

Partnership for biodiversity

Making biodiversity part of business



HOLCIM



Cover page and this page:
Rehabilitated quarry, Milton, Canada.



Julia Marton-Lefèvre, IUCN Director General

IUCN, International Union for Conservation of Nature, was founded in 1948 as the world's first global environmental organization, and today has more than 1,000 members – large and small, sovereign states and non-governmental organizations (NGOs). IUCN helps the world find pragmatic solutions to our most pressing environmental and development challenges. We support scientific research, manage field projects all over the world and bring governments, NGOs, United Nations agencies, companies and local communities together to develop and implement policies, laws and best practice.

Julia Marton-Lefèvre
and Markus Akermann.

IUCN's work with the private sector is a strategic choice that we made more than 10 years ago. We believe the challenge of conserving biodiversity can only be met by partnering with all sectors of society, including business. We work with many sectors that impact biodiversity, and only with companies that demonstrate a willingness and passion to change their operations to benefit nature.

Over four years ago, we saw that Holcim was one of those companies: committed to improve its operations in a way that would maintain their competitive edge but at the same time respect, protect and invest in the natural areas in which it operates. Today, I can confirm that this collaboration has been an incredibly fruitful and rewarding endeavor. Moreover it has become a model for how IUCN works with companies in delivering independent advice on the integration of biodiversity considerations into business operations.

The engagement with Holcim has involved many different parts of IUCN, especially through our regional and country offices. Scientific professionals from IUCN's expert Commissions have also actively participated, notably through their involvement in the independent expert panel that assessed biodiversity impacts at Holcim sites around the world.

Three elements stand out in particular. Both parties were flexible and adapted as new and more detailed information emerged, allowing the partnership to produce additional useful results, such as Holcim's participation in the global multi-sector study on The Economics of Ecosystems and Biodiversity (TEEB). Secondly, Holcim was always very transparent during the engagement on the challenges it was facing in addressing biodiversity concerns, and in managing its relationship with IUCN. Thirdly, Holcim's commitment started from the very top – the agreement was signed four years ago by Holcim CEO Markus Akermann and myself – and extended all the way to field-level operations, where Holcim employees collaborated directly with conservation experts.

Finally, I would like to thank Holcim and its Foundation for Sustainable Construction, for its financial, material and technical contribution to IUCN's new Conservation Centre building in Gland, Switzerland, one of the greenest office buildings in the world.

IUCN's engagement with Holcim has helped us move a step closer to our vision of a sustainable global economy in which businesses are committed and effective partners in achieving a just world that values and conserves nature. We look forward to the next chapter in this successful and mutually beneficial partnership.

A handwritten signature in blue ink that reads "Julia Marton-Lefèvre".



Markus Akermann, CEO Holcim

IUCN building,
Gland,
Switzerland.

Holcim is one of the world's leading producers of cement and aggregates. We operate in around 70 countries, and employ some 80,000 people. Holcim is more globally spread than any other building materials group, with around 2,500 locations throughout the world. Founded in Switzerland in 1912, Holcim is proud to be at the forefront not only in production and distribution, but also in environmental and social responsibility.

Holcim's commitment to sustainable development is borne out by a history of engagement with NGOs in this field. This is recognized externally at local and global level. The Group has been in the Dow Jones Sustainability World Index for 8 years running, and our biodiversity efforts consistently obtained high ratings in these assessments.

Experience has taught us that we can achieve much more through partnerships than by working alone. We are an open business and we chose partners with complementary sets of skills and experience. We are working with the World Business Council for Sustainable Development to develop a sector approach to a post-Kyoto framework on climate change, and also continue to support UN Global Compact and the ICRC.

