

# HEIDELBERGCEMENT GEORGIA



კაილაბარგაბენი  
კასპის ქარხნის მოდერნიზაცია  
100 მლნ აშშ დოლარის საინვესტიციო პროექტი

Modern Clinker Line  
3000 Tons Per Day  
1000 000 Tons Per Year  
Commissioning 2018

MILLION USD INVESTMENT PROJECT – KASPI PLANT MODERNIZATION  
HEIDELBERGCEMENT

## COMPANY PROFILE

MARCH, 2021

## HeidelbergCement Georgia

HeidelbergCement has been operating in Georgia since 2006 and currently owns cement plants in Kaspi and Rustavi, a cement grinding mill in Poti and a cement terminal in Supsa, as well as 14 concrete batching plants in Tbilisi and various regions of Georgia. HeidelbergCement Georgia sells clinker, cement, and concrete on the market of Georgia.

Based on the Register of Entrepreneurs and Non-entrepreneur (Non-commercial) Legal Entities, LLC "HeidelbergCement Georgia" is owned by "CaucasusCement Holding BV", registered in the Netherlands on February 13, 2020; as of 2016, members of its supervisory boards were: Gela Bezhuashvili, Robert Bezhuashvili, Klaus Alfred Schwind (Germany), Albert Scheuer (Germany), Christian Knell (Germany). According to the extract of February 12, 2018, the members of the company's council are: Mathijs Coenraad Maria Cremers (Netherlands), Inger Mirjam Westehof-Zweverink (Netherlands), Albert Scheuer (Germany), Christian Mikli (Germany), Verbeke Eduard Jurgen, Kloosterhuis Max, Giorgi Bachiashvili and Irakli Rukhadze.

According to HeidelbergCement Georgia's [Financial Statement 2019](#), "as of 2019 and December 31, 2018, 100% owner of the company was the Netherlands-based "CaucasusCement Holding BV "(immediate parent company).

As of 2019 and December 31, 2018, information concerning owners of "CaucasusCement Holding BV "is as follows:

"HeidelbergCement Central Europe East Holding BV "(Hereinafter "HC CEE "), a company registered in the Netherlands	45.00%
"Cement Invest BV ", a company registered in Luxemburg	45.00%
Ms. Svetlana Lambrianova-Bezhuashvili, a citizen of Georgia	10.00%
	<hr/>
	100.00%

The ultimate controlling party to HC CEE is the German-based and currently operating Company HeidelbergCement AG (hereinafter, "HC AG"). Cement Invest BV is subject to joint control of Cayman Islands-based GCF LP and the British Virgin Islands-based - Park Street Capital LP.

CaucasusCement Holding BV owns 100% Terjola-Quarry LLC (ID code 204546811), which was merged with Karier Holding Ltd (416307124) in 2017.

## History of Company Reorganization

In 2017, HeidelbergCement started the consolidation of Georgian assets. HeidelbergCement Caucasus LLC (204430400) merged with HeidelbergCement Caucasus LLC (202394391) and HeidelbergBeton Georgia LLC (204559003). Before this, in 2009, "Alge-Mineral" Ltd (216441660) merged with the company.

On April 3, 2018, HeidelbergCement Caucasus LLC (204430400) in its turn, merged with HeidelbergCement Georgia LLC (230866435), which was previously joined by Rustavcement JSC (216291992), Meliza LLC (224071359), CaspiCement (230866747), Caucasiatrans Ltd (216439879) and Quarryinvest LLC (216439888).

The eventual owner of the consolidated company is "CaucasusCement Holding B.V.", registered in the Netherlands, 50% shares of which is owned by HeidelbergCement and the second half, as reported by HeidelbergCement,<sup>1</sup> is owned by Cement Invest BV, jointly managed by "[Georgian Co-Investment Fund](#)" and [Hunnewell Partners](#).

It is interesting that according to HeidelbergCement report of 2017<sup>2</sup>, "on November 10, 2017, HeidelbergCement sold 55% of its shares in Fully consolidated "CaucasusCement Holding BV" and its Georgian subsidiaries: HeidelbergCement Georgia LLC, HeidelbergCement Caucasus LLC and Terjola-Quarry LLC. The price of the sale was 20.8 million EUR, which was paid in cash".

## Co-Owners

### Georgian Co-Investment Fund

Georgian Co-Investment Fund (GCF) was established in 2013 by Bidzina Ivanishvili – former Prime Minister and manager of the ruling party Georgian Dream. Based on information [available on the GCF website](#), "HeidelbergCement is one of the leading brands in the world's cement and concrete market, operating in Georgia since 2006. In 2017, the GCF and Hunnewell Partners jointly acquired 50% of HeidelbergCement Georgia shares for upgrading the Kaspi plant. With the support of GCF, a \$100 million investment project at HeidelbergCement Kaspi plant was planned, which envisaged full modernization of the Kaspi cement plant and construction of dry line for clinker production that would significantly reduce production costs."

According to the information that was released upon its establishment, the GCF is managed by GCF Partners LLC (404992718) registered in Georgia. Its shareholders were: Giorgi Bachiashvili - 42%, Levan Vasadze, Russian Federation - 16%, and Ucha Mamatsashvili (Bidzina Ivanishvili's close relative and trusted person in business relations) - 42%. As of today, 100% of a shareholder of the Company and the Director-General is Giorgi Bachiashvili. Levan Vasadze left the company in 2014, and Ucha Mamatsashvili - in February 2018.

[According to the consolidated financial statement, 2019](#) GCF Partners own 100% of 2 subsidiary companies: Marneuli Cement Ltd (404490298) and Tbilisi Technopolis Ltd (406129648). According to the statement, it provides investment management, general management, and other consulting services.

In 2014, the company entered into Investment Agent and Investment Management Agreements with GCF Luxembourg SARL (Luxco, a private limited company established and operating under law of the Grand Duchy of Luxembourg) and GCF GP (limited liability company, registered under Cayman Islands law). In 2017, the company entered into a General Management Services and Share Management Agreement with Georgian Tourism Development Fund LLC (GTDF, I/C

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<sup>1</sup> [HeidelbergCement sells half of its Georgian business, 10 November 2017](#)

<sup>2</sup> [HeidelbergCement Annual Report, 2017](#)

On 10 November 2017, HeidelbergCement sold 55% of the shares in the fully consolidated CaucasusCement Holding B.V., 's-Hertogenbosch, Netherlands, and its Georgian subsidiaries LLC HeidelbergCement Georgia, LLC HeidelbergCement Caucasus, and LLC Terjola-Quarry, Tbilisi (CaucasusCement Group). The sales price amounted to €20.8 million and was paid in cash. The divestment resulted in a gain of €4.5 million, which is shown in the additional ordinary income. The participation of 45% remaining after the divestment is accounted for as a joint venture in the consolidated financial statements.

405033734, owned by JSC [FRANKSTON INTERNATIONAL](#) SA, 754525 /Panama<sup>3</sup>). Share Management Agreements GTDF was terminated in April 2018.

