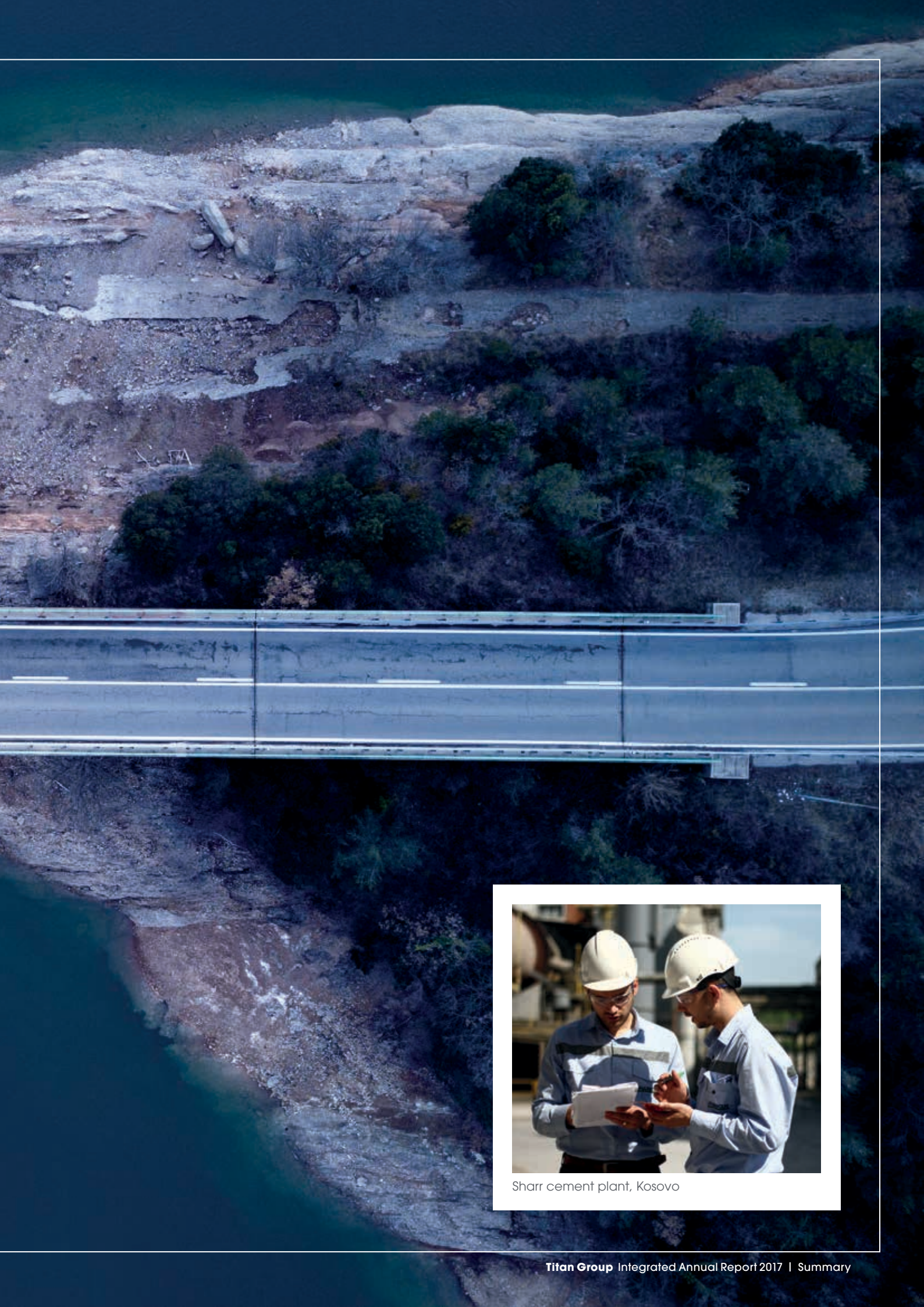


Business overview

An overview of our Group and how we build value, assess our material issues and engage with stakeholders, along with a presentation of our 2020 sustainability performance targets and how these are aligned with the UN Sustainable Development Goals (SDGs).





Sharr cement plant, Kosovo

Business overview

Founded in 1902, TITAN Group has expanded beyond its Greek roots to become an international, vertically integrated building materials company that is committed to serving society’s most fundamental needs, while contributing to sustainable growth with responsibility and integrity.

We provide the materials to build the structures and physical infrastructures which, in turn, provide shelter, enable commerce and foster connectivity.

