

# 2020 | SUSTAINABILITY REPORT



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# ABOUT

∴ 2020 SUSTAINABILITY  
REPORT

This is the seventh annual Sustainability Report to present a summary of financial along with environmental, social and governance performance of “TITAN Egypt” including the cement plants in Beni Suef and Alexandria, the ready-mix concrete plants, and the quarry of Attaqa operations of TITAN Group in Egypt.

For the purposes of consistency, the term ‘TITAN Egypt’ is used throughout this Report, when referring to the combined disclosures of our performance, except for certain cases where the name of the subsidiary is explicitly mentioned for pertinent figures and other disclosures. Also, a glossary is available at the end of the report.

For the third year consecutively, this report is published according to TITAN Group sustainability reporting standards in reference to the implementation of the UN Global Compact Communication on Progress Guidelines (UNGC – CoP), the Global Cement and Concrete Association Guidelines (GCCA), and the UN Sustainable Development Goals (SDGs) 2030. TITAN Egypt also integrated in its approach the Guidance of the United Nations Conference on Trade and Development (UNCTAD, latest publication in 2019) for connecting its reporting for Environmental, social and governance (ESG) with Targets for the SDGs, following the TITAN Group approach.

Using the Sustainability Accounting Standards Board SASB Materiality Map® for our sector, TITAN Egypt conducted a new materiality assessment cycle in 2020 following the completion of TITAN Group new cycle of materiality assessment that started in 2019. The results of TITAN Egypt

materiality assessment are presented in this report.

All TITAN Group consolidated environmental, social and governance performance in 2020 are independently verified by ERM Certification and Verification Services Ltd. (ERM CVS) in accordance with the guidelines and protocols of the GCCA, as well as the advanced level criteria for the UNGC CoP. More information about TITAN Group and about this report including the Independent Assurance Statement is available online at the TITAN Cement Group website:

<https://www.titan-cement.com/newsroom/annualreports/2021>.

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

<http://titancementegypt.com/>

You may also enter the Sustainability Report 2020 link by scanning the QR code with your mobile device.



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# 01

## UNDERSTANDING TITAN EGYPT



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**2020**

∴ PERFORMANCE  
HIGHLIGHTS

# :: 2020

## PERFORMANCE HIGHLIGHTS



Turnover  
**EGP 1,824 B**



EBIT  
**EGP 422 M**



Total Assets  
**EGP 3,751 B**



Capital Expenditure  
**EGP 56.2 M**



Wages, Salaries and Other Benefits to Employees  
**EGP 201 M**



Taxes To National and Local Authorities  
**EGP 326 M**



Green Investment  
**EGP 39 M**



Donations and Social Engagement Initiatives  
**EGP 6.60 M**



Employees at Year-End  
**472**



Employees From Local Community  
**89.4%**



Training Hours Per Employee  
**10**



Local Spend to Suppliers of Goods and Services  
**EGP 1.21 B**  
(79.02%)

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**MESSAGE**  
FROM THE CEO

## :: MESSAGE FROM THE CEO



“ We are proud that our enduring commitment to our values offered us a solid ground to face a year of significant losses in financial terms, caused by many reasons, but also prove our skills and competences in managing uncertainty and creating value for our stakeholders in the longer term. ”

### Dear stakeholders,

It is clear that 2020 will be remembered as the most challenging year for humanity in recent history. For all countries, communities, societies and companies the global health pandemic spread at the onset of the second decade of the 21st century has caused significant disruptions and unforeseen challenges.

Having as first priority to safeguard health and safety within the sphere of our influence while continue to operate and serve the changing needs of our markets, TITAN Egypt remained focused on delivering results while strengthening long term sustainability of business operations and key stakeholders.

In 2020, the priorities shifted, and business continuity was aligned with resilience, sustainability and social responsibility. We are proud that our enduring commitment to our values offered us a solid ground to face a year of significant losses in financial terms, caused by many reasons, but also prove our skills and competences in managing uncertainty and creating value for our stakeholders in the longer term.

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. The COVID-19 pandemic and

the government's six-month ban on construction permits, issued in May in Cairo, Alexandria, and other cities and governmental measures to restrict illegal housing had intensified the downward pressure on demand and prices. Cement consumption fell by an estimated 6.5% compared to 2019, to around 45.5 million metric tons.

As already announced, we have decided the voluntarily delisting of Alexandria Portland Cement Company from the Egyptian Stock Exchange (EGX) where we have been listed since September 27th 1995.

Despite this decision, our strategy remained focused on good corporate governance and business ethics and we are proud that we have started a good practice with the publication of TITAN Egypt Sustainability Report and we continue this effort with the publication of the 7th annual Report this year. In addition, we have expanded the use of electronic means for communication and collaboration with our key stakeholders, introducing new e-tools for different uses, including training and skills development and purchasing of goods.

Sustainability is always at the core of our strategy and targets translated into financial, environmental and social performance that we measure year-to-year following a thorough assessment of our impacts and activities, aligned with five-year long targets.

Despite the need to alter our plans in 2020 and minimize exposure to risks for our employees, partners and

communities, the implementation of our plan to reduce the use of traditional energy sources and fuels that are related to the climate change problem led to the development and marketing of a new product that is produced with less carbon footprint and can have multiple use by customers in construction building. We also continued to empower through digital training and guidance, both our employees and our contractors in meeting all health and safety standards along with the additional provisions added to our contracts for the protection from COVID-19.

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 optimizing consumption, 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.

We had taken early steps to support our communities by strengthening collaboration with local stakeholders, civil society and authorities in both health care and education and we continued expanding and strengthening our collaboration to ensure that activities that are critical for our stakeholders will continue.

Among else, we are proud to report that the health care donation program for the Beni Suef Hospital and the partnership in Alexandria continued, our e-Students Development Program (e-SDP) in Alexandria and Beni Suef reached 7,696 training hours for 144 universities students.

Despite all 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.

In 2020, we have opened a new cycle to revisit material issues for our business and for our stakeholders in all countries the TITAN Group operates. TITAN Egypt conducts materiality assessments aligned with the Group standards and reviews regularly the outcomes to better understand the changing needs of key stakeholders.

It was evident that this process coincided with the health pandemic and the side effects in both the markets and the communities we operate. Accordingly, we work together with the Group and the

local stakeholders to assess the outcomes of community engagement plans and all activities related to the improvement of our performance in health, safety and environmental protection and define future targets aligned with TITAN Group 2025 targets and ambitions published in March 2021.

We are confident that based on the results we have flourished the last five years with our concentrated efforts in all issues recognized as material for our stakeholders will not only help us to overcome the current crisis but also continue to pioneer in the development of a more sustainable and inclusive market in Egypt.

We want to thank all our employees, our business partners and stakeholders for their trust, collaboration and support in these difficult times. We will continue to work together for a more sustainable 2021 and we invite your feedback to improve further our efforts for a better future for all.



**Khaled Badawy**  
Chief Executive Officer

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# OVERVIEW

⌘ ABOUT TITAN

## :: OVERVIEW

An overview about TITAN Egypt values, our history, our operations, in a challenging and changing local and global landscape, and our approach to delivering values for our stakeholders and material assessment outcomes.

### **BUSINESS APPROACH**

We do our best to effectively address various critical successive challenges, accelerating shifts and disruptive events, such as the COVID-19 pandemic. We keep playing our part in building a better, more sustainable future together with our stakeholders.

### **ONE GOVERNING OBJECTIVE, AND A SET OF STRONG VALUES**

#### **OUR VISION**

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

#### **OUR GOVERNING OBJECTIVE**

We aim to grow as a multiregional, building materials producer, combining entrepreneurial spirit and operational excellence with respect for people, society, and the environment.



## OUR STRATEGIC PRIORITIES



To achieve our governing objective, we focus on four strategic priorities:



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

## TITAN GROUP VALUES

Our values are at the core of who we are; they guide our strategy and provide the foundation for all our operations. They have provided our people with a strong bond and supported the growth that has sustained us for over a century, stemming directly from the principles, beliefs, and

vision of our founders back in 1902. They remain the solid basis of our culture and family spirit. 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.

 <p><b>INTEGRITY</b></p> <ul style="list-style-type: none"> <li>- Ethical business practices</li> <li>- Transparency</li> <li>- Open Communication</li> <li>- Good Governance</li> </ul>	 <p><b>DELIVERING RESULTS</b></p> <ul style="list-style-type: none"> <li>- Shareholder Value</li> <li>- Clear Objectives</li> <li>- High Standards</li> </ul>	 <p><b>KNOW-HOW</b></p> <ul style="list-style-type: none"> <li>- Enhancement of knowledge base</li> <li>- Proficiency in every function</li> <li>- Excellence in core competencies</li> </ul>
 <p><b>CONTINUOUS IMPROVEMENT</b></p> <ul style="list-style-type: none"> <li>- Learning Organization</li> <li>- Willingness to Change</li> <li>- Rise to Challenges</li> </ul>	 <p><b>VALUE TO THE CUSTOMER</b></p> <ul style="list-style-type: none"> <li>- Anticipation of Customer Needs</li> <li>- Innovation Solutions</li> <li>- High Quality of Products and Services</li> </ul>	 <p><b>CORPORATE SOCIAL RESPONSIBILITY</b></p> <ul style="list-style-type: none"> <li>- Safety First</li> <li>- Sustainable Development</li> <li>- Stakeholder Engagement</li> </ul>

## Global presence

We report on our performance & activities based on four geographic regions, and separately on our joint venture in Brazil.

<b>USA</b>	
2 Integrated cement plants	8 Quarries
82 Ready-mix plants	3 Import terminals
7 Concrete block plants	5 <sup>**</sup> Fly ash processing plants
Principal products/activities	
Revenue 937.7€m	EBITDA 176.1€m
Assets 1,095.8€m	



**USA**  
Integrated cement plants  
1. Roanoke – Virginia  
2. Pennsuco – Florida



**Brazil (Joint venture)**  
Integrated cement plant  
1. Quixere  
Cement grinding plant  
2. Pecem

Principal products/activities key:

- Cement
- Ready-mix concrete
- Aggregates
- Dry mortars
- Building blocks
- Fly ash
- Waste management and alternative fuels

Number of operational units of all regions as calculated for ESG performance reporting purposes at Group level

\* The joint venture in Brazil is incorporated in the financial statements using the equity method of consolidation. In the ESG performance overview and statements, the joint venture in Brazil is not included.

\*\* 1 facility in Canada is included

<b>Brazil (Joint venture)*</b>		
1 Integrated cement plant	3 Quarries	Principal products/activities  
1 Cement grinding plant	4 Ready-mix plants	



**Southeastern Europe**

5 Integrated cement plants	20 Quarries	Principal products/activities    	Revenue 271.0€m
6 Ready-mix plants	1 Processed engineered fuel facility		EBITDA 96.2€m
			Assets 456.9€m

**Southeastern Europe**

**Integrated cement plants**

1. Kosjeric – Serbia
2. Zlatna – Bulgaria
3. Sharr – Kosovo
4. Usje – North Macedonia
5. Antea – Albania



**Eastern Mediterranean**

**Integrated cement plant**

1. Tokat

**Cement grinding plant**

2. Marmara



**Integrated cement plants**

1. Alexandria
2. Beni Suef



**Greece & Western Europe**

**Integrated cement plants**

1. Thessaloniki
2. Kamari
3. Patras

**Cement grinding plant**

4. Elefsina

**Eastern Mediterranean**

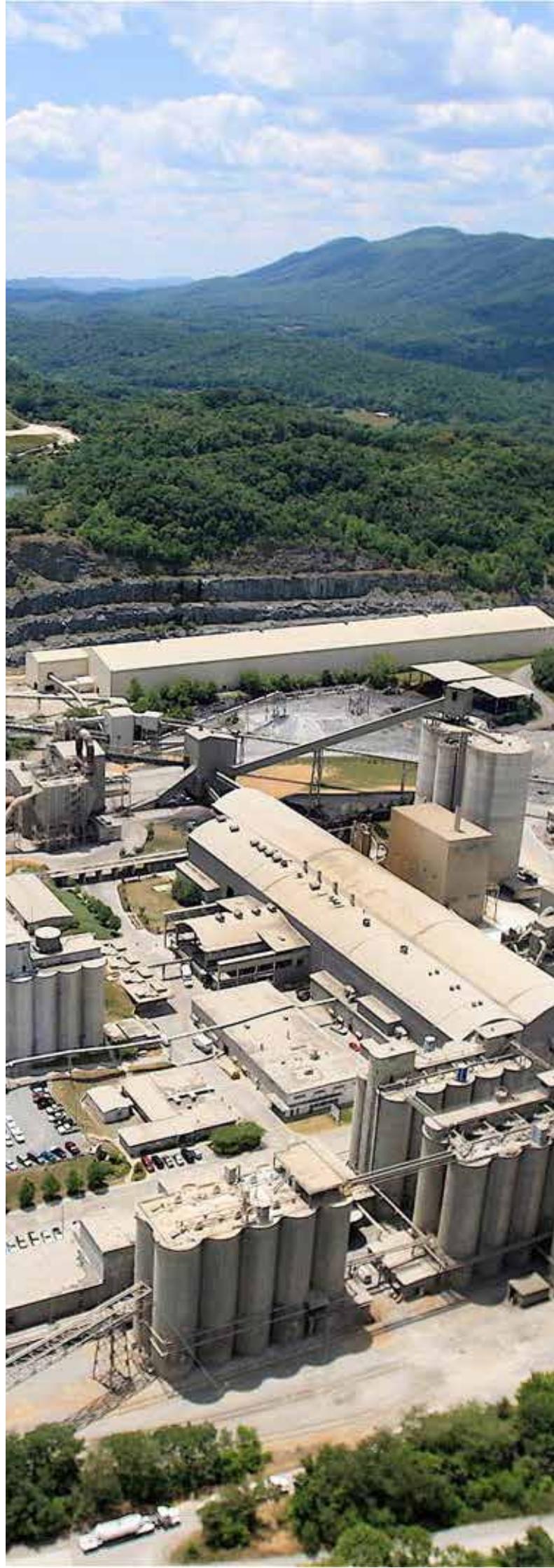
3 Integrated cement plants	14 Quarries	Principal products/activities    	Revenue 151.7€m
7 Ready-mix plants	1 Cement grinding plant		EBITDA 3.3+€m
2 Processed engineered fuel facilities			Assets 484.8€m

**Greece & Western Europe**

3 Integrated cement plants	25 Quarries	28 Ready-mix plants	1 Cement grinding plant	Principal products/activities    	Revenue 246.6€m
2 Processed engineered fuel facilities	3 Import terminals	1 Dry mortar plant			EBITDA 17.2€m
					Assets 563.3€m

## ABOUT TITAN GROUP

TITAN Group is a multiregional cement and building materials producer. Business activities cover the production, transportation and distribution of cement, concrete, aggregates, fly ash, mortars and other building materials. The Group employs about 5,400 people and is present in more than 15 countries, operating cement plants in 10 of them, the USA, Greece, Albania, Bulgaria, North Macedonia, Kosovo, Serbia, Egypt, Turkey and Brazil. Throughout its history the Group has aspired to serve the needs of society, while contributing to sustainable growth with responsibility and integrity. 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.

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.



## TITAN BETON AND AGGREGATES EGYPT (TBAE)

TBAE is a subsidiary of TITAN Egypt that specializes in the production, distribution and sales 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 and to local market with variety of products.

During 2020 and despite of the worldwide Covid-19 pandemic, TBAE has significantly improved its performance in terms of revenues, volumes and overall financial results.

TBAE has succeeded to be part of the governmental transit monorail project, which is one of the key and most strategically important infrastructure projects in Egypt.



## 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 HISTORY

Alexandria Portland Cement Company (APCC) established in Egypt.

1948

1993

Beni Suef Cement Company (BSCC) established in Egypt.

4M TITAN Silos was established by TITAN subsidiary.

1997

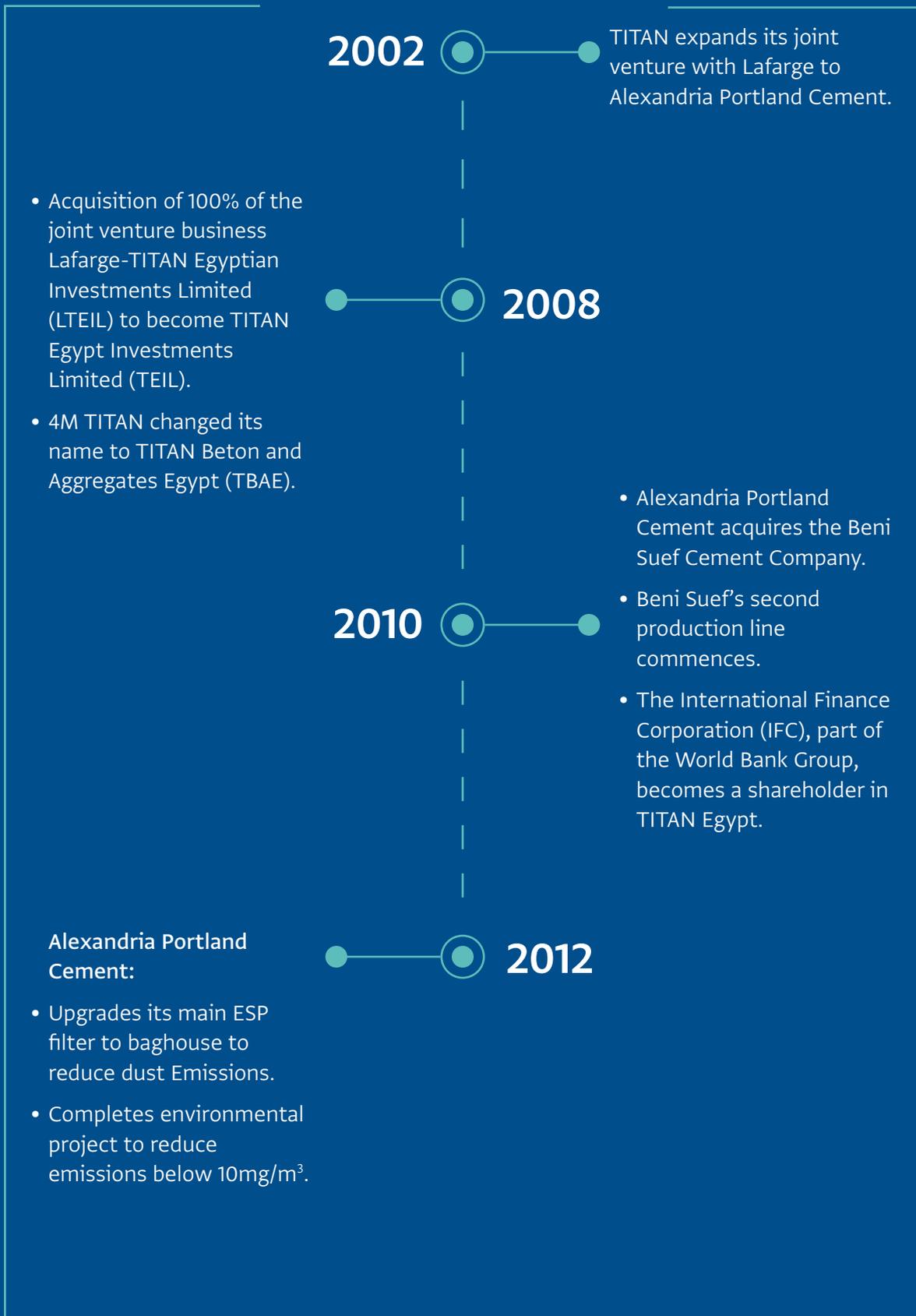
1999

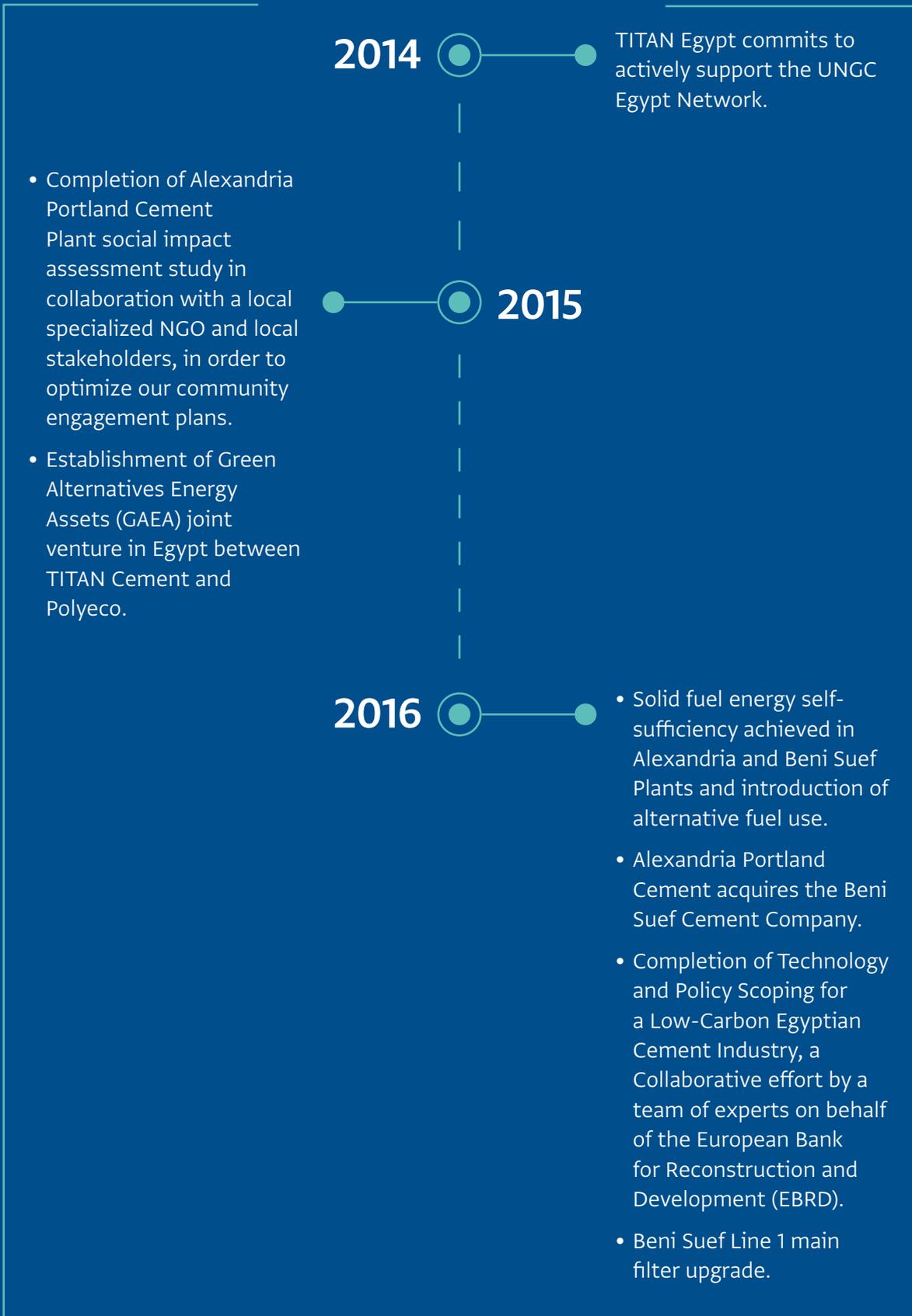
- TITAN, in association with Lafarge, acquired 50% of the shares of the Beni Suef Cement Company.

- Inauguration of New Terminal Station in Safaga.

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

2001









## ALEXANDRIA PORTLAND CEMENT COMPANY VOLUNTARILY DELISTED FROM EGYPTIAN STOCK EXCHANGE (EGX)



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. 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.



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.



In light of the outcome of the Mandatory Tender Offer of Alexandria Development Limited Company which was executed at the Egyptian Stock Exchange, this resulted in a decrease of the free-floating shares below the percentage stipulated in the listing rules.



Alexandria Portland Cement Company’s Extraordinary General Assembly approved the voluntarily delisting of the company’s shares from EGX in accordance with the provisions of the law.

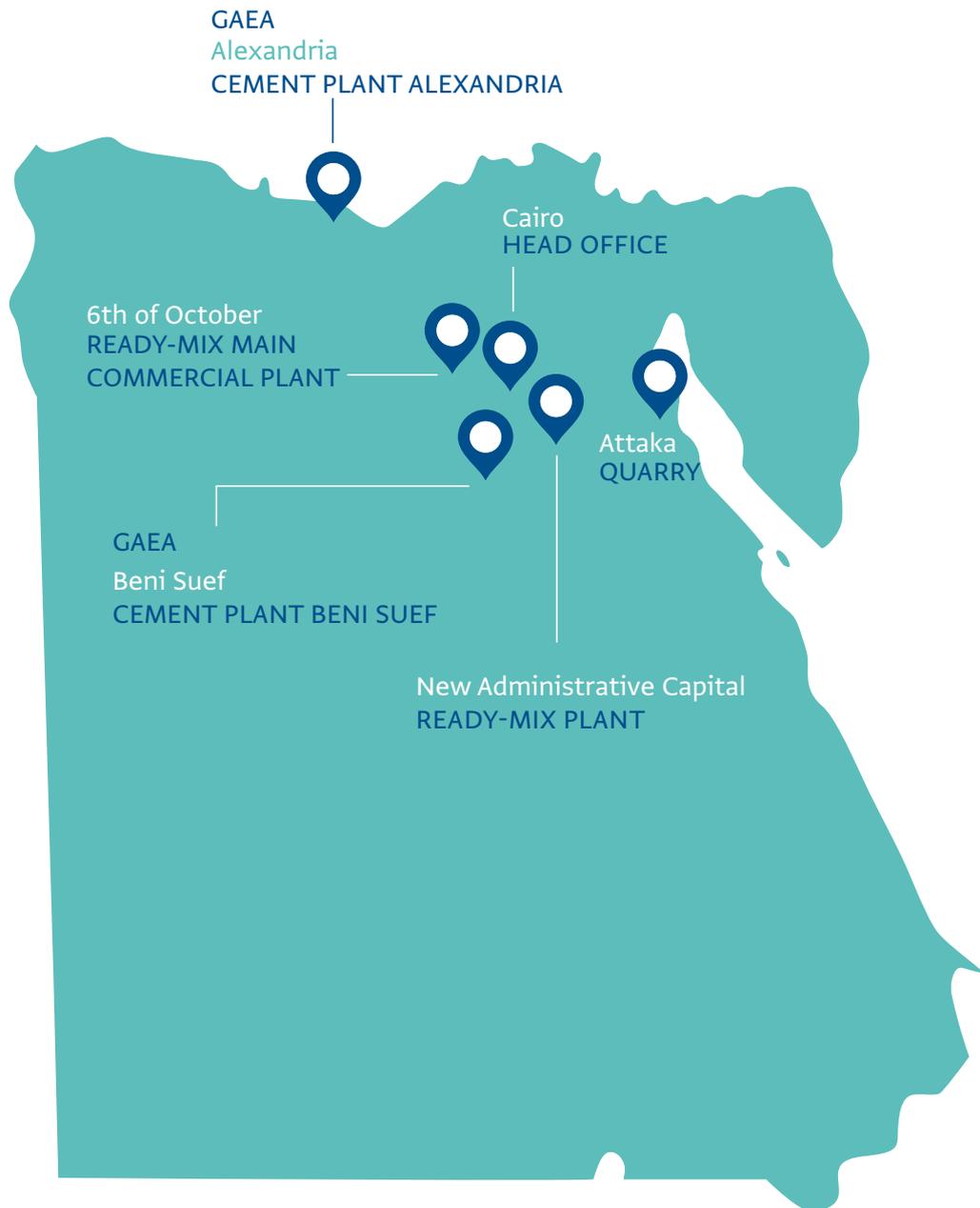


The company bought the shares of objectors and those affected by the voluntarily delisting, the transaction was financed by the major shareholder Alexandria Development Limited.



The listing committee of the Egyptian Stock Exchange approved the final delisting of Alexandria Portland Cement Company shares from Egyptian Stock Exchange. Alexandria Portland Cement Company’s shares were removed from the stock exchange database and currently the company’s shares are traded through Over the Counter system (OTC).

## OUR OPERATIONS



## OUR PRODUCTS AND SERVICES

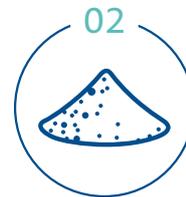
Our products and services are used for a variety of purposes, from major infrastructure projects (including roads, airports, hospitals, and schools) to housing, commercial buildings and social projects. We actively promote new

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.



