-profit-making organizations were established with the aim of facilitating waste collection and management as well as women employment.
- Workshops on necessary hard and soft skills and field visits to other NGOs took place for the management of the two non-profit-making organizations.
- Engage with Directorate of Social Solidarity.

Priority -2 Improving local conditions

- Training sessions for local cleaners responsible for ensuring a clean Environment, plantation, garbage collection service, cleaning public school, insects fighting and maintenance of plants and trees.
- Supported additional tree planting.
- Employment of residents from neighborhood as much as possible in this activity.
- Provided a water pump to help street cleaning, and to water trees.
- Provided cleaners with uniforms and necessary cleaning tools.
- Engaged with Egyptian Environmental Affairs Agency (EEAA) as well a local NGO to improve local conditions in Wadi Elkamar.

Priority -3 Supporting employment for women and young people

- Workshops for women to help them identify projects they want to work out.
- Provided financial support and materials for the women to launch their small businesses being trading in baking, sweet products, childrens clothes, vegetables and electrical supplies. Other women were provided with sewing machines, and a number of them participated in a product distribution project.
- Engaged with local NGO.

Priority -4 Culture and entertainment

- Sponsored Holy Month of Ramadan Quran Memorization Contest for Wadi Elkamar and Agamy districts and organize event for prizes winners.
- Sponsored Holy Month of Ramadan football tournament for Wadi Elkamar youth.
- Engaged with Ministry of Endowment.

Partnership to Improve Healthcare Services in Beni Suef

As a response to the persistent need to improve the status of health care services in Beni Suef governorate, TITAN Egypt partnered and signed cooperation protocols with different stakeholders in the Beni Suef 24-Bed Public East Hospital Project. TITAN Egypt’s role is to equip the hospital with the required facilities and equipment (up to a value of approximately EGP 7 million).

This includes furniture, incubators, gynecology rooms, pathology laboratories, an intensive care unit and other specialized medical equipment.

As a partner in the project, Beni Suef Governorate has the responsibility of renovating the hospital building and performing all related construction work. Another partner, the Beni Suef Directorate of Health, is responsible for providing the necessary human resources to operate and manage the hospital. Sehetna Foundation, a local NGO, is tasked with supervising the project and guaranteeing the provision of the necessary equipment by providing technical guidance on the best suppliers. Finally, the Egyptian Group Company partner is responsible for providing medical equipment funded by TITAN Egypt, and providing the required training for the hospital doctors and nurses in use of all equipment provided. The hospital is expected to open by the end of 2020.



Beni Suef East Nile Hospital

Minimizing the Gap between Education and Employment for University Students



Summer traineeship opportunities

- ✓ In technical and non-technical functions, to develop essential undergraduate employability skills and competencies.
- ✓ In partnership with 22 faculties in 15 public and private universities.
- ✓ 145 summer traineeships, 63 female and 82 male trainees took part (KPI SP43L).

Site visits to learn from the manufacturing process

- ✓ Alexandria Plant welcomed 94 undergraduates from the University of Alexandria’s Faculty of Engineering.
- ✓ Beni Suef Plant welcomed 50 undergraduates from Beni Suef University’s Faculty of Science.
- ✓ TBAE concrete quarry in Attaqa welcomed 6 undergraduates from Suez University’s Faculty of Engineering.

Co-Sponsorship Educational Project

TITAN Egypt joined forces with a multinational electrical organization that has been active throughout the past few years in sponsoring several educational programs with engineering institutions in Egypt.

The objective of this five-month partnership was to give 12 students in the University of Alexandria's Faculty of Engineering the chance to develop their skills, combining the academic and practical by allowing them to implement their final graduation project on some of Alexandria Plant's technical needs. TITAN Egypt also addressed the development of student skills with regards to their suitability to labor market needs, by providing them with hands-on experience of technical topics and essential soft skills.

By end the of 2018, we held the kick-off meeting in our Alexandria Plant with all students and faculty professors, with the attendance of TITAN Egypt Senior Management. During 2019, the students started their project, and we provided them with 15 plant site visits and all the required support.

At the culmination of the project, TITAN Egypt held a celebration event in the Alexandria Plant with the presence of TITAN Egypt Senior Management and Alexandria University faculty professors, where all students were lauded for the success of their project, which was given a final project evaluation grade of 'A'. The positive feedback generated by students who participated in the program over different social media platforms was remarkable.



Alexandria Faculty of Engineering Students

TITAN Egypt Welding Workshop in a Vocational Training and Education Center

TITAN Egypt is very keen on participating in magnifying its contribution to eliminating the gap between education and the technical skills required by the labor market.

Since 2016, TITAN Egypt has established a fully equipped welding workshop in one of the new Technical and Vocational Education and Training (TVET) centers in Alexandria.

The target was to train youth in Alexandria in an up-to-date welding accredited curriculum. Over 2019, 203 people were trained.



Student Development Program

We strongly believe that we have a social responsibility to develop the soft and hard skills for undergraduate university students, to equip them for the competitive professional market. For this purpose, during 2019, TITAN Egypt launched an academic-industrial collaboration with Alexandria University's Faculty of Engineering and Beni Suef University's Faculty of Sciences.

A pilot 3-day training program was held at the Beni Suef University campus during the mid-year vacation. Attended by 150 undergraduates, it provided them with important information in the health, safety, environment and project management fields. TITAN Egypt engaged 6 instructors to conduct the training.

In addition, during summer vacation, TITAN Egypt engaged 14 instructors in the program lectures that were held in universities premises for one month, allowing 121 undergraduates to obtain over 9,000 training hours and 47 1,000 hours in projects works.

The topics covered included health, safety and environment, project management, quality management and ISO certification, the cement process, finance for non-finance, and a package of essential soft skills.

In addition to lectures, students were divided into working groups to perform a final simple research project that could benefit their communities.

By the end of the program, TITAN Egypt arranged for site visits for all participating students.

TITAN Egypt held two celebration ceremonies engaging all students in Alexandria and Beni Suef Universities.

Top performing students and best projects were awarded in the presence of TITAN Egypt senior management and Faculty Deans.

Students' overwhelmingly positive feedback on the program was reflected in a huge volume of posts on social media.



Beni Suef Celebration Ceremony



Alexandria Celebration Ceremony

Other Activities

Participation in 2 Local CSR Networks

- The Alexandria Businessmen's Association CSR network (ABA).
- The MENA CSR Network for Global Business Network (GBN- International Labour Organization-ILO) for Social Protection through the Federation of Egyptian Industries (FEI).

Cement Donations

- Cement donations for building / restoration of new buildings, airports, schools, authorities, ministries, and houses of worship in different neighborhoods and local communities.

Other Activities in Beni Suef

- As in previous years during the holy month of Ramadan, TITAN Egypt worked with NGOs to combat hunger by distributing dry food bags to poor residents both in our own locality and in the western area.
- As in previous years during the holy month of Ramadan, in partnership with the concerned directorates in Beni Suef Governorate, TITAN Egypt sponsored a Quran Memorization Contest through Beni Suef Youth Centers.
- Participated in the financial sponsorship of marriage ceremonies for 30 orphaned youth, including differently-abled youth, in coordination with a non-profit organization in Beni Suef.

Participation in Employment Fairs

- Two employment fairs in Alexandria and Cairo.

Other Activities in Alexandria

- Sponsored the cost of loader and truck rentals for cleaning the roads in Alexandria.
- Continued support to Wadi Elkamar Public Elementary School by offering security cameras, maintenance support and cleaning activities; building and equipping a playground; and providing school fees support for poor students.





Business Partners



Business Partners

TITAN is committed to building strong and lasting relationships that are founded on trust and mutual benefit with customers and suppliers. The Group actively seeks out and favors business partners who are also committed to applying the UNGC principles within their sphere of influence.

Moreover, 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.²⁹

The Group Procurement Manual provides a guide for the selection of potential candidates and recommendations 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, additional aspects of environmental legislation, quality, compliance with specifications and reliability, and clauses regarding sustainability and localization.

In TITAN Egypt 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/contractors during 2019 was EGP 2,087 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.

Our spend with local suppliers, during 2019 was EGP 1,576 million. In addition, we contributed to approximately 1,222³⁰ jobs through contractors. We follow a policy that requires on-time payments, regulatory requirements and contractual terms.

In addition to the governmental medical coverage, TITAN Egypt includes in the contract terms with contractors that outsourced personnel must have private medical coverage.

Our suppliers’ sustainability performance is among the requirements of TITAN Group’s Code of Conduct.

Key selection criteria for suppliers 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 improve and sustain safety standards among our suppliers, especially those at the local level.

Within the cement market, it is common to see overloaded trucks on the road. In compliance with our safety and environment best practices, TITAN Egypt prohibits truck overloading, regardless of any resulting adverse economic impact.

SIGNIFICANT SUPPLIERS IN 2019

Total Number of Significant Suppliers	Number of Local Significant Suppliers	Percent of Local Significant Suppliers versus Total Significant Suppliers (value)
87	79	78.2%

59 ²⁹ More details about related definitions are available in the Glossary at the end of this report.

³⁰ This indicator is not included in social performance index / data collection system.

Procurement Transformation Program Group Initiative

Since 2016, TITAN Group has been 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, quality and risk management. More specifically, the target is to optimize the number of suppliers and establish and sustain long-term value-added supplier relationships with an emphasis on “total cost” reduction, transparency and enhancement of the sustainability impact into the supply chain.

TITAN Egypt Procurement Manual

During 2019, TITAN Egypt updated its Procurement Manual developed in 2016, taking into account prevailing market dynamics and variability. We added articles that refer to

- Procurement of Alternative Fuels for GAEA.
- Exploiting opportunities for sourcing alternative raw materials.
- Updating closed tender procedures.

Improve Overall Performance of Suppliers According to TITAN Standards

In order to guarantee that supplier and contractor performance levels meet the Group standards, TITAN Egypt has communicated since 2016 a new supplier contract addendum related to CSR issues that is based on the TITAN Group Code of Conduct.

These changes encompass the issues of 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.

Bilateral meetings in a series of one-to-one meetings took place with all concerned local suppliers.