## Hunnewell Partners

The company [website](#) says that Hunnewell Partners is the pre-eminent private equity firm in the Caucasus that manages telecommunications, metallurgy (steel), real estate, and media assets. It also says that Hunnewell Partners manages a successful litigation funding business on behalf of Park Street Litigation, which has invested in some of the most significant English High Court cases in the last decade.

The managing partners of the Company are Igor Alexeev, Ben Marson, and Irakli Rukhadze. The website does not provide any other valuable information; however, extensive information about the company and its founders can be obtained in the [case files](#) of the UK High Court concerning the disposition of property of a Billionaire Badri Patarkatsishvili, who died in 2008, and in several media publications about the court litigation.<sup>4</sup>

At the same time, Irakli Rukhadze is the Chairman of the Supervisory Board of Liberty Bank. Based on the Bank's website, "Until 2018, Hunnewell Partners was a multi-jurisdictional asset management firm with offices in London, Miami, Tbilisi, Kyiv, Malaga, and the BVI. Hunnewell Partners managed assets in the US, Western and Eastern Europe, and the former Soviet Union and the wealth of Ultra High Net Worth individuals. Since 2018, Hunnewell Partners has restructured its relationship with its investors and is currently managing its shareholders' and families' private wealth. Hunnewell Partners currently focuses on private equity portfolio in Georgia and litigation funding in the UK. Hunnewell Partners' portfolio in Georgia includes some of the country's largest and best-known companies such as Magticom, Rustavi Metallurgical Plant, Heidelberg Cement, Liberty Bank, IDS-Borjomi, and Imedi TV "<sup>5</sup>.

Irakli Rukhadze is the Chairman of the Supervisory Board of Teleimedi LLC.

## Environmental Issues

According to [Financial Statement 2019](#) of HeidelbergCement Georgia, available on the Service for Accounting, Reporting and Auditing Supervision (SARAS) website, "environmental legislation is evolving in Georgia, while the government bodies constantly review forms of law enforcement. Potential liabilities that may arise due to changes to current regulations or laws and civil litigation cannot be assessed; however, they could have a significant impact. An important regulation to be considered by the management is noise and environmental pollution regulations. Management annually submits reports on fulfilling norms related to noise and environmental pollution by cement plants. Moreover, if the Ministry of Environment Protection receives any complaint regarding the enterprise's activity, an unscheduled inspection is carried out. As the management says, the plants fully meet the established norms, and there is no risk of breaking regulation".

<sup>3</sup> [CO-InvestmentFund conceals the owner of FRANKSTON INTERNATIONAL, April 12, 2016, Tabula](#)

<sup>4</sup> [„UK Court exposes Irakli Rukhadze in misappropriation of Salford project worthing billion“](#), Author: Shota Tkeshelashvili, <http://forbes.ge>

[„London Court: Irakli Rukhadze misappropriated Badri Patarkatsishvili's assets searching business“](#), [www.on.ge](http://www.on.ge)

<sup>5</sup> Irakli Rukhadze, Chairman of the Supervisory Board, Liberty Bank

## Kaspi Cement Plant

Kaspi Cement Plant of HeidelbergCement Georgia obtained the Environmental Impact Permit for its ongoing activity in 2009. On September 11, 2009, by the Order №I-483 of the Minister of Environment and Natural Resources Protection of Georgia, the Environmental Impact Permit was issued for the ongoing cement production activity to the plant owner of that period – "Sakcement" LLC.

According to the [Permit Conditions](#), management of the plant should have submitted the following documents for consideration to the Ministry:

1. Within two months – technical report on installing-passporting air-dust collection devices and ventilation systems and actual efficiency data.
2. Within two months – Noise monitoring technical report performed under the noise suppressing activities plan.
3. Within three months – Emissions monitoring program and its implementation results.
4. Within three months - the results of monitoring of ground-level ambient air at the boundary of the residential zone taking into account operation of the different loading modes in the enterprise.
5. Within six months – Waste Management Plan.
6. Within six months – Emergency Response Plan. The enterprise facility should also be equipped with appropriate fire safety equipment

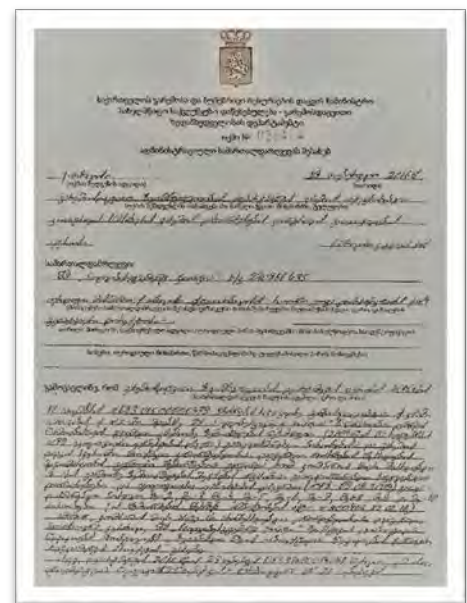
According to the conditions of the same Permit, the management of the enterprise must carry out the following:

7. Permanent control on harmful substances emission in ambient air;
8. Periodic inspection of the effectiveness of air-dust collection system of the technological line;
9. Provide service personnel with respirators and noise-suppressing devices;
10. Enclose the territory with evergreen plants at two levels in the immediate future after the Permit is issued.

For violations of conditions of Conclusion of the environmental expertise for cement production at Kaspi Plant issued on September 9, 2009, an administrative offense protocol was drawn up on February 29, 2016 (for violation of conditions №1, №2, №3, №4, №5, №6, №7, №8, №9, and №10 of the environmental expertise). To remedy identified violations, specific time limits have been determined for HeidelbergCement Georgia LLC.

In July 2017, the Environmental Supervision Department inspected the status of unfulfilled obligations within the time limits. As it turned out, the following obligations were still not fulfilled within the specified timeframe:

1. Within the prescribed time limit (two months), failed to submit to the Ministry for consideration a technical report on installing-passporting of air-dust collection devices and ventilation systems, along with actual efficiency data;