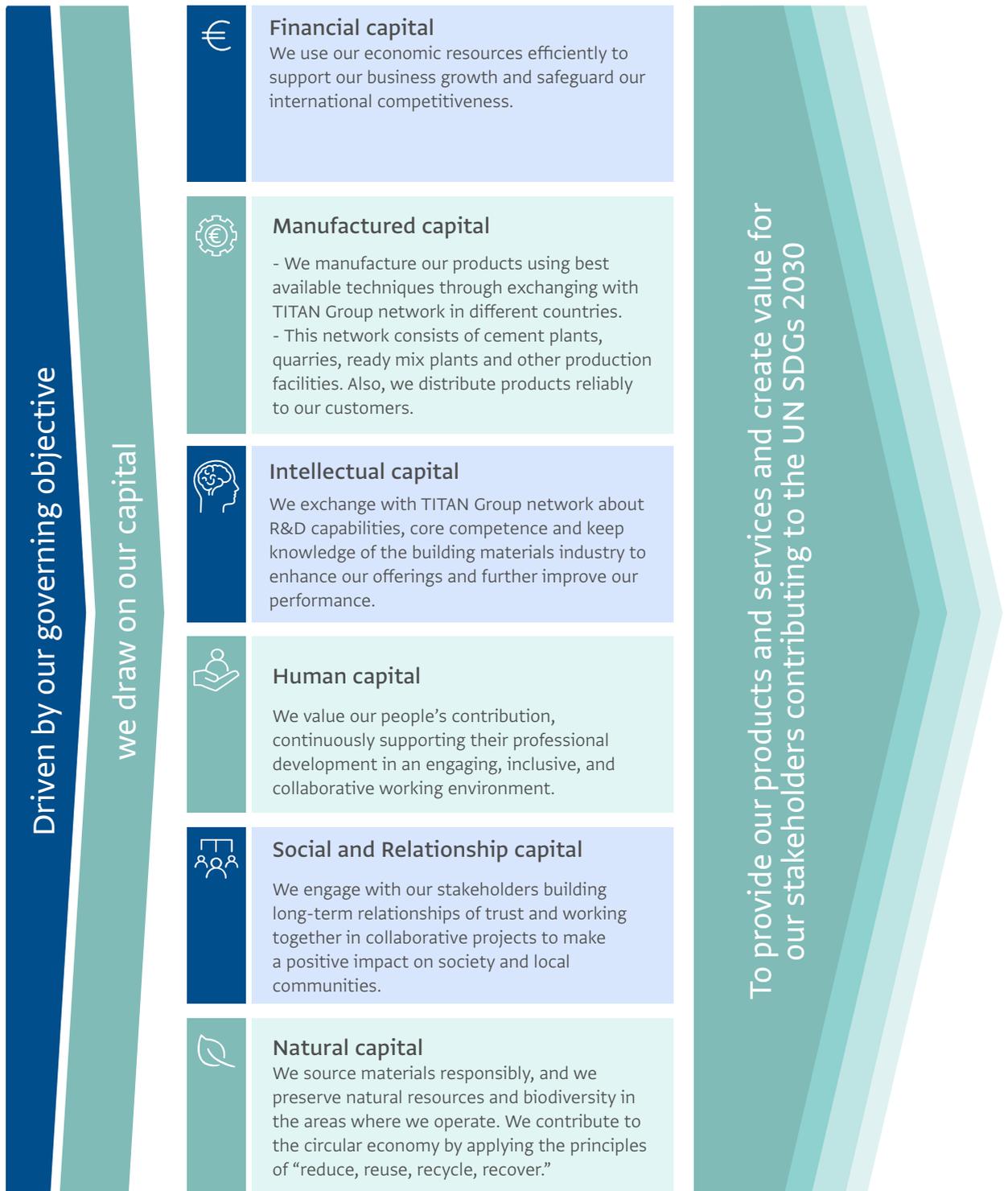
## TITAN EGYPT MANAGEMENT SYSTEMS

Area	Management System in Place	Certified Sites/Legal Entities
Health and safety	ISO 45001 - Occupational Health and Safety	All integrated cement plants
Environment	ISO 14001 - Environment Management System	All integrated cement plants
Quality	ISO 9001 - Quality Management System	All integrated cement plants
Social	Group Human Resources Management (GHRMS) System / Success Factors	All operations

More details about Management systems is presented in Management Report in ESG Performance Statements in Table 6 – Management Systems Related to ESG Performance.



## DELIVERING VALUE FOR OUR STAKEHOLDERS



Value Creation Key Indicators For Sustainability	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 201m	Employees Employees' families Local communities	SDG8, SDG 10, SDG17
Investments in training of employees	EGP 0.395m <b>KPI SP31L and KPI SP32L</b>	Employees Employees' families	SDG4, SDG8, SDG 10
Internships	157 Interns <b>KPI SP44L</b>	Employees Employees' families Local communities Youth	SDG4, SDG8, SDG17
Green investment	EGP 39m <b>KPI EP39L</b>	Local communities Society at large	SDG3, SDG7, SDG9, SDG15
Alternative fuels	47,169 tons of waste alternative fuel <b>KPI EP23L</b>	Local communities Governments and authorities Society at large	SDG9, SDG12, SDG13, SDG17
Total spend to Suppliers, local and international for goods and services	EGP 1.53b	Suppliers Contractors	SDG9, SDG17

Value Creation Key Indicators For Sustainability	Amount / Corresponding KPI Code In Index System	Stakeholders	Corresponding UN SDGs
Total spend on donations and social engagement initiatives	EGP 6.60m <b>KPI SP41L, KPI SP42L and KPI SP43L</b>	Local communities Academia Educational organizations Civil society Society at large	SDG3, SDG4, SDG8, SDG9, SDG11, SDG17
Taxes to national and local authorities	EGP 326m	Governments Local authorities	SDG17
Other payments to governments	EGP 167m	Governments Local authorities	SDG17
Capital expenditures	EGP 56.2m	Employees Suppliers Contractors Local communities Shareholders	SDG7, SDG9, SDG12, SDG13

More information is presented in Management Report chapter, ESG performance statements in Table 1- Value Creation Core Indicators Index, Table 2- Environmental Performance Index, Table 3.1- Health and Safety

Performance Index, Table 3.2- Employment Performance Index, Table 3.3- People Development Performance Index and Table 3.4- Stakeholders Engagement Performance Index.

## MATERIALITY ASSESSMENT AND STAKEHOLDER ENGAGEMENT

The contents of this Report focus on the topics that have been identified as material for TITAN Egypt operations and key stakeholders with reference to

the 2018 materiality assessment cycle. Starting 2021 Sustainability Report, we will refer to the material issues related to the cycle of year 2020.

## MATERIALITY ASSESSMENT- AN ONGOING PROCESS

Since 2014, TITAN Egypt conducts materiality assessment following TITAN Group standards, taking into consideration feedback from local and national stakeholders. The outcomes of the materiality assessment process are used to shape the contents of the Annual Sustainability Report and guide actions and initiatives addressing priorities for both our operations and our key stakeholders. A review and update of the materiality assessment process was conducted in 2016, then again in 2018.

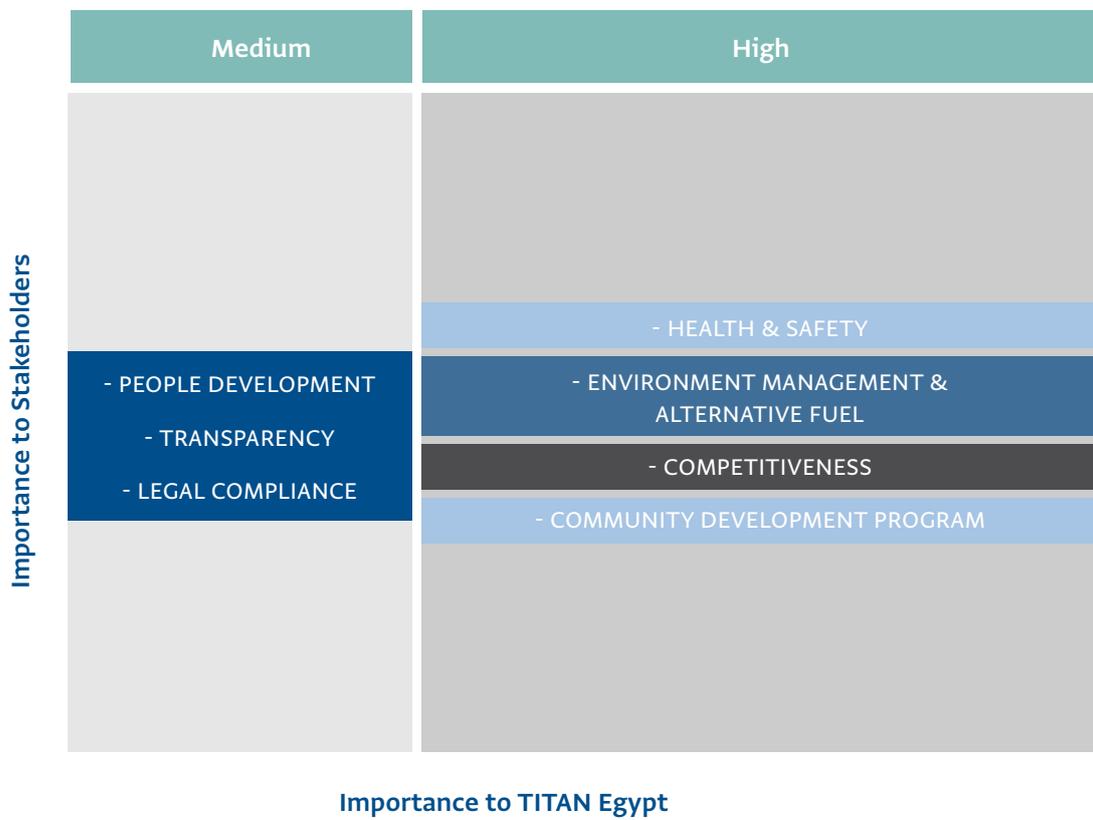
The outcomes of the materiality assessment process at the local level also provide useful feedback for the materiality assessment of the Group, while the outcomes of the Group assessment are incorporated in the development of long-term targets and ambitions.

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, 2019 and 2020. 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. In 2020, TITAN Egypt started to face new conditions including of course the impacts of the public health crisis due to the COVID-19 pandemic.

## TITAN Egypt 2018 Material Issues



- Financial
- Social
- Environmental
- Governance

2018 High Priority Material Issues	What It Means To TITAN Egypt	Corresponding KPIs In ESG Performance Indices	Corresponding UN SDGs
Health and safety	Protect employees, contractors, and local communities	TABLE 3.1-: Health and Safety Performance Index <b>KPIs SP01L-SP14L</b>	SDG3, SDG 4, SDG8
Environment and energy management	Follow international best practices.  CO <sub>2</sub> footprint.  Focus on increasing alternative fuels	TABLE 2-: Environmental Performance Index <b>KPIs EP01L-EP39L</b>	SDG3, SDG 6, SDG7, SDG9, SDG12, SDG 15
Competitiveness	Low operating fixed and variable cost, optimum working capital  Digitalization  Product quality and customer service	TABLE 3.2-: Employment Performance Index <b>KIPs SP15L-SP30L</b>  TABLE 3.3-: People Development Performance Index <b>KPIs SP31L-SP40L</b>  TABLE 3.4-: Stakeholder Engagement Performance Index <b>KPI SP46L</b>	SDG9, SDG17
Community development programs	Development for our neighborhood and local communities	TABLE 3.4-: Stakeholder Engagement Performance Index <b>KPIs SP41L-SP46L</b>	SDG3, SDG4, SDG8, SDG9, SDG17

## NEW CYCLE OF MATERIALITY ASSESSMENT TO INCORPORATE UP-TO-DATE STAKEHOLDER PERSPECTIVES IN OUR STRATEGIC PLANNING

In 2019, a new cycle of materiality assessment started at Group level. The launch of the new cycle has been an opportunity to upgrade and further develop internal process with the use of Sustainability Accounting Standards Board (SASB) Materiality Map®.

The SASB Framework was leveraged for the purpose of connecting the SASB Materiality Map® with the 2020 Group's materiality assessment and allowed the alignment between the Group and its subsidiaries.

In developing the list of issues to be considered at both TITAN Group and business unit levels, the SASB Materiality Map for Construction Materials was considered as a starting point. The updated list of issues was created by asking the participants - internal stakeholders - if the list used for the previous Materiality Analysis was still correct, and if any other issues from the SASB list should be added. The outcomes of TITAN Group materiality assessment is presented in 2021 TITAN Group Integrated

Annual Report <https://www.titan-cement.com/newsroom/annualreports/2021>.

Following the completion of the materiality assessment of TITAN Group and the analysis of stakeholder feedback at local level, TITAN Egypt started in May 2020 its new cycle of materiality integrating standardization of definitions according to global standards and best practices. Along with this process, a new target-setting process is underway in 2020 / 2021 both at Group and business unit levels, for committing to 2025 new targets for sustainability.

All TITAN Group business units followed a standardized materiality process to prepare and run the new cycle of materiality analysis exercise.



The table below shows TITAN Egypt process to prepare and run the materiality analysis during the years 2020 and 2021 considering the TITAN Group ESG (Environmental, Social and Governance) Department guidance and close support

in all the steps. All business units did benefit from the know-how and experience already capitalized during the 2019 TITAN Group Materiality exercise.



5

Explanatory sessions to all key internal stakeholders participating in the process



35

Participants in Materiality assessment questionnaire (95% participation rate)



27

Participants in Materiality Assessment Workshop out of which 21 from the business unit

Planning

- Develop a time-plan to conduct the complete assessment process
- Define contributors / participants from TITAN Egypt and TITAN Group (list of key internal stakeholders) for the Materiality Assessment Questionnaire (focus survey) and the Materiality Assessment Workshop.
- Prepare for the desk research/ study through a third-party for the sustainability trends.
- Explanatory sessions to all key internal stakeholders participating in the process.

**Request for the feedback of Key Internal Stakeholders through a Focus Survey- Materiality Assessment Questionnaire**

- The Survey aims at receiving the expert feedback of key internal stakeholders who are in specific - in their role - responsible for engaging with external stakeholders.
- We rolled-out the survey by implementing a toolkit / template of the materiality assessment questionnaire developed by Group ESG department.
- The Group ESG had an overview of the process, and engaged in the assessment of the outcomes.

**Materiality Assessment Workshop with Key Internal Stakeholders**

- A dedicated Workshop with key stakeholders was conducted by applying a consistent methodology recommended by the Group ESG department to ensure the open dialogue among key internal stakeholders for reaching to meaningful outcomes about the material issues 2020 through the voting of participants.
- The Workshop aimed at utilizing the outcomes of the materiality assessment questionnaire, the desk research and other indicators / facts.
- The Group ESG had the overview of the process and participated in the workshop plus engaged in the assessment of outcomes.

## Completion

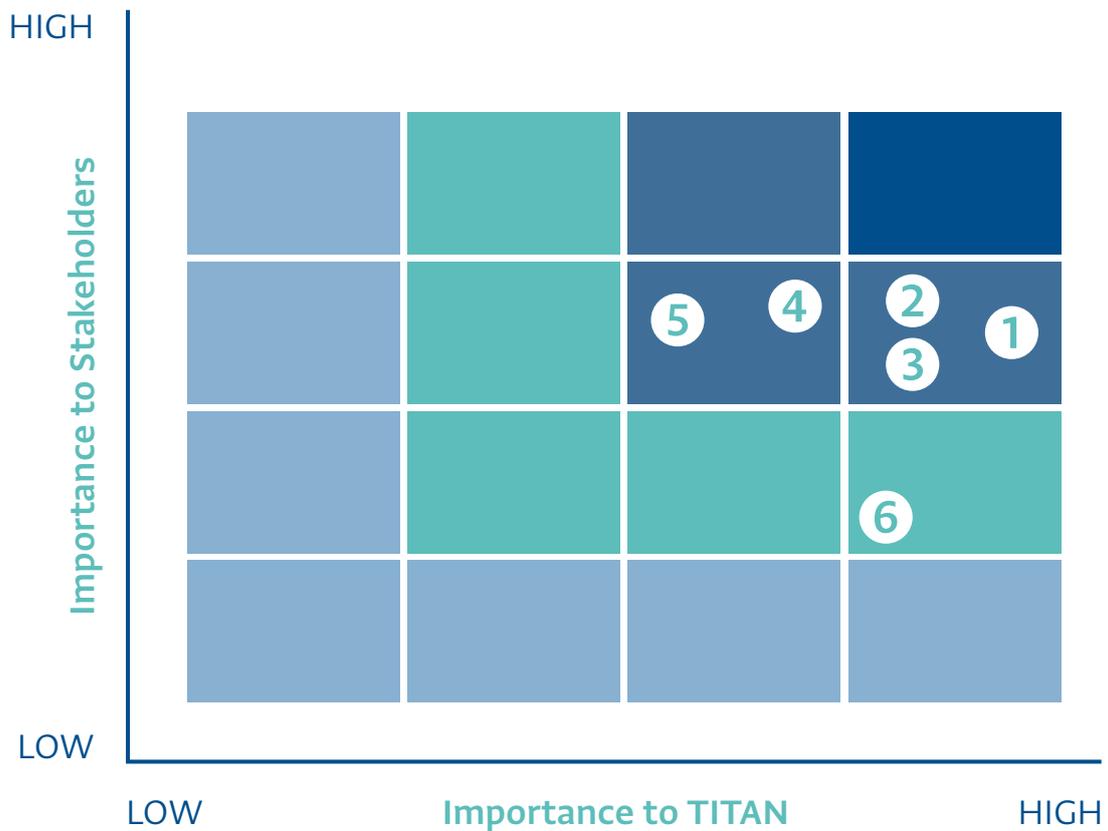
- Develop Materiality Matrix 2020-2025 and supporting documents following a toolkit and guidance by the Group ESG Department.
- Connect 2020 High Material Issues with TITAN Group Focus Areas.
- Develop Targets 2025 per material issue and connect with the SDGs 2030.

## 2021 TITAN EGYPT HIGH PRIORITY MATERIAL ISSUES

According to TITAN Egypt Materiality Assessment 2020 cycle which provided the outcomes in 2021, we will be addressing six high priority material issues. The diagrams below illustrate how our material issues have evolved since our last materiality assessment cycle in 2018, their prioritization and alignment with the UN SDGs 2030.



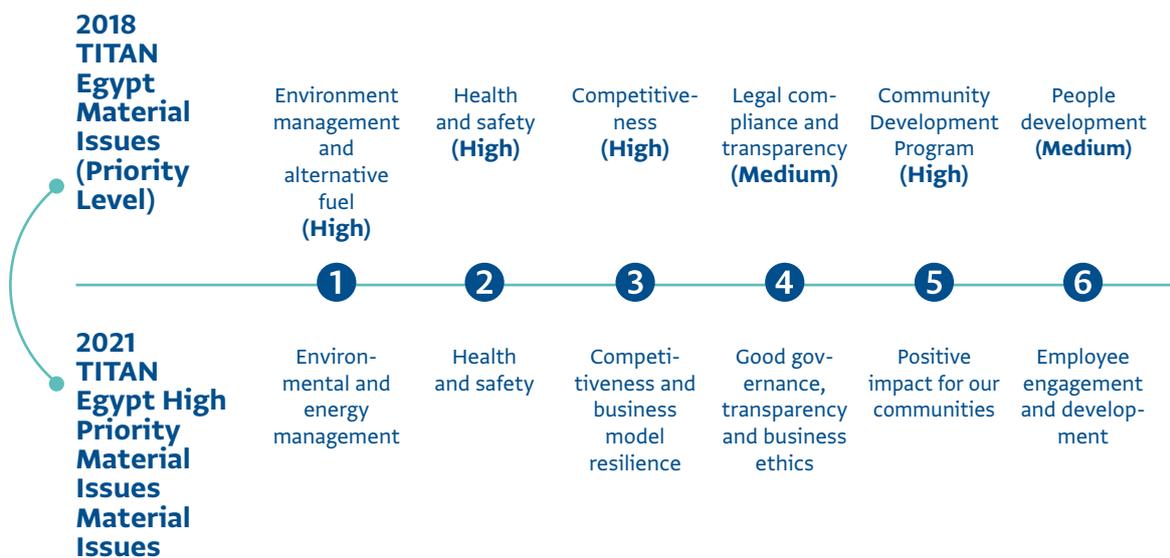
CORRESPONDING SDGs 2030



	2021 High Priority Material Issues	What It Means to TITAN Egypt
1	<b>ENVIRONMENTAL AND ENERGY MANAGEMENT</b>	Environmental Compliance (inclusive of policies and practices in place), decarbonization, visual impacts, water management, follow international best practices, sustain the operating license, sustainable consumption and production patterns.
2	<b>HEALTH AND SAFETY</b>	Provide a safe and healthy working environment for our employees, contractors and business partners.
3	<b>COMPETITIVENESS AND BUSINESS MODEL RESILIENCE</b>	Product and service quality, customer service and welfare inclusive of: selling practices and product labelling, low operation cost (focus on energy cost), digitalization and supply chain management (ambition reliable and sustainable supply chain).
4	<b>GOOD GOVERNANCE, TRANSPARENCY, AND BUSINESS ETHICS</b>	Competitive behavior, human rights protection, compliance with international and sector standards.
5	<b>POSITIVE IMPACT FOR OUR COMMUNITIES</b>	Local neighborhood / community welfare, youth education and employment, poverty and inequalities (focus on: use of humanitarian aid and relief).
6	<b>EMPLOYEE ENGAGEMENT AND DEVELOPMENT</b>	Empower our people at all levels to develop professionally with access to learning and career opportunities, enabling and motivating them to deliver superior results.

By comparing the material issues addressed in 2020 materiality assessment cycle versus 2018 cycle, all the high priority material issues covered in 2018 cycle are still at high priority level. For 2020 cycle, some additional areas are covered under these high-level material issues, such as:

- Environment and energy management material issue scope has been extended to cover de-carbonization, visual impacts, water management and sustainable consumption and production patterns.
- Competitiveness material issue scope has been extended to a more inclusive competitiveness and business model resilience as well through digitalization, selling practices and product labelling and sustainable supply chain management.
- Employee engagement and development material issue has been prioritized as high material issue during 2020 exercise instead of medium level in 2018 exercise. This material issue scope has been extended to cover employee engagement as well.
- For the governance, transparency and business ethics material issue, this has been prioritized as high-level material issue during 2020 with an extended scope instead of legal compliance medium level material issue in 2018 exercise.



## TITAN GROUP FOCUS AREAS

TITAN Group have set the Environmental, Social and Governance (ESG) targets for 2025 and beyond focusing on four pillars defined as material by their stakeholders.

	<b>TITAN Group Focus Area</b>	<b>What It Means To TITAN Group</b>
	<p><b>DE-CARBONIZATION AND DIGITALIZATION</b></p>	<p>We will transform our business, focusing on resilience, innovation and on building solutions to serve our customers more efficiently as we move towards a carbon-neutral, digital world</p>
	<p><b>GROWTH-ENABLING WORK ENVIRONMENT</b></p>	<p>We will cultivate an inclusive culture with equal opportunities for all our people to grow professionally within a safe and healthy work environment</p>
	<p><b>POSITIVE LOCAL IMPACT</b></p>	<p>We will enable our business operations and our people worldwide to contribute to the prosperity of our local communities with respect to their social and environmental concerns</p>
	<p><b>RESPONSIBLE SOURCING</b></p>	<p>We will empower our business ecosystems to incorporate sustainability considerations in their business decisions and daily behaviors, while using natural resources responsibly</p>

**All underpinned by:  
Good governance, transparency and business ethics**

## TITAN EGYPT 2021 MATERIAL ISSUES GROUPING UNDER TITAN GROUP FOCUS AREAS

The diagram below illustrates TITAN Egypt 2021 six high priority material issues grouping under the four Focus Areas of TITAN Group and all underpinned by good governance, transparency and business ethics.

More details about the meaning of all 2021 TITAN Egypt high priority material issues

is presented in a table above including the 2021 high priority material issues and what it means to TITAN Egypt.

More details about the meaning of all TITAN Group focus areas is presented in a table above including the TITAN Group focus areas and what it means to TITAN Group.

2021 TITAN Egypt High Priority Material Issues	1 Environmental And Energy Management	2 Health And Safety	3 Competitiveness And Business Model Resilience	4 Good Governance, Transparency And Business Ethics	5 Positive Impact For Our Communities	6 Positive Impact For Our Communities
<b>TITAN Group Focus Areas</b>	DE-CARBONIZATION & DIGITALIZATION	1	3	4		
	GROWTH-ENABLING WORK ENVIRONMENT		2		4	5
	POSITIVE LOCAL IMPACT	1			4	5
	RESPONSIBLE SOURCING	1		3	4	5
	<b>UNDERPINNED BY: GOOD GOVERNANCE, TRANSPARENCY AND BUSINESS ETHICS</b>	Competitive behavior, human rights protection, compliance with international and sector standards, transparency and integrity, business ethics, environmental compliance (inclusive of policies and practices in place), follow international best practices and sustain the operating license.				

For example, we connect TITAN Egypt material issue number 6 Employee engagement and development, with TITAN Group focus area Growth-enabling work environment. Another example, we connect TITAN Egypt material issue

number 5 “Positive impact for our communities” with three TITAN Group focus areas “Growth-enabling work environment, Positive local impact and Responsible sourcing.

### STAKEHOLDER ENGAGEMENT

Our values are at the core of who we are; they guide our strategy and provide the foundation for all our operations. They have provided our people with a strong bond and supported the growth that has sustained us for over a century, stemming directly from the principles, beliefs, and

vision of our founders back in 1902. They remain the solid basis of our culture and family spirit. 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.

**For example, we connect TITAN Egypt material issue number 6 Employee engagement and development, with TITAN Group focus area Growth-enabling work environment. Another example, we connect TITAN Egypt material issue number 5 “Positive impact for our communities” with three TITAN Group focus areas “Growth-enabling work environment, Positive local impact and Responsible sourcing.**

Key Stakeholders	Formal and Informal Communication Channels	Key Issues per Stakeholder Group
<b>EMPLOYEES - UNIONS</b>	Communication of 2019 employee opinion survey results- Collective agreement - Communication days / events - Regular meetings	Occupational health and safety - Compensation and benefits - Training and development - Restructuring
<b>CONTRACTORS - SUPPLIERS</b>	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

Key Stakeholders	Formal and Informal Communication Channels	Key Issues per Stakeholder Group
<b>COMMUNITIES</b>	Regular meetings - Socioeconomic studies - e-Students Development Program - Onsite visits -Events participation / sponsorship	Health and safety - Local environmental impacts - Employment opportunities - Community development programs - Minimize gap between education and employment needs for youth - Visual impact
<b>CUSTOMERS</b>	Regular meetings -New products launching events	Prices instability - Quality improvement - Customer service (complaints) - Diversity of products
<b>GOVERNORATES - LOCAL AUTHORITIES</b>	Regular meetings - Formal letters	Legal compliance - Community development programs

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

<http://titacementegypt.com/>

In its two key operations of Alexandria and Beni Suef 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.

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

Efforts undertaken by TITAN Egypt are communicated and recognized by different stakeholders offering the opportunity for further improvement and continuous progress at all fronts. In 2020, our main priority was to secure business continuity without compromising life, health and safety of the people and for this reason our activities are mainly driven by the new needs raised due to the covid-19 pandemic.

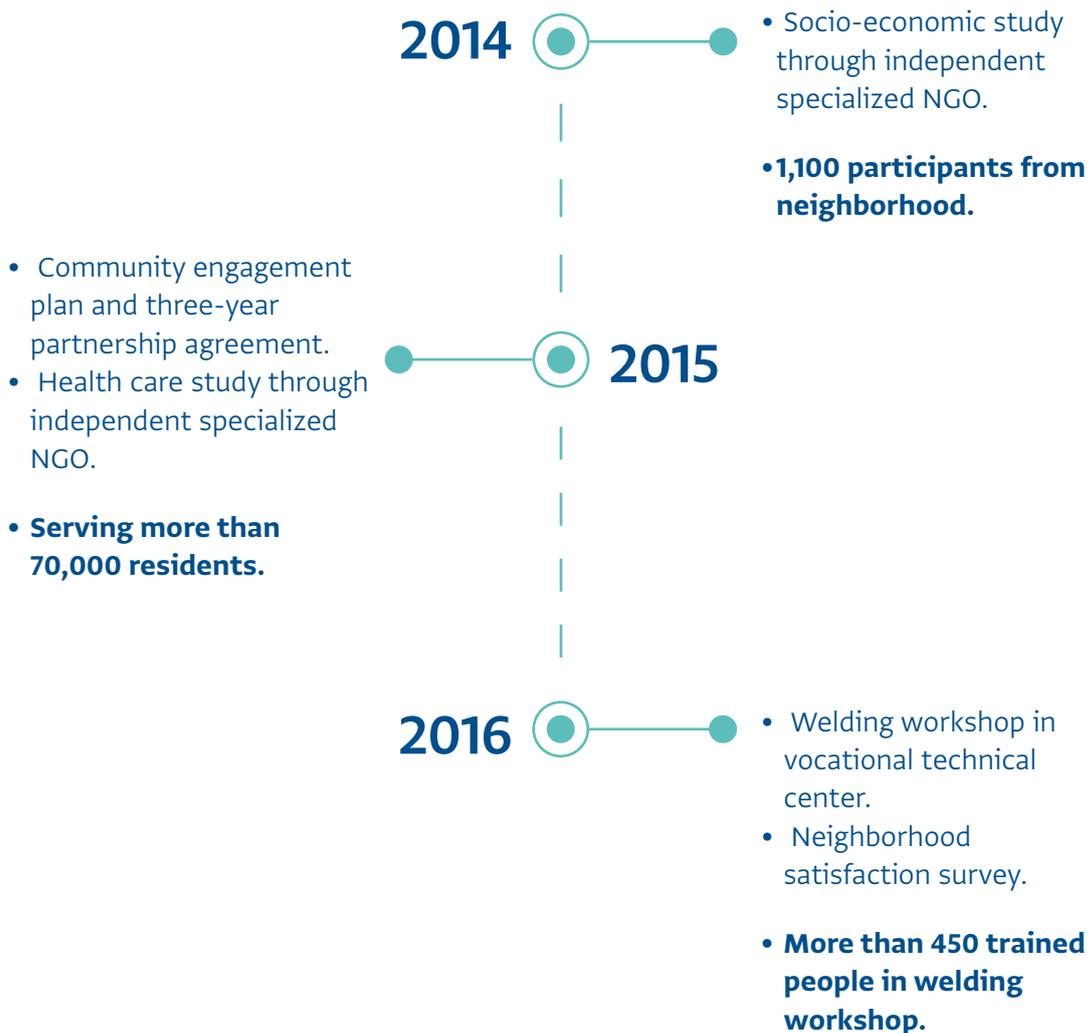
## 2020 INDICATIVE COLLABORATIVE ACTIVITIES PER AREA OF CONCERN AT THE LOCAL LEVEL

