“Monitoring sustainability actions in companies. How can suitable practices create significant financial benefits in the industries value chain. Sustainability in business and ESG in finance and how they are correlated with financial performance.”

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I hereby declare that this work submitted is mine and that where I have made use of others work, I have attributed the source according to the regulations set in the students handbook.

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Abstract

The following dissertation was written as part of the MSc in International Accounting, Auditing and Financial Management at the International Hellenic University.

Companies face a large challenge when they integrate sustainability into business strategy in order to quantify the benefits and increase in value of an entity by implementing more sustainable practices.

Sustainability and CSR are growing into a modern trend in business reporting. Such reports depict policies, programs and plans that companies put into place in order to integrate quantitive information on the economic, social, environmental performance. Elkington (1997) has described this as the “triple bottom line” of the company into a single publication.

Social responsibility and Environmental awareness have become integral parts of corporations. During the last ten years more companies have moved towards the monitoring of their performance social and environmental aspects. It has been understood by these firms that the maximization of their profits and their shareholders wealth (Friedman 1970) are not the only targets that need to be accomplished. CSR is strongly related to the stakeholder theory (Henriques & Sadorsky) in order that a company affects and is affected not only by one group of shareholders (stakeholders), but also by a large range of other groups with different needs, characteristics, and interests. These stakeholders of course include clients and customers, suppliers, employees and competitors, local communities, no governmental organizations, and others

Keywords: environment, sustainability, ESG performance, firm value.

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Table of Contents

Table of Figures

I. Introduction

This thesis investigates how corporations conceive of, and report on sustainability. The impetus for this study were the increasing application sustainability measures, corporate social responsibility reports and triple line reporting to firm policy. Firms apply these measures to demonstrate a commitment environmental and social well-being now and into the future.

But why do corporations report on sustainability? The decision of corporations to report on sustainability driven by various factors: firstly economic, along with legal and voluntary obligations, political and social pressure for visibility, and altruism (Macintosh & Wilkinson 2006). Two recent surveys of corporations have identified that the derived economic benefit is the main motivator for producing a sustainability report (Macintosh & Wilkinson 2006, p. 26; KPMG 2005, p. 18). Over the past ten years, reporting systems for sustainability have been a key policy response by international corporations and organizations to mounting concerns over environmental degradation, climate change and social and economic instability. Sustainability reporting is important because it moves beyond the reporting of social, individual and economic and environmental issues to the reporting on their interrelationships. Sustainability monitoring implies the reporting health and viability of all systems, and in turn the reporting on the pressure points between systems. The inclusion of stakeholders' expectations and interest as part of the reporting principles demonstrates a point of departure from conventional financial reporting, where the principal audience is investors. In sustainability reporting, the information is of interest to the broader community who are affected by the corporation's activities regardless of whether they have invested in the corporation or not.

The GRI guidelines are now reviewed in more detail to develop an understanding of how these processes are operationalized at the performance indicator level known as the "suit of indicators" which consists of three (3) basic indicators. Environmental, social and economic performance are measured and categorized into two types, core indicators and indicators recognized as "additional". Core indicators are similar to most reporting firms and attract the interest of most stakeholders. Additional indicators reflect a more detailed level of reporting. They might, for instance present a leading practice in environmental, economic or social measures, or provide interesting information to stakeholders who are important to the reporting firm. Through this study I will attempt to focus on companies that have shown outstanding practices in order to build their sustainable profile. These entities have in the past practiced and still continue practicing successful corporate policies without having to underrate factors such as environment, society, and last but not least the human factor. EILEEN FISHER as well as Reformation and REI Co-op are business cases of companies that have globally shown significant progress and outstanding results and progress in terms of sustainability.

In Greece Titan cement Group accelerates its sustainability efforts with ambitious ESG targets for 2025 and beyond.

Through the attention that sustainability has gained in the last decades, firms are trying to measure sustainability in a more positive way. Entities that are committed to CSR see great rewards. The benefits include lower risks, cost savings, supply chain securities, access to new markets, customer loyalty and enhanced brand value. Through this study we shall focus on Titan cement Group. With a dynamic presence from 1902 which is translated into €320 million contribution to the national and local economy and more than €85 million of investments during the last 5 years Titan cement group has showed an outstanding economical presence in Greece and throughout the world with plants in the USA , Brazil , Turkey and eastern Europe. TITAN's engagement with the Global Compact Initiative started in 2002 when less than 500 companies world-wide had signed the pledge. To meet its voluntary commitments, TITAN fully incorporated Global Compact principles into its policies and practices, while reporting social and environmental challenges and performance according to international standards and best practices since 2003. In 2007 TITAN conceived the idea of helping to set up national Global Compact networks. At that point in time TITAN had already founded with twelve other companies and three business associations the Hellenic Network for CSR.

II. Monitoring sustainability under a common framework

An understanding of the motivation for developing a monitoring system for sustainability provides insight into why a corporation believes it is important or not to report on sustainability. Some of the reasons forwarded in support of a common framework for measuring sustainability include the desirability of a shared terminology, making it easier to compare indicators, targets and performance and increased opportunities for collaboration. Finding though an agreement point on a definition of sustainability has restricted the development of a common framework to monitor sustainability. The OECD (2006a, p. 34) and the International Institute for Sustainable Development (1999, p. 4) point out that it is difficult for countries to agree on a common set of indicators due to differences in their natural attributes, industrial structure, and political, cultural and social context. Indicator lists also vary due to varying policies and priorities. Pinter et al. (2005, p. 16) also argue that the ability to compare indicator systems is restricted by the way various indicator frameworks are applied in practice. Practitioners in any given country or situation may choose a different variable or methodology to monitor an issue. Pinter et al. (2005, p. 17) raise the question of whether it is politically feasible to attain such a framework. This concern relates to the differences between regions, organizations and cultures, and the varying purposes for developing indicator frameworks

III. Frameworks to categorize the approaches to sustainability

a. The most common framework for categorizing the various interpretations of sustainability discussed in the literature is the strong versus weak stainability typology (Hatch 2001). Sumner (2004, p. 118) explains that the concept of strong and weak sustainability is defined by the infinite sustainability of the different capital forms. On the other side strong is regarded not to be substituted by natural capital. This categorization framework provides a simple typology that categorizes broadly two paradigms of the sustainability debate. Weak sustainability (WS), as its name suggests, refers to the least demanding societal change. Strong sustainability (SS) emphasizes the importance of natural capital, in particular to the support system of the Earth.

b. The matrix of approach to sustainability proposed by McManus (1996) provides a very extensive consideration different theoretical frameworks, ideologies and a specific example of an interpretation from one organization. McManus (1996) states that the development of his matrix was driven by the need to communicate a broader view of the interpretations of sustainability beyond economic-centered approaches and to address the risk of excessive simplification of the debate. This matrix incorporates the ideological spectrum of the sustainability debate and provides a broader representation of its complexity.

c. Clapp and Dauvergne (2005) outline a third approach. This is the 'four environmental worldview's framework that covers more ground than the two categories of weak and strong. However, this typology only takes into account a narrow proportion of the sustainability debate. It considers the causes and consequences of environmental change that flow on to affect both the economic and social system.

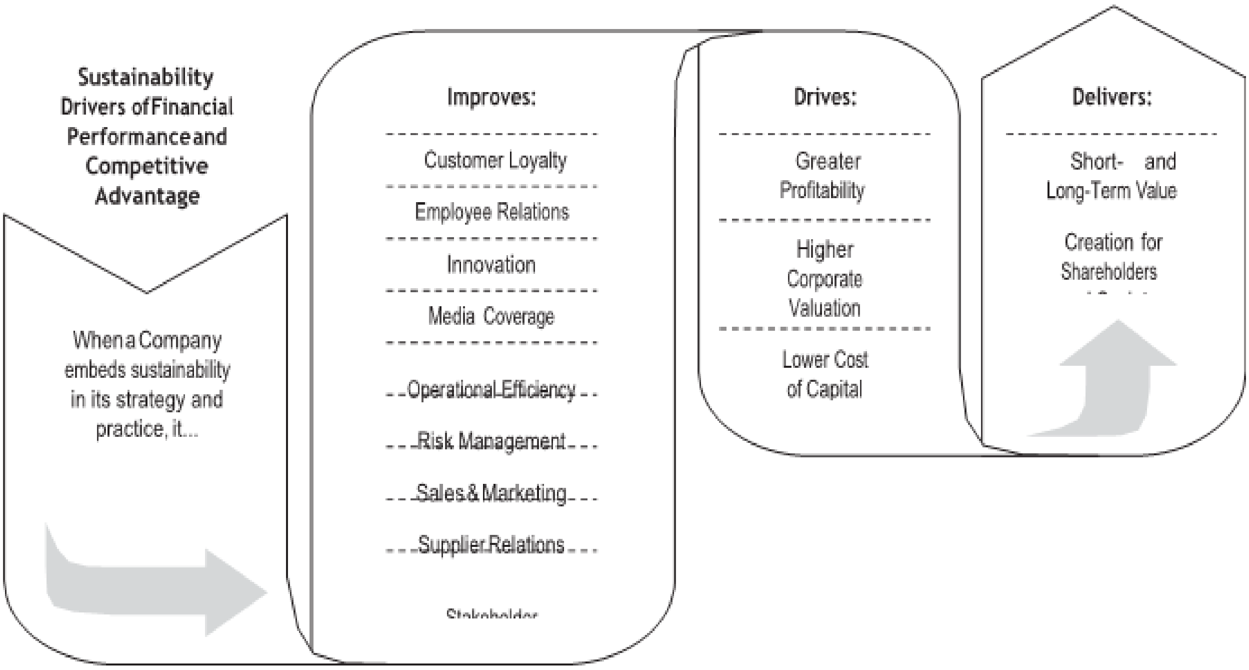
IV. The Return on Sustainability Investment (ROSI)- FIVE STEPS TO MONETIZE SUSTAINABILITY ACTIONS

Along with the rapid spread environmental management, the importance of CSR increasing rapidly. The influence the social organization has increased and has become more significant. It is expected from firms not only to produce services and goods but to also play a more significant in society and environment, rather than being limited to their traditional role. It is true that firms are not coping actively with this and are being criticized by society. Indicating that they are not sufficiently trusted be society. Sustainable growth can be expected to be experienced by a firm through the trust which is placed in it by society. If a firm performs trusted-based entrepreneurial activities, it can have good relationships with stakeholders and finally expect improvement in economic performance. Additionally it has been verified firms use CSR as a way to differentiate themselves from other firms.

