



Environmental Policy

June 2018



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Purpose

TITAN Group Environmental Policy and Climate Change Mitigation Strategy aim to enhance awareness and build on TITAN's enduring commitment, reduce adverse operational impacts while accelerating the positive impacts of its operations through a long-term, responsible and proactive approach.

Adherence to the National Law on environment in each country and the respective local regulations are considered as the base line commitments, while TITAN invests in facilities, know-how and management systems, and collaborates with key stakeholders, for achieving continuous improvement.

Scope and Application

This Policy applies to all TITAN operations and subsidiaries. Business Units and/or Regions within TITAN Group may adopt their individual environmental policies, adapted also to the local legislation requirements and clearly embedded in their environmental management systems, but with adherence to this Group Policy.

Your Responsibilities

All TITAN Group employees should be aware of this policy and TITAN's climate change mitigation strategy which is a core element of this policy. This applies also to TITAN's affiliate companies.

Each TITAN employee whose position involves material decision-making on environment-related activities, planning or executing plans for managing environmental aspects, and improving performance for mitigating our environmental footprint, is responsible to:

- Be familiar with the fundamental principles of the law and respective regulations on the environment in each country, state or province (down to level of municipality);
- Identify environmental aspects and potential issues when they arise, as addressed in the systems for environmental management and monitoring our legal compliance;
- Assess the consequences due to risks emerging from such above issues; and



- Be personally committed to achieving full compliance with the existing law, while aspiring and promoting the principles of TITAN’s environmental policy.
- Pursue CSI best practices as guide to maximize impact.

All persons and business partners who perform services for or on behalf of any entity of TITAN Group are expected to be aware of this policy and respect relevant laws and standards. Commitment to care for the environment is considered as additional element of long-term collaboration with suppliers and business partners.

Stakeholder Engagement and Collaboration

Engaging with key stakeholders in collaborative actions is encouraged in order to better understand our environmental impacts, and develop applicable solutions, while sharing knowledge and best practices.

In this direction, TITAN invests resources in joint global, regional and local collaborative initiatives for scaling up our efforts for sustainability. Through collaborative efforts TITAN contributes to the development of sector-specific guidelines, and scientific methods and standards, to enable a global sector approach to mitigate climate change and achieve environmental stewardship.

Climate Change Mitigation and Adaptation

Climate Change is a major challenge with planetary dimensions and also corporate risks, and TITAN is committed to playing our part in developing practical solutions at national, regional and global level. Responding to climate change involves two possible approaches: reducing and stabilizing the levels of greenhouse gases in the atmosphere (**“mitigation”**) and/or adapting to the climate change already in the pipeline (**“adaptation”**). Apart from efforts to reduce emissions to help limit the extent of climate change, TITAN is also preparing for the expected impacts, by investing to adaptation and resilience.

This Climate Change Mitigation Strategy (CCMS) sets out how TITAN Group contributes to the reduction of greenhouse gas emissions throughout the value chain. It provides a high-level guide for action by all TITAN subsidiaries who are responsible to develop detailed Action Plans and specify the way forward and to monitor progress.



TITAN Group has in place a CCMS Roadmap which focuses on minimizing our CO₂ footprint, and actively addressing the challenges of climate change through specific CO₂ reduction programs in our operations and improvement opportunities in the supply chain.

Priorities of the CCMs are:

1. Energy efficiency

Carbon abatement and energy efficiency are intertwined as the driving forces of TITAN's Climate Mitigation Strategy. Efficient use of energy, both thermal and electrical is required in all activities supported by energy efficiency management systems and on-going monitoring of performance.

2. Co-processing of alternative fuels and raw materials

Use of alternative low-carbon or neutral fuels, and alternative raw materials enables the reduction of the use of non-renewable resources. Co-processing of different waste streams in our operations (biomass, municipal and other, inert waste materials) is not only an environmentally responsible and efficient way of reducing our carbon footprint, but also enables solutions and builds on the requirements of the circular economy.

3. Product innovation and new technologies

Cement production with lower clinker content has the potential to improve substantially our carbon intensity and is a matter of careful and well-planned business strategy in each region and country. We continue to invest in developing the local markets for accepting high-quality blended cements, and increasing the use of additives in cement grinding, especially alternative materials from other industries' by-products. Improving clinker to cement ratio along with carbon efficiency of our products are considered as business opportunities.