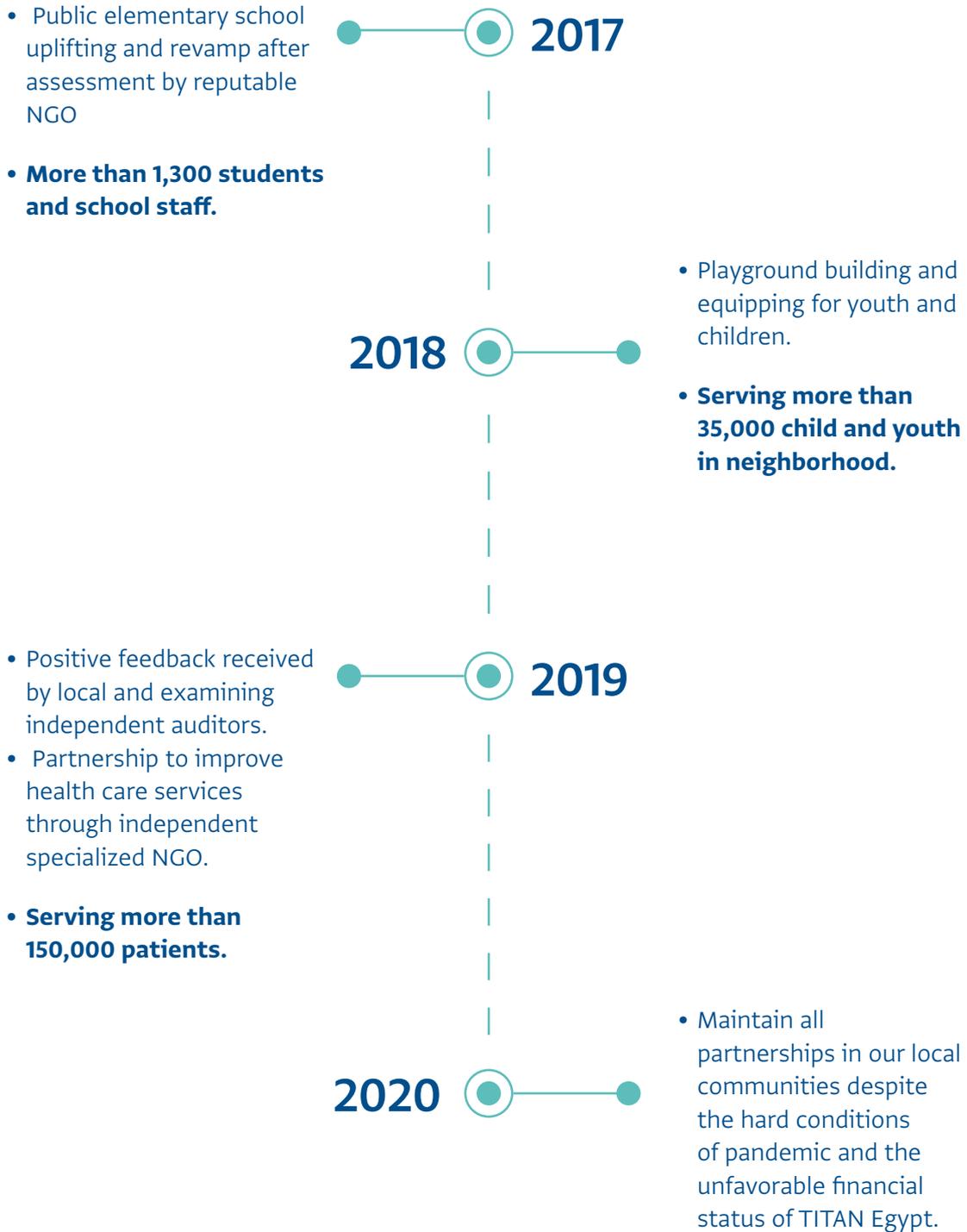
Area of Collaboration	Activities during 2020 and corresponding SDGs
<b>Environment and Energy Management</b>	<ul style="list-style-type: none"> <li>• Revamping water network (<b>SDG 3.9 - SDG 6.3 - SDG 6.4 - SDG 12.2 - SDG 12.4</b>)</li> <li>• Recycling of by-pass dust waste in road paving projects, rather than landfilling (<b>SDG 3.9 - SDG 11.6 - SDG 12.4 - SDG 12.5 - SDG 17.17</b>)</li> <li>• Co-process alternative fuel continued, as part of the strategic plan to reduce the use of fossil fuels and increase the use of alternative sources for the pyro-line (<b>SDG 3.9 -SDG 7.3 - SDG 11.6 - SDG 12.2 - SDG 12.4 - SDG 12.5 - SDG 17.17</b>)</li> </ul>
<b>HEALTH AND SAFETY</b>	<ul style="list-style-type: none"> <li>• Two medical check-up and health surveillance campaigns in Alexandria and Beni Suef cement plants covering Dust, crystalline silica and noise exposure measures for 22 jobs as representative samples as well as audiometry, spirometer tests conducted for all employees in cement plants (<b>SDG 3.9 - SDG 8.8 - SDG 17.17</b>)</li> <li>• Employees’ Annual medical checkups postponed for 2020 as a preventive measure against COVID-19 outbreak hazard and replaced by a seasonal flu vaccination campaign in order to minimize the risk of getting infected by COVID-19 and flu with multiplication of symptoms and health consequences (<b>SDG 3.8 - SDG 3.9 - SDG 8.8 - SDG 17.17</b>)</li> </ul>
<b>COMPETITIVENESS</b>	<ul style="list-style-type: none"> <li>• New products launched with a relevant marketing campaign in four different governorates for the use of low carbon cement products that match market requirements and new customer needs and expectations (<b>SDG 13</b>)</li> </ul>
<b>SUPPLIER MANAGEMENT AND RELATIONS</b>	<ul style="list-style-type: none"> <li>• Continue to support local market development by engaging with local suppliers in the replacement of imported materials and spare parts by locally produced (<b>SDG 4.4.- SDG 9.3</b>)</li> <li>• Extension of the duration of contract agreements with group of local suppliers recognized as “preferred” (<b>SDG 4.4.- SDG 9.3</b>)</li> <li>• Amended Suppliers’ and Contractors’ Safety contract to safeguard healthy working conditions during work execution on site to control the risk of the pandemic spread (<b>SDG 3.8 - SDG 8.8 - SDG 17.17</b>)</li> </ul>
<b>COMMUNITY DEVELOPMENT PROGRAMS</b>	<ul style="list-style-type: none"> <li>• Continue to collaborate with local stakeholders and NGOs for a 6th consecutive year to further improve the living conditions in the neighbor (or perimeter) of Alexandria Plant (<b>SDG 3.9 - SDG 4.4 - SDG 11.6 - SDG 17.17</b>)</li> <li>• Continue to support the Partnership for the provision of quality health care services in Beni Suef (<b>SDG 3.8 - SDG 3.c - SDG 4.4 - SDG 8.6 -SDG 9.1 - SDG 11.1 - SDG 17.17</b>)</li> <li>• e-Student development program, and site visits to learn from the manufacturing process for students regarding their graduation projects (<b>SDG 4.4 - SDG 8.6 - SDG 17.17</b>)</li> <li>• Continue to support new employment opportunities through long-term collaboration with educational institutions and fairs in Alexandria and Beni Suef (<b>SDG 17.17</b>)</li> </ul>

## LONG TERM COMMITMENT TO COMMUNITY ENGAGEMENT

In addition, other indicative collaborative activities before 2020 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 company:





# 02

## MANAGEMENT REPORT



# **CORPORATE GOVERNANCE**

**:: AND RISK MANAGEMENT**

# ●● CORPORATE GOVERNANCE STATEMENT

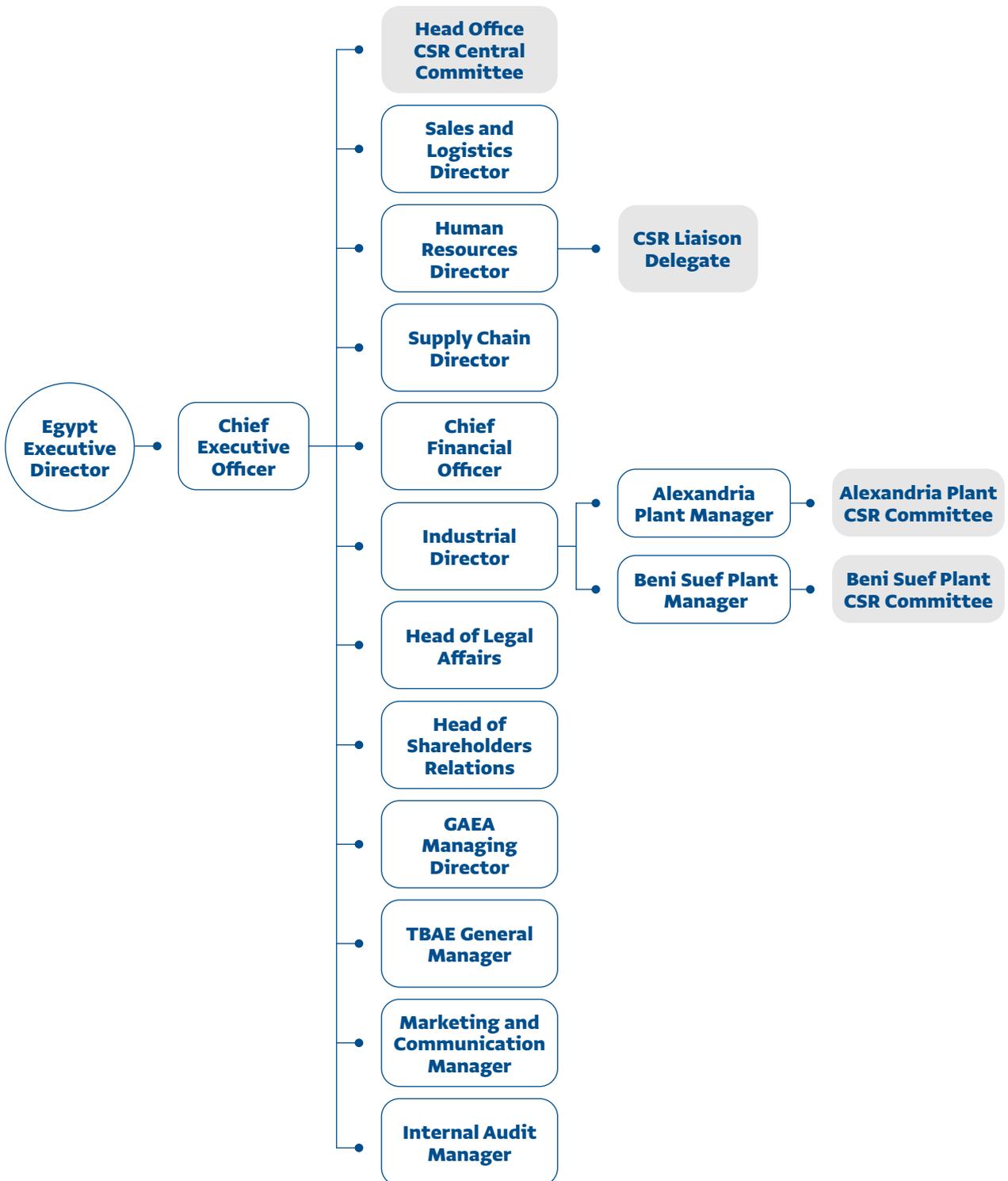
## TITAN EGYPT GOVERNANCE STRUCTURE

Our values are at the core of who we are; they guide our strategy and provide the foundation for all our operations. They have provided our people with a strong bond and supported the growth that has sustained us for over a century, stemming directly from the principles, beliefs, and

vision of our founders back in 1902. They remain the solid basis of our culture and family spirit. 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 ORGANIZATION CHART



## INTERNAL AUDIT DEPARTMENT

It is an independent department directly supervised by the Group Internal Audit.

## TITAN EGYPT CSR GOVERNANCE

Corporate Social Responsibility is a shared responsibility among all TITAN Egypt managers and employees. A CSR Liaison Delegate is appointed to co-ordinate the implementation of commitments undertaken in response to material issues identified through relevant processes reporting directly to the Human Resources Director.

The CSR Liaison Delegate represents TITAN Egypt in the Group ESG Performance Network, working to improve internal communication, sharing and learning from the Group's best practices and joint efforts according to targets and priorities. The CSR Liaison Delegate also represents TITAN Egypt in local CSR networks.

## MANAGEMENT COMMITTEE

The Management Committee is chaired by the Chief Executive Officer (CEO) to execute TITAN Egypt strategic plan and activities. The committee consists of 5 directors

with a diversity of high caliber expertise in different areas and is responsible for decision-making and for shaping the business model.

## HEALTH AND SAFETY COMMITTEES

Health and safety Committee is responsible to increase awareness and implement Health and Safety policy safeguarding that life, health and safety of the people both at workplace and beyond are seen as a top priority for all.

Our Health and Safety Policy as well as the Human Rights Policy characterize the health and safety of both employees and of the people working for our contractors as one of the fundamental human rights and we strive to achieve continuous improvement. For this reason, there is a dedicated Health and Safety Committee in each cement plant chaired by the Plant Manager and it is responsible to ensure that employees and contractors are treated with respect and in full compliance with legal requirements as well as the provisions of the TITAN Group Health & Safety Policy.

Moreover, 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.

During 2020, the health and safety committees were responsible for making decisions, taking all needed actions, and continuously improving the business unit emergency preparedness for the global crisis of COVID-19 outbreak. The health and safety department developed a detailed and dynamically improving protocol that rules the classification of the cases, the quarantine of sick/suspected employees and the back to work approvals.

## 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 Group operations and the stakeholders. All local policies are expected to comply

with the Code of Conduct. An update of the Conduct was completed in 2020 to further align with certain priorities. In short, the Group Code of Conduct covers the following core operating principles:

1. Compliance
2. Human Rights
3. Health and Safety
4. Sustainable Growth
5. The Environment
6. Fair Competition
7. Bribery and Corruption
8. Gifts and Donations
9. Insider Trading
10. Conflicts of Interest
11. Relations with Customers and Suppliers
12. Relations with the Society
13. Employee Relations
14. Communication
15. Confidentiality
16. Group Assets
17. Financial and Non-financial Reporting

## INTERNAL AUDIT DEPARTMENT



### 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 responsibility at Group level is to set a common strategy and policies, ensure that they are adhered to at both Group and business unit levels, and guarantee their systematic review. Reporting the

outcomes of the implementation of the Group policies is a responsibility of all Group operations followed consistently from one period to the next unless a change is needed to improve the quality of information reported. More details about policies and related changes / actions during 2020 is available in Management Report chapter on Governance, Transparency, and Ethics and ESG Performance statements in Table 5- Titan Egypt Policies.

## 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 safeguard consistency and compliance with specific standards and requirements.

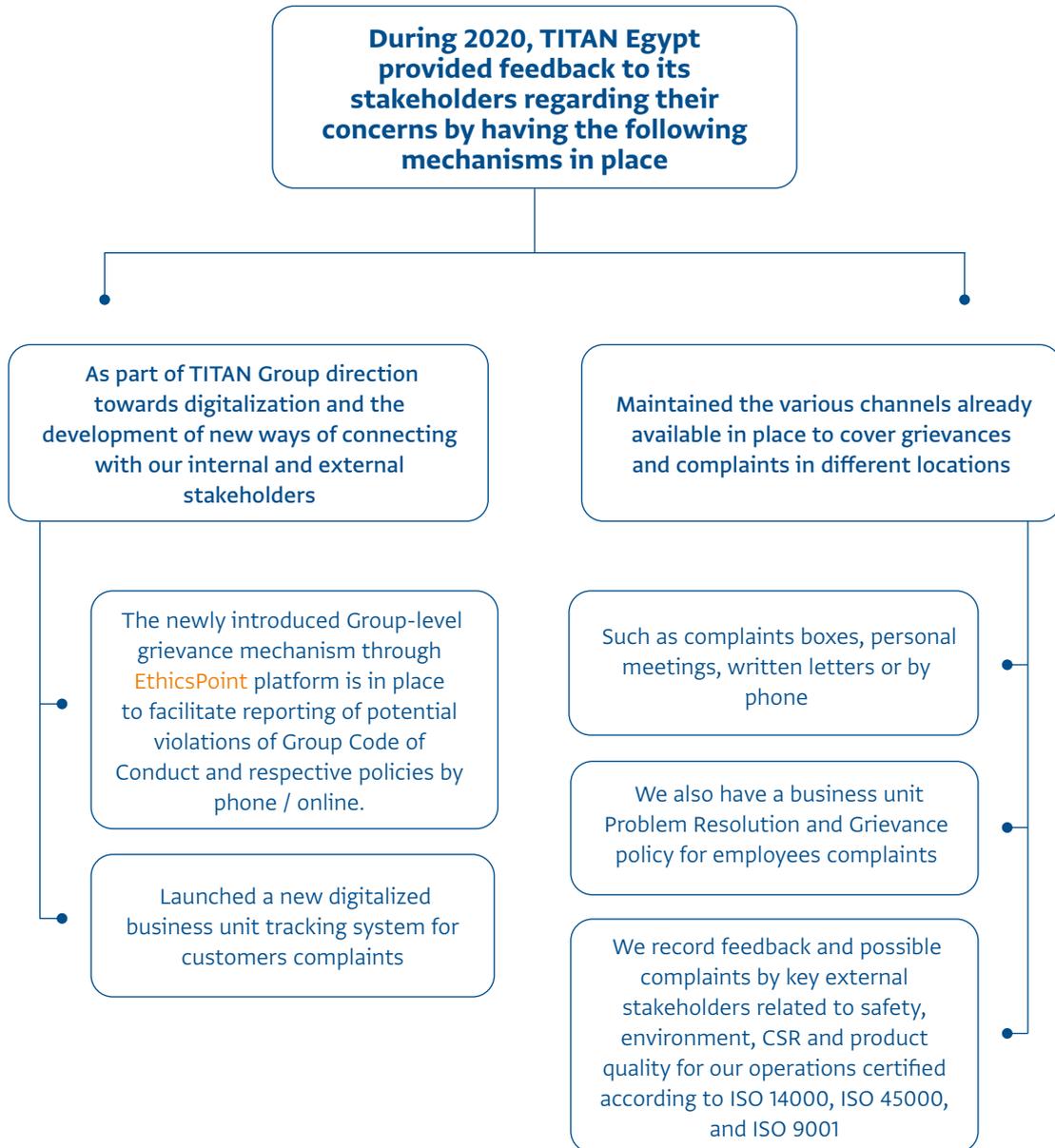
Furthermore, the manual is intended to provide the managers of TITAN Egypt with

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.

## GRIEVANCE MECHANISM

In order to build a trustable and transparent working environment, enhance satisfaction and boost communication with TITAN Egypt internal and external stakeholders, our employees,

contractors, suppliers, customers and local community members can report concerns, make suggestions or seek advice.



## 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

“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 TITAN Group Corporate

Social Responsibility Policy”.

In 2020, TITAN Group continued to review, update, and enrich the Group policies to enhance clarity and address specific topics of increasing importance. New versions of the Code of Conduct, Health and Safety Policy, Competition Law Compliance Policy, Human Rights Policy, and Corporate Social Responsibility Policy, which are more aligned with the Group’s developments and commitments and detailed on the matter of diversity and inclusion, were developed.

## ACHIEVING SUSTAINABLE GROWTH

TITAN Egypt has worked together with stakeholders at the local, regional and global 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

#### WE SUPPORT



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 Sustainable Development Goals (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 fully engage and consolidate our support for this initiative fully under the TITAN Group participation and public commitment. We also take action to enable the implementation of the ten principles in our collaboration and engagement with local stakeholders including civil society organizations sharing the same commitments. .

## GLOBAL CEMENT AND CONCRETE ASSOCIATION (GCCA) INITIATIVE



TITAN Group engaged since 2003, in sector driven global initiatives for sustainable and responsible development, starting with 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.

## ENGAGING WITH CSR EUROPE

TITAN Group is also active since 2004 in CSR Europe the largest business driven initiative in Europe This leading European business network for Corporate Sustainability and Responsibility network supports businesses and industry sectors in their transformation and collaboration towards practical solutions and sustainable growth. The ambition is the systemic change; therefore, following the SDGs, the network seeks to co-build with the European leaders and stakeholders an overarching strategy for a Sustainable Europe 2030.



## 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

Acknowledging the importance of making global goals a local business, the Group and TITAN Egypt have early addressed the sustainability priorities as defined by the materiality assessment process with the UN’s 2030 Agenda for Sustainable Development and engaged to contribute in their implementation. For this reason, 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 2020 Sustainability Report.



## RISK MANAGEMENT

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

In TITAN Egypt, the following risks are addressed and managed by the Management Committee.

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### STRATEGIC RISKS

- Monitored and handled by the management committee under an annual strategy process
- 

### FINANCIAL RISKS

- Such as currency risk, interest rate risk, and liquidity risk are managed by the Treasury department
- 

### LEGAL RISKS

- Addressed by the internal legal department with the assistance of specialized external consultants when needed
- 

### NATURAL HAZARDS AND BUSINESS INTERRUPTION RISKS

- Managed through a comprehensive insurance policy
- 

### OPERATIONAL AND ENVIRONMENTAL, SOCIAL AND GOVERNANCE (ESG) RISKS

- Addressed by the business unit management as part of the day-to-day operations and embedded into business processes

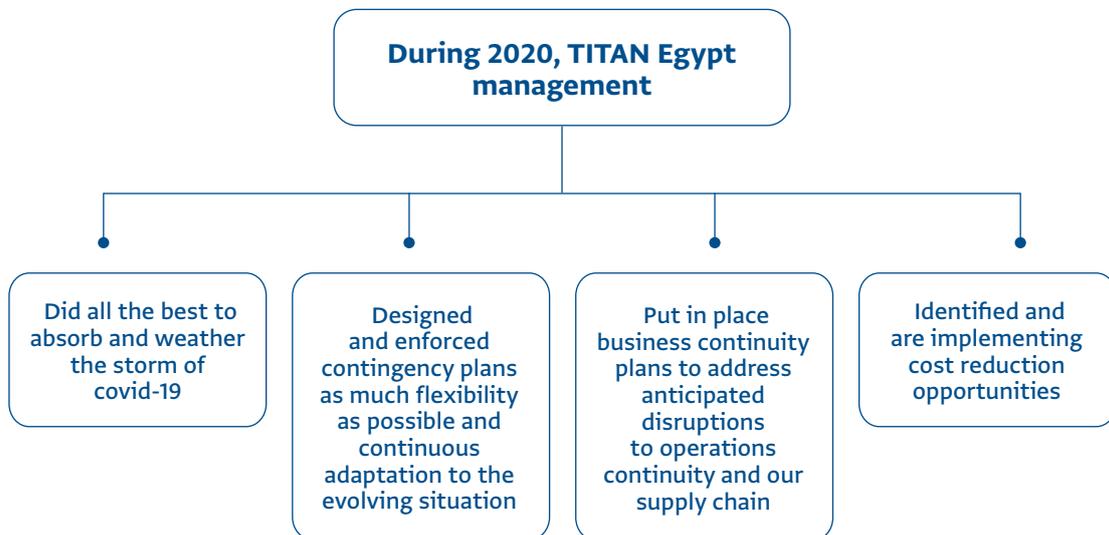
## A SUSTAINABILITY VISION FOR EGYPT 2030

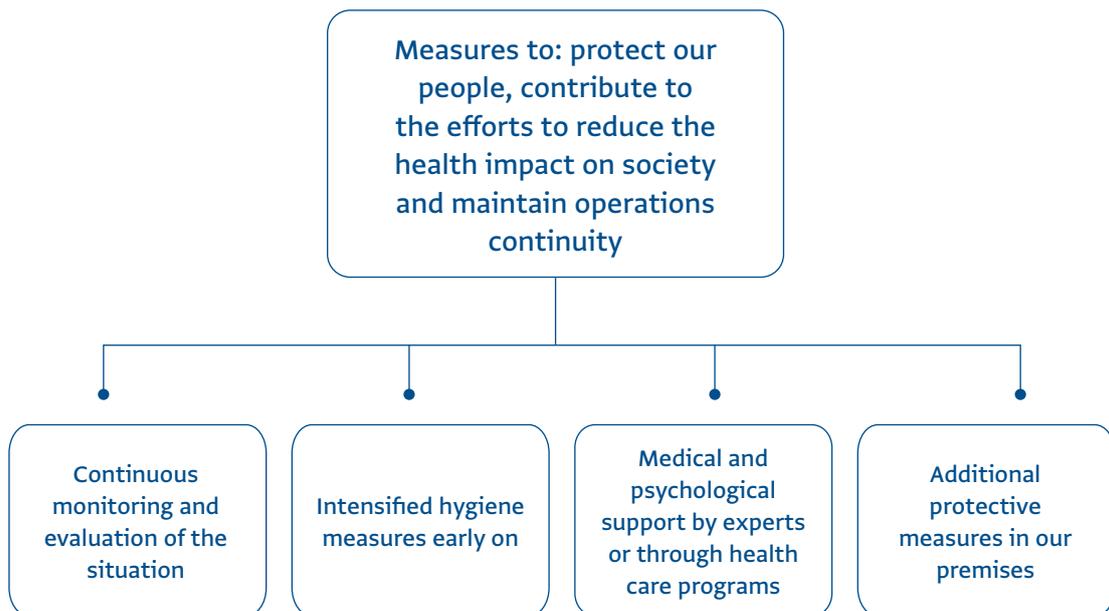
### COVID-19 RISK ASSESSMENT

From the emergence of the coronavirus pandemic, which appeared in March 2020, to we have been taking measures to protect our people, contribute to the efforts to reduce the health impact on society and to maintain operations continuity control violations.

Safeguarding our people and operations was a top priority against COVID-19 since its appearance in March 2020.

We have been taking several precautionary measures to protect our people, contribute to the efforts to reduce the health impact on society and to maintain operations continuity. During 2020, a severe reduction in sales volumes was due to covid-19 as well as the government’s imposition of a six-month suspension of residential construction permits.





## PROTECTIVE HEALTH AND SAFETY MEASURES ADOPTED IN OUR SITES FOR EMPLOYEES AND CONTRACTORS



Regular communication / follow up through health and safety teams in all locations



Follow a protocol for classification, management, and reporting of cases



Vital indications monitoring at locations' gates, provide personal protective equipment and increased sanitization



Promote social distancing while dealing with colleagues



Reduce / cancel travel and large meetings / events



Reduce number of employees to essential manpower requirements in plants and rotation percentage in head office



All classroom-based workshops and training programs have been cancelled with more focus to the online learning activities and digital resources



Some audits were either postponed or conducted remotely using advanced cameras and communication tools



Virtual platforms replacing physical meetings



Working from home program during peak times and exception for high-risk cases



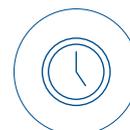
Exception for mothers with children less than 12 years old to continue working on rotation



Seasonal flu vaccination campaign in all sites in order to minimize the risk of getting infected by COVID-19 and influenza



Postpone some maintenance projects in plants and reduce inessential works



Reduced working hours in head office

## BIODIVERSITY RISK ASSESSMENT

In 2020, TITAN Group updated the biodiversity risk assessment for all its sites. All Group cement plants and quarries were assessed for their biodiversity status and value with the use of the Integrated Biodiversity Assessment Tool (IBAT, <https://ibat-alliance.org/>).

The next step is the further evaluation of the local baseline conditions at those sites that were recognized as being in proximity to (or part of) areas of high biodiversity value in order to determine potential needs to develop appropriate biodiversity management plans, in line with the key principles of the GCCA Sustainability Guidelines for Quarry Rehabilitation and Biodiversity Management.

Based on this assessment, the Attaqa Aggregates Quarry is within the Key Biodiversity Area (Important Bird and Biodiversity Area) “Suez”, whereas the Kassimeya Quarry is close (300m) to “El Omayed”, which is designated both as

Nature Conservation Reserve and also UNESCO-MAB Biosphere Reserve. Our plan is to make a baseline assessment to obtain a better understanding of the local biodiversity conditions in these two areas.

Under the new conditions regarding the management of quarries and extraction activities, as enforced by the Egyptian government in late 2020, TITAN Egypt would not have any authorization to implement any kind of Biodiversity Management Plan or Rehabilitation Plans at its operating quarries that by default have a long-term horizon. However, TITAN Egypt will continue to work in the direction of fostering and enhancing a culture for quarries land stewardship and restoration in Egypt, through the development and implementation of rehabilitation plans at TITAN Egypt sites in a collaborative way with relevant stakeholders.

## WATER RISK ASSESSMENT

Water risk assessment constitutes a significant component of TITAN’s sustainable management of water resources. In 2020, the water risk assessment for all Group sites was completed using the Aqueduct tool of the World Resources Institute (WRI) and the Water Risk Filter of (WWF). The results will be used to enhance company practices for sustainable water management and to develop specific

water management plans for sites in water-stressed areas.

Based on this high-level assessment, all TITAN Egypt sites (cement plants, quarries and RMC units) are located in areas of High Water Stress areas, TITAN Egypt will continue working to optimize water consumption and conservation of this valuable natural resource.

# **ENVIRONMENTAL, SOCIAL AND GOVERNANCE**

∴ (ESG) PERFORMANCE REVIEW

## ESG PERFORMANCE HIGHLIGHTS

For another year, TITAN Egypt remained focus on business priorities and key stakeholders needs, despite the challenges faced since 2018, and the emerging priorities raised in 2020 due to covid-19.

The most crucial elements of our business strategy are the continuous improvement of our environmental and social impacts at local level and engagement with our local stakeholders through specific initiatives and actions which aim at strengthening the sustainability of local communities.

In 2020, the assessment of Group and local achievements in the five-year period since 2015, provided meaningful qualitative and quantitative information to define future targets. Under this framework TITAN Egypt is positively contributing to the achievement of 2020 TITAN Group targets related to

environmental and social performance.

In addition, a new e-platform dedicated to community engagement actions and initiatives was developed as of 2019. The purpose of this e-platform is to record, monitor and evaluate the impact of such actions and initiatives at local level, in an effort to ensure both alignment of community engagement plans with material issues as prioritized by key stakeholders and the outcomes of these initiatives in the short and medium terms. TITAN Egypt took a leading role to test the platform by participating in the assessment of the first 6 business unit initiatives and actions for community engagement. 270 internal and external stakeholders participated in the implementation of the 6 initiatives with EGP 3.35m. This cost represents 51% of the total spend on donations and social engagement initiatives during 2020.



TITAN EGYPT FURTHER  
IMPROVED ITS SUSTAINABILITY  
PERFORMANCE IN 2020  
SPECIFICALLY IN:



**HEALTH AND SAFETY**

We succeeded to help our employees and contractors' employees in facing the pandemic and stay healthy.

We established and kept improving our protocol in accordance with the group and the international health organizations.



**ENGAGING WITH LOCAL  
COMMUNITIES**

We continued building strong relationships with local communities which is key to value creation for our stakeholders.

We maintained the implementation of community engagement plans in our local communities.



**ENVIRONMENTAL  
PERFORMANCE**

We continued our efforts towards 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 maintained low specific water consumption.

We succeeded to recycle by-pass dust waste rather than landfilling.

## TITAN'S APPROACH TO NON-FINANCIAL PERFORMANCE DISCLOSURE

TITAN Egypt follows the Group's integrated Global Sectoral Approach to record, measure and disclose ESG performance in full alignment with the voluntary commitments of TITAN to UN Global Compact (UNGC) and Global Cement and Concrete Association (GCCA).

In addition to the above, TITAN Egypt is addressing UN SDGs 2030 and reports its ESG performance using 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).

