

INTERNATIONAL FINANCE CORPORATION

**MANAGEMENT
PROGRESS REPORT
ON**

**IMPLEMENTATION OF THE
MANAGEMENT ACTION PLAN
FOR**

**ALEXANDRIA PORTLAND CEMENT
COMPANY
EGYPT – AFRICA
PROJECT Nos. 27022 and 30274
Complaint 01**

SEPTEMBER 22, 2022

I. MAP IMPLEMENTATION OVERVIEW

1. This Management Progress Report constitutes the International Finance Corporation's (IFC) update on implementation of its [Management Action Plan \(MAP\)](#), cleared by the Board on September 16, 2021 and posted immediately thereafter, in response to the [CAO Compliance Investigation Report](#) on the [complaint](#) (the "Complaint") concerning Alexandria Portland Cement Company (Project Nos. 27022 and 30274) (the "Project"). Alexandria Portland Cement Company (APCC) is a cement manufacturing plant in Egypt. IFC exited its indirect investment in APCC by selling its shares in Alexandria Development Limited (ADL) to Titan Cement International (TCI) in November 2019. The Project was subsequently closed and is no longer an active IFC project.

A. MAP Implementation Status

2. Over the last 12 months, IFC has actively engaged with Titan Cement Egypt (TCE) to implement the MAP, in which IFC committed to five project-level actions and one systemic action. TCE agreed to the proposed project-level actions and IFC provided continued guidance and feedback on the progress made by APCC on the topics. As a result, TCE documented its community engagement, grievance management and security management procedures and published the environmental performance report. Similarly, noise assessment work is underway at APCC to assess the impact from plant noise sources on Wadi Al-Qamar residential area.

3. In accordance with the MAP, IFC also disclosed available environmental and social (E&S) assessment documentation on its website in October 2021, and finalized its internal Environmental and Social Review Procedures (ESRP), which was approved for implementation in January 2022. IFC has completed all the actions within the timeframe indicated and considers the MAP implementation completed. Further details on each action are outlined in the action table below (Section II).

B. Next Steps

4. All the actions of the MAP have been implemented. While this fulfills IFC's commitments with regard to the MAP, IFC will continue to support TCE, as needed, to provide any additional guidance with regard to the actions that it has initiated.

C. Conclusion

5. IFC considers the MAP implementation completed, and will engage with CAO to share all relevant information in the course of its compliance monitoring.

II. UPDATE ON MAP IMPLEMENTATION ACTIONS

Area of Improvement	Action / Activity			Summary of Implementation
Project Level				
Disclosure of Information	<p>IFC will disclose on its website available environmental and social (E&S) assessment documentation referenced in the 2009 Environmental and Social Review Summary (ESRS), including the 2002 EIA and, in summary form, the CO₂ emissions audit.</p> <p>Responsibility: IFC</p>			<p>IFC disclosed on its website the documents (2002 Kiln 5 EIA study and KPMG Emissions Audit Report 2009) in October 2021. The documents are available at the following link: https://disclosures.ifc.org/project-detail/ESRS/30274/titan-egypt.</p>
	Deliverable / expected outcome	Timeframe	Status	
	<i>Disclosure of the documents on IFC website</i>	<i>No later than one month after the publication of IFC's Management Response</i>	Completed	
Disclosure of Information and Community Engagement	<p>IFC will propose that TCE disclose an environmental performance report explaining the actions undertaken in the past 10 years to abate, control, and monitor environmental emissions at APCC.</p> <p>If TCE agrees to this disclosure, the report will present the results of its own environmental monitoring.</p> <p>Responsibility: IFC</p>			<p>IFC assisted TCE to prepare the environmental performance report. It summarizes the key achievements and progress of the project over the past 10 years with respect to environmental performance of the plant. IFC disclosed the English version of the report in January 2022. IFC recommended that TCE continue publishing environmental performance updates.</p> <p>The Arabic translation was disclosed in May 2022.</p> <p>Both documents are available at the following link: https://disclosures.ifc.org/project-detail/ESRS/30274/titan-egypt.</p>
	Deliverable / expected outcome	Timeframe	Status	
	<i>Preparation and disclosure of an environmental performance report by TCE</i>	<i>No later than one month after the publication of IFC's Management Response. If agreed by TCE, the timeline for such disclosure will be mutually agreed with TCE.</i>	Completed	