2. Within the prescribed time limit (two months), failed to submit to the Ministry for consideration information on the technical report on noise monitoring under the noise suppressing activities plan;
3. Within the prescribed time limit (two months), failed to submit to the Ministry for consideration a specific program for emission monitoring (self-monitoring);
4. Within the prescribed time limit (two months), failed to submit to the Ministry for consideration the results of monitoring of ground-level ambient air at the boundary of the residential zone taking into account operation of the different loading modes in the enterprise;
5. Within the inspection process, the company failed to submit an updated Waste Management Plan;
6. Within the prescribed time limit (six months), the company failed to collect separated hazardous and non-hazardous waste and place them in a specifically designated area in the enterprise;
7. Within the prescribed time limit (one month), failed to properly label the household waste bins located in the enterprise area;
8. Within the prescribed time limit (two months), failed to submit to the Ministry for approval an Emergency Response Plan and fully equip the enterprise facilities with fire safety equipment;
9. Within the inspection process, the company failed to provide documentation on permanent control of harmful atmospheric emissions;
10. Within the inspection process, the company failed to provide documentation on periodic inspection of the effectiveness of a dust-collection system of the core technological line;
11. Within the prescribed time limit (six months), failed to enclose the enterprise territory with evergreen plants at two levels;
12. Within the prescribed time limit (two months), the company failed to update and, within the same time limit, submit to the Ministry for approval "draft norms on Maximum Permissible Emission (MPE) of harmful substances in ambient air";
13. Within the prescribed time limit (five months), the company failed to settle technical issues related to unorganized emissions of the enterprise; consequently, separation and emission sources, as it is provided in the "draft norms on Maximum Permissible Emission (MPE) of harmful substances in ambient air" as well as parameters of air-dust collection device are not ensured, and norms on maximum permissible emission do not adhere;
14. Within the inspection process, the company failed to submit documentation on continuous monitoring/self-monitoring of harmful substances emission from stationary sources of air pollution;
15. Within the inspection process, the company failed to submit an inspection plan for mitigation measures for emissions of harmful substances into ambient air in unfavorable weather conditions, developed in compliance with requirements of Resolution №8 of the Government of Georgia dated January 3, 2014; the one month was prescribed to fulfill this obligation;
16. Within the inspection process, the company failed to submit self-monitoring documentation of used and discharged waters;
17. Within the inspection process, the company failed to submit documentation on compliance of wastewater generated in the manufacturing-technological process with "norms of Maximum Permissible Discharge (MPD) of pollutants discharged with wastewaters into the surface water bodies";

18. The inspection process found out that HeidelbergCement Georgia LLC takes water from the surface water body. However, the issue has not been determined in compliance with the Environmental Impact Permit;
19. The inspection revealed that HeidelbergCement Georgia LLC did not comply with the recommendations/obligations considered by the Environmental Impact Assessment (EIA) report;<sup>6</sup>.

On July 31, 2017, Administrative Offence Protocol №035963 was drawn up again regarding the identified violations against HeidelbergCement Georgia LLC. Based on the Protocol and its Decree №4-148-17 dated September 04, 2017, the Court found HeidelbergCement Georgia LLC to be liable for the administrative offense and imposed a GEL 15,000. The Decree came into force and, to prevent the non-fulfillment of the permit conditions, the Ministry has once again defined reasonable time limits for HeidelbergCement Georgia. Only then the company started fulfilling the requirements.

### New Technological Line

In 2016, HeidelbergCement LLC planned to construct a new technological line for dry cement production on the Kaspi Cement Plant territory and received a positive environmental expertise conclusion within the process of obtaining a construction permit for the project implementation. According to the Company's [Financial Statement 2019](#), "Since October 2016, to upgrade technical state of Kaspi Cement Plant of HeidelbergCement Georgia LLC and environmental impact degree, investment project of 79 million EUR was launched, which envisages the production of 1 million cement clinkers per year. The construction process was led by the Chinese company "Chengdu Design and Research Institute of Building Materials Industry Co "Ltd under the engineering supervision of HeidelbergCement AG (Germany); equipment and materials needed for dry kilns were imported from China and Europe as well. The investment project was completed successfully in the 1<sup>st</sup> quarter of 2019.

In compliance with Order №1 244 on approval of environmental expertise of the Minister of Environmental and Natural Resources Protection of Georgia, dated May 11, 2017, HeidelbergCement Georgia LLC must carry out its activity based on the submitted [Environmental Impact Assessment Report](#) and ensure the performance of conditions considered by the [Conclusion of the Environmental Expertise](#) (№ 32; 10.05.2017). Based on the Conclusion, the executor is obliged to:

1. During the construction and operation period, ensure that activities are carried out under the submitted Environmental Impact Assessment Report, mitigation measures, and the Environmental Monitoring Plan;
2. Immediately inform the Ministry of Environment and Natural Resources Protection of Georgia about the start of construction and commissioning;
3. **Before the construction**, provide the Ministry of Environment and Natural Resources Protection of Georgia with a master plan of the enterprise and the construction site, where a water supply scheme of the enterprise on the construction and operation phases and a scheme of the sewage system of the storm and industrial-fecal wastewaters generated in the enterprise must be presented;
4. **Before the construction**, provide submission of an agreement with a relevant organization on the management of industrial-fecal wastewaters to the Ministry of Environment and Natural Resources Protection of Georgia;

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<sup>6</sup> A letter from the Environmental Supervision Department №DES11800004242 of January 25, 2018 to the Minister of Environmental Protection and Agriculture

5. On the operation phase of the enterprise, ensure fulfillment of MPD standards in compliance with the "Project on norms of Maximum Permissible Discharge (MPD)" into the surface water body;
6. **Before the construction**, ensure to determine specific plan-schedules of monitoring of noise levels and inorganic and cement dust in ambient air at the nearest residential houses during the construction and operation phases, indicating the frequency of monitoring, methods, and GIS coordinates of control points; the mentioned plan-schedule must be submitted to the Ministry of Environment and Natural Resources Protection of Georgia;
7. On the construction and operation phases, ensure self-monitoring of harmful substances emission in ambient air, in compliance with established regulation;
8. On the construction and operation phases, in case of exceeding inorganic and cement dust concentrations in ambient air and noise levels at the nearest residential houses, to determine additional mitigation measures and to submit to the Ministry of Environment and Natural Resources Protection of Georgia;
9. In the operation phase, dust should be removed from cement mixer trucks on the enterprise's territory and to ensure their movement through the populated zones in clean condition. Moreover, permanent control must be established on the performance of this measure;
10. On the operation phase of the enterprise, to adhere emission sources, as it is provided in the "draft norms on Maximum Permissible Emission (MPE) of harmful substances in ambient air" as well as parameters of the air-dust collection device and accordingly, established norms of maximum permissible emission;
11. Within a year from starting operation, ensure landscaping of the enterprise area under the EIA report;
12. In case of dismantling the existing technological line, before launching the new one, prepare a project for dismantling the current technological line and submit it to the Ministry of Environment and Natural Resources Protection of Georgia;
13. In the construction and operation phase, ensure the generated waste management in compliance with the legislation.

Under the second condition of the Conclusion, the company did not notify the Ministry about starting construction. However, it informed the Ministry about the commissioning on April 2, 2019.

Based on the Ministry's documentation, which reflects the fulfillment of the company's obligations, it turned out that the company violates other conditions of the environmental expertise as well. As a result of review/study of the conditions of the environmental expertise and state of performance of regulations established by the current law, HeidelbergCement violated №2, №3, №4, №6, №8, and №13 conditions of the Conclusion, in this regard, on June 2019, the administrative offense protocol was drawn up, and the materials were sent to the Kaspi Magistrate Court for consideration. According to decision №4/92-19 of the Court, HeidelbergCement Georgia LLC was found an administrative offender and was fined Gel 5000.