All relevant information regarding performance on environmental, social and governance issues that are material for TITAN business in Egypt and key stakeholders are presented in the

form of an Index in the Management Report chapter in ESG Performance Statements. For enabling comparability and consistency, all relevant data are presented with a three-year period history of performance and reference to the global and sectoral standards that are incorporated to TITAN Group sustainability reporting system.

An illustration of this approach for ESG performance is presented in the table below. More details is presented in Management Report Chapter in ESG Performance Statements in Table 4 about TITAN Reporting Standards for the ESG Performance Disclosures In 2020.



Material Issue	Key Performance Indicator	Reference Index in This Report	UNGC	SDGs and Targets	UNCTAD Edition 2019	Global Sectoral Approach
<b>ENVIRONMENT AND ENERGY MANAGEMENT</b>	Alternative fuels and material	Table 2-: Environmental Performance Index <b>KPI EP23L</b>	UNGC Ten Principles	SDG 7.2 SDG 7.3 SDG 7a SDG 12.2	UNCTAD 7.2.1	GCCA
	Impact on water resources	Table 2-: Environmental Performance Index <b>EP05L - SP07L</b>	UNGC Ten Principles	SDG 6.5 SDG 6.5	UNCTAD 9.4.1	GCCA
	Impact on greenhouse gas emissions and other air emissions	Table 2-: Environmental Performance Index <b>EP16L-EP18L EP29L-EP32L</b>	UNGC Ten Principles	SDG 3.9 SDG 9.4		GCCA
<b>HEALTH AND SAFETY</b>	Employee Lost Time Injuries (LTIs)	Table 3.1-: Health and Safety Performance Index <b>SP05L</b>	UNGC Ten Principles	SDG 3.6 SDG 8.8	UNCTAD 8.8.1	GCCA
<b>COMMUNITY DEVELOPMENT PROGRAMS</b>	Donations / Social investments	Table 3.4-: Stakeholder Engagement Performance Index <b>SP41L - SP42L - SP43L</b>	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	-

## 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.

More information is presented in Management Report chapter in ESG Performance Statements in Table 2- Environmental Performance Index.

## 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.
- All our cement and quarry operations apply environmental management systems certified by independent third parties to the ISO 14001, 9001, and 45001 standards.
- We are also applying a Waste Management System according to TITAN Group standards.
- TITAN Egypt follows 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 CO<sub>2</sub> emissions publicly on voluntary basis to GCCA, applying sectoral criteria following their Guidelines: The Cement CO<sub>2</sub> and Energy Protocol – CO<sub>2</sub> 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 Getting the Numbers Right (GNR) for CO<sub>2</sub> and energy information, according to the Global Cement and Concrete Association (GCCA). Our Group performance indicators are

reported annually based on Getting the Numbers Right (GNR) on Cement Industry Energy and CO<sub>2</sub> Performance.

- 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 optimizing consumption, 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.



## FULL COMPLIANCE WITH LOCAL AND GLOBAL LEGISLATION

We are very pleased to state that in 2020 our cement plants' dust emission, (SOX), and nitrogen oxides (Nox) 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 transferred directly to

the Egyptian Environmental Affairs Agency (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

<http://titancementegypt.com/> .

## KEY ENVIRONMENTAL ACHIEVEMENTS IN 2020

In 2020, TITAN Egypt managed to achieve several challenging sustainability goals, including the following:

- Maintaining low specific water consumption in TITAN Egypt (major improvement compared to 2018). Detailed water mapping identified potential areas of improvement, with action plan to tackle these points (water cooling system, distribution network).
- In spite of the COVID-19 pandemic, which negatively affected on

Alternative Fuels Market (either due to health consideration or logistic and lockdown circumstances), TITAN Egypt in 2020, managed to keep the ambitious 2019 Thermal Substitution Rate (TSR). This achievement has a direct impact on climate change mitigation. TITAN Egypt kept almost the same specific CO<sub>2</sub> emissions.

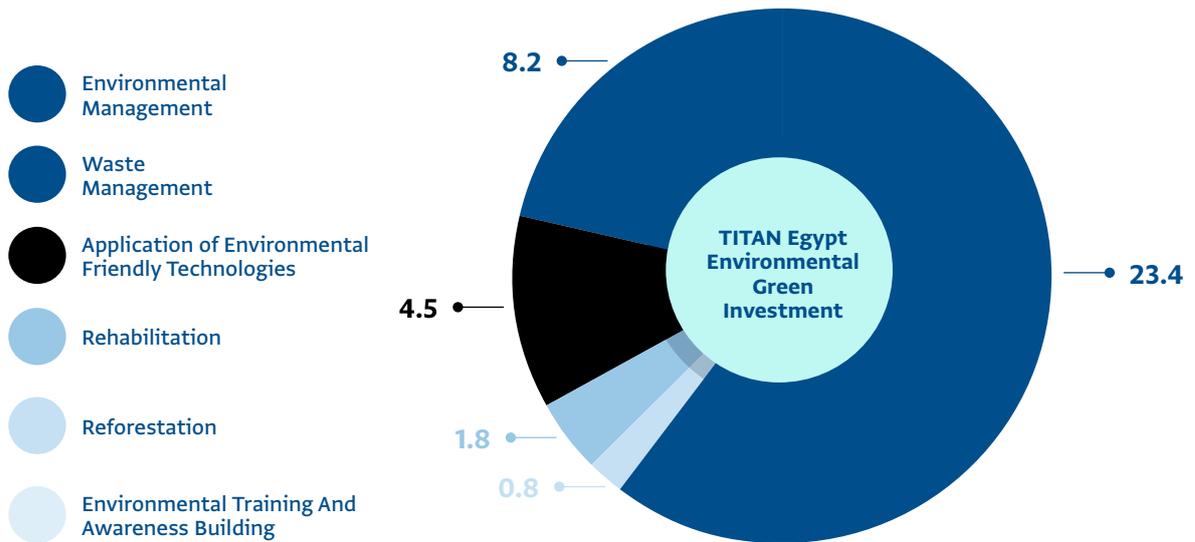
## IMPROVING OUR ENVIRONMENTAL PERFORMANCE

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.

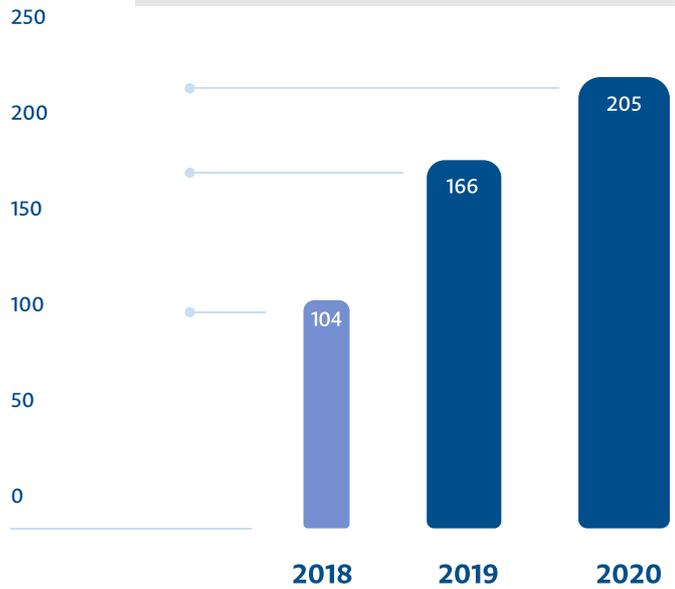
In spite of the recent unfavorable financial status of TITAN Egypt and the general cement industry in Egypt, the total green investment in the area of environment continued in 2020 with a total of about EGP 39 million (KPI EP39L), with the majority of this amount invested in improving the environmental management system. As a result of these investments, TITAN Egypt significantly improved its environmental and social performance.



EGYPT SIGNIFICANTLY IMPROVED ITS ENVIRONMENTAL AND SOCIAL PERFORMANCE.



3 years Cumulative Green Investment across all activities (MEGP)



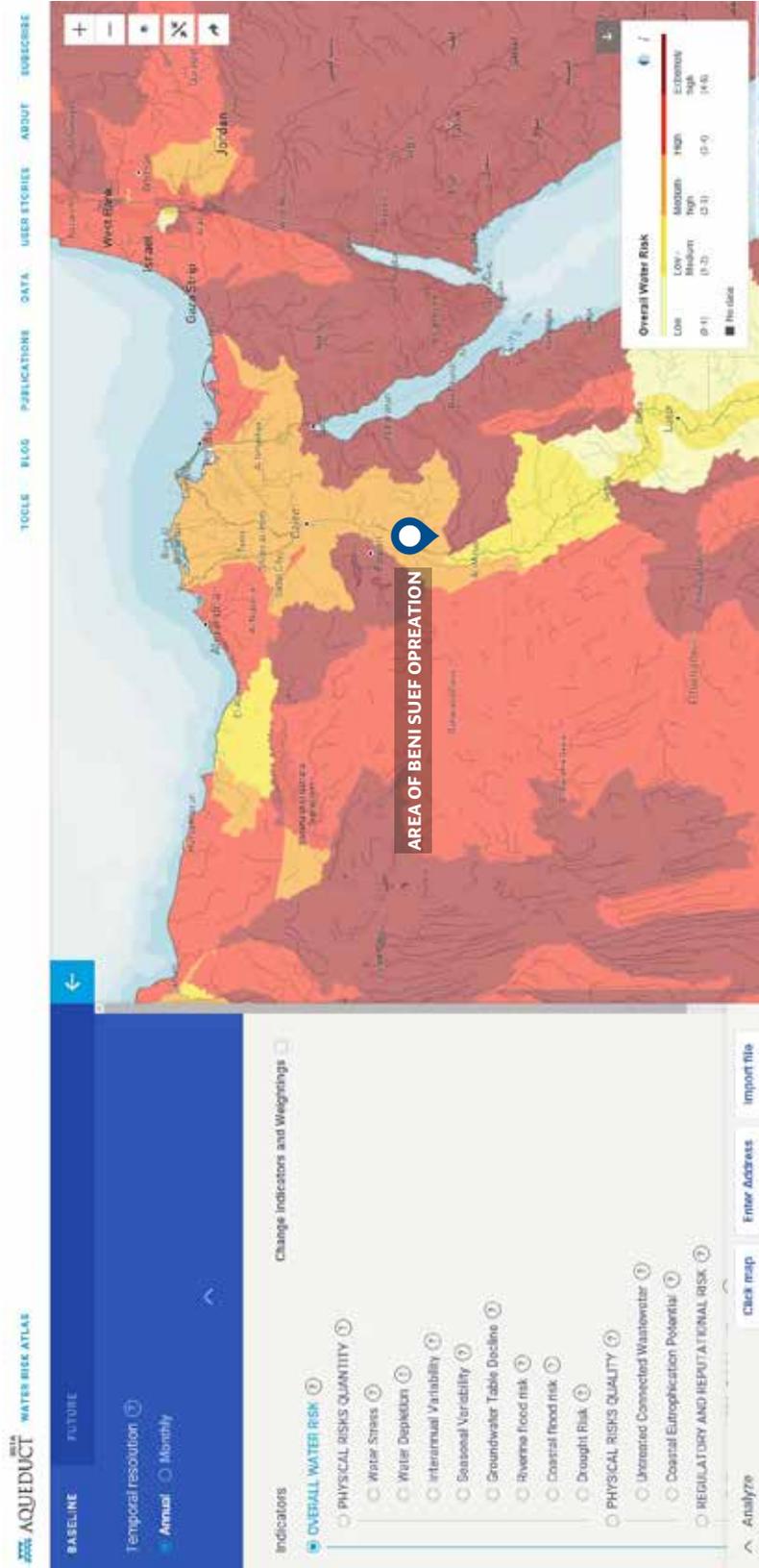
## RAW MATERIALS, WATER, AND ENERGY CONSERVATION

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 are 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 continues its efforts in reducing natural resourcing in both the energy 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 more than 47,000 tons of waste alternative fuels (KPI EP23L), with the majority as municipal solid waste (MSW) and biomass, with a low carbon footprint. Alternative fuels and raw material consumption negatively affected due to partial lockdown that hindered transportation due to COVID-19

pandemic. However, TITAN Egypt used 97 ktons of alternative raw material, mainly steel-industry waste slag, resulting in a significant positive impact both on local communities as well as on global climate change.

Water risk assessment constitutes a significant component of TITAN's sustainable management of water resources. In 2020, the water risk assessment for all Group sites was completed using the Aqueduct tool of the World Resources Institute (WRI) and the Water Risk Filter of (WWF). The results will be used to enhance company practices for sustainable water management and to develop specific water management plans for sites in water-stressed areas. Based on this high-level assessment, all TITAN Egypt sites (cement plants, quarries and RMC units) are located in areas of High Water Stress, TITAN Egypt will continue working to optimize water consumption and conservation of this valuable natural resource.

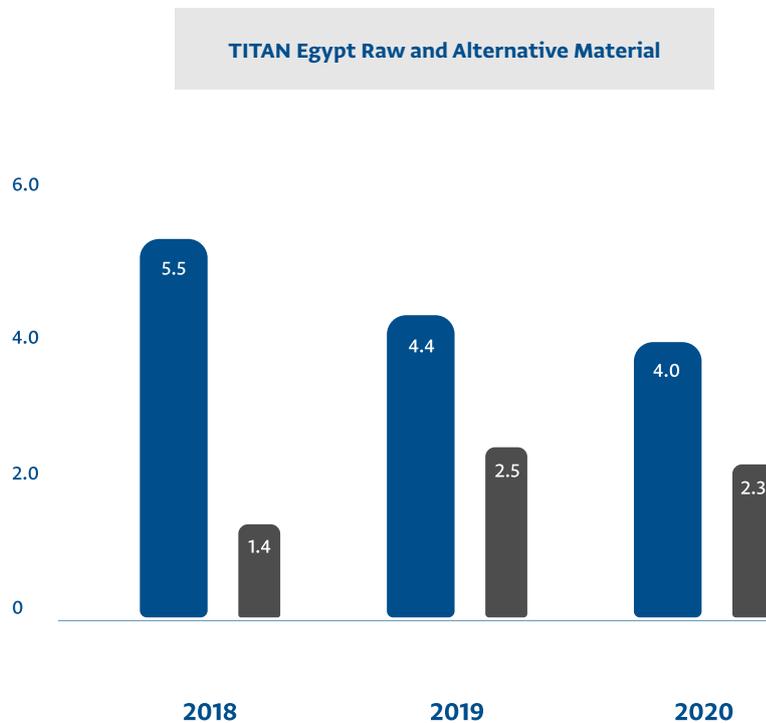
OVERVIEW OF EGYPT - BASLINE STATUS  
OVERALL WATER RISK



## RAW MATERIALS

TITAN Egypt managed to replace many of the natural raw materials required in our production processes, by using 97 kt of air-cooled blast furnace slag, a steel industry by-product. In 2020, TITAN

Egypt consumed 4.0 million metric tons (dry basis) of raw materials for our total cement production. Approximately 2.3 % of all raw materials were alternative raw materials.



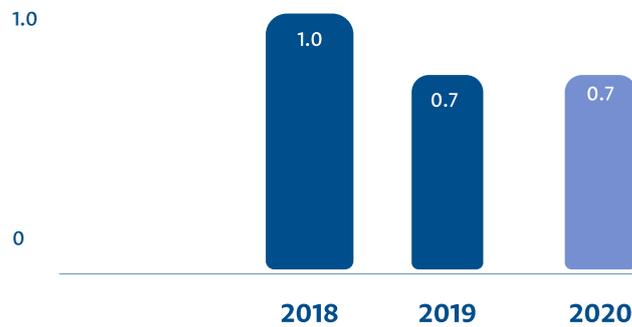
Extracted Natural Raw Materials consumption (Mton dry)  
Alternative raw materials substitution (clinker & cement) (%dry)

## WATER CONSUMPTION

In 2020, the total water consumption in our cement plants and attached quarries, and also ready-mix sites, remained at the same level -with slight reduction- compared to 2019. Maintaining this low water consumption for the second consecutive year, is a result of intensive measures taken to optimize water

consumption, including enhancing waste-water re-use in green areas, and using closed water loops for water recycling. It is worth to mention that this figure also reflects lower cement production during this time. Total water consumption in TITAN Egypt in 2020 was 0.7 million cubic meters (m<sup>3</sup>) (KPI EP05L).

**TITAN Egypt Water Consumption  
 (Million m<sup>3</sup>)**

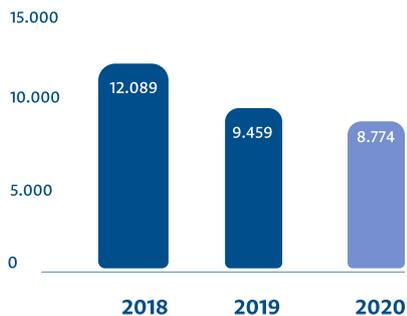


## THERMAL AND ELECTRICAL ENERGY

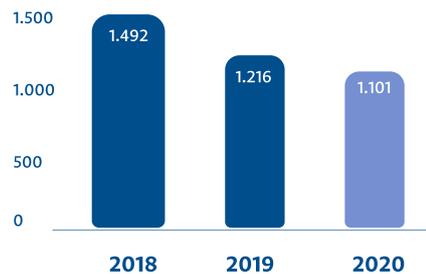
In 2020, TITAN Egypt cement plants consumed 8,774 TJ of thermal energy for our clinker and cement production processes (KPI EP22L). Both total and specific thermal energy consumption significantly reduced compared to 2019, due to low production resulting from a surplus in cement supply compared to demand, in addition to TITAN Egypt’s strategy to utilize the more energy-efficient production lines.

Regarding electrical energy consumption in TITAN Egypt cement plants and attached quarries, in 2020, this was 1,101 TJ (KPI EP24L), which is highly reduced compared to 2019, thanks to detailed power mapping that allowed for the targeting of areas of improvement, as well as reduced volumes. Similar to every year, thermal and electrical efficiency audits conducted, and practical action plans developed to optimize thermal energy consumption and reduce heat losses.

**TITAN Egypt Total Thermal Consumption  
 Clinker And Cement (TJ)**



**TITAN Egypt (all activity) Total Electrical  
 Energy Consumption (TJ)**

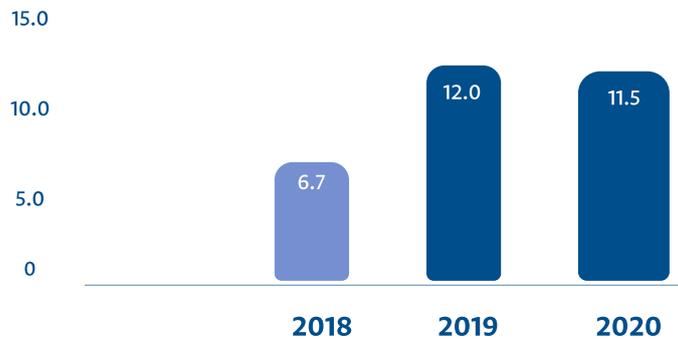


## SUBSTITUTING SOLID FUELS WITH ALTERNATIVE FUELS

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 in 2020 was almost the same as in 2019 in spite of the logistic and safety challenges of COVID-19

pandemic. The total consumption of alternatives, including Refused derived Fuel (RDF) and biomass reached 47,000 tons (KPI EP23L), equivalent to 11.5 % substitution of fossil fuels, calculated on a heat basis compared to 12.0 % in 2019 (KPI EP19L).

**TITAN Egypt Alternative Fuel Thermal Substitution Rate (%)**



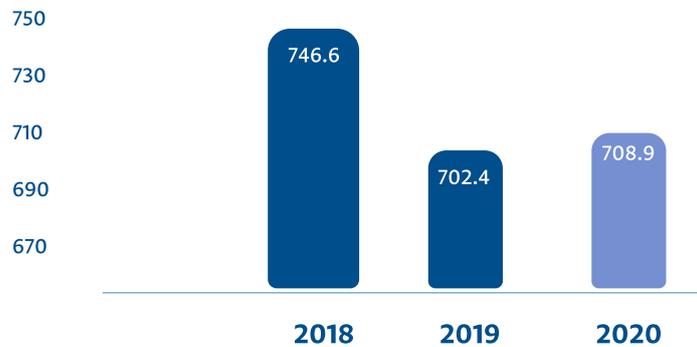
## REDUCING EMISSIONS AND ENVIRONMENTAL IMPACT

### CO<sub>2</sub> EMISSIONS

In 2020, specific net CO<sub>2</sub> emissions from our cement plants and attached quarries was 709 kg/ton of cementitious products, compared to 702 kg/ton in 2019 (KPI EP17L). Specific CO<sub>2</sub> emissions per ton of product negatively affected by slightly lower Thermal Substitution Rate (TSR) described in upper paragraph. However,

TITAN Egypt is still aligned with TITAN’s initiative to reduce CO<sub>2</sub> emissions. Last two years, TITAN Egypt made a huge step in reducing specific CO<sub>2</sub> thanks to leap-frogging strategy in increasing alternative fuels Thermal Substitution Rate (TSR) and improving clinker to cement ratio.

**TITAN EGYPT Specific Net Direct CO<sub>2</sub> Emission (kg/tCementitious Product)**



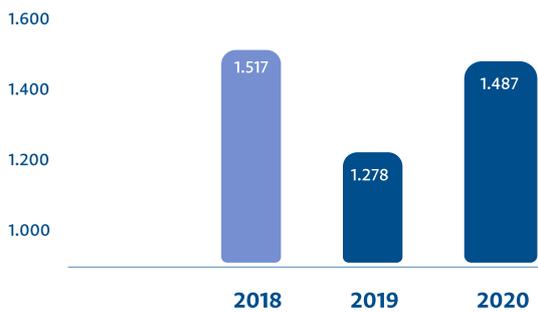
## DUST, SOX, AND NOX EMISSIONS

All of TITAN Egypt’s facilities have been equipped with continuous dust monitoring and recording equipment. All emission parameters at TITAN Egypt facilities in 2020 were well below the limits set by the environmental terms and conditions of related operating permits, such as dust, Sox (Sulfur Oxides) and Nox (Nitrogen Oxides) emissions. Dust emission is well-below the local limit and in compliance with TITAN Group Sustainability target, in spite

of the increase compared to previous year; thus affected by postponing some maintenance projects due to restricted importation and reducing inessential works, this was a global practice as a side effect of COVID-19 pandemic.

Nox emissions maintained below limits as a result of the use of alternative fuels and the optimized operation of the Nox control equipment.

Specific NOx Emission (g/tClinker)



Specific Dust Emission (g/tclinker)

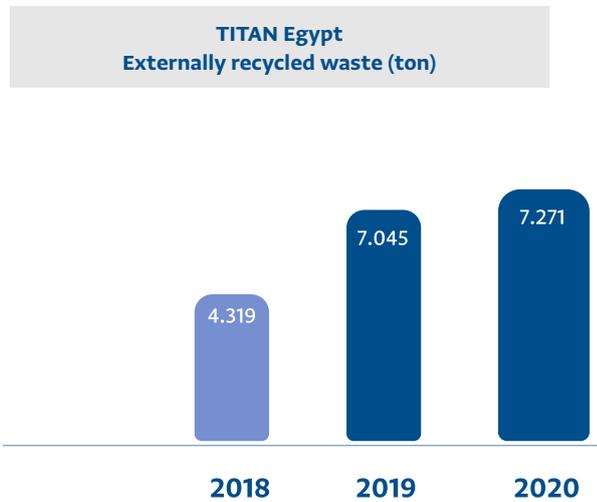


## RECYCLING AND MANAGING OUR WASTE

Although TITAN Egypt is continuously working on reducing the production of waste whenever this is not possible, we are actively seeking to increase our wastes recycling. In 2020, waste recycling from the operating cement plants and attached quarries resulted in approximately 7,271 tons of waste being recycled or reused externally (KPI EP04L).

Main recycling streams are related to packaging material, refractories,

and metal waste. However, the major achievement in the last two years is increasing the recycling of by-pass waste (by-pass is a solid waste stream from cement production) which is used as additive in road paving process. This huge step will reduce landfill of solid waste significantly in the coming years and preserve more natural resources for coming generations



## 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 TITAN Group 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 2020. These rehabilitation plans were prepared in cooperation with local experts and in accordance with TITAN and international principles and standards. 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.

In 2020, TITAN updated the biodiversity risk assessment for all its sites. All Group cement plants and quarries were assessed for their biodiversity status and value with the use of the Integrated Biodiversity Assessment Tool (IBAT, <https://ibat-alliance.org/>). The next step is the further evaluation of the local baseline conditions at those sites that were recognized as being in proximity to (or part of) areas of high biodiversity value in order to determine potential needs to develop appropriate biodiversity management plans, in line with the key principles of the GCCA Sustainability Guidelines for Quarry Rehabilitation and Biodiversity Management. Based on this assessment, the Attaqa Aggregates

Quarry is within the Key Biodiversity Area (Important Bird and Biodiversity Area) “Suez”, whereas the Kassimeya Quarry is close to “El Omayed”, which is designated both as Nature Conservation Reserve and also UNESCO-MAB Biosphere Reserve. Our plan is to make a baseline assessment to obtain a better understanding of the local biodiversity conditions in these two areas.

It should be noted however that under the new conditions regarding the management of quarries, as enforced by the Egyptian government in late 2020, TITAN Egypt would not have any authorization to implement at its operating quarries any kind of Biodiversity Management Plan or Rehabilitation Plans that by default have a long-term horizon. Nevertheless, TITAN Egypt will continue to work in the direction of fostering and enhancing a culture for quarries land stewardship and restoration in Egypt, through the development and implementation of rehabilitation plans at TITAN Egypt sites in a collaborative way with relevant stakeholders.

## STRENGTHENING ENVIRONMENTAL RESPONSIBILITY

### DURING 2020

- 
- We continued our efforts in developing employees' capabilities regarding the optimization of energy sources
  - We increased green areas in the Alexandria and Beni Suef cement plants
  - We continued working on improving visual impact on employees and adjacent community at the Alexandria plant

## AUDITS AND VERIFICATIONS

In 2020 and due to global lockdown, some audits were either postponed or done virtually.



## FORWARD LOOKING

TITAN Egypt will continue to apply a continuous improvement plan, and to reduce our environmental footprint. Specifically, we will further mitigate CO<sub>2</sub> 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.

In 2020, TITAN Egypt started the preparation plan for obtaining ISO 50001 in 2021. This allows us to manage the major challenges and rapid changes in the country concerning new energy sources, with a shift to both solid fuels and new alternative fuels.

## SOCIAL PERFORMANCE

### 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 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.

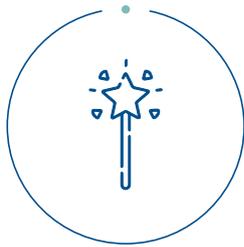
Regrettably, at the early beginning of 2020, one fatality occurred among our contractor due to an accident in Alexandria plant.

In 2020, the scope was inevitably extended to include health measures to face the crisis of COVID-19. The safety culture that the business unit built and promoted within TITAN Egypt employees in the last years was the foundation of our protection system against COVID-19 outbreak.

Through regular audits, communication, activities and initiatives, we engage closely with both our employees and contractors, Also, we always assure the proper communication with other parties like stakeholders, authorities, and insurers. The concept of doing regular health audits and walks was introduced and embedded in our internal audit program in order to monitor and ensure the effectiveness of our health protection measures. 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.

More information is presented in Management Report chapter in ESG Performance Statements in Table 3.1- Health and Safety Performance Index.

## HEALTH AND SAFETY POLICY AND MANAGEMENT SYSTEMS



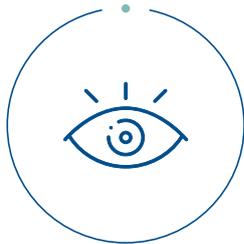
### One of TITAN Group highest priorities

Providing a healthy and safe working environment for all our employees and contractors' employees at all operations and locations



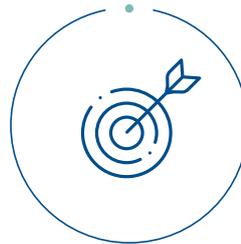
### Our organizational health and safety policy

Group Framework for action is supporting our policy aiming at continuous improvement of our safety performance



### Our vision

Achieve a healthy working environment free of incidents, injuries and accidents



### Our goal

To have zero fatalities and zero SIF (Serious injury/fatality)

- We are committed to sustainable development aiming to be acknowledged as a responsible and transparent company. Accordingly, we strive to continuously improve our safety performance.
- All our cement and quarry operations apply ISO 45001 standard of health and safety certified by independent third parties.
- TITAN Egypt follows TITAN Group Health and Safety Group policy that is uploaded on TITAN Egypt employees' local intranet.



## HEALTH AND SAFETY KEY ACHIEVEMENT IN 2020

### 1st ACHIEVEMENT- COVID-19 CRISIS MANAGEMENT

The business unit has established a well-detailed and up to date protocol through which all the precautions and information were continuously shared and applied and it helped the plant to continue operations smoothly even in the difficult times of major shutdowns in which it had hundreds of workers.



### 2nd ACHIEVEMENT - GREEN BUSINESS UNIT

For the second year in row, the business unit succeeded to get the highest rating (GREEN) in the annual health and safety audit by TITAN Group Health and Safety Director.

Alexandria plant got GREEN for the second year, Beni Suef got GREEN for the third year in row, such an unprecedented achievement.

### 3rd ACHIEVEMENT - SAFETY IMPROVEMENT PLAN

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.

## SAFETY PERFORMANCE

During 2020, TITAN Egypt continued to undertake specific measures to strengthen its safety performance. The biggest challenge was to sustain the high safety performance level the business unit achieved considering the difficulties imposed by the new situation of

COVID-19, especially the communication difficulty. This was reflected on the slow progress of the training programs at the first half of the year, however the plants managed to find alternatives and get back on track quickly which was obvious in the progress in the second half of the year.

### Employees safety performance

- No fatalities nor Lost Time Injuries were recorded in 2020 for employees.
- This represents the fourth year in row without any LTIs for employees.
- KPIs SP01L - SP02L - SP05L - SP06L - SP07L - SP8L

### Contractor safety performance

- Unfortunately, at the early beginning of 2020, there was a fatality case for one of our contractor workers in Alexandria plant.
- Major modifications and upgrades were developed and implemented to prevent reoccurrence of such accident in our sites.
- KPIs SP03L - SP04L - SP09L - SP10L.

