



TITAN Group Code of Conduct for Procurement

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Introduction and Purpose

Titan Group is a multiregional cement and building materials producer. Business activities cover the production, transportation and distribution of cement, concrete, aggregates, mortars, fly ash and other building materials. The Group is present in four continents, operating production and trading facilities in more than 13 countries.

- Being a participant of the U.N. Global Compact since 2002, TITAN Group incorporates in its corporate values, strategic priorities and business practices the UN Ten Principles for the protection of fundamental human rights and employment rights, protection of the environment, mitigation of climate change, promotion of health and safety and combat against corruption, while ensuring operational effectiveness and efficiency, and achievement of its strategic objectives.
- This Code of Conduct for Procurement, supplementing Titan Group's Procurement Policy, sets out the principles and standards that must govern the behaviour, conduct and actions of all persons involved in any procurement process and relevant activities within Titan Group, confirming the Group's commitments for sustainability and responsible supply chain management.

Scope and Application

The Code of Conduct for Procurement applies to all officers and employees of any level and grade and to all legal entities of Titan Group, as well as third parties that act for, or on behalf of, Titan Group, and are directly or indirectly involved in procurement activities.

During Group procurement activities and transactions with public or other authorities and organizations, as well as companies and other third parties, Group employees and business partners are obliged to abide by the Group's corporate values and commitments, demonstrating ethical integrity, social and environmental responsibility.

Titan Group's suppliers should be made aware of the standards and provisions of this Code of Conduct for Procurement and are expected to abide by the principles of supplier's conduct, as prescribed in Titan Group Procurement Policy, which constitute contractual and ethical obligations of these suppliers.

Procurement Activity

The main objective of Titan Group's procurement activity is to satisfy all the needs of Group plants and operating units with materials and services, in accordance with their particular quality requirements, with the best possible commercial and technical terms offered by the local and international market, so as to:

- deliver the optimum total cost of ownership for every material or service
- improve the competitive position of the Group
- enhance the Group's commitment of being a socially responsible, ethical and environmentally sensitive member of the business community.

The principles related to procurement matters, as described in this Code of Conduct for Procurement, emanate from the Group's corporate values and particularly the value of integrity which embraces transparency, ethical business practices and open communication, as well as from the above-mentioned basic procurement objective.

Conflict of Interest

Situations that may lead to conflict between Group employees' personal interests and their obligations to serve the Group's interests must be avoided and dealt with in accordance with the Group's Conflict of Interest Policy. For the purposes of the Code of Conduct for Procurement, these include cases in which an employee has any direct or indirect, individual, or family interest in a supplier's company. If an employee has any doubts about the above, he/she should discuss his concerns with his/her immediate supervisor, who will ensure an appropriate solution.

Gifts / Personal Benefits

- Group employees must not solicit any gifts, personal benefits, invitations to meals, athletic, cultural, or educational events, or travel tickets, accommodation, etc. from suppliers.
- Group employees are not permitted to accept any gifts or receive any personal benefits, including discounts or preferential terms in their personal business transactions with actual or potential suppliers of the Group, other than gifts of insignificant value arising out of customary business practices, as provided in more detail in the Group Anti-Bribery and Corruption Policy.
- If a Group employee has any doubts about the value of a gift or other benefit that he/she has been offered by a supplier, he/she should consult with his/her immediate supervisor, who will provide appropriate instructions.
- Group employees should not accept invitations to meals, athletic, cultural, or educational events, or travel tickets, accommodation, etc. from suppliers, unless permissible under the Group Conflict of Interest Policy. If in doubt whether an invitation is acceptable, it is advisable to consult one's manager.
- During a supplier selection process, the Group employees involved must reject, without any exception, any kind of gift or benefit from a candidate supplier and must take all necessary steps to prevent leakage of any information which might give an advantage to any such candidate supplier.

Confidentiality

Aside from legal and contractual obligations, the Group's ethical principles require that the confidentiality of sensitive information concerning the Group or its suppliers is ensured. Such information includes all non-public strategic, financial and technical or business information such as, but not limited to, administrative processes and procedures, technical know-how, business and financial plans, costs, product development, etc.

It is prohibited to all employees directly or indirectly involved in, or being aware of, a bidding process to disclose information concerning one supplier to another and to have contact with participant suppliers before the conclusion of the order assignment, except for clarifications of strictly administrative or technical matters regarding the bidding process. Specifically, the list of participant suppliers, their quoted prices, and commercial and technical terms are considered as confidential information and should not be disclosed to anyone.

Bidders whose quotations are rejected may be informed accordingly only after the order assignment has been concluded.

Competition

Procurement through competitive bidding is a key factor for sustaining and enhancing the Group's competitiveness.

Requests for quotations follow a specified bidding process which guarantees free and fair competition, as well as a healthy relationship between the Group and its suppliers. An essential prerequisite thereof is clear and detailed technical specifications and preferred commercial terms, as well as –for every procurement case– a list of reliable potential suppliers which is continuously enriched and updated.

Long-term agreements shall comply with the principles of free competition provided that they have been concluded after a competitive bidding procedure or as indicated by the established procurement strategies decided by Group and business unit senior management. They are regulated by mutual obligations and rights of the two parties and are monitored periodically to ensure that they remain competitive.

Equal and Fair Treatment of Suppliers

Technical specifications of a product or service should define the best possible match to our needs, i.e., no inferior or superior quality, be explicit and detailed, and not indicate directly or indirectly, the product of a specific supplier.

Requests for quotations sent to potential suppliers must be identical and must provide to all suppliers the same time to prepare their quotations. Any additional information or clarification provided must reach all potential suppliers simultaneously through a single point of contact to ensure consistency of approach and fair treatment of suppliers.

The Group addresses requests for quotations only to potential suppliers who are considered competent in fulfilling procurement obligations, are quality-driven, innovative and efficient, and operate in accordance with the applicable laws and regulations. Key suppliers must fulfil the minimum set of criteria as prescribed in the relevant terms of the Group's Procurement Policy. Request for quotations are not sent to suppliers that do not meet all pertinent requirements.

All quotations remain undisclosed in the files of the designated administrator and are opened simultaneously upon expiration of the quotation submission deadline, or as instructed by the authorized procurement manager, following a prescribed opening process, which guarantees the integrity of the tender process.

All quotations are evaluated in a fair manner following a qualification process that includes appropriately selected criteria as required for each case that could include, but not limited to, reliability, price, quality, delivery time, customer service, technological capability, business continuity and sustainability.

Respect for our Commitments

All Group employees should respect contractual obligations towards suppliers and facilitate as appropriate the efficient performance of the relevant procurement contract.

Titan Group monitors systematically and evaluates objectively the performance of its suppliers on the basis of the requirements set in the Group Procurement Policy.