Efforts have been made in order to improve the quality of people's life that the government can difficultly fill. In recent years CSR activities are recognized as an obligation of firms. Since sustainable management has become more important, firms have started to recognize CSR as an important firm strategy.

Meta-analyses and review studies from academia have shown a positive relationship between firm financial performance and measures of sustainability (Orlitzky, Schmidt and Rynes 2003). The positive relationship between firm financial performance and sustainability is explained for example through, instrumental stakeholder theory (Freeman 1984, Cornel and Shapiro 1987, Orlitzky, Schmidt and Rynes 2003) and suggests that firm financial performance is driven by the satisfaction of various of various stakeholder groups because their claims can have benefits and costs which are larger than cash impacts.

Others have referred to the idea of a circle, where CSR is both consequence and a predictor of firm financial performance (Waddock and Graves 1997). Benefits arise when firms implement sustainability. The factors can be quantified, monetized, identified to assess financial benefits actions that have derived from sustainability efforts.



(From the NYU Stern Center for Sustainable Business ROSI framework)

ROSI Framework according to the NYU Stern Center for Sustainable Business shows Sustainability Drivers of financial performance and competitive advantage.

As a company endorses CSR in its practice then it is very likely and possible that the company shall see improvement in customer loyalty, employee relations, innovations, sale, marketing, risk management, stakeholder engagement and supplier relations. As expected these pre mentioned improvements are very likely to drive to higher profits, better firm valuation and also lower cost of capital. Long and short term value is delivered and finally value is created for shareholders and society.

Step 1: Material sustainability strategies and actions (identify)

According to Whelan and Fink firm practices (similar to corporate social responsibility) do not harm people at minimum or the planet and create value for stake-holders.

A firm's CSR strategy may refer to social, environmental and governance (ESG) issues depicted in accounting standards.

Information on sustainability initiatives can be gathered from the company's own assessment, sustainability report or rankings as well as interviews across the firm to generate a comprehensive list of benefits, actions and metrics.

Step 2: List the Potential benefits that might drive Financial and societal valuefrom sustainability actions

Recognize the benefits that derive from CSR actions. These include better employee relations, more innovation, greater customer loyalty, better media coverage, higher operational efficiency, improved sales, better risk management, improved supplies relations and more value adding stakeholder engagement.

Step 3: Quantify costs and benefits associated with sustainability actions.

By gathering data, assumptions and inputs for each benefit. Each benefit may be company specific or project specific. An estimation of the cost of the sustainability action is needed in order to calculate net benefits (sometimes the costs are investments)

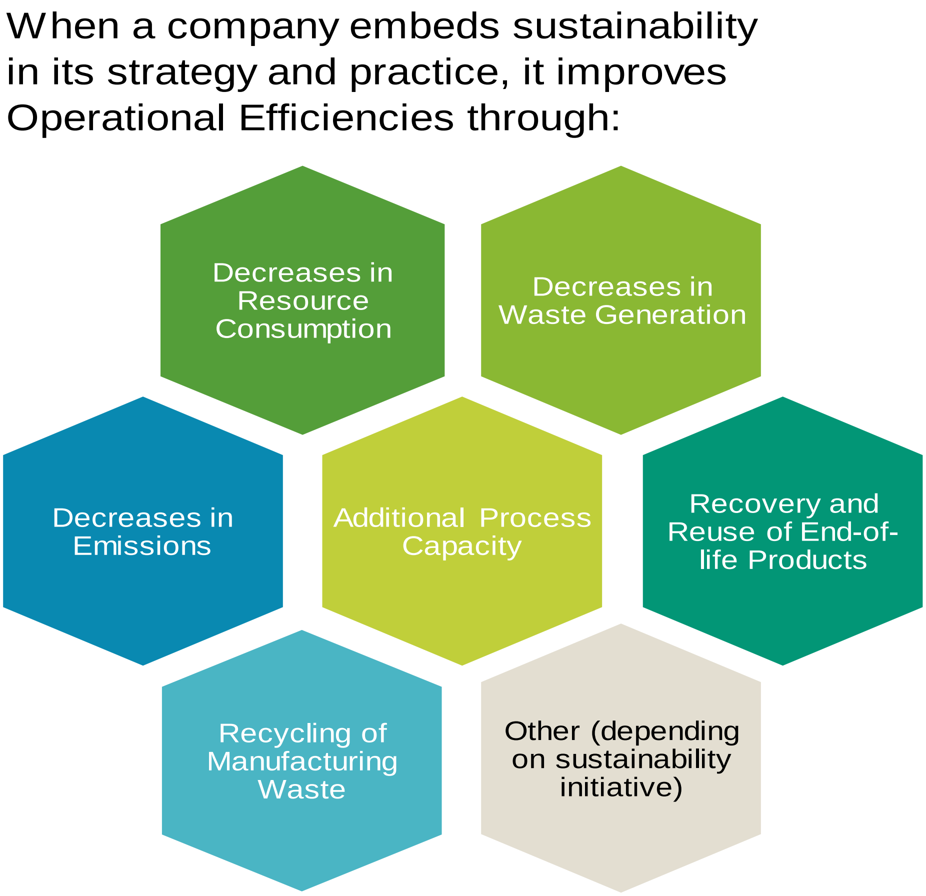
Step 4: Build Scenarios, Iterate research and document assumptions

Data are often incomplete, missing, or rely on future value projections. A credible set of assumptions is needed guided by business reports, academic publications and specialist interviews. All these assumptions clearly documented and transperant..

Step5: calculate and monetize the value for all benefits

Specific economic and accounting measure will show the benefits and the impact or impacted financial results. For a firm, this could be, proxies for cash flow such earnings before interest and taxes (EBIT). Future benefits can be shown through a net present value model (NPV).

V. CSR and Firm Value



This work is part of the CSB ROSI™ methodology.

As entities function within the social borders, the have many obligations to fulfill, not only the ones outlines by shareholders, but also those prioritized by stakeholders. CSR can be traced back to the idea of corporate volunteering as well as the social welfare concept in the late nineteenth century. Ever since its first inception, CSR has undergone strong developments and become increasingly sophisticated. CSR can be classified into four categories: economic, legal, ethical, and voluntary duties. (with order of decreasing importance)

- First, a company should meet its economic responsibility. The primary purpose of a business is to maintain sustainable profits by creating the necessary services and products to society.
- Secondly it is required of a firm to show legal responsibility. As firm operate within legal boundaries, they must strictly apply to regulations set forth by their respective governments and be transparent to the public and to the stakeholders.
- A firms ethical responsibility such as social support events can be regarded as a set of ideals that when followed produce social surplus but are not mandatory.

- A business is expected to carry out its voluntary responsibility which consists participating in philanthropic activities (monetary aids to the socially disadvantaged)

These categories of firm responsibility do not have equal importance and should be performed stepwise with importance order. Firms should for example consider meeting economic responsibility first and then legal responsibility. A firm's choice of CSR could alternatively depend on firm-specific characteristics such as accounting qualities (level of RND , profitability , diversification and expenditure, size, and debt ratio) , governance structure (independence of the board of directors and investors ownership size). Despite the increasing importance of CSR, little attention is paid to examining between a firms CSR activities and its market evaluation. The available empirical evidence remains relatively inconclusive.

It is also shown that CSR has a positive influence on a firm's market value (or Tobin's Q), with some claiming that the initial cost of investment in CSR will eventually be outweighed by the savings from reduced long term costs and by the profits from increased revenues due to enhanced corporate reputation in the long run.

VI. Integrating sustainability into business strategy – Examples of businesses that have shown outstanding results and progress in terms of sustainability

a. EILEEN FISHER – Embedding sustainability into business strategy

EILEEN FISHER is a woman's clothing brand and retailer. A certified B-Corp, EILEEN FISHER has a commitment to "designing clothing that creates minimal environmental and social harm," and has set goals and targets to help it achieve its sustainability objectives. As part of its leadership in the sustainable apparel industry, EILEEN FISHER has several initiatives aimed at reducing its environmental impact, two of which we explore here.