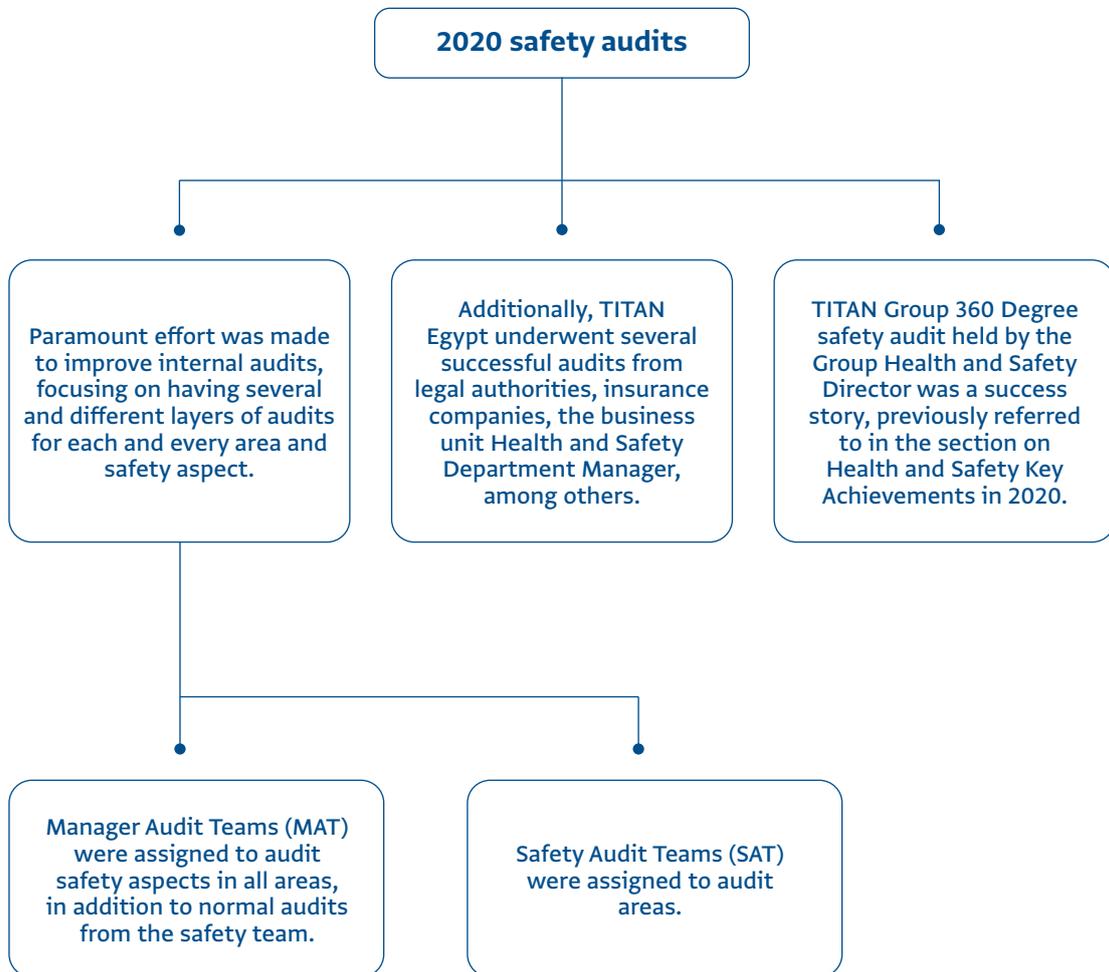
Employees KPIs for safety	2020	2019	2018
<b>Fatalities</b>	0	0	0
<b>Fatality Rate</b>	0.00	0.00	0.00
<b>LTIs</b>	0	0	0
<b>LTI Frequency Rate</b>	0.00	0.00	0.00

Contractors KPIs for safety	2020	2019	2018
<b>Fatalities</b>	1	0	0
<b>Fatality Rate</b>	9.39	0.00	0.00
<b>LTIs</b>	0	0	3
<b>LTI Frequency Rate</b>	0.00	0.00	0.72

## SITE AUDITS AND INCIDENT PREVENTION

TITAN Egypt has successfully passed all internal and external audits from all parties. All actions resulting from internal and external audits as well as incident investigation processes have

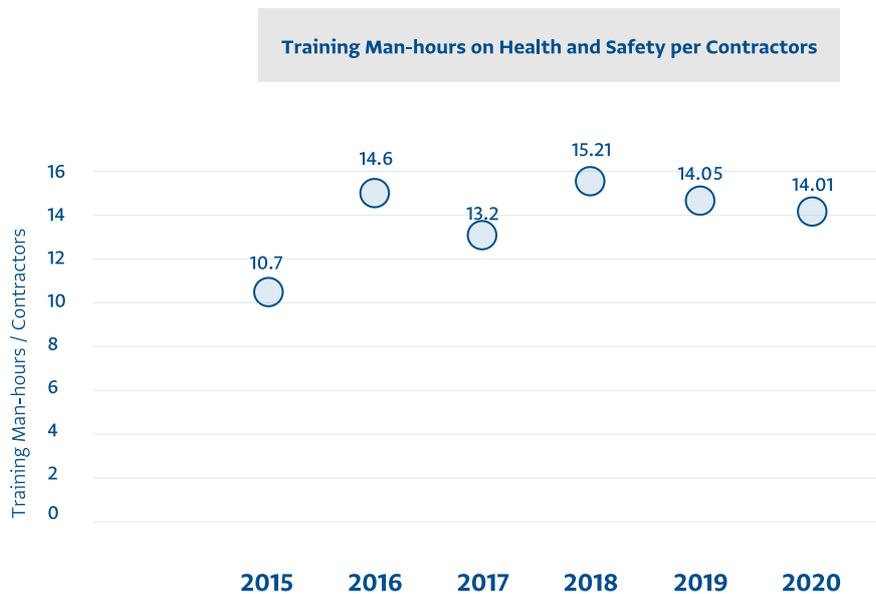
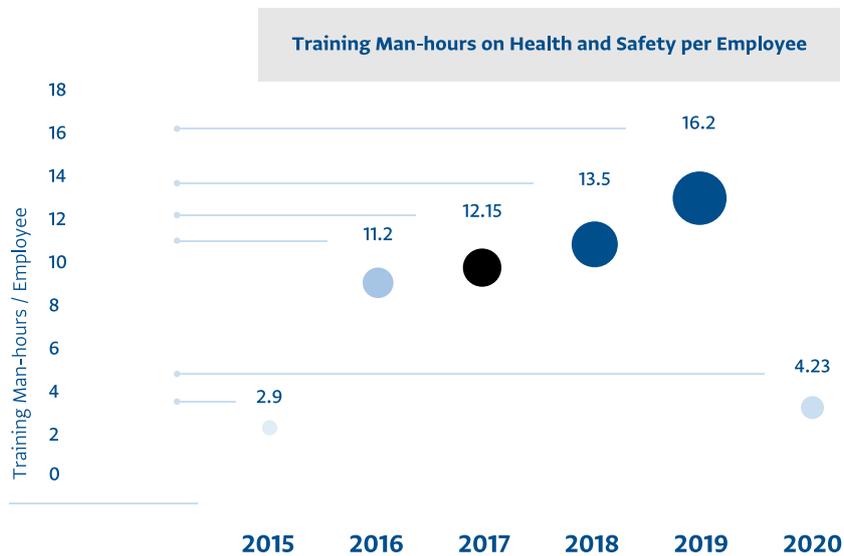
been formalized in fully detailed action plans that are finalized within specific timeframes, with responsibilities that are electronically tracked and evaluated.



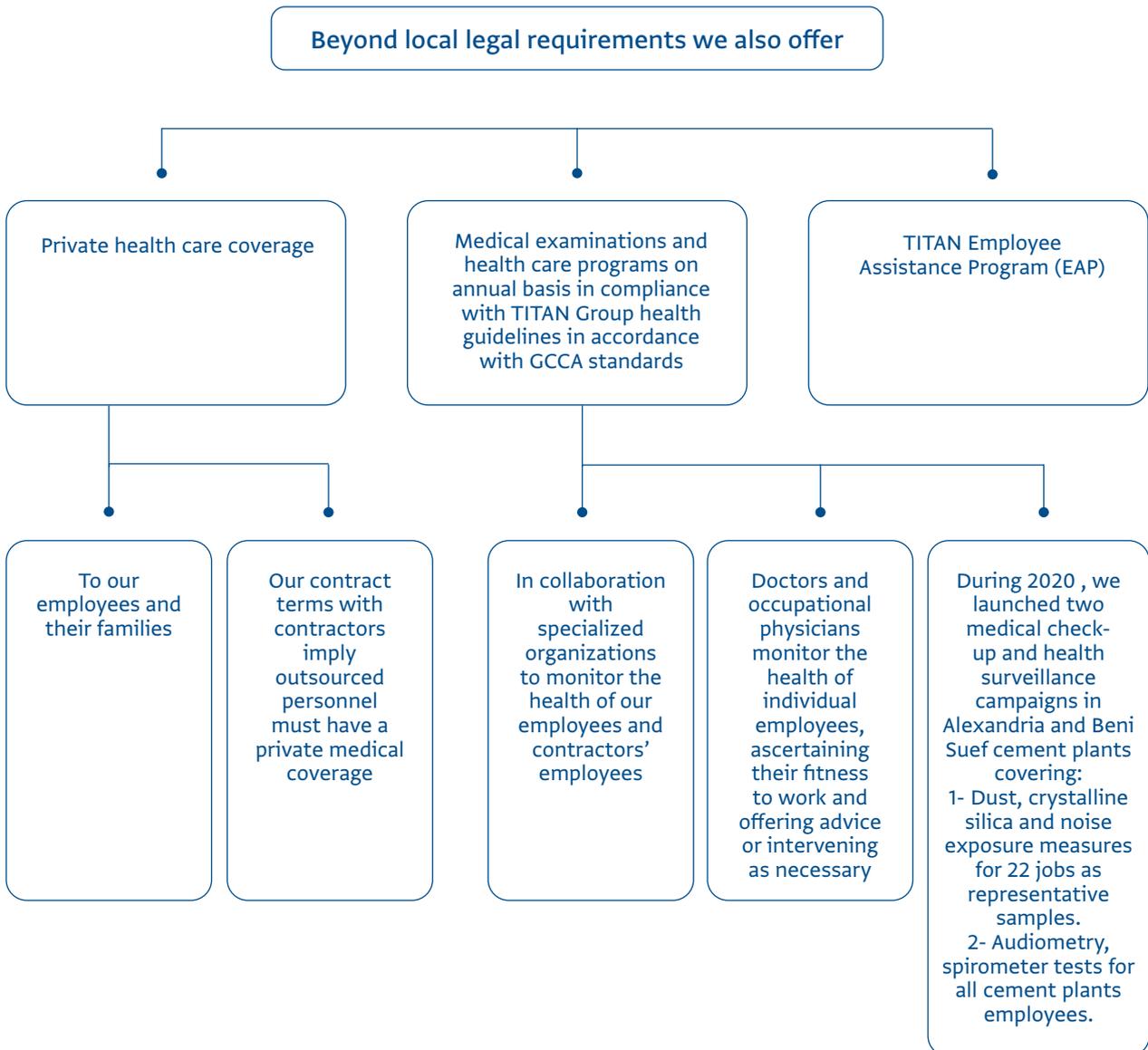
## SAFETY TRAINING IN 2020

TITAN Egypt focused on the essential training programs in 2020, considering the difficulty of transformation from

physical classroom training to virtual training, especially for the technicians and workers who do not possess computers.



## PROMOTING HEALTH AND HYGIENE FOR EMPLOYEES AND CONTRACTORS



During 2020, the annual medical checkup of all our employees was postponed as a preventive measure against COVID-19 outbreak hazard, however it was replaced by a seasonal influenza vaccination

campaign in order to minimize the risk of getting infected by COVID-19 and influenza with multiplication of symptoms and health consequences.

## SOCIAL PERFORMANCE

### OUR PEOPLE

We believe that our workforce, encompassing both our employees and contractors, is the most valuable component to our success. We acknowledge the 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 strive for the best possible safe and healthy working environment for all.

TITAN Egypt follows the Group Human Rights Policy that specifies the rights and the responsibilities according to

international standards and local laws and monitors closely all incidents related to the implementation of this policy. We are proud to report that in 2020 no human rights, labor rights nor labor law abuses / non-compliance were reported in TITAN Egypt.

More information is presented in Management Report chapter in ESG Performance Statements in Table 3.2- Employment Performance Index and Table 3.3- People Development Performance Index.



### OUR VISION

To grow a workforce that is fully engaged in every way in our goals and aligned with our values



### OUR POLICY

To be a preferred employer in our local markets

## CREATING AND SAFEGUARDING EMPLOYMENT

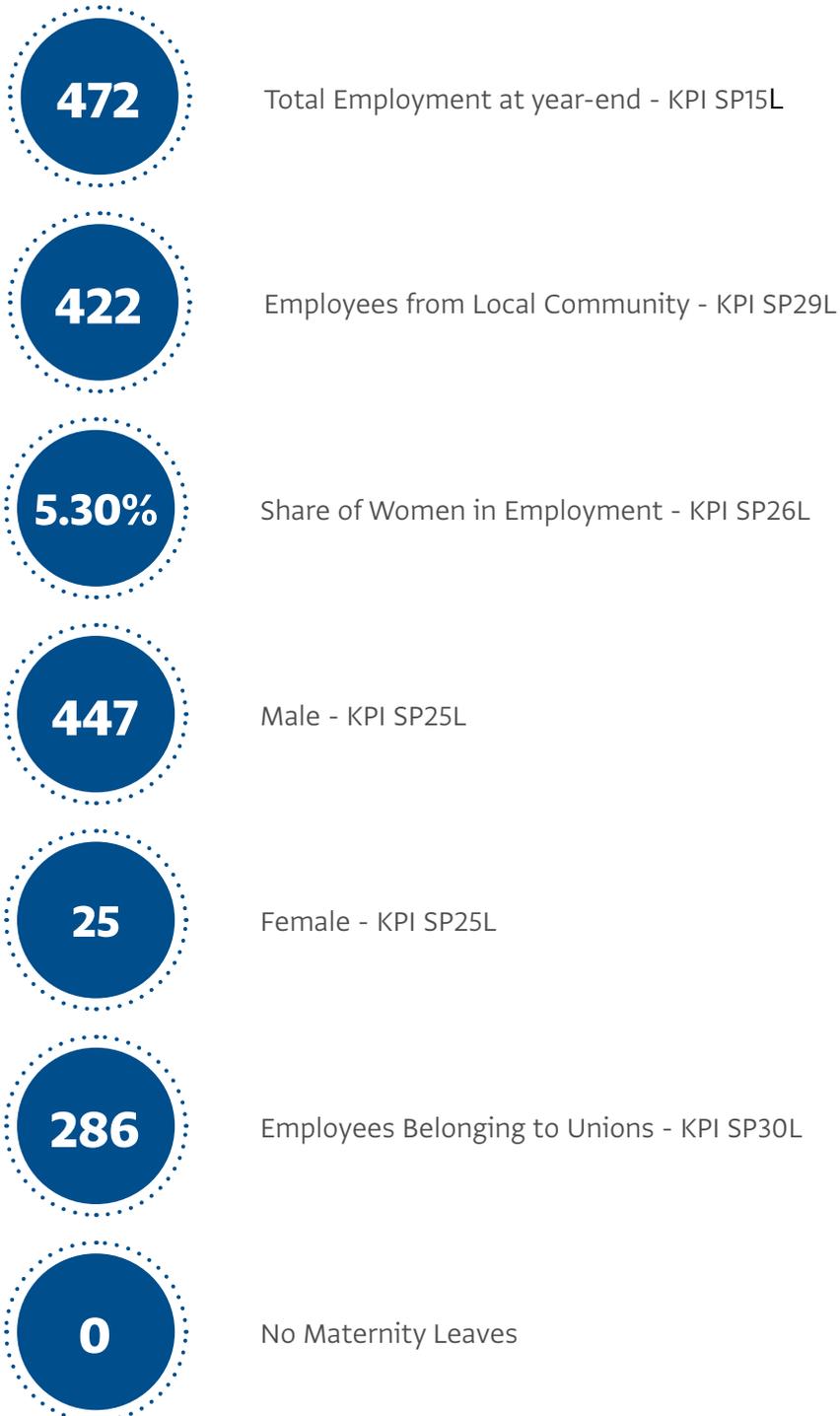
Unemployment remains a top material issue for our employees and their families, but also for our contractors, local authorities and regulators, and society at large in Egypt.

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.



## 2020 Employees KPIs (KPI value, Reference KPIs in Social Performance Index)



## SUSTAIN INCOME FOR OUR EMPLOYEES

Since 2014, the volatility in performance due to the energy crisis in Egypt brought corresponding instability in our employees' total income. In line with TITAN's deeply rooted values revolving around caring for our employees, we

signed three-years collective agreement based on a new remuneration system that guarantees paying part of the profit sharing on a monthly basis in advance. This three-year agreement was revisited and extended twice till end of 2023.





## HUMAN RIGHTS

We fully acknowledge the importance of respecting and protecting human rights within our sphere of influence. In 2020, TITAN Group continued to review, update, and enrich the Group policies to enhance clarity and address specific topics of increasing importance. New versions of the Code of Conduct, Health and Safety Policy, Competition Law Compliance Policy, Human Rights Policy, and Corporate Social Responsibility Policy,

which are more aligned with the Group’s developments and commitments and detailed on the matter of diversity and inclusion, were developed.

More details about Group policies is presented in Management Report chapter in ESG Performance Review in Governance, Transparency, and Ethics and in ESG Performance Statements in Compliance and Due Diligence.



### 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.
- actively promotes freedom of association of employees.

### Unions operating according to Egyptian's laws and regulations have the right to

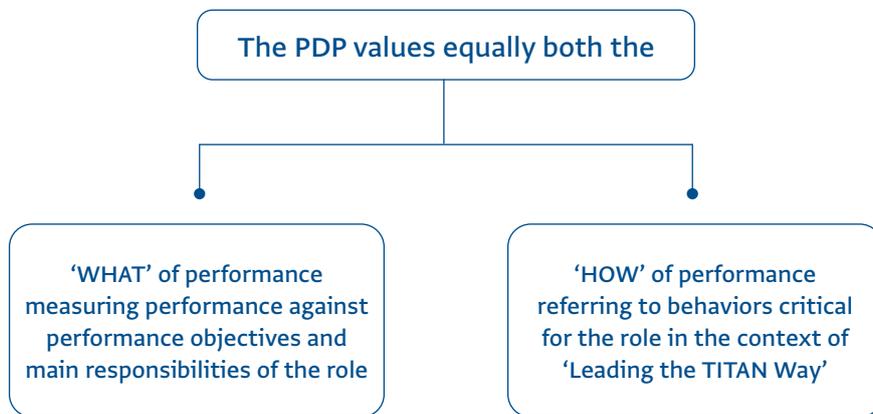
Regular meetings with union representatives are conducted with the management throughout the year	Main topics cover among else wages and additional benefits
Suggest improvements of health and safety conditions at work and other topics raised by employees	Negotiate agreements on different issues covering employees expectations

## TITAN GROUP EMPLOYEE STANDARDS

Employee standard	TITAN related action
<b>Non-discrimination</b>	Prohibit discrimination in all employment related practices
<b>Working hours</b>	Respect the right to leisure and avoid excessive overtime
<b>Wages and benefits</b>	Guarantee a wage that - at a minimum - meets national legal standards and provides additional benefits that respond to local needs
<b>Discipline</b>	Apply appropriate disciplinary measures
<b>Fair treatment</b>	Prohibit bullying and harassment
<b>Prohibition of child and forced labor</b>	Prohibit the use of all forms of forced and child labor, complying with International Labor Organization (ILO) standards
<b>Freedom of association</b>	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 through the online uniTe people platform.



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.

## 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 employees and contractors.

### During 2020:

- The overall number of training hours decreased significantly compared to 2019. This decrease is mainly due to a decrease in health and safety and management training hours.
- TITAN Group has launched a compliance online training covering the Group Policies and Code of conduct which was mandatory to be completed by all white-collar employees.
- Before the spread of the pandemic, the procurement department workforce including the newly joined fresh graduates went through a planned developmental program for 226 training hours for 8 trainees. The program continued during 2021 through virtual platforms.

2020 Employees training KPIs  
(KPI value, Reference KPI in Social Performance Index)



Overall Number of Training Hours - KPI SP38L



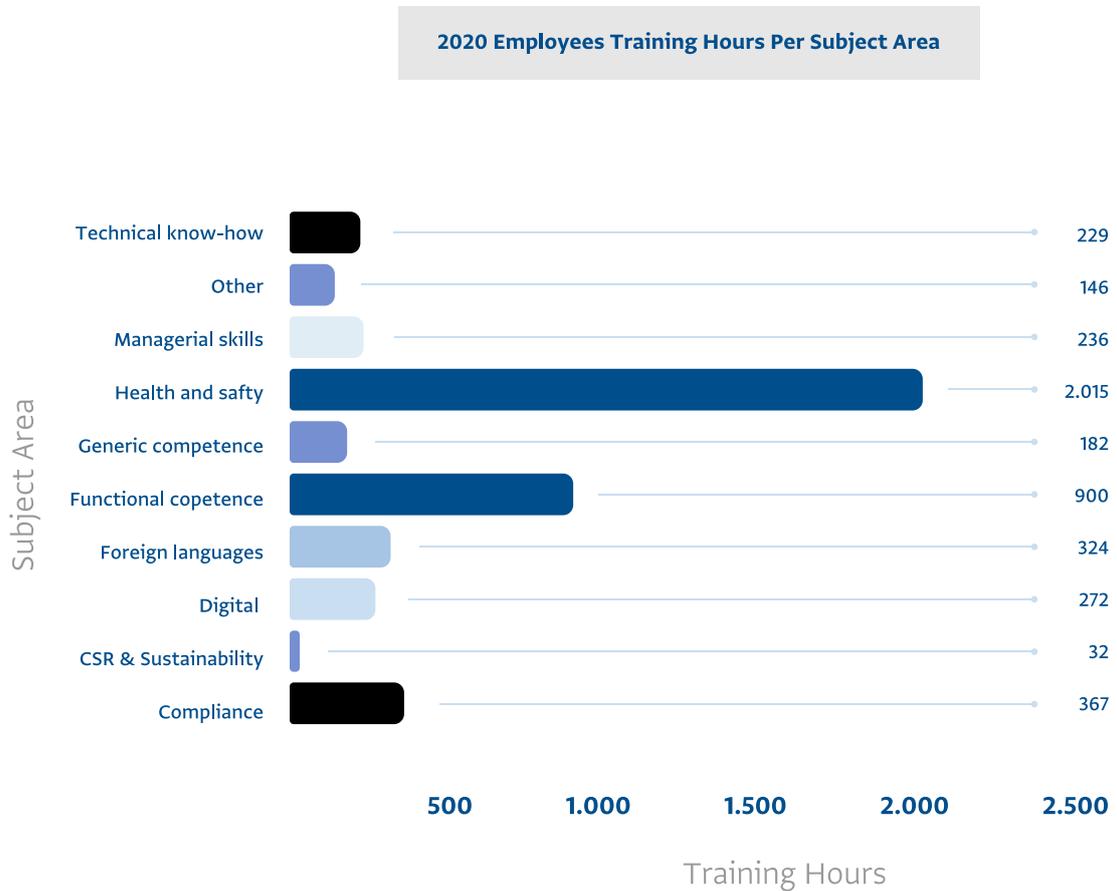
Number of Employees Trained - KPI SP33L



Health and Safety Training Hours - KPI SP40L



Compliance Training Hours - KPI SP 40L



**During 2020:**

- To further develop the professional capacities of our employees, we maintained the 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 unTe people platform, with more than 15,000 online courses, available to our employees 24/7.
- Offer online training courses about working from home and related adaptation.

## 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.

Continuous effort to retain exceptional and motivated employees

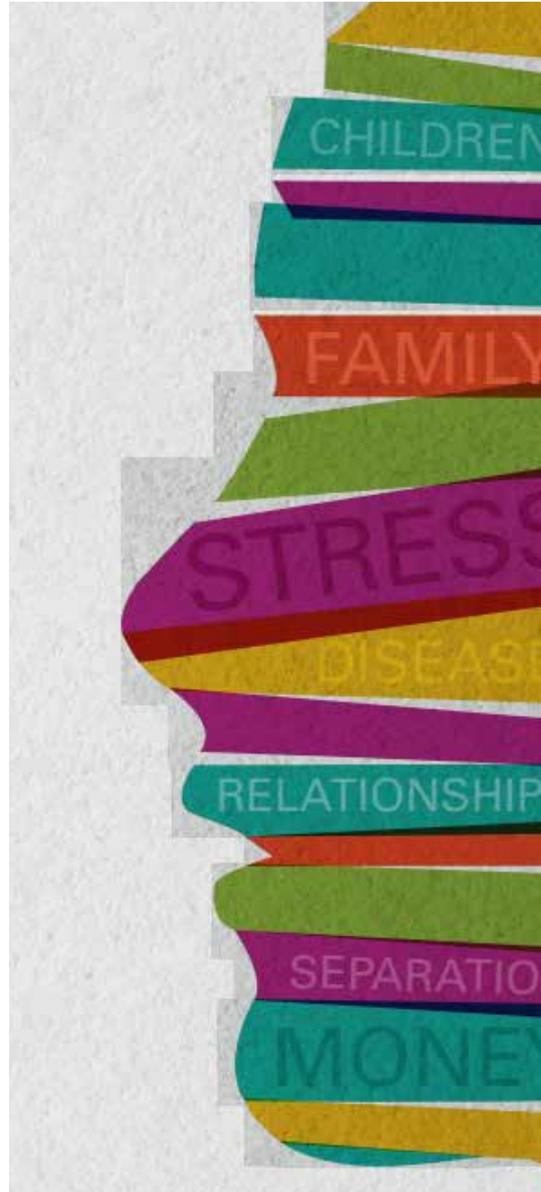
- The only differentiation factor for pay is related to employee personal performance.
- The ratio of basic salaries and remuneration remains in line with market norms.
- TITAN Egypt also contributes to the wellbeing of employees and their families with additional benefits above local legal requirements. These are paid either in cash or in kind.

## TITAN GROUP WELLBEING FRAMEWORK AND EMPLOYEE ASSISTANCE PROGRAMS

With the aim to continue building on TITAN’s Care Legacy and to apply an integrated, holistic approach to Health and Wellbeing across the Group, the TITAN Health and Wellbeing framework was developed. The framework covers four dimensions of Health and Wellbeing – physical, mental, social, and financial. With initiatives linked to the dimensions, each business implements various actions to address local priorities.

Building on TITAN’s care legacy, the TITAN Employee Assistance Program (EAP) extended to all business units during 2020, aims to help further enhance our people’s mental and emotional health and wellbeing. TITAN EAP is here to support with anything that may trouble the employee or a family member.

The objective of TITAN EAP is to improve the employee’s health and productivity at work and life at home. It is a strictly confidential service that offers expert support and advice completely free of charge to all employees and their families on personal, family or work-related concerns that may impact their health, mental and emotional well-being and performance. The service is provided 24/7 by phone or online through ComPsych’s Guidance Resources®.



## 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. During 2020, we had 30 communication events. 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 NEED TO HEAR FROM OUR EMPLOYEES

In continuation to 2019 TITAN Egypt Employees' Opinion Survey, during 2020, the senior management in every country where TITAN operates communicated the survey results to its employees. In TITAN Egypt, the senior management had 5 communication meetings during Q1-2020.

To put the survey top priorities into action, focus groups have been formed at business unit and group levels to generate practical suggestions for improvements in

alignment with the company's strategic direction. It is worth to mention that the top priorities in every business unit have been identified by its employees to further improve.

The outcomes of the Employee Engagement Survey also provided feedback that was used in the materiality assessments at both Group and business unit level.

## HOLY MONTH OF RAMADAN FOOTBALL TOURNAMENTS FOR EMPLOYEES AND CONTRACTORS

In order to increase the engagement of different categories of employees, the Alexandria and Beni Suef plants were used to organize every year during the Holy month of Ramadan a football tournament that brings employees and

in-site contractors together in availability of families as well. During 2020, TITAN Egypt cancelled the tournament as we do care equally about the health of our employees, in-site contractors and families.

## SOCIAL PERFORMANCE ENGAGING WITH LOCAL COMMUNITIES

We aim to contribute in the long-term sustainability of the communities where we operate making a positive impact and supporting the implementation of community engagement plans in collaboration with local stakeholders. We seek open communication and mutual trust, and to ensure this we invest on monitoring and reporting our commitments and performance in

our annual sustainability reports since 2015, focusing on the issues that are material for our local stakeholders. More information is presented in Management Report chapter in ESG Performance Statements in Table 3.2- Employment Performance Index, Table 3.3- People Development Performance Index and Table 3.4- Stakeholders Engagement Performance Index.

### FOCUSING ON LOCAL DEVELOPMENT

Supporting our local communities, where our operations have direct and indirect economic, social and environmental impact, and contributing to their sustainable development is integral to our corporate philosophy.

Our operations are local and our relationship with neighboring communities around our operations is fundamental to meeting our strategic objectives. We dedicate both financial and non-financial resources to empower the capacity for development at local level working together with the neighborhoods and the communities close to our operations.

Community engagement plans are the results of this on-going collaboration and we regularly adapt and update to align better with the changing needs of our stakeholders. We conduct impact assessments with the support of independent experts and stakeholders to validate and prioritize needs and expectations primarily in the surroundings

of our cement operations in Alexandria and in Beni Suef. It is noted that the majority of our employees, contractors and suppliers are members of the local communities in the governorates we operate.

It is essential to understand the local needs and respond to stakeholder expectations taking under consideration their feedback in future planning and decision making. Although conditions and expectations vary from one community to another, it is understood that there are common areas of concern and these include support for health, safety, clean environment, employment and education. TITAN Egypt is committed to align community engagement plans with SDGs aiming to act as enabler of long-term sustainability and growth of the people and communities. For this reason, we related our strategic goals with the specific SDGs, that we mostly influence with our policies, practices and long-term investments.

