

**Independent Assurance Statement to the Board of Directors of Titan Cement International S.A.**

ERM Certification and Verification Services Ltd. (ERM CVS) was engaged by Titan Cement International S.A. (TITAN Group) to provide assurance in relation to the information set out below and presented in TITAN Group’s Integrated Annual Report 2019 (the Report).

Engagement Summary	
Assurance Scope	<ol style="list-style-type: none"> <li>1. Whether the following non-financial disclosures in the Report are fairly presented, in all material respects, with the reporting criteria: <ul style="list-style-type: none"> <li>▪ “Materiality and stakeholder engagement” in section “Understanding TITAN” on pages 16 -17</li> <li>▪ “Performance towards our 2020 sustainability targets” in section “Understanding TITAN” on page 27</li> <li>▪ The information and 2019 performance data disclosed in section “Management Report; Non-financial performance overview’ on pages 74 to 79</li> <li>▪ The Group data for the non-financial metrics relating to the period January 1 to December 31 2019 indicated with an <b>A</b> in section “Management Report; Non - Financial Statements” in the tables: 2.2. “Social Performance Index” and 2.3. ‘Environmental Performance Index’ on pages 87 to 104.</li> </ul> </li> <li>2. Whether the relevant 2019 data and non-financial disclosures in the Report are aligned with the following GCCA guidelines: <ul style="list-style-type: none"> <li>▪ Sustainability Charter (October 2019)</li> <li>▪ Sustainability Framework Guidelines (October 2019)</li> <li>▪ Sustainability Guidelines for co-processing fuels and raw materials in cement manufacturing (October 2019)</li> <li>▪ GCCA Sustainability Guidelines (October 2019) for the monitoring and reporting of: <ul style="list-style-type: none"> <li>○ CO<sub>2</sub> emissions from cement manufacturing</li> <li>○ safety in cement manufacturing (<i>extended application to concrete and other related activities</i>)</li> <li>○ water in cement manufacturing</li> <li>○ emissions from cement manufacturing</li> </ul> </li> </ul> </li> <li>3. Whether the Report meets the UN Global Compact criteria relating to a Communication on Progress (COP) Advanced Level</li> </ol>
Reporting Criteria	<p>GCCA Guidelines for the scope referenced above  UN Global Compact COP Advanced Level  TITAN Sustainability Performance Standards and Guidelines for Non-Financial Reporting in the section “Management Report; Non-financial statements” (as notes) and online at <a href="http://www.titan-cement.com/integratedannualreport2019">www.titan-cement.com/integratedannualreport2019</a></p>
Assurance Standard and Level of Assurance	<p>International Standard on Assurance Engagements ISAE 3000 (Revised) ‘Assurance Engagements other than Audits and Reviews of Historical Financial Information’ issued by the International Auditing and Assurance Standards Board (IAASAB) of the International Federation of Accountants (IFAC). This standard requires that we comply with ethical, competence and quality requirements, and plan and perform the assurance engagement to obtain a reasonable level of assurance.</p>
Respective Responsibilities	<p>The Board of TITAN is responsible for preparing the Report and for the collection and presentation of the disclosures covered by the scope of our engagement. Also for designing, implementing and maintaining effective internal controls over the information and data.</p> <p>ERM CVS’ responsibility is to provide an opinion, based on the assurance activities undertaken and exercising our professional judgement, on whether the information covered by the scope of our engagement has been prepared in accordance with the stated criteria. ERM CVS disclaims any liability for any decision a person or entity may make based on this Assurance Statement.</p>

## Our opinion

We have audited selected sustainability information in TITAN's Integrated Annual Report 2019 as detailed under 'Assurance Scope' above. In our opinion:

1. The non-financial performance disclosures and data in the Report as described under 'Assurance Scope (1)' above are fairly presented, in all material respects, in accordance with the reporting criteria;
2. The relevant non-financial disclosures in the Report are aligned with the following GCCA Guidelines:
  - Sustainability Charter (October 2019)
  - Sustainability Framework Guidelines (October 2019)
  - Sustainability Guidelines for co-processing fuels and raw materials in cement manufacturing (October 2019)
  - GCCA Sustainability Guidelines (October 2019) for the monitoring and reporting of:
    - CO<sub>2</sub> emissions from cement manufacturing
    - safety in cement manufacturing (*extended application to concrete and other related activities*)
    - water in cement manufacturing
    - emissions from cement manufacturing
3. The Report meets the UN Global Compact criteria relating to a Communication on Progress (COP) Advanced Level.

