

Group performance

In this section we focus on how we performed in relation to the most material issues for the Group and our key stakeholders. We have aligned ourselves fully with the International Integrated Reporting Council's (IIRC) Guidelines and therefore present our economic, financial, social and environmental performance together, including employment, health and safety, biodiversity, socio-economic impacts and community relations.

We outline the activities we have undertaken to create value for our business as well as our stakeholders, and to ensure our long-term sustainability. We also report on a resilient financial performance as the Group returned to profit after two loss-making years, with net debt now standing at less than half of what it was at the beginning of 2009.

In this section:	
Performance overview	18
Group financial performance 2014	20
Debt and capital structure	22
Equity market information	23
Health and safety	24
Employment and people development	27
Communities	36
Business partners	40
Environment	43

Group performance

Performance overview

We use a range of financial and non-financial measures to assess our business performance and our progress against our strategic priorities.

Key financial measures			
Turnover	Relevance	2014 performance	What's next?
Turnover is revenue received from the sale of goods and services to customers in all regions of operation.	Turnover is an important measure to assess the growth of a business.	€1,158.4m	TITAN aims to capture market growth in its key markets and to strengthen its performance. Read more on page 20.
EBITDA	Relevance	2014 performance	What's next?
EBITDA is the organic profitability excluding interest, tax, depreciation and amortization.	It is used to analyze profitability between companies.	€181.6m	TITAN aims to strengthen its profitability focusing on growth opportunities. Read more on page 20.
Key social measures			
Social investment	Relevance	2014 performance	What's next?
We contribute both financial and non-financial resources toward local development through a range of programs and activities.	Our social investments are strongly aligned with the material issues for the Group and help us deal with concerns around health and safety, community relations and our socio-economic impacts.	€2.2m Donations made by our companies in 2014.	TITAN will continue to make strategic social investments to address safety, healthcare, poverty, unemployment and environmental awareness. Read more on pages 9, 36, 43.
Engagement	Relevance	2014 performance	What's next?
Within the context of our corporate value of continuous improvement, we are committed to a constant process of internal review and analysis. It has been proven that one of the most effective ways to do this is to listen to your employees.	Employees are one of the most important stakeholder groups of our operations. Our stakeholder engagement strategy includes employee engagement and our new Employee Opinion Survey was launched in 2014.	81% was the overall response to our Employee Opinion Survey. This survey was cascaded in all countries and operations in waves, reaching 60% of our employees in Q3 and Q4 2014.	In 2015, the remaining countries and operations will receive the survey, and action plans will be drawn up to address the focus areas identified by our employees. Before 2020, a new survey cycle will take place, measuring the improvement resulting from these action plans. Read more on page 27.

Key employee measures

Lost Time Injury frequency rate (LTIFR)	Relevance	2014 performance	What's next?
Reducing lost time injuries (LTIs) is an important focus for our health and safety efforts at our plants and in our operations generally globally.	We constantly strive to raise the safety performance of direct employees and contractors.	-29% Percentage change in LTIFR for direct employees in 2014, compared to 2010.	We continue to undertake specific actions to strengthen the safety performance of our business units, including site audits, training and publishing new guidelines. Read more on pages 24-26.

Training man-hours	Relevance	2014 performance	What's next?
Our overall investment in training hours is consistently high. We regard it as important not only to enhance current know-how and so improve our operational efficiency, but also to guide people toward best practices.	Our focus is on providing training activities that are aimed at supporting a cultural shift in our organization.	130,067 Total training man-hours in 2014. This included our Self-Training E-learning Program (STEP), with new modules and sections, for developing our future managers, as well as stakeholder engagement training in our Egyptian operations.	The aim is to increase the training investment in the areas linked with our 2020 Sustainability goals. Read more on pages 32-33.

Key environmental measures

CO ₂ emissions	Relevance	2014 performance	What's next?
These are defined as specific CO ₂ emissions (kg/t _{Product}).	Specific CO ₂ emissions provide a measure to monitor our performance against climate change.	-16% From 1990 (year base).	We aim to increase the use of alternative fuels and decrease the average clinker content of our cement, taking into account the specific conditions of the areas in which we operate. Read more on pages 43-44.

Alternative fuel use	Relevance	2014 performance	What's next?
Percentage of alternative fuels in the total fuel mix (% _{Thermal basis}).	The use of alternative fuels allows for the conservation of natural resources as well as the reduction of direct CO ₂ emissions.	+37.7% Compared to 2013.	We are working on developing the conditions that will allow the introduction of such fuels in new areas as well as further increasing their usage in existing areas. Read more on pages 43-45, 54-55.

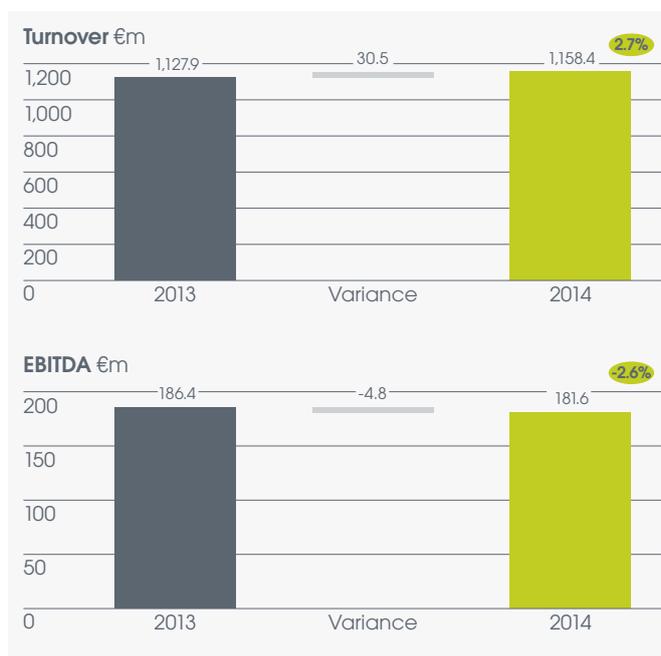
Group financial performance 2014

Positive outlook despite significant uncertainties and challenges

2014 was another challenging year, but we have revitalized our business – the Group is stronger financially and we are positioned for growth.

Performance summary

- Our performance has been resilient and our financial position further strengthened
- Turnover increased by 2.7% compared to 2013, reaching €1,158.4 million
- EBITDA declined by 2.6% versus 2013 to €181.6 million
- TITAN Group returned to profit after two loss-making years, posting NPAT of €30.9 million
- We re-established TITAN in the capital markets and issued a €300 million five-year bond with an annual coupon of 4.25%



Key performance indicators

KPI	Definition	2014	2013
Turnover	Revenue received from the sale of goods and services to customers in all regions of operation	€1,158.4 million	€1,127.9 million
EBITDA	Organic profitability excluding interest, tax, depreciation and amortization	€ 181.6 million	€186.4 million
NPAT	Net profit after minority interests and the provision for taxes	€30.9 million	-€36.1 million
ROACE	ROACE = earnings before interest and taxes (EBIT) over average capital employed (CE) CE = debt plus equity	3.6%	3.5%
Leverage	Leverage = net debt/EBITDA	2.98	2.73
Shareholder equity ratio	Shareholder equity ratio = total shareholder equity over total assets	57.9%	57.7%
Earnings per share	Net earnings attributable to shareholders/weighted average number of common and preference shares	0.38	-0.44
Share performance ¹ (TITK)	TITAN common share annual return (31 Dec. 2013 - 31 Dec. 2014)	-3% ⁽²⁾	
	Five-year return (31 Dec. 2009 - 31 Dec. 2014)	-0% ⁽³⁾	
Credit rating	Credit rating by standard and Poor's	BB	BB-

(1) Dividend reinvestment included.
 (2) Versus -29% for the ASE General Index.
 (3) Versus -18% for the ASE General Index.

Group financial performance

TITAN Group returned to profit in 2014 after two loss-making years. The continuing recovery in the USA, improvements in the Greek market and better performances in Southeastern Europe offset reduced profitability in Egypt.

Net results in 2014 were augmented by the strengthening of the US dollar and the Egyptian pound against the euro.

Key financials

	2014	vs 2013
Consolidated turnover	€1,158 million	+2.7%
Earnings before Interest Tax Depreciation and Amortization (EBITDA)	€182 million	-2.6%
Net Profit after minority interests and the provision for taxes (NPAT)	€31 million	-€36 million in 2013

Sales

TITAN's cement sales in 2014 were adversely affected by prolonged gas shortages in Egypt, which hindered production, but our overall sales performance was resilient.

	2014	vs 2013
Cement	16 million metric tons	-7%
Ready-mix concrete	3.9 million m ³	+14%
Aggregates	14.2 million metric tons	+14%

Cash flow and net debt

	2014	2013
Free cash flow generated	€90 million	€136 million
Net debt at the year-end	€541 million	€509 million

Operating free cash flow for the year (with EBITDA at €182 million) was reduced at €90 million, due to €82 million of capital expenditure and a €17 million increase in working capital. Year-on-year, the Group increased capital expenditure mainly in Egypt (energy-related projects) and the US (business development). Group net debt is now less than half of what it was at the beginning of 2009 – the Group has reduced its total net debt from a peak of €1.1 billion to €540 million.

For more information about debt structure, please see Debt and capital structure on page 22.

Share performance

At the end of 2014, TITAN's stock price (TITK) declined by 3%, compared to a 29% drop in the General Index of the Athens Stock Exchange (ATHEX). TITAN held 2,925,831 treasury shares, of which 2,919,912 are common shares and 5,919 are preferred shares without voting rights, representing 3.46% of its paid-up share capital.

For more information about TITAN's share price performance, please see Equity market information on page 23.

Parent Company financial results

	2014	2013
TITAN Cement S.A. Turnover	€264 million	€235 million
Earnings before Interest Tax Depreciation and Amortization (EBITDA)	€31 million	€11 million
Net Profit after the provision for taxes (NPAT)	€92 million	-€43 million

Turnover was 12.5% up in 2014 and the Company's net profit after the provision for taxes (NPAT) reached €92 million, mostly due to €112 million of dividends received from international subsidiaries.

Returns to shareholders

This year's good results and the more favorable outlook for 2015 have enabled the Board of Directors to propose a dividend for the first time since 2011 – the distribution of €12,694,879.20, representing a dividend per share of €0.15. In addition, the Board has proposed the distribution of special reserves to the amount of €12,694,879.20, corresponding to a further €0.15 per share.

Post-balance sheet events

In February 2015, Group subsidiary Alvacim Ltd purchased the 20% stake held by the European Bank for Reconstruction and Development (EBRD) in ANTEA CEMENT SHA (ANTEA), a TITAN Group subsidiary in Albania.

As a result of this purchase, TITAN Group holds 80% of ANTEA's share capital, while the remaining 20% is held by the International Finance Corporation (IFC).

Debt and capital structure

Strong financials to fund growth

The financial crisis has presented a significant challenge for our business and the whole construction sector for several years. We have countered this by managing our business more tightly, reducing our cost base, prioritizing capital expenditures and managing our capital structure more effectively.