● Reducing GHG emissions: The Company committed to reduce its absolute carbon emissions from inbound logistics by 2020 by prioritizing more carbon-efficient modes of transportation. Although air is the fastest transportation mode, which, importantly, allows companies to increase speed to market, it is also the most expensive by average unit cost of shipping. In an effort to reduce greenhouse gas emissions and transportation costs, from 2015 to 2019, EILEEN FISHER gradually shifted away from air and moved towards sea and trucking transportation modes. As a result, in 2019, the company had spent ~$1.6 million less in transportation costs than 2015 cost figures. As of 2020, COVID-19 caused a surge in air transport prices leading to 186% higher transport costs per unit which led to additional savings. EILEEN FISHER was able to achieve a cumulative societal benefit of ~$150,000 during this time period.

● reducing clothing waste: EILEEN FISHER was also an early adopter of clothing take-back programs, and its Renew line, launched in 2009, helps customers keep clothing out of landfill by bringing it back to EILEEN FISHER for resale. After calculating the benefits and associated costs, ROSI identified $1.8 million in net benefits for 2019. This result illustrates the monetary and intangible value of the Renew program to EILEEN FISHER as it further expands the company's customer base. Four were the main benefits of implementing such a strategy.

Benefit 1: Renew Profit. For monetizing Renew profit, there were two variables: 1) revenue-related items and 2) cost-related items. The main source of revenue was generated from Renew sales whereas the associated costs were items such as the cost of gift cards to customers, marketing spend, operational costs (such as shipping and warehousing), product refurbishment costs, and recycling costs. To calculate the profit value, we subtracted costs from revenue. The 2019 estimate was $1.4 million.

Benefit 2: Earned Media Generated Due to Increased Visibility. From the Renew Program for monetizing the earned media generated due to the increased visibility from the Renew program, there were two key variables: 1) number of unpaid earned media placements generated due to the Renew program and 2) the average cost per media placement. Multiplication of these two variables calculates the avoided cost of earned media. The 2019 estimate was $391,406.

Benefit 3: Incremental EILEEN FISHER Profit generated due to attraction of Renew Customers to Parent Company Products. For monetizing incremental EILEEN FISHER profit generated by Renew customers who purchase parent company products, there were three key variables: 1) number of Renew customers who purchase EILEEN FISHER products 2) EILEEN FISHER's profit margin and 3) average spending per customer at EILEEN FISHER. We multiplied these three variables to calculate the incremental profit. The 2019 estimate was $12,450. Additionally, the take-back program also led to customer conversion of gateway customers who would not otherwise have been familiar with the EILEEN FISHER brand. As a result of shopping with Renew, a number of new customers, in a previously untapped demographic, began shopping with EILEEN FISHER.

Benefit 4: Reduction in EILEEN FISHER Customer acquisition costs Due to renew customer base purchasing parent company products. For monetizing the reduction in EILEEN FISHER customer acquisition costs due to the Renew customer base purchasing parent company products, there were two key variables: 1) EILEEN FISHER's customer acquisition cost, which is marketing spend divided by the number of customer acquisitions and 2) number of Renew customers who purchase any EILEEN FISHER parent company product for the first time. Multiplication of these two variables lead to the calculation of the reduction in customer acquisition costs. The 2019 estimate was $2,583. Although these last two benefit estimates are minimal in comparison to the previous two benefit estimates (given the level of specificity of the metrics and the overall size of the program), they provide additional insight into the value of the Renew program and how EILEEN FISHER can continue to invest in this business line to expand its customer base. The company can consider 6 collecting these data points moving forward in order to further refine the monetization process and to inform decision-making on future program expansion.

The Renew circular apparel program generated a total net benefit of $1.8 million for EILEEN FISHER in 2019. Clearly circularity is a program that provides environmental and financial benefits. Other metrics could include the social cost of carbon in terms of reduced emissions coming from cleaning and reusing a garment versus producing and transporting a new one.

b. Reformation - BUSINESS VALUE CREATED BY THREDUP PARTNERSHIP ON CIRCULARITY

Reformation is a women's clothing brand and which uses sustainable materials, deadstock fabrics, and repurposed vintage clothing to ensure sustainability is at the core of their business. The company is committed to building a more circular, less wasteful global fashion system, and its four main pillars: "people, product, planet and progress. One of the ways in which Reformation underscores its commitment to building a more circular global fashion system is through its partnership with resale brand thredUP, one of the largest online platforms for buying and selling second-hand apparel. By offering Reformation shopping credits to customers who successfully consign with thredUP, Reformation incentivizes its customers to keep clothing out of landfills and maximize the useful life of their stuff. "Our primary objective is to report sustainability impact (e.g., how many garments are reused or recycled and the environmental savings associated with that activity).The firm has been carbon, water, and waste neutral since 2015 – and is working to reduce its carbon footprint even further to achieve climate positive results that will benefit the environment while advancing its business activities. The brand's partnership with thredUP is one of several strategies aimed at delivering on these goals. The partnership offers Reformation shopping credit to customers who successfully consign items with thredUP. Not only does this credit increase brand exposure and garner new Reformation customers at almost no cost, it also aligns Reformation's brand with a program focused on strengthening circular economy practices in the fashion industry. From a sustainability perspective, the partnership reduces textile waste, extends the life of individual garments, and encourages consumers to purchase their new clothing from a sustainability-oriented brand. On the business side, the partnership resulted in an increase in Reformation's profits and reduced costs related to customer acquisition and earned media. The Reformation/thredUP partnership also proved to be a low-cost opportunity for customer acquisition. As thredUP consignors opted into the Reformation shopping credit, the analysis identified more than 2,500 new customers transferred to Reformation's customer base, with almost no additional marketing cost. Customers who consign through thredUP generally have a baseline awareness of and interest in circularity, which makes Reformation attractive to them as the company incorporates sustainability at its core. Finally, the partnership generated earned media for Reformation, highlighting the company's commitment to sustainability through this new partnership.

Benefit 1: *Profit generated from the partnership program.* As previously highlighted, the Reformation/thredUP partnership encouraged customers to purchase apparel from Reformation, which increased Reformation's sales. Although there were associated costs, such as ongoing partnership maintenance, they were minimal and led to a profit of $1.0 million in 2019.

Benefit 2: *Incremental profit from new, loyal customer base.* Given that the partnership attracted first-time customers for Reformation, many of them became loyal customers of the company and continued to purchase products throughout the year. The average spending per customer, after the shopping credit transaction, estimated to be $275, led to incremental profit of $0.4 million in 2019 due to first-time customers that continued to shop at Reformation.

Benefit 3: *Reduction in customer acquisition costs.* Similar to the above benefit which focused on the long-term value of new customers, this benefit explores the reduction in customer acquisition costs due to the attraction of new customers to the partnership program. Because new customers learn about Reformation organically by consigning items with thredUP, it allows Reformation to acquire new customers without additional marketing spend. Based on the ROSI analysis, this led to a reduction in cost by $0.1 million in 2019.

Benefit 4: *Increased earned media from partnership visibility.* This partnership program brought significant media attention and visibility to Reformation. Therefore, rather than dedicate monetary resources to promote the company's collaboration with thredUP, Reformation was able to allocate finances elsewhere. The monetary value associated with the unpaid earned media generated was $0.4 million in 2019

Although several of these benefit estimates are minimal in comparison to the profit benefit estimates, they provide additional insight into the value of the partnership program and why Reformation should continue to collaborate on sustainability-aligned marketing efforts. Additionally, the company can consider collecting and monitoring these data points moving forward in order to further refine the monetization process and to inform decision-making for future partnerships.

Reformation's sustainability scorecard: Evaluation was assigned to Eco-Age*[(1)] which used a benchmark that compared how the company was doing with the progress of the industry as o whole. As a result twelve different topics where aligned with other industry reporting frameworks and priorities.

**(1) organization that helps brands to lower their impact on people and planet*

VII. Sustainability reporting in Greece

Sustainability reporting, which provides with integrated information on the social, economic, and environmental performance of a company into one publication, is gaining acceptance among growing number of firms. What is the quality, level and completeness of CSR reports published by Greek firms? Results show an improvement in non-financial reporting in Greece. The limited number of firms publishing CSR reports as well as the gaps present within these reports, show that there is substantial room for improvement. Social responsibility and environmental awareness are become integral parts the firm agenda. During the last ten years more firms have moved towards monitoring their performance on environmental and social aspects. These firms recognize the maximizing profits and wealth of shareholdres-the definition of an organizations reason to exist (Friedman 1970) are not the only targets that must be accomplished. CSR is strongly related to stakeholder theory (Clackson, Donaldson & Preston, 1995; Freeman 1984), given the fact that a company affects and is affected not by just one group of shareholders but also by a broad range of other groups with different interests, characteristics and needs. These shareholders can include clients and customer, suppliers, competitors, employees, nongovernmental organizations, local communities and others. CSR reports are emerging as a new trend in firm reporting. Such a report depicts the plans, programs and policies the company has put into place, integrating qualitative and quantitative information on the environmental, economic, and social performance.

Benefits of reporting the reporting of non-financial information can have potentially multilateral benefits for the reporting organization, as well as for the various stakeholder groups that it is linked to. It allows a firm to track its progress against specific targets and help it produce information on CSR strategy both internally and externally. Such a disclosure van also help to ensure that the firm maintains its license to operate from the broader society by retaining stakeholder engagement and improving the transparency of its activities and enhancing its credibility. Nonfinancial reporting cost saving benefits and reputational benefits also. Investors and other financial stakeholders can make more informed decisions and allows comparison of sustainability performance among different organizations over time.