Our business activities are carried out by both wholly owned companies and joint ventures with well-established partners; they cover the production, transportation and distribution of cement, concrete, aggregates, fly ash, mortars and other building materials.

Our success depends on employing the best available techniques, our systematic research and constantly updated know-how. Above all, we rely on our highly skilled and experienced people who live the values of the Group.

Aiming to multiply the value we create, we engage in partnerships and collaborative action to share our know-how, experience and best practices. While taking action at local level, promoting solutions that safeguard sustainable growth for our business, communities and key stakeholders, we also seek to contribute meaningfully to global initiatives.

In 2017, we delivered a solid financial performance, while following an inclusive strategy that enabled us to remain agile, dynamic and committed to identifying and responding to the needs of our stakeholders.

The following are our most important partnerships and memberships for sustainable development:



We were among the first 500 signatories, and now a Participant, of the UN Global Compact (UNGC), and are also involved in local UNGC networks in Egypt, FYROM, Greece and Serbia.



We have been a core member of the Cement Sustainability Initiative (CSI) of the World Business Council for Sustainable Development since 2003.



We became a member of CSR Europe in 2004, and founding members of national partner organizations in Albania, Greece, Kosovo and Serbia.



Patras cement plant, Greece

One governing objective, one set of strong values

Our governing objective

We aim to grow as a multiregional, vertically integrated cement producer, combining an entrepreneurial spirit and operational excellence with respect for people, society and the environment.

Strategic priorities

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

Geographical diversification

We expand our business through acquisitions and greenfield developments into attractive new markets, to diversify our earnings base and mitigate the reliance on few markets.

Continuous competitive improvement

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

Vertical integration

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

Focus on human capital and corporate social responsibility

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

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

Our values

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

Integrity

- Ethical business practices
- Transparency
- Open communication



Know-how

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



Value to the customer

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



Delivering results

- Shareholder value
- Clear objectives
- High standards



Continuous improvement

- Learning organization
- Willingness to change
- Rise to challenges



Corporate Social Responsibility

- Safety first
- Sustainable development
- Stakeholder engagement



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

Where we operate

We report on our performance and activities based on our four geographic regions and separately on our major joint ventures in Brazil and Turkey.

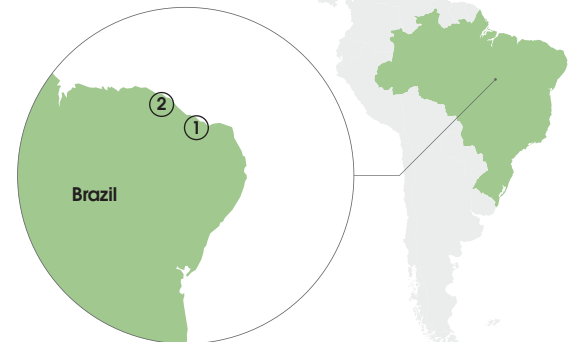
Greece and Western Europe

- Cement plants**
 1 Thessaloniki
 2 Kamari
 3 Patras
- Grinding plant**
 4 Elefsina



USA

- Cement plants**
 1 Roanoke - Virginia
 2 Pennsco - Florida



Joint ventures

- Cement plant**
 1 Quixere
- Grinding plant**
 2 Pecem

USA	
2 Cement plants	7 Quarries
85 Ready-mix plants	14 Distribution terminals
10 Concrete block plants	6 Fly ash processing plants
Principal products/activities 	
Turnover 	
EBITDA 	
Assets 	

Greece and Western Europe	
3 Cement plants	26 Quarries
27 Ready-mix plants	8 Distribution terminals
1 Grinding plant	1 Dry mortar plant
Principal products/activities 	
Turnover 	
EBITDA 	
Assets 	

Principal products/activities key:

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

Number of operational units as calculated for non-financial performance reporting purposes at Group level.