Pre-Qualification of Suppliers and Contractors

In order to be registered at TITAN Egypt, all potential suppliers and contractors have to submit valid documents including their tax card, VAT document and commercial registration to the TITAN Egypt Procurement department.

The TITAN Egypt Procurement Department checks the validity of all of the above documents and the company’s adherence to the local legal framework. Upon compliance the following steps are followed:

- The supplier/contractor company is registered and assigned a unique number in the TITAN Egypt SAP system.
- A copy of the TITAN Group CSR Policy regarding labor and working conditions, environment and safety is given to the supplier/contractor who acknowledges by signing, that s/he has received, read and agreed to the policy that s/he has to adhere to during cooperation with TITAN Egypt.
- Before any assignment or operation is initiated, all contractors have to submit a safety and environmental plan per assignment, to be approved by corresponding Plant Management.
- During contract execution, the Plant management team coordinates and assesses the contractor’s performance against TITAN safety and environmental standards.
- The Procurement Department monitors and evaluates contractor performance on a per assignment basis.

Optimization of Local Supplier Program

Since 2016, TITAN Egypt initiated a program that encourages the acquisition and cooperation of locally produced items by replacing foreign suppliers with local ones.

In 2017 a technical revolution ignited in Egypt, with the launch and operation of new technologically advanced local workshops.

The TITAN Egypt Procurement Department, with the assistance of the relevant technical company staff, has tested and approved cooperation with local workshops that construct items and spare parts needed by TITAN Egypt in order to replace overseas providers.

This approach to local providers has continued to date.

The TITAN Egypt Procurement department initiated the purchase of solid fuels from the EU and Turkey, where the 10% import tax to Egypt on pet coke is not applicable.

During 2019, the TITAN Egypt Procurement department also implemented a series of initiatives to further

enhance and support the cooperation with local suppliers, as follows:

- Initiated a cooperation with a local trader of solid fuels resulting in optimization of the cost of potential demurrage at ports, as well as handling and transportation cost to the plants.
- Continued the Localization Project for replacing imported materials and spare parts with locally produced ones, based on the good results achieved in previous years.
- Initiated tenders on a 'basket of works' versus individual cases in order to better facilitate cooperation with local preferred suppliers.
- Renewed the list of preferred and sole suppliers in cooperation with the Technical team, approved and co-signed by the Plant Managers, Procurement, Supply Chain and CEO.



With regards to preferred suppliers:

- TITAN Egypt Procurement's target is to optimize its suppliers list and at the same time work closely with those local suppliers and contractors who adhere to the Group policies and standards.
- The duration of contracts has been extended to between two and three years for select preferred local suppliers, honoring in practice the long time cooperation and dedication that they have demonstrated; as well as showing TITAN Egypt's determination to cooperate on a longer term basis.
- By increasing TITAN Egypt cooperation with local suppliers and contractors, we are optimizing our working capital by having a lower cost and optimization of acquisition cycle which is very important, particularly in an environment of local currency devaluation.



Non-Financial Statements



Non-Financial Statements

TITAN Egypt follows the TITAN Group integrated Global Sectoral Approach to disclose non-financial performance in alignment with voluntary commitments to the UNGC and GCCA. To further align with the UN SDGs, TITAN Egypt incorporated the Guidance on Core Indicators for Entity Reporting on the Contribution Towards the Attainment of the Sustainable Development Goals of the UN Conference on Trade and Development in 2019 (UNCTAD, latest publication in 2019).

The non-financial performance indicators and statements focus on material issues for TITAN Egypt operations and key stakeholders. More information about TITAN’s approach for non-financial performance disclosures is presented in this report’s Performance Overview, in the section on TITAN’s Approach for Non-Financial Performance Disclosures.

Sustainability Performance Indices

TITAN Egypt covers the following sustainability performance indicators that are structured in a codified manner under three separate index tables in the Non-financial statements / Non-financial indicators.

We provide a three-year data history in both environmental and social Performance Indicators indices having connection between the disclosures (KPIs) and the standards for reporting, with specific targets tied to the SDGs. Table NFP 7 provides a review of 2019 TITAN Egypt UNGC CoP.

In this report we have incorporated an addendum, as supplement to the Communication on Progress (CoP) connected to the areas of Human Rights, Labor Rights, and Anti-corruption. The general title of this addendum is “Compliance and Due Diligence”, and aims at providing specific information to the reader for:

- Key aspects under our (TITAN Egypt) Governance, related to the above areas.
- Management systems, and Grievance mechanisms in place in our TITAN Egypt BU.

It also provides an outline of:

- Due diligence audits in 2019, and
- Other International Third-party Auditors.

TABLE CODE	INDEX TABLE DESCRIPTION	NUMBER OF INDICATORS COVERED
Table NFP 1	Value Creation Indicators Index	8
Table NFP 2	Environmental Performance Indicators Index	40
Table NFP 3	Social Performance Indicators Index	44

TABLE NFP 1: VALUE CREATION CORE INDICATORS INDEX

VALUE CREATION CORE INDICATORS FOR SUSTAINABILITY	SDGS 2030	TITAN'S GLOBAL SECTORAL APPROACH
PEOPLE MANAGEMENT AND DEVELOPMENT		
Salaries, (contributions to) pensions, and social benefits, including additional benefits beyond those provided by law ⁽¹⁾	SDG 3 SDG 4	<ul style="list-style-type: none"> • TITAN Group Standards for Reporting • IFRS
Investments on training of direct employees, as total expenditures ⁽²⁾	SDG 8 SDG 17	<ul style="list-style-type: none"> • UNCTAD 4.3.1 • IFRS • Connected with KPIs SP30L - SP31L - SP37L - SP38L
ENVIRONMENT		
Green investment ⁽³⁾	SDG 3 SDG 6 SDG 7 SDG 9 SDG 11 SDG 12 SDG 13 SDG 17	<ul style="list-style-type: none"> • TITAN Group Standards For Reporting • UNCTAD 7.b.1 • Connected with KPI EP40L
COMMUNITY		
Total spend to Suppliers, local and international, for goods and services ⁽⁴⁾		<ul style="list-style-type: none"> • TITAN Group Standards For Reporting • IFRS
Local spend ⁽⁵⁾	SDG 3	<ul style="list-style-type: none"> • TITAN Group Standards For Reporting • UNCTAD 9.3.1 • IFRS • Connected with KPI SP45L
Taxes to national and local authorities ⁽⁶⁾	SDG 4	<ul style="list-style-type: none"> • TITAN Group Standards For Reporting • IFRS
Other payments to governments and national authorities ⁽⁷⁾	SDG 8 SDG 9	<ul style="list-style-type: none"> • UNCTAD 17.1.2 • IFRS
Support to community projects, as Donations ⁽⁸⁾	SDG 11 SDG 17	<ul style="list-style-type: none"> • UNCTAD 17.17.1 • IFRS • Connected with KPIs SP40L - KPI SP41L - SP42L

Notes for the Standards, Guidance, and Terms Used

Most terms related to the Value Creation Core Indicators were adopted from the “Guidance on Core Indicators for entity reporting on the contribution towards the attainment of the Sustainable Development Goals” (in short: UNCTAD Guidance, 2019), and incorporated under the TITAN standards. The related terms are outlined here and are connected with the KPIs in the index above. The figures for the Value Creation Core Indicators are provided in the report’s Performance Overview section on Value Creation. Furthermore, detailed figures are provided in the Non-Financial Statements chapter, in the Environmental Performance Indicators Index in Table NFP 2, and the Social Performance Indicators Index in Table NFP 3.

(1) Salaries, pensions, and social benefits, including additional benefits

According to TITAN Standards and the application of the IFRS.

(2) Investments for Training of direct employees, as total expenditures

Total expenditures include the direct and indirect costs of training for direct employees (including costs such as trainers’ fees, training facilities, training equipment, related travel costs etc.) reported also per employee and per year, and broken down by employee category (UNCTAD Guidance, 2019). TITAN Egypt discloses the respective figures in detail in the report’s Non-Financial Statements chapter, in the People Development Performance Indicators Index in Table NFP 3.3.

(3) Green investment

Total amount of expenditures (both capital and operational) for those investments whose primary purpose is the prevention, reduction and elimination of pollution and other forms of degradation to the environment (UNCTAD Guidance, 2019). TITAN Egypt discloses the respective figures in detail in the report’s Non-Financial Statements chapter, in the Environmental Performance Indicators Index in Table NFP 2.

(4) Total spend to suppliers, local and international, for goods and services

According to TITAN Standards and the application of the IFRS.

(5) Local Spend

Percentage of local procurement is the proportion of spending of a reporting entity at local suppliers. Costs of local procurement are a general indicator of the extent of an entity’s linkages with the local economy (UNCTAD Guidance, 2019). TITAN Egypt discloses the respective figures in detail in the report’s Non-Financial Statements chapter in the Stakeholder Engagement Performance Indicators Index in Table NFP 3.4.

(6) Taxes to national and local authorities

According to TITAN Standards and the application of the IFRS.

(7) Other payments to governments

The amount of payments other than taxes related to levies and fees.

