

Response from Suez Cement Group of Companies

June 9th 2014

Thank you for bringing this article to our attention and seeking a “right of response” letter from Suez Cement Group of Companies (SCGC).

We are currently investigating the allegations made by Omar Abu Zeid, who is not one of our direct employees. We cannot confirm any of his claims at this time. The only statement we can corroborate is that he has worked and he is still employed at a subcontractor.

While we cannot comment on his situation, since we do not have all the facts, we believe SCGC's efforts to protect its workers and promote health and safety on our sites and within nearby communities should be lauded.

Before we address the article published by Mada Masr, we would like to give you some background on SCGC. We are one of the largest and the oldest cement producers in Egypt with an industrial network of five production facilities in Suez, Kattameya, Tourah, Helwan and El Minya.

All SCGC plants are ISO 9001 and ISO 14001 certified. They are also subject to comprehensive audits by the Egyptian Environmental Affairs Agency to ensure full compliance with local standards.

Furthermore, SCGC employs more than 3,000 direct staff, all of whom participate in ongoing safety training and advancement programs at each plant. The company follows international safety, environmental and energy policies, a philosophy that embodies the foundation of a sustainable workplace for staff as well as the communities where SCGC operates.

SCGC's overall ambition is to create relationships with employees and subcontractors based on trust, which will contribute to improvement in safety dynamics while on site. In order to attain that goal, the company launched a new project that evaluates subcontractors based on their existing occupational health and safety management systems. In 2013, the firm evaluated 75 subcontractors. The process remains ongoing.

We provide all necessary support for firms that do not meet our standards. If they are unable or unwilling to do their part in protecting employee health and wellness, SCGC terminates the contract with the subcontractor. The evaluation process for subcontractors is of utmost importance and remains ongoing.

Similarly, SCGC has implemented several initiatives to improve working conditions for employees and subcontractors. They include: first aid facilities, separated sanitary facilities, dressing facilities, canteens and meal accommodations. All employees are given appropriate Personal Protective Equipment (PPE) while on site that match their given duties and responsibilities.

The main key SCGC value is safety and accident prevention. Safety awareness sessions are regularly held dealing with such topics as explaining the dangers of family members accompanying customers or suppliers to the site and the risks associated with failing to wear appropriate PPE.

In that vein, our Zero Accidents project evolved into a more comprehensive safety program in 2011 that showcased safe conduct at work and home for employees at every level. Our goal is to create safer and healthier working environments by preventing accidents and injuries, in addition to developing communication initiatives to promote a safe and health-conscious work culture.

But we haven't stopped there. Over the past few years, SCGC has modernized its production facilities to improve efficiency and comply with international environmental and safety standards. Several major projects worth approximately LE 500 million were completed.

Statistics show our efforts have made a tangible difference. Since 2005, our Lost Time Injury

(LTI) frequency rate — the number of accidents that resulted in lost time per million hours worked —dropped an incredible 70%, and is among the best in the industry and within Italcementi Group worldwide. Suez Cement Group of Companies strongly believes that promoting the health and enhancing the wellbeing of workers is as vital as protecting their safety. Since 2008 we have adopted a standard for occupational exposure limits of workers to dust, respirable crystalline silica, noise and whole-body vibrations.

In cooperation with the “Universita’ Cattolica del Sacro Cuore”, the Company has monitored all the employees and contractors of our five plants exposed to dust, noise and vibration. Our approach is based on risk assessment and challenging references, internationally recognized standards well beyond regulatory frameworks.

Moving on, we further protect our employees' right by strictly adhering to our comprehensive Human Rights Policy and Charter of Values, which outline SCGC's efforts to uphold internationally proclaimed human rights. The policies state that SCGC does not support human rights abuses of any kind. All incidents that potentially fall into this category are investigated, with appropriate action taken to rectify the situation should it be deemed necessary.

In terms of environmental protection, SCGC is committed to preventing or otherwise minimizing, mitigating and repairing any negative environmental impacts from our activities. The Environment Management Systems (EMS) program was the driving force behind SCGC's decision to adopt an environmental policy that reflects management's commitment toward improving the environment where the company operates.

The Environment Policy reinforces SCGC's approach in preserving the environment and society. As part of the company's ongoing efforts to reduce adverse environmental impacts, regular consultations and information sessions are held with local stakeholders. A Compliance Action Plan was launched in 2012, with key goals set to be reached in 2014. The project is worth approximately LE 530 million.

Meanwhile, in November 2013, SCGC launched a new, state-of-the-art filtration system at the Helwan plant. The filter system reduces dust emissions levels to a maximum of 10mg/m³, which is well below Egyptian and European standards. In addition, on July 25 and 26, 2013, SCGC held special events to launch construction of innovative waste fuel projects at the Helwan and Kattameya plants. Both have been registered with the Clean Development Mechanism Executive Board of the United Nations Framework Convention on Climate Change and have a crediting period of 10 years (ending in 2023).

We are involved in numerous community initiatives as well. Helwan Cement Company and Tourah Portland Cement Company partnered with the Misr El Kheir Foundation to renovate the Helwan Public Hospital. The revamp is set to tackle the hospital's crumbling infrastructure as well as provide much-needed medical equipment and maintenance. Yet the road is still uphill but we are committed to do everything we can to ensure all our employees get the right training, protective gear, wages and health care to do their jobs well. Awareness and actions around human and labour rights; programmes pursuing excellence in safety; responsible approach within our supply chain and our sphere of business influence are still our on-going challenges.

Sincerely,

Zeina Spinelli
Communication and Social Initiatives Manager
Suez Cement Company