**Titan response to report by Egyptian Initiative for Personal Rights**

*Business & Human Rights Resource Centre invited Titan to respond to the report by Egyptian Initiative for Personal Rights: “International Finance Institutions and the Enforcement of Standards for Environmental and Social Sustainability” – which raises labour rights and environmental concerns regarding the operations of Titan Cement in Egypt.*

*English-language news release: “*[*IFC Environmental and Social Standards are Meaningless in Practice*](http://eipr.org/en/pressrelease/2014/10/14/2239)*,” 14 October 2014*

[*Full report in Arabic*](http://eipr.org/sites/default/files/reports/pdf/case_study_oftitan_cement_factory.pdf)

*Titan sent the following response:*

*(Attachments are hyperlinked below).*

DATE: January 6, 2015.

TITAN Cement Egypt

**Re: Response to the Egyptian Initiative for Personal Rights**

TITAN Cement Group of companies as a long presence and history of performance in Greece (since 1902) and a number of countries apart from Egypt, including US, Bulgaria, Serbia, Kosovo, FYRoM, Albania, and Turkey. In Alexandria, Titan has started to fully operate the Alexandria Cement plant acquired by Lafarge Cement Group in 2008.

Acknowledging very early that operating in different countries with diverse conditions and legal background, TITAN Group has been committed to apply the international standards and industry best practice along with local regulations in all countries using as a common background the U.N. Global Compact Principles and the Cement Sustainability Initiative Guidelines (specifying performance standards for the industry in respect to health, safety and environment).

To meet this aim, TITAN Group has developed and continuously updates a Group Code for Conduct that covers primarily all TITAN managers and direct employees, but also business partners, like contractors and suppliers.

TITAN Group Code of Conduct is regularly updated following experience and know how gained from its implementation as well as new standards developed. The most recent update of the Code of Conduct was completed in 2012 so as to better reflect the new international guidelines for Business and Human Rights (Attachment 1 in Arabic). The updated edition of the Group CoC was translated into local languages for all TITAN Group employees included all employees of Alexandria Cement Plant (July 2012) and specialized training was provided to managers so as to safeguard better understanding of the Codes’ enforcement.

For managing relations with suppliers within the same scope of commitments, TITAN Group has developed a Code for Procurement which is supporting all TITAN managers to manage relationships with suppliers in all countries.

In respect to TITAN Cement operations in Alexandria the survey is referring to a history of dismissals and violations that have no relation to TITAN, as the period of time referred to is long before TITAN acquired the plant (fully acquired or in control of the plant)

Regarding the claim that TITAN has polluted the surrounding environment, there are numerous reports and data verified by independent third parties assuring that environmental performance of the Alexandria plant has significantly improved reaching the European and international standards under TITAN’s management, while significant investments have been implemented to meet this aim.

In respect to employment and labor standards, it should be mentioned that the level of employment has been stable at the plant since 2008 and the majority of employees are coming from the local environment.

Today (Sept. 2014) a total of 353 employees, 349 male and 4 female are working in the plant and 306 are citizens of Wadi El Kamar.

It is worth mentioning that Contractor's people held management hostage in the plant, which is against the law and have no right legally for what they are asking for, this was confirmed by the Minister of Manpower.

The issue of profit sharing that was for first time raised in 2014 was due to the significant changes resulted from the need to change the way the plant is operating and use instead of gas other energy sources. Undoubtedly, this was not an issue that had to do with any decision to alter TITAN’s employment and labor policies which remain as defined in relevant documents communicated to all Titan employees as from May 2012.

In respect to relations with suppliers, TITAN Cement collaborates in the Alexandria plant with a number of local apart from foreign companies who have the expertise to provide specific services. Approximately 140 people are working for local suppliers of TITAN in the Alexandria cement plant. References to specific safety and environmental standards are included in contracts signed with all suppliers of products and services to TITAN both local and foreign ones. With regular audits conducted by TITAN experts as well as third party auditors (i.e. Det Norske Veritas in 2008) compliance with international standards is monitored and assessed while every year specialized training is provided to all suppliers in order to safeguard their capacity to implement these standards.

Since 2010, when IFC decided to support TITAN operations in Egypt, a full review of the level of compliance with IFC standards was conducted and since then monitoring reviews are taking place every year resulting in further improvements at all levels. This is a continuous process of assessment and improvement. Moreover, TITAN is reporting publicly the outcomes of performance achieved particularly in respect to labor, safety and environmental issues on annual basis (<http://integratedreport2013.titan.gr/>)

Following the outcomes of monitoring and assessment, reports are provided to suppliers and in certain cases contracts have been suspended when suppliers were found not meeting safety performance standards.

Moreover, TITAN management has launched in October 2014 an employee opinion survey to identify other potential issues regarding employment conditions and relations. The survey has covered all employees at Alexandria plant (Beni Suef & TBAE as subsidiaries of APCC) and the results will be communicated to all followed by a new 5-year long action plan.

TITAN strongly acknowledges the significance of IFC performance standards as a tool to monitor social and environmental performance and continuously improve and it is actually using them not only in Alexandria plant but also in other operations, as these standards are reflecting TITAN Group commitments.

Respect for human and labor rights is undoubtedly a key priority for TITAN in Egypt and elsewhere, yet it is evident that safeguarding the full application of these rights a more collective effort is needed with the collaboration of State, local authorities and other companies. For this reason, TITAN has joined the Global Compact network in Egypt and on top of that has made an effort to develop a business network in Alexandria to focus on corporate social responsibility. Aiming at raising awareness and promoting co-operation with local NGOs, academics and other key stakeholders, TITAN is open and willing to contribute to the broader acknowledgement and adoption of fundamental human rights at work. (Attachment 3 See photos from Alexandria CSR Network Launching event).

On 15-12-2014 APCC was awarded among 171 industries appreciation certificate and Shield as one of the winner in the competition “Pioneer Businesses to Achieve Sustainable Development”.

APCC was recognized among the best 5 heavy industrial facilities for the sustainable development initiatives and received the certificate and Competition shield from the minister of environment (attached the award certificate and the Competition shield).

Conclusion

From the above it becomes clear that TITAN has a strong commitment to safeguard the enforcement of its values and voluntary commitments, as described in detail in its own Code of Conduct, fully aligned with IFC performance standards. In addition to that, TITAN makes serious efforts to align with other companies and key stakeholders in Egypt, so as these standards would be acknowledged and adopted by other companies and organizations, so as to contribute positively to the sustainability of the local economy and social cohesion.

Attachments:

1. Titan Group Code of Conduct – Arabic
2. [Titan Group Code of Conduct – English](http://business-humanrights.org/sites/default/files/documents/TitanCode%20of%20Conduct_EN.pdf)
3. Photos from Alexandria CSR Network Launching event – [here](http://business-humanrights.org/sites/default/files/documents/Photo_launch_ALX_CSR_Network.docx) and here
4. [APCC Award](http://business-humanrights.org/sites/default/files/documents/APCC%20Award.pdf)