(8) Support to community projects, as Donations

Total amount of charitable/voluntary donations and investments of funds (both capital expenditures and operating ones) in the broader community where the target beneficiaries are external to the enterprise incurred in the reporting period, in absolute amount (UNCTAD Guidance, 2019). TITAN Egypt discloses this amount as “Donations”, as equivalent to “charitable/voluntary donations and investments of funds”. Details are provided in the report’s Non-Financial Statements chapter in the Stakeholder Engagement Performance Indicators Index of Table NFP 3.4

TABLE NFP 2: ENVIRONMENTAL PERFORMANCE INDICATORS INDEX

1. All Activities - Environmental Performance ⁽⁶⁾ (acc. to the Sectoral Approach adopted by TITAN)	Notes	Units	2019	2018	2017	SDGs & Targets	Code	Global Sectoral Approach
Local impacts								
Impact on natural raw materials recourses		million t	2.8	4.4	4.8			GCCA
	Natural raw materials extracted (total, wet)						EP01L	
	Raw materials extracted for clinker and cement production	million t	2.5	4.1	4.6		EP02L	GCCA
	Raw materials extracted for aggregates	million t	0.3	0.3	0.2	SDG 12.2	EP03L	GCCA
	Raw materials consumed (total)							GCCA
	Raw materials consumed for clinker and cement production (dry)	million t	4.5	5.6	6.7		EP04L	GCCA
	Raw materials consumed for ready mix, dry mortar and (block production (wet)	million t	0.3	0.3	0.3		EP05L	GCCA
	Externally recycled waste materials (total), wet	t	7,045	4,319	5,267		EP06L	TITAN standards & UNCTAD 12.5.1
	Recycled	t	7,045	2,520	1,892	SDG 12.4		
	Reused	t	0	1,798	3,375	SDG 12.5		
	Recovered	t	0	1	0			
Impact on water recourses		million m3	0.7	1.0	1.3			GCCA
	Water consumption (total)						EP07L	
	Water withdrawal (total, by source)	million m3	0.74	1.03	1.30		EP08L	GCCA
	Ground water	million m ³	0.01	0.00	0.00			GCCA
	Municipal water	million m ³	0.27	0.46	0.67			GCCA
	Rain water	million m ³	0.00	0.00	0.00			GCCA
	Surface water	million m ³	0.47	0.57	0.63	SDG 6.3		GCCA
	Quarry water used (from quarry dewatering)	million m ³	0.00	0.00	0.00	SDG 6.4		GCCA
	Ocean or sea water	million m ³	0.00	0.00	0.00	SDG 6.5		GCCA
	Waste water	million m ³	0.00	0.00	0.00			GCCA
	Water discharge (total, by destination)	million m3	0.03	0.04	0.04		EP09L	GCCA
	Surface (river, lake)	million m ³	0.00	0.00	0.00			GCCA
	Ocean or sea	million m ³	0.00	0.00	0.00			GCCA
	Off-site treatment	million m ³	0.03	0.04	0.04			GCCA & UNCTAD 12.5.1
Impact on biodiversity and land stewardship			0	0	0		EP10L	WBCSD/CSI
	Active quarry sites with biodiversity issues						EP11L	WBCSD/CSI
	Active quarry sites with biodiversity management plans		-	-	-	SDG 15.3		WBCSD/CSI
	Active quarry sites with biodiversity management plans	%	-	-	-	SDG 15.4	EP12L	WBCSD/CSI
	Sites with community engagement plans	%	100.0	100.0	100.0	SDG 15.5	EP13L	WBCSD/CSI
	Sites with quarry rehabilitation plans	%	60.0	75.0	75.0	SDG 15.9	EP14L	WBCSD/CSI
	Active quarry sites (wholly owned) with Environmental Management System (ISO14001 or similar)	%	80.0	75.0	75.0	SDG 15.a	EP15L	WBCSD/CSI
"Fuels and Energy Impact on energy recourses"		TJ	9,459	12,100	14,869	SDG 7.2	EP16L	GCCA & UNCTAD 7.3.1
	Thermal energy consumption (total)						EP17L	GCCA & UNCTAD 7.3.2
	Electrical energy consumption (total)	TJ	1,216	1,492	1,771			

TABLE NFP 2: ENVIRONMENTAL PERFORMANCE INDICATORS INDEX (continued)

2. Cement Activities - Environmental Performance (acc. to the Sectoral Approach adopted by TITAN)		Notes	Units	2019	2018	2018	SDGs & Targets	Code	Global Sectoral Approach
Climate change	Specific gross direct CO ₂ emissions		kg/t _{Cementitious Product}	722.0	753.0	769.8		EP18L	GCCA
	Specific net direct CO ₂ emissions		kg/t _{Cementitious Product}	702.4	746.6	764.7		EP19L	GCCA
	Indirect CO ₂ emissions (total)	5	million t	0.17	0.21	0.21	SDG 9.4	EP20L	GCCA & UNCTAD 9.4.1
Alternative fuels and materials	Alternative fuel substitution rate		% _{Heat Basis}	12.0	6.7	5.3		EP21L	GCCA & UNCTAD 7.2.1
	Biomass in fuel mix	6	% _{Heat Basis}	4.7	3.3	2.7	SDG 7.2	EP22L	GCCA & UNCTAD 7.2.1
	Clinker to cement ratio			85,990	87,280	87,880	SDG 7.3 SDG 7.a	EP23L	GCCA
Impact on energy recourses	Thermal energy consumption								
	Cement and grinding plants and attached quarries		TJ	9,459	12,089	14,862		EP24L	GCCA
	Alternative fuels consumption (total)		t	74,007	65,570	60,957		EP25L	GCCA
Local Impacts Impact on natural raw materials recourses	Electrical energy consumption (total)								
	Cement plants and attached quarries		GWh	337.5	414.4	491.8		EP26L	GCCA
	Materials consumption (total, dry)		million t	4.5	5.6	6.7		EP27L	GCCA
Impact on water recourses	Extracted (natural) raw materials consumption (dry)		million t	4.4	5.5	6.6			
	Alternative raw materials consumption (dry)		million t	0.1	0.1	0.1	SDG 12.2		TITAN standards
	Alternative raw materials use (of total raw materials consumed)		% _{dry}	2.5	1.4	1.7			
Other air emissions	Alternative raw materials rate (based on clinker-to-cement (equivalent) factor)		% _{dry}	2.5	1.5	2.0		EP28L	GCCA
	Water consumption (total)		million m ³	0.7	0.9	1.2	SDG 6.4 SDG 6.5	EP29L	GCCA
	Coverage rate continuous measurement		%	100.0	100.0	100.0		EP30L	GCCA
Other air emissions	Specific dust emissions		g/t _{Clinker}	22.9	22.1	43.9	SDG 3.9	EP31L	GCCA
	Specific NOx emissions		g/t _{Clinker}	1,278.5	1,517.1	1,435.6	SDG 9.4	EP32L	GCCA
	Specific SOx emissions		g/t _{Clinker}	29.2	53.7	55.0		EP33L	GCCA

TABLE NFP 2: ENVIRONMENTAL PERFORMANCE INDICATORS INDEX (continued)

3. All Activities - Disclosures concerning materials, fuels and wastes		Notes	Units	2019	2018	2017	SDGs & Targets	Code	Global Sectoral Approach
Impact on fuels and energy resources									
Fuel mix, energy consumption for clinker and cement production									
Conventional fossil fuels				% Heat Basis	100.0	100.0	100.0	EP34L	GCCA
Coal, anthracite, and waste coal		% Heat Basis	51.7	12.8	20.4				
Petrol coke		% Heat Basis	35.1	79.4	67.0				
Lignite		% Heat Basis	0.0	0.0	0.0				
Other solid fossil fuel		% Heat Basis	0.0	0.0	0.0				
Natural gas		% Heat Basis	0.0	0.1	0.2				
Heavy fuel (ultra)		% Heat Basis	0.3	0.5	0.7				
Diesel oil		% Heat Basis	1.0	0.6	6.4				
Gasoline, LPG (Liquified petroleum gas or liquid propane gas)		% Heat Basis	0.0	0.0	0.0	SDG 7.2			
Alternative fossil and mixed fuels				% Heat Basis	11.9	6.7	5.1	EP36L	GCCA
Tyres		% Heat Basis	2.0	0.0	0.0				
RDF including plastics		% Heat Basis	7.8	3.2	1.2				
Impregnated saw dust		% Heat Basis	0.0	0.0	0.0				
Mixed industrial waste		% Heat Basis	2.1	2.8	1.6				
Other fossil based and mixed wastes (solid)		% Heat Basis	0.0	0.7	2.3				
Biomass fuels				% Heat Basis	0.1	0.0	0.3	EP37L	GCCA
Dried sewage sludge		% Heat Basis	0.1	0.0	0.3				
Wood, non-impregnated saw dust		% Heat Basis	0.0	0.0	0.0				
Agricultural, organic, diaper waste, charcoal		% Heat Basis	0.0	0.0	0.0				
Other		% Heat Basis	0.0	0.0	0.0				
Waste disposal (total, wet)				t	8,057	11,928	5,892	EP38L	TITAN standards & UNCTAD 12.4.2 and 12.5
Waste disposal, break down by destination-usage (wet)				% By mass	100.0	100.0	100.0	EP39L	TITAN standards & UNCTAD 12.5.1
Reuse		% By mass	0.0	15.1	57.3				
Recycled		% By mass	87.4	21.1	32.1	SDG 12.4			
Recovered (including energy recovery)		% By mass	0.0	0.0	0.0	SDG 12.5			
Incineration		% By mass	0.0	0.0	0.0				
Landfilled		% By mass	12.6	63.6	9.9				
Other (incl. storage)		% By mass	0.0	0.2	0.7				

TABLE NFP 2: ENVIRONMENTAL PERFORMANCE INDICATORS INDEX (continued)

4. All Activities - Investments for the Environment	Notes	Units	2019	2018	2017	SGDs & Targets	Codes	Global Sectoral Approach
Environmental expenditures across all activities	7	million EGP	62.3	103.5	92.9		EP40L	UNCTAD 7.b.1
Environmental management		million EGP	25.2	34.4	25.6			
Reforestation		million EGP	0.9	0.9	0.3	SDG 7.b		
Rehabilitation		million EGP	3.0	3.0	0.0			
Environmental training and awareness building		million EGP	0.0	0.1	0.1	SDG 9.4		
Application of environmental friendly technologies		million EGP	31.0	55.9	54.8			
Waste management		million EGP	2.3	9.3	12.2			

Notes for the external verification, standards, guidance, and terms used

⁽⁶⁾TITAN follows the GCCA Sustainability Framework Guidelines (last edition 2019), and the Sustainability Guidelines for the monitoring and reporting of CO2 emissions from cement manufacturing, co-processing fuels and raw materials, monitoring and reporting of emissions, and monitoring and reporting of water in cement manufacturing (for all documents the reference is to the last edition in 2019). The above Guidelines had superseded in 2019 the previous – and respective – Guidelines of the WBCSD/CSI, which were the guidance for measuring, reporting and verifying environmental performance until (and including) year 2018. Further, TITAN has used in 2019 the Guidelines of the (previously) WBCSD/CSI for the monitoring and reporting of our performance in the areas of: quarry rehabilitation, biodiversity management, and environmental and social impact assessment. This was necessary because of the absence of any such (superseding or equivalent) documents of the GCCA. For “Sector Standards for the Non-financial Disclosures”, see details in Table NFP4.