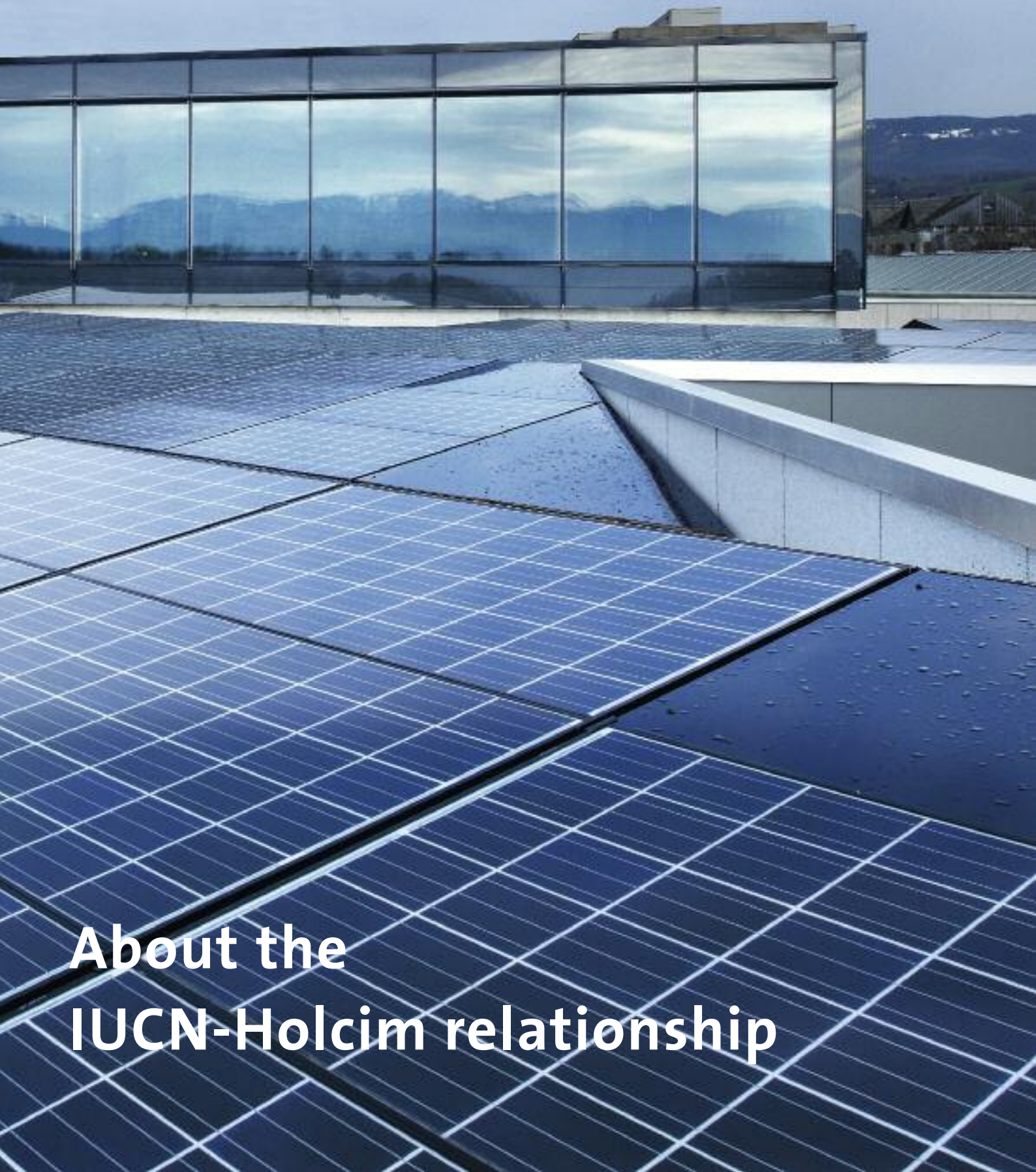
Our relationship with IUCN over the last four years of collaboration has been particularly rewarding. For Holcim, the key success factors are threefold: First, IUCN has been willing to share their best insights and expertise alongside the work of the independent expert panel. Second, the partnership has focused on working towards a common goal, leading to a pragmatic output in the Biodiversity Management System. And third, IUCN and Holcim have learned to understand each other's perspective and start using the same language.

The relationship has also been extremely rewarding from a human perspective, it was a pleasure to work with the committed, passionate and engaged people at IUCN. We are pleased to have been able to contribute to the extension of the headquarters in Gland. The IUCN Conservation Centre is expected to be the world's first building to achieve LEED platinum and Minergie-P-Eco certification, two of the most stringent ratings for green buildings.

Because the first phase was so successful, Holcim has decided to extend the global agreement with the IUCN for a second term. This is not only to implement the biodiversity management system in our quarry operations as recommended by the independent expert panel, but also to contribute to broader goals in the communities where we live and work.

The relationship has served as a working example of partnership between business and the conservation community. There is an increasing need to create more collaboration models between business, academia, NGOs and local authorities. By making biodiversity part of the business with local and global multi-stakeholder engagements, together, we can contribute to build a more sustainable future.