Southeastern Europe

Cement plants

- 1 Kosjeric - Serbia
- 2 Zlatna - Bulgaria
- 3 Sharr - Kosovo
- 4 Usje - FYROM
- 5 Antea - Albania



Joint ventures

Cement plant

- 1 Tokat

Grinding plants

- 2 Antalya
- 3 Marmara



Eastern Mediterranean

Cement plants

- 1 Alexandria
- 2 Beni Suef

Southeastern Europe	Eastern Mediterranean	Joint ventures**
<p>5 Cement plants</p> <p>20 Quarries</p> <p>8 Ready-mix plants</p> <p>1 Distribution terminal</p> <p>1 Processed engineered fuel facility</p> <p>Principal products/activities</p>	<p>2 Cement plants</p> <p>12 Quarries</p> <p>2 Ready-mix plants</p> <p>1 Distribution terminal</p> <p>1 Processed engineered fuel facility</p> <p>Principal products/activities</p>	<p>2 Cement plants</p> <p>8 Quarries</p> <p>8 Ready-mix plants</p> <p>12 Distribution terminals</p> <p>3 Grinding plants</p> <p>Principal products/activities</p>
<p>Turnover</p> <p>€226m 15%</p>	<p>Turnover</p> <p>€158m 10%</p>	<p>** The joint ventures in Brazil and Turkey are incorporated in the financial statements using the equity method of consolidation.</p>
<p>EBITDA</p> <p>€57m 21%</p>	<p>EBITDA</p> <p>€13m 5%</p>	
<p>Assets</p> <p>€482m 19%</p>	<p>Assets</p> <p>€382m 15%</p>	

Delivering value for all

We use our unique strengths, resources and relationships to create sustainable value at every stage of our operations. We focus not just on what we do, but also on how we do it, ensuring that we make a meaningful contribution to all our stakeholders.

TITAN is creating value through its products and services, which serve the need for safe, durable, resilient, affordable and sustainable housing and infrastructure.

The Group's core activities include: the extraction of raw materials and their transformation into building products; the distribution of products to customers, and the transfer of know-how and expertise through collaborations with customers, business partners, local communities and academia.

Main raw materials used include limestone, clay, gypsum, mineral aggregates, energy and water.



1

Raw materials

We apply rehabilitation practices and implement Biodiversity Management Plans at sites recognized as areas of high biodiversity value.

2

Manufacturing

We crush, grind, heat, cool, mix and mold materials to produce cement, RMC and other building products, using best available techniques, in a safe and healthy environment.

We operate systems for recycling, processing and utilizing waste as alternative raw materials and alternative fuels, thereby contributing to the preservation of valuable resources and the minimization of waste.

Our Research & Development activities include the monitoring, integration and application of the global trends regarding environmental footprint reduction, with a particular focus on CO₂, both through process improvements and the development of low carbon products.

We provide a safe and healthy environment for our employees and promote their lifelong learning.

Moreover, we focus on delivering social value through our commitment to support the sustainable development of communities near our operations.

We build on collaborations with key stakeholders and implement programs focused on the most material local issues. Typically, such programs include employment creation in agriculture and other areas, incentives for education, safety training for schoolchildren and university students, health and wellness programs, and environmental awareness initiatives.



€83.8m

in **taxes** to national and local authorities

19.2m

metric tons of cement supplied to **customers**, along with many other products

€96.5m

payout to **shareholders** and minorities for 2016 results

€2.1m

in **community projects**

3

Distribution

We operate dedicated distribution terminals for our products across our regions, ensuring secure supply to our customers.

4

Customers and partners

We work closely with partners and customers at a local level, sharing our know-how to enhance the value our business creates.

5

Society and environment

We take special actions and engage in collaborative projects to ensure that our business has a positive impact on society and the local communities close to our operations.

Focus on material issues

For us, engagement with stakeholders is an ongoing and inclusive process. It helps us build trust and improves our understanding of their diverse needs, expectations and concerns, empowering our collaboration.

Our approach to stakeholder engagement and materiality

We report annually, focusing on the issues material to us and our stakeholders, at Group and local business level. The materiality assessment cycle takes between three and five years, in a process designed to ensure local stakeholder engagement, providing feedback that helps shape our strategy and improve our long-term results.

Our latest materiality assessment

In 2017, we completed materiality assessments at Antea cement plant in Albania and Tokat cement plant in Turkey. We also reviewed the outcomes of the materiality assessment that was conducted by TITAN America in early 2015, with the aim to align their Sustainability Strategy 2020 with the Sustainable Development Goals (SDGs). We have followed the same approach for all TITAN operations since September 2015, when we voluntarily adopted the UN 2030 Agenda for Sustainable Development. These latest updates to our ongoing materiality process confirmed that the issues identified as material by the Group remain the same.