Notes for specific Environmental Performance indicators

- 1) Active quarries within, containing or adjacent to areas designated for their high biodiversity value.
- 2) Sites with high biodiversity value where biodiversity management plans are actively implemented.
- 3) Coverage includes both quarries attached to cement plants and quarries for aggregates production.
- 4) Indicator on “Sites with community engagement plan” is related only to quarries and is reported for 2019.
- 5) Indirect CO2 emissions are related to emissions released for the production of the electrical energy consumed at TITAN’s facilities. For their calculation, we use emission factors provided by the supplier of the electrical energy or other publicly available data sources.
- 6) Biomass rate corresponds to the percentage of total thermal energy consumption that comes from renewable energy sources.
- 7) The definition of Environmental expenditures across all activities is equivalent to the definition of Green Investment. See Glossary.

NFP 3.1, 3.2 and 3.3 include social performance indicators related to health and safety, employment, people development and stakeholder engagement.

TABLE NFP 3--: SOCIAL PERFORMANCE INDICATORS INDEX The Tables

TABLE NFP 3.1: HEALTH AND SAFETY PERFORMANCE INDICATORS INDEX

	Notes	2019	2018	2017	SDGs & Targets	Codes	Global Sectoral Approach
Health and safety ^(5G)							
All activities performance acc. to the TITAN Global Sectoral Approach							
Employee fatalities		0.00	0.00	0.00		SP01L	GCCA & UNCTAD 8.8.1
Employee fatality rate		0.00	0.00	0.00		SP02L	GCCA & UNCTAD 8.8.1
Contractors fatalities		0.00	0.00	0.00		SP03L	GCCA & UNCTAD 8.8.1
Third-party fatalities		0.00	0.00	0.00		SP04L	GCCA & UNCTAD 8.8.1
Employee Lost Time Injuries (LTIs)		0.00	0.00	0.00		SP05L	GCCA & UNCTAD 8.8.1
Employee Lost Time Injuries Frequency Rate (LTIFR)		0.00	0.00	0.00		SP06L	GCCA & UNCTAD 8.8.1
Employee lost working days		0.00	0.00	0.00		SP07L	GCCA
Employee Lost Time Injuries Severity Rate	7	0.00	0.00	0.00	SDG 3.6 SDG 8.8	SP08L	GCCA & UNCTAD 8.8.1
Contractors Lost Time Injuries (LTIs)		0.00	3.00	2.00		SP09L	GCCA & UNCTAD 8.8.1
Contractors Lost Time Injuries Frequency Rate (LTIFR)	7	0.00	0.72	0.49		SP10L	UNCTAD 8.8.1
All activities performance leading indicators							
Near misses	1	198	166	182		SP11L	UNGC
Training man-hours on health and safety per employee	2	16.30	13.50	12.20		SP12L	UNGC

TABLE NFP 3.2: EMPLOYMENT PERFORMANCE INDICATORS INDEX

Employment	Notes	2019	2018	2017	SDGs & Targets	Code	Global Sectoral Approach
Number of employees as of 31 December		480	492	508		SP14L	UNGC
Employee turnover (%)	6	4.38%	7%	35%		SP15L	UNGC
Employees left	6	21	32	179		SP16L	UNGC
Employee new hires (%)		3.54%	3%	5.1%		SP17L	UNGC
Employee new hires	6	17	16	26		SP18L	UNGC
New hires per age group	6					SP19L	UNGC
Under 30		7	9	14			
Between 30-50		6	6	10			
Over 50		4	1	2			
New hires per gender	6					SP20L	UNGC and D&I
Females		3	3	4			
Males		14	13	22			
Employment per age group					SDG 5.1	SP21L	UNGC
Under 30		25	30	37	SDG 5.4		
Between 30-50		305	343	362	SDG 5.5		
Over 50		150	119	109			
Employment per type	3					SP22L	UNGC
Full time		480	504	606			
Part Time		0	0	0	SDG 8.5		
Temporary		0	0	0	SDG 8.6		
Employment per category	3				SDG 8.8	SP23L	UNGC
Managers		64	29	26			
Senior managers		7	7	8			
Administration/technical		202	206	225	SDG 10.3		
Semi skilled/unskilled		207	264	348			
Employment per gender	3					SP24L	UNGC and D&I
Females		27	29	33			
Males		453	475	573			
Share of women in employment (%)	3	5.63%	6%	5%		SP25L	UNGC and D&I
Share of women in management (%)	3	11.27%	8%	3%		SP26L	UNGC and D&I, and UNCTAD 5.5.2
Share of women in Senior Management (%)	3	0.00%	14.29%	0%		SP27L	UNGC and D&I, and UNCTAD 5.5.2
Employees from local community (%)	3	88.96%	89%	90%		SP28L	UNGC & Local
Unionized employees (%)		60.00%	61%	60%		SP29L	UNGC

TABLE NFP 3.3: PEOPLE DEVELOPMENT PERFORMANCE INDICATORS INDEX

People Development	Notes	2019			2018			2017			SDGs & Targets	Codes	Global Sectoral Approach
		3,445	7,355	4,358	1,391,818	2,920,105	2,383,712	103,353	100,450	199,016			
Training investment per employee (EGP)											SP30L	UNGC & UNCTAD 4.3.1	
Training investment per gender (EGP)											SP31L	UNGC and D&I, and UNCTAD 4.3.1	
Females													
Males													
Trained employees		404	397	547							SP32L	UNGC	
Share of trained employees (% in total workforce)	3	84%	79%	90%							SP33L	UNGC	
Share of trained female employees (% in total female employees)	4	100%	83%	90%							SP34L	UNGC and D&I	
Trained employees per category											SP35L	UNGC	
Managers		64	38	29									
Senior managers		4	7	6									
Administration/technical		192	167	200									
Semi skilled/unskilled		144	185	312									
Trained employees per age group													
Under 30		24	36	38							SP36L	UNGC and D&I	
Between 30-50		267	276	354									
Over 50		113	85	155									
Training hours		16,664	13,754	17,959							SP37L	UNGC & UNCTAD 4.3.1	
Average training hours per employee, and breakdown per gender	3	35	27	30							SP38L	UNGC and D&I, and UNCTAD 4.3.1	
average female		44	25	46									
average male		34	27	29									

TABLE NFP 3.3: PEOPLE DEVELOPMENT PERFORMANCE INDICATORS INDEX (continued)

	Notes	2019	2018	2017	SDGs & Targets	Codes	Global Sectoral Approach
People Development	4						UNGC
Training hours per subject							
Company on-boarding		-	n/a	n/a			
Compliance (previously: TITAN Group Code of Conduct)		-	-	-	SDG 4.3 SDG 4.4 SDG 4.5		
CSR and Sustainability (previously: Human Rights)		22	-	-			
Digital		1,912	n/a	n/a			UNGC & UNCTAD 16.5.2
Environment (previously: Environment: care and management systems)		18	44	160	SDG 5.1 SDG 5.5		
Foreign languages		392	288	345			
Functional competence (previously: Non-technical skills and specialization)		113	1,276	943		SP39L	
Generic competence (previously: Non-technical skills and specialization)		-	-	-	SDG 8.5		
Health and safety		7,767	6,786	7,377	SDG 10.2 SDG 10.3		
Managerial skills (previously: Management and managerial skills)		5,597	4,097	7,912			
Other		58	-	40	SDG 16.5		
Security		-	240	-			
Technical know-how (previously: Technical (know-how and core competence)		786	1,023	1,182			UNGC & UNCTAD 16.5.2

TABLE NFP 3.4: STAKEHOLDER ENGAGEMENT PERFORMANCE INDICATORS INDEX

Stakeholder Engagement	Notes	2019	2018	2017	SDGs & Targets	Codes	Global Sectoral Approach
Donations (EGP)		10,676,434	8,926,998	10,715,004	SDG 2.1 SDG 2.3	SP40L	UNGC & UNCTAD 17171
Donations in cash (EGP)		10,196,993	8,389,004	8,356,004	SDG 4.3	SP41L	UNGC & UNCTAD 17171
Donations in kind (EGP)		479,441	537,994	2,359,000	SDG 4.4 SDG 8.5	SP42L	UNGC & UNCTAD 17171
Internships		145	222	610	SDG 8.6	SP43L	UNGC and EP4Y
New entry level jobs from internships/ traineeships		2	1	2	SDG 9.1 SDG 9.5 SDG 11.4		
Local Spend (%)		5	n/a	n/a	SDG 16.5 SDG.17/17	SP44L	UNGC and EP4Y
					SDG 9.3	SP45L	UNGC & UNCTAD 9.3.1

Social Performance Indicators Notes for the external verification, standards, guidance, and terms used

⁽⁶⁰⁾ Health and safety performance indicators for 2019 was reported following the GCCA Sustainability Guidelines for the monitoring and reporting of safety in cement manufacturing (last edition in October 2019), which had superseded in 2019 the Guidelines of the WBCSD/CSI. This document has been agreed within the GCCA to have extended application to concrete and other related activities. For “Sector Standards for the Non-financial Disclosures”, see details in Table NFP4.