M. Akermann



**About the
IUCN-Holcim relationship**



The relationship history

In 2006, Achim Steiner, then Director General of IUCN, approached Markus Akermann, CEO of Holcim Ltd, about becoming a partner in the project to extend IUCN's headquarters in Gland. Akermann and Holcim responded positively to this idea but also proposed expanding the collaboration beyond financial and product support for the new building. Holcim was interested in better understanding biodiversity and its implications for the Group, and wanted to do this with the best available partner.

After a series of discussions between senior management from both organizations, a multi-year agreement was formalized early in 2007. This was the result of a thorough due diligence assessment of Holcim conducted by IUCN, the drafting of a work-program, and the securing of the resources needed to manage the relationship on a day to day basis. The agreement was signed in the presence of IUCN staff and press by Julia Marton-Lefèvre, the new Director General of IUCN, and Markus Akermann, Holcim CEO, at IUCN headquarters.

Shortly after the agreement was signed, a workshop took place at the Holcim cement plant at Eclépens, near Lausanne. This involved not only key IUCN and Holcim staff, but also karst specialists and species experts from the IUCN membership. It resulted in a detailed work-program on which the relationship managers could build the terms of reference for an independent expert panel, and outline joint activities to be carried out over the three year duration of the agreement.

Elements of the agreement

The Holcim-IUCN relationship aims to develop robust ecosystem conservation standards for the Holcim Group, contributing to sector-wide improvements in the cement and related sectors.

The agreement has three strategic objectives:

- Review Holcim Group's biodiversity conservation management and develop a more comprehensive corporate biodiversity policy and strategy.
- Support sustainable livelihoods and biodiversity conservation through joint initiatives of mutual interest.
- Promote good practice by sharing lessons learned within the industry and related communities.



Xerobates berlandieri (Texas tortoise), can be found at Ramos Arizpa, Mexico, IUCN Red List category "least concern".



2005



Today

The relevance for IUCN

Nature provides the raw materials that support all life on this planet. Human well-being depends on biodiversity, and the ecosystem services it provides as critical sources of water, food, medicine, and shelter. Efforts to conserve biodiversity are essential in order to ensure that our planet's economy is sustainable and able to provide society with the necessary goods and services upon which we depend for our livelihoods. It is clear that the business community has a central role to play in the global effort to achieve a truly sustainable form of development.

IUCN was mandated by its member organizations, after the Bangkok World Conservation Congress in 2004, to engage with the private sector and explore means of influencing behavior in key economic sectors, such as mining. As a recognized leader in sustainable development in the extractive industry and the building materials industry, Holcim was seen as a logical partner with whom IUCN could collaborate in a broader effort to influence the entire sector.

The relevance for Holcim

The production of cement and aggregates is a resource-intensive business that depends on long-term access to raw materials acquired through quarrying. Quarry operations can impact both terrestrial and aquatic habitats and the species – flora and fauna – dependent on them. This can be due to direct site footprints, clinker production and water use.

Land use and biodiversity is one of Holcim's environmental stewardship commitments. It is addressed mostly at the local level, including raw material management, environmental and social impact assessments and quarry rehabilitation planning. Holcim's Quarry Rehabilitation Guidelines, which are part of the raw materials management process, are one of the key tools for addressing its biodiversity responsibility at the site level.

Holcim aims to continuously improve its land stewardship performance. A network of environmental coordinators is employed to ensure that Group companies are aligned and that underlying principles are consistently applied.

Holcim believes that biodiversity conservation plays an important role in its long-term resource and reserve strategy. To reinforce this conviction, Holcim has embedded its corporate environmental policy into its business processes to ensure continued focus and systematic improvement.

The four main pillars of the environmental policy are:

1. Integrate environmental management guidelines into business processes and standards worldwide and monitor performance.
2. Promote eco-efficiency, conservation of non-renewable natural resources and recycling of secondary materials.
3. Measure performance, continuously improve and promote best practice in the industry.
4. Engage stakeholders and report publicly on compliance, performance and progress.

Rehabilitation at Cantera Felicissimo Sorocaba, Brazil.





Holcim and IUCN independent experts guiding our work

From left:
Peter-John Meynell,
Christoph Imboden,
David Richards,
Daniel Gross,
Marc Stalmans

As part of the IUCN-Holcim relationship, an independent expert panel has been formed by IUCN to provide independent input on biodiversity conservation policy for the Holcim Group; to review existing management tools used by Holcim; and to advise on how these might be strengthened to conserve biodiversity more effectively.