Debt issuance

In 2014, TITAN re-established its position in the capital markets. Taking advantage of the improving financial markets in July 2014, the Group – through its subsidiary, TITAN Global Finance PLC – issued a €300 million five-year bond with an annual coupon of 4.25%. The bond was rated “BB” by Standard & Poor’s. The proceeds were primarily used to repay existing bank debt.

Net debt at the end of the year stood at €541 million (2013: €509 million). At the same time Total Shareholders’ Equity reached €1,628 million, equal to 57.9% of Total Assets.

Credit facilities

The Group uses a mixture of both short-term and long-term credit facilities to cover its liquidity and capital needs.

At the end of the year, total credit facilities (bonds and capital markets) available to the Group amounted to €1,180 million, while total outstanding gross debt was €684 million.

Credit rating

In June 2014, Standard & Poor’s confirmed TITAN’s long-term credit rating as “BB” with a stable outlook.

Facilities/Utilization by Lender

Total Facilities €1,180m



Total Utilization €684m



Maturity profile as at 31 December 2014 €m



Group net debt evolution €m



Note: For comparability purposes all figures have been adjusted in order to exclude Turkey (IFRS 11).

Equity market information

Investor relationships creating shared value

Building credibility within the financial markets and the investor community is an important part of positioning our business for growth.

Share price performance

TITAN's common shares have been traded on the Athens Exchange since February 1912 and preference shares since November 1990. The Group's shares are components of the FTSE/ATHEX Large Cap and the FTSE/ATHEX Global Traders Index Plus.

TITAN's stock has also been included in the MSCI Emerging Markets Index since November 2013.

At the end of 2014, TITAN's stock price closed at €19.17 a share, a decline of 3% in the year, but still ahead of the ATHEX General Index, which declined by 29%. Over the last five years, TITAN shares have remained stable, while the ATHEX General Index has fallen by 18% per annum.

The share capital of TITAN Cement S.A. is €338,530,112, consisting of 84,632,528 shares with a nominal value of €4.00 each, of which 77,063,568 (91.1%) are ordinary shares and 7,568,960 (8.9%) are preference shares without voting rights.

SRI investors

TITAN has been recognized as an "advanced" level reporter in line with the UNGC principles.

Our commitment to responsible corporate practices and reporting on sustainable issues was acknowledged by international investors, signatories of the UN-backed Principles for Responsible Investment (www.unpri.org).

There is comprehensive information on the TITAN website for both debt and equity investors. It includes the Group's latest announcements, investor relations calendar, analyst coverage, share price analysis tools and webcasts of results presentations. For more details visit: <http://ir.titan.gr/> or contact us at ir@titan.gr

Symbols	Common	Preference
Oasis	TITK	TITP
Reuters Ticker	TTNr.AT	TTNa.AT
Bloomberg Ticker	TITK GA	TITP GA

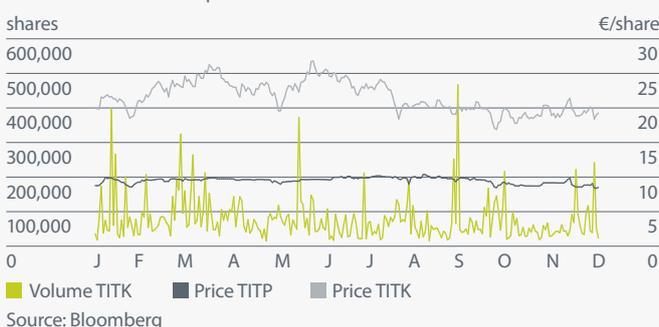
TITAN Common shares
as at 31 December 2014



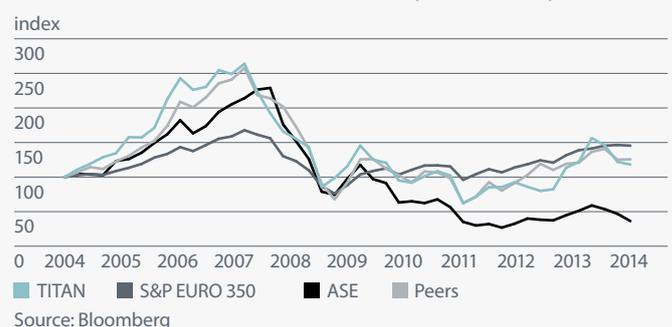
TITAN preference shares
as at 31 December 2014



2014 daily volume of transactions and price of TITAN common and preference shares



Share price performance of TITAN common shares vs the S&P Euro 350 Index and the ASE General Index (31/12/2003=100)



Health and safety

Committed to a safer, healthier working environment

At TITAN Group we constantly strive to raise the safety performance of direct employees and contractors, while urging suppliers and third-parties to adopt similar views and practices.

Performance summary

- Despite an increase recorded in 2014, the LTIFR for direct employees represents a 29% reduction, compared to 2010
- The LTIFR for contractors was 0.87, virtually unchanged from last year
- New data reporting platform came into operation in 2014
- “Safety at home” program for school pupils reached more than 13,000 children in 2014

We recognize that health and safety are material issues not only in the work place, but also beyond it – at home, at school or in the community. To support this, we are developing and implementing selected initiatives that create a wider culture of awareness and care.

Management review

Safety performance

Following the very low LTIFR achieved in 2013, the rate for direct employees increased to 1.65 LTIs per million man-hours, equaling our 2012 performance. Despite the year-on-year increase, the five-year trend shows an improvement of 29% relative to 2010.

From the beginning of 2014, we undertook specific actions to strengthen the safety performance of our business units, such as: on-the-job training to weave safety into all daily tasks; zero-base-reviews of selected work processes; improvement programs to enhance the safety skills of supervisors and shift leaders; and programs to improve defensive driving skills. Despite this, TITAN regrets that in separate road accidents there was one contractor and one third-party driving fatality in 2014.

Contractor management

The safety improvement process for contractors continued in 2014, with the LTIFR remaining practically constant at the improved level achieved in 2013. An important part of this process was the Group-wide effort to improve contractor and driving management systems in line with CSI guidelines, with this project reaching completion at the end of 2014.

TITAN Group LTIFR

Directly employed and contractors (all activities)



TITAN Group total number of LTIs

Directly employed and contractors (all activities)



Group safety performance

	Directly employed		Contractors		Third-parties	
	2013	2014	2013	2014	2013	2014
Fatalities	0	0	1	1	1	1
LTIs	5	18	7	8	-	-
LTIs frequency rate	0.47	1.65	0.76	0.87	-	-

LTI and fatalities by activity (sector)

Directly employed	Cement	Aggregates	Ready-Mix	Other Activities	Group
Fatalities	0	0	0	0	0
Fatality rate	0,00	0,00	0,00	0,00	0,00
LTIs	8	1	7	2	18
LTI Frequency Rate	1,10	1,66	2,61	5,87	1,65
Contractors	Cement	Aggregates	Ready-Mix	Other Activities	Group
Fatalities	1	0	0	0	1
Fatality Rate	2,45	0,00	0,00	0,00	1,92
LTIs	8	0	0	0	8
LTI Frequency Rate	1,10	0,00	0,00	0,00	0,87

Eliminating fatalities and serious injuries

Group Health and Safety continues to work towards the elimination of fatalities and serious injuries. We continue to identify and learn from Potentially Fatal Occurrences (PFOs), including near misses, and publish our findings in the form of guidelines and training material.

Site audits and incident prevention

In addition to the numerous audits and internal inspections carried out by our regional and business unit safety organizations, Group Health and Safety audited all of our cement plants and a significant number

of non-cement activities in 2014. The findings were used to improve safety behavior, processes, equipment and training.

The Group Health and Safety audits of the cement plants highlighted the need to focus on the safety knowledge, skills and behavior of front-line personnel in the solid fuel grinding installations. The audits of various ready-mix concrete plants revealed a need for greater uniformity in the safety equipment employed.

Following up on these findings, Group Health and Safety prepared and distributed "Minimum safety

requirements for ready-mix concrete plant equipment" to all business units to assist them with consistently assessing the safety level provided by the equipment installed.

Information sharing and training

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

LTI and fatalities by region

Directly employed	Greece	TITAN America	Southeastern Europe	Eastern Mediterranean	Group
Fatalities	0	0	0	0	0
Fatality Rate	0,00	0,00	0,00	0,00	0,00
LTIs	3	8	4	3	18
LTIFR	1,43	2,06	1,41	1,43	1,65
Contractors	Greece	TITAN America	SEE	EM	Group
Fatalities	1	0	0	0	1
Fatality Rate	7,67	0,00	0,00	0,00	1,92
LTIs	2	1	2	3	8
LTIFR	0,68	2,29	1,09	0,76	0,87

Health and safety continued

Our new data reporting platform, which came into operation in 2014, has produced benefits in both data collection and analysis. The analyzed information, combined with the results of incident investigations and audit findings, helps us identify training needs.

In 2014, safety training hours for direct employees increased from 2013 by around 23.5%, to an average of 10.5 hours per person, while remaining almost constant at 5.8 hours per person for contractors.

Continuing with the generation of new guidelines and training material, Group Health and Safety produced and distributed "Operations safety training", "Leading indicators" and "Silos" in 2014.

Employee health and hygiene

Dust and noise are important hygiene factors and measuring them consistently is instrumental in creating and maintaining a healthy working environment. In 2014, Group Health and Safety produced and distributed

the guideline "Dust and noise measurements" to help our business units measure both in a uniform way.

To monitor employee health, TITAN runs medical examination and health care programs in all countries. Doctors and occupational physicians monitor individual employee health, ascertaining fitness to work and offering advice or intervening as appropriate.

Within this framework, individual business units create additional programs that fit with local requirements. In Egypt, where hepatitis C is an important issue, TITAN (in collaboration with a specialist medical organization) offers programs for the families of employees and the people of neighboring communities. In the USA, TITAN offers wellness programs, helping employees and their families to lead healthier lives. In Greece, employees voluntarily donate blood and bone marrow.

Further improvements to our health protection and promotion program

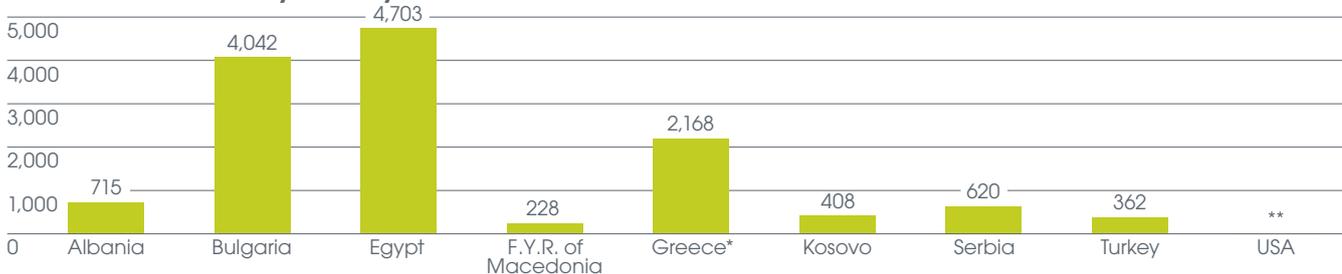
will be considered within the framework of our Sustainability 2020 strategy.