Notes for specific Social Performance indicators

- 1) The reported figures of ‘Near misses’ are the total figures for both direct employees and contractors.
- 2) KPI calculated on the basis of the ‘Average’ number of Employees. No change in this Index for the 2019 data, compared to previous practices, either on Group level or business unit level.
- 3) KPIs calculated on the basis of ‘Average’ number of Employees for years 2017 and 2018. As of 2019, the specific KPIs are calculated on the basis of the Number of employees as of 31 December.
- 4) The figures were adjusted by recalculation for years before 2019, in order to reflect the performance according to the new definition.
- 5) As coordinated by the Group Procurement department, TITAN launched an improved methodology in 2019, following the approach of the UNCTAD, and building on bench strength and the technical capacity of internal systems. It is implied that comparable figures for the Local Spend were not available for years before 2019.
- 6) The figures for Employees Left and Employees New Hires are reported according to the figures of the corresponding KPIs for Social Performance inside the Index of the TITAN Group Integrated Annual Report 2019. For matters of clarity and robustness of the TITAN Egypt disclosures, the figures of the specific KPIs were re-calculated and adjusted, according to the TITAN Egypt BU-level reporting capabilities and data analysis tools. The corresponding figures were found as follows, and will be reflected in the BU Annual Report of 2020 with correctio Note: SP15L: 5.42% - SP16L: 26 - SP17L:2.93% - SP18L: 14 - SP19L: 7, 6 and 4 respectively -SP20L: 3 and 14 respectively
- 7) Printing correction versus 2018 CSR and Sustainability Report for 2017 Employee Lost Time Injuries Severity Rate and 2018 Contractors Lost Time Injuries Frequency Rate (LTIFR)

TABLE NFP 4 - SECTOR STANDARDS FOR NON-FINANCIAL DISCLOSURES

SECTOR ASSOCIATION OR INITIATIVE	GUIDELINES AND OTHER DOCUMENTS OF REFERENCE	PUBLISHED
GCCA	GCCA Sustainability Charter	Latest edition in October 2019
	GCCA Sustainability Framework Guidelines	
	GCCA Sustainability Guidelines for the monitoring and reporting of safety in cement manufacturing. This document has been agreed within the GCCA to have extended application to concrete and other related activities [Pillar 1]	
	GCCA Sustainability Guidelines for the monitoring and reporting of CO ₂ emissions from cement manufacturing [Pillar 2] *	
	GCCA Sustainability Guidelines for the monitoring and reporting of water in cement manufacturing [Pillar 4] *	
	GCCA Sustainability Guidelines for the monitoring and reporting of emissions from cement manufacturing [Pillar 4] *	
(Previously) WBCSD/CSI	Guidelines for Environmental and Social Impact Assessment (ESIA)	2016
	Biodiversity Management Plan Guidance	2014
	Guidelines on Quarry Rehabilitation	2011
	Recommended Good Practices for: (a) Contractor Safety, and (b) Driving Safety	
		2009

*The GCCA has built its Sustainability Charter around five (5) Sustainability Pillars: Pillar 1: Health and Safety, Pillar 2: Climate Change and Energy, Pillar 3: Social Responsibility, Pillar 4: Environment and Nature and Pillar 5: Circular Economy.

More information on global collaborations are presented in the “Strategic Review” section - Our Commitment to Sustainable Development - Global Collaborations.

TABLE NFP 5 - MANAGEMENT SYSTEMS RELATED TO NON-FINANCIAL PERFORMANCE

AREAS OF ENVIRONMENTAL, SOCIAL AND GOVERNANCE (ESG) AND MANAGEMENT RELATED TO NON-FINANCIAL PERFORMANCE (NFP)	MANAGEMENT SYSTEM IN PLACE	CERTIFIED SITES / LEGAL ENTITIES
Health and Safety	ISO 45001 - Occupational Health and Safety OHSAS 18001- Occupational Health and Safety	ISO 45001: Alexandria Portland Cement Company OHSAS 18001: Beni Suef Cement Company
Environment	ISO 14001 - Environment Management System	Alexandria Portland Cement Company Beni Suef Cement Company
Quality	ISO 9001 - Quality Management System	Alexandria Portland Cement Company Beni Suef Cement Company
Social	Group Human Resources Management (GHRMS) System / Success Factors	Alexandria Portland Cement Company Beni Suef Cement Company TITAN Beton and Aggregates Egypt Green Alternatives Energy Assets
Operations (Production and Maintenance)	Group Standard Maintenance Management System (GSMMS)	Alexandria Portland Cement Company Beni Suef Cement Company,

TABLE NFP 6: TITAN EGYPT POLICIES

TITAN GROUP POLICIES	TITAN EGYPT LOCAL POLICIES
<p>Anti-Bribery and Corruption Policy</p> <p>Code of Conduct</p> <p>Code of Conduct for Procurement</p> <p>Human Rights Policy</p> <p>People Management Framework</p> <p>Corporate Social Responsibility Policy</p> <p>Occupational Health & Safety Policy and Guidelines</p> <p>Environmental and Climate Mitigation Strategy</p> <p>Social Media Strategy for Employees</p> <p>Conflict of Interest Policy</p>	<p>Performance Appraisal Policy</p> <p>Resignation Policy</p> <p>Training Policy</p> <p>Termination Policy</p> <p>Internship Policy</p> <p>Employment Relations Policy</p> <p>Weapons Policy</p> <p>Outside Employment Policy</p> <p>Personal Integrity and Ethics Policy</p> <p>Attendance Policy</p> <p>Conflict of Interest Policy</p> <p>Overtime Policy</p> <p>Gifts and Gratuities Policy</p> <p>Accommodation and Travel Policy</p> <p>Product and Marketing Integrity Policy</p> <p>Benefits Policies</p> <p>Professional Conduct Policy</p> <p>Ad-Hoc Advances Policy</p> <p>IT Third Party Access Policy</p> <p>Summer Resorts Policy</p> <p>Health and Safety Vision Policy</p> <p>Savings Plan Policy</p> <p>Government Contracting and Relations with Government Employees Policy</p> <p>Equal Opportunities Policy</p> <p>Recruitment Policy</p> <p>Pre-Employment Policy</p> <p>First Employment Policy</p> <p>Problem Resolution and Grievance Policy</p>

TABLE NFP 7: 2019 TITAN EGYPT GLOBAL COMPACT COMMUNICATION ON PROGRESS REVIEW

The contents of TITAN Egypt's 2019 CSR and Sustainability Report also serve as a progress report on implementation of the ten principles of the UNGC and the SDGs. Since 2015, TITAN Egypt has communicated its performance to stakeholders aligned with:

- SDGs 2030.
- Codified key performance indicators in the Non-Financial Statements chapter, to provide information on TITAN Egypt's contribution to sustainable development.

UNGC AREA / SCOPE	UNGC RELATED PRINCIPLE(S)	CRITERIA FOR GLOBAL COMPACT	TITAN EGYPT POLICIES / APPROACH	TITAN EGYPT REFERENCES
IMPLEMENTING THE TEN PRINCIPLES INTO STRATEGIES AND OPERATIONS		<p>Criterion 1 The CoP describes mainstreaming into corporate functions and business units.</p> <hr/> <p>Criterion 2 The CoP describes value chain implementation.</p>	<p>TITAN Egypt Policies:</p> <ol style="list-style-type: none"> 1. TITAN Group Values 2. TITAN Group Code of Conduct. 3. TITAN Group Human Rights Policy. 4. TITAN Group Occupational Health and Safety Policy. 5. TITAN Group Environmental Policy and Climate Mitigation Strategy. 6. TITAN Group Anti-Corruption and Bribery. <p>TITAN Egypt Approach:</p> <p>TITAN Egypt's commitment to responsible business is embedded into governing objective and business practice.</p>	<ul style="list-style-type: none"> • TITAN EGYPT 2019 CSR AND SUSTAINABILITY REPORT: <ul style="list-style-type: none"> CEO Message (p. 03) Strategic Review - Values and Governance (p. 12) Strategic Review - Risk Management (p. 18) Performance Overview (p. 29) Health and Safety (p. 35) Environmental Performance (p. 39) Our People (p.47) Engaging with Local Communities (p.53) Business Partners (p. 59) Non-financial Statements : <ul style="list-style-type: none"> TABLE NFP 1-: Value Creation Core Indicators Index (p. 64) TABLE NFP 2-: Environmental Performance Indicators Index EP01L-EP40L, (p. 66) TABLE NFP 3-: Social Performance Indicators Index TABLE NFP 3.1-: Health and Safety Indicators Index SP01L-SP12L, (p. 70) TABLE NFP 3.2-: Employment Indicators Index SP14L-SP29L, (p. 71) TABLE NFP 3.3-: People Development Indicators Index SP30L-SP39L, (p. 72) TABLE NFP 3.4-: Stakeholder Engagement Indicators Index SP40L-SP45L, (p. 74) TABLE NFP 5 - Management Systems related to Non-Financial Performance (p. 76) TABLE NFP 6 - TITAN Egypt Policies (p. 77) • TITAN GROUP WEBSITE: <ul style="list-style-type: none"> Group Policies https://www.TITAN-cement.com/about-us/corporate-governance/group-policies/#Anti-Bribery-and-Corruption-policy

UNGC AREA / SCOPE	UNGC RELATED PRINCIPLE(S)	CRITERIA FOR GLOBAL COMPACT	TITAN EGYPT POLICIES / APPROACH	TITAN EGYPT REFERENCES
<p style="writing-mode: vertical-rl; transform: rotate(180deg);">HUMAN RIGHTS MANAGEMENT POLICIES & PROCEDURES</p>	<p>Principle 1 Businesses should support and respect the protection of internationally proclaimed human rights</p>	<p>Criterion 3 The CoP describes robust commitments, strategies or policies in the area of human rights.</p>	<ul style="list-style-type: none"> • TITAN Egypt Policies: <ol style="list-style-type: none"> 1. TITAN Group Values. 2. TITAN Group Code of Conduct. 3. TITAN Group Code of Conduct for Procurement. 	<ul style="list-style-type: none"> • TITAN EGYPT 2019 CSR AND SUSTAINABILITY REPORT:
	<p>Principle 2 Businesses should make sure they are not complicit in human rights abuses</p>	<p>Criterion 4 The CoP describes effective management systems to integrate the human rights principles.</p> <p>Criterion 5 The CoP describes effective monitoring and evaluation mechanisms of human rights integration.</p>	<ol style="list-style-type: none"> 4. TITAN Group CSR Policy 5. TITAN Group Human Rights Policy. 6. TITAN People Management Framework. 7. TITAN Group Occupational Health and Safety Policy and guidelines. 8. TITAN Group Anti-Bribery and Corruption policy. 9. TITAN Egypt Policies. <ul style="list-style-type: none"> • TITAN Egypt Approach: TITAN Egypt sets as priority continuous improvement for our performance and addressing our stakeholders material issues. 	<p>CEO Message (p. 03)</p> <p>Strategic Review - Values and Governance (p.12)</p> <p>Strategic Review - Risk Management (p. 18)</p> <p>Strategic Review - Our commitment to sustainable development (p. 20)</p> <p>Strategic Review - Material issues and stakeholder engagement (p. 22)</p> <p>Performance Overview (p.29)</p> <p>Health and Safety (p.35)</p> <p>Environmental Performance (p.39)</p> <p>Our People (p.47)</p> <p>Engaging With Local Communities (p.53)</p> <p>Business Partners (p.59)</p> <p>Non-financial Statements :</p> <p>TABLE NFP 1-: Value Creation Core Indicators Index (p. 64)</p> <p>TABLE NFP 2-: Environmental Performance Indicators Index EP01L-EP40L, (p. 66)</p> <p>TABLE NFP 3-: Social Performance Indicators Index</p> <p>TABLE NFP 3.1-: Health And Safety Indicators Index SP01L-SP12L, (p. 70)</p> <p>TABLE NFP 3.2-: Employment Indicators Index SP14L-SP29L, (p. 71)</p> <p>TABLE NFP 3.3-: People Development Indicators Index SP30L-SP39L, (p. 72)</p> <p>TABLE NFP 3.4-: Stakeholder Engagement Indicators Index SP40L-SP45L, (p. 74)</p> <p>TABLE NFP 6 - TITAN Egypt Policies (p .77)</p> <ul style="list-style-type: none"> • TITAN GROUP WEBSITE: Group Policies https://www.TITAN-cement.com/about-us/corporate-governance/group-policies/#Anti-Bribery-and-Corruption-policy