- It is an advisory body; it is not designed to provide evaluations or assessments.
- It is only accountable to IUCN, irrespective of intensive interaction with Holcim.
- To ensure its recommendations are clear and practical to implement in Holcim operations, the panel will continue to interact with various parts of Holcim, facilitated by the respective relationship managers.
- All final products generated by the expert panel will be made publicly available by IUCN.

The members of the IUCN-Holcim independent expert panel

Christoph Imboden (Chair) is an ecologist and biodiversity conservation expert who has been working internationally for the past 30 years and has been closely associated with IUCN, especially its Species Survival Commission. For the past 12 years, Christoph has been working as an independent consultant in Europe, Africa and Asia.

Daniel Gross joined the World Bank in 1989 and worked primarily on investment projects. Upon retiring from the Bank in 2004, he held the position of Lead Anthropologist. Daniel is now an independent consultant.

Peter-John Meynell has worked in a variety of environmental and natural resource fields in southern and central Africa, South and South-east Asia and China, covering water pollution, wetlands and fisheries, biogas, and environmental impact assessments.

David Richards started work for the Environmental Affairs Unit of Rio Tinto in 1992, later moving to the corporate Health and Safety Department until his departure in 2007. His main areas of responsibility were the development of corporate environmental policies, development of relationships with external organizations and programmes, and strategic environmental risk reviews of operating sites and investment projects in 12 countries.

Marc Stalmans started working in 1984 as a research officer in a protected area (national park) in South Africa. In 1990 he moved to the adjoining province where he became responsible for the ecological section of the local Parks Board. He has been consulting as an independent ecologist since 2001. He has experience of conservation research, planning, management and development in the public, parastatal and private sector.



Ramphastos sulfuratus (keel-billed toucan), can be found at Macuspana, Mexico, IUCN Red list category "least concern".



Independent expert panel: The process

The strength of the independent expert panel is the breadth and depth of the experience and expertise of its members. But to be effective, it had to achieve three things. First, it was essential for the members to be able to work together on a basis of mutual respect and trust. Second, they had to understand Holcim's corporate culture and the way it makes commitments and decisions. Third, the global reach of Holcim and the number of its operating sites cover a wide range of geographical, biological and political environments. It was vital for the panel to evaluate country and site level constraints within which a new biodiversity strategy was to be implemented.

Addressing these goals was sometimes difficult, time-consuming or costly, but essential for the mission. Their cumulative expertise and experience would be wasted if they could not contribute to advice that was better than a sum of its parts. Suggestions for high level policy would not be accepted if they were incompatible with the way Holcim's existing policies are expressed. Detailed guidance would be ineffective if it could not be implemented where local regulations or company procedures made this impossible.

Working together

At its first meeting in March 2008, the members of the panel discovered that they had complementary skills and experience. More importantly, they soon learned that they could think collectively and develop strategic ideas in real time. They then produced a series of strategic documents, developed from ideas agreed at face-to-face meetings:

- A Rational Way Forward
- Biodiversity Policy and Principles
- Biodiversity Management System Table
- Biodiversity Management System

Other meetings took place during trips to visit Holcim Group companies, and at IUCN headquarters in Gland in August 2009 and June 2010. Before each meeting, the members prepared discussion papers and revised versions of key documents, so that these could be reviewed and debated by the group. At the end of each meeting, new tasks were allocated to each member. The panel operated in a strategic, proactive way, looking ahead to where and how its input could be most effective and influential, and setting out a roadmap to

reach these targets. The two Relationship Managers were very supportive of this process, encouraging the panel to set its own course.