Promoting safety outside of work

Building a safety culture in society has for decades been a reason for creating partnerships with communities and institutions and has spawned significant projects in all countries in which we operate.

Our Greek cement plants continued to host safety training in collaboration with the Board of European Students of Technology (BEST). Voluntary sessions, where TITAN employees teach "Safety at home" to pupils of elementary and junior high schools reached more than 13,000 children in 2014. This initiative started as a service to our neighboring communities, but has now spread to schools in wider areas as well. Our plants in Serbia and F.Y.R. of Macedonia have also successfully run similar programs.

Contractors trained by country



*"Greece" refers to the regional operations as well as the Group corporate center.
**Compilation for GDE from the local community not available for the USA.

Total contractors' training man-hours by subject 2014

Training subject	Training man-hours
Environment: care and management systems	381
Health and Safety	28,957
Human rights	0
TITAN Group Code of Conduct	0
Management and managerial skills	12
Non-technical skills and specialization	315
Foreign languages	166
Technical know-how and core competence	247
Other	0
Total*	30,078

* USA contractors' training man-hours are not included in these totals.

Outlook for 2015



The effort to improve and stabilize the safety performance of direct employees and contractors will continue in 2015, supported by a detailed review of our business units' safety training programs. Our goal to completely eliminate fatalities drives this effort.

Voluntary work promoting health and safety more broadly outside work will continue and we will address health and safety aspects of the supply chain within the wider context of the TITAN sustainability strategy.

Employment and people development

Driven by our people

TITAN has always been a people-driven organization. We recognize the importance of being a responsible employer and build long-term relationships with employees grounded on mutual trust, reliability and shared values.

Performance summary

- We refreshed our People Management Process in 2014
- We also improved employee engagement through our Employee Opinion Survey
- Total employment at TITAN Group increased by 1%
- Group employee turnover was 12%
- Training man-hours were 130,067 for direct employees and 31,325 for contractors

Management review

Our approach to people management

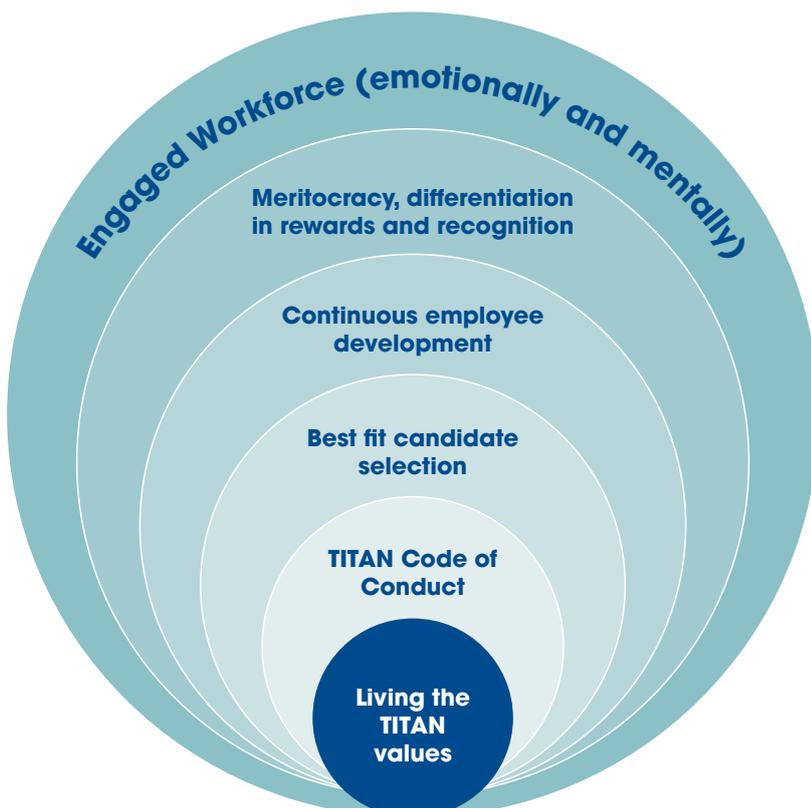
We believe that an effective and engaged workforce should live our values and have a strong understanding of our Code of Conduct. The Code of Conduct is translated into all languages spoken by TITAN employees and contractors. It is signed by managers and employees every time it is reviewed and updated by the Board.

The Code of Conduct is also provided as part of the "personnel file" given to any new employee and they are required to read and sign it with their contract.

The Code of Conduct is also an important element of induction courses provided to employees, and Group HR runs periodically a training program for managers in all countries to help them train employees appropriately and ensure they are familiar with it.

Our Human Resources (HR) Committee operates at Group and regional or country level, depending on the matter under review and its effect on our human resources policy and objectives locally and globally.

The Committee at Group level meets at least three times a year to discuss matters such as upgrading and updating our management systems to better meet our goals and ambitions. In 2014, the HR Committee decided to fully review and update our Performance Appraisal System, to cover more aspects of our business strategy and collective goals and, in particular, our sustainability goals. The Employee Opinion Surveys that were launched in 2014, and will be finalized in 2015, will provide significant feedback from employees across the whole Group.



Employment and people development continued

TITAN Group employee standards

Non-discrimination: prohibit discrimination in all employment related practices.

Working hours: respect the right to leisure and avoid excessive overtime.

Wages and benefits: guarantee a wage that – at a minimum – meets national legal standards and provides additional benefits that respond to local needs.

Discipline: apply appropriate disciplinary measures.

Fair treatment: prohibit bullying and harassment.

Prohibition of child and forced labor: prohibit the use of all forms of forced and child labor, complying with [International Labor Organization](#) standards.

Freedom of association: respect our employees' freedom of association and related rights, within the framework of local laws.

Refreshing our people performance management process

Our review of the Group's performance management process in 2014 involved a cross-regional, cross-functional team, made up of new and experienced employees. This proved to be a winning formula in terms of effective

collaboration and will provide a model approach for similar projects in the future.

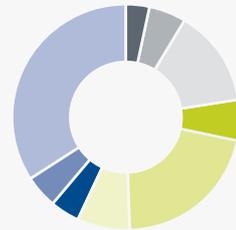
The team mapped our existing processes, researched external and internal best practice and analyzed what in our existing system works well and where we needed to make changes. Finally, the team came up with a set of criteria for evaluating the proposed solution. The Group HR Committee approved their proposal and our new performance and development process will apply Group-wide from the beginning of 2015.

The new process captures and combines both the "WHAT" (aiming for high performance) and the "HOW" (behaviors reflecting our values and principles) of performance. This means building on existing practices that work well, emphasizing what's new and explaining what needs to happen in every business unit.

Creating and safeguarding employment (human capital)

Creating opportunities for long-term and stable employment for competent and talented people, particularly those who live close to our operations, is not only good for our business on a day-to-day basis, but also contributes to our overall effort to be sustainable.

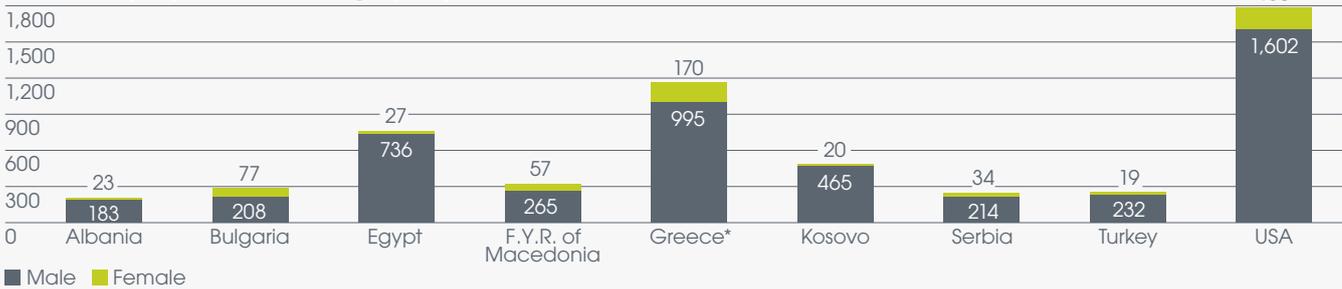
Direct employment at year-end by country



Albania	198
Bulgaria	288
Egypt	767
F.Y.R. of Macedonia	314
Greece*	1,165
Kosovo	408
Serbia	236
Turkey	258
USA	1,867

**Greece* refers to the regional operations as well as the Group corporate center.

Direct employment - average per year



**Greece* refers to the regional operations as well as the Group corporate center.

Direct employment at year-end by country



**Greece* refers to the regional operations as well as the Group corporate center.

TITAN's employment model is based on long-term employment for direct employees, and long-term relationships with our contractors. Self-employed workers are specialists or experts providing certain type of services, such as lawyers and doctors.

The conditions of employment provided by TITAN, the level of engagement with its employees and the continuous effort to improve employees' skills and capacities are the elements that in principle differentiate TITAN from its competitors and peers in local markets.

The number of self-employed workers is around 250 across the Group. Gender diversity is not a material issue. This estimation is based on our contractors providing cleaning services for the offices, not the plants and catering services.

We believe that safeguarding employment is an important part of being a responsible employer.

Indeed, unemployment is a material issue for our stakeholders, particularly for employees who feel that they and their families could be exposed to this issue due to uncertainties in the economy. It is also important to communities who rely on local employers to generate income, as well as to regulators and society at large.

TITAN itself relies on long-term relationships with employees and business partners as it depends on the expertise and skills that people can only acquire through significant experience of working in the industry. For that reason, only a very limited number of employees who work with TITAN are on temporary and part-time contracts.

The number of individuals with TITAN contracts that are self-employed is also small and is mostly limited to specialist personnel and experts, such as lawyers and advocates, occupational physicians and

Percentage (%) of employee turnover by country



Albania	14
Bulgaria	6
Egypt	5
F.Y.R. of Macedonia	11
Greece	8
Kosovo	25
Serbia	18
Turkey	14
USA	13

*Greece is identified as both the regional operations and the Group corporate center.