Area of Improvement	Action / Activity			Summary of Implementation
Noise	IFC will propose that TCE continue the work started on the identification and assessment of the noise sources. Responsibility: IFC			IFC proposed the actions and TCE continued with the work started for the identification and assessment of the noise sources. A specialized company has been contracted by TCE to perform a study to assess the impact from plant noise sources on the Wadi Al-Qamar residential area. As of July 2022, the contractor was on site to carry out the first round of noise source mapping. TCE informed IFC that finalization of the study and preparation of the noise mitigation action plan are expected by the end of 2022.
	Deliverable / expected outcome	Timeframe	Status	
	<i>Noise assessment study to be commissioned by TCE</i>	<i>No later than one month after the publication of IFC's Management Response. If agreed by TCE, the timeline for this work will be mutually agreed with TCE.</i>	Completed	
Community Engagement Plan and Community Grievance Mechanism	IFC will propose that TCE document its community engagement and grievance management procedures, in alignment with corporate standards and the international standards to which the Titan Group adheres. Responsibility: IFC			IFC proposed the actions and supported TCE to document its community engagement and grievance management procedures. The IFC team met with TCE management, the Group Operations Support & Sustainable Development Director, Environment, Social & Governance Performance Director and Audit Director. IFC shared guidance notes and templates of good practice. In 2022, IFC and TCE discussed how the existing community engagement practices could be formalized and adjusted in line with corporate standards (ref.: Titan Cement Group Integrated Annual Report 2021, publicly available at https://www.titan-cement.com/sustainability/) and international standards. Titan Group and TCE provided IFC with the Titan Group Guidance Framework for Business Unit Community Engagement Plans (CEPs) and the CEP developed for Egypt operations. Titan Group indicated that it has set a strategic target to align CEPs with material issues for stakeholders and UN SDGs 2030 by 2025. In line with the Group commitment, TCE is carrying out a materiality assessment process, ¹
	Deliverable / expected outcome	Timeframe	Status	
	<i>Stakeholder engagement and grievance management procedures documented</i>	<i>No later than one month after the publication of IFC's Management Response. If agreed by TCE, the timeline for this work will be mutually agreed with TCE.</i>	Completed	

¹ Materiality as per GRI Reporting standards (followed by Titan Group) means, organization's significant economic, environmental, and social impacts; or issues

Area of Improvement	Action / Activity			Summary of Implementation
				<p>expected to be completed by end of 2022, which is mainly focused on community development actions in Wadi al-Qamar. IFC recommended including actions addressing E&S concerns of the community regarding plant operations.</p> <p>In line with IFC's recommendations, TCE started work on a Stakeholders' Engagement Procedure, mapping all existing communications channels with stakeholders and local communities. This is expected to help ongoing information-sharing between the plant staff and the local stakeholders, including the community of Wadi al-Qamar.</p> <p>In response to IFC's recommendations, TCE provided a grievance mechanism procedure in July 2022. The procedure describes the existing channels for receiving grievances from communities, including contacts with the plant manager and HR Business Unit, their partnering NGOs (Sustainability Center for Development and Wadi al-Qamar Youth Association), Wadi al-Qamar and Dekhila parliament members, and the Ministry of Environment Office in Alexandria.</p>
Security Risk Assessment and Security Management	<p>IFC will propose that TCE document its security management procedures, in alignment with corporate standards and the international standards to which the Titan Group adheres.</p> <p>Responsibility: IFC</p>			<p>IFC proposed the actions, and supported TCE in documenting its security procedures. The IFC team met with TCE management, the Group Operations Support & Sustainable Development Director, Environment, Social & Governance Performance Director and Audit Director. IFC provided guidance on good practice in terms of security management plans and procedures. Initial versions of the Security Management Plan prepared by TCE were issued in February and May 2022. An updated version was received in June 2022.</p> <p>In July 2022, TCE communicated that Titan Group is undertaking a corporate review to incorporate human rights principles across their corporate procedures, including security management. IFC was informed that Titan Group will develop a roadmap for the</p>
	Deliverable / expected outcome	Timeframe	Status	
	<i>Security management procedure documented.</i>	<i>No later than one month after the publication of IFC's Management Response. If agreed by TCE, the timeline</i>	Completed	

that substantively influence the assessments and decisions of stakeholders. For further info: <https://www.globalreporting.org/media/55yhvety/gri-101-foundation-2016.pdf#page=%2010>, Section 1.3 Reporting principles.

Area of Improvement	Action / Activity			Summary of Implementation
		<i>for this work will be mutually agreed with TCE.</i>		implementation of the forthcoming EU Corporate Sustainability Due Diligence Directive by the end of 2022. The Directive builds on the UN's Guiding Principles on Business and Human Rights.
Systemic Level				
General ESRP Improvement	<p>IFC's Environmental and Social Review Procedures (ESRP) are currently being updated to reflect both evolution and improvements in practice, as well as organizational and procedural changes associated with the creation (effective July 1, 2019) of the E&S Policy and Risk Department. The revised ESRP will include specific procedures for (i) project staffing at appraisal and supervision, (ii) contextual risk assessment, and (iii) supervision criteria for high-risk projects.</p> <p>Responsibility: IFC</p>			The ESRP was approved on January 6, 2022 and entered into implementation on January 23, 2022.
	Deliverable / expected outcome	Timeframe	Status	
	<i>ESRP</i>	<i>The IFC updated ESRP will become effective by end FY22 Q1.</i>	Completed	