Later, by the Ministry's letter dated March 16, 2020, the company was set timeframes for correcting the violation. In particular, the company was instructed to:

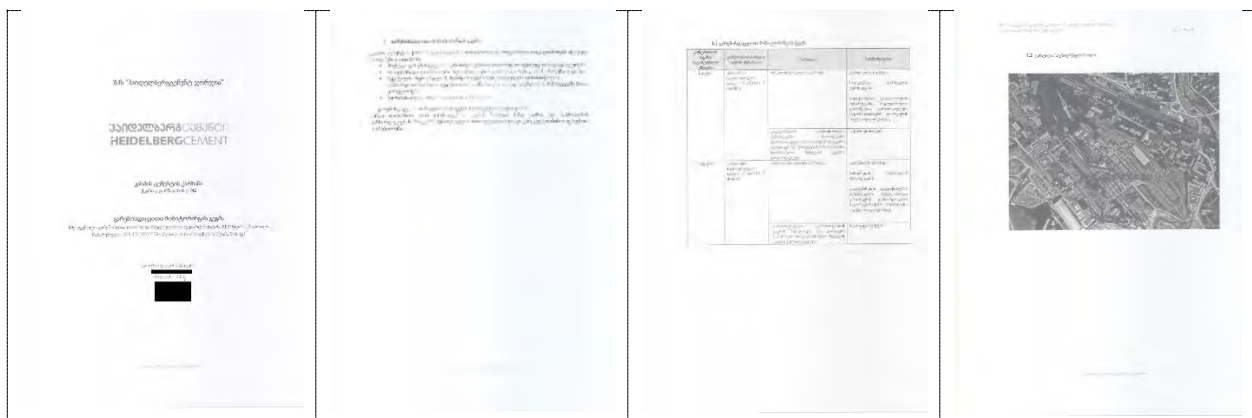
1. Within two months time limit after delivery of administrative prescription, provide the Ministry of Environment and Natural Resources Protection of Georgia with a master plan of the enterprise and the construction site, where a water supply scheme of the enterprise on the **construction** and operation phases and a scheme of

the sewage system of the storm and industrial-fecal wastewaters generated in the enterprise shall be presented (it is noteworthy that the term should have been fulfilled before the construction, or two years ago);

2. Within two months time limit after delivery of administrative prescription, submission of an agreement with a relevant organization on the management of industrial-fecal wastewaters to the Ministry of Environment and Natural Resources Protection of Georgia (to be fulfilled before the construction);
3. Within three months time limit after delivery of administrative prescription, ensure to determine specific plan-schedules of monitoring of noise levels and inorganic and cement dust in ambient air at the nearest residential houses during the construction and operation phases, indicating the frequency of monitoring, methods, and GIS coordinates of control points; the mentioned plan-schedule must be submitted to the Ministry of Environment and Natural Resources Protection of Georgia (to be fulfilled before the construction);
4. After agreement the planned schedule with the Ministry, the company should have immediately started determining noise levels and inorganic and cement dust concentrations in ambient air at the nearest residential houses, and in case of exceeding, it should have developed additional mitigation measures and submitted them to the Ministry
5. Besides, as soon as the administrative prescription's delivered, the company should have started waste management in compliance with the law.

On July 13, 2020, the company addressed the Minister of Environmental Protection and Agriculture of Georgia and requested to defer the commitment of constructing a non-hazardous waste repository (for the fulfillment of the 13th condition), due to the pandemic situation. By the Ministry's decision, the time limit of the repository construction was extended until September 30, 2020.

Besides, on July 13, 2020, to fulfill the 6th condition of the Conclusion, the company submitted a document to the Ministry – "Kaspi Cement Plant – Environmental Monitoring Plan". At the Ministry's request, the document should have contained the following – specific plan-schedule of noise levels and inorganic and cement dust concentrations in ambient air at the nearest residential houses, indicating the frequency of monitoring, methods, and GIS coordinates of control points. The plan looks like this:



"Introduction" of the Plan says that "the Plan is a general and it can be detailed and adjusted at some extent, within the implementation process", but the issue of inspection of dust and noise levels in one point **once in a quarter** appeared

problematic for the Ministry. The company was instructed to submit the corrected monitoring plan schedule to the Ministry in 1 month (until September 19, 2020). There is no updated plan in the materials provided to us by the Ministry in a letter dated December 2, 2020, so we assume that the company has violated the deadline set for the second time to correct the violation.

It is noteworthy that according to the submitted "plan", in frames of noise and dust monitoring, the company planned permanent measurements until the identification of a problem and then to develop mitigation measures, in case of submission of complaints, if exceeding was detected. But the plan does not yet exist and the company continues to ignore the complaints.

The company violated the deadlines set for the fulfillment of the conditions of the environmental expertise. During a re-inspection in October 2020, it was found that the company had fulfilled none of the obligations established by the administrative prescription. An administrative offense protocol was again drawn up.

### Response to a Complaint

Based on the notification on the Ministry of Environmental Protection and Agriculture of Georgia's hotline on excessive noise at night from the cement plant in Kaspi and nearby enterprises, on June 10, 2020, measurement of noise generated by devices of the HeidelbergCement Georgia LLC was conducted. Measurement results were as follows:

"1. Beyond the territory of the enterprise, at the nearest resident, on Parnavazi Street: GPS coordinates: X - 451928, Y- 4640869

**Noise level (max) – 52,8 dB.**

Measurement time - 11:00 PM;

As a representative of the enterprise explained, the kiln was switched off at the time of the measurements. Only mills, grinding sites, and compressors were operating.

2. Beyond the territory of the enterprise, at the nearest resident, on Parnavazi Street: GPS coordinates: X - 451928, Y- 4640869

**Baseline noise level (max)– 44 dB.**

Measurement time - 11:25PM;

At the time of the measurement, the enterprise was wholly suspended.

3. Kaspi municipality, Gomi village, adjacent to Mtkvari River, at the nearest resident: GPS coordinates: X - 451913, Y- 4640876

**Baseline noise level (max) – 40,4 dB.**

Measurement time - 23:55PM".

It should be noted that the notification about exceeding of noise level was sent from Gomi village, but in response to the complaint, only the background noise level was measured on the spot.

Considering the measurement results, the damage to the environment was determined that was entailed by the adverse anthropogenic impact on ambient air due to the devices and units installed in the enterprise of HeidelbergCement LLC. The report says the following about the damage determination:

"According to Appendix 1 (Acoustic noise limits in rooms/premises of residential houses and public establishments and their development areas) of the Technical Regulation on "Acoustic Noise Limits for Rooms/Premises in Residential Houses and Public Establishments", Resolution №398 of the GoG dated August 15, 2017, at the areas bordering the low residential houses (number of floors ≤6), medical facilities, children and social service facilities, permissible noise level is 40 dB at night (from 23:00 to 08:00 AM), however, according to the Environmental Impact Assessment of HeidelbergCement Georgia LLC, Table 6.3.1.4., noise recommended values are **45dB at night**. Thus, noise level generated by the devices and units in the cement plant of HeidelbergCement Georgia LLC exceeds the norms established by the current law by 7,8 dB".