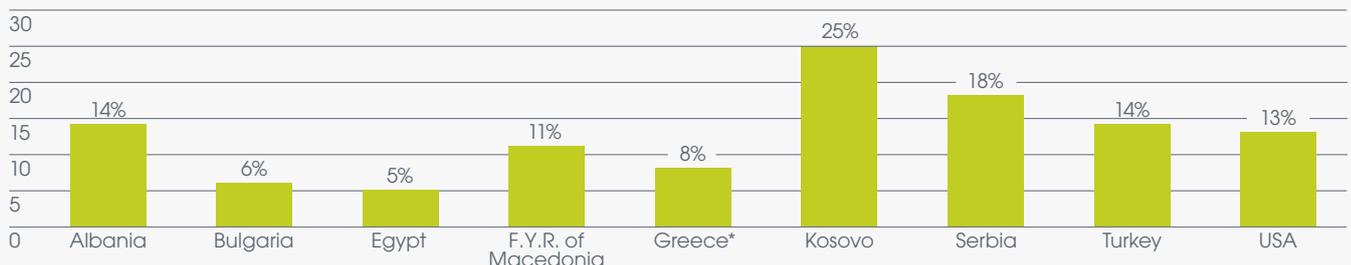
Employee turnover by country by age group and gender

Country	Direct Employment at year-end	Under 30		30-50		Over 50		Totals		
		M	F	M	F	M	F	M	F	ALL
Albania	198	6	3	13	3	3	0	22	6	28
Bulgaria	288	0	0	5	2	8	2	13	4	17
Egypt	767	4	0	23	0	11	1	38	1	39
F.Y.R. of Macedonia	314	0	0	2	0	25	6	27	6	33
Greece*	1,165	29**	27**	30	3	6	0	65	30	95
Kosovo	408	0	0	2	1	98	2	100	3	103
Serbia	236	5	3	4	0	28	2	37	5	42
Turkey	258	18	1	13	3	2	0	33	4	37
USA	1,867	24	9	92	9	106	4	222	22	244
Total	5,501	86	43	184	21	287	17	557	81	638

* "Greece" refers to the regional operations as well as the Group corporate center.

**48 of them were part of the short-term summer youth training program.

Employee turnover by country



*Greece is identified as both the regional operations and the Group corporate center.

Employment and people development continued

particular professionals who according to local legal provisions are classified as independent service providers. It has been estimated that approximately 250 people (calculated as full-time equivalents) provided legal, scientific or other services to TITAN as self-employed individuals in 2014.

TITAN helps support the family environment and upholds the rights of its employees of both sexes to exercise parental leave. In 2014, 38 employees out of a total 254 entitled to take parental leave did so:

18 men and 20 women. Of this group, all but two women returned to work after their parental leave. TITAN has a return to work rate of employees of 44.4% for men and 76.3% for women, while the retention rates for both sexes is almost identical (60% for men, 60.7% for women).

Global business with local expertise

Although the Group operates globally, most of our employees are local nationals and, in many of our operations, 100% of our

local management teams are local nationals.

Despite the challenging economic and social circumstances in many of the countries in which we operate, total employment in the Group for 2014 actually increased slightly by 1% compared to last year, mainly due to a focus on recruitment in our local businesses.

As well as hiring new employees in markets where business growth required greater resources, we made selective hires in other countries as well. We believe this is strategically

Parental leave*

Total number of employees who were entitled to parental leave, by gender

Male	200
Female	54

Total number of employees who took parental leave, by gender

Male	18
Female	20

Total number of employees who returned to work after parental leave ended, by gender

Male	18
Female	18

Total number of employees who returned to work after parental leave ended who were still employed twelve months after their return to work, by gender

Male	17
Female	17

Retention rates (%) of employees who took parental leave, by gender

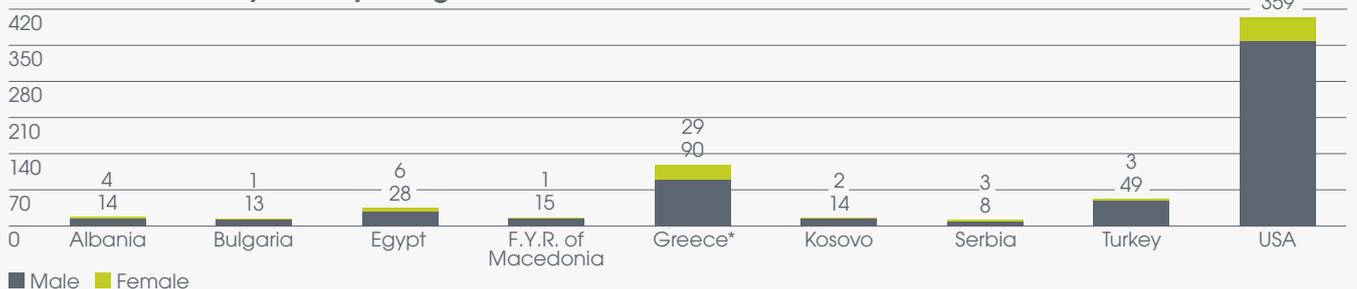
Male	60.0
Female	60.7

Rate (%) of return to work of employees who took parental leave, by gender

Male	44.4
Female	76.3

* Country-level parental leave requirements vary. We comply with all parental leave legal requirements in all the countries in which we operate.

New hires in 2014 by country and gender



**"Greece" refers to the regional operations as well as the Group corporate center.

important for the enrichment and development of our workforce, and will help us address future business challenges. In all countries, the ratio of basic salaries and remuneration remains in line with market norms and collective agreements where applicable. It is our policy and practice to pay an equivalent rate for the same job, differentiating pay according to performance.

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

As part of our "Laboratori për Aktivitete të Biznesit – LAB" program in Kosovo, for the first time we are contributing to the creation and development of small businesses locally to provide additional opportunities for employment outside of the building materials sectors, such as agriculture and forestry.

Measuring our people's engagement

In line with our [corporate values](#), we are committed to a continual process of internal review and

analysis. To do this better, we need to hear from our employees.

In 2014, we conducted a new Employee Opinion Survey in all our operations that was designed for us by an independent international Company specializing in this field. Our aim was to drive positive change, improve company effectiveness and further enhance our employee's experience and our Company culture.

The survey was available in all nine languages of the countries we operate in (Albanian, Arabic, Bulgarian, English, Greek, Macedonian, Serbian, Spanish, and Turkish). It took place in waves across our business units, and all TITAN employees, at all levels, had the chance to participate.

Our people had the chance to provide their opinion anonymously and to freely provide additional written comments on all of the areas discussed within it. To ensure confidentiality and encourage participation in the survey, the same independent company assisted us in processing the survey.

The survey was well received and resulted in record response rates from our employees. In some countries this rate exceeded 90%. The findings were

communicated country by country and across the Group, while the areas identified as important by the survey were prioritized with specific action plans, initially at a country level and afterwards will be addressed at a global level, as part of our continuous improvement process.

Grievancies

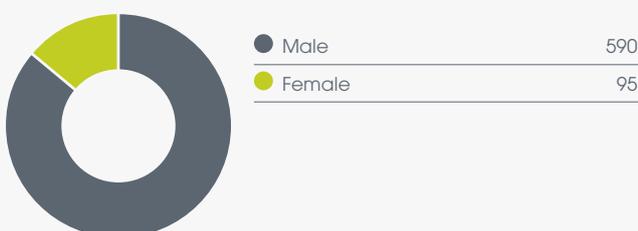
All of our operations have mechanisms for employees to report grievances through their [ISO 14001](#) management systems. For example, our sites either have a yellow safety box for employees to communicate with management or other written procedures that can be followed. Our employees in Greece and in the USA, or 55% of all of our employees, have access to an anonymous grievance hotline. In the USA this is called "Ethic Point" and consists of an anonymous email and telephone number that enables employees to raise concerns in confidence directly to senior management. When a concern is raised through these hotlines, it is immediately investigated to see if the concern is a justified grievance. If it is deemed to be justified, a thorough investigation is undertaken and necessary actions are taken by TITAN to remediate the grievance. In 2014, the majority of concerns raised were related to HR issues and safety. There were no other justified grievances reported in any of our other operations, except for in Egypt, where employees raised concerns regarding reduced bonuses, which were as a result of weaker financial performance in Egypt due to fuel shortages. This concern was investigated and resolved by senior management.

Number of significant contractors and screening 2014

Country	Number of concerns raised	Number of justified grievances investigated	Number of grievances leading to actions taken by TITAN	% TITAN Group employees covered by anonymous ethics hotline
USA	14	5	2	21%
Greece	3	3	0	34%

New hires by gender

Total new hires: 685



New hires per age group

Total new hires: 685



Employment and people development continued

Training and development

As an employer, our goal is to promote life-long learning among our people and enhance the professional skills and competencies they need to meet local and global challenges.

Health and safety training remains a key priority for the Group, accounting for 44.8% of training in 2014 (58,322 man-hours). This is part of our continuing commitment to promoting a stronger health and safety culture Group-wide.

Apart from health and safety training, we ran a variety of training programs aimed at building awareness, as well as new skills and competencies on issues related to sustainable and responsible practices. In 2014, these mostly covered the topics of values and Code of Conduct, stakeholder engagement and reporting performance for managers and employees.

Training per employee increased by 7.8% to 23.59 hours in 2014, demonstrating our continuing investment in our employees' development.

We continue to expand successful Group initiatives such as our Self-Training E-learning Program (STEP). In 2014, 19 employees from all business units participated, meaning that a total of 81 employees have now taken part in it.

Security practices are also very important to the business, as we need to ensure we can safeguard employees and local communities, especially in Egypt and countries that are less stable. To help us do this, we regularly train 100% of our security personnel.

Distribution of training man-hours per employee by country and by gender in 2014

Training by gender 2014



*Greece is identified as both the regional operations and the Group corporate center.

Training hours per subject by country per gender per country in 2014

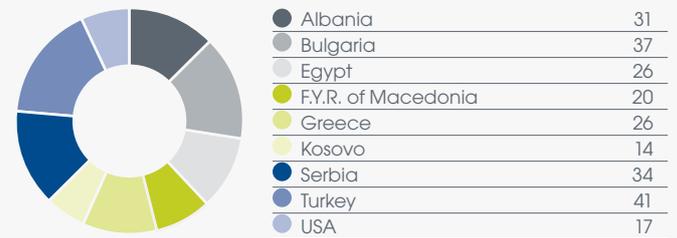
	Albania		Bulgaria		Egypt		F.Y.R.O.M.		Greece		Kosovo		Serbia		Turkey		USA*		Total hours per subject
	M	F	M	F	M	F	M	F	M	F	M	F	M	F	M	F	M	F	
Environment: care and management systems	85	13	109	164	207	0	12	46	1,548	132	287	59	555	101	0	0	45	50	3,413
Foreign languages	1,588	160	90	0	2,778	30	315	60	468	116	332	90	821	453	2,025	903	0	0	10,229
Health and safety	2,465	138	6,903	1,200	4,284	18	1,541	316	9,687	396	2,413	26	1,500	142	5,311	298	18,786	2,898	58,322
Human rights	18	0	0	0	0	0	0	0	0	0	0	0	21	8	0	0	0	0	47
Management and managerial skills	16	0	570	243	5,156	889	549	156	1,369	348	0	0	1,660	1,018	384	16	1,408	408	14,190
Non-technical skills and specialization	592	256	248	439	763	98	435	475	7,705	2,626	0	0	329	312	8	0	474	784	15,544
Other	184	8	0	0	48	14	1,654	0	0	0	3,206	469	360	216	236	4	208	105	6,712
Technical know-how and core competence	792	144	316	153	5,381	35	927	60	5,833	117	0	0	704	168	755	284	4,621	1,321	21,611
Total hours	5,740	719	8,236	2,199	18,617	1,084	5,433	1,113	26,610	3,735	6,238	644	5,950	2,418	8,718	1,505	25,542	5,566	130,067