GRI GUIDELINES with the popularity of nonfinancial reporting many frameworks, initiatives and standards have been developed to offer guidance on preparing effective reports. The Global Reporting Initiative guidelines are the most recognized. The GRI guidelines have more than 1,000 organizations, including many of the world's leading brands.

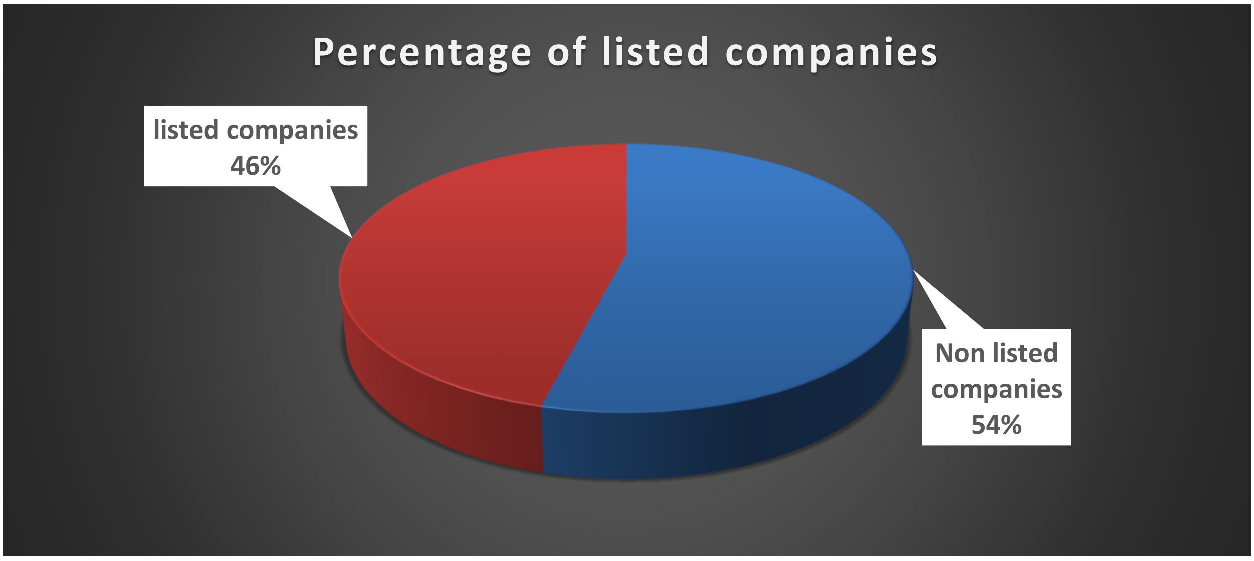
Sustainability reporting and Greek companies' Greek firms still have a limited awareness regarding CSR reporting and public disclosure of non-financial information. KPMGs 2002I international survey of corporate responsibility showed that only 2% of the top 100 Greek firms published CSR reports, although 28% included safety and health, environmental, or sustainability information in their annual financial reports (KPMG 2002). A web based search gathered CSR reports published by Greek companies during 2007 for the previous year. A search was carried out in the corporateregister.com database, where all firms register their CSR reports***Grant Thornton*** *recently* conducted a survey of 118 Greek companies that issue a Corporate Responsibility / Sustainable development report (ESG) in order to record the general context of the practices of the publication of such reports in Greece. (gt_esg--sustainability-survey_2021). A desk research and analysis of the most recent published reports of 118 companies was carried out based on specific questions. The ESG accounts studied are those published from July 2020 to November 2021. The investigation concerns a period of more than 12 months in order to cover companies that choose to publish an ESG report every two years.

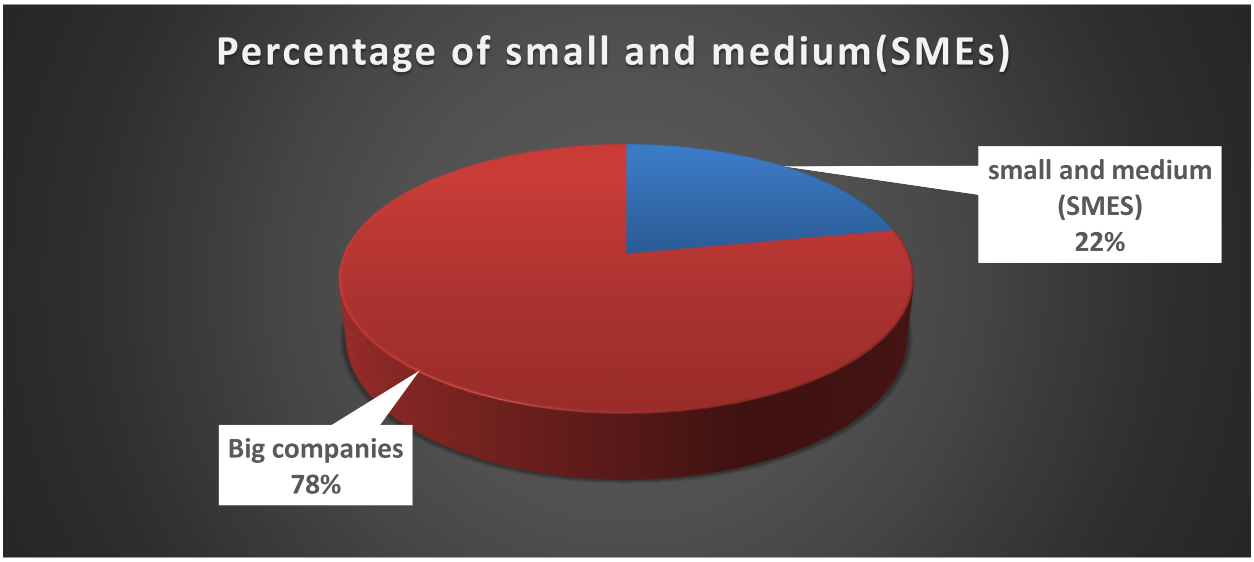
Sample: 118 companies from 32 different branches of the Greek economy (industry, trade, services) which are active in the Greek territory. The sample includes all listed companies on the Athens stock exchange and concerns such large companies as well as small and medium (SMEs). Big companies are the ones that scored turnover over 50 million euros and employed more of 250 employees.

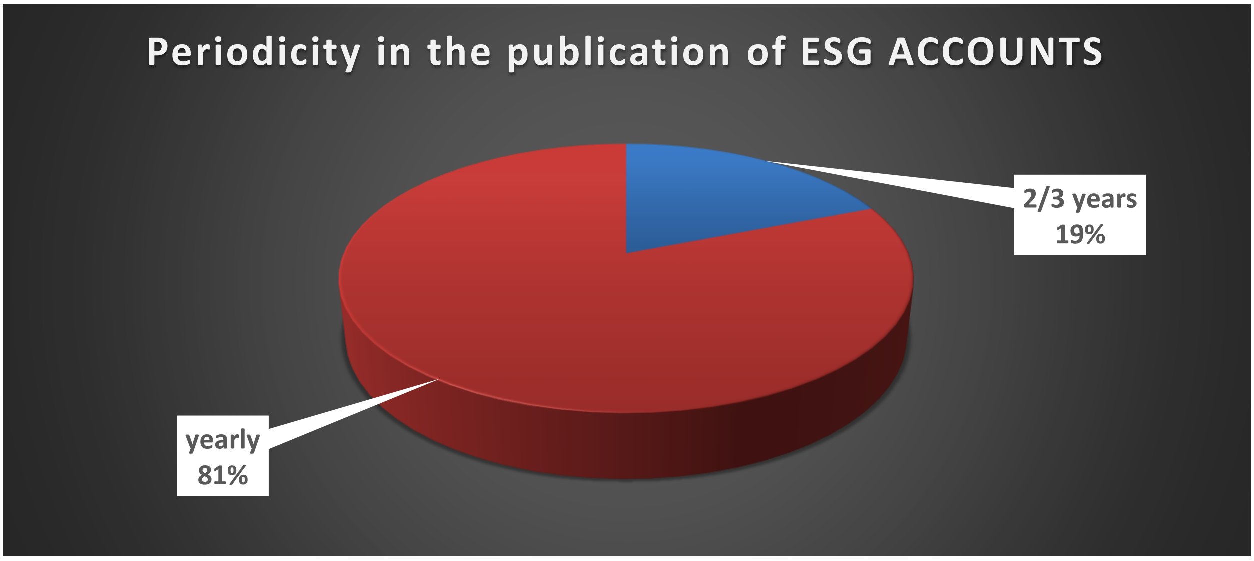
Key research questions:

1. What percentage of companies that publish a report adopt international standards and which are these?
2. How many proceed to external verification/securing of data of their report?
3. How many of the listed companies on the Athens stock exchange publish an ESG report?
4. How many post their accounts or performance on their corporate website?
5. What is the percentage of the companies that are members of a network for sustainable development or in stock market index (such as CSR Hellas, Global compact network Hellas, BSE Council for Sustainable Development and the FTE4Good Index?
6. Have recognized or documented the organization's contribution to the Global Objectives for United Nations Sustainable Development Goals;
7. Are they involved in TCFD, CDP or Science Based Targets?
8. What is the percentage of companies that promote their account on social media networking?
9. How many companies publish the Progress Report (COP) of the UN Global Compact?