4. Assessing risks and opportunities

Understanding the risks related to climate change is an on-going effort related to Environmental Management and Performance Assessment that is conducted annually in all key operations of the Group following respective standards. Beyond technical efficiencies and product innovation, TITAN is working on the Risk Assessment with focus on: (a) 'Adaptation' of our assets and business model in view of possible extreme weather phenomena (downside) and the opportunities which could emerge in the different



markets because of local demand peaks (upside), and (b) The financial impact of the future cost of emission rights (translated to 'Internal Carbon Pricing').

Environmental Management

We seek to improve continuously our environmental performance, reviewing and monitoring at top management level the effectiveness of our programs and actions by setting corporate objectives and targets, under the framework of the environmental management systems while striving for application of industry best practices.

1. Assessing the environmental & social impacts

Assessing the environmental impacts at each facility, making sure that we minimize adverse impacts to the environment and achieve net positive impact where possible.

2. Land stewardship through quarry rehabilitation

Developing and implementing rehabilitation plans at our quarry sites, in line with best practices, listening to the needs and expectations of local stakeholders, while striving to lead by example in the stewardship of land.

3. Protecting the local biodiversity

Taking the necessary measures to protect and where possible enhance the value of biodiversity, including the areas of natural heritage and importance to local communities.

4. Conserving and stewarding the water resources

Conserving the quantity and sustaining the quality of water resources in all our facilities and the neighboring areas, and reducing the withdrawal and consumption of fresh water, by establishing recycling and promoting responsible and efficient practices for water usage and discharges.



5. Striving for recovering resources, reducing and managing waste responsibly

Reducing waste produced by operations, reusing our own by-products and these of other industries, and promoting resource recovery through advanced technical solutions for the reuse and recycling, in alignment with the principles of circular economy, while disposing off any residual waste, by using safe and responsible methods.

6. Creating our environmentally responsible culture

Promoting environmentally responsible attitudes and behaviors in all our employees, and encourage suppliers, customers and other business associates along the supply chain, to adopt similar practices.

7. Embedding innovation in our strategy

Promoting innovation for designing and developing environmentally-driven technologies and products, while addressing the needs of society, and aligning our strategy with emerging business opportunities for our industry.

8. Our role as corporate citizen

Promoting open communication and dialogue with all stakeholders, adhering to key principles such as materiality and completeness in our reporting on environmental performance, for disclosing our improvements. Assessing and effectively mitigating our impacts regarding fugitive dust and other emissions, noise, vibrations and traffic, communicating openly and sincerely with the local stakeholders, and pursuing the establishment of a win-win partnership with the local community.

Queries and Updating of the Policy

Queries should be addressed to the Group Engineering and Technology Department, and the Regional Environmental Departments (where applicable).

The Policy and attached Guidelines will be amended from time to time, based on experience gained, the evolution of technological levers, and changes in the regulatory frameworks.

Appendix: Guidelines and Glossary of Terms

➤ TITAN Group Sustainability Glossary & Guidelines: Environmental Performance

- CSI: The Cement CO₂ and Energy Protocol, v.3.1 (2011)
- CSI: Guidelines for Quarry Rehabilitation (2011)
- CSI: Guidelines for Emissions Monitoring and Reporting in the Cement Industry, v.2.0 (2012)
- CSI: Biodiversity Management Plan (BMP) Guidance (2014)
- CSI: Protocol for Water Reporting (2014)
- CSI: Guidelines for Co-Processing Fuels and Raw Materials in Cement Manufacturing, v.2.0 (2014) and companion document: Creating solutions for safe, resource-efficient waste management (CSI, 2014)
- CSI: Guidance on Good Practices for Water Accounting (2016)
- CSI: Guidelines for Environmental & Social Impact Assessment (2016)
- CSI: Cement Sector Scope 3 GHG Accounting and Reporting Guidance (2016)
- The WBCSD Global Water Tool
- The Integrated Biodiversity Assessment Tool (IBAT)
- WBCSD/CSI: A Sectoral Approach - Greenhouse gas mitigation in the cement industry (2009)
- WBCSD Low Carbon Technology Partnerships Initiative (LCTPi) (initiated in 2015)
- WBCSD Natural Capital Protocol (2015-2016)
- WBCSD Natural Capital Protocol Toolkit (2016)
- WBCSD publications for the circular economy (2016-2017): CEO Guide to the circular economy, 8 Business cases for the circular economy
- WBCSD/CSI: Environmental Product Declaration (EPD) for Concrete, updated in 2018.