

TITAN Cement Egypt (TCE) response to BHRRC's invitation The "Dekheila Appellate Misdemeanor Court Case" - APCC Plant

29 May, 2018

APCC plant was built in 1948 in the Wadi el Qamar area, which is part of the El Max industrial zone, one of the main industrial zones in the governorate of Alexandria since the early fifties. More than 15 heavy industries in the field of natural gas, petrol, iron & steel, salt, and petrochemicals operate in this area. Over the years, around the industrial area an urban zone has developed and, despite the lack of urban planning and basic infrastructure, it is continuously expanding. Given the ongoing expansion of the urban zone, Titan Cement Egypt (TCE) has invested in APCC more than €30 million since 2010, and has implemented a great number of projects and initiatives in order to minimize the impact of its operations and to further improve its environmental footprint.

Indicatively, APCC has implemented significant projects for the coverage of all raw and intermediate materials as well as for handling, storing, milling and feeding of conventional fuels and for controlling fugitive dust. The plant is equipped with the most advanced dust emission control filters such as Bag filters. More specifically, in 2010, APCC upgraded the old kiln filter, ESP, with a state of the art Bag house ensuring less than 5 mg/Nm³, much lower than the current local dust emissions limit, and within the current year the kiln cooler filter will be upgraded to Bag house as well. As a result, within 2018, all the filters of the plant will be upgraded to the most modern and efficient filters available.

Furthermore, the plant is equipped with a special facility controlling NOX emissions and ambient air monitoring devices. Measuring systems are installed in every filter providing continuous emission measuring and recording (CEMS), on line with the Environmental Authority of Egypt (EEAA). The plant also applies a list of management systems, such as OHS, ISO9001:2008, CO2 (CSI Guidelines), water ISO 14001 and is regularly audited by Group specialists and external auditors for its environmental and safety performance, in accordance to the standards and guidelines of Titan Group.

For more details on the sustainability performance of APCC please visit <http://titacementegypt.com/csr-in-action/>. A TCE Corporate Social Responsibility and Sustainability report is made public since 2015, meeting the requirements set by the United Nations Global Compact Initiative, to which we are committed at both Group and local level.

Despite the significant investments and efforts to minimize any impact from the performance of our plant, there have been occasional complaints from residents and in certain few cases legal actions against APCC, for alleged environmental violations.

In the specific case that you mention, 10 residents of Wadi Al-Qamar area, pressed charges against the Company in 2015, alleging that there were emissions beyond the premises of the plant which caused health problems to some of the complainants. Although the Environmental Inspection Committee of Egypt and the investigation process confirmed that the emissions beyond the plant were within the limits of the applicable laws, and no legal action was taken by the Egyptian State against our Company, eight of the complainants requested temporary compensation before the El Dekhiela Misdemeanor Court.

The Misdemeanor Court has issued a ruling and has fined our Company for lack of sufficient precautionary measures to reduce emissions and for violation of the applicable laws. APCC's first appeal has been rejected and the Company is in currently in the process of filing a second appeal before the Court of Cassation.

Our Company's position on the complainants' allegations is that they are unfounded and unjustified and that APCC's operation fully complies with the Egyptian laws and the high environmental and social standards of the Titan Group.

TCE has an enduring commitment to environmental stewardship, to continuous improvement and to the promotion of dialogue and sustainability, which constitute key parts of Titan Group's identity. APCC will continue to work closely with its stakeholders in designing and implementing action plans and initiatives that promote its environmental and safety performance and sustainability as a whole.