

Social performance

Through a combination of Group and local initiatives, we are pursuing a consistent company-wide approach to health and safety, people development, community sustainability, transparency and business ethics, including the way we manage our supply chain.

Health and safety

TITAN constantly strives to improve the health and safety performance of direct employees and contractors, and to urge suppliers and third parties to adopt similar views and practices.

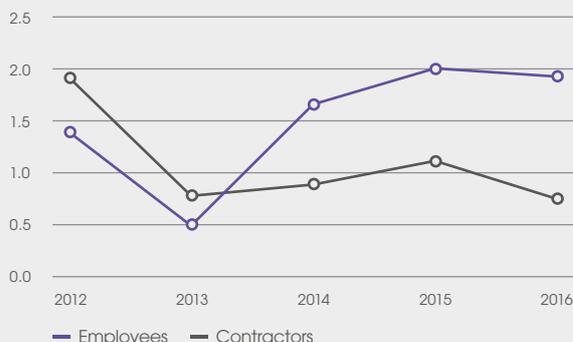
In 2016, there were a total of 29 Lost Time Injuries (LTIs), a 14.7% decrease on the previous year. The Lost Time Injuries Frequency Rate (LTIFR) for own employees decreased to 1.92 LTIs per million hours, a 4% improvement. LTIFR for contractors also improved to 0.73 LTIs per million hours, a 33.6% decrease.

The Group deeply regrets that, despite its focus on safety, there was one third-party fatality in 2016, resulting from a road accident involving a mixer-truck driven by a contractor. We seek to strengthen and further improve our efforts to embed a culture of safe driving among our employees and contractors.

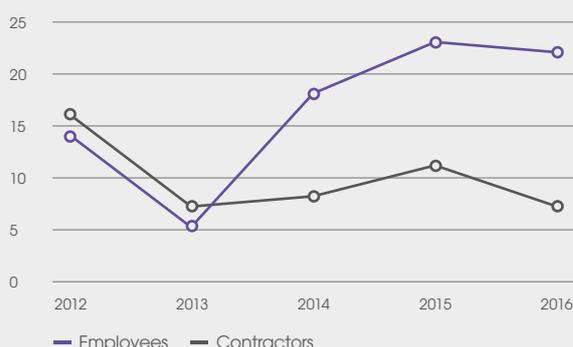
We are committed to the continuous improvement of the health and safety performance in all our activities and pursued a variety of Group-wide initiatives in 2016:

- New health surveillance system installed for dust, respirable crystalline silica and noise at all business units; this will streamline efforts, so far made independently by our business units;
- Lock-out Tag-out (LOTO) campaign launched, aimed at producing practical site and equipment-specific work instructions – LOTO-related LTIs reduced from nine in 2015 to two in 2016;
- Training for the prevention of serious accidents, looking at what has contributed to serious incidents or serious near misses at TITAN plants in the past, commenced in 2016 and will extend into 2018;
- Compendium of safety equipment covering plant operation in depth, produced and distributed to all business units;
- New guideline on Safe Work Plans published, for jobs not fully covered by existing procedures;
- Step-by-step guide to the root cause analysis of health and safety incidents produced and distributed, with training to follow in 2017.

Lost time injuries frequency rate (LTIFR)
Employees and contractors (all activities)



Number of lost time injuries (LTIs)
Employees and contractors (all activities)



People management and development

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

The rollout of our leadership platform, "Leading the TITAN Way", was a major initiative throughout 2016. With TITAN's ethos at the core, the platform describes the fundamental behaviors that define good leadership and helps our people develop their skills accordingly. A new Performance Development Process was implemented incorporating the principles of "Leading the TITAN Way", with relevant training provided in all our operations.

TITAN Group, as an employer, aims to promote lifelong learning among its people and enhance the professional skills and competencies they need to meet local and global challenges. In this context, training hours have increased across the Group by 43%. Beyond a strong emphasis on health and safety and technical skills, focus has also been placed on improving management capabilities, with 15% of training hours related to building management skills.

Training man-hours

158,210

(2015: 110,776)

Women in management

16%

(2015: 15%)

Following a review of all Group policies in 2015, a more comprehensive Human Rights Policy was issued in 2016, complementing the Employee Management Framework and focusing on labor rights and working conditions, fair treatment and equal opportunities for all in recruitment and personal development. The number of women managers increased by 8% compared to 2015, resulting in a total of 16% overall throughout the Group, with the highest rates recorded in Serbia (37%), Bulgaria (35%) and F.Y.R. of Macedonia (30%). Additional Group policies updated in 2016 were the Anti-bribery and Corruption Policy, the Competition Law Compliance Policy and Guidelines and the Sanctions Policy.

Integration of international standards and best practices is an ongoing effort for TITAN and, in 2016, Sharr cement plant in Kosovo became the second TITAN subsidiary after Antea cement plant in Albania to be certified according to the Social Accountability Standard SA 8000.

Sustainability of communities

TITAN Group has operations in 14 countries and many different locations, so understanding global issues but taking action at a local level is important to implement its strategy effectively and create value for its key stakeholders. Following our business model, we strive to create value where we operate, both by providing opportunities for long-term and stable employment and by enabling economic development through our value chain. We also share know-how, experience and other available resources with local stakeholders, in an attempt to contribute to the long-term sustainability and wellbeing of our neighboring communities.

In 2016, we placed particular emphasis on improving partnerships with local stakeholders, addressing skills gaps and tackling the issues of quality education and employment.

Apart from Group-wide efforts to develop new skills for jobs and build capacity for future growth, we also continued supporting a number of local community engagement programs addressing material issues, such as the LAB program in Kosovo. A new initiative in 2016 was our participation in the successful effort to nominate Elefsis, the town where the Group's first plant was built, as the European Capital of Culture 2021.

In 2016, the total amount of Group donations for community development programs was €2,643,704 in kind and in cash. These donations mostly cover the areas of education, health and safety, care for the environment, poverty and unemployment.

Supply chain management

As part of our continuing effort to enhance the competitive position of each of our businesses, we have embarked on a Group Procurement Transformation program. The objective is to address procurement spend and overall business effectiveness through improved processes, specifications and quality and risk management. We aim to optimize the number of suppliers we have and establish and maintain long-term value-adding supplier relationships with an emphasis on "total cost" reduction, transparency and the enhancement of sustainability in the supply chain.

Paid to local and international suppliers

€938.7 m

(2015: €901.1 m)
