

Environmental Report 2004

נשר מפעלי מלט ישראליים בע"מ
NESHER ISRAEL CEMENT ENTERPRISES LTD.



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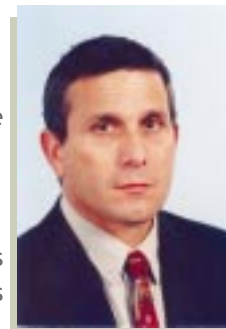
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Executive Summary

CEO Message

The history of Nesher Cement Industries is intertwined with the history of the State of Israel. Few are the structures built in Israel over the past 80 years whose infrastructure does not include products made by Nesher. In matters of the environment as well, Nesher has often laid the foundations that serve the entire Israeli economy. Nesher is building an internal awareness and responsibility towards the environment. This is reinforced by public transparency and a willingness to share the environmental dilemmas of modern life with the public. This report is part of the infrastructure for our activities and our dialogue with the public.



The report portrays the environmental impacts of Nesher's main activities in an attempt to adequately depict the company's ecological footprint in the past and present, as well as the trends for the future. Whether regarding air emissions, solid waste or our approach to safety issues, there are few companies - if any - in Israel that have undertaken such an impressive turnabout with regards to environmental performance. During the last decade, 20% of Nesher investments in our Ramle plant were earmarked for environmental improvements, reflecting the company's environmental policy and placing the facility among global leaders in the industry.

In fact, this is an integral part of Nesher Cement Industries organizational approach and corporate culture. We believe that only a proactive approach and positive initiative concerning environmental, health and safety issues, as well as concern for the community ensures, in the long run, operational stability and economic growth.

The environmental challenges we face in the future are great. Integrated with our clear strategic goals, meeting these challenges will ensure the place of Nesher Cement Industries as an ongoing environmental leader in Israeli industry. We are in a process of constant improvement in environmental performance and aspire to meet European Directive standards for air quality. Considerable efforts have been made to reduce raw material consumption from natural resources, while increasing use of recycled materials and alternative fuels. Although in the past year the amount of solid waste sent to landfills was only 3% of that sent in 2000, we are working to reduce the remaining waste. In the realm of energy consumption as well, the implementation of the dry process in the last decade enabled a 50% reduction in fossil fuel consumption. Energy conservation and use of clean fuels remain central targets of our investment plan for the upcoming years.

We have no doubt that the road to sustainability is still ahead. The aim of this report is to ensure that Nesher and its partners succeed in navigating this path, while overcoming its potholes, twists and turns.

Environmental reporting is a new challenge for Nesher and an opportunity for reciprocal learning with our stakeholders.

We look forward to receiving your comments.

Yoel Feldschuh
CEO









Executive Summary





Guiding Principles and Environmental Policy





Responsible Management

- 
Health, safety and environmental quality: safety in production and transportation, safeguarding the worker's health in all activities, and preserving the environment while maintaining high standards in production, quality and company profits.
- 
Precautionary principle: implementing a proactive approach to safety and environmental quality.
- 
Towards Sustainability: constantly aspiring to improve the environmental-social and economic functioning of the company, while setting quantitative goals.
- 
Environmental management: the gradual implementation of a holistic system for environmental management at all company sites, including cement production facilities and quarries, as a base for increasing Nesher's economic strength.
- 
Energy conservation and climate change mitigation: implementation of a proactive approach with regards to energy conservation and minimizing greenhouse gas emissions, including the use of alternative fuels.
- 
Recycling and reduction in raw materials: use of recycled materials in the production process as an alternative for quarried raw material, while maintaining high environmental standards.

Business Culture

- 
Awareness and involvement: responsibility and total commitment of company workers and management in maintaining safety and environmental quality.
- 
Commitment, fairness and good neighborly relations: commitment to fair and just management for the benefit of Nesher employees, the neighboring communities, and the social fabric within which Nesher operates.
- 
Transparency: a policy of public transparency that includes the distribution of up-to-date environmental information concerning production processes and company products.
- 
Assurance: periodic review and adjustment of company policy and technology by management to comply with research, legislation and environmental conditions.

A Policy of Commitment

- 
Resource allocation: allocating all necessary resources in order to maintain health, safety and environmental quality.
- 
Compliance: complying with all legislative demands and cooperating in full with authorities in order to prevent safety and environmental hazards in all company activities, both on and off company sites.



Executive Summary

Accomplishments and Goals

Energy and Air Quality

Accomplishments

- ☞ Reduction of energy consumption in the last decade by 50% and prevention of air pollution by switching from wet kiln technology to dry.
- ☞ Rescheduling of Nesher activities to off-peak hours of electrical use wherever possible in order to meet the needs of the national grid.
- ☞ Reduction in electricity consumption during the cement grinding process by means of technological improvements.
- ☞ Meeting Israeli air quality standards.
- ☞ Installation of dust-preventing devices including non-explosive quarrying, raw material transport by closed conveyor, wetting of roads and closed raw material storage.

Goals

- ☞ Increasing utilization of alternative fuels as source of energy instead of fossil fuels.
- ☞ Additional improvement in cement grinding technologies in order to reduce the emission of air pollutants and greenhouse gases.

Water and Wastewater

Accomplishments

- ☞ Reduction of 90% of the water used in the production process.

Goals

- ☞ Testing effluent use in the production process as alternative for potable water.

Raw Materials, Solid Waste and Natural Resources

Accomplishments

- ☞ Reduction of approximately 97% in solid waste production over the last four years.
- ☞ Use of most of the solid waste for production of soil enhancer for agriculture and gardening.
- ☞ Integration of recycled materials in the production process.

Goals

- ☞ Restoration plans for Nesher quarries.
- ☞ Increasing use of recycled materials.
- ☞ Identifying nearby reserves for raw materials with minimal environmental damage.

Employee Safety

Accomplishments

- ☞ Reduction of 75% in industrial accidents due to a proactive approach to safety.

Goals

- ☞ Implementing the proactive approach to safety at all company activities.
- ☞ To achieve zero industrial accidents by 2010.