

Complaint to the CAO office regarding the compliance of Beni Suef Cement Company (Titan)
Funded by the International Finance Corporation

This complaint is a continuation of a previous complaint about the violations of the Beni Suef Cement Company, funded by the International Finance Corporation. It concerns workers and those affected by the company's failure to comply with the provisions of national laws and the implementation of the judiciary rules as following:

- Beni Suef Cement Company was established on 19/10/1993 as a joint stock company of the Holding Company for Mining and Refractories under the decree of the Minister of Business Sector No. 76 of 1993. Its shares were wholly owned by the Holding Company for Mining and Refractories. Following the privatization policy of the Egyptian government, 76% of the shares of Beni Suef Cement were sold to a French company "Finanzarlavarg" under a contract of sale dated 12/7/1999. Then 19% of the shares of the company were sold to the same French company under a contract of sale on 6/1/2000. And under a contract of sale dated 14/4/2004, the employees' union sold its share of 5% to the same company.
- The contracts included items under which the French company is committed to maintain the employment of the company registered in the payroll on 30/6/1999 of 730 workers and all their rights and benefits. The French company got rid of most of the employment through giving them very small bonuses and forcing them out. They ended the service of 452 workers under the name of early retirement. The company's way in getting rid of the employment had some violations and irregularities as following:
 1. The company's course of action contravened the decision of the ministerial committee for the public business sector and the expansion of the ownership base issued on 14/1/1999, which obliged the procuring company to maintain the labor and all their rights.
 2. The company's decision to get rid of the old workforce is in violation of the terms of the contract liberated between the French company and the Holding Company for Mining and Refractories, which also stipulated to maintain the employment of the company sold and guarantee all their rights.
 3. The company's decision was also in contravention of Article 45 of the Public Business Sector Law No. 203 of 1991, which stipulates that "the worker's service shall be terminated for one of the following reasons:
 - a. The loss of the Egyptian nationality or the absence of the requirement of reciprocity for nationalities in other countries
 - b. Reaching the age of sixty, taking into account the provisions of the Insurance Law promulgated by Law No. 79 of 1975
 - c. Lack of health fitness necessary to perform the duties
 - d. The issuance of a penalty/ verdict in a an offense against honor or trust
 - e. End of casual, temporary or seasonal work.
 - f. Resignation
 - g. Referral to pension or dismissal

h. Death.

All these cases related to termination of employment did not include termination of service due to early retirement.

4. The company's course of action also contradicts the Egyptian Constitution, which states in Article 13 that "The State shall protect workers' rights and strive to build balanced work relationships between both parties to the production process. It shall ensure means for collective negotiations, protect workers against work risks, guarantee the fulfillment of the requirements of security, safety and occupational health, and prohibit unfair dismissal, all as regulated by Law. "
5. The company's behavior also contradicts the principle of equality established by the Egyptian Constitution in Article 53, which stipulates "All citizens are equal before the Law. They are equal in rights, freedoms and general duties, without discrimination based onor any other reason..... "
6. It is also contrary to article 1 of ILO Convention No. 111 on discrimination in Employment and Occupation, which states:" 1. For the purpose of this Convention, the term "discrimination" includes — (a) any distinction, exclusion or preference made on the basis of race, color, sex, religion, political opinion, national extraction or social origin, which has the effect of nullifying or impairing equality of opportunity or treatment in employment or occupation". The company distinguished between the old workers (they were gotten rid of) and new workers who worked for the company after being bought by the French company without reason or legal justification. At that time FinnemirLavarge sold its rights in Beni Suef Cement Company to Titan, which the International Finance Corporation participated in its shares later. This is in fact inconsistent with the IFC's commitment to funding projects that comply with its performance standards (While risk management and social and environmental impacts in a manner consistent with performance standards are the responsibility of the client, IFC strives to ensure that the projects it finances are operated in a manner consistent with the requirements of performance standards. So as a result, IFC's social and environmental review in the proposed project is an important factor in determining whether or not to fund the project being studied, and it identifies the scope of the social and environmental conditions of IFC funding. By adhering to this policy, IFC is working to improve predictability, transparency and accountability with respect to the institution's actions and decision-making process, helping clients deal with social and environmental risks and improving performance, and improving positive development outcomes on the ground.)¹

(IFC does not finance new project activities that are not expected to meet performance standards within a reasonable period of time).²

- Therefore, many of the workers who were laid off under the early retirement through which they were forced to leave their work, filed a case before the Administrative Court No. 43213 against the Prime Minister of Egypt, the Minister of Investment and the

¹ IFC Policy and Performance Standards for the Social and Environmental Sustainability of 2006 Section 1 under the title Purpose of this policy is paragraph 5.

² Performance Standards Section 3: IFC Roles and Responsibilities under Social and Environmental Review Section 8

Minister of Industry, Chairman of the Board of Titan, Chairman of the company Fiannamerlavarg and others to cancel and nullify the contracts of sale of the company and the return of workers. After three years, the court issued a verdict on 15/2/2014, which stipulated in its terms and its effect on the return of 413 workers who were terminated and were registered on the payroll on 30/6/1999 to their work in the company and doing the necessary financial settlement regarding what has been paid as bonuses and pensions and what they deserve as salaries on the assumption that they stayed at work from the date of termination of their service until the date of their return to work as a compensation for the damage they suffered.