M=Male F=Female

Distribution of training man-hours per country %



Distribution of training man-hours per employee (average man-hours)



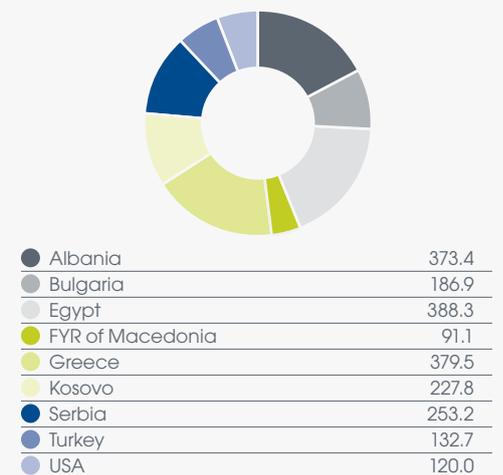
Employees trained 2014 by country and by gender

Country	Employees (average)	Trained employees	Trained Males	Trained Females	% of women in trained employees	% of women in total employees
Albania	206	195	176	19	9.74	9.22
Bulgaria	285	268	198	70	26.12	24.56
Egypt	763	584	560	24	4.11	3.15
F.Y.R.O.M.	322	316	262	54	17.09	16.77
Greece	1,165	1,021	893	128	12.54	10.99
Kosovo	485	380	369	11	2.89	2.27
Serbia	248	293	248	45	15.36	18.15
Turkey	251	261	240	21	8.05	8.37
USA	1,788	745	576	169	22.68	9.45
Total	5,513	4,063	3,522	541	13.32	9.81

Trained employees per age group

Country	Under 30	30-50	Over 50	Total per country
Albania	79	99	17	195
Bulgaria	13	195	53	261
Egypt	34	417	133	584
F.Y.R.O.M.	9	77	230	316
Greece	57	785	162	1,004
Kosovo	17	105	255	377
Serbia	16	166	102	284
Turkey	62	188	11	261
USA	61	483	201	745
Total	348	2,515	1,164	4,027

Total investment per employee in euros 2014



Employment and people development continued

Building intellectual capital

TITAN Group invests in steady long-term work relationships with its employees and thus builds the intellectual capital of the Company on multiple levels:

- The "C-Mentors" program is a three-year industrial development program for TITAN newcomers with technical roles. By interactively transferring know-how, it enables them to become first-rate cement professionals, fully fledged cement employees and, ultimately, highly valued cement mentors.
- Quality of leadership is critical to the Group's success. That is why we commit significant resources to training and developing high potential employees throughout the organization, giving them the knowledge and skills to deliver the Group's performance and growth objectives. Therefore, we continue to expand successful Group initiatives such as our Self-Training E-learning Program (STEP). In 2014, 19 employees from all business units participated, concluding to a total of 81 employees that they have by now taken part in this program.

Equal opportunities, gender and age equality

Achieving growth in a multi-regional environment depends on our capacity to respect and manage diversity of culture, skills and competencies in an efficient and effective way. This makes equal opportunities not only a prerequisite for meeting our voluntary commitment to international standards as defined by UNGC principles and the [Universal Declaration for Human Rights](#), but also a critical part of implementing our business strategy.

Our adherence to international standards for diversity and equal opportunities provides the framework for implementing our [Employee Management Framework](#) throughout the TITAN Group.

This in turn helps us put in place the relevant practices to recruit and develop personnel, even in countries where gender equality is not safeguarded by local legislation.

Participation of female employees in top management and provisions to support age diversity remain the main priorities for TITAN Group in this area, as they are the two issues identified as most material for our business and our key stakeholders, particularly our employees, our communities and our investors.

This emphasis is reflected in the strong local presence in our local management teams. Women managers are also well represented locally, even in countries where it is less common for female professionals to be employed in heavy industries. Overall, 15.7% of our managers are women, while the overall percentage of women directly employed by TITAN in 2014 was 11.1%.

Our commitment to gender equality is evident in our performance recruiting female employees and encouraging their participation in our training programs. We pay the same salary to men and women who do the same job and ensure that there is no difference through in-cash and in-kind provisions due to gender or type of contract.

We invest in building long-term relationships with our employees and value the know-how, skills, competencies and experience that come from an employee's long tenure with TITAN. The Group

continues to invest in employee development regardless of age. Overall, our companies always try to balance new hires across most age groups.

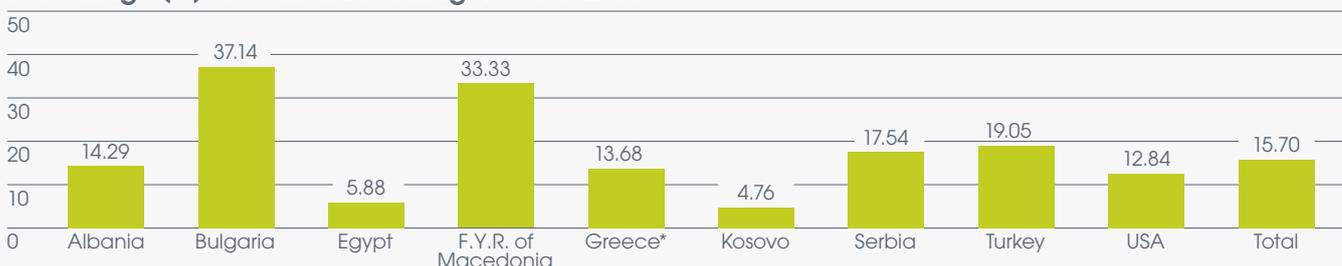
Prevention of child labor and forced labor

Child labor and compulsory labor are material issues in specific countries where international human rights and labor standards are not sufficiently enforced through local laws and where the prevailing societal conditions and local culture might even accept such practices. Child labor is of course a material issue for heavy industrial businesses like TITAN, due to the potential risks and dangers that our working environments can present to even our most experienced employees.

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

Forced labor may take many different forms, among which the greater risk might relate to second tier suppliers of fuel and raw materials that operate in countries where forced labor is deemed acceptable.

Percentage (%) of women in management in 2014



* Greece is identified as both the regional operations and the Group corporate center.

“We are committed to protecting and advancing human rights as defined in the Universal Declaration of Human Rights (UNDHR) and the International Labor Organization’s (ILO) Conventions. Within this framework, we aim to promote respect for human rights within areas of our influence. These include: respect for the freedom of association, the valuing of diversity, equal opportunities for all, the elimination of all forms of discrimination, and consideration of human rights in investment decisions.”

TITAN Group Code of Conduct

To mitigate this risk, TITAN is aiming to build long-term relationships with all suppliers that will allow us to have enough information on how and where they operate and select those ones that can provide consistency and reliability in the way they operate, along with the usual standards of cost, quality and on-time delivery.

Human rights

We signed the UN Global Compact pledge in 2002 and this guides our decision making, management systems and even our training courses for managers and employees. Every year, our country management teams examine the potential risks for human rights abuse within the spheres of our influence. We monitor our performance against fundamental human rights standards to ensure that we provide a safe, fair and reliable working environment for our employees.

We communicate our expectations to significant suppliers and primarily local contractors with whom we seek to develop long-term relations to make sure that they will acknowledge any potential risks and challenges for

human rights issues within their sphere of influence. We arrange safety audits for our local contractors on an annual basis and these cover the main aspects of human rights concerns, such as working hours and labor rights. The Group CSR Committee also examines reports on human rights risks by country and identifies opportunities for improvement.

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

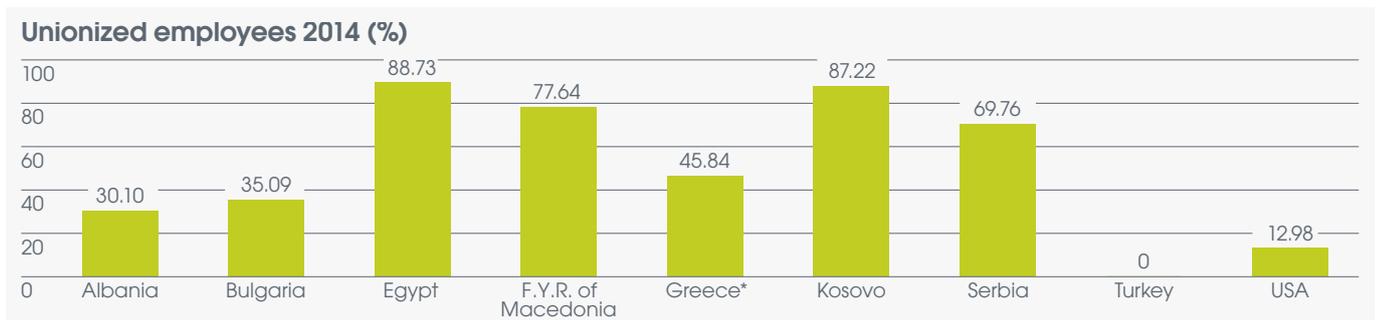
Collective bargaining and unionization

Respect for labor rights is a material issue for all employees, regulators and communities. Acknowledging the importance of our commitment to safeguarding these rights, TITAN Group actively promotes the freedom of association of employees, beyond local legal requirements in all countries. Unions, when established by employees, participate in bilateral meetings with the management on a yearly basis, as well as in stakeholder dialogue that addresses strategic issues for

the business within the framework of sustainable development.

In total, 44% of our employees belong to unions. Union representatives have the right to meet with line management to discuss their concerns and suggest improvements, and to negotiate agreements on different issues covering employees’ expectations, such as wages and additional benefits, and proposals to improve health and safety conditions. 100% of our formal agreements with trade unions cover a variety of health and safety topics.

Apart from health and safety matters, on an annual basis the agenda of meetings with unions and employee representatives cover remuneration, statutory and additional benefits. In addition, health and safety Committees comprising management and employee representatives operate in all countries, covering 100% of our employees. The members of these Committees are elected along with the union board members by employees in formal and open elections every three years.



Communities

Enabling local development by supporting communities

The Group has extensive programs in place to tackle issues such as health, safety, poverty, unemployment and damage to the environment. These are issues of real concern in many of the places we operate, so addressing them and supporting local communities are key to our long-term success.

Performance summary

- TITAN donated €2,221,006 to community development projects in 2014, up 31.3% on 2013

Donations 2014 by country total in Group €2,221,006	% of Group total
1. Albania	16.0
2. Bulgaria	5.2
3. Egypt	25.4
4. F.Y.R. of Macedonia	3.3
5. Greece	17.1
6. Kosovo	14.2
7. Serbia	9.6
8. Turkey*	4.9
9. USA	4.2
Total	100.0

*The amount for the donations in Turkey has been adjusted in line with our proportion in the equity of the Company (50%).



Our interactions with local communities are a key aspect of our approach to responsibility. We define our communities as the “social environments” in which we work (where our offices and primarily our cement plants and other operation units are located) and we work with the organizations, public, advocacy and civic society groups that operate in the community.