UNGC AREA / SCOPE	UNGC RELATED PRINCIPLE(S)	CRITERIA FOR GLOBAL COMPACT	TITAN EGYPT POLICIES / APPROACH	TITAN EGYPT REFERENCES
<p style="writing-mode: vertical-rl; transform: rotate(180deg);">ROBUST LABOR MANAGEMENT POLICIES & PROCEDURES</p>	<p>Principle 3 Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining</p> <p>Principle 4 The elimination of all forms of forced and compulsory labor</p> <p>Principle 5 The effective abolition of child labor</p> <p>Principle 6 The elimination of discrimination in respect of employment and occupation</p>	<p>Criterion 6 The CoP describes robust commitments, strategies or policies in the area of labor</p> <p>Criterion 7 The CoP describes effective management systems to integrate the labor principles</p> <p>Criterion 8 The CoP describes effective monitoring and evaluation mechanisms of labor principles</p>	<p>TITAN Egypt Policies:</p> <ol style="list-style-type: none"> 1. TITAN Group Values. 2. TITAN Group Code of Conduct. 3. TITAN Group Code of Conduct for Procurement. 4. TITAN Group CSR Policy 5. TITAN Group Human Rights Policy. 6. TITAN People Management Framework. 7. TITAN Group Occupational Health and Safety Policy and guidelines. 8. TITAN Group Anti-Bribery and Corruption policy. 9. TITAN Egypt's Policies. <p>TITAN Egypt Approach:</p> <ul style="list-style-type: none"> • TITAN Egypt's offers to direct employees additional benefits for employees above local legal requirements. • TITAN Egypt's sets as priority continuous improvement for our performance and addressing our stakeholders material issues. 	<p>• TITAN EGYPT 2019 CSR AND SUSTAINABILITY REPORT</p> <p>CEO Message (p.03) Strategic Review - Values and Governance (p.12) Strategic Review - Risk Management (p.18) Strategic Review - Our commitment to sustainable development (p. 20) Strategic Review - Material issues and stakeholder engagement (p. 22) Performance Overview (p.29) Health and Safety (p.35) Environmental Performance (p.39) Our People (p.47) Engaging With Local Communities (p.53) Business Partners (p.59)</p> <p>Non-financial Statements :</p> <p>TABLE NFP 1-: Value Creation Core Indicators Index (p. 64) TABLE NFP 3-: Social Performance Indicators Index TABLE NFP 3.1-: Health And Safety Indicators Index SP01L-SP12L, (p.70) TABLE NFP 3.2-: Employment Indicators Index SP14L-SP29L, (p .71) TABLE NFP 3.3-: People Development Indicators Index SP30L-SP39L, (p. 72) TABLE NFP 3.4-: Stakeholder Engagement Indicators Index SP40L-SP45L, (p. 74) TABLE NFP 4 - Sector Standards For Non-Financial Reporting p. 75) TABLE NFP 5 - Management Systems related to Non-Financial Performance (p. 76) TABLE NFP 6 - TITAN Egypt Policies (p. 77)</p> <p>• TITAN GROUP WEBSITE: Group Policies https://www.TITAN-cement.com/about-us/corporate-governance/group-policies/#Anti-Bribery-and-Corruption-policy</p>

UNGC AREA / SCOPE	UNGC RELATED PRINCIPLE(S)	CRITERIA FOR GLOBAL COMPACT	TITAN EGYPT POLICIES / APPROACH	TITAN EGYPT REFERENCES
<p style="writing-mode: vertical-rl; transform: rotate(180deg);">ROBUST ENVIRONMENTAL MANAGEMENT POLICIES AND PROCEDURES</p>	<p>Principle 7 Business should support a precautionary approach to environmental challenges;</p> <p>Principle 8 Undertake initiatives to promote greater environmental responsibility; and</p> <p>Principle 9 Encourage the development and diffusion of environmentally friendly technologies</p>	<p>Criterion 9 The CoP describes robust commitments, strategies or policies in the area of environmental stewardship.</p> <p>Criterion 10 The CoP describes effective management systems to integrate the environmental principles.</p> <p>Criterion 11 The CoP describes effective monitoring and evaluation mechanisms for environmental stewardship.</p>	<p>•TITAN Egypt Policies:</p> <ol style="list-style-type: none"> 1. TITAN Group Values. 2. TITAN Group Code of Conduct. 3. TITAN Group Corporate Social Responsibility Policy. 4. TITAN Group Environmental Policy. <p>•TITAN Egypt Approach:</p> <ol style="list-style-type: none"> 1. As a subsidiary of TITAN Group, TE early recognized that Climate Change is a major challenge with planetary impacts and also corporate risks, and committed to playing its part in developing practical solutions at national level. 2. As a heavy industry also, we focus on assessing and reducing environmental impacts where we operate while increasing the positive impact through on-going collaborative efforts, extensive use of Best Available Techniques, innovation and adoption of best practice. 3. TITAN Egypt complies with standards above local legal requirements. 4. TITAN Egypt sets as priority continuous improvement for our performance and addressing our stakeholders material issues. 	<p>• TITAN EGYPT 2019 CSR AND SUSTAINABILITY REPORT</p> <p>CEO Message (p.03) Strategic Review - Values and Governance (p.12) Strategic Review - Our commitment to sustainable development (p.20) Strategic Review - Material issues and stakeholder engagement (p.22) Performance Overview (p.29)</p> <p>Environmental Performance (p.39) Our People (p.47) Engaging With Local Communities (p. 53) Business Partners (p.59)</p> <p>Non-financial Statements :</p> <p>TABLE NFP 1:- Value Creation Core Indicators Index (p. 64) TABLE NFP 2:- Environmental Performance Indicators Index EP01L-EP40L, (p.66) TABLE NFP 4 - Sector Standards For Non-Financial Reporting (p. 75) TABLE NFP 5 - Management Systems related to Non-Financial Performance (p. 76) TABLE NFP 6 - TITAN Egypt Policies (p. 77)</p> <p>• TITAN GROUP WEBSITE: Group Policies https://www.TITAN-cement.com/about-us/corporate-governance/group-policies/#Anti-Bribery-and-Corruption-policy</p>

UNGC AREA / SCOPE	UNGC RELATED PRINCIPLE(S)	CRITERIA FOR GLOBAL COMPACT	TITAN EGYPT POLICIES / APPROACH	TITAN EGYPT REFERENCES
<p style="writing-mode: vertical-rl; transform: rotate(180deg);">ROBUST ANTI-CORRUPTION MANAGEMENT POLICIES AND PROCEDURES</p>	<p>Principle 10 Business should work against corruption in all its forms, including extortion and bribery</p>	<p>Criterion 12 The CoP describes robust commitments, strategies, or policies in the area of anti-corruption</p>	<ul style="list-style-type: none"> • TITAN Egypt Policies: 	<ul style="list-style-type: none"> • TITAN EGYPT 2019 CSR AND SUSTAINABILITY REPORT
		<p>Criterion 13 The CoP describes effective management systems to integrate the anti-corruption principle</p>	<ol style="list-style-type: none"> 1. TITAN Group Values. 2. TITAN Group Code of Conduct. 3. TITAN Group Corporate Social Responsibility Policy. 4. TITAN Group Code of Conduct for Procurement. 5. TITAN Egypt Policies. 	<p>CEO Message (p. 03)</p> <p>Strategic Review - Values and Governance (p. 12)</p> <p>Strategic Review - Our commitment to sustainable development (p.20)</p> <p>Strategic Review - Material issues and stakeholder engagement (p. 22)</p> <p>Performance Overview (p. 29)</p> <p>Health and Safety (p. 35 ?)</p> <p>Environmental Performance (p. 39)</p> <p>Our People (p. 47)</p> <p>Engaging With Local Communities (p. 53)</p> <p>Business Partners (p. 59)</p>
		<p>Criterion 14 The CoP describes effective monitoring and evaluation mechanisms for the integration of anti-corruption</p>	<ul style="list-style-type: none"> • TITAN Egypt Approach: <ol style="list-style-type: none"> 1. As a subsidiary of TITAN Group, TE acknowledges the risk of bribery and corruption and accordingly endorsed the Global Compact collaborative efforts for the 10th principle. 2. TITAN Egypt sets as priority continuous improvement for our performance and addressing our stakeholders material issues. 	<p>Non-financial Statements :</p> <p>TABLE NFP 3-: Social Performance Indicators Index</p> <p>TABLE NFP 3.1-: Health And Safety Indicators Index SP01L-SP12L, (p. 70)</p> <p>TABLE NFP 3.2-: Employment Indicators Index SP14L-SP29L, (p. 71)</p> <p>TABLE NFP 3.3-: People Development Indicators Index SP30L-SP39L, (p. 72)</p> <p>TABLE NFP 3.4-: Stakeholder Engagement Indicators Index SP40L-SP45L, (p. 74)</p> <p>TABLE NFP 4 - Sector Standards For Non-Financial Reporting (p. 75)</p> <p>TABLE NFP 5 - Management Systems related to Non-Financial Performance (p. 76)</p> <p>TABLE NFP 6 - TITAN Egypt Policies (p. 77)</p>
<ul style="list-style-type: none"> • TITAN GROUP WEBSITE: <p>Group Policies https://www.TITAN-cement.com/about-us/corporate-governance/group-policies/#Anti-Bribery-and-Corruption-policy</p>				