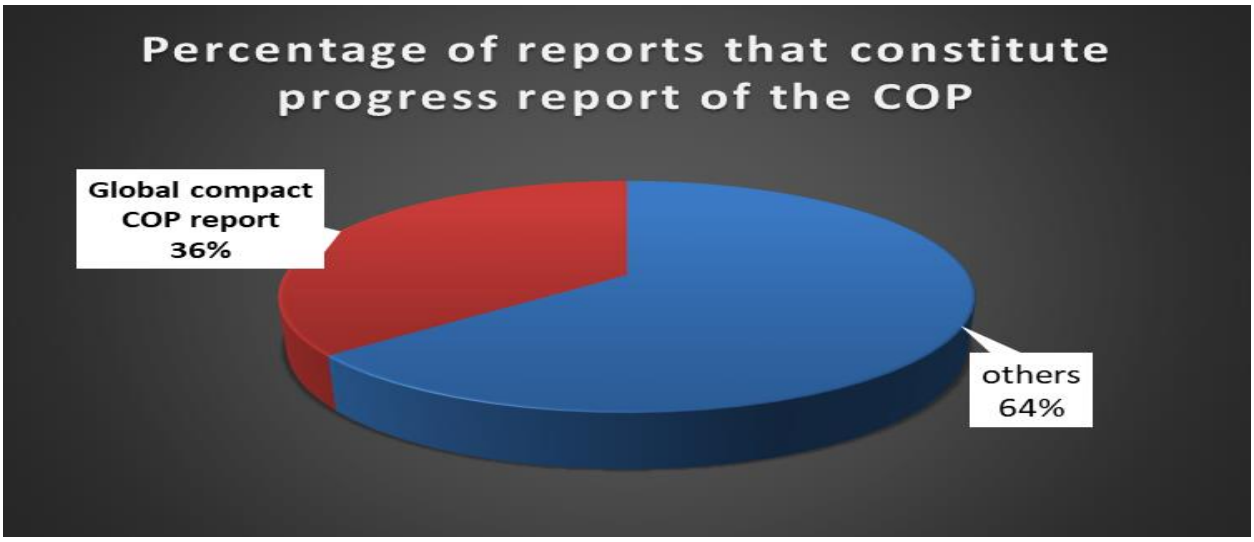
Basic characteristics of the sample

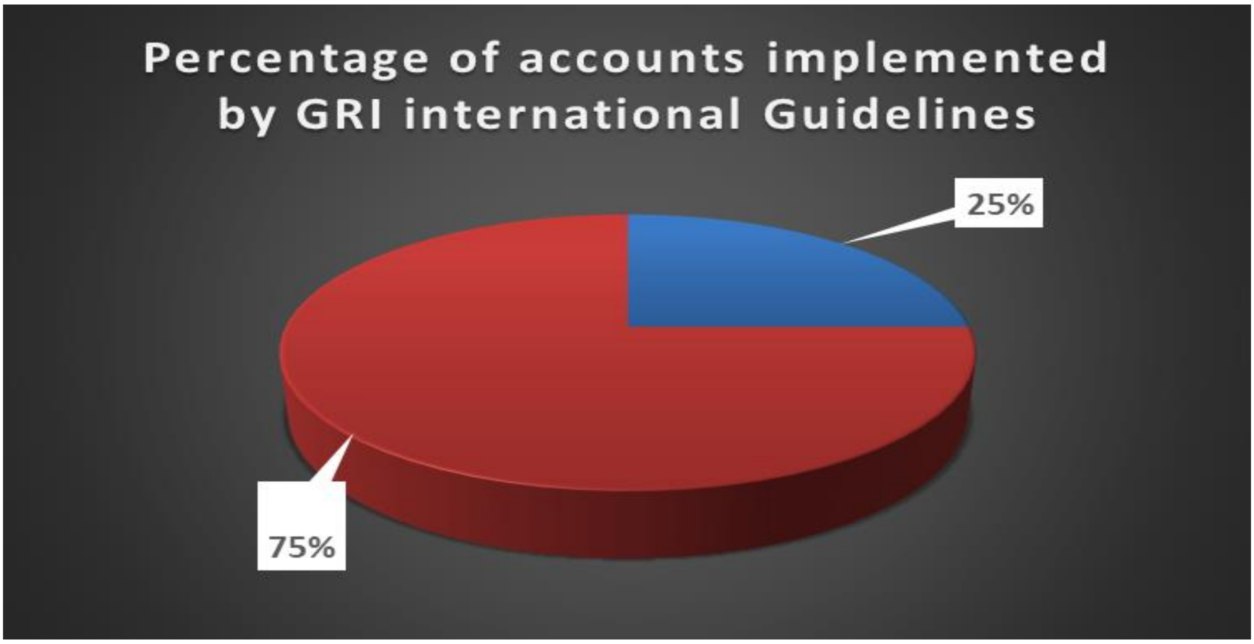






Reports based on GRI Standards and / or UN COP

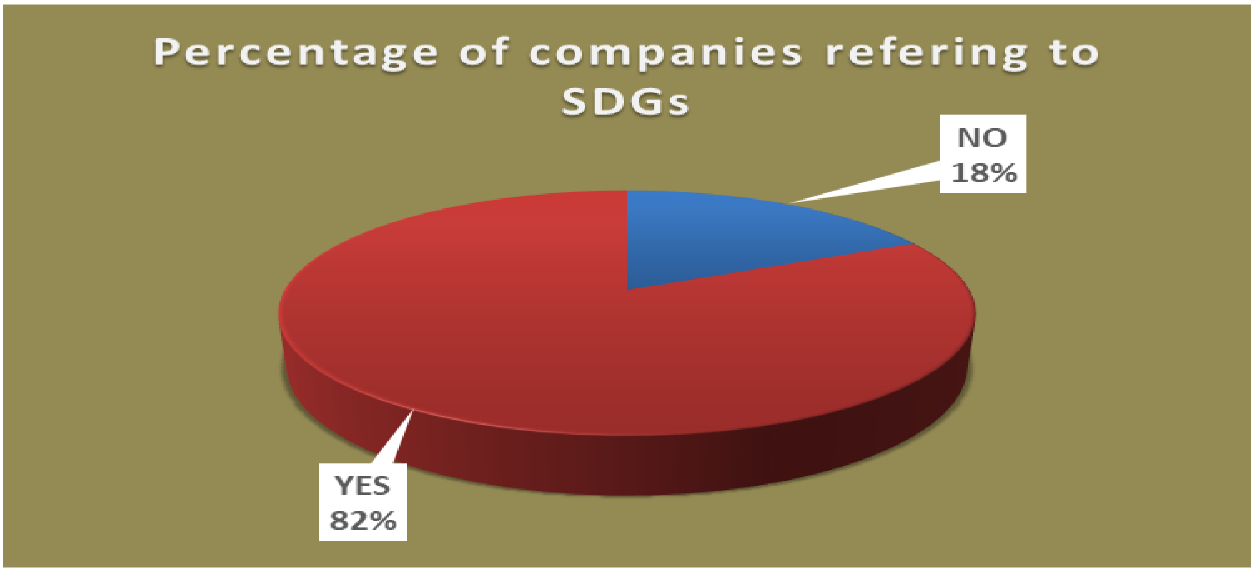


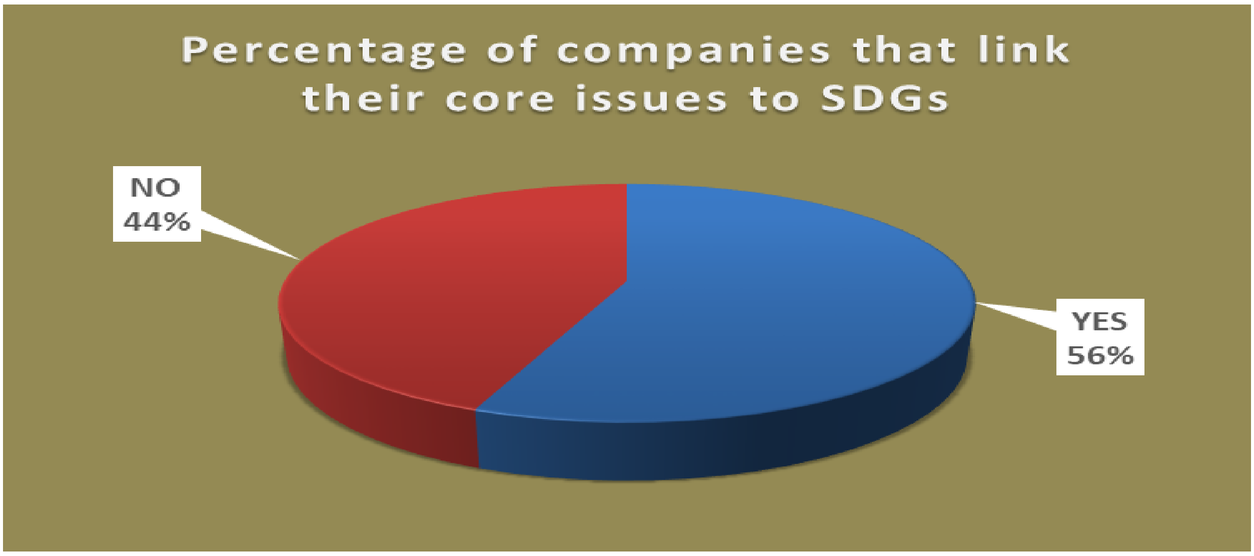


75% of the companies surveyed publish a Corporate Responsibility / Sustainable Development Report, applying the GRI's international guidelines (GRI Standards). The remaining 25% of the companies surveyed follow different directions / standards (UN Global Compact, SDGs, etc.) or simply incorporate some basic directions of the GRI Standards.