The interesting fact is that in frames of damage calculation, the **recommended** noise level (45dB) provided in the Company's EIA report was considered as the upper limit of noise by the Environmental Supervision Department and not the value (40dB) established by the law.

Damage to the environment amounted to Gel 2000, and the company was fined Gel 5000 for violation of a condition of the Environmental Expertise Conclusion.

Excerpt from the decision of the Magistrate Court in Kaspi Municipality dated August 17, 2020 "On imposing an administrative sanction":

### **Descriptive part**

On June 23, 2020, the Administrative Offence Protocol N058579 and materials against HeidelbergCement Georgia LLC (I/C 230866435; administrative sanctions imposed on July 1, 2019, July 31, 2019, August 22, 2019, September 26, 2019, October 22, 2019, November 6, 2019, January 15, 2020, in compliance with the 1<sup>st</sup> Paragraph of Article 79<sup>8</sup>, 2<sup>nd</sup> Paragraph of Article 77, Article 57<sup>1</sup>. Article 78<sup>2</sup>, 1<sup>st</sup> Paragraph of Article 59<sup>2</sup>, 2<sup>nd</sup> Paragraph of Article 59<sup>2</sup>, 1<sup>st</sup> Paragraph of Article 79<sup>3</sup> of the Administrative Offences Code of Georgia, legal address: Al. Kazbegi Avenue. N21) was filed for consideration in Kaspi Magistrate Court; the act is considered by the 1<sup>st</sup> Paragraph of Article 79<sup>8</sup> of the Administrative Offences Code of Georgia.

It is noteworthy that even after this fact, despite repeated complaints, the company continues to operate in the same mode. The noise is permanent, including at night.

## **Rustavi Plants**

### **Sakcementi**

In 2009, the Ministry of Environment and Natural Resources Protection of Georgia issued the Environmental Expertise Conclusion №109 (29.12.2009) and the Environmental Impact Permit №000060 for cement production by "Sakcementi" Ltd (later merged with HeidelbergCement) in Rustavi. "According to the 4<sup>th</sup> Paragraph of Article 48 of the Environmental Assessment Code of Georgia, on August 18, 2018, the Minister of Environmental Protection and Agriculture of Georgia issued the order on issuing the environmental decision on cement production by the HeidelbergCement Georgia LLC", by which, the order on issuing of the Environmental Impact Permit was canceled, but the Environmental Expertise Conclusion №109 of 2009 remained in force.

According to the EIA report, "Sakcementi" Ltd represents the successor to the Rustavi cement plant operated in conditions of the former USSR, on the territory of Georgian SSR, which started operating in 1956 and produced various brands of cement. Its design capacity was 864 thousand tons of cement. In the current conditions, the enterprise plans to produce 700,000 tons of cement per year. The enterprise will produce 500000 tons of clinker for manufacturing this quantity of cement, as well as for the need of sale. The enterprise will use coal for fuel, the amount of which is 170 thousand tons per year. The number of working days of the enterprise is 365 per year, and the number of working hours per day is 24".

Based on the environmental expertise conclusion, management of Rustavi cement plant is mandatory to carry out its activity under the technological scheme provided in the EIA report:

1. The plant management should monitor the state of the environment (including self-monitoring of emission sources quarterly) both inside and outside the plant.
2. To carry out passportization of the air-dust collection devices annually.
3. To carry out remediation (cleaning) of contaminated sites on the territory of the plant.

### **Fulfillment of Obligations**

Based on the information provided by the Ministry of Environmental Protection and Agriculture of Georgia, under the Orders №DES 4 16 00000520 of December 21, 2016, and №DES 3 16 00000529 – December 29, issued by the Head of the Environmental Supervision Department, scheduled inspection of performance state of conditions considered by the environmental impact permit and regulations established by the environmental legislation was conducted. Following violations were revealed by the inspection:

1. The enterprise did not monitor the state of the environment, both inside and outside of the plant's territory; it did not carry out the quarterly self-monitoring of harmful substances emissions; it did not develop the monitoring (self-monitoring) plan.
2. Technical control of the air-dust collection devices was not carried out in the enterprise; their effective operation was not ensured in the enterprise, in compliance with the parameters of air-dust collection devices provided in the Project on the Norm of Maximum Permissible Emissions (MPE) of Harmful Substances in Ambient Air. According to the measurements, the dust concentration exceeded the established norms in two points, at the area of silos.
3. The enterprise did not clean the contaminated areas. Namely: the territory behind the enterprise, where workshops and warehouses are located, was poorly maintained and a thick layer of dust of raw materials and products was observed along the entire perimeter.
4. The number of emission sources indicated in the "Project on the Norms of Maximum Permissible Emission (MPE) of Harmful Substances in Ambient Air", approved on March 31, 2015, by the Ministry of Environment and Natural Resources Protection of Georgia, did not coincide the actual situation.
5. The company was obliged to develop special measures for reducing harmful substances emissions in unfavorable meteorological conditions. The inspection showed that this obligation was not fulfilled by the company.
6. In several areas of the enterprise, on some units and equipment, the impermeability of devices participating in the technological process, pipings, bins, and flange joints was failed.