UNGC AREA / SCOPE	UNGC RELATED PRINCIPLE(S)	CRITERIA FOR GLOBAL COMPACT	TITAN EGYPT POLICIES / APPROACH	TITAN EGYPT REFERENCES
<p style="writing-mode: vertical-rl; transform: rotate(180deg);">TAKING ACTION IN SUPPORT OF BROADER UN GOALS AND ISSUES</p>	<p>The ten principles of the United Nations Global Compact</p>	<p>Criterion 15 The CoP describes core business contributions to UN goals and issues</p>	<ul style="list-style-type: none"> • TITAN Egypt Policies: 	<ul style="list-style-type: none"> • TITAN EGYPT 2019 CSR AND SUSTAINABILITY REPORT
		<p>Criterion 16 The CoP describes strategic social investments and philanthropy</p>	<ol style="list-style-type: none"> 1. TITAN Group Values. 2. TITAN Group Code of Conduct. 3. TITAN Group Code of Conduct for Procurement. 4. TITAN Group CSR Policy 5. TITAN Group Human Rights Policy. 6. TITAN People Management Framework. 7. TITAN Group Occupational Health and Safety Policy and guidelines. 8. TITAN Group Anti-Bribery and Corruption policy. 9. TITAN Egypt Policies. 	<p>CEO Message (p.03) Strategic Review - Values and Governance (p.12) Strategic Review - Our commitment to sustainable development (p.20) Strategic Review - Material issues and stakeholder engagement (p. 22) Performance Overview (p. 29) Health and Safety (p. 35) Environmental Performance (p.39) Our People (p. 47) Engaging With Local Communities (p. 53) Business Partners (p. 59)</p> <p>Non-financial Statements :</p> <p>TABLE NFP 2:- Environmental Performance Indicators Index EP01L-EP40L, (p. 66) TABLE NFP 3:- Social Performance Indicators Index TABLE NFP 3.1:- Health And Safety Indicators Index SP01L-SP12L, (p. 70) TABLE NFP 3.2:- Employment Indicators Index SP14L-SP29L, (p. 71) TABLE NFP 3.3:- People Development Indicators Index SP30L-SP39L, (p. 72) TABLE NFP 3.4:- Stakeholder Engagement Indicators Index SP40L-SP45L, (p. 74) TABLE NFP 4 - Sector Standards For Non-Financial Reporting (p. 75) TABLE NFP 5 - Management Systems related to Non-Financial Performance (p. 76) TABLE NFP 6 - TITAN Egypt Policies (p. 77)</p>
		<p>Criterion 17 The CoP describes advocacy and public policy engagement</p>	<ul style="list-style-type: none"> • TITAN Egypt Approach: • TITAN Group was among the first 500 signatories of the UN Global Compact initiative and remains a participant. • TITAN Group is also member of CSR Europe since 2004 and an elected Board member since 2019. • TITAN Group is a core member of GCCA. 	<ul style="list-style-type: none"> • TITAN GROUP WEBSITE: Group Policies https://www.TITAN-cement.com/about-us/corporate-governance/group-policies/#Anti-Bribery-and-Corruption-policy
<p>Criterion 18 The CoP describes partnerships and collective action</p>				

UNGC AREA / SCOPE	UNGC RELATED PRINCIPLE(S)	CRITERIA FOR GLOBAL COMPACT	TITAN EGYPT POLICIES / APPROACH	TITAN EGYPT REFERENCES
CORPORATE SUSTAINABILITY GOVERNANCE AND LEADERSHIP	The Ten principles of the United Nations Global Compact	<p>Criterion 19 The CoP describes CEO commitment and leadership</p>	<ul style="list-style-type: none"> • TITAN Egypt Policies: <ol style="list-style-type: none"> 1. TITAN Group Values. 2. TITAN Group Code of Conduct. 3. TITAN Group Code of Conduct for Procurement. 4. TITAN Group CSR Policy. 	<ul style="list-style-type: none"> • TITAN EGYPT 2019 CSR AND SUSTAINABILITY REPORT CEO Message (p. 03) Strategic Review - Values and Governance (p. 12) Performance Overview (p. 29) Health and Safety (p.35) Environmental Performance (p. 39) Our People (p.47) Engaging With Local Communities (p. 53) Business Partners (p. 59)
		<p>Criterion 20 The CoP describes Board adoption and oversight</p>	<ol style="list-style-type: none"> 5. TITAN Group Human Rights Policy. 6. TITAN People Management Framework. 7. TITAN Group Occupational Health and Safety Policy and guidelines. 8. TITAN Group Anti-Bribery and Corruption policy. 9. TITAN Egypt Policies. 	<p>Non-financial Statements :</p> <p>TABLE NFP 3--: Social Performance Indicators Index</p> <p>TABLE NFP 3.1--: Health And Safety Indicators Index SP01L-SP12L, (p. 70?)</p> <p>TABLE NFP 3.2--: Employment Indicators Index SP14L-SP29L, (p. 71)</p> <p>TABLE NFP 3.3--: People Development Indicators Index SP30L-SP39L, (p. 72)</p> <p>TABLE NFP 3.4--: Stakeholder Engagement Indicators Index SP40L-SP45L, (p. 74)</p> <p>TABLE NFP 5 - Management Systems related to Non-Financial Performance (p. 76)</p> <p>TABLE NFP 6 - TITAN Egypt Policies (p. 77)</p>
		<p>Criterion 21 The CoP describes stakeholder engagement</p>	<ul style="list-style-type: none"> • TITAN Egypt Approach: <ol style="list-style-type: none"> 1. Corporate social responsibility is one of TITAN Group's corporate values and underlines its enduring commitment to engage with stakeholders for sustainable development. TITAN Group CSR policy focus on understanding material issues for key stakeholders and delivering value for all, using available resources. 2. TITAN Egypt sets as priority continuous improvement for our performance and addressing our stakeholders material issues. 	<ul style="list-style-type: none"> • TITAN GROUP WEBSITE: Group Policies https://www.TITAN-cement.com/about-us/corporate-governance/group-policies/#Anti-Bribery-and-Corruption-policy

UNGC AREA / SCOPE	UNGC RELATED PRINCIPLE(S)	CRITERIA FOR GLOBAL COMPACT	TITAN EGYPT POLICIES / APPROACH	TITAN EGYPT REFERENCES
BUSINESS AND PEACE	The ten principles of the United Nations Global Compact	<p>Criterion 22</p> <p>The CoP describes policies and practices related to the Company's core business operations in high-risk conflict-affected areas stewardship</p>	<ul style="list-style-type: none"> • TITAN Egypt has no core business operations in areas identified as high-risk conflict-affected. • Refer also to criterion 12-13-14 	<ul style="list-style-type: none"> • TITAN EGYPT 2019 CSR AND SUSTAINABILITY REPORT CEO Message (p. 03) Strategic Review - Values and Governance (p. 12) Performance Overview (p. 29) Health and Safety (p. 35) Environmental Performance (p. 39) Our People (p. 47) Engaging With Local Communities (p. 53) Business Partners (p.59) Non-financial Statements : <ul style="list-style-type: none"> TABLE NFP 5 - Management Systems related to Non-Financial Performance (p. 76) TABLE NFP 6 - TITAN Egypt Policies (p .77) • TITAN GROUP WEBSITE: <ul style="list-style-type: none"> Group Policies https://www.TITAN-cement.com/about-us/corporate-governance/group-policies/#Anti-Bribery-and-Corruption-policy

Compliance and Due Diligence

Key aspects under our (TITAN Egypt) Governance

The TITAN Group Executive Committee is responsible for setting Group policies and ensuring that they are implemented throughout the Group. In parallel, the ethics and compliance programs implemented throughout TITAN's operations, ensure that the Group's principles and values are integrated in the day-to-day operations and the risk management culture is reinforced across the TITAN Group.

The effectiveness of the systems and policies implemented at Group and business unit level are systematically reviewed by the TITAN Group Executive Committee and the business units' management, including in terms of compliance with relevant standards of the Group. Whenever weaknesses are identified, corrective measures are taken.

All compliance processes are supervised by the TITAN Group Internal Audit Department, taking over responsibility for risk and compliance, in addition to internal audit. The TITAN Group Internal Audit is an independent department reporting directly to the Audit and Risk Committee with a primary role of monitoring the effectiveness of the internal control environment. Internal Audit's scope of responsibilities also includes:

- monitoring implementation and compliance with the Company's Internal Regulation, Code of Conduct and applicable laws in all jurisdictions in which TITAN Group operates
- providing consulting services (e.g. new procedures review, new IT systems post-implementation reviews)
- undertaking special assignments (e.g. fraud investigations).

Due diligence audits in 2019

TITAN Egypt Internal Audit Department performed operational audits covering mainly Procurement Department., Production Department. and including raw materials handling processes.

Separately and complementary to the above, TITAN Group Engineering and Technology (GET) has established other regular non-financial audits for the areas of Health and Safety and Environment. In this respect, in 2019 the Group Engineering and Technology Health and Safety Department had audited and assessed our performance for Alexandria and Beni Suf cement plants and quarries. Also in 2018 the Group Engineering and Technology (GET) Environment Department.had audited and assessed our performance for the for Alexandria and Beni Suf cement plants and quarries according to a program of audit field visits which pertains a three-year cycle for the entire TITAN Group.

Further, the Local and National Competent Authorities make regular audits to monitor progress and level of compliance whereby TITAN Egypt had no non-compliances or fines reported during 2019. Our records for reporting zero fines, or penalties were safeguarded and consolidated with the rest of data for TITAN Group, as part of the Due diligence.