Accounts and SDGS

The adoption of the United Nations Agenda 2030 for Sustainable Development and the 17 SDGs with their 169 targets in 2015 by all UN member states is a milestone for all the international community. These are universal goals, to which not only all developed and developing countries, but also businesses, the private and public sectors, the academic community and civil society firms are called upon to contribute together to accomplish them. The international community is committed to the achievement of the SDGs by 2030. For Greece, the Goals provide a significant opportunity for recovery and transition to a new model of development, with emphasis on all 3 main pillars: environment, society and economy.





82% of companies report and present the Global Sustainable Goals Development (UN SDGs), while 18% make no reference to their Accounts. In addition, it was observed that 56% of the companies that record their contribution to the Global Sustainable Development Goals, associate their essential issues with specific goals (SDGs), describing in more detail their contribution to them.

VIII. Titan Cement Group - A long history of sustainable growth

Titan Cement International is a multiregional cement and building materials producer. The firm's activities cover production, distribution and transportation of cement, concrete, fly ash, aggregates, mortars and various building materials. The Group employs about 5,500 people and is present in 15 countries, operating cement plants in 10 of them, the USA, Greece, Albania, Bulgaria, North Macedonia, Kosovo, Serbia, Egypt, Turkey and Brazil. Through its operating history the Group has aspired to serve the needs of society, with a large contribution to sustainable growth with responsibility and integrity. Titan's annual sales came to €1,610 million in 2019. For many years Titan cement group aims to grow as building materials producer and as a multiregional firm. Combining entrepreneurial spirit and operational excellence with respect for people, society, and the environment. Corporate Social Responsibility has been at the core of Titan's philosophy ever since it's early years and has had a direct and permanent impact on its performance as a business enterprise, on its labor relations and on community involvement. It is now an explicit core value of the Group and one of its governing objectives. In recent years, developments – both internal and external – raised expectations and brought about new challenges of transparency and accountability. Titan's immediate response has enhanced confidence with stakeholders and society at large. Since 1983 Titan issued an annual Social Report with information in detail on labor matters (health , training, safety and hygiene) on environmental matters, on questions of special interest to the neighboring communities and on Titan' s innovative approach to problem-solving. During the last twelve years, Titan has followed a process of expansion to other countries with different cultures, laws and customs and is already engaged in transferring Group core values and applying its social policies.

With a global presence in four geographic regions, and one joint venture in Brazil the group reports its performance and activities in countries such as U.S.A, Brazil, Serbia, Bulgaria, Albania, Greece, Egypt and Turkey. Its principle products and activities among others include cement plants, Ready-mix plants, concrete block plants, fly ash processing plants, cement grinding plants, dry mortar plants, processed engineering fuel facilities, quarries and import terminals. Revenues, EBITDA as well as Assets during fiscal year 2020 are depicted as below.

Table 1. Titan cement group – Economic performance of the group for fiscal year 2020

Millions €	Revenues	Ebitda	Assets
U.S.A	938	176	1.095
Southeastern Europe	271	96	457
Eastern Mediterranean	152	-3.3	485
Greece & Western Europe	247	17	563
TOTAL	1.608	285,7	2.600

To achieve its objective for governance, the company does focus on four priorities with strategic importance: Geographic diversification: by expanding through acquisitions and Green developments into new markets that are attractive, by diversifying its earnings base and mitigating the effect of the volatility inherent in the industry. *Continuous competitive improvement:* by delivering new efficiencies throughout its business to reduce costs and compete more effectively, implementing digital solutions across its value chain. *Vertical integration:* by extending its business into other product areas in the cement value chain, serving its customers better and accessing new profit opportunities. *Sustainability, with focus on the environment and society:* by reducing its environmental footprint, with focus on de-carbonization and biodiversity. By underpinning these priorities the company approaches to sharing best practice and leveraging expertise. Applying this approach across the Group helps the development of Titan's capabilities and the efficient delivery of the firms governing objective. Besides corporate social responsibility values such as know-how, integrity, value to the customer and continuous improvement are ingrained in the Groups identity and embedded in its culture and its people's practices. These values guide the way Titan cement group conducts its business – with respect, accountability, and responsibility.

Since 2010, TITAN Cement Group has attained, and maintained, the "Advanced" level reporter status in line with United Nations Global Compact principles. Over the course of 2020, TCI, as a new legal entity, was assessed for the first time with regards to its ESG performance, achieving positive results. In May 2020, TCI received an ESG Risk Rating of 28.6 by Sustainalytics and was assessed as being at medium risk of experiencing material financial impacts from ESG factors. The score places TITAN thirteenth out of 104 construction materials companies assessed by Sustainalytics. In June, TCI received a rating of A (on a scale of AAA-CCC) in the MSCI ESG Ratings assessment. In October, TCI received a rating of B+ by Refinitiv and was ranked ninth in the construction materials sector across Europe and America. Moreover, 2020 marked our inaugural response to the CDP climate change and water security questionnaires.

The company's enduring commitment to sustainability and value creation for all has set Environmental, Social and Governance (ESG) targets for 2025 and beyond, focusing on four pillars defined as material by Titans stakeholders. Four areas are focused and targets have been set to be fulfilled till year 2025.

De-carbonization and Digitalization

with reduction of CO_2 emissions by 2030, and targets

Work environment that is Growth enabling

A cultivation of an inclusive culture with same opportunities to all its people to grow professionally within a safe and healthy work environment

Positive local impact

Enabling the group's business operations and people worldwide to contribute to the prosperity of its local communities with respect to their social and environmental concerns

Responsible sourcing

We will empower our business ecosystems to incorporate sustainability considerations in their business decisions and daily behaviors, while using natural resources responsibly

All underpinned by: Good governance, transparency and business ethics

ESG Ratings – (identifier BRU: TITC) *by Sustainalytics, 2020*

- ✓ ESG Risk Rating 27.9 Medium Risk
- ✓ Industry group – construction materials - (ranking) 16 out of 124 companies
- ✓ **7500** out of 14640 (globally rated)

ESG Performance review of fiscal year 2020

TITAN continued to actively engage in the global collective effort toward a carbon-neutral future, endorsing the vision of the European Green Deal and the Global Cement and Concrete Association (GCCA) Climate Ambition to deliver society with carbon-neutral concrete by 2050.

In 2020,

- Net CO_2 emissions reached 674kgCO_2/t cementitious product, declining by 13.4% compared to 1990 levels.

- New processing lines for alternative fuels were inaugurated in Florida and Northern Macedonia.

- The Group expanded its product portfolio to include additional volumes of low-carbon cement and concrete, while

- Progress was made in energy efficiency, with 54.9% of total clinker production now covered by ISO50001 certification.

- Committed to continuous, open and transparent communication with its stakeholders, TITAN responded to the Carbon Disclosure Project (CDP) Climate Change and Water Security questionnaires. Furthermore, the Pennsuco Cement Complex in Florida became the first cement plant in the world to be total resource use and efficiency (TRUE) Platinum verified for zero waste.

- Biodiversity management plans were developed at nine out of the ten sites of the Group that have been identified as areas of high biodiversity value,

- And water consumption was reduced to 261lt/t cement.

- To improve transparency, a new online platform was launched in Greece, making daily air emission data publicly available.

- The employee Frequency of Lost Time Incidents (LTIFR) per million worked hours was reduced from 1.44 in 2019 to 0.57, the lowest value recorded since 2013. Regrettably, despite this improvement, there were two contractor fatalities during the year – one in Kosovo and one in Egypt – and one employee fatality in a driving accident in the USA. From the onset of the pandemic, Titan took action to protect its employees and their families, introducing remote working and instituting measures to ensure that those working on-site do so under the safest possible conditions.

- Assistance was offered to neighboring communities, business partners and contractors, while the Group worked closely with local authorities, public health institutions, and civil society organizations in an effort to contain the spread of the virus.