7. There were unorganized sources of additional emissions in ambient air in the enterprise. Namely: mass remained on a sieve, came out of the building into the open space through the pipe and thrown in the vicinity of the workshop, which created an unorganized source of additional emission in ambient air; To the northeast of the enterprise area, near the railway line, in the open air, a large number of clinker stocks were placed, which were stored after the main warehouse was filled (warehouse capacity - up to 2000-2500 m). Also, the raw material – gyps and limestone were placed in the open air, adjacent to the grinding site of the clinker workshop. According to the EIA report, such stocks must be kept in special warehouses. Besides, in the enterprise, emergency exhaust pipes designated for technical failures, are unorganized emission sources in unfavorable meteorological conditions.
8. "HeidelbergCement Georgia" LLC did not carry out the self-monitoring of used and discharged waters, under the established rule.
9. During the inspection, traces of oil spills were observed on the site, the enterprise did not have any oil collector system;
10. Requirements for waste management were violated. In particular: no waste classification, no waste inventory, no waste transportation/hand over; no separation of hazardous wastes; special warehouse infrastructure designated for the disposal of hazardous waste, was not arranged under the environmental requirements and safety rules and norms; a representative of the enterprise could not present a contract with a relevant organization on removal-disposal of hazardous wastes; a large amount of scrap was placed on the territory of the enterprise; industrial wastes were observed at the main step-down electric substation, namely: used filters of the air-dust collection devices, construction wastes, oil metal barrels, used sacks, oil-contaminated cloths, etc. Because the accumulation of flammable and combustible waste in the electrical substation is prohibited, the safety norms were violated as a result; management of industrial waste – dust was not carried out under the set regulation; Waste of tires, rubber products, and other elastomers was chaotically placed in different areas of the enterprise and no special place was allocated for their organized collection on the enterprise premises; there was no special place for storing of used oils, used oils collected in metal barrels were observed in the cement grinding workshop, in the vicinities of the workshops, at the petrol pump, etc.; No household waste bins were found at the main workshops, on the territory of the enterprise
11. The inspection also revealed that in some cases, the integrity of the protective casing and boot was violated on the electric transmission lines and their circuit breakers in the enterprise. Joints of the cables were open and in some cases, joints were done without special electrical connection boots.
12. The company failed to present special firefighting instructions.
13. According to the Environmental Impact Assessment report, mobile firefighting equipment (trucks and motor pumps) are considered in the enterprise, for this purpose fire hydrants should be provided through the entire territory of the enterprise. Despite this, the fire hydrants are only installed at the closed coal warehouse;
14. In the enterprise, some firefighting stands located in different areas for the fire-fighting purpose, were not fully equipped with the necessary inventory.
15. On the territory of the enterprise, an automatic fire extinguishing system was installed in the building of the coal receiving area, where 48 pcs CO-containing cylinders were placed. In case of an increase of CO<sub>2</sub> in the system, CO<sub>2</sub> cylinders are activated and in case of fire, the mentioned system will simultaneously serve the raw coal silo, mill filters, and crushed coal silo. In frames of the inspection, appropriate data and expiration date were not found on these cylinders.

16. There were no warning and prohibitory signs on the territory of the enterprise; at the same time, the inspection revealed that the coal is not used as a fuel, but is consumed as a raw material for cement production.

The same inspection showed that the main step-down substation was installed on the territory of the enterprise until June 1, 2015, which belongs to the activity subject to the environmental expertise, under Article 4 of the Law of Georgia on "Environmental Impact Permit", it means that **the fact of illegal construction was revealed**.

In compliance with Paragraph 2, of Article 79 of the Administrative Offences Code of Georgia, on April 7, 2017, the administrative offense protocol was drawn up against HeidelbergCement Georgia LLC for the identified violations in frames of the inspection; the case materials were transferred for consideration to Rustavi City Court. Rustavi City Court found the HeidelbergCement Georgia LLC as the administrative offender and imposed the administrative sanction - **Gel 5000**. Following the entry into force of the decision, the Ministry set a reasonable time limit for the company to meet the permit conditions.

In May 2018, a large number of discrepancies were rectified as a result of a re-inspection of the enterprise. However, the enterprise still did not determine the efficiency of the air-dust collection devices (filters). Unfortunately, we do not have any information about the developments since then, as the Ministry of Environmental Protection and Agriculture of Georgia has been preparing this information for Green Alternative for 5 months, but has not yet prepared it (information was requested on October 26, 2020).

## Kartuli Cementi

The cement Plant of "Kartuli Cementi" LLC (later merged with HeidelbergCement Georgia) has been operating in Rustavi since 1991. On April 2, 2013, the Environmental Expertise Conclusion №13 was issued for the operation with a dry method of the integrated cement plant; on April 5, 2013, the Environmental Impact Permit №000072 was issued by Order№85. "According to the 4<sup>th</sup> Paragraph of Article 48 of the Environmental Assessment Code of Georgia, on July 12, 2018, the Minister of Environmental Protection and Agriculture of Georgia issued the Order №2-554 on issuing the environmental decision on cement production by the HeidelbergCement Georgia LLC", by which the order on issuing of the Environmental Impact Permit was canceled, but the Environmental Expertise Conclusion №13 of 2013 remained in force.

According to the conditions of the environmental expertise conclusion, the company is obliged:

1. To carry out its activity based on the scheme presented by the Environmental Impact Assessment report and mitigation measures;
2. To ensure the observance of emission sources, as well as the parameters of the air-dust collection devices given in the Project on the Norms of Maximum Permissible Emissions (MPE) of Harmful Substances in Ambient Air" and fulfillment of established MPE norms;
3. To ensure the waste minimization and separated collection, accounting, temporary safe disposal of the generated waste, and handing over a licensed organization for further management (processing, neutralization, or disposal);
4. Within 2 months after obtaining the Environmental Impact Permit, to submit a specific plan of the environmental monitoring to the Ministry of Environment;

5. To carry out the self-monitoring, in compliance with the monitoring plan.

## Fulfillment of Obligations

Under the Order №DES 6 16 00000243 of August 03, 2016, issued by the Head of the Environmental Supervision Department, in August 2016, a scheduled inspection of performance state of conditions considered by the Environmental Impact Permit №000072 (Environmental Expertise Conclusion №13 of April 02, 2013) issued for "Kartuli Cementi" LLC (currently, HeidelbergCement Georgia LLC) and regulations established by the environmental legislation, was conducted. Following violations were revealed by the inspection:

1. According to the 3<sup>rd</sup> condition of the Environmental Expertise Conclusion, separated waste collection, accounting, temporary safe disposal, and handing over a property licensed organization for further management was failed in the enterprise;
2. According to the 4<sup>th</sup> condition of the Environmental Expertise Conclusion, the specific plan of the environmental monitoring was not submitted to the Ministry of Environment and Natural Resources Protection of Georgia (should have been submitted in May 2013);
3. According to the 5<sup>th</sup> condition of the Environmental Expertise Conclusion, the self-monitoring was not conducted in the enterprise, accordingly, they don't prepare any primary accounting documents;
4. Some measures considered by the Environmental Impact Assessment were not fulfilled:
  - The firefighting system was not properly arranged, namely: the enterprise did not have:
    - Foam generating liquid tanks;
    - Industrial-firefighting piping;
    - Reservoirs firefighting equipment;
    - No special firefighting instructions were developed in agreement with the relevant authority;
    - No measurements were conducted to determine the effectiveness of the air-dust collection system;
    - Rainwater collector and settling.

In compliance with Article 79 of the Administrative Offences Code of Georgia, the administrative offense protocol was drawn up for 2 considered offenses, based on which, the Rustavi City Court found the company offender and imposed the administrative sanction – Gel 5000. Following the entry into force of the decision, the Ministry set a reasonable time limit for the company to adjust the offense.

On April 3, 2019, during the re-inspection, the discrepancies with the permit conditions were eliminated.

## Information on Fulfillment of Conditions

It should be noted that, since January 1, 2018, along with enforcement of the Environmental Assessment Code, the Ministry of Environmental Protection and Agriculture of Georgia is obliged <sup>7</sup> to publish further analysis of the activities on the website of the Ministry, which includes:

- a) Monitoring of conditions and mitigation measures;

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<sup>7</sup>Article 17 of the Environmental Assessment Code.