About Financial and Governance matters, an independent audit firm verified TITAN Egypt Corporate Governance Report of Alexandria Portland Cement Board of Directors- Egyptian joint stock company.

Other International Third-party Auditors

During 2019, TITAN Egypt received a limited assurance verification for its non-financial performance disclosures for year 2018, according to the criteria for Communication on Progress of the UN Global Compact, and the sectoral approach and related criteria for reporting on health and safety performance, and environmental performance, in adherence with the Guidelines of the GCCA. During 2019, TITAN Group engaged with ERM Certification and Verification Services (CVS) to provide assurance on sustainability information in TITAN's Cement Group 2019 Annual Integrated Report. This independent verification was in accordance with the guidelines and protocols of the Global Cement and Concrete Association (GCCA), as well as the "advanced" level criteria for Communication on Progress of the United Nations' Global Compact (UNGC).

Alexandria Plant among two other TITAN production operations, went through audit visits to verify the source data underlying the 2019 data for the information in assurance scope and to review local environmental and safety management, labor and human rights and stakeholder/community engagement. More information on reports external assurance are presented in the "Strategic Review" section "2018 and 2019 Reports External Assurance".

Data collection and verification on annual basis

The Non-financial key performance indicators related to Social Performance (covering the area of Health and Safety) and the area of Environment, are managed through the TITAN Group Social Data and Environmental Data Collection Systems of: "CSR Databank" and "Environmental Performance Indicators Database".

TITAN Egypt reports according to the two documents of Sustainability Glossary and Guidance for Social Performance, and Environmental Performance, respectively (latest edition was in 2019). The Corporate functions of Group CSR and Group Engineering and Technology are responsible for collecting, reviewing, and 'auditing' the data and processes followed by the TITAN Egypt, like in any other case of business unit in the Group. The consolidation and reporting on Group level is made on annual basis as part of the Integrated Annual Report of TITAN Group, by following internal Standard Operating Procedure.

Management systems

TITAN Egypt has adhered to ISO international standards since 2004 and maintained the efforts to upgrade, enhance, 'instill' and 'institutionalize' the ISO-certified management systems in both plants of Alexandria and Beni Suf.

Grievance mechanisms

TITAN Egypt has various 'channels' in place available to cover grievances and complaints in different locations. One of these channels is the CSR Databank with a dedicated module for 'Complaints from the local Community', part of regular/annual reporting to the Group. All cases are investigated by the local management teams and are addressed accordingly. The Group also offers consultancy when necessary.

TABLE NFP 8: MEMBERSHIPS 2019

MEMBERSHIPS *	WEBSITE
The Egyptian Financial Supervisory Authority (EFSA)	www.efsa.gov.eg
The Egyptian Exchange (EGX)	www.egx.com.eg/arabic/homepage.aspx
Real Estate Publicity District and Documentation	
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.eg
Cement Association- Federation of Egyptian Industries	
Energy Committee - Federation of Egyptian Industries	www.fei.org.eg
Egyptian Businessmen Association (EBA)	www.eba.org.eg
Industrial Committee - Egyptian Businessmen Association (EBA)	www.eba.org.eg
Egyptian Environment Affairs Agency (EEAA)	www.eeaa.gov.eg
The American Chamber of Commerce (AmCham)	www.amcham.org.eg
Federation of Egyptian Industries (FEI) Mena Network for Global Business Network (GBN) - International Labor Organization (ILO) for Social Protection	www.fei.org.eg
Misr for Central Clearing, Depository and Registry (MCSR)	www.mcsd.com.eg

* Memberships, partnerships and co-operations: A membership is the company's paid participation in an organization, institution or network.

TABLE NFP 9: COOPERATIONS AND PARTICIPATIONS 2019

COOPERATION*	WEBSITE
Sustainability Center for Development (SCD)	
Protocol of Cooperation between Alexandria Portland Cement Company and the Arab Contractors Company "The Safe Disposal of Bypass Dust by Use in Paving"	
Egyptian-Greek Business Council	
Alexandria Businessmen Association CSR Network	
As a consequence of our partnership with ABA in new Vo-Tech school, ABA added TE to their CSR Network	www.aba.org.eg
2019 Protocol of cooperation between Beni Suef Cement Company, Beni Suef Governorate and Beni Suef Health Governorate to revitalize and equip Beni Suef 24 Bed Public Hospital East Nile with all needed equipment and construction works	www.benisuef.gov.eg/Default.aspx
2019 Protocol of cooperation between Beni Suef Cement Company and Sehetna NGO to execute and deliver the project related to equipping Beni Suef 24 Bed Public Hospital East Nile project to completion as well as training hospital doctors and nurses for using the new equipment.	www.egmed.com

* A cooperation is a formal or informal commitment to work or take specific actions jointly with other companies or organizations, without the precondition of a fee.

Table NFP 10: AWARDS AND RECOGNITION 2019

AWARD / RECOGNITION	WHO WAS AWARDED	NAME OF THE AWARD OR RECOGNITION	WHY THIS AWARD/RECOGNITION WAS AWARDED
Recognition	Alexandria Portland Cement Company	Recognition certificate and shield awarded during the World Environment Day celebration	For the good environmental performance of the Alexandria Portland Cement Plant. We usually receive this type of appreciation every time we participate in the World Environment Day celebration.
Recognition	Beni Suef Cement Company	Certificate and trophies after celebrating the University Students Development program (SDP)	For the good performance of TITAN Egypt trainers and organizers who participated in the SDP.

Glossary of Financial and Non-Financial Terms

FINANCIAL TERM	DEFINITION
Total Assets	The sum of all current and noncurrent assets
Shareholders' Equity	Total assets minus total liabilities
Turnover	Revenue received from the sale of goods and services to customers in all regions of operation
EBIT / Operating Profit	Earnings before interest and taxes
Earning before tax and minority interest	Net profit before minority interests and taxes
Earning after tax and minority interest	Net profit after minority interests and taxes
Shareholder equity ratio	Total shareholder equity over total assets
Total Assets	The sum of all current and noncurrent assets

NON-FINANCIAL TERM
(Relevant Section)

DEFINITION

COP

The Communication on Progress is intended as a mechanism to inform, in a standardized format of an annual report, company stakeholders (e.g., investors, consumers, civil society, and governments) on progress made in implementing the Ten Principles of the United Nations Global Compact.

GCCA*

The Global Cement and Concrete Association is a CEO-led industry initiative established in 2018, representing the global voice of the sector.
The GCCA took over the role of the former CSI Project of the WBCSD and has carried, since January 1 2019, the work programs and sustainable development activities of the CSI, with key objectives to develop and strengthen the sector's contribution to sustainable construction across the value chain, and to foster innovation in collaboration with industry, associations and key experts-stakeholders.

SDGs

The Sustainable Development Goals are a collection of 17 global goals designed to be a «blueprint to achieve a better and more sustainable future for all». The SDGs, set in 2015 by the United Nations General Assembly and intended to be achieved by the year 2030, are part of UN Resolution 70/1, the 2030 Agenda.

UNCTAD

The United Nations Conference on Trade and Development is a United Nations body responsible for dealing with economic and sustainable development issues with a focus on trade, finance, investment and technology, in particular for helping developing countries to participate equitably in the global economy.

UNGC*

The United Nations Global Compact is a voluntary initiative based on CEO commitments to implement universal sustainability principles ('Ten Principles') and to take steps to support UN goals. The 'Ten Principles' are derived from the Universal Declaration of Human Rights, the International Labor Organization's Declaration on Fundamental Principles and Rights at Work, the Rio Declaration on Environment and Development, and the United Nations Convention Against Corruption.

* More details are available in the report's Strategic Review chapter, in the section on Our Commitment to Sustainable Development - Global Collaborations.

NON-FINANCIAL TERM
(Relevant Section)

DEFINITION

WBCSD*

The World Business Council for Sustainable Development is a global, CEO-led organization of over 200 leading businesses working together to accelerate the transition to a sustainable world, helping member companies to become more successful and sustainable by focusing on the maximum positive impact for shareholders, the environment and societies.

Fatality
(Health and safety)

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

Fatality Rate
(Health and safety)

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).

Lost Time Injury (LTI)
(Health and safety)

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.

Lost Time Injury
Frequency Rate (LTIFR)
(Health and safety)

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.

Supplier
(Business Partners)

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 the contractors. In other words, the term contractor is equivalent to the term supplier for all matters regarding the management of the supply chain of the company. In specific, contractors are suppliers who offer services to the company, as opposed to offering goods. It is possible that some contractors can offer both services and goods, under certain conditions and with certain contractual terms.

NON-FINANCIAL TERM
(Relevant Section)

DEFINITION

Preferred Supplier
(Business Partners)

It is a supplier / contractor that has proved his / her ability to work with TITAN Egypt covering all aspects of TITAN Group procedures or a supplier / contractor that TITAN Egypt personnel feels confident working with, submits new ideas and wishes to grow with TITAN Egypt.

Sole Supplier
(Business Partners)

In case of a product /service provided within a monopolistic market, specific quality, unique products developed for TITAN Egypt. A list of all Sole suppliers is approved once a year by the Procurement Department Manager, Supply Chain Director, Industrial Director and the CEO.

Significant Supplier
(Business Partners)

It is a local or foreign supplier that its services / materials are recognized as critical to TITAN Egypt operations and its invoiced annual amount to TITAN Egypt exceeds MEGP 3.0 during 2019. This amount is re-evaluated on an annual basis.

Local Supplier
(Business Partners)

Suppliers are considered local as per The TITAN approach since 2019 assumes as 'local' those suppliers with company tax registration (for tax purposes) inside the country of interest (the country of the BU location and tax registration). In this context, local suppliers are all suppliers who are not considered as global (or - equivalently - called 'international'), and there is no other category except the above two, according to the TITAN approach as explained in the above.

International Supplier
(Business Partners)

Suppliers are considered global when they provide goods or services around different geographic areas. For the specific use of the definition for TITAN, as 'global' can be considered all suppliers which are not categorized as 'local'. An equivalent term for the global suppliers is international suppliers.



TITAN Cement Egypt
El Sheikh Aly Gad El Hak St.,
Florida Tower, Heliopolis,
Cairo, EGYPT
Tel.: +2 02 26967000
www.titacementegypt.com