This table summarizes the outcomes of the materiality assessment process 2015–2017

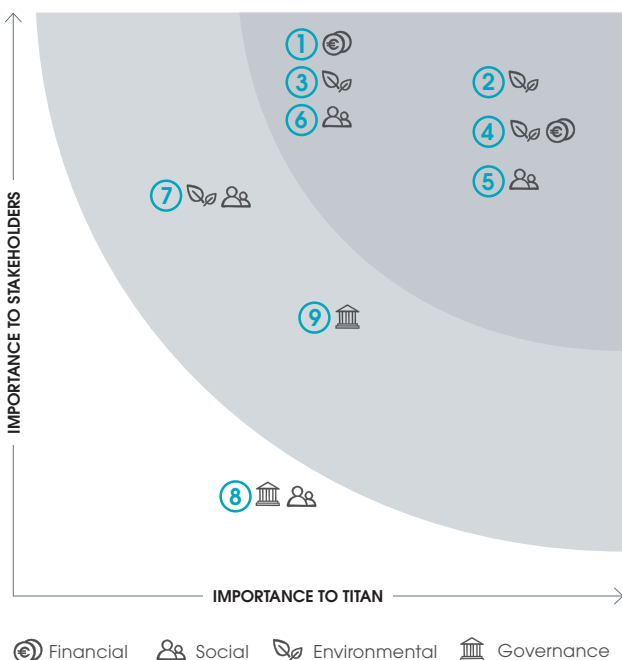
We seek feedback from key stakeholders through:

- desktop research
- one-to-one meetings
- online surveys
- opinion surveys
- roadshows
- thematic forums

Our key stakeholders:

- business partners and suppliers
- customers
- capital lenders
- employees
- local communities
- non-governmental organizations (NGOs)
- regulators, authorities and governments
- shareholders - investor community
- youth

Materiality matrix



Our most material issues

SDGs most relevant to TITAN Group

€ 1 Financial liquidity and access to funding	8, 17
🌿 2 Environmental management	6, 7, 15, 17
3 Climate change	7, 13, 17
4 Circular economy	12, 17
👤 5 Health and safety	3, 17
6 People management and development	4, 5, 17
7 Sustainability of communities	4, 9, 11, 17
8 Social and political risks and instability	8, 17
🏛️ 9 Governance, transparency and ethics	4, 8, 17

Our 2020 targets

TITAN first began reporting on non-financial performance in Greece in 1983 and as a Group in 2003. Since then, we have demonstrated significant progress across all three areas of sustainability: economic, environmental and social. While proud of our achievements, we recognize that there is still work to do, and we are committed to continuing to set stretch targets that will drive further improvement.

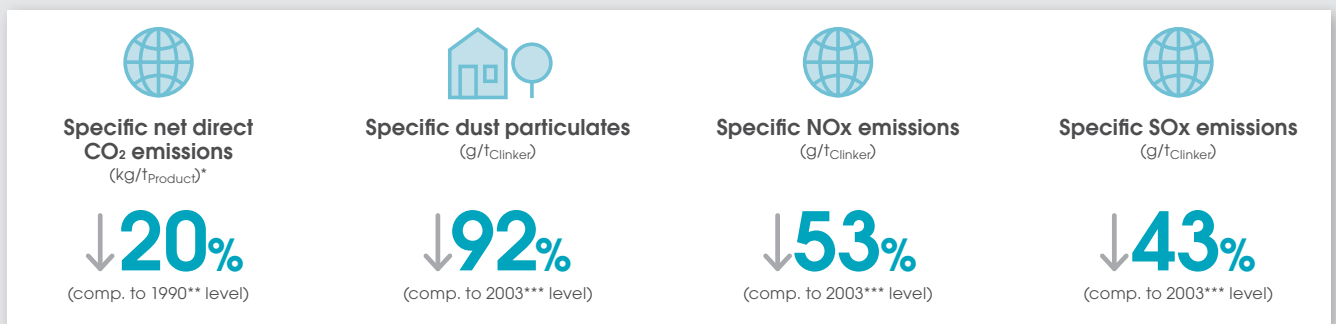
In 2017, we extended our sustainability targets for 2020 and set new ones that reflect our ambition to be in line with global leaders of the industry on the environmental pillar and build on our distinctive approach to social engagement at a local level. Our new targets underline TITAN's commitment to maintain our advanced level of performance on minimizing SOx, NOx and dust emissions, while continuing to focus on further reducing CO₂ emissions. To meet this

aim, in 2017 we developed a new, structured, quantitative, group-wide methodology, the "TITAN CO₂ Initiative." We have also set additional targets addressing the need for a holistic approach to environmental sustainability, including efforts to improve energy efficiency and maintain a robust performance on biodiversity and land management.