### 2020 TITAN Egypt impact at the local level



Total employment at end of 2020 - KPI SP15L



Total Spend on Donations and Social Engagement Initiatives - KPIs SP41L – SP42L – SP43L



Percentage of employees from local communities -KPI SP29L



Local Spend on Suppliers for Goods and Services - KPI SP46L

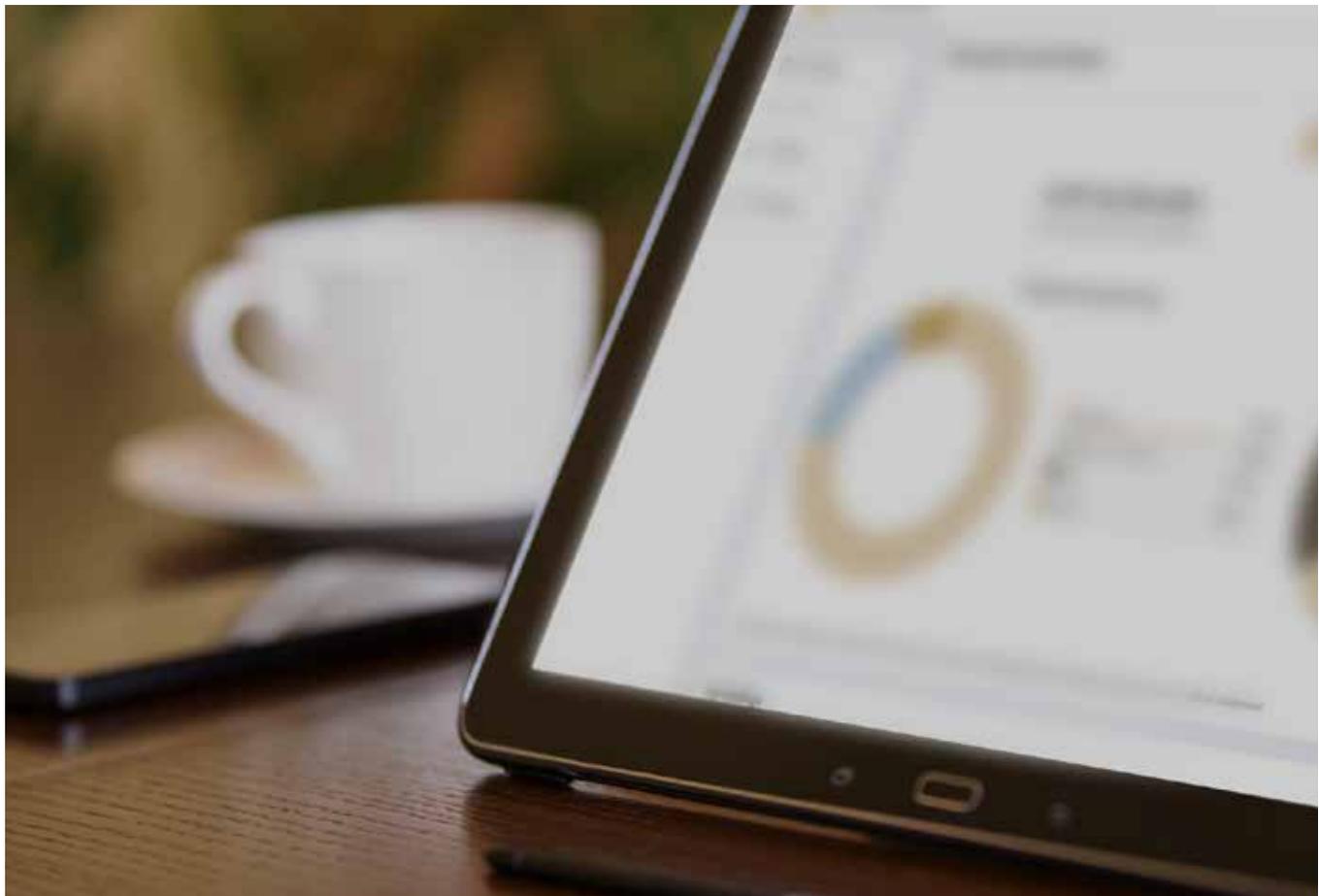


## ASSESSMENT OF OUR INITIATIVES AT LOCAL LEVEL THROUGH E-PLATFORM

In 2020, TITAN Group launched a dedicated e-platform to record and evaluate the community initiatives and actions at local level in all business units, in an effort to ensure both alignment of community engagement plans with material issues as prioritized by key stakeholders and the outcomes of these initiatives in the short and medium terms. We will remain focused on strengthening our efforts to achieve authentic

and distinctive social engagement and on enhancing a positive impact through collaborative efforts and the empowerment of local stakeholders. TITAN Egypt took a leading role to test the platform in 2019.

In 2020, we participated in the assessment of the first 6 business unit initiatives and actions for community engagement.



6 Initiatives

- Students’ Development Skills Program for Alexandria and Beni Suef Universities
- Students’ graduation projects sponsorship for Alexandria University
- 6th year Partnership in Alexandria Plant Neighborhood
- Primary Public School Renovation in Alexandria Plant Neighborhood
- Building Sports Youth and Children Center in Alexandria Plant Neighborhood
- Public Hospital Renovation Partnership in Beni Suef Plant Local Community.

270

- Internal and external stakeholders participated in the implementation of the 6 initiatives.

EGP 3.35m

- Cost of implementation of the 6 initiatives during 2020, which represents 51% of the total spend on donations and social engagement initiatives during 2020.

## TITAN EGYPT PARTICIPATES IN THE 1ST ANNUAL SUSTAINABILITY CONFERENCE - FROM CHARITY TO SUSTAINABILITY

For the first time in Egypt, the Federation of the Egyptian Industries and Al Orman Association organized the 1st Annual Sustainability Conference in cooperation with the International Organization for Migration (IOM) and the United Nations Population Fund (UNFPA), and CSRMATCHMAKERS from 16-19 January 2020 in Luxor under the auspices of the Ministry of Social Solidarity and the Ministry of Planning.

This was the first annual conference on partnerships between civil society organizations and the private sector for

the better achievement of the SDGs. Among the main conference objectives:

- Raising the productivity of projects, promoting economic and development indicators, and demonstrating the positive repercussions of the application of CSR initiatives to achieve social welfare, human resources development.
- NGOs and companies together can play a significant role in supporting the economies and societies of countries.



Maria Alexiou, TITAN Group ESG Senior Advisor in Luxor Conference

- Highlight the role of CSR in enhancing the competitiveness of economic institutions.

More than 10 speakers and 100 delegates from many local and international organizations operating in Egypt participated in the four-day event. TITAN Egypt participated in the conference

represented by senior experts and provided the audience with a keynote speech on the topic “CSR as driver of business transformation”, sharing the experience of TITAN Group both in Egypt and in other markets, under the motto “think global but act local”.

## PARTNERSHIP TO IMPROVE HEALTHCARE SERVICES IN BENI SUEF

The need to improve the status of health care services in Beni Suef governorate was identified at an earlier stage and during 2019, TITAN Egypt partnered and signed the cooperation protocols with different stakeholders in a donation project for the medical equipment to a public hospital under construction in Beni Suef.

The project is still ongoing and is expected to be finalized during 2021. The project is implemented in collaboration with Beni Suef Directorate of Health, Sehetna Foundation and the Egyptian Group Company who offered equipment and facility services.



## PARTNERSHIP TO IMPROVE HEALTHCARE SERVICES IN BENI SUEF

### PARTNERS TO IMPROVE HEALTHCARE SERVICES IN BENI SUEF

#### TITAN Egypt

Funding some equipment and facilities to the hospital up to a value of approximately EGP 7 million.

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

#### Egyptian Group Company

Local supplier responsible for providing medical equipment funded by TITAN Egypt.

- Providing the required training for the hospital doctors and nurses who will operate equipment provided.

#### Beni Suef Directorate of health

- Responsible for providing the necessary human resources to operate the equipment.

#### Sehetna Foundation

- Local expert NGO tasked with supervising the project and guaranteeing the provision of the necessary equipment by providing technical guidance on the best suppliers.

## SIX-YEAR PARTNERSHIP IN ALEXANDRIA, SERVING MORE THAN 70,000 RESIDENTS



Although Alexandria cement plant is located in an industrial area, it is adjacent to a large and crowded residential area, with a population exceeding 70,000 residents living in a district called Wadi Elkamar. In late 2014, we conducted a thorough study to assess social impacts in collaboration with the Sustainability Center for Development (SCD), a specialized local NGO, along with other

local stakeholders, to further optimize our policy, targets and 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.

Based on the study findings and the outcomes of our materiality assessment, we identified four main priorities to focus our community plans, outlined below:

### 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**

- Provided financial support and materials for the women to launch their small businesses being trading in baking, sweet products, children 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.
- Workshops for women to help them identify projects they want to work out.

**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.

During 2020, the partnership established in Wady Elkamar continued to operate for the sixth year consecutively despite of the disruptive conditions caused by the pandemic. Under this framework, we continued to work together with stakeholders and experts to ensure:

- Increased hygiene and disinfection daily activities in the streets, the houses, the primary public school, the shops, the trees, the public medical center and the post-office.
- Employment of additional number of temporary workers for the cleaning services.
- Improve precautionary / preventive measures for workers who are engaged in cleaning, disinfection and sterilization work
- Knowledge sharing and awareness campaign regarding prevention measures, hygiene behaviors and promote social distancing in the neighborhood through awareness messages to residents by local NGOs social workers.
- Sustainability Center for Development (SCD) offered additional support through the distribution of food bags and meat in religious occasions and coverage of chronic medication cost for some poor families / unemployed in neighborhood.

## MINIMIZING THE GAP BETWEEN EDUCATION AND EMPLOYMENT FOR UNIVERSITY STUDENTS



To anticipate the spread of Covid-19 in 2020, TITAN Egypt restricted and postponed a number of activities, such as in the following cases:

- We postponed at least for a year the summer traineeship opportunities in technical and non-technical functions for university students in any of our sites.
- We cancelled the annual program of educational site visits to learn from the manufacturing process in any of our sites.
- We replaced the face-to-face Students Development Program (SDP) that started in 2019 by a digital one e-SDP, during which we dedicated 61 training hours to public health.

## TITAN EGYPT WELDING WORKSHOP IN A VOCATIONAL TRAINING AND EDUCATION CENTER (VTEC)



TITAN Egypt has taken a public commitment to participate in collaborative efforts that address 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 (VTEC) centers in Alexandria. The target is to train youth in Alexandria in an up-to-date welding accredited curriculum.

**DURING  
2020**



VTEC workshop in Alexandria

The Vocational Training and Education Center (VTEC) training plan in 2020 was to provide welding training for 240 Jobseekers. Due to COVID-19 pandemic crisis and the national lockdown from March to June 2020; VTEC was able to achieve only 50% of the plan covering 119 trainees. VTEC followed precautionary measures in the center by:

- Considering social distancing and reducing the capacity of the training workshops and meeting rooms by 50%.
- Wearing face masks are obligatory for all the staff, trainers and trainees.
- Maintaining hygiene and sanitation by providing sanitizers dispensers all over the center and inside each workshop.
- Covid-19 prevention and warning posters hanged all over the center.

## HANDS ON EXPERIENCE OF TECHNICAL AND SOFT SKILLS FOR CHEMICAL ENGINEERING UNIVERSITY STUDENTS



During the academic year 2019 – 2020, TITAN Egypt continued to sponsor the educational graduation projects of Chemical Engineering students in Alexandria Public University. Our target is to give the students the chance to develop their skills of combining the theoretical and practical parts by allowing them to implement their final graduation projects on some of Alexandria Plant’s technical needs.

Throughout 9 months learning journey that started in December 2019 and through the contribution of 1 Technical Project Manager and 1 Human Resources Coach, TITAN Egypt addressed the development of 13 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.



Students in Alexandria Plant Lab Before Covid-19

In Alexandria plant with the presence of our senior management, a kick-off meeting was held with all students and faculty professors. During their learning journey before the covid-19 pandemic outbreak, TITAN Egypt offered to the students 3 plant visits and 5 meetings in the university premises in availability of the supervising faculty.

After the pandemic outbreak, students continued their learning through several virtual meetings till the end of their graduation presentations where all students were given a final project evaluation grade A. The positive feedback generated by students who participated in the program over different social media platforms was remarkable.



**2020**  
Graduation  
projects

**13**

Chemical Engineering  
Students

**1**

TITAN Technical  
Project Manager

**1**

TITAN HR  
Coach

**626**

Total Training  
Hours

**514**

Technical &  
Practical Hours

**112**

Soft Skills  
Hours

## EMPOWER THE YOUTH WITH QUALITY EDUCATION AND SKILLS FOR PERSONAL AND PROFESSIONAL DEVELOPMENT THROUGH STUDENT DEVELOPMENT PROGRAM (E-SDP)



Despite the fact that the education of all students all over the world was disrupted during 2020 by the spread of Covid-19 and universities haven't faced this level of disruption for generations, TITAN Egypt was one of the first companies in Egypt to continue serving its local communities by offering CSR educational initiatives during the temporary suspension of education and total lockdown due to ongoing pandemic.

For the second year consecutively, as a continuation for the success of our 2019 Student Development Program (SDP), we provided access to Students Development Program electronically (e-SDP) through online platforms in cooperation with one of our key external stakeholders the University Centers for Career Development (UCCD) that is academically run by the American University in Cairo (AUC).



During April 2020, we successfully launched the first virtual pilot with students from different faculties in Beni Suef Public University and covered the topics of health and safety, environmental protection and quality management. Later during the summer vacation, we launched the second round of the program with students from both Alexandria and Beni Suef Public universities.

Through its 13 trainers and 2 facilitators, TITAN Egypt covered the same topics that were introduced during the first virtual pilot in addition to the topics of project management, artificial intelligence application in industry, finance for non-finance and some soft skills.

By changing the learning experience for students from offline to virtual environment using the online platforms, we used the gamification and teamwork activities to maximize enjoyment and engagement through capturing the interest of 144 student learners and inspiring them to continue a total of 7,696 training hours.

By the end of the program, TITAN Egypt held a virtual celebration ceremony engaging all participating students. Top 10 performing students were awarded in the presence of TITAN Egypt senior management, University



Ben Suef Celebration Ceremony



Alexandria Session



Alexandria Session

Centers for Career Development (UCCD) and Alexandria and Beni Suf Public Universities representatives.

TITAN Egypt offered E-Certificates to all students that met a predefined criterion for attendance and final exam pass score.

TITAN Egypt has registered the students in its database to prioritize them either for an internship opportunity or as potential job applicants.

TITAN Egypt received positive feedback and appreciation messages from participating students.

As a consequence of our collaboration with University Centers for Career Development (UCCD), TITAN Egypt

was offered to participate as a bronze sponsor in their first Virtual Career Fair for Egyptian Universities UCCD 2020 in coordination with the American University in Cairo (AUC). The UCCD 2020 Career Fair hosted 45 corporate participants who shared job and internship opportunities with around 4,000 university students of ten Egyptian Public Universities. TITAN Egypt had several meetings with some universities students and job seekers answering their questions and needed clarifications regarding the company as well as available vacancies through online platforms using chatrooms and teleconferencing <https://ucdd.vfairs.com/en/#ce-sponsors>

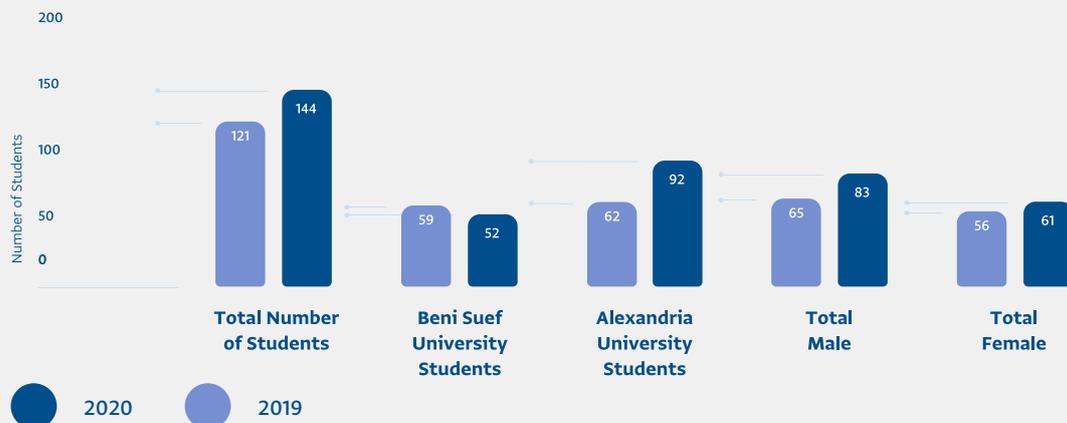


Beni Suf Students Feedback

2020  
e-SDP



SDP Students in Years 2019 and 2020



## OTHER ACTIVITIES

### Participation in two local CSR networks

- The Alexandria Businessmen 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.

### Participation in virtual employment fair

- As a consequence of our collaboration with University Centers for Career Development (UCCD) regarding the Students Development Program, TITAN Egypt was offered to participate as a bronze sponsor in their first Virtual Career Fair for Egyptian Universities UCCD 2020 in coordination with the American University in Cairo (AUC).

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.
- Participated in the financial sponsorship of marriage ceremonies for orphaned youth in coordination with a local non-profit organization in Beni Suef.
- Sponsorship for Beni Suef Public University Conference Environment Improvement.
- Support National Women Council celebration for honoring mothers and mothers of martyrs.
- Support research for Egypt Vision 2030 through Beni Suef Public University students.
- Contribute to payment of scholastic fees on behalf of the poor students in some public schools in Beni Suef Governorate.

Other activities in Alexandria

- Sponsored the cost of loader and truck rentals for cleaning the roads in Alexandria.
- Support the governmental district in our local community in facing the rainy season.

During 2020, as TITAN Egypt cares equally about the health of its internal and external stakeholders:

- We did not arrange for the annual Quran Memorization Contest through Beni Suef Youth Centers.
- We replaced annual employment fair face-to-face participation by a virtual one.
- In addition, TITAN Egypt had a financial support to Beni Suef Governorate in facing the needs of the most vulnerable members of the community, who have been mostly affected by the crisis i.e. to buy medicines and support unemployed people.



Virtual Employment Fair

## SOCIAL PERFORMANCE BUSINESS PARTNERS

For simplicity, we included in Business Partners our performance of suppliers and customers relations and initiatives of new products which is also related to the governance.

Founded on trust and mutual benefit, TITAN is committed to building strong and lasting relationships with customers and suppliers. The Group actively seeks out and favors business partners who have been also committed to apply the UN Global Compact (UNGC) principles within their sphere of influence.

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. During 2020, we contributed to approximately 1,064 jobs through contractors (This indicator is not included in social performance index / data collection system).

<p><b>We seek to maximize the collaboration with local suppliers and contractors</b></p>	<p><b>We follow a policy that requires</b></p>
<ul style="list-style-type: none"> <li>Supporting local communities in the areas where TITAN plants are located constitutes an integral part of TITAN's corporate philosophy.</li> </ul>	<ul style="list-style-type: none"> <li>On-time payments, regulatory requirements and contractual terms.</li> </ul>
<p><b>Our supply chain management focus</b></p>	<p><b>Beyond local legal requirements</b></p>
<ul style="list-style-type: none"> <li>Maintaining cost-effective and sustainable relationships with all suppliers whether global, national or local.</li> <li>We are also committed to improve and sustain safety standards among our suppliers, especially those on local level.</li> </ul>	<ul style="list-style-type: none"> <li>TITAN Egypt includes in the contract terms with contractors that outsourced personnel must have a private medical coverage.</li> <li>Within cement market, it is common to see in the roads overloaded trucks. In compliance with our safety and environment best practice, TITAN Egypt prohibits truck overloading despite that this compliance had an adverse economic impact.</li> </ul>

Our supply chain is composed of a number of business partners who provide TITAN Egypt with materials, products and services.



### 2020 Significant Suppliers

Total number of significant suppliers	Number of local significant suppliers	% of local significant suppliers
74	67	80.9%

## TITAN GROUP CODE OF CONDUCT AND PROCUREMENT MANUALS

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

Our suppliers' sustainability performance is among the requirements of TITAN

Group's Code of Conduct. Suppliers Key selection criteria include quality, reliability, flexibility and location of business.

In 2019, TITAN Egypt revisited and updated its Procurement Manual developed in 2016, considering prevailing market dynamics and variability. We added articles that refer to Procurement of Alternative Fuels for GAEA, exploiting opportunities for sourcing alternative raw materials and updating closed tender procedures.

## PROCUREMENT TRANSFORMATION PROGRAM GROUP INITIATIVE

The TITAN Group is working on the Group Procurement Transformation program with the objective 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. A clause addressing the need to adopt sustainability standards and responsible business practices is incorporated in prequalification of global suppliers while contracts with local suppliers specify provisions for health and safety, labor rights and environmental protection.

## IMPROVE SUPPLIERS' OVERALL PERFORMANCE ACCORDING TO TITAN STANDARDS

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

of Conduct in 2020 underlines our focus on the implementation of voluntary commitments undertaken regarding global and sector standards enhancing sustainable growth throughout the value chain.



## SUPPLIERS AND CONTRACTORS PRE-QUALIFICATION

All potential suppliers / contractors in order to be registered at TITAN Egypt have to submit to the procurement department valid documents including tax card, VAT document as well as

commercial registration. The procurement department checks the validity of all above documents and the company’s adherence to local legal framework.

### Registration

- The supplier / contractor company is registered and assigned a unique number in TITAN Egypt SAP system

### TITAN Group CSR policy

- A copy of TITAN Group CSR standards regarding labor and working conditions, environment and safety are handed over to the supplier / contractor who acknowledges by signing the receiving, reading and agreement to the standards that must be adhered to during the cooperation with TITAN Egypt

### Safety and environment plan

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

### Performance assessment

During contract execution, the plant management team is coordinating and assessing the contractor's performance

against TITAN safety and environmental standards

### Performance monitoring and evaluation

Procurement department is monitoring and evaluating contractors' performance per assignment basis

## OPTIMIZATION OF LOCAL SUPPLIERS 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 who operate in Egypt.

By increasing TITAN Egypt cooperation with local suppliers and contractors, we are assisting the local economy, provide

jobs to local communities wherever possible and optimizing our working capital.

Our procurement’s target is to optimize the suppliers list and at the same time work closely with those local suppliers and contractors who adhere to the Group policies and standards.

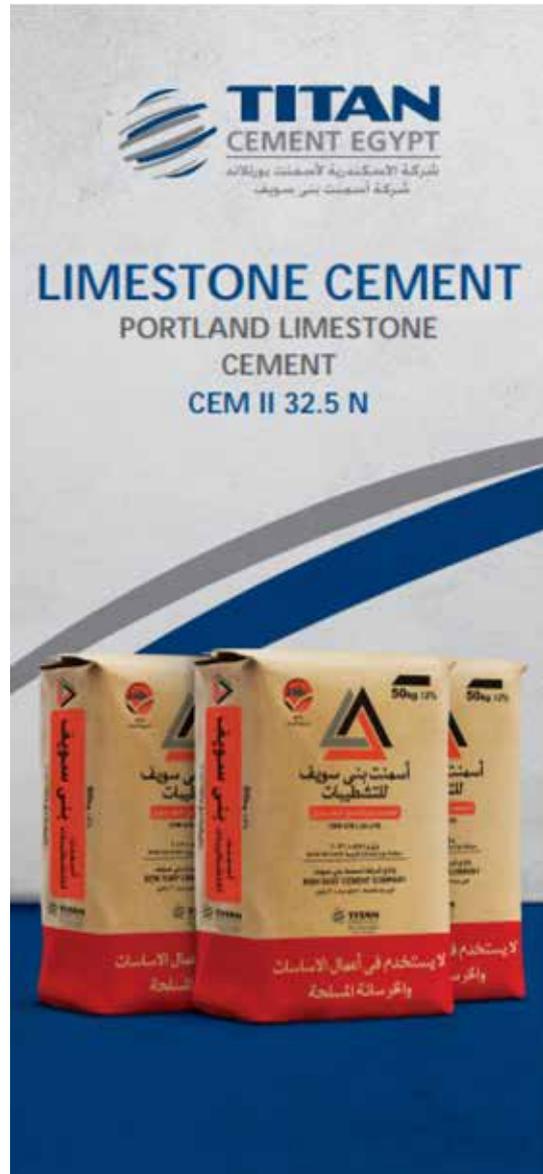


### During 2020:

- We maintained the duration of selected preferred local suppliers contracts and extended their duration further two to three years.
- We introduced a platform to suppliers to handle closed tenders electronically.
- TITAN Egypt amended accordingly the safety provisions in all suppliers contracts to include provisions for additional precautions to avoid pandemic spread.

## TITAN CEMENT EGYPT LAUNCHES ITS NEW PRODUCT, BENI SUEF PORTLAND LIMESTONE CEMENT

In line with TITAN Egypt’s efforts to provide new and high-quality products that match market developments as well as customer needs and requirements, TITAN Cement Egypt has launched a new product Beni Suef Portland Limestone Cement CEM II BL 32.5 N early 2020 before the major outbreak of the pandemic. This type of cement is more friendly to the environment, multi-use product, also used in interior and exterior finishing works, building works with bricks and blocks, plastering, shotcrete, all regular concrete works and pre-cast cement products and it is designed as such to contribute to sustainable construction Beni Suef Portland Limestone Cement for finishing is characterized by its efficiency and savings. It offers high flexibility and operational properties during mixing and use, in addition to the high smoothness that gives an even final surface and is suitable for all climates. TITAN Egypt had launched four different events for the launch of the new product in four different governorates, namely Fayoum, Beni Suef, Al Minya and Alexandria to promote the new product and its benefits. During the events traders were offered promotional giveaways and promotional material for the new product.



## CUSTOMERS NEW COMPLAINTS TRACKING SYSTEM

In order to enhance customer satisfaction, boost customer communication and identify vital areas for service improvement, TITAN Egypt launched in 2020 a new tracking system for complaints. This new system benefit is to allow for constant monitoring of the customer complaints and ensures faster

resolution of the issues. This comes as part of the Group commitment to encourage digitalization as an essential part of the company’s efforts to increase its operational efficiency and competitiveness, and to develop new ways of connecting with its customers.



**GOVERNANCE,  
TRANSPARENCY  
AND ETHICS**

## GOVERNANCE, TRANSPARENCY, AND ETHICS

We include in this part the governance in TITAN Egypt, fighting bribery and corruption, ensuring fair competition, transparency and promotion of ethical behavior.

Integrity, incorporating transparency and ethical business practices, is a core value embedded in TITAN's culture and reflected in the way the company performs its business activities, in line with its key governing objectives of sustainability and social responsibility.

In 2020, TITAN Group continued to review, update, and enrich the Group policies to enhance clarity and address specific topics of increasing importance. New versions of the Code of Conduct, Health and Safety Policy, Competition Law Compliance Policy, Human Rights Policy, and Corporate Social Responsibility Policy, which are more aligned with the Group's developments and commitments and detailed on the matter of diversity and inclusion, were developed.

In order to maintain a clear and efficient structure, the Group Policies Repository in the Group Intranet (Connections) was re-organized under a new taxonomy with the following categories: regulatory-driven, sustainability and social-responsibility driven and operational.

In this report we have incorporated an addendum titled Compliance and Due Diligence, as supplement to the Communication on Progress (CoP) connected to the areas of human rights, labor rights, and anti-corruption. See Management Report chapter, - 2020 TITAN Egypt Review on Progress for The UNGC Ten Principles.

More details about policies and management systems is presented in Management Report chapter in ESG Performance Statements in Table 5 TITAN Egypt Policies and Table 6 Management Systems Related to ESG Performance.

## TITAN Group Policies

TITAN Group Policy Name	Related to ESG Performance	Translated in local language	Available in TITAN Egypt Portal
Anti-Bribery and Corruption Policy	●	●	●
Code of Conduct	●	●	●
Human Rights Policy	●	●	●
People Management Framework	●		●
Corporate Social Responsibility Policy	●		●
Occupational Health & Safety Policy and Guidelines	●		●
Environmental and Climate Mitigation Strategy	●	●	●
Conflict of Interest Policy	●	●	●
Competition Compliance Policy		●	●
Sanctions Policy		●	●
Information Security Policy		●	●
TITAN Group Framework Policy for the Protection of Personal Data			

During 2020,  
TITAN Group and  
TITAN Egypt had  
some actions  
related to policies

- 
- Specific amendments in Group Code of Conduct and policies were decided and communicated in all Business Units.
- 
- Interactive e-learning courses for all employees in all business units on the Code of Conduct and the Anti-Bribery and Corruption Policy, Conflict of Interest Policy, Information Security Policy, and Summary of Data Protection Policy were created and uploaded on the unITe people online human resource management system platform. The courses seek to increase awareness and facilitate deep understanding.
- 
- In addition, e-learning courses on the Competition Law Compliance Policy and Sanctions Policy are also being targeted to audiences.
- 
- Revised Code of Conduct hard copies distribution to employees with no access to the unITe people.
- 
- TITAN EGYPT translated into Arabic language the updated Code of Conduct and Group policies.
- 
- A new Group whistleblowing policy was introduced.
-

## FIGHTING BRIBERY AND CORRUPTION

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.

All Group transactions must be carried out lawfully and ethically, in accordance with all applicable laws and regulations and must always respect the United Nations Convention against Corruption (UNCAC). Employees or representatives of TITAN 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.

Any form of corruption, including among others, money laundering and extortion is strictly prohibited. An employee or business associate who commits bribery while on duty may be subject to civil and criminal liability, in accordance with applicable laws as well as to termination of her/his employment.

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.

## ENSURING FAIR COMPETITION

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.

Starting 2020, in order for TITAN Group to ensure that all worldwide Group activities are carried out within the framework of fair competition and that all Group managers involved in trade are aware of applicable legislation in the countries

where they compete, training programs and compliance reviews are to be carried out periodically in all countries where the Group operates.

Any employee responsible for infringement of competition legislation may be subject to civil and criminal liability, in accordance with applicable laws as well as to termination of her/his employment in the company.

## TRANSPARENCY

**Since  
2004**



TITAN Egypt has adhered to ISO international standards and our key operations are certified according to ISO 14000, ISO 45000, and ISO 9001.

Accordingly, we monitor and report occupational health and safety and environmental impact and we apply mechanisms to record feedback and possible complaints by customers, communities and other external stakeholders.



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).



**Since  
2014**



## PROMOTING ETHICAL BEHAVIOR ACROSS TITAN GROUP

The TITAN Group Whistleblowing Policy, communicated across TITAN Group in 2020, aims to empower employees in every country to promote an ethical work culture, by reporting possible misconduct, fraud, or abuse. In 2020, the TITAN Group reporting platform EthicsPoint® was also launched, providing a uniform, anonymous, and strictly confidential channel to report incidents of non-compliance, to which all TITAN Group employees have access, as an additional means to ensure that incidents are

reported, examined, and resolved with a remedy plan, if and when necessary.

