



## "CLARIFICATION: Going Against the Grain"

Apropos the news article appearing in various sections of media outlets titled "Going Against the Grain" and filed by Agence France-Presse (AFP), Sindh Engro Coal Mining Company (SECMC) strongly denies the sweeping statements and opinions shared by the author. The said article has been drafted without proper research and without incorporating the views of the Company.

Firstly, the Company would clarify the notion that the quality of Lignite coal as stated in the article has 'poor energy efficiency' and high carbon dioxide emissions. The quality of Thar coal's lignite reserves needs to be understood and evaluated according to four key parameters:

| Comparison of Thar Block II with Other International Mines |                                  |            |         |              |                           |
|--|----------------------------------|------------|---------|--------------|---------------------------|
| Deposit  | Heating Value<br>(Net) (KCal/kg) | Sulfur (%) | Ash (%) | Moisture (%) | Stripping Ratio<br>(m³/t) |
| Thar Block II  | 2770                             | 1.07       | 7.8     | 47.46        | 6.12                      |
| Gujarat, India   | 2600-3000                        | 3.4-5.9    | 9-12    | 38-40        | 9 – 14                    |
| Hambach, Germany   | 1911-2747                        | 0.2-0.4    | 2-5     | 48-52        | 6.3                       |
| Maritza East -<br>Bulgaria                                 | 1550                             | 4.5        | 19-35   | 54           | 1.7                       |

The above table ranks Thar's lignite reserves on the key parameters including heating value (how much energy can be produced by heating 1kg of the coal – higher the better); Sulfur content (lower the better); Ash Content (ash generated post combustion – lesser the better); Moisture (lower the better) and stripping ratio (how much land needs to be stripped to supply one ton of coal equivalent – lower the better). On average, the above table ranks lignite reserves of Thar better than the coal currently being used in India, Germany and Bulgaria – some of the world's leading countries in coal excavation and mining operations. Therefore, the notion that the lignite reserves will yield poor energy efficiencies is ill-researched and incorrect.

Secondly, the article makes a sweeping statement that mining coal and burning it for power are water-intensive activities. This is incorrect in its assumption. The writer has coupled both the mining and power generation activities as a singular activity whilst this is not true. Mining operations are not water intensive and do not require water throughout the mining phase except for sprinkling purposes to mitigate for dust, if any. On the contrary power generation does require water for generation of electricity for cooling and turbine operations. The article incorrectly claims that the "...underground rivers which previously flowed into the mines have been diverted and the residents of Gorano – a small village some 25 kilometers from the coal project, claim their pastures have been transformed into a salt lake due to water diversions and the dumping of waste." This is a poorly researched statement. Firstly, there are NO rivers flowing under the mine bed. The writer is referring to disconnected water acquifers underneath the land which are NOT

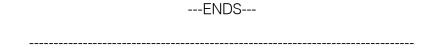


recharged via any natural water streams or rivers. However, in order to reach to the coal, the Company has constructed dewatering wells that continue to dewater the mining area which is not more than a rectangular box of 1.4kms by 1.2kms. It is interesting to note that there is approximately 80billion metre cube of underground water in Thar whereas the Company throughout the life of the mining and power projects will only use 0.4% of overall water in these acquifers; hence the statement that the "thirsty power project will consume a huge amount of ground water" has no grounds in factual accuracy. Moreover, what the writer fails to mention is the fact that the Company has established RO plants to provide safe drinking water to these residents whilst is also monitoring 17 community wells since 2016 without any significant impact to the availability of water to the communities and its residents.

Moreover, the Company has created free of cost health clinic at Gorano where no documented cases or health concerns have been raised to date and the claim that the Gorano reservoir "...has attracted mosquitoes, which spread diseases" requires further research and documented proof. In addition, the writer fails to acknowledge that the dewatered volumes are not being wasted but reused for community driven environmental and agricultural programs such as pilot programs on bio-saline agriculture which will help enhance food security in the region and aqua-culture experiments which have yielded positive results on fish-farming.

Furthermore, the article displays a complete lack of understanding of the social benefits accruing out of the project. The Company provides employment to 75% local Tharis while has demonstrated interventions across critical, high-impact areas such as education; health; skill development; WASH (Water, Sanitation and Hygiene); livelihoods and gender equality amongst other fundamental areas.

As a responsible corporate entity, Sindh Engro Coal Mining Company (SECMC) believes in the philosophy of inclusive development. We are cognizant of the fact that the Thar coal projects are of national, strategic significance; and as with any mega project there are associated development costs. However, the Company truly believes that through integrated and sustainable interventions, we can ensure that the project remains on its course of being a socially responsive initiative and continue to further the benefits for a wide range of stakeholders both the Tharis – who are and should be the real beneficiaries; and the Pakistanis at large.



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