## Our reasonable assurance activities

We planned and performed our work to obtain sufficient and appropriate evidence to support our opinion, and to reduce the risk of a material error or omission in the assured information to low, but not absolute. Our assurance procedures included, but were not restricted to, the following activities:

- A review of external media reports to identify relevant sustainability issues for TITAN in the reporting period;
- A review of the suitability of the reporting criteria and related internal reporting processes, including conversion factors, estimates and assumptions used;
- An initial visit to TITAN Head Office in Athens, Greece to understand any (planned) changes to TITAN's sustainability strategy, the Report and related reporting systems and processes, internal controls and responsibilities in 2019;
- Visits to TITAN production operations in Bulgaria (Zlatna Plagena), Turkey (Tokat) and Egypt (Alexandria) to verify the source data underlying the 2019 data for the information in our assurance scope and to review local environmental and safety management, procurement procedures, labour and human rights and stakeholder/community engagement. These three sites contributed c.18.4% of the Group's cement production and c.17.5% of net CO<sub>2</sub> emissions for the reporting year;
- An assessment of the reports and conclusions of accredited third-party verification bodies relating to the verification of Scope 1 GHG emissions that fall within the scope of the EU emissions trading scheme (EU ETS). These provided coverage of an additional c.28.1% (excludes Zlatna Panega to avoid double counting with sites visited) of TITAN Group's net CO<sub>2</sub> emissions;
- An analytical review and substantive testing (on a sample basis) of the 2019 data submitted by all sites included in the consolidated corporate data for the selected disclosures, and follow up and close out of our queries;
- Substantive procedures relating to the consolidation of the 2019 data for the selected disclosures;
- A second visit to TITAN Head Office in Athens, Greece to:
  - review activities across the business during 2019 regarding stakeholder engagement and in relation to TITAN's identified material issues;
  - test the effectiveness of internal controls in relation to the accuracy and completeness of the 2019 corporate consolidated data for the indicators in the scope of our engagement;
  - collect additional evidence through an extensive series of interviews with management representatives (including Environment, Safety, Human resources, Finance, Legal and Internal Audit, and reviewed further evidence in underlying management and reporting systems such as the new Global HR Management System and documents including the minutes of meetings of governance bodies;
- A review of the presentation of information relevant to the scope of our work in the Report to ensure consistency with our findings.

### The limitations of our engagement

We do not express any opinion on any other information in the Report or on TITAN's website for the current reporting period, or on the baseline values used for presenting performance against the 2020 targets. We do not provide any assurance on prospective information including ambitions, plans, expectations or their achievability. For previous periods (2016-2018) we refer to our Assurance Statements in the Integrated Annual Reports for those years in order to understand the scope, activities and related opinions. The reliability of the assured 2019 data is subject to inherent uncertainties, given the available methods for determining, calculating or estimating the underlying information so it is important to understand our assurance opinion in this context. Our independent assurance statement provides no assurance on the maintenance and integrity of TITAN's website, including controls used to achieve this or, in particular, whether any changes may have occurred to the information since it was first published.

### Ethics, independence, competence and quality control

ERM CVS is a member of the ERM Group and all employees are subject to ERM's Global Code of business conduct and ethics. ERM CVS is accredited by the United Kingdom Accreditation Service (UKAS) and our operating system is designed to comply with ISO 17021:2011. We have policies and procedures in place covering quality, independence and competency. In line with established best practice for non-financial assurance, this engagement was undertaken by a team of assurance, EHS and sustainability professionals. The work that ERM CVS conducts for clients is solely related to independent assurance activities and auditor training. Our established management processes are designed and implemented to ensure the work we undertake with clients is free from organisational and personal conflicts of interest or bias. ERM CVS and the staff that have undertaken this assurance engagement provide no consultancy related services to TITAN Cement Company S.A in any respect.

The logo for ERM CVS, featuring the letters 'ERM CVS' in a bold, serif font. The 'V' is stylized with a checkmark-like shape above it, and the 'S' has a similar shape above it. The logo is green.A handwritten signature in black ink, appearing to read 'J. Rogers'.

Jennifer Iansen-Rogers  
Partner, Head of Corporate Assurance

8 April 2020

ERM Certification and Verification Services, London

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