It promotes a culture of openness, transparency, and accountability, which is essential to safeguarding good governance and integrity. A five-member TITAN Group Supervisory Committee, which includes the Chairman of the Audit and Risk Committee, oversees the investigation and handling of reports while ensuring confidentiality and non-retaliation for whistleblowers.

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# FINANCIAL PERFORMANCE

⋮ HIGHLIGHTS

## OVERVIEW OF THE EGYPTIAN CEMENT MARKET

### Before 2020

- 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 2020

- 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 48.7 million tons in 2019 to 45.9 million tons in 2020.
- Pre-existing structural market limitations were further exacerbated by the government's imposition of a six-month suspension of residential construction permits. As a result, the market remained subdued for most of the year with cement consumption declining by about 6.5% versus 2019.
- In the last quarter of 2020, the receding in restrictions resulted in a pick-up in demand. Due to the oversupply in the market, prices remained stagnant at low levels leading to negative results.
- The prevailing challenges in the Egyptian market continued in 2020 making consolidated losses of over 1BEGP.
- Alexandria Portland Cement Company voluntarily delisted from Egyptian Stock Exchange (EGX).

## FINANCIAL PERFORMANCE

As per the consolidated financial statements for the fiscal year ended 31/12/2020:

The consolidated net sales of the company amounted to EGP 1,824 million, compared to net sales of EGP 2,196 million in the same period of 2019, showing a decrease of EGP 372 million representing a reduction of 17%.

Consolidated losses after taxes reached EGP 1,031 million, compared to losses of EGP 236 million in the same period of 2019, marking an EGP 795 million increase in losses.

The strengthening of the Euro in 2020 mainly against Egyptian pound impacted results with foreign exchange (FX) losses of EGP 242m loss while 2019 marked a gain of EGP 271m.

In addition to the above, there was a decrease of EGP 372 million in the consolidated net sales of the company, representing 17%.

Still during 2020, the company did not undertake any export activity due to the economic infeasibility of export.

Consolidated key financial indicators (in EGP millions)	2020	2019	2018
Total assets	3,751	4,156	4,795
Shareholder equity	(1,307)	(277)	(40)
Turnover	1,824	2,196	2,866
EBIT / Operating profit	(422)	(270)	29
Earnings before tax and minority interest	(863)	(312)	(470)
Earnings after tax and minority interest	(1,031)	(236)	(394)
Shareholder equity ratio	-35%	-7%	-1%

During 2020, as we do care equally about the health of all internal and external stakeholders, TITAN Egypt held the board

and Annual General Assembly meetings through teleconferencing.

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE

⋯ (ESG) PERFORMANCE STATEMENTS

## ENVIRONMENTAL, SOCIAL AND GOVERNANCE (ESG) PERFORMANCE STATEMENTS

TITAN Egypt follows the TITAN Group integrated Global Sectoral Approach to disclose ESG performance in alignment with voluntary commitments to the United Nations Global Compact (UNGC) and Global and Cement Concrete Association (GCCA). To further align with the United Nations Sustainable Development Goals (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 United Nations Conference on Trade and Development in 2019 (UNCTAD, 2019 edition), and promoted the connection of selected indicators with Targets for the SDGs based on the Guidance. See also Delivering Value to our stakeholders in Understanding TITAN Egypt chapter and Table 1 Value Creation Core Indicators in Management Report chapter in ESG Performance Statements.

The ESG performance review and statements focus on material issues for TITAN Egypt operations and key stakeholders. TITAN's Global Sectoral Approach encompasses the disclosure of Core Indicators for Value Creation and Social and Environmental Performance. Indicators (KPIs) are structured under four separate tables in the ESG performance statements (Tables 2, 3.1, 3.2, 3.3, and 3.4). TITAN Egypt ESG Performance Statements are structured according to TITAN's reporting standards that are aligned to global (UNGC, SDGs2030 and UNCTAD) as well as sector specific (GCCA) reporting standards and frameworks. The connection of the TITAN ESG KPIs with the global and sector specific standards is presented in Table 4 with reference to Tables 2, 3.1, 3.2, 3.3, and 3.4. Table 7 2020 TITAN Egypt Review on Progress for the UNGC Ten Principles.

### The Notes below help the reading of ESG performance statements in Tables 2, 3.1, 3.2, 3.3, and 3.4:

- UNGC:** TITAN follows the reporting requirements for meeting the criteria of UN Global Compact relating to Communication on Progress (COP).
- GCCA:** Specific KPIs calculated according to the sector Guidelines integrated by TITAN, following the GCCA Charter and Framework Guidelines.
- UNCTAD:** TITAN has adopted under its reporting framework the applicable KPIs according to the Guidance of the UNCTAD, as supplementary to the above Reporting Standards.

In this report we have incorporated an addendum titled Compliance and Due Diligence connected to the areas of

human rights, labor rights, and anti-corruption in Management Report chapter in ESG Performance Statements.

This addendum aims to provide 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 business unit

This addendum also provides an outline of:

- Due diligence audits in 2020.
- Other International Third-party Auditors

## ESG PERFORMANCE INDICATORS

TITAN Egypt ESG performance statements cover three areas: Value creation and distribution to stakeholders, Environmental performance KPIs and Social performance KPIs.

### TABLE 1: VALUE CREATION CORE INDICATORS INDEX

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 connected with the KPIs in the index above. The figures for the Value Creation Core Indicators are provided in Delivering Value to our Stakeholders in Understanding TITAN Egypt chapter. Furthermore, detailed

figures are provided in the Management Report chapter in ESG Performance Statements in Table 2- Environmental Performance Indicators Index, and Tables 3.1, 3.2, 3.3 and 3.4 Social Performance Indicators Index. This index of Value Creation Core Indicators is inclusive of definitions for terms used in specific for Value creation and distribution to stakeholders. The definitions serve as index of notes for Delivering Value to our Stakeholders in Understanding TITAN Egypt chapter.

**1- Salaries (contributions to) pensions, and social benefits, including additional benefits beyond those provided by law**

According to TITAN Standards and the application of the IFRS.

**2- Investments in training of employees**

Total expenditures include the direct and indirect costs of training for 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 Management Report chapter in ESG Performance Statements in Table 3.3- People Development Performance Indicators Index.

**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 Management Report chapter in ESG Performance Statements in Table 2- Environmental Performance Indicators Index.

**4- Total spend to suppliers, local and international, for goods and services**

According to TITAN Standards and the application of the IFRS.

**5- Taxes to national and local authorities**

According to TITAN Standards and the application of the IFRS.

**6- Other payments to governments**

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

**7- Total spend on donations and social engagement initiatives**

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 and in details in Management Report chapter in ESG Performance Statements in Table 3.4- Stakeholders Engagement Index.

**8- Capital expenditures**

Commonly known as CapEx, are funds used by a company to acquire, upgrade, and maintain physical assets such as property, buildings, an industrial plant, technology or equipment.

TABLE 2- ENVIRONMENTAL PERFORMANCE INDICATORS INDEX

1. All Activities - Environmental Performance (acc. to the Sectoral Approach adopted by TITAN)

KEY PERFORMANCE INDICATORS (KPIs)		Notes	Units	2018	2019	2020	2021	2022	SDGs & Targets	GCCA	UNCC	UNCTAD	COOES	COMMENTS	
Impact on natural raw materials resources	Natural raw materials extracted (total, wet)		million t	-	2.5	2.8	4.4						EP01L		
	Raw materials extracted for clinker and cement production		million t	-	2.3	2.5	4.1		SDG 12 Target 12.1*				EP02L		
	Raw materials extracted for aggregates		million t	-	0.2	0.3	0.3						EP03L		
	Externally recycled waste materials (total, wet)		t	7,271	7,045	4,319			SDG 12 Targets 12.4 and 12.5**				EP04L	UNCTAD 12.5.1	
Impact on water resources	Reused		t	-	-	1,798									
	Recycled		t	6,847	7,045	2,520									
	Recovered		t	424	-	1									
	Water consumption (total)		million m <sup>3</sup>	0.69	0.7	1.0									
	Water withdrawal (total, by source)		million m <sup>3</sup>	0.71	0.74	1.03									
	Ground water		million m <sup>3</sup>	0.01	0.01	-									
	Municipal water		million m <sup>3</sup>	0.26	0.27	0.46									
	Rain water		million m <sup>3</sup>	-	-	-									
	Surface water		million m <sup>3</sup>	0.45	0.47	0.57			SDG 6 Targets 6.3, 6.4 and 6.5*					EP06L	
	Quarry water used (from quarry dewatering)		million m <sup>3</sup>	-	-	-									
	Ocean or sea water		million m <sup>3</sup>	-	-	-									
	Waste water		million m <sup>3</sup>	-	-	-									
Impact on biodiversity and land stewardship	Water discharge (total, by destination)		million m <sup>3</sup>	0.03	0.03	0.04									
	Surface (river, lake)		million m <sup>3</sup>	-	-	-									
	Ocean or sea		million m <sup>3</sup>	-	-	-									
	Off-site treatment		million m <sup>3</sup>	0.01	0.03	0.04								UNCTAD 12.5.1	
	Active quarry sites with biodiversity issues	1		-	-	-								EP08L	
	Active quarry sites with biodiversity management plans	1		-	-	-			SDG 15 Targets 15.3, 15.4 and 15.4*					EP09L	
	Active quarry sites with biodiversity management plans		%	-	-	-								EP10L	
	Sites with quarry rehabilitation plans	1, 6	%	60.0	60.0	75.0								EP11L	
	Quarry land areas rehabilitated from total impacted (cumulative)	1, 2	%	-	-	-				SDG 7 Target 7.2*				EP12L	
	Active quarry sites (wholly owned) with Environmental Management System (ISO14001 or similar)	75	%	80.0	80.0	75.0								EP13L	
	Impact on energy resources	Thermal energy consumption (total)		TJ	8,274	9,459	12,100			SDG 7 Target 7.2*					EP14L
		Electrical energy consumption (total)		TJ	1,101	1,316	1,492								EP15L

LOCAL IMPACTS

FUELS AND ENERGY

2. Cement Activities - Environmental Performance (acc. to the Sectoral Approach adopted by TITAN)

KEY PERFORMANCE INDICATORS (KPIs)		Notes	Units	2018	2019	2020	2021	SDGs & Targets	GCCA	UNGC	UNCTAD	CODES	COMMENTS
CLIMATE CHANGE	Impact on Green House Gas Emissions												
	Specific gross direct CO <sub>2</sub> emissions (Scope 1)		kg/Cementitious Product	729.6	722.0	729.6	733.0					EP16L	
	Specific gross direct CO <sub>2</sub> emissions (Scope 1)		kg/Cementitious Product	708.9	702.4	708.9	748.6	"SDG 9 Target 9.4"				EP17L	
CLIMATE CHANGE	Alternative fuels and materials												
	Indirect CO <sub>2</sub> emissions (Scope 2, total)	3	million t	0.15	0.16	0.21						EP18L	UNCTAD 9.4.1
	Alternative fuel substitution rate		%Heat Basis	11.5	13.0	6.7						EP19L	UNCTAD 7.2.1
	Biomass in fuel mix	4	%Heat Basis	3.24	4.7	3.3						EP20L	UNCTAD 7.2.1
CLIMATE CHANGE	Impact on energy resources												
	Clinker to cement ratio		%	85.333	85.990	87.280		"SDG 7 Targets 7.2, 7.3 and 7.4				EP21L	
	Thermal energy consumption												
	Cement and grinding plants and attached quarries		TJ	8,774	9,459	12,089		"SDG 12 Target 12.4"				EP22L	
CLIMATE CHANGE	Impact on energy resources												
	Alternative fuels consumption (total)		t	47,169	74,007	65,570						EP23L	
	Electrical energy consumption (total)												
	Comort plants and attached quarries		GWh	305.4	337.5	494.4						EP24L	
CLIMATE CHANGE	Impact on natural raw materials resources												
	Materials consumption (total, dry)		million t	4.1	4.5	5.6						EP25L	
	Dorated (natural) raw materials consumption (dry)		million t	4.0	4.4	5.5							
	Alternative raw materials consumption (dry)		million t	0.1	0.1	0.1		"SDG 12 Target 12.2"					
CLIMATE CHANGE	Impact on water resources												
	Alternative raw materials use (of total raw materials consumed)		%Dry	2.3	2.5	1.4							
	Alternative raw materials rate (based on clinker-to-cement (equivalent) factor)		%Dry	2.6	2.5	1.5						EP26L	
	Water consumption (total)		million m <sup>3</sup>	0.6	0.7	0.9		"SDG 6 Targets 6.4 and 6.5"				EP27L	
LOCAL IMPACTS	Impact on water resources												
	Water recycled (total)	2	million m <sup>3</sup>	4.7	4.2	6.2						EP28L	
	Coverage rate continuous measurement		%	100.0	100.0	100.0		"SDG 3 Target 3.9				EP29L	
	Specific dust emissions		g/Clinker	39.2	22.9	22.1		"SDG 9 Target 9.4"				EP30L	
LOCAL IMPACTS	Specific NOx emissions		g/Clinker	1,407.4	1,278.5	1,517.1						EP31L	
	Specific SOx emissions		g/Clinker	55.3	29.2	53.7						EP32L	

3. All Activities - Disclosures concerning materials, fuels and wastes

Impact on fuels and energy resources	KEY PERFORMANCE INDICATORS (KPIs)	Notes	Units	2020	2019	2018	TITAN REPORTING STANDARDS			COMMENTS
							SDG 8 Targets	GCCA	UNGC	
CLIMATE CHANGE	Fuel mix, energy consumption for clinker and cement production		%Heat Basis	100.0	100.0	100.0				
	Conventional fossil fuels		%Heat Basis	88.5	88.0	93.3				EP71K, EP74L
	Coal, anthracite, and waste coal		%Heat Basis	40.0	51.7	12.8				
	Petrol coke		%Heat Basis	48.0	35.1	79.4				
	Lignite		%Heat Basis	-	-	-				
	Other solid fossil fuel		%Heat Basis	-	-	-				
	Natural gas		%Heat Basis	-	-	0.1				
	Heavy fuel (Ultra)		%Heat Basis	-	0.3	0.5				
	Diesel oil		%Heat Basis	0.5	1.0	0.6				
	Gasoline, LPG (Liquefied petroleum gas or liquid propane gas)		%Heat Basis	-	-	-				
	Alternative fossil and mixed fuels		%Heat Basis	11.4	11.9	6.7				
	Tires		%Heat Basis	2.9	2.0	-				
	RF including planks		%Heat Basis	4.7	7.8	3.2				
	Impregnated saw dust		%Heat Basis	-	-	-				
	Mixed industrial waste		%Heat Basis	3.8	2.1	2.8				
Other fossil based and mixed wastes (solid)		%Heat Basis	-	-	0.7					
LOCAL IMPACTS	Biomass fuels		%Heat Basis	0.1	0.1	-				EP76L
	Dried sewage sludge		%Heat Basis	0.1	0.1	-				
	Wood, non-impregnated saw dust		%Heat Basis	-	-	-				
	Agricultural, organic, sludge wastes, charcoal		%Heat Basis	-	-	-				
	Other		%Heat Basis	-	-	-				
	Waste disposal (total, wet)		£	8,963	8,057	11,928				UNCTAD 12.4.2 and 12.5
	Non-hazardous waste		£	8,854.2	7,982.6	11,827.0				
	Hazardous waste		£	108.8	74.1	101.5				
	Waste disposal, break down by destination-usage (wet)		%By mass	100.0	100.0	100.0				
	Re-use		%By mass	-	-	18.3				
	Recycled		%By mass	76.4	67.4	23.3				
	Recovered (including energy recovery)		%By mass	4.7	-	0.0				
	Incineration		%By mass	-	-	-				
	Landfilled		%By mass	18.9	12.6	61.6				
	Other (incl. storage)		%By mass	-	0.0	0.2				

4. All Activities - Investments for the Environment

KEY PERFORMANCE INDICATORS (KPIs)	Notes	Units	SDGs & Targets				TITAN REPORTING STANDARDS			COMMENTS
			2018	2019	2020	2021	GCCA	UNGC	UNCTAD	
Environmental expenditures across all activities	5	million EGP	103.5	62.3	36.9		●	●	●	UNCTAD 7.b.1
Environmental management		million EGP	34.4	25.2	23.4	SDG 7 Target 7.b				
Reforestation		million EGP	0.9	0.0	0.8					
Rehabilitation		million EGP	3.0	3.0	1.8	SDG 9 Target 9.4*				
Environmental training and awareness building		million EGP	0.1	-	-					
Application of environmental friendly technologies		million EGP	55.9	31.0	4.5					
Waste management		million EGP	9.3	2.3	8.2					

Notes on standards, and guidance

- Standards: The reporting standards under TITAN's Global Sectoral Approach, namely GCCA, UNGC, and UNCTAD.
- Guidance: TITAN follows the GCCA Sustainability Framework Guidelines, and the Sustainability Guidelines for the monitoring and reporting of: CO<sub>2</sub> emissions from cement manufacturing, processing fuels and raw materials, monitoring and reporting of emissions, monitoring and reporting of water in cement manufacturing, and quarry rehabilitation and biodiversity management (for all documents the reference is the latest edition of 2019 or 2020). The above Guidelines had superseded in 2020 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. More information is presented in ESG Performance Statements chapter in
- Table 5- Sector Standards For Non-Financial Disclosures.

Notes for specific Environmental Performance indicators

- Coverage includes both quarries attached to cement plants and quarries for aggregate production.
- New indicators
  - Quarry land areas rehabilitated from total impacted (cumulative)
  - Coverage includes all quarries under TITAN management control. This KPI is calculated as the percentage of the impacted/disturbed quarry areas that has been rehabilitated (total and cumulative), aggregated at business unit level. Under TITAN approach, this KPI is complementary to the KPIs under the topic of impact on biodiversity and land stewardship in this Table, namely: "Sites with quarry rehabilitation plans" and "Active quarry sites with biodiversity management plans". Data disclosing started in 2020.
  - Water recycled (total)
- This KPI is calculated in line with GCCA Sustainability Guidelines for the monitoring and reporting of water in cement manufacturing.
- Indirect CO<sub>2</sub> 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.
- Biomass rate corresponds to the percentage of total thermal energy consumption that comes from renewable energy sources.
- The definition of Environmental expenditures across all activities is equivalent to the definition of Green Investment. See 'Glossary'.
- Starting with 2020, TITAN Egypt does not have the management control of the quarries that operates. As a result, we do not have the authorization to implement any rehabilitation plan. This will be reflected in the index starting with 2021.

### TABLE 3-: SOCIAL PERFORMANCE INDEX

The tables 3.1, 3.2, 3.3 and 3.4 include social performance indicators related to health and safety, employment, people development and stakeholder engagement.

**TABLE 3.1- HEALTH AND SAFETY PERFORMANCE INDICATORS INDEX**

KEY PERFORMANCE INDICATORS (KPIs)	Notes	2020	2019	2018	SDGs & Targets	TITAN REPORTING STANDARDS				COMMENTS
						GCCA	UNGC	UNCTAD	CODES	
All activities performance acc. to the TITAN Global Sectoral Approach										
Employee fatalities		-	-	-		●	●	●	SP08L	UNCTAD 8.8.1
Employee fatality rate		-	-	-	SDG 3 Targets 3.6 and 3.8	●	●	●	SP02L	UNCTAD 8.8.1
Contractors fatalities		1.00	-	-		●	●	●	SP08L	UNCTAD 8.8.1
Third-party fatalities		-	-	-		●	●	●	SP04L	UNCTAD 8.8.1
Employee Lost Time Injuries (LTIs)		-	-	-	SDG 4 Target 4.3	●	●	●	SP05L	UNCTAD 8.8.1
Employee Lost Time Injuries Frequency Rate (LTIFR)		-	-	-		●	●	●	SP06L	UNCTAD 8.8.1
Employee lost working days		-	-	-	SDG 8 Target 8.8*	●	●	●	SP07L	UNCTAD 8.8.1
Employee Lost Time Injuries Severity Rate		-	-	-		●	●	●	SP08L	UNCTAD 8.8.1
Contractors Lost Time Injuries (LTIs)		-	-	3.00		●	●	●	SP09L	UNCTAD 8.8.1
Contractors Lost Time Injuries Frequency Rate (LTIFR)		-	-	0.72		●	●	●	SP06L	UNCTAD 8.8.1
All activities performance leading indicators										
Near misses	1	92.00	398	166			●		SP01L	
Training man-hours on health and safety per employee	2	4.23	16.2	13.5			●	●	SP02L	
Training man-hours on health and safety per contractor	7	14.01	4.05	15.21			●	●	SP03L	
Expenditures for employee health and safety (EGP)	3 & 6	10,650,730	n/a	n/a			●	●	SP04L	UNCTAD 3.8, and 8.8

**TABLE 3.2- EMPLOYMENT PERFORMANCE INDICATORS INDEX**

KEY PERFORMANCE INDICATORS (KPIs)	Notes	2020	2019	2018	SDGs & Targets	TITAN REPORTING STANDARDS				COMMENTS
						GCCA	UNCC	UNCTAD	CODES	
Number of employees as of 31 December		472	480	492					SP15L	
Employee turnover (%)		3.39%	4.38%	6.50%			●		SP16L	
Employees left		16	21	32			●		SP17L	
Employee new hires (%)		1.69%	3.54%	3.25%			●		SP18L	
Employee new hires		8	17	16			●		SP19L	
New hires per age group							●		SP20L	
Under 30		2	7	9	*SDG 5 Targets: 5.1, 5.4, and 5.5		●			
Between 30-50		6	6	6						
Over 50		-	4	1						
New hires per gender									SP21L	
Females		-	3	3	SDG 8 Targets: 8.5, 8.6, and 8.8		●			
Males		8	14	13						
Employment per age group	4						●		SP22L	
Under 30		22	25	30	SDG 10 Target 10.3					
Between 30-50		277	305	343						
Over 50		173	150	119						
Employment per type	4					●	●		SP23L	
Full time		472	480	504		●				
Part Time		-	-	-		●				
Temporary		-	-	-		●				
Employment per category	4					●	●		SP24L	
Senior managers		7	7	7		●				
Managers		62	64	29						
Administration/technical		199	202	206						
Semi skilled/unskilled		204	207	264						
Employment per gender	4						●		SP25L	
Females		25	27	29						
Males		447	453	475						
Share of women in employment (%)	4	5.30%	5.63%	5.79%			●		SP26L	
Share of women in management (%)	4	11.5%	11.27%	8.33%			●	●	SP27L	UNCTAD 5.5.2
Share of women in Senior Management (%)	4	0.00%	0.00%	14.29%			●	●	SP28L	UNCTAD 5.5.2
Employees from local community (%)	4	89.41%	88.96%	88.69%			●		SP29L	
Unionized employees (%)		60.59%	60.00%	61.18%			●		SP30L	

Table 3.3-PEOPLE DEVELOPMENT PERFORMANCE INDICATORS INDEX

KEY PERFORMANCE INDICATORS (KPIs)	Notes	2020	2019	2018	TITAN REPORTING STANDARDS				COMMENTS	
					SDGs & Targets	CCCA	UNCC	UNCTAD		CODES
Training investment per employee (EGP)	4 5 6	1,051	3,445	7,355			●	●	SP31L	UNCTAD 4.3.1
Training investment per gender (EGP)	4 5 6	395,330	1,391,818	2,920,105			●	●	SP32L	UNCTAD 4.3.1
Females		37,830	103,353	100,450						
Males		357,499	1,288,465	2,819,656						
Trained employees	4	376	404	397			●		SP33L	
Share of trained employees (% in total workforce)	4	79.66%	84.17%	79.00%			●		SP34L	
Share of trained female employees (% in total female employees)	4 5	100.00%	100.00%	82.76%	SDG 4 Targets: 4.3, 4.4, and 4.5		●		SP35L	
Trained employees per category	4						●		SP36L	
Senior managers		7	4	7						
Managers		61	64	38						
Administration/technical		190	192	167	SDG 5 Targets: 5.1, and 5.5					
Semi skilled/unskilled		118	144	185						
Trained employees per age group							●		SP37L	
Under 30		23	24	36						
Between 30-50		248	267	276						
Over 50		105	113	85	SDG 8 Target 8.5					
Training hours	4	4,702	16,664	13,754			●	●	SP38L	UNCTAD 4.3.1
Average training hours per employee (over the total number of direct employees), and breakdown per gender	4	10	35	27			●	●	SP39L	UNCTAD 4.3.1
average female			44	25	SDG 10 Target: 10.2, and 10.3					
average male			34	27						
Training hours per subject	4 5						●		SP40L	
Company Onboarding		-	-	n/a						
Compliance		367	-	-	SDG 16; Target 16.5*				●	UNCTAD 16.5.2
CSR & Sustainability		32	22	-					●	UNCTAD 16.5.2
Digital		272	1,912	n/a						
Environment		-	18	44						
Foreign Languages		324	392	288						
Functional Competence		900	113	1,276						
Generic Competence		182	-	-						
Health & Safety		2,015	7,767	6,786						
Managerial skills		236	5,597	4,097						
Other (Including LinkedIn Learning courses)		146	58	-						
Security		-	-	240						
Technical know-how		229	786	1,023						

**TABLE 3.4- STAKEHOLDER ENGAGEMENT PERFORMANCE INDICATORS INDEX**

KEY PERFORMANCE INDICATORS (KPIs)	Notes	2020	2019	2018	SDGs & Targets	TITAN REPORTING STANDARDS				COMMENTS
						GCCA	UNGC	UNCTAD	CODES	
Donations (EGP)	6	6,395,134	10,676,434	8,926,998	SDG 2 Targets 2.1, and 2.3 SDG 4		●	●	SP41L	UNCTAD 17.12.1
Donations in cash (EGP)		5,510,134	10,196,993	8,389,004	Targets: 4.1, and 4.4 SDG 8		●	●	SP42L	UNCTAD 17.12.1
Donations in kind (EGP)		1,086,000	479,441	537,994	Targets: 8.5, and 8.6 SDG 9		●	●	SP43L	UNCTAD 17.12.1
Internships		157	145	222	Targets: 9.1, and 9.5 SDG 11		●		SP44L	
New entry level jobs from internships/traineeships		0	2	1	Target 11.4 SDG 16		●		SP45L	
Local Spend (%)	6	79.02%	79.31%	n/a	Target 17.10* SDG 9; Target 9.3		●	●	SP46L	UNCTAD 9.3.1

**Notes on standards, and guidance**

- Standards: The reporting standards under TITAN’s Global Sectoral Approach, namely GCCA, UNGC, and UNCTAD.
- Guidance: TITAN follows the GCCA Sustainability Framework Guidelines, and the Sustainability Guidelines for the monitoring and reporting of safety in cement and concrete manufacturing (last edition in February 2020). This document has been agreed within the GCCA to have extended application to concrete and other related activities. More information is presented in ESG Performance Statements chapter in Table 5- Sector Standards For Non-Financial Disclosures.

**Notes for specific Social Performance indicators**

1- The reported figures of ‘Near misses’ are the total figures for both direct employee and contractors. This is should be clear to all involved in the Social Performance, and in conjunction with the last revised and communicated Guidance by the Group Corporate department for Health and Safety.

2-The KPI was calculated for closing of the reporting period 2020 in accordance with the practice for all safety data, being the use of average employment (see Note 3). This is consistent with all years prior to 2020.

Relevant information is not available for the specific years denoted as n/a.

In specific for the new KPI “Expenditures for Health and Safety”: TITAN launched a Group-level approach and methodology for the first time in 2020, following the UNCTAD “Guidance on Core indicators for entity reporting on the contribution towards the attainment of the Sustainable Development Goals” (2019), and building on bench strength and the technical capacity of internal systems. The efforts were coordinated by the Group Health & Safety department, and the project was rolled-out in all business units across the Group with consistent rules. Data collection covered 4 categories of expenditures: (1) Consumables (PPEs etc.), (2) Training on Occupational health and safety, and awareness building, (3) Facilities (spend in infrastructure), and (4) health and safety management. The information was secured with the use of the Group internal data collection system. Comparable figures for this KPI are not available for years before 2020.

3- 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.

4- KPIs calculated on the basis of Average number of Employees for year 2018. As of 2019, the specific KPIs are calculated on the basis of the Number of employees as of 31 December.

5- KPIs based on the new definition of TITAN Group (according to the Sustainability Glossary & Guidelines for Social Performance, ed. 2019). The figures for the KPI Share of trained female employees and KPI Training hours per subject were adjusted by re-calculation for years before 2019, in order to reflect the performance according to the new definition. Figures for the KPI Share of trained female employees in total female employees which were calculated above 100% (because of the turnover for females, or other reasons) needed to be reported as 100%.

6- For the definitions of Expenditures for employee health and safety, Training Investment, Donations, and Local Spend.

Note in specific for the Local Spend: 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 (coordinated by the Group Procurement). It is implied that comparable figures for the Local Spend were not available for years before 2019.

TABLE 4 – TITAN REPORTING STANDARDS FOR THE  
 ESG PERFORMANCE DISCLOSURES IN 2020

Areas of ESG Performance	Reporting Standards		
	GCCA	UNGC	UNCTAD
<b>Environment (connection with KPIs in Table 2)</b>			
<b>Local Impacts</b>			
Impact on natural raw materials resources		●	●
Impact on water resources	●	●	●
Impact on biodiversity and land stewardship	●	●	
Management of waste		●	●
Impact on fuels and energy resources	●	●	●
<b>Climate Change</b>			
Impact on green house gas emissions	●	●	●
Alternative fuels and materials	●	●	●
Impact on energy resources	●	●	●
<b>Investments for the Environment (Green Investment)</b>			
<b>Social (connection with KPIs in Tables 3.1, 3.2, 3.3 and 3.4)</b>			
<b>Health and Safety</b>	●	●	●
<b>Employment</b>		●	●
<b>People Development</b>		●	●
<b>Stakeholder Engagement</b>		●	●
<b>References to TITAN Egypt Global Compact Communication on Progress Review (connection with Table 11)</b>			

**TITAN Egypt as a subsidiary of TITAN Group is using the following standards in reporting ESG:**

**Global Cement and Concrete Association (GCCA)**

TITAN follows the GCCA Sustainability Framework Guidelines, and the Sustainability Guidelines for the monitoring and reporting of: safety in cement and concrete manufacturing, CO<sub>2</sub> emissions from cement manufacturing, co-processing fuels and raw materials, monitoring and reporting of emissions, monitoring and reporting of water in cement manufacturing, and quarry rehabilitation and biodiversity management (for all documents the reference is to last edition in 2019 or 2020). The above Guidelines had superseded in 2020 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. For the Sector standards see details in Table 4.1.