- b) Analysis of the environmental impact entailed by the activity;
- c) Assessment changes in the environmental characteristics considered by the EIA report.

This obligation has not been fulfilled even in the fourth year after the enactment of the Code - neither for HeidelbergCement Georgia nor for any other enterprise. Information on the fulfillment of the conditions can be obtained only based on a request for public information.

## Licenses

According to HeidelbergCement Georgia's [Financial Statement 2019](#), "the company has obtained several licenses to extract minerals. In general, Georgian legislation obliges users of minerals to recultivate areas within their licenses. However, Georgian legislation is not sufficiently sophisticated in this field and does not provide detailed guidance to include all possible situations. The company management has done a detailed analysis of all its licenses and decided that it would not bear any substantial recultivation costs after the expiration of these licenses or during their use **since it is impossible to recultivate areas used based on licenses because the license area is defined as a mining area and, according to Georgian legislation, recultivation on such areas is not permitted**. Besides, reserves of minerals in the license area exceed the total amount that the company is entitled to extract during the license period, which allows the Government to transfer mining rights to other enterprises and exclude ore liquidation. It is not excluded that the legislation may change in the future and has an effect on the company's current licenses. The company has not recognized recultivation accruals in this financial statement. These accruals can have a significant impact on the financial reporting if they become necessary".

Mining licenses of HeidelbergCement Georgia LLC - Extract from the Mining Licence Register provided by the National Agency for Mines<sup>8</sup>.

Licence No	Name of the facility	Term of registration and validity	Volume of resources	Area	Transfer
397	Extraction of cement limestone from Kavtiskhevi deposit, Kaspi Municipality	29.09.00 13.10.20		129 ha	A license issued to "Sakcementi" Ltd was transferred 13/326, 21.08.12
398	Extraction of cement limestone from "Saskhori" deposit, Mtskheta Municipality	29.09.00 13.10.20		114 ha	A license issued to "Sakcementi" Ltd was transferred 13/323 21.08.12
399	Extraction of cement clay from Kaspi deposit, Kaspi Municipality	29.09.00 13.10.20		102 ha	A license issued to "Sakcementi" Ltd was transferred 13/327, 21.08.12
1000440	Extraction of "Kebaani" limestone in Kaspi municipality, the village of Kebaani	28.02.12 25.02.27	Total extraction 2 809 202 t	33.19 ha	

<sup>8</sup> [Mining Licence Register as fo December 4, 2019](#). The document is available upon request at the National Agency of Mine

Licence No	Name of the facility	Term of registration and validity	Volume of resources	Area	Transfer
1000791	Extraction of "Gardabani" clay (cement) in Gardabani Municipality	21.08.12 23.12.28	Total extraction 1 056 490 t	10,94 ha	License 100352 issued to "Sakcementi" Ltd was transferred
1000792	Extraction of Kavtiskhevi limestone (cement) in Kaspi municipality, village of Kavtiskhevi	21.08.12 27.01.29	Total extraction 10 239 112 t	43,99 ha	License 100394 issued to "Sakcementi" Ltd was transferred
1000793	Extraction of cement limestone at Metskruli pit of Kavtiskhevi cement limestone deposit in Kaspi Municipality, near the village of Kavtiskhevi	21.08.12 10.10.28	Total extraction 2 723 292 t	9,9 ha	License 100214 issued to "Sakcementi" Ltd was transferred
1000794	Extraction of flux (cement) limestone on the left pit of limestone deposit in Dedoplistskaro municipality	21.08.12 15.02.27	Total 29048000 t clinkering process of no less than 500 000 t	26,7 ha	License 00469 issued to RustavCementi was transferred Licence №100151 issued to Sakcementi.
1002574	Groundwater extraction (for entrepreneurial purposes) in Kaspi Municipality, near the village of Kvemo Chocheti	19.05.15 20.05.40	657 m <sup>3</sup> /s	0.07 ha	
1004276	Extraction of "Dzegvi" zeolite-containing tuffs (Darbaziskhevi pit) in Mtskheta municipality, near the village of Dzegvi	14.02.17 15.02.37	Total extraction 993 000 ton	4.31 ha	
1005253	Extraction of underground freshwater(for entrepreneurial purposes) on the area of town Kaspi, №2 Parnavaz str.	14.02.18 15.02.43	30 660 m <sup>3</sup> /s	0.07 ha	
1005388	Extraction of underground freshwater (for entrepreneurial purposes) in Rustavi city, on the adjacent area to cement plant and JSC Perliti	16.04.18 17.04.43	5000 m <sup>3</sup> /s	0.07 ha	
1005432	Extraction of underground freshwater (for entrepreneurial purposes) in the city of Rustavi, on the adjacent area to cement plant and JSC Perliti	02.05.18 03.05.43	800 m <sup>3</sup> /s	0.07 ha	
1005539	Extraction of limestone (cement) for processing "Dzegvi" limestone deposit in Mtskheta municipality	30.05.18 29.10.20	200 000 t/year	12,5 ha	Amendment of mining license №0652 issued to Georgian Cement Amendment (change of name) of license №1004518 issued to HeidelbergCement Caucasus
1005540	Extraction of sand-gravel of the river Khrami in Marneuli Municipality, near the village of Imiri	30.05.18 31.12.21	Total extraction 109 200 m <sup>3</sup>	3.64 ha	Amendment of license №1004191 issued to HeidelbergBeton Georgia (change of name) Amendment to license №1004494 issued to HeidelbergCement Caucasus (change of name)
1005541	Extraction of "Kavtiskhevi" sand/gravel on the river Mtkvari in Kaspi Municipality, near Mikeltskaro	30.05.18 26.01.21	Total extraction 181 800 m <sup>3</sup>	6.06 ha	Amendment of license №1003325 issued to HeidelbergBeton Georgia (change of name)

