

Focus on material issues

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

Stakeholder engagement

Stakeholder engagement is an important element of our corporate social responsibility policy; it builds trust, improves understanding of the impacts of our operations and addresses stakeholder concerns, while providing input to the materiality assessment process. The methods for stakeholder communication and interaction vary from operation to operation, depending on local practices. We seek out feedback to help us address and further improve on issues that are of increasing importance to our stakeholders, such as youth unemployment and sustainability of communities, human rights and supply chain.

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

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

Materiality assessment

In 2016, all regional operations except for Antea cement plant (TITAN Albania) and Adocim cement plant (TITAN Turkey) reviewed – and updated where needed – their materiality assessments, taking into consideration the outcomes of employee opinion surveys (completed in 2015) and stakeholder consultations (through sustainability initiatives like the Cement Sustainability Initiative, investor roadshows and meetings with local stakeholders).

The results will serve as a basis for the next review of the Group Materiality Assessment in 2017. For 2016, the Group material issues were determined to be the same as in 2015.

We have aligned the outcomes of Group and local materiality assessments with the SDGs and strengthened collaboration through initiatives promoting engagement to “make the global goals local business”, as stated by the UN Global Compact. A special focus has been put on the enhancement of the professional skills of young people through educational and internship programs in line with the commitment undertaken by TITAN as an initiator of the European Pact for Youth.

An ongoing stakeholder engagement process



Group material issues and the SDGs

The following table shows how the issues with the highest materiality align with the SDGs that were identified as most relevant for the Group in 2015. Throughout the Summary Report, we have included a selection of case studies and actions that support the implementation of the SDGs.

A similar approach is followed at a local level, encouraging the integration of the SDGs in the materiality process, to facilitate stakeholder dialogue and target setting.

Our most material issues	SDGs most relevant for the Group
Financial liquidity and access to funding	 
Environmental management	   
Climate change	  
Circular economy	 
Health and safety	 
People management and development	  
Sustainability of communities	   
Social and political risks and instability	 
Governance, transparency and ethics	  

Engaging with youth

Creating long-term employment opportunities for young people is good for a world that needs to engage and empower youth, cover skills gaps and drive economic growth; good for the sustainability of the local communities where we operate; and good for the vitality and creativity of our business.

In 2016, we deepened our support for youth by launching new educational and internship programs aligned with our commitment to the European Pact for Youth. The European Pact for Youth is a mutual engagement of business and European Union leaders, aiming to develop and consolidate partnerships in support of quality internships and apprenticeships that safeguard youth employability and inclusion.

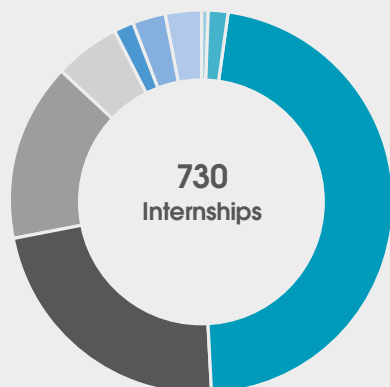


Within this framework, our operating companies in Greece, Albania and Kosovo contributed to the launch of national initiatives, promoting the development of relevant action plans by the end of 2017. We also support RELOAD GREECE, a UK-based organization providing mentoring and training to students of top UK universities, aiming to create new ventures with a positive social or economic impact for Greece.

Our activities for youth expand well beyond Europe. Applying international standards, a systematic mapping throughout our Group operations recorded more than 400 partnership agreements, mostly with universities, aiming to provide opportunities for work-related experience, internships, apprenticeships and training to young people. In total, 730 young people benefitted from internship programs implemented in nine countries during 2016.

We will continue to work together with stakeholders to further improve the quality of the internships we provide and expand best practices across the Group through the introduction of a Quality Internships Guide that was created in 2016 and will be launched in 2017.

2016 Internships by country (number of people)



Albania	5
Bulgaria	13
Egypt	342
F. Y. R. of Macedonia	166
Greece	110
Kosovo	40
Serbia	13
Turkey	19
USA	22
Total	730

Highlights of our education partnerships in 2016

14%

of internships directed to entry level jobs

402

teachers reached

> 6.000

young people; learners; teachers and staff involved

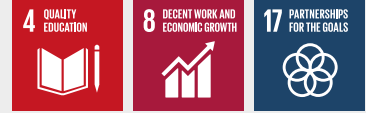
Sustainability and environmental care, Catawba Creek, USA



We consistently encourage integration of sustainability issues in the education of all grades and support efforts to share our know-how and expertise in specific areas of interest. We also raise awareness among students and teachers regarding social responsibility and care for the environment. Inspired by the unique nature of Catawba Creek and the need to engage with future generations on responsible citizenship, we organize an annual study visit for around 400 young students who experience active learning in our Roanoke Cement

plant's riparian buffer project. While on site, the children are educated on the importance of water quality and sustainable manufacturing and farming through experiential and engaging activities. Subjects include aquatic macro invertebrate sampling, visual stream assessment and testing, tree species inventory and soil survey. The project aims to educate young people on environmental and biodiversity issues that are increasingly important in the modern workplace.

Graduate Students' Forum, Greece



Part of a wider series of initiatives focused on education, training and the employability of young people, "Graduate Students' Forum" has been running since 2002 and is hosted by two of our plants in Greece, close to Athens and Thessaloniki. The forum addresses the challenges young people face as they transition from education to employment. In 2016, a total of 380 students were involved, while to date, more than 3,200 students from six educational institutes and 13 graduate programs have

attended the events. We have collaborated with 71 company representatives and 19 academics who have all shared their personal and corporate know-how and insights to help better prepare tomorrow's executives to start their professional career.

Leadership Academy, Bulgaria



Helping young people to build valuable professional skills and get their careers off to a successful start, the Leadership Academy is a joint project with student organization Hobeliks. During 2016, 47 students took part in the academy, each attending training courses on key business topics. Working in teams, they were then tasked with defending a case study in front of the company experts during

a presentation session. TITAN Bulgaria participated in 2016 by organizing a training session on "Conflict Management", during which key TITAN people provided valuable feedback and guidance to the participants. At the end of the Leadership Academy, the best performing students have the opportunity to begin internships with the companies that are part of the project.

Vocational Training and Employability Center, Egypt



As of August 2016, our Alexandria Plant has worked with Alexandria Businessmen Association (ABA) in their Vocational Training Center (VTEC) and supported the Center's welding workshop. VTEC's mission is to provide vocational training programs meeting international standards to young people and technicians in the Alexandria Governorate, TCE will give a priority to the neighborhood in particular. During 2016, TITAN Cement Egypt equipped the

welding workshop with all the necessary machinery, while the training activities by TITAN will commence in 2017. Young students will be offered a high standard technical education, covering both theoretical and practical skills taught by professional trainers.