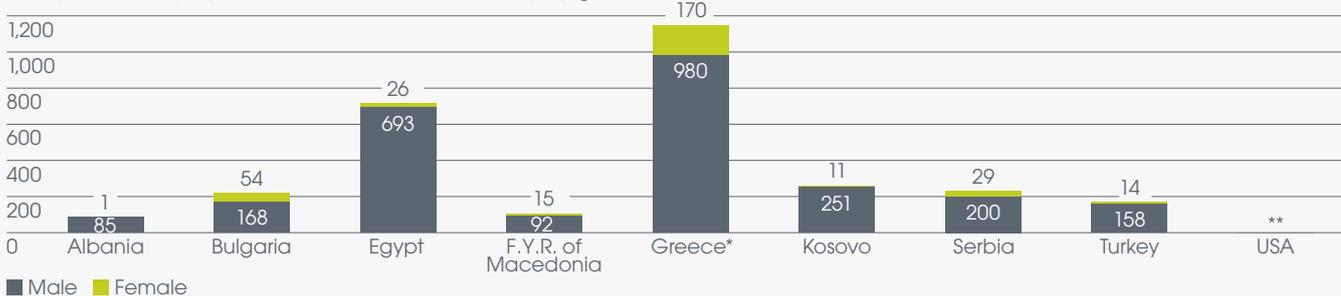
The objective of our community activities is to provide strategic support that results in significant impact and contributes to sustainable community development.

Our community strategy and plan of activities is led and implemented by local CSR Committees operating in every country. The CSR Liaison Delegate appointed by the local management in each country is the contact person for both internal and external stakeholders. Our community policy is directed by the feedback we receive from organized dialogue with community leaders and representatives, but also from events where our managers work together with communities to improve local

conditions, such as safety at schools, tree-planting and reforestation, cleaning the environment and managing waste.

We conduct community needs assessments in many different countries to determine the local need for infrastructure and other services. Local stakeholder forums and panels are organized annually and local stakeholders are invited to provide feedback on programs implemented within the framework of TITAN’s community policy and to address new needs or other opportunities to engage with us on.

Group direct employment from the local community by gender



**Greece* refers to the regional operations as well as the Group corporate center.
**Compilation for GDE from the local community not available for the USA.

Management review

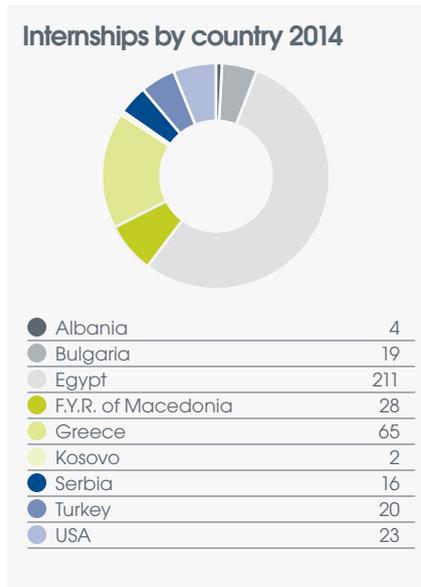
Community stakeholders and key focus areas

The primary stakeholder group for TITAN's community strategy is employees. Employee feedback has shown us that we have attracted new colleagues due to positive reactions to our community initiatives. Other key stakeholders in our communities are contractors, suppliers and business partners who are invited to participate in volunteering initiatives.

These initiatives include open plant days and study visits, stakeholder panels and bigger programs, such as the Safety at Schools partnership in the F.Y.R. of Macedonia, the LAB initiative in Kosovo, Education for All in Bulgaria and Adopt the River in Greece.

In addition, we recognize the value of relationship building with relevant local community and industry business groups such as chambers of commerce, local councils and business interest groups with a particular focus on education, health and safety, environment and waste management and community infrastructure and development.

As a standard practice, TITAN provides opportunities to young people from local communities to develop skills and competencies that are necessary for employment through organized internship



programs. In 2014, we expanded the number of internships, while we also participated in CSR Europe's effort to develop a [guide for improving quality and effectiveness of internships](#).

For example, in Serbia local management is conducting stakeholder dialogue to identify priorities at local level and has evolved a new initiative where local organizations and stakeholders participate in an open competition where proposals for community programs are assessed by a stakeholder panel and the best of them are supported through the company's community funding budget.

Our social investment themes

We contribute both financial and non-financial resources toward local development and, while priorities vary from one community to another, they usually fall into one of our strategic social investment themes: safety; healthcare; poverty and unemployment; and environmental awareness. This means they are also strongly aligned with the material issues for the Group and, in particular, they help us deal with health and safety concerns, community relations, our socio-economic impacts, our reputation for integrity and transparency, and climate change and air emissions.

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



Communities continued

The following case studies provide just a few of many examples of our community investment and engagement activities in 2014.

Safety



Building safety awareness in Greece

During 2014, 50 of our executives trained 13,274 school-children in 86 schools. The interactive seminars are not limited to the classroom, as the children who attend also receive a comprehensive guidance booklet on home safety.

While the “Safety at home” program began at schools located close to our cement plants, ready-mix concrete plants and quarries, today it is known throughout Greece and has reached schools that are nowhere near to our centers of activity. It has also expanded internationally, with similar programs in Serbia, Egypt and elsewhere.

Healthcare



Health mediator working with the Roma population in Bulgaria

Our Zlatna cement plant worked with the National Network of Health Mediators and the Municipality of Yablanitsa to provide a local Roma woman with training at the Medical University.

She works to improve healthcare in the local Roma population and the initiative has helped us forge better links with that community.

We have also implemented a similar initiative in Egypt.

Poverty and unemployment



LAB project in Kosovo

The “Laboratori për Aktivitete të Biznesit – LAB” project aims to contribute to the economic development of the Municipality of Hani I Elezit in Kosovo through the sustainable use of the local natural agro forestry resources.

Unemployment remains one of the biggest problems for most of the residents in Hani I Elezi, especially farmers in rural areas. The agro forestry sector is the most promising sector for growth and job creation in Kosovo, so LAB’s focus is on supporting business start-ups in this sector, providing financial help to generate income and new employment.

Environmental awareness



“Our waste, our fortune” campaign in Egypt

Working with the Alexandria University, the Directorate of Education and the Alexandria Governorate, we continued to promote our municipal solid waste campaign “Our waste, our fortune” in 2014. Targeting youth centers, schools and universities, our aim is to improve our external stakeholders’ environmental understanding of solid waste management issues.

Through this campaign we are also raising awareness of the potential for us to use processed waste as alternative fuels for kilns. We have also implemented a similar initiative in the USA.

Corporate giving program



TITAN's corporate giving program

It is varied and comprehensive and includes the following:

- Corporate donations (both cash and in-kind giving) to local, national and international organizations that support our sustainability and community development areas.
- Volunteer opportunities – for all employees: TITAN fully reimburses the time given by employees to participate in corporate volunteering programs.

In many cases TITAN matches funds raised through employees’ volunteering efforts. For example, in the case of Serbia floods in 2014 where our employees from all countries volunteered to raise funding and provide aid for people in need.

Outlook for 2015



We launched a new Social Policy in Serbia in 2014 and this will be extended to Egypt in 2015. The TITAN Board is currently reviewing all Group policies as part of the new sustainability framework and this will guide our approach to community relations and development in the coming years.

Business partners

Building strong relationships

We depend on our long-term relationships with our suppliers and they make a significant contribution to our performance. We work with them to develop innovative solutions to meet customer requirements.

Performance summary

- We co-lead both the [CSR Europe's portal for buyers and suppliers](#) and the [Cement Sustainability Initiative's Task Force 10](#)
- [Sourcing locally creates jobs in our local communities](#)
- [Use of new technology improves our ongoing collaboration with customers](#)

Management review

Engaging with our suppliers and customers

TITAN provides high-quality products and services at competitive prices, but we also depend on our long-term relationships with our suppliers and contractors. They significantly contribute to our performance and we work with them to develop innovative solutions to meet customer requirements.

Our supply chain comprises a variety of business partners who provide us with services (as contractors or licensees) and products (as brokers or wholesalers). We mainly use local contractors for the maintenance of machinery and operations, which are largely capital intensive activities, as well as cleaning and catering, which are labor intensive activities.

During the pre-qualification phase of selection, potential risks are identified

by category of supplier or contractor, depending on the type of activities they perform.

Where possible, our companies source products and services locally. This benefits the communities we work in by creating local jobs. We also source centrally through international suppliers who provide goods such as fuels, technology and machinery. Relations with suppliers at global, national and local levels are critical to the Group's performance and as such are considered material for TITAN.

All companies, regardless of size, need sufficient financial resources to stay in business. TITAN strives to pay its suppliers on time and in line with local conditions and regulatory requirements.

Sustainable procurement

Our supply chain is integral to the sustainability practices of the organization. Our Group Code for Procurement guides the selection, management and evaluation of the suppliers who provide us with goods and services – the key criteria are quality, reliability, flexibility and location of business. Our significant suppliers are contracted for those specific goods and services upon which our businesses are dependent.

We understand the importance of engaging with our suppliers and, particularly, our contractors, who are long-term suppliers of specialized services. We do this in line with our sustainability principles and best practice, and we are also looking to expand our collaboration with suppliers by adopting the CSI sustainability principles for the supply chain. By doing this, we believe we will maximize the positive effects we can have in terms of efficiency,

Significant Contractors and screening 2014

Country	Total number of significant contractors	% of local contractors	% of significant contracts with clauses on Human Rights and Human Rights screening	% of significant contracts declined or imposed conditions as a result of Human Rights screening
Albania	50	26%	100%	0%
Bulgaria	11	45%	100%	0%
Egypt	146	79%	34%	0%
F.Y.R.of Macedonia	-	-	-	-
Greece	32	-	31%	0
Kosovo	49	18%	-	-
Serbia	70	7%	0%	0%
Turkey	125	100%	-	-
USA	-	-	-	-
Total	483			

labor practices, performance, injury and risk reduction, and environmental protection.

The focus of our supply chain management is on maintaining cost effective and sustainable relations with all suppliers, whether global, national or local. We are committed to improving safety standards among our suppliers, especially those in areas identified as high risk, such as the transportation of goods and materials, maintenance services and quarrying.

This is one of the reasons we co-lead both the *CSR Europe's* portal for buyers and suppliers and the Cement Sustainability Initiative's Task Force 10. Through this task force we are developing a new framework for engaging with suppliers, so as to embed sustainability at every level, based on the UNGC principles and CSI standards.

We are also looking to embed human rights assessments into our supply chain by 2020. This will involve screening suppliers using new human rights criteria that cover child labor, discrimination, forced or compulsory labor, freedom of association and collective bargaining, indigenous rights and security practices and additional safety criteria.

We plan to identify and assess significant actual and potential negative human rights impacts linked to our activities, products and services, and through our relationships with suppliers. Currently, assessments of our suppliers, including contractors, are informed by audits, contractual reviews, two-way engagement, grievance and complaint mechanism, mainly focused on health and safety, which covers a number of human rights risks.