Licence No	Name of the facility	Term of registration and validity	Volume of resources	Area	Transfer
					Amendment of license №1004493 (change of name) issued to HeidelbergCement Caucasus (change of name)
1005542	Extraction of underground freshwater (for entrepreneurial purposes) on the territory of Tbilisi	30.05.18 28.04.41	29 200 m <sup>3</sup> /s	0.07 ha	Amendment of license №1003564 issued to HeidelbergBeton (change of name) Amendment of license №1004492 issued to HeidelbergCement Caucasus (change of name)
1005543	Extraction of underground fresh water (for entrepreneurial purposes) in Marneuli municipality, near village of Lezhbadini	30.05.18 23.11.41	35 000 m <sup>3</sup> /s	0.07 ha	Amendment of license №1004099 issued to HeidelbergBeton Georgia (change of name) Amendment of license №1004491 issued to HeidelbergCement Caucasus (change of name)
1005544	Extraction of manganese of Chkhari-Ajamei ((Broliskedi) Crystal Range) in Terjola Municipality, the village of Nakhshirghele	30.05.18 13.09.27	Total extraction 20 000 t	2,84 ha	Part of license №00844 Amendment of license №01011 issued to Georgian Cement LLC (change of name) Amendment of license №1004470 issued to HeidelbergCement Caucasus (change of name)
1005545	Limestone extraction in Mtskheta municipality, near the village of Nichbisi	30.05.18 07.11.26	Total extraction 103 000 m <sup>3</sup>	10,7 ha	Amendment of license №00370 issued to Georgian Cement LLC (change of name) Amendment of license №1004469 issued to HeidelbergCement Caucasus (change of name)
1005546	Extraction of underground freshwater for household purposes (Well holes №1 and № 2) on the company-owned area in Rustavi (city)	30.05.18 27.09.32	360 m <sup>3</sup> /day	15-meter radius per each	Amendment of license №00862 issued to Georgian Cement (change of name) Amendment of license №1004468 issued to HeidelbergCement Caucasus (change of name)
1005547	Extraction of sand and gravel from the river Khrami in Marneuli Municipality, near to the village of Imiri	30.05.18 01.09.22	Total extraction 76 800 m <sup>3</sup>	2.56 ha	Amendment of license №1004826 issued to HeidelbergCement Caucasus (change of name)
1005548	Extraction of sand from "Metekhi II" and from the river Mtkvari in Kaspi Municipality, near the village of Metekhi	30.05.18 29.12.20	Total extraction 645 600 m <sup>3</sup>	21.52 ha	Amendment of license №1003254 issued to HeidelbergBeton Georgia (change of name) Amendment of license №1004481 issued to HeidelbergCement Caucasus (change of name)
1005549	Extraction of underground fresh water (for entrepreneurial purposes) on the territory of Tbilisi, №2 lane, Peikrebi №1	30.05.18 07.04.42	60 000 m <sup>3</sup> /s	0.07 ha	Amendment of license №1004413 issued to HeidelbergCement Caucasus (change of name)
1005550	Extraction of underground fresh water on the territory Poti (city), Nabadi district	30.05.18 16.03.42	20 000 m <sup>3</sup> /s	0.07 ha	Amendment of license №1004346 issued to HeidelbergCement Caucasus (change of name)
10000383	Extraction of Gardabani cement clay in Gardabani Municipality, near the city of Rustavi	29.11.18 21.12.27	Total extraction 4155731.68 t	26.92 ha	License №01015 issued to "Sakementi" Ltd was transferred. Part of Licence №1000795 was transferred to Technometal Ltd
10000745	Extraction of underground freshwater (for entrepreneurial purposes) in Marneuli municipality, near Sakrebulo of Kulari village	17.05.19 18.05.24	4500 m <sup>3</sup> /s	0.07 ha	

Licence No	Name of the facility	Term of registration and validity	Volume of resources	Area	Transfer
10000963	Extraction of "Lezhbadini" sand and gravel from the river Khrami in Marneuli municipality, near village Khanji-Gazlo	17.05.19 24.10.25	Total extraction 1692402 m <sup>3</sup>	58.73 ha	Part of license №1003037 was transferred to Rustavi 2015 LLC. Amendment of license №1003858 issued to HeidelbergBeton Georgia (change of name). Amendment of license №1004483 issued to HeidelbergCement Caucasus (change of name). Amendment of license №1005538 (extension of the validity period) Amendment of Licence 10000744.
10001103	Extraction of underground freshwater (for entrepreneurial purposes) on the area of Kaspi (town), №2 Parnavaz str.	25.11.19 26.11.29	300 m <sup>3</sup> /s	0.07 ha	

On November 17, 2020, Green Alternative addressed the National Agency of Mine and required 2019 reports on the fulfillment of conditions of the mining licenses owned by HeidelbergCement Georgia LLC and Terjola-Quarry LLC. On November 19, 2020, the National Agency of Mine sent the request of Green Alternative to HeidelbergCement Georgia LLC and Terjola-Quarry LLC and asked them to notify their position on "disclosure of public information" "as soon as possible". We assume that the National Agency of Mine required the companies' position on **disclosure of public information** based on Article 29 of the Law on "Subsoil", according to which the Agency considers that a report on the fulfillment of conditions of the mining licenses submitted to the public agency is the property of a licensee and it can be transferred to another entity by the consent of the owner of the information.

Even after 4 months since requesting the information, Green Alternative has not yet received any reports on the fulfillment of conditions of mining licenses.

["Profiles on Mining Licensees"](#), a publication of Green Alternative in 2019, provides the following information on an important mining area (partly HeidelbergCement Georgia licensing area) such as Dedoplistskaro municipality in Kakheti region, where limestone is extracted:

- Mining license holders;
- License validity, area, the volume of resources to be extracted;
- Forest covered area within the license perimeter;
- Loss of forest area over the past years;
- Agreements on special use of forest;
- Recultivation measures planned/implemented by the user of minerals;
- Compensation measures for the forest ecosystems (restoration, renewal, promotion) and monetary compensation.

## Information about the State of Environment

HeidelbergCement Georgia did not have a Georgian website as reported by Green Alternative in the company profile in 2017<sup>9</sup>. Information about the Company was available in a [special section](#) of the main website. The information was only provided in English. Since 2018, information is also available in [Georgian](#). As it says, the company is running four cement plants and nine concrete plants. According to the website, the company owns cement plants in Kaspi (1) and Rustavi (2), as well as a cement grinding mill in Poti, a cement terminal in Supsa, and 13 concrete batching plants. The company has more than 1200 employees in Georgia. The website contains information about the new structure after reorganization.

The website contains a brief description of the plants and products that might be useful for the product buyer; however, it provides no information on the extraction and processing of resources that are important for people who study the impact on the environment and health as a result of such processes.

HeidelbergCement Georgia **does not provide the public with information on the damage caused to the environment and/or environmental conditions resulting from its activities**; implemented and/or planned measures for environmental impact reduction and/or prevention.

Nor the Ministry of Environment Protection and Agriculture provides information about the environmental condition in the area affected by company activities, although, according to international and national legal requirements, this information should be accessible to the public proactively – without having to request the information.

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<sup>9</sup> HeidelbergCement Georgia – Company Profile 2017, [www.greenalt.org](http://www.greenalt.org)

From 2015, Green Alternative issues periodic reports on the availability of information on the state of the environment in Georgia. During the analysis of the availability of information of the state of the environment, we study accessibility of information on so-called "large-scale pollutants" and prepare company profiles of four enterprises that are singled out in terms of the scope of activities and impacts on the environment and human health. These enterprises are RMG LLC, Georgian Manganese LLC, Saknakshiri Ltd, and HeidelbergCement.

This document reflects the availability of information on HeidelbergCement Georgia LLC.



This document was produced under Green Alternative's project "Advocacy for transparent and accountable mineral resources governance in Georgia", the project implemented in cooperation with the South Caucasus Regional Office of the Heinrich Boell Foundation and under Green Alternative's project "Improving governance in energy, mining, and transport sectors in Georgia" implemented with the financial assistance of the Open Society Foundations Network.



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