- The company appealed the ruling, where the court ruled on 21/3/2015 to reject the appeal. Accordingly, the judge - the director of the enforcement department, set a date for implementation on 4/5/2015. The workers gathered on this day demanding that the company should respect the court rulings and implement the verdict, but the management of the company procrastinated in an attempt to circumvent the ruling, where the company offered the return of only the workers who raised the case - only two without the rest of the workers, which was rejected by workers and insisted on their adherence to the provisions of the judgment and the return of all employees registered in payroll on 30/6/1999.
- The remaining 241 workers and the heirs of 67 workers filed a case No. 60937 against the Prime Minister of Egypt, the Minister of Investment, the Minister of Industry, the Chairman of the Board of Directors of Titan Finanemarlafarj and others for implementing the judgment handed down by the Administrative Court of Justice No. 43213. The court ruled on 21/6/2016 to implement the previous rule for the rest of the employees of the Beni Suef Cement, who were working in the company on the date set by the judgment on 30/6/1999. And workers who did not die and did not reach the age of sixty should return to work in the company as entitled. And for the heirs of those who died, the company should pay them the financial dues.
- However, Titan has also refrained from implementing this provision in contravention of Article 100 of the Egyptian Constitution, which stipulates that "Court judgement shall be issued and enforced in the name of the People. The State shall guarantee the means of the enforcement thereof as regulated by Law. Refraining from or delay in the enforcement of such judgments by the competent public servants is a crime punishable by Law. In such a case, the party in favor of whom the judgment is passed shall have the right to bring a direct criminal action before the competent court.. The Public Prosecution shall, at the request of the party in favor of whom the judgment is passed, initiate criminal action against the public servant refraining from executing the judgment or interrupting such execution."

*** So far, the Egyptian judiciary has been deliberating dozens of cases brought by hundreds of workers against the French company to force it to respect the law, the constitution, the international conventions and the implementation of court rulings.

- Since the behavior of Titan is a violation of labor rights contained in IFC's performance standards, especially aspects of employment and working conditions, which emphasize that the continuation of economic growth and income generation is based on the protection of basic labor rights and that the proper relationship between employment and

management is an essential element of sustainability For any company, and that among the objectives of the performance standards in relation to the protection of basic labor rights are to:³

- Formulation, maintenance and improvement of the relationship between the worker and management.
 - Promote fair treatment with workers, non-discrimination, equal opportunities for workers and adherence to labor laws
- Titan's behavior also contravenes Article 8 of the Second Standard on Employment Conditions, where it may be considered that the rights of workers under local law must be respected and observed. However, Titan has violated all domestic laws and international agreements with respect to labor rights as mentioned in details above.

(If the client is a party to any collective bargaining agreement with any labor organization, then this agreement shall be complied with. If such agreements do not exist or do not deal with working conditions and conditions of employment such as wages, benefits, hours of work or additional business arrangements, sick leave, vacation, vacation or vacation leave), the client shall provide reasonable working conditions and conditions of employment that are in accordance with national law.)

All of the above clearly shows that Titan follows a clear plan to reduce costs and maximize profit (In addition to not allowing the return of workers dismissed arbitrarily, it continued to get rid of other workers during the previous years, including workers whose signatures are on the first complaint)

As well as its intent to replace the permanent employees with temporary workers through the sub-contract companies which do not take into account any of the standards of the International Finance Corporation as well as violate national laws. These companies employ workers on imaginary jobs and posts where they join factories and companies later on other jobs and professions. This is a violation of national law and IFC's performance standards. An example of this is the case of Ahmad Radhi Fattouh Ahmed, who was detailed in the first complaint.

And despite all these signs of a plan to reduce expenditures, they are not publicized and therefore there is no consultation with employees or their own organizations or even the government.

(The client should develop a plan to mitigate the adverse effects of reducing staff costs if he expects to cancel a large number of posts or lay off a large number of staff, based on the principle of non-discrimination and at the same time reflecting client consultation with staff and organizations and the government, where appropriate.)⁴

³ IFC Policy and Performance Standards for Social and Environmental Sustainability of 2006 Performance Standard 2 Labor and Working Conditions - Objectives.

⁴ IFC Policy and Performance Standards for the Continuity of Social and Environmental Development 2006 Performance Standard 2 Labor and Conditions of Work Item 12.

Demands: -

- 1. Generally, review the procedures for selecting projects financed by IFC.**
- 2. To abide by the performance standards and the provisions of local law and to implement the judgments of the judiciary regarding the right of the workers wishing to return to work and the payment of compensation and financial dues to all workers arbitrarily dismissed.**

Signatories: -

Number of workers delegated the following people to submit the complaint on their behalf:

- Bahir Shawky and Mohamed Abdel Azim from the Egyptian Center for Civil and Legislative Reform**
- Abdel Mawla Ismail from the Egyptian Society for Collective Rights.**

Note: Attached is a copy of the authorization/delegation as well as a number of supporting documents for the complaint.