Case study



Our campaign launching blended cement in Egypt

In 2014, TITAN Egypt continued to enhance its competitive position in the Egyptian cement industry by running a campaign to raise awareness of its new product, which is blended cement.

Blended cement is a mixture of portland cement and other material such as granulated blast-furnace slag, pozzolan and fly ash, etc. It supports our efforts toward sustainable development, with a reduced environmental footprint in terms of CO₂ emissions and energy consumption for concrete production, while offering improved efficiency, making blended cement more environmentally friendly.

At TITAN Egypt we are the first to produce it, so we have been keen to promote its advantages to our customers and other stakeholders.

Events were organized at our Alexandria cement plant in June and our Beni Suf cement plant in August, and all invitees – including wholesalers, traders and retailers – received information about the new product, along with details of TITAN Egypt's full product portfolio.

More than 200 people attended the events in total, providing our commercial and industrial teams with an ideal opportunity to engage with our customers and discuss the construction materials we have to offer.

Business partners continued

Supplier selection criteria by country

Country	Albania	Bulgaria	Egypt	F.Y.R.O.M.	Greece	Kosovo	Serbia	Turkey	USA
Legal compliance	Y	Y	Y	Y	Y	Y	Y	Y	Y
Locality	Y	Y	Y	Y	Y	Y	Y	Y	Y
Health & Safety compliance	Y	Y	Y	Y	Y	Y	Y	Y	Y
Comply with environmental legislation	Y	Y	Y	Y	Y	Y	Y	Y	Y
Abstain from bribery & corruption	Y	Y	Y	Y	Y	Y	Y	Y	Y
Respect for human rights	Y	Y	Y	Y	Y	Y	Y	Y	Y
Locality	X	X	X		X	X	X		-
Price	X	X	X	X	X	X	X	X	-
Flexibility		X	X		X				-
Quality	X	X	X	X	X	X	X	X	-
Other	Experience			Delivery terms			Terms of payment	Reliability	-

Note

Our [Group Code of Conduct for Procurement](#) defines minimum criteria for selecting suppliers which are marked with a (Y). In addition to these minimum criteria, criteria for supplier selection varies. The additional supplier selection criteria used by the USA was not available due to a lack of resources. (-) signifies not available.

For TITAN, "local" refers to the administrative region of a cement plant, Ready-mix unit, quarry, terminal, company office or other premises belonging to the Group or one of its subsidiaries. Locally-based suppliers are the providers of materials, products, and services based in the same geographic market as the reporting organization (i.e. no trans-national payments to the supplier are made).

Currently, TITAN applies common principles for supply chain management as defined in the Group Procurement Manual. Acknowledging that local markets differ significantly, there is no common definition for "significant contractors" and information presented in the table above is not uniform in terms and criteria. Where a dash (-) appears in the table above, this means that the data is not available to the Group at this stage or in line with our stated definitions. In the case of Kosovo, we are looking to start reporting by 2015. In our joint venture

in Turkey, we have less influence over the screenings undertaken, but are looking to improve screening requirements by 2017.

TITAN is in the process of reviewing policies and procedures related to its supply chain management and a project is under way to improve data collection and align the business with the new CSI Guidelines for Sustainability in the Supply Chain, to help us provide comparable and more complete data by 2017.

Due to the position of TITAN in F.Y.R. of Macedonia, Greece and the USA, the definition of "local contractor" is not applicable. In these countries, the geographic definition of "local" varies because all national suppliers are considered local as well.

Satisfying customers' needs

All our operations have established management systems certified according to [ISO 9000](#) and for cement and ready-mix products we comply with relevant European quality standards. However, we adapt our customer service policy according to local market conditions.

Our managers meet regularly with customers to transfer know-how and expertise regarding product use. This includes everything from health and safety best practice to explaining the advantages of using different products, such as blended cements or other more advanced products, and promoting their environmental and other benefits.

We continue to use new technologies to improve our direct and ongoing collaboration with customers. For example, E-Orders provide a tracking service for our customers in F.Y.R. of Macedonia, while other customers can view their orders and financial payments online.

Environment

Improving our environmental performance

Our efforts to address environmental concerns such as water and energy use, biodiversity, CO₂ emissions and waste management are not add-ons to our business, but are central to what we do. They underpin both our operational efficiency and our focus on sustainability. They also help us secure the permits we need to run our business.

Performance summary

- Specific CO₂ emissions of 676.3 kg/t_{Product} in regards to the Group target were virtually unchanged compared to 2013
- Specific dust emissions around 60% less than the Group target
- Percentage of alternative fuels used up to 6.9%_{Thermal basis} against our target of 10%
- Water consumption reduced to 311 lt/t_{Cement} more than 10% below the Group target
- Environmental expenditure was €30.1 million

Management review

Compliance and best practice

Compliance with environmental regulations and best practice is a material concern for our business, as it is part of our license to operate. We devote large amounts of human resources and environmental expenditure across the Group to improve and maintain our performance in this area, ensuring we meet local regulations and our own targets, which are often more demanding.

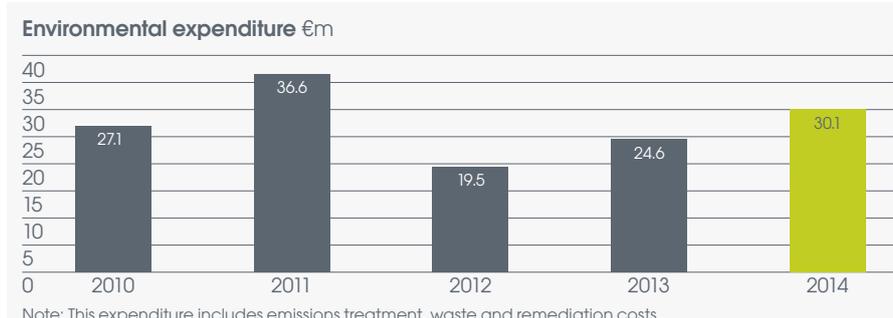
Internal and external audits are carried out to monitor our progress and, where issues are identified, we plan new initiatives and programs, in conjunction with local stakeholders to meet their needs. The total amount of significant fines paid by the Group in 2014 in relation to noncompliance with environmental laws and regulations was \$10.509. There were no non-monetary sanctions or environmental cases brought against the Group in 2014.

Environmental performance

Our five-year environmental performance improvement plan continued in 2014 and we are making good progress toward our targets for 2015/2017. In 2014, the external verification of our performance was extended to cover emissions of dust, NO_x and SO_x. In addition, following the revised CSI guidance on air emissions reporting, this year for the first time we provide information regarding our performance on Hg, PCDD/F and heavy metals emissions as well as the overall and specific coverage rates.

Group environmental performance

Key environmental measures		2014 performance	2015/2017 Group Target
Gross direct specific CO ₂ emissions	kg/t _{Product}	676.3	628.0
Specific dust emissions	g/t _{Clinker}	37.3	95.0
Specific NO _x emissions	g/t _{Clinker}	1,612.1	1,670.0
Specific SO _x emissions	g/t _{Clinker}	273.8	240.0
Specific water consumption	lt/t _{Cement}	311.1	350.0
Use of alternative fuels	% _{Thermal basis}	6.9	10.0



Environment continued

TITAN Group cement production and grinding plants
Specific gross direct CO₂ emissions¹ (kg/t_{Product}²)



(1) Specific emissions in each year and the Group target are calculated based on the equity held by TITAN Group in 2009.
(2) Product equals cementitious product as defined by WBCSD/CSI.

TITAN Group cement plants
Specific dust emissions^{1,2} (g/t_{Clinker})



(1) Specific emissions in each year are calculated based on the equity held by TITAN Group in 2009.
(2) Group target was calculated based on the equity held by TITAN Group in 2009.

Mitigating climate change

Thermal and electrical energy, along with raw materials, are fundamental resources for the high-intensity cement and construction industries; this means our operations can have a major impact on climate change.

We address this through the use of alternative fuels and raw materials and systematic monitoring and recording of quantities of energy resources consumed. Our approach to reducing our emissions is guided by the Precautionary Principle, in that we tackle the possible risks even where scientific understanding may be incomplete.

Carbon emissions

Since 2006, we have addressed our carbon emissions in line with the Kyoto Protocol. We have reported the CO₂ emissions from our cement plants following CSI Guidelines since 2003, while developing and implementing five-year action plans to further improve our overall performance.

Total direct carbon emissions from our cement and grinding plants in 2014 were 9.5 million metric tons. Specific CO₂ emissions were 674.4kg/t_{Product}.

Our CO₂ emissions, along with our thermal and electrical energy consumption, are calculated and reported in accordance with the corresponding WBCSD/CSI protocol (CO₂ and Energy Accounting and Reporting Standard for the Cement Industry, version 3.0, May 2011). According to the protocol no other Greenhouse gas (GHG) is considered material to cement plant operations. The base year for CO₂ emissions is 1990 in accordance to the Kyoto Protocol recommendation.

Air emissions

Dust

All TITAN Group facilities have dust monitoring and recording equipment enabling regular measurements in accordance with environmental legislation and our CSI commitments. We ensure that our facilities respect the limits on dust emissions of their operating permits and any conditions set by local authorities.

Our performance remained well inside the Group target in 2014. Total emitted dust was 416 metric tons, 20% lower than 2013, while specific emissions were 37.0g/t_{Clinker}.

NOx and SOx

In 2014, NOx emissions were 18,088 metric tons, while specific emissions were 1,610g/t_{Clinker}, an improvement of 12% on the previous year and ahead of our Group target.

SOx emissions were 2,969 metric tons while specific emissions were 264.3g/t_{Clinker}, higher than the previous year.

TITAN Group cement plants
Specific NOx (as NO₂ eq) emissions^{1,2} (g/t_{Clinker})



(1) Specific emissions in each year are calculated based on the equity held by TITAN Group in 2009.
(2) Group target was calculated based on the equity held by TITAN Group in 2009.

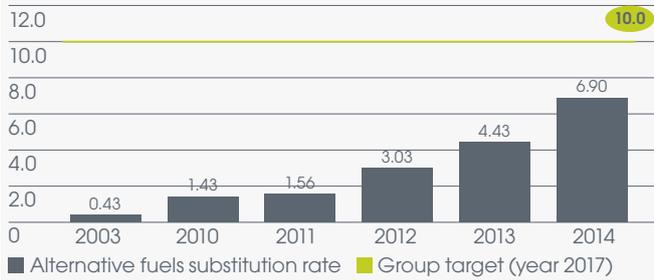
TITAN Group cement plants
Specific SOx (as SO₂ eq) emissions^{1,2} (g/t_{Clinker})



(1) Specific emissions in each year are calculated based on the equity held by TITAN Group in 2009.
(2) Group target was calculated based on the equity held by TITAN Group in 2009.

