

HeidelbergCement Georgia - Company Profile

In 2015 Green Alternative published a report on availability of information on the state of environment in Georgia. In 2017 an updated version of the report was published. We focused on availability of information on so called major pollutants and developed the profiles of 4 notable, in terms of scale of work and impact on human health and environment. These are: (1) RMG, (2) Georgian Manganese, (3) Saknakshiri, and (4) Heidelberg cement. The present document reflects availability of information on Heidelberg Cement Georgia.

HeidelbergCement Georgia

In May 2006, the largest German cement company, Heidelberg Cement, acquired a 51% shares in "Kartuli Cementi" Ltd. Later it became a 100% owner of the company. "Kartuli Cementi" Ltd was registered in Georgia on October 29, 2001. According to the register of entrepreneurs and non-entrepreneur (non-commercial) legal bodies the owner of the company is "HeidelbergCement Central Europe East Holding B.V." registered in Holland on 10 April 1969.

Reorganization history

Entity before reorganization	operation	Entity registered after reorganization	date
Algae Minerals Inc. Id/N 216441660	Merger	Qartuli Cementi Ltd. (204430400)	01/06/2009

And in November 2006 HeidelbergCement circulated a statement on establishing a joint venture¹ with Chemexim International Ltd. (owner of GIG Holding) with the purpose of further development of the Georgian cement producer "Sakcementi". Heidelberg took 75% of the shares in the new enterprise, and the rest 25% went to Chemexim International. "Sakcementi" Ltd. (further on "HeidelbergCement Georgia" Ltd.) was registered in Georgia on 20 April 2004. According to the register of entrepreneurs and non-entrepreneur (non-commercial) legal bodies the owner of the Company is "Caucasuscement Holding B.V" registered in Holland on 2 February 2002. Members of the Supervisory Board of the Holding are: Gela Bezhuashvilil, Robert Bezhuashvili, Claus Alfred Schvind (Germany), Albert Schoeier (Germany), Christian Knell (Germany).

¹ [HeidelbergCement expands in Georgia](#)

The reorganization history:

Entity before the reorganization	operation	Entity registered as a result of Reorganization	Date
Caucasiatrans Id/N 216439879	Merger	HeidelbergCement Georgia Ltd Id/N 230866435	01/06/2009
Rustavcementi Id/N 216291992	Merger	HeidelbergCement Georgia Ltd Id/N 230866435	01/07/2008
Meliza Id/N 224071359	Merger	HeidelbergCement Georgia Ltd Id/N 230866435	04/07/2007
Kaspicementi Id/N 230866747	Merger	HeidelbergCement Georgia Ltd Id/N 230866435	04/07/2007
Quarryinvest Id/N 216439888	Merger	HeidelbergCement Georgia Ltd Id/N 230866435	04/07/2007

According to the list of stationary sources of ambient air pollution identified and registered by 2010, approved under the Order by the Minister of Environment and Natural Resource Protection², cement factories owned by HeidelbergCement have been identified as major air pollutants.

„About Us"

HeidelbergCement does not have a web-page in Georgian. Information about the Company is available only in English is available in [special section](#) of the main web-page. According to this information HeidelbergCement in Georgia is running four cement plants and nine concrete plants.

Environmental Protection

HeidelbergCement does not provide general public with information about the harm to the environment as a result of its activities and/or the state of environment.

The following information, titled "Climate Protection" is available on the Company's web-page in English language: "HeidelbergCement Georgia takes its social responsibility in Georgia seriously, especially in the regions where the plants are operating. Huge investment has been made to solve the ecological problems in Kaspi and Rustavi. Our daily actions and responsibilities include meeting the habitants of Kaspi and Rustavi to establish permanent communication and problem definition to resolve any problem that may arise on time. Climate protection, reducing emissions and minimizing environmental impacts on the production sites are objectives of HeidelbergCement Georgia in environmental protection. This

² www.matsne.gov.ge registration code: 420100000.22.023.014934

requires high technical standards, which are achieved through the exchange of knowledge across the Group and the introduction of environmental management at all HeidelbergCement sites. Focusing on environment protection, more than 12 million Euros has been invested for a filter-changing project for HeidelbergCement plants in Georgia. The Filters Project started in December 2007 and completed by the end of 2008. By using modern technologies, the company will be able to reduce the adverse effects on people and the environment. The plants will achieve dust utilization by 99% that means that the problem of environmental pollution will never disturb the local population of Kaspi and Rustavi in Georgia".

Regardless the above information appears periodically in the media about discontent and protest actions of the population affected by enterprises (especially in Kaspi). The population mostly complains about pollution of agricultural plots with cement and exhaust from plants.

The most recent report on this problem, titled "[when Kaspi Cement Plant is your neighbor](#)", and signed by Manon Bokuchava, was published in "Liberal" magazine on 30 November 2016.

According to the information issued to the author by Ministry of Environment and Natural Resources Protection, HeidelbergCement Georgia Ltd. has not developed and presented to the Ministry:

- Dust trapping units and ventilation systems - Technical report on certification with actual data on the efficiency of dust trapping equipment;
- Technical report on noise monitoring in accordance with noise abatement action plan
- A specific program for monitoring emissions (self-monitoring) and the results of monitoring
- Results of ground air monitoring at the border with the residential area, with an allowance for functioning of enterprises in different load modes;

Also, according to the Ministry:

- "HeidelbergCement Georgia" Ltd. has developed and agreed with Ministry of Environment and Natural Resources Protection the waste-management plan. However, waste is not managed in accordance with established rules. In particular, it was established as a result of an inspection that the company did not perform the activities stipulated in the EIA report.
- "HeidelbergCement Georgia" Ltd. has not developed and presented to the Ministry of Environment and Natural Resources Protection the Emergency Response Plan and the entity is not fully equipped with fire-fighting equipment. Besides, probability of emergency situations as a result of their activities and measures to prevent their possible consequences, as provided for by the 5th chapter of the EIA report, were not met.
- "HeidelbergCement Georgia" Ltd. does not systematically monitor harmful emissions;
- "HeidelbergCement Georgia" Ltd. does not control the efficiency of the dust-trapping system of the main production line, as provided in the draft of the MPC Norms established by law;

- Employees are not fully provided with respirators and noise attenuating means;
- The enterprises are not fenced with two-level (or one-level) evergreen plants;
- The facts of non-fulfillment of obligations under the EIA report and the requirements established by the law in the sphere of environmental protection were also revealed".

Social Projects

As for activities aimed at the well-being of people affected by HeidelbergCement, according to "HeidelbergCement Georgia" Ltd. web page, the company works according to its strategy and corporate mission, where it is more focused on:

- Children's protection
- Churches construction/schools repairing
- Education.



This document was prepared within project of Green Alternative “Advocacy for transparent and accountable management of natural resources in Georgia”. The project is financially supported by the Open Society Foundations Network. The observations in this report express the position of Green Alternative and shall not be considered as reflecting the opinion of the Open Society Foundations Network.



© Green Alternative, 2017

39b Paliashvili Street, IV floor, 0179, Tbilisi, Georgia

Tel.: (+99532) 222 15 74; (+99532) 222 38 74

GREENALT@GREENALT.ORG

WWW.GREENALT.ORG