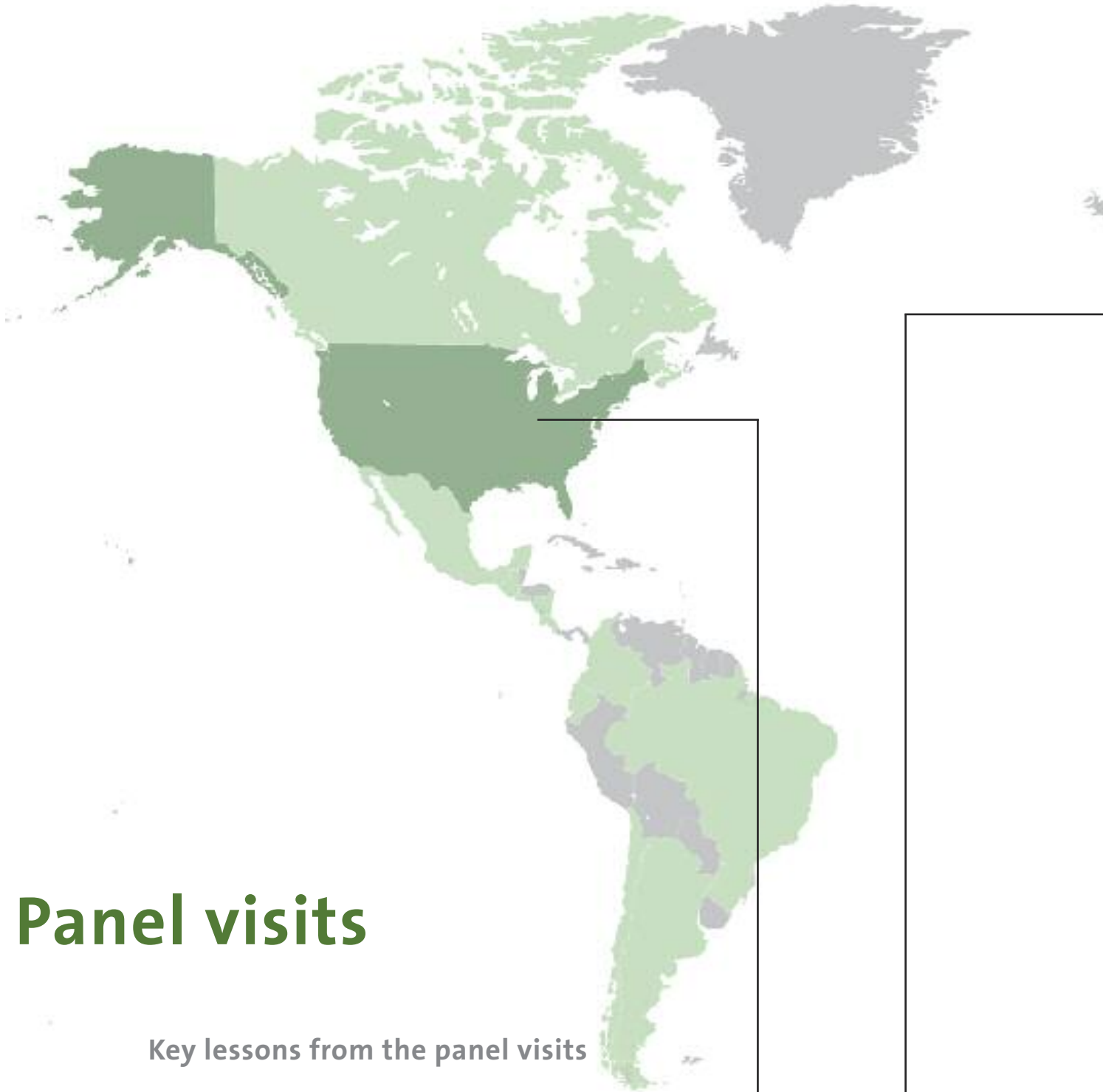
Talking to Holcim

The members met frequently with key senior staff from Holcim's central technical unit, Holcim Group Support (HGRS), throughout the period of development of its output. The main purpose of these meetings was two-fold – for HGRS to understand the issues identified by the panel, and for the panel to understand the processes used by Holcim to identify, evaluate and manage technical issues such as biodiversity in its business activities. These processes include environmental and social impact assessment of projects, feasibility studies, risk management and quarry rehabilitation. The panel also covered social aspects of biodiversity issues in the scope of its work, and included an experienced anthropologist as a member. Several meetings were held with Holcim's Corporate Social Responsibility department to ensure that the panel understood corporate thinking and programs in this area and could align its output accordingly.

The facts on the ground

In selecting Group companies to visit, Holcim, IUCN and the panel worked together to incorporate a wide range of the Group's diversity. The final program covered cement plant quarries (limestone and clay/shale) and aggregate quarries, developed and emerging countries, and different bio-geographic settings and project phases, as these differences can materially affect the risks and opportunities presented by biodiversity issues at each site. The primary purpose of the country visits was to enable the panel to learn more about operations and how socio-economic, political, geographic and biological factors influence the planning and operating environment in which Holcim operates. Each Group company also received informal feedback and suggestions, with a short report provided after each visit. To begin with the full panel visited two countries – Spain and Indonesia – to establish an approach and combine their collective input into a process which could subsequently be applied by a smaller group of members. These later visits, by one, two or three members, were made to Hungary, Vietnam, Belgium, the United Kingdom, the USA and China.

Birdwatchers at the rehabilitated Little Paxton site in the UK.



Panel visits