ESG Performance review

TITAN continued to actively engage in the global collective effort toward a carbon-neutral future, endorsing the vision of the European Green Deal and the Global cement and concrete Association (GCCA) Climate Ambition to deliver society with carbon-neutral concrete by 2050. In 2020, net CO_2 emissions reached 674kgCO_2/t cementitious product, declining by 13.4% compared to 1990 levels. New processing lines for alternative fuels were inaugurated in Florida and Northern Macedonia. The Group expanded its product portfolio to include additional volumes of low-carbon cement and concrete, while progress was made in energy efficiency, with 54.9% of total clinker production now covered by ISO50001 certification. Committed to continuous, open and transparent communication with its stakeholders, TITAN responded to the Carbon Disclosure Project (CDP) Climate Change and Water Security questionnaires. Furthermore, the Pennsuco Cement Complex in Florida became the first cement plant in the world to be total resource use and efficiency (TRUE) platinum certified for zero waste. Biodiversity management plans were developed at nine out of the ten sites of the Group that have been identified as areas of high biodiversity value, and water consumption was reduced to 261lt/t cement. To improve transparency, a new online platform was launched in Greece, making daily air emission data publicly available. The employee Frequency of Lost Time Incidents (LTIFR) per million worked hours was reduced from 1.44 in 2019 to 0.57, the lowest value recorded since 2013. Regrettably, despite this improvement, there were two contractor fatalities during the year – one in Kosovo and one in Egypt – and one employee fatality in a driving accident in the USA. From the onset of the pandemic, Titan took action to protect its employees and their families, introducing remote working and instituting measures to ensure that those working on-site do so under the safest possible conditions. Assistance was offered to neighboring communities, business partners and contractors, while the Group worked closely with local authorities, public health institutions, and civil society organizations in an effort to contain the spread of the virus. A comprehensive action plan to improve diversity and inclusion across the Group was drawn up, based on feedback from a number of focus groups and interviews. In TITAN America, unconscious bias education was mandated for all people managers and two new Employee Resource Groups were launched – one for the Black and African American community and one for the LGBTQ+ community. The percentage of employees from local communities remained high, at 83% and the Group continued to support youth employment, offering 251 internships in 2020. Through the Regeneration Academy for Digital Acceleration, a program developed in partnership with local service providers, 24 young graduates in data science received training and assistance in finding employment. TITAN engages actively with its stakeholders at global and local level, to understand and prioritize the issues that are material in relation to the company and its impact on the economy, the environment and society. In this context, and following the completion of another cycle of this process at group level, all TITAN business units reviewed and updated their material issues. Areas such as health and safety, environmental management, employee development, sustainable supply chain, customer satisfaction, climate and energy, and good governance emerged at the top of the list of material issues identified in most of the countries where the Group operates. To further accelerate decision-making and organizational agility in the context of the rapidly changing drivers of competitiveness, primarily digital and carbon, the Board, in its meeting of July 21, approved a new organizational structure. Furthermore, the former Group CSR Department was expanded to reflect the broader focus of the Group and its stakeholders on Environmental, Social, and Governance (ESG) issues, while a new Group Decarburization Team was established, reporting directly to the new Chief Sustainability Officer.

Table 2. *Summary of ESG Performance Statements for Titan cement group*

		FY 2020	FY 2019
Climate change – cement activities			
Specific net direct CO_2 emissions	$kg/t_{Cementitious\ Product}$	674.0	676.6
Alternative fuel substitution rate	$\%_{Heat\ Basis}$	13.1	13.5
Clinker to cement ratio	%	82.4	82.9
Integrated cement plants with certified energy management systems (ISO 50001 or similar)	%	54.9	40.5
Local impacts – cement activities			
Specific dust emissions	$g/t_{Clinker}$	19.3	14.7
Specific NOx emissions	$g/t_{Clinker}$	1,282	1,269
Specific SOx emissions	$g/t_{Clinker}$	253	193
Specific water consumption	lt/t_{Cement}	261	257
Local impacts – all activities			
Active quarry sites with biodiversity management plans	%	90.0	90.0
Sites with quarry rehabilitation plans	%	88.0	90.0
Environmental expenditures	million €	22.2	26.6
Avoided impact to the environment – cement activities			
Avoided net direct CO_2 emissions	million t	29.3	27.8
Avoided dust emissions	t	60,700	56,600
Avoided water consumption	million m^3	32.5	29.1
Health and Safety – all activities			
Fatalities		3	0
Employee Lost Time Injuries Severity Rate		21.5	57.4
Employee Lost Time Injuries Frequency Rate (LTIFR)	per million hours worked	0.57	1.44
Employment – all activities			
Number of employees in total, as of 31st December		5,359	5,400
Employees from local communities	%	83.16	83.32
People development – all activities			
Average training hours per employee *(over the total number of direct employees)*		14.81	25.42
Community engagement – all activities			
Local spend *(as percentage of total spend to all suppliers)*	%	66.95	65.35

Balance scorecard

The (BSC), balance scorecard is a system for strategic planning and management that firms use to monitor and measure their progress towards strategic targets and communicate about their accomplishments. Titan cement group uses the balanced scorecard in order to prioritize its projects, products, and services. This managerial tool consists of five components and the first of them refers to the company's vision and its strategic objective. The other four parts of the scorecard that will be analyzed further are the following: Financial, Customer and Internal process.

Table 3. Balanced Scorecard

Perspectives	Objectives	Measures	Targets	Initiatives
Financial	1. Competitive Profitability 2. Productivity 3. Assets Efficiency 4. Investments.	1.Up to 45% EBITDA 2.R.O.I (Return of investment) 3.Net debt 4.NPAT 5.Free Cash Flow	1. 2/3 of total spend are directed to local suppliers and communities	1. Decrease production costs. 2. improve production process 3. provide a quality product in the market
Customer	1.Understanding of customer needs 2.solutions that are innovative 3. Products and services of high quality 4. Positive local impact 5. Improve Company's Image and Build an Economically Friendly Image	1.Conquest rate 2. % Customer retention 3. % Customer Attrition 4. Customer satisfaction and quality	1. Top ranking in the % Conquest rate 2. Customer satisfaction target of 90%, 3. Loyalty rate of global markets	1. To see how the loyalty translates into increased business with customers 2. To see how much it costs to retain clients and whether it is done in a profitable manner.
Internal Process	1.digitalization 2.de-carbonization 3. Growth-enabling work environment 4. Responsible sourcing	1.Specific dust emissions 2. Specific NOx emissions 3. Specific Sox emissions	1.CO2 reduction goal for 2030 at -35% compared to 1990 levels 2. 85% of production covered by ISO 50001 or energy audits 3. 50% of our production covered by "Zero Waste to Landfill" certification 4. 70% of key suppliers meet TITAN ESG supplier standards	1. Future-ready business model in a carbon neutral world 2. Safe and healthy working environment 3. Diverse and inclusive workplace 4. Continuous development of our people 5. Reliable and sustainable supply chain 6.reducing the clinker required for cement

				production

Applying ROSI on Titan Cement group (Table 4)

Total net benefits for improved employee relations			
Net benefit	**Methodology or example**	**Unit**	**Annual**
Total gross benefits	Sum benefits totals from 1, 2, 3	€	193.663.276
Total cost and investments	Sum fields 0.1, 0.2 (at the bottom)	€	47.472.081
Total net benefits	Subtract field above from field two above	**€**	**146.191.195**
ROSI™	**Return of Sustainability Investment**	**%**	**308%**

1	Attraction			
	Total benefit	**Methodology or example**	**Unit**	**Annual**
	Incremental revenue top talent	Sum fields 1.1, 1.2, 1.3	€	62.843.000
	Annual cost avoided from reduced recruitment time	From 1.4	€	10.483
	Total benefit	**Sum the two fields above**	**€**	**62.853.483**

1.1	Incremental revenue (or sales)	Methodology or example	Unit	Data
	Annual revenue per employee	Divide total annual revenue by number of employees.	€ / employee	299.646
	Number of high performers	Estimate by total employee count times share of high performers. A typical workforce may contain 20% of high performers.	Count	1.073
	High performer multiple	How much more effective are high performers? E.g. if they sell 20% more on average, use a multiple of 1.2.	Ratio	1,2
	Increase in share of high performers due to sustainability	Estimate based on industry, sustainability initiative, and type of work.	%	15%
	Increased revenue	**Multiply the above four fields**	**€**	**57.852.000**

1.2	Fewer quality issues	Methodology or example	Unit	Data
	for Process automation	calculate a annual pro-rata total cost; estimate reduction in quality issues that can be attributed to sustainability (i.e. increased share of high performers); multiply to arrive at cost avoided	€	4.821.000

1.3	Fewer safety incidents	Methodology or example	Unit	Data
	for Occupational health and safety	calculate a annual pro-rata total cost; estimate reduction in safety incidents that can be attributed to sustainability (i.e. increased share of high performers); multiply to arrive at cost avoided	€	170.000

1.4	Reduced recruitment time	Methodology or example	Unit	Data
	Average recruitment cost (one position)	Get from HR or estimate as shown below (1.4.1, 1.4.2, 1.4.3)	€	105
	Number of open position	Average per year	Count	599

Average recruitment time with sustainability	We multiply the difference with the cost for all empty positions	Days	3.306
Average recruitment time without sustainability		Days	3.968
Relative reduction	*Or in days and adopt accordingly.*	*%*	*16,7%*
Saved cost	**Multiply recruitment cost with reduction**	**€**	**10.483**

2 Productivity

Total benefit	Methodology or example	Unit	Annual
Total benefit	**Sum fields 2.1 to 2.7**	**€**	**126.036.480**

2.1 More productive employees	Methodology or example	Unit	Data
Annual number of person days saved from more productive employees	Employees at firms that have adopted environmental standards are 16% more productive than their counterparts at firms with no environmental commitments. As such, 16% of the average number of working days per employee x the number of eligible employees would be a suitable alternative.	Person days	289.602
Average day cost (blended daily wage)	Total annual payroll cost (including benefits, taxes, etc) divided by number of full-time equivalent employees. Further divide by 365 for a daily cost.	€ / day	160
Percent of employees more productive	Total workforce (100%) or reduce, e.g. if sustainability is implemented only in one location	%	100%
Saved cost	**Multiply the above three fields**		**46.291.315**