**United Nations Global Compact (UNGC)**

TITAN follows the reporting requirements for meeting the criteria of the UN Global Compact relating to a Communication on Progress (COP). See details in Table 7.

**United Nations Conference on Trade and Development (UNCTAD)**

TITAN has adopted under its reporting framework the applicable KPIs according to the Guidance of the United Nations – UNCTAD “Guidance on Core indicators for entity reporting on the contribution towards the attainment of the Sustainable Development Goals” (latest publication in 2019), as supplementary to the above Reporting Standards GCCA and UNGC.

More details is presented in Management Report chapter in TITAN’s Approach to ESG Performance Disclosures.

**TABLE 4.1 – SECTOR STANDARDS FOR ESG DISCLOSURES**

Sector Association or Initiative	Guidelines and other documents of reference	Published
<b>GCCA</b>	Sustainability Charter	
	Sustainability Framework Guidelines	
	Sustainability Guidelines for the monitoring and reporting of safety in cement and concrete manufacturing. This document has been agreed within the GCCA to have extended application to concrete and other related activities [Pillar 1]	
	Sustainability Guidelines for the monitoring and reporting of CO <sub>2</sub> emissions from cement manufacturing [Pillar 2]	
	Sustainability Guidelines for the monitoring and reporting of water in cement manufacturing [Pillar 4]	Latest edition in 2019 or 2020
	Sustainability Guidelines for the monitoring and reporting of emissions from cement manufacturing [Pillar 4]	
	Sustainability Guidelines for co-processing fuels and raw materials in cement manufacturing [Pillar 5]	
<b>(Previously) WBCSD/CSI</b>	Sustainability Guidelines for quarry rehabilitation and biodiversity management [Pillar 4]	
	Guidelines for Environmental and Social Impact Assessment (ESIA)	2016
	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.

TITAN was actively participant in five (5) Working Groups under the framework of activities of the GCCA in 2020: WG1. Health and safety in the cement and concrete industries, WG2. Thought leadership and policy for cement and concrete, WG4. 2050 concrete roadmap, WG5. Innovation in cement and concrete, and WG6. Good practices and benchmarking.

## POLICIES AND MANAGEMENT SYSTEMS OF TITAN EGYPT RELATED TO ESG

The tables 5 and 6 include ESG performance statements for governance covering TITAN Egypt policies and management systems.

**TABLE 5: TITAN EGYPT POLICIES**

TITAN Group policies	TITAN Egypt local policies
<ul style="list-style-type: none"> <li>• Performance Appraisal Policy</li> <li>• Resignation Policy</li> <li>• Training Policy</li> <li>• Termination Policy</li> <li>• Internship Policy</li> <li>• Employment Relations Policy</li> <li>• Weapons Policy</li> <li>• Outside Employment Policy</li> <li>• Personal Integrity and Ethics Policy</li> <li>• Attendance Policy</li> <li>• Conflict of Interest Policy</li> <li>• Overtime Policy</li> <li>• Gifts and Gratuities Policy</li> <li>• Accommodation and Travel Policy</li> <li>• Product and Marketing Integrity Policy</li> <li>• Benefits Policies</li> <li>• Professional Conduct Policy</li> <li>• Ad-Hoc Advances Policy</li> <li>• IT Third Party Access Policy</li> <li>• Summer Resorts Policy</li> <li>• Health and Safety Vision Policy</li> <li>• Savings Plan Policy</li> <li>• Government Contracting and Relations with Government Employees Policy</li> <li>• Equal Opportunities Policy</li> <li>• Recruitment Policy</li> <li>• Pre-Employment Policy</li> <li>• First Employment Policy</li> <li>• Problem Resolution and Grievance Policy</li> </ul>	<ul style="list-style-type: none"> <li>• Anti-Bribery and Corruption Policy</li> <li>• Code of Conduct</li> <li>• Code of Conduct for Procurement</li> <li>• Human Rights Policy</li> <li>• People Management Framework</li> <li>• Corporate Social Responsibility Policy</li> <li>• Occupational Health &amp; Safety Policy and Guidelines</li> <li>• Environmental and Climate Mitigation Strategy</li> <li>• Conflict of Interest Policy</li> <li>• Whistleblowing Policy</li> <li>• Social Media Strategy for Employees</li> </ul>

**TABLE 6 – MANAGEMENT SYSTEMS RELATED TO ESG PERFORMANCE**

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 45001 by Russian Register Middle East. In 2020, TITAN Egypt successfully passed the regular annual surveillance ISO audit in safety, quality, and environment.

<b>Beni Suef Cement Company certificate</b>	<b>Description</b>	<b>Registration #</b>	<b>Issued on</b>	<b>Valid till</b>
ISO 9001:2015	Quality Management System	12 100 56957 TMS	27/11/2018	26/11/2021
ISO 14001:2015	Environment Management System	12 104 56957 TMS	27/11/2018	26/11/2021
ISO 45001: 2018	Occupational Health and Safety	12 116 56957 TMS	27/11/2018	11/03/2021

<b>Alexandria Portland Cement Company certificate</b>	<b>Description</b>	<b>Registration #</b>	<b>Issued on</b>	<b>Valid till</b>
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

## REVIEW OF PROGRESS FOR THE UNGC TEN PRINCIPLES

The contents of TITAN Egypt’s 2020 Sustainability Report also serve as a progress report on implementation of the ten principles of the UNGC and the Sustainable development goals (SDGs). To provide information on TITAN Egypt’s contribution to sustainable development, since 2015, TITAN Egypt has communicated its performance to stakeholders aligned with SDGs 2030 and codified key performance indicators ESG Performance Statements. TITAN Egypt follows the framework of the UNGC Global Compact Communication (UNGC CoP) Criteria Advanced Level for the below Table ‘Review on Progress’, in adherence to the Ten Principles of the UNGC. This Review on Progress is integral part of the ESG Performance Statements.

**TABLE 7- 2020 TITAN EGYPT REVIEW ON PROGRESS FOR THE UNGC TEN PRINCIPLES**

UNGC Scope	UNGC principle(s)	Criteria for Global Compact advanced level	TITAN Egypt policies / approach	TITAN Egypt references
IMPLEMENTING THE TEN PRINCIPLES INTO STRATEGIES AND OPERATIONS		<p><b>Criterion 1</b> The CoP describes mainstreaming into corporate functions and business units.</p> <p><b>Criterion 2</b> The CoP describes value chain implementation.</p>	<p><b>TITAN Egypt Policies:</b></p> <ol style="list-style-type: none"> <li>1.TITAN Group Values</li> <li>2.TITAN Group Code of Conduct.</li> <li>3.TITAN Group Human Rights Policy.</li> <li>4.TITAN Group Occupational Health and Safety Policy.</li> <li>5.TITAN Group Environmental Policy and Climate Mitigation Strategy.</li> <li>6.TITAN Group Anti-Corruption and Bribery.</li> </ol> <p><b>TITAN Egypt Approach:</b> TITAN Egypt’s commitment to responsible business is embedded into governing objective and</p>	<p><b>TITAN EGYPT 2020 SUSTAINABILITY REPORT:</b></p> <p>Message from the CEO</p> <p>One Governing Objective, and a Set of Strong Values</p> <p>Corporate governance statement</p> <p>Risk management</p> <p>ESG performance review</p> <p>ESG performance statements:</p> <p>Table 1: Value Creation Core Indicators Index</p> <p>Table 2: Environmental Performance Index</p> <p>Table 3-: Social Performance Index</p> <p>Table 3.1: Health and Safety Performance Index</p> <p>Table 3.2: Employment Performance Index</p> <p>Table 3.3: People Development Performance Index</p> <p>Table 3.4: Stakeholder Engagement Performance Index</p> <p>Table 4 - TITAN Reporting Standards for the ESG Performance Disclosures In 2020</p> <p>Table 4.1 - Sector Standards for ESG Disclosures</p> <p>Table 5: TITAN Egypt Policies</p> <p>Table 6 - Management Systems Related to ESG Performance</p> <p><b>TITAN GROUP WEBSITE:</b></p> <p>Group Policies: <a href="https://www.titan-cement.com/about-us/corporate-governance/group-policies/">https://www.titan-cement.com/about-us/corporate-governance/group-policies/</a></p>

UNGC Scope	UNGC principle(s)	Criteria for Global Compact advanced level	TITAN Egypt policies / approach	TITAN Egypt references
HUMAN RIGHTS MANAGEMENT POLICIES & PROCEDURES	<p><b>Principle 1</b> Businesses should support and respect the protection of internationally proclaimed human rights.</p> <p><b>Principle 2</b> Businesses should make sure they are not complicit in human rights abuses.</p>	<p><b>Criterion 3</b> The CoP describes robust commitments, strategies or policies in the area of human rights.</p> <hr/> <p><b>Criterion 4</b> The CoP describes effective management systems to integrate the human rights principles.</p> <hr/> <p><b>Criterion 5</b> The CoP describes effective monitoring and evaluation mechanisms of human rights integration.</p>	<p><b>•TITAN Egypt Policies:</b> 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> <p>TITAN Group Human Rights Policy (updated in 2020) is in line with the UN Guiding Principles on Business and Human Rights (2011). The policy explicitly addresses the provisions of the International Bill of Human Rights (consisting, in addition to the Universal Declaration of Human Rights), of the International Covenant on Economic, Social and Cultural Rights) and the principles concerning fundamental rights set out in the International Labor Organization’s declaration on Fundamental Principles and Rights at Work.</p> <p><b>•TITAN Egypt Approach:</b> TITAN Egypt’s sets as priority continuous improvement for our performance and addressing our stakeholders material issues.</p>	<p><b>TITAN EGYPT 2020 SUSTAINABILITY REPORT:</b></p> <p>Message from the CEO One Governing Objective, and a Set of Strong Values Corporate governance statement Risk management ESG performance review</p> <p>ESG performance statements: Table 2: Environmental Performance Index Table 3--: Social Performance Index Table 3.1: Health and Safety Performance Index Table 3.2: Employment Performance Index Table 3.3: People Development Performance Index Table 3.4: Stakeholder Engagement Performance Index Table 4 – TITAN Reporting Standards for the ESG Performance Disclosures In 2020 Table 4.1 – Sector Standards for ESG Disclosures Table 5: TITAN Egypt Policies Table 6 – Management Systems Related to ESG Performance</p> <p><b>TITAN GROUP WEBSITE:</b> Group Policies: <a href="https://www.titan-cement.com/about-us/corporate-governance/group-policies/">https://www.titan-cement.com/about-us/corporate-governance/group-policies/</a></p>

UNGC Scope	UNGC principle(s)	Criteria for Global Compact advanced level	TITAN Egypt policies / approach	TITAN Egypt references
ROBUST LABOR MANAGEMENT POLICIES & PROCEDURES	<p><b>Principle 3</b> Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining</p> <p><b>Principle 4</b> The elimination of all forms of forced and compulsory labor</p> <p><b>Principle 5</b> The effective abolition of child labor</p> <p><b>Principle 6</b> The elimination of discrimination in respect of employment and occupation</p>	<p><b>Criterion 6</b> The CoP describes robust commitments, strategies or policies in the area of labor.</p> <p><b>Criterion 7</b> The CoP describes effective management systems to integrate the labor principles.</p> <p><b>Criterion 8</b> The CoP describes effective monitoring and evaluation mechanisms of labor principles.</p>	<p><b>TITAN Egypt Policies:</b></p> <ol style="list-style-type: none"> <li>1.TITAN Group Values.</li> <li>2.TITAN Group Code of Conduct.</li> <li>3.TITAN Group Code of Conduct for Procurement.</li> <li>4.TITAN Group CSR Policy</li> <li>5.TITAN Group Human Rights Policy.</li> <li>6.TITAN People Management Framework.</li> <li>7.TITAN Group Occupational Health and Safety Policy and guidelines.</li> <li>8.TITAN Group Anti-Bribery and Corruption policy.</li> <li>9.TITAN Egypt’s Policies.</li> </ol> <p><b>TITAN Egypt Approach:</b></p> <ol style="list-style-type: none"> <li>1.TITAN Egypt’s offers to employees additional benefits for employees above local legal requirements.</li> <li>2.TITAN Egypt’s sets as priority continuous improvement for our performance and addressing our stakeholders material issues.</li> </ol>	<p><b>TITAN EGYPT 2020 SUSTAINABILITY REPORT</b></p> <p>Message from the CEO</p> <p>One Governing Objective, and a Set of Strong Values</p> <p>Materiality assessment and stakeholder engagement</p> <p>Corporate governance statement</p> <p>Risk management</p> <p>ESG performance review</p> <p>ESG performance statements:</p> <p>Table 1: Value Creation Core Indicators Index</p> <p>Table 3-: Social Performance Index</p> <p>Table 3.1: Health and Safety Performance Index</p> <p>Table 3.2: Employment Performance Index</p> <p>Table 3.3: People Development Performance Index</p> <p>Table 3.4: Stakeholder Engagement Performance Index</p> <p>Table 4 – TITAN Reporting Standards for the ESG Performance Disclosures In 2020</p> <p>Table 4.1 – Sector Standards for ESG Disclosures</p> <p>Table 5: TITAN Egypt Policies</p> <p>Table 6 – Management Systems Related to ESG Performance</p> <p><b>TITAN GROUP WEBSITE:</b></p> <p>Group Policies:  <a href="https://www.titan-cement.com/about-us/corporate-governance/group-policies/">https://www.titan-cement.com/about-us/corporate-governance/group-policies/</a></p>

UNGC Scope	UNGC principle(s)	Criteria for Global Compact advanced level	TITAN Egypt policies / approach	TITAN Egypt references
ROBUST ENVIRONMENTAL MANAGEMENT POLICIES AND PROCEDURES	<p><b>Principle 7</b> Business should support a precautionary approach to environmental challenges.</p> <p><b>Principle 8</b> Undertake initiatives to promote greater environmental responsibility; and</p> <p><b>Principle 9</b> Encourage the development and diffusion of environmentally friendly technologies.</p>	<p><b>Criterion 9</b> The CoP describes robust commitments, strategies or policies in the area of environmental stewardship.</p> <hr/> <p><b>Criterion 10</b> The CoP describes effective management systems to integrate the environmental principles.</p> <hr/> <p><b>Criterion 11</b> The CoP describes effective monitoring and evaluation mechanisms for environmental stewardship.</p>	<p><b>TITAN Egypt Policies:</b> 1.TITAN Group Values. 2.TITAN Group Code of Conduct. 3.TITAN Group Corporate Social Responsibility Policy. 4.TITAN Group Environmental Policy.</p> <p><b>TITAN Egypt Approach:</b> 1.As a subsidiary of TITAN Group, TITAN Egypt’s 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’s complies with standards above local legal requirements. 4.TITAN Egypt’s sets as priority continuous improvement for our performance and addressing our stakeholders material issues.</p>	<p><b>TITAN EGYPT 2020 SUSTAINABILITY REPORT</b></p> <p>Message from the CEO</p> <p>One Governing Objective, and a Set of Strong Values</p> <p>Delivering value for our stakeholders</p> <p>Materiality assessment and stakeholder engagement</p> <p>Corporate governance statement</p> <p>Risk management</p> <p>ESG performance review</p> <p>ESG performance statements: Table 2: Environmental Performance Index Table 4 – TITAN Reporting Standards for the ESG Performance Disclosures In 2020 Table 4 – TITAN Reporting Standards for the ESG Performance Disclosures In 2020 Table 4.1 – Sector Standards for ESG Disclosures Table 5: TITAN Egypt Policies Table 6 – Management Systems Related to ESG Performance</p> <p><b>TITAN GROUP WEBSITE:</b> Group Policies: <a href="https://www.titan-cement.com/about-us/corporate-governance/group-policies/">https://www.titan-cement.com/about-us/corporate-governance/group-policies/</a></p>

UNGC Scope	UNGC principle(s)	Criteria for Global Compact advanced level	TITAN Egypt policies / approach	TITAN Egypt references
ROBUST ANTI-CORRUPTION MANAGEMENT POLICIES AND PROCEDURES	<b>Principle 10</b> Business should work against corruption in all its forms, including extortion and bribery.	<p><b>Criterion 12</b> The CoP describes robust commitments, strategies, or policies in the area of anti-corruption.</p> <hr/> <p><b>Criterion 13</b> The CoP describes effective management systems to integrate the anti-corruption principle.</p> <hr/> <p><b>Criterion 14</b> The CoP describes effective monitoring and evaluation mechanisms for the integration of anti-corruption</p>	<p><b>TITAN Egypt Policies:</b></p> <ol style="list-style-type: none"> <li>1.TITAN Group Values.</li> <li>2.TITAN Group Code of Conduct.</li> <li>3.TITAN Group Anti-Bribery and Corruption Policy.</li> <li>4.TITAN Group Conflict of Interest Policy.</li> <li>5.TITAN Group Code of Conduct for Procurement.</li> <li>6.TITAN Egypt’s Policies.</li> </ol> <p><b>TITAN Egypt Approach:</b></p> <ol style="list-style-type: none"> <li>1.As a subsidiary of TITAN Group, TITAN EGYPT acknowledges the risk of bribery and corruption and accordingly endorsed the Global Compact collaborative efforts for the 10th principle.</li> <li>2.TITAN Egypt’s sets as priority continuous improvement for our performance and addressing our stakeholders material issues.</li> </ol>	<p><b>TITAN EGYPT 2020 SUSTAINABILITY REPORT</b></p> <p>Message from the CEO</p> <p>One Governing Objective, and a Set of Strong Values</p> <p>Corporate governance statement</p> <p>Risk management</p> <p>ESG performance review</p> <p>ESG performance statements:</p> <p>Table 3-: Social Performance Index</p> <p>Table 3.1: Health and Safety Performance Index</p> <p>Table 3.2: Employment Performance Index</p> <p>Table 3.3: People Development Performance Index</p> <p>Table 3.4: Stakeholder Engagement Performance Index</p> <p>Table 4 – TITAN Reporting Standards for the ESG Performance Disclosures In 2020</p> <p>Table 4.1 – Sector Standards for ESG Disclosures</p> <p>Table 5: TITAN Egypt Policies</p> <p>Table 6 – Management Systems Related to ESG Performance</p> <p><b>TITAN GROUP WEBSITE:</b></p> <p>Group Policies: <a href="https://www.titan-cement.com/about-us/corporate-governance/group-policies/">https://www.titan-cement.com/about-us/corporate-governance/group-policies/</a></p>

UNGC Scope	UNGC principle(s)	Criteria for Global Compact advanced level	TITAN Egypt policies / approach	TITAN Egypt references
TAKING ACTION IN SUPPORT OF BROADER UN GOALS AND ISSUES	The ten principles of the United Nations Global Compact	<p><b>Criterion 15</b> The CoP describes core business contributions to UN goals and issues.</p> <hr/> <p><b>Criterion 16</b> The CoP describes strategic social investments and philanthropy.</p> <hr/> <p><b>Criterion 17</b> The CoP describes advocacy and public policy engagement.</p> <hr/> <p><b>Criterion 18</b> The CoP describes partnerships and collective action.</p>	<p><b>TITAN Egypt Policies:</b></p> <ol style="list-style-type: none"> <li>1.TITAN Group Values.</li> <li>2.TITAN Group Code of Conduct.</li> <li>3.TITAN Group Code of Conduct for Procurement.</li> <li>4.TITAN Group CSR Policy</li> <li>5.TITAN Group Human Rights Policy.</li> <li>6.TITAN People Management Framework.</li> <li>7.TITAN Group Occupational Health and Safety Policy and guidelines.</li> <li>8.TITAN Group Anti-Bribery and Corruption policy.</li> <li>9.TITAN Egypt's Policies.</li> </ol> <p><b>TITAN Egypt Approach:</b></p> <ol style="list-style-type: none"> <li>1.TITAN Group was among the first 500 signatories of the UN Global Compact initiative and remains a participant.</li> <li>2.TITAN Group is also member of CSR Europe since 2004 and an elected Board member since 2019.</li> <li>3.TITAN Group is a core member of GCCA.</li> </ol>	<p><b>TITAN EGYPT 2020 SUSTAINABILITY REPORT</b></p> <p><b>Message from the CEO</b></p> <p>One Governing Objective, and a Set of Strong Values</p> <p>Delivering value for our stakeholders</p> <p>Materiality assessment and stakeholder engagement</p> <p>Corporate governance statement</p> <p>Risk management</p> <p>ESG performance review</p> <p>ESG performance statements:</p> <p>Table 2: Environmental Performance Index</p> <p>Table 3-: Social Performance Index</p> <p>Table 3.1: Health and Safety Performance Index</p> <p>Table 3.2: Employment Performance Index</p> <p>Table 3.3: People Development Performance Index</p> <p>Table 3.4: Stakeholder Engagement Performance Index</p> <p>Table 4 - TITAN Reporting Standards for the ESG Performance Disclosures In 2020</p> <p>Table 4.1 - Sector Standards for ESG Disclosures</p> <p>Table 5: TITAN Egypt Policies</p> <p>Table 6 - Management Systems Related to ESG Performance</p> <p><b>TITAN GROUP WEBSITE:</b></p> <p>Group Policies:  <a href="https://www.titan-cement.com/about-us/corporate-governance/group-policies/">https://www.titan-cement.com/about-us/corporate-governance/group-policies/</a></p>

UNGC Scope	UNGC principle(s)	Criteria for Global Compact advanced level	TITAN Egypt policies / approach	TITAN Egypt references
CORPORATE SUSTAINABILITY GOVERNANCE AND LEADERSHIP	The Ten principles of the United Nations Global Compact	<p><b>Criterion 19</b> The CoP describes CEO commitment and leadership.</p> <hr/> <p><b>Criterion 20</b> The CoP describes Board adoption and oversight.</p> <hr/> <p><b>Criterion 21</b> The CoP describes stakeholder engagement.</p>	<p><b>TITAN Egypt Policies:</b></p> <ol style="list-style-type: none"> <li>1.TITAN Group Values.</li> <li>2.TITAN Group Code of Conduct.</li> <li>3.TITAN Group Code of Conduct for Procurement.</li> <li>4.TITAN Group CSR Policy.</li> <li>5.TITAN Group Human Rights Policy.</li> <li>6.TITAN People Management Framework.</li> <li>7.TITAN Group Occupational Health and Safety Policy and guidelines.</li> <li>8.TITAN Group Anti-Bribery and Corruption policy.</li> <li>9.TITAN EGYPT Policies.</li> </ol> <p><b>TITAN Egypt Approach:</b></p> <ol style="list-style-type: none"> <li>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.</li> <li>2.TITAN Egypt’s sets as priority continuous improvement for our performance and addressing our stakeholders material issues.</li> </ol>	<p><b>TITAN EGYPT 2020 SUSTAINABILITY REPORT</b></p> <p>Message from the CEO</p> <p>One Governing Objective, and a Set of Strong Values</p> <p>Delivering value for our stakeholders</p> <p>Materiality assessment and stakeholder engagement</p> <p>Corporate governance statement</p> <p>Risk management</p> <p>ESG performance review</p> <p>ESG performance statements:</p> <p>Table 3-: Social Performance Index</p> <p>Table 3.1: Health and Safety Performance Index</p> <p>Table 3.2: Employment Performance Index</p> <p>Table 3.3: People Development Performance Index</p> <p>Table 3.4: Stakeholder Engagement Performance Index</p> <p>Table 4 - Titan Reporting Standards for the ESG Performance Disclosures In 2020</p> <p>Table 4.1 - Sector Standards for ESG Disclosures</p> <p>Table 5: Titan Egypt Policies</p> <p>Table 6 - Management Systems Related to ESG Performance</p> <p><b>TITAN GROUP WEBSITE:</b></p> <p>Group Policies:  <a href="https://www.titan-cement.com/about-us/corporate-governance/group-policies/">https://www.titan-cement.com/about-us/corporate-governance/group-policies/</a></p>

UNGC Scope	UNGC principle(s)	Criteria for Global Compact advanced level	TITAN Egypt policies / approach	TITAN Egypt references
BUSINESS AND PEACE	The Ten Principles of the United Nations Global Compact	<b>Criterion 22</b> The CoP describes policies and practices related to the Company's core business operations in high-risk conflict-affected areas stewardship	TITAN Egypt has no core business operations in areas identified as high-risk conflict affected.	<p><b>TITAN EGYPT 2020 SUSTAINABILITY REPORT</b></p> <p>Message from the CEO</p> <p>One Governing Objective, and a Set of Strong Values</p> <p>Delivering value for our stakeholders</p> <p>Materiality assessment and stakeholder engagement</p> <p>Corporate governance statement</p> <p>Risk management</p> <p>ESG performance review</p> <p>ESG performance statements:</p> <p>Table 5: TITAN Egypt Policies</p> <p>Table 6 - Management Systems Related to ESG Performance</p> <p><b>TITAN GROUP WEBSITE:</b></p> <p>Group Policies:  <a href="https://www.titan-cement.com/about-us/corporate-governance/group-policies/">https://www.titan-cement.com/about-us/corporate-governance/group-policies/</a></p>

## 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 at business unit level. 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 levels 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.

More details about governance, fighting bribery and corruption, ensuring fair competition, transparency and promotion of ethical behavior is presented in Management Report chapter in Governance, Transparency, and Ethics and ESG Performance Statements in tables 5 and 6 Titan Policies and Management Systems of Titan Egypt Related to ESG.

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).

During 2020, 367 compliance online training hours were dedicated to Group policies and related updates.

## DUE DILIGENCE AUDITS IN 2020

TITAN Egypt Internal Audit Department performed operational audits covering mainly ready-mix sales, goods-in-transit, payments without purchase orders and all payments performed through Alexandria Plant, as well as targeted reviews on areas where COVID-19 resulted in new risks or potentially weakened internal controls.

Separately and complementary to the above, TITAN Group Engineering and Technology (GET) has established other regular ESG audits for the areas of Health and Safety and Environment. In this respect, in 2020 the Group Engineering and Technology Health and Safety Department had audited and assessed our performance for Alexandria and Beni Suef cement plants and quarries.

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 2020. 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 Financials, similar to every year, an independent audit firm verified 2020 results.

## DATA COLLECTION AND VERIFICATION ON ANNUAL BASIS

The Environmental, Social and Governance (ESG) 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 Suef.

## GRIEVANCE MECHANISMS

TITAN Egypt has various channels in place available to cover grievances and complaints in different locations. All cases are investigated by the local management teams and are addressed accordingly. The Group also offers consultancy when

necessary. One of the grievances channels is the CSR Databank with a dedicated module for complaints from the local community as part of regular/annual reporting to the Group.

## SUPPLEMENTARY TABLES

TABLE 8: MEMBERSHIPS 2020

A membership is the company's paid participation in an organization, institution or network.

Memberships	Website
The Egyptian Financial Supervisory Authority (EFSA)	<a href="http://www.efsa.gov.eg">www.efsa.gov.eg</a>
The Egyptian Exchange (EGX)	<a href="http://www.egx.com.eg/rabic/homepage.aspx">www.egx.com.eg/ rabic/homepage.aspx</a>
Real Estate Publicity District and Documentation	-
General Authority for Investment and Free Zones (GAFI)	<a href="http://www.gafi.gov.eg">www.gafi.gov.eg</a>
Central Agency for Public Mobilization and Statistics (CAPMAS)	<a href="http://www.capmas.gov.eg">www.capmas.gov.eg</a>
Misr for Central Clearing, Depository and Registry (MCDR)	<a href="http://www.mcsd.com.eg">www.mcsd.com.eg</a>
Egyptian Chamber of Building Materials Industries - Federation of Egyptian Industries	<a href="http://www.fei.org.eg">www.fei.org.eg</a>
Cement Association- Federation of Egyptian Industries	
Energy Committee - Federation of Egyptian Industries	<a href="http://www.fei.org.eg">www.fei.org.eg</a>
Egyptian Businessmen Association (EBA)	<a href="http://www.eba.org.eg">www.eba.org.eg</a>
Industrial Committee - Egyptian Businessmen Association (EBA)	<a href="http://www.eba.org.eg">www.eba.org.eg</a>
Egyptian Environment Affairs Agency	<a href="http://www.eeaa.gove.eg">www.eeaa.gove.eg</a>
The American Chamber of Commerce	<a href="http://www.amcham.org.eg">www.amcham.org.eg</a>
Federation of Egyptian Industries (FEI) Mena Network for Global Business Network (GBN- International Labor Organization ILO) for Social Protection	<a href="http://www.fei.org.eg">www.fei.org.eg</a>

**TABLE 9: COOPERATIONS AND PARTICIPATIONS 2020**

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.

Cooperations	Website
The Safe Disposal of Bypass Dust by Using for Paving protocol of cooperation between Alexandria Portland Cement Company and Arab Contractors Company	-
Egyptian-Greek Business Council	-
Sustainability Center for Development (SCD)	-
Alexandria Businessmen Association CSR Network; as a consequence of our partnership with ABA in new Vo-Tech school, ABA added TITAN Egypt to their CSR Network	<a href="http://www.aba.org.eg">www.aba.org.eg</a>
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	<a href="http://www.benisuef.gov.eg/Default.aspx">www.benisuef.gov.eg/Default.aspx</a>
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.	<a href="http://www.egmed.com">www.egmed.com</a>

**TABLE 10: AWARDS AND RECOGNITION 2020**

Award / recognition	Who was awarded	Name of the award or recognition	Why this award/ recognition was awarded
Recognition	Beni Suef Cement Plant	Beni Suef Public University 4th International Environmental Conference	Appreciate Beni Suef Cement Plant efforts in supporting the society to reduce the environmental pollution risks

**03**

**GLOSSARY**



Financial	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

ESG Performance {relevant section}	Definition
Communication on Progress (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.
Global Cement and Concrete Association (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.
Sustainability Accounting Standards Board (SASB)	SASB: The Sustainability Accounting Standards Board is an independent standards board that is accountable for the due process, outcomes, and ratification of its standards, the application of which (being the SASB's mission) is to help businesses around the world identify, manage and report on sustainability topics that matter most to their investors.
Sustainable Development Goals (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.

ESG Performance {relevant section}	Definition
United Nations Conference on Trade and Development (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.
United Nations Global Compact (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.
World Business Council for Sustainable Development (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.

ESG Performance {relevant section}	Definition
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}	<p>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.</p> <p>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.</p>

ESG Performance {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 2020. 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.



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