TITAN Group cement production and grinding plants

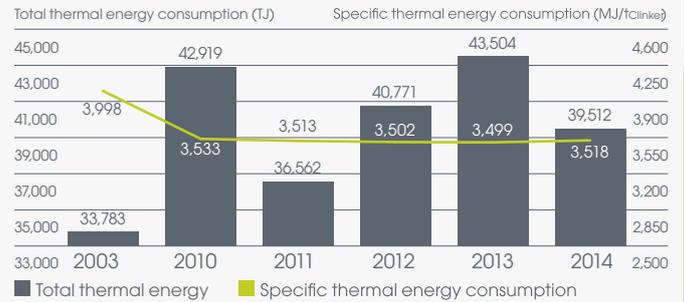
Alternative fuels substitution rate (% Thermal basis)



(1) Substitution rate of each year is calculated based on the equity held by TITAN Group in 2009.
(2) Group target is calculated based on the equity held by TITAN Group in 2009.

TITAN Group cement production and grinding plants, attached and related quarries

Thermal energy consumption for clinker and cement production¹



(1) Calculated based on the equity held by TITAN Group in each specific year.

Extractive and alternative raw materials

The development, implementation and monitoring of programs to use energy and natural resources more efficiently is a material issue for our business and is a key part of our [Environmental Policy](#). By using alternative raw materials we can reduce the consumption of extracted raw materials and the by-products that go to landfill.

In 2014, we used 19.6 million metric tons (dry basis) of raw materials in our total cement production. Approximately 7% of those materials were alternative raw materials, mostly derived from by-products and waste from other industries.

Thermal energy and alternative fuels

In 2014, the Group consumed 39,512 TJ of thermal energy in clinker and cement production processes, including energy consumed by attached and related quarries.

That represented a reduction of more than 9%, compared to 2013, mainly due to the decrease of the corresponding clinker and cement production. We do not measure our energy use against a specific base year. Energy savings are only reported when a relevant project exists, we do not collect data on energy savings provided by our products during their use.

We identify alternative fuels according to local conditions and opportunities and invest in new technologies that can use them in a safe, environmentally friendly way. Where we can, we also use carbon-neutral fuels (biomass), to minimize our CO₂ footprint. In 2014, we increased alternative fuel usage to 6.65%^{Thermal basis}, against a Group target of 10.0%^{Thermal basis}.

Electrical energy

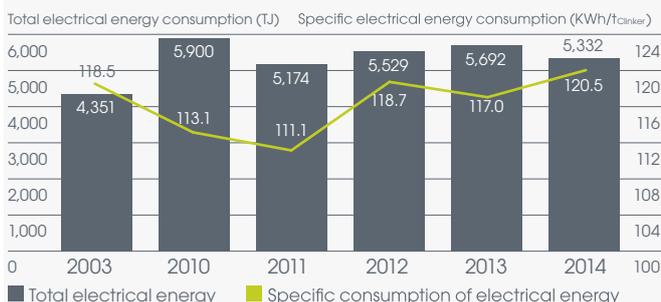
In 2014, electrical energy consumption at Group cement production plants and attached quarries was 1,481 GWh, down 6.3% on the previous year, due to the decrease of the corresponding clinker and cement production.

Resource efficiency

The reduction, re-use and recycling of raw materials, energy and waste are key elements of the [Group's Environmental Policy](#). We recover raw materials and by-products of the production process with specialized equipment. These are then processed and re-used.

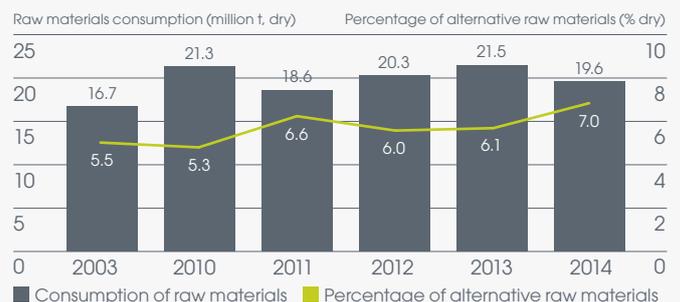
TITAN Group cement production and grinding plants, attached and related quarries

Electrical energy consumption for clinker and cement production¹



(1) Calculated based on the equity held by TITAN Group in each specific year.

Consumption of raw materials and percentage of alternative raw materials used in clinker and cement production¹



(1) Calculated based on the equity held by TITAN Group in each specific year.

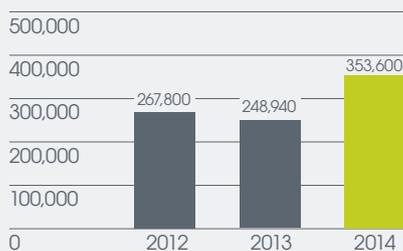
Environment continued

Waste management

TITAN recycles waste materials wherever possible. Where we cannot do this internally, we outsource it through a collective management system or licensed subcontractors.

Recycled (externally) waste material

metric tons



Water management

Resource use is a key material issue for the Group and our businesses use a significant amount of water, particularly in their production plants. Efficient water use and management is therefore an important environmental goal, but is also a way of keeping costs down. That's why our Group CSR Committee reviews the effectiveness of our sustainability policy which covers water management and any adjustments are agreed by the Committee in tandem with local CSR Committees.

Specific water consumption at the Group's cement plants in 2014 was at the same level as the previous year, with a slight decrease of 3.2%, reaching 305.4lt/t_{Cement}, below the Group target of 350.0lt/t_{Cement}. The total water withdrawal, consumption and discharge at the cement plants were 7.0 million m³, 3.8 million m³ and 3.2 million m³ respectively.

At Group level, a total 30.4 million m³ of water was withdrawn, 8.4 million m³ consumed and 22.0 million m³ discharged in 2014.

The volume of the water withdrawal, sourced from surface and ground water resources, is in most cases directly measured with water flow meters installed at the withdrawal points, whereas municipal water volume is usually determined by invoices or bills from the water supply company. In the few cases where direct measurements are not possible, water withdrawal is estimated by multiplying pump manufacturer rated capacity and pump operating hours.

Our efforts to promote good practices for efficient water management continued in 2014. In its first year of operation, the closed water recycling system at the Kosjeric cement plant in Serbia resulted in 580,000m³ less fresh water being withdrawn from the nearby river, as compared to 2013.

We have water recycling facilities in 92% of our cement plants. Nearly a third of the Group's aggregates sites use water in their production process and 80% of these sites operate water recycling systems.

In 2014, water recycling reached 21.0 million m³ at Group level, which is equivalent to 69% of the total water volume withdrawn. At our cement plant operations, the total volume of recycled water was 15.9 million m³, more than double (about 220%) the volume of water withdrawn.

Similarly, the water we recycle is normally determined by direct measurements (using water flow meters). Again, where this is not possible, estimates are used (pumping hours multiplied by the pump rated capacity, or simply by recording the number of water trucks of known capacity needed for yard washing and dust suppression).

TITAN Group cement production and grinding plants

Specific water consumption^{1,2} (lt/t_{Cement})



(1) Specific water consumption in each year is calculated based on the equity held by TITAN Group in 2009.

(2) Group target was calculated based on the equity held by TITAN Group in 2009.

TITAN Group water withdrawal by source million m³

	2012	2013	2014
Ground water	27.7	26.0	27.0
Municipal water (includes bottled water bought)	1.0	0.9	0.9
Harvested rain water (collected and used)	0.2	0.2	0.2
Surface water	1.6	1.7	1.0
Ocean or sea water	1.7	1.1	1.3
Waste water	0.0	0.0	0.0
Total	32.2	29.9	30.4

TITAN Group water discharge by destination million m³

	2012	2013	2014
Surface water (river, lake)	19.2	19.3	20.6
Ocean or sea water	1.8	1.1	1.3
Off-site water treatment	0.1	0.1	0.1
Total	21.1	20.5	22.0

In December 2014, the WBCSD/CSI officially issued the Protocol for Water Reporting to support member companies reporting the agreed CSI Indicators for water, with details in metrics, terminology, definitions and guidance for water accounting. TITAN's reporting on water is compliant with the requirements set out in this Protocol.

Biodiversity and land management

TITAN recognizes that the production of cement and aggregates both depend on and impact biodiversity and ecosystem services. However, the negative impacts of the extraction process can be minimized, while quarry rehabilitation can even have a positive impact on biodiversity if managed correctly. We have Quarry Rehabilitation Plans (QRPs) in place at almost 80% of the Group's quarry sites and similar plans

are being developed for the remaining sites.

Eight of our Group quarry sites have been recognized as areas of high biodiversity value and three of the eight (38% of them) operate under a Biodiversity Management Plan (BMP) that has been developed – or will be adopted – according to the Biodiversity Management Plan (BMP) Guidance launched by WBCSD/CSI in 2014.

Quarries screened for their biodiversity value using the Integrated Biodiversity Assessment Tool (IBAT)	100%
Number of active quarries within, containing or adjacent to areas of high biodiversity value	8
Percentage of quarries with high biodiversity value where biodiversity management plans are actively implemented	38%

Outlook for 2015



We will continue to minimize our overall environmental impact through:

- Increased use of alternative fuels;
- Installation of bag filters to reduce dust emissions to a minimum;
- Installation of new equipment to reduce NOx emissions, enabling us to comply with stricter limits on emission levels;
- Development and implementation of QRPs and BMPs according to local conditions and in line with CSI Guidelines;
- Implementation of best-practices through our participation in the Biodiversity and Land Stewardship Task Force and the Water Task Force of the WBCSD/CSI;
- Improvement of our water performance through efficient water management and the assessment of water-related risks for our operations.

TITAN Group quarry sites with high biodiversity value

Site	Country	Location	Size (area in km ²)	Type of Operation	Status
1 Pennsuco Quarry	USA	Miami Dade, Florida	25.19	Raw materials extraction for cement and aggregates production	Inside area for protection of freshwater ecosystems (wetlands) on local/state level
2 Center Sand Quarry	USA	Clermont, Florida	2.79	Raw materials extraction for aggregates production	Adjacent to area for preservation of terrestrial ecosystems on local/state level
3 Zlatna Panega Quarry	Bulgaria	Zlatna Panega, Lovech	0.95	Raw materials extraction for cement production	Partly inside NATURA 2000 area for protection of terrestrial ecosystems (SAC)
4 Xilokeratia Quarry	Greece	Milos Island, Cyclades	0.64	Raw materials extraction for cement production	Inside/adjacent to NATURA 2000 area for protection of terrestrial and maritime ecosystems (SAC/SPA)
5 Apsalos (west and east) Quarries	Greece	Apsalos, Pella	0.08	Raw materials extraction for cement production	Inside NATURA 2000 area for protection of terrestrial ecosystems (SPA)
6 Rethymno Quarry	Greece	Rethymno, Crete Island	0.30	Raw materials extraction for aggregates production	Inside area for protection of terrestrial ecosystems on national level
7 Leros Quarry	Greece	Leros Island, Dodecanese	0.23	Raw materials extraction for aggregates production	Inside area for protection of terrestrial ecosystems on national level
8 Agrinio Quarry	Greece	Agrinio, Aitolokarmania	0.89	Raw materials extraction for aggregates production	Inside area for protection of terrestrial ecosystems on national level