2.4 Reduced unplanned absenteeism	Methodology or example	Unit	Data
Annual total cost of absence	Studies show unplanned absenteeism costs 2-9% of the payroll expenditures. Alternatively, use data from HR department: calculate total from per employee by adding together - average number of hours times sick pay and benefits - average number of hours times replacement cost - any difference in performance (opportunity cost): note that plenty of unplanned absenteeism is not recorded and unofficial	€	25.031.600
Reduced rate of absenteeism due to sustainability	Estimate based on industry, sustainability initiative, and type of work. For example, Gallup found that the median difference for absenteeism between top-quartile and bottom-quartile in employee engagement was 41%. This is an upper boundary, so in practice numbers are more conservative.	%	2%
Percent of employees more engaged	Total workforce (100%) or reduce, e.g. if sustainability is implemented only in one location.	%	100%
Saved cost	**Multiply the above three fields**	€	**500.632**

2.5 Higher engagement	Methodology or example	Unit	Data

Improvement in employee engagement	Calculate the difference between the baseline (before) and after the sustainability initiative, or estimate.	%	10%
Average annual profit	Take a moving average of the last 4 years	€	1.552.750.000
Share of profits attributed to higher engagement	Gallup found that the median difference for profitability between top-quartile and bottom-quartile in employee engagement was 21%. However, in most cases growth that can be attributed to higher engagement will be small. This should be zero if there is no discernable change in employee engagement.	%	5%
Increased profits	**Multiply the above two fields**	€	**77.637.500**

2.6 Lower compliance risk	Methodology or example	Unit	Data
Typical annual cost of compliance risk	Estimate should be a pro-rata annual value based on the incidents over the last 10-20 years.	€	8.035.165
Reduced risk of compliance from sustainability	Estimate based on internal assessment from legal counsel. Very low = 5%; low = 20%; medium = 50%; high = 80%.	%	20%
Percent of employees more engaged	Total workforce (100%) or reduce, e.g. if sustainability only affects a portion of employees.	%	100%
Avoided cost	**Multiply the above three fields**	€	**1.607.033**

3 Retention

Reduced cost	Methodology or example	Unit	Annual
Annual total turnover cost avoided	**Sum of the last three rows of 3.2**	€	**4.773.313,17**

3.1 Turnover rate	Methodology or example	Unit	Data
Voluntary turnover rate		%	11,3%
Share of voluntary turnover due to unfairness / poor culture / lack of sustainability	Kapor Center study estimate: 37-62%; other study 25-50%; isolated sustainability initiative on its own up to 12%.	%	20%
Sustainability-reduced turnover rate	**Multiply the two fields above**	**%**	**2,26%**

3.2 Turnover cost	Methodology or example	Unit	Data
Turnover cost entry-level or equivalent	Around 10-30% of annual salary (this includes orientation / training cost; employees' time for startup, onboarding, and separation; separation pay; legal fees;	€	11.669
Turnover cost mid-level	Studies indicate 90-150% of annual salary as a guideline.	€	64.178
Turnover cost specialized or high-level	Up to 200% of annual salary, higher if justified. Alternatively, use acquisition cost including relocation cost: moving expenses; sign-on bonus; assistance with home; relocation consulting fees	€	105.018
Number of entry-level employees	Full-time equivalents	€	3130

Number of mid-level employees		€	1459
Number of specialized or high-level employees		€	770
Sustainability-reduced turnover rate	*From 3.1*	%	*2,26%*
Annual total entry-level	**Multiply the two respective fields above with the turnover rate**	€	**826.148**
Annual total mid-level		€	**2.118.027**
Annual total specialized or high-level		€	**1.829.139**

0.1	Cost of sustainability initiative	Methodology or example	Unit	Data
	Operating expenses	Only include any ongoing cost for a sustainability initiative that directly relates to employee relations	€	52.500
	Training expenditures	Cost of running or contracting training related to sustainability	€	485.331
	Total cost	**Sum of fields above**	€	**537.831**

0.2	Investments of sustainability initiative	Methodology or example	Unit	Data
	Capital expenditure(s)	Depreciated or otherwise annualized value. Only include capital expenditures for a sustainability initiative that directly relates to employee relations.	€	31.289.500
	Investments in new processes and/or new systems	Amortized or otherwise annualized value. Only include investments for a sustainability initiative that directly relates to employee relations.	€	15.644.750
	Total cost	**Sum of fields above**	€	**46.934.250**

Calculations have been made by extracting numbers and data from Titan cement group 2020 integrated annual report. (https://www.titan-cement.com/TITAN_Cement_Group_IAR_2020_EN). A variation of data was taken under consideration of reports such as ESG performance indicators, financial reports and the groups Corporate-Social-Responsibility-Sustainability-Report. Further information regarding the sources used is displayed in the appendix **(pages 40-42)**

Firm characteristics across two groups at the year of matching (1993)

		Total assets		ROA		ROE		Leverage		Turnover	
Sustainability	N	Average	St.Dev	Average	St.Dev	Average	St.Dev	Average	St.Dev	Average	St.Dev
LOW	90	8,182	28,213	7,54	8,02	10,89	20,61	0,57	0,19	1,05	0,62
HIGH	90	8,591	22,230	7,86	7,54	11,17	16,15	0,56	0,18	1,02	0,57
p-value diff		0.914		0.781		0.919		0.726		0.703	

*All measures are calculated at the end of fiscal year in 1993. Averages and standard deviations across the High Sustainability and the Low Sustainability group are presented. Each group includes 90 firms. ROA is net income plus net interest expense after tax over total assets. ROE is net income over shareholder’s equity. Leverage is total liabilities over total assets. Turnover is sales over assets

Conclusions

Economic development achieved so far has adopted various techniques which have proved harmful for the environment in which we reside in. The crying need is for sustainable development which aims at development which does not have a negative impact on the environment. Our natural environment makes human life possible, and our cultural environment helps define who we are. It is therefore essential that our population and economic growth are environmentally sustainable.

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Appendix

Key indicators	Amounts	Stake-holders	SDGs 2030
Gross value added	€612.0m	Employees, customers, suppliers, shareholders, andinvestors	Decent work & economic growth , industry innovation and infrastructure
Net value added[3]	€472.4m	Employees, customers, suppliers, shareholders and investors	Decent work & economic growth , industry innovation and infrastructure
Total spend on suppliers, local, national and international for goods and services[4]	€989.8m	Suppliers and contractors	industry innovation and infrastructure
Key indicators	**Amounts**	**Stake-holders**	**SDGs 2030**
Taxes to national and local authorities[5]	€102.7m	Governments and authorities (centraland local	Decent work & economic growth , partnership for the goals

Payments in cash to shareholders and minorities[6]	€17.6m	Shareholders	Decent work & economic growth , partnership for the goals
Total spend on donations and social engagement initiatives	€2.1m	Communities, academia,and society at large	No poverty , good health and wellbeing , quality education
Green investment	€22.2m	Communities, society at large	good health and wellbeing, affordable land and ocean energy , industry innovation
Alternative fuels	234.451 tons	Communities, governments and authorities	industry innovation and infrastructure , responsible consumption and production
Salaries	312,2m	Employees and their families,	Reduced inequalities, Decent work & economic growth
Investments in training of direct employees	€0.5m	Employees and their families	Decent work & economic growth , quality education
Internships	251 interns	Employees and their families,	Decent work & economic growth, quality education ,partnerships for the goals
Investments for Research and Innovation[11]	€10.5m	Employees, customers, academia and society at large	partnerships for the goals, affordable land and ocean energy , industry innovation and infrastructure

Consolidated Income Statement - Titan cement group

(all amounts in Euro thousands)	Year ended 31 December 2020	2019
Revenue	1,607,033	1,609,778
Cost of sales	-1,297,550	-1,315,866

Gross profit	**309,483**	**293,912**
Other operating income	7,552	9,682
Administrative expenses	-142,660	-145,188
Selling and marketing expenses	-24,241	-25,289
Net impairment losses on financial assets	-1,985	-1,667
Other operating expenses	-1,485	-4,282
Operating profit before impairment losses on goodwill	**146,664**	**127,168**
Impairment losses on goodwill	-46,614	-
Operating profit	**100,050**	**127,168**
Other income	100	14
Net finance costs	-52,683	-63,590
Loss from foreign exchange differences	-13,216	-592
Share of profit of associates and joint ventures	3,200	1,366
Profit before taxes	**37,451**	**64,366**
Income tax	-35,899	-11,211
Profit after taxes	**1,552**	**53,155**

Attributable to:

Equity holders of the parent	1,518	50,905
Non-controlling interests	34	2,250
	1,552	**53,155**

Basic earnings per share (in €)	**0.0197**	**0.6452**
Diluted earnings per share (in €)	**0.0196**	**0.6385**

The primary financial statements should be read in conjunction with the accompanying notes.

ESG PERFORMANCE INDICATORS FROM TITANS 2020 INTEGRATED ANNUAL REPORT

	2020	2019	2018	2017	2016
Average employment, Group total	5.363	5.382	5.424	5.552	5.612
Number of employees as of 31 December 2020, Group total	5.359	5.400	5.365	5.432	5.482
Employee turnover (%), Group average	11, 31%	12, 33%	10, 03%	13, 94%	13, 57%
Employees left. Group total	606	666	592	757	744
Employee new hires (%), Group average	11, 18%	14, 24%	10, 27%	13.02%	10, 40%
Employee new hires, Group total	599	769	551	707	570