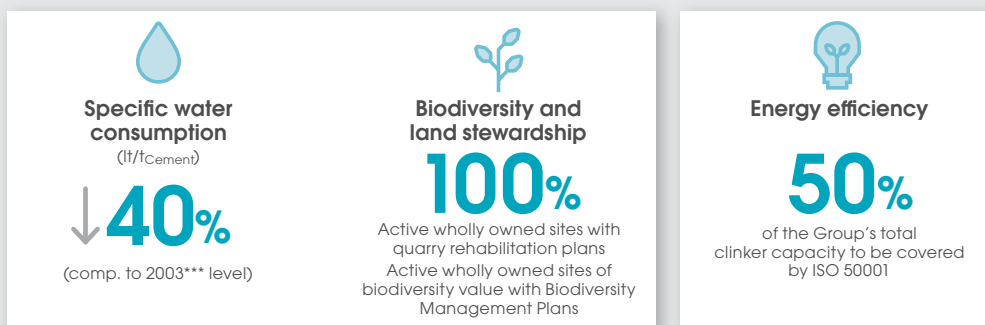
We also reaffirmed our commitment to reduce our Lost Time Injuries Frequency Rate (LTIFR), aiming to be in the top 25% of WBCSD/CSI members.

To support the Group's long-term commitment to the UN's 2030 Agenda for Sustainable Development, TITAN directly links its 2020 targets and priorities with the SDGs that have been identified by the materiality assessment process as the most relevant to the business. This is presented in the table below.

SUSTAINABILITY PERFORMANCE 2020 TARGETS

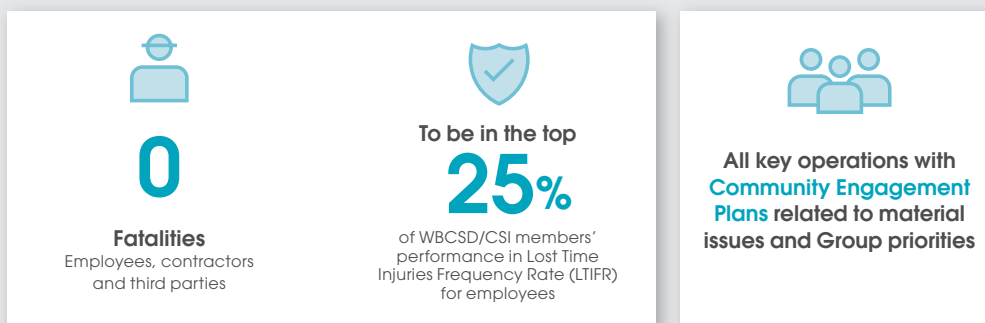


SDGs: 12, 13, 17



SDGs: 6, 11, 15, 17

SDGs: 7, 17



SDGs: 3, 17

SDGs: 3, 4, 9, 11, 17

SDG key



* Product equals cementitious product as defined by WBCSD/CSI.
 ** 1990 is the base year for CO₂ emissions, in line with the Kyoto protocol.
 *** 2003 is the base year for environmental data other than CO₂ emissions.

Our commitment to the UN SDGs

Since 2015, TITAN has declared its support for the UN Sustainable Development Goals (SDGs), the global sustainability priorities and aspirations for 2030, driving global efforts and collaboration for this common cause.

Below are some examples of our alignment with the SDGs.

ENGAGING LOCALLY FOR THE SDGS

Since signing the UN Global Compact in 2002, TITAN focused on the establishment and development of business-driven networks that are working to integrate the ten Principles of the UNGC in Albania, Egypt, FYROM, Greece, Kosovo and Serbia.

Through our participation and leadership of local networks, we interact with more than 500 local companies, while we support stakeholder dialogue with relevant reports in local languages. Since 2008, we have systematically communicated our progress on implementing the ten Principles within our sphere of influence to more than 10,000 local stakeholders in the countries where we operate.

In 2015, we took a step further by aligning stakeholder dialogue with global trends based on the UN SDGs 2030. Accordingly, during 2016–2017, all our operations reviewed and updated their materiality assessments in light of the SDGs 2030, thereby contributing to making their global goals a common language and framework for sustainability.

TITAN Group is also represented by CSR Europe in the EU multi-stakeholder platform on SDGs, while supporting relevant consultations for the development of Voluntary National Action Plans.



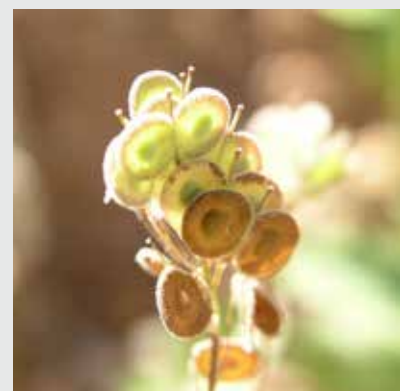
PROTECTING AND PROMOTING BIODIVERSITY

Respect and preservation of biodiversity is vital to TITAN and we work in partnerships with local stakeholders to achieve a net positive impact of our operations where possible, through advanced scientific methods.

The following are examples of how we engage with communities to protect biodiversity and preserve local flora and fauna:

- In Albania, a vineyard was developed in 2014, in the TITAN Antea cement plant, as part of an effort to cultivate food crops. In 2017, the vineyard was able to contribute 1,500kg of grapes to local red wine producers.
- In Virginia, USA, more than 600 school children have participated in TITAN's outdoor classroom where students learn to assess the health of local waterways that feed into the James River and Chesapeake Bay.

- In Zlatna Panega, Bulgaria, TITAN joined forces with academics to relocate and monitor protected species of flowers and plants and establish a tree nursery. The plan was identified as best practice by the CSI and featured in the Biodiversity Management Plan (BMP) Guidance, WBCSD/CSI edition 2014.
- Adocim in Turkey relocated 1,300 pine trees from Keslikkaya quarry and re-planted them in Tokat plant premises, in order to preserve them. Another 350 cherry trees were planted in the plant and surrounding area.



STRENGTHENING COMMUNITIES BY SUPPORTING YOUTH

Empowering young people with skills for jobs has been identified as a material issue for our local stakeholders. We initiated the European Pact for Youth at Group level in 2015 to further support sustainability of communities and provide opportunities for quality education for all.

The following are some examples of our ongoing efforts and commitment to youth:

- For the third year, our Antea cement plant in Albania worked on the Strengthening Families initiative with SOS Village, which has provided support and opportunities to 19 families and 47 children living in poverty in the villages of Borizana and Thumana.
- TITAN America has added an annual Solid Foundation Scholarship Program, which offers up to six scholarships each year and helps young people to further their education and unlock opportunities, alongside existing programs with academia and educational organizations dedicated

to quality internships.

- Our partnership with "Teach for All" Bulgaria Foundation has helped the transformation of elementary education in the villages surrounding our Zlatna Panega cement plant. By the end of 2017, 13 new teachers were working with more than 500 schoolchildren of low socio-economic status in five elementary schools.
- TITAN was pleased to undertake the renovation of the Wadi El Kamar elementary school in Egypt. The renovation work was completed this year, benefiting more than 1,200 students, while efforts continue to provide technical skills and empower women.
- In Greece, TITAN launched Youth Matters, underlining the importance of young people as stakeholders and providing a system to help youth benefit from new skills development opportunities.



LAB: TRANSFORMING PROSPECTS THROUGH INNOVATION AND ENTREPRENEURSHIP

The Hani I Elezit region of Kosovo is one of the country's most deprived areas, with youth unemployment at 70% and limited opportunities for employment and economic development. To enhance the sustainability of communities around its operations, TITAN Kosovo created the Laboratori për Aktivitete të Biznesit (LAB), the first private-public institution in the country operating to international governance standards and promoting entrepreneurship, quality education and access to finance.

LAB is the incubator for new and innovative ideas, primarily for agro-forestry businesses, and for introducing modern farming techniques that can intensify production to meet market demand. During the last two years, LAB has already started to show tangible positive results, particularly on employment and income creation in the region.

By December 2017, LAB had helped to establish 78 new businesses across ten different agro-forestry sectors, including beekeeping, vineyards and herb production, as well as forestry, livestock farming, greenhouse production and other agricultural sub-sectors. Equality of opportunity is a priority for LAB, with 20% of the investments made so far going to female entrepreneurs. The flow of investment is increasing, with 28 new start-ups supported in 2017 alone.

LAB is recognized as a unique and innovative example of social engagement in the region, and its success in developing a more sustainable economy for Hani I Elezit has attracted the interest of well-respected organizations and stakeholders. This has included the United States Agency for International Development (USAID), who joined forces with LAB to expand the positive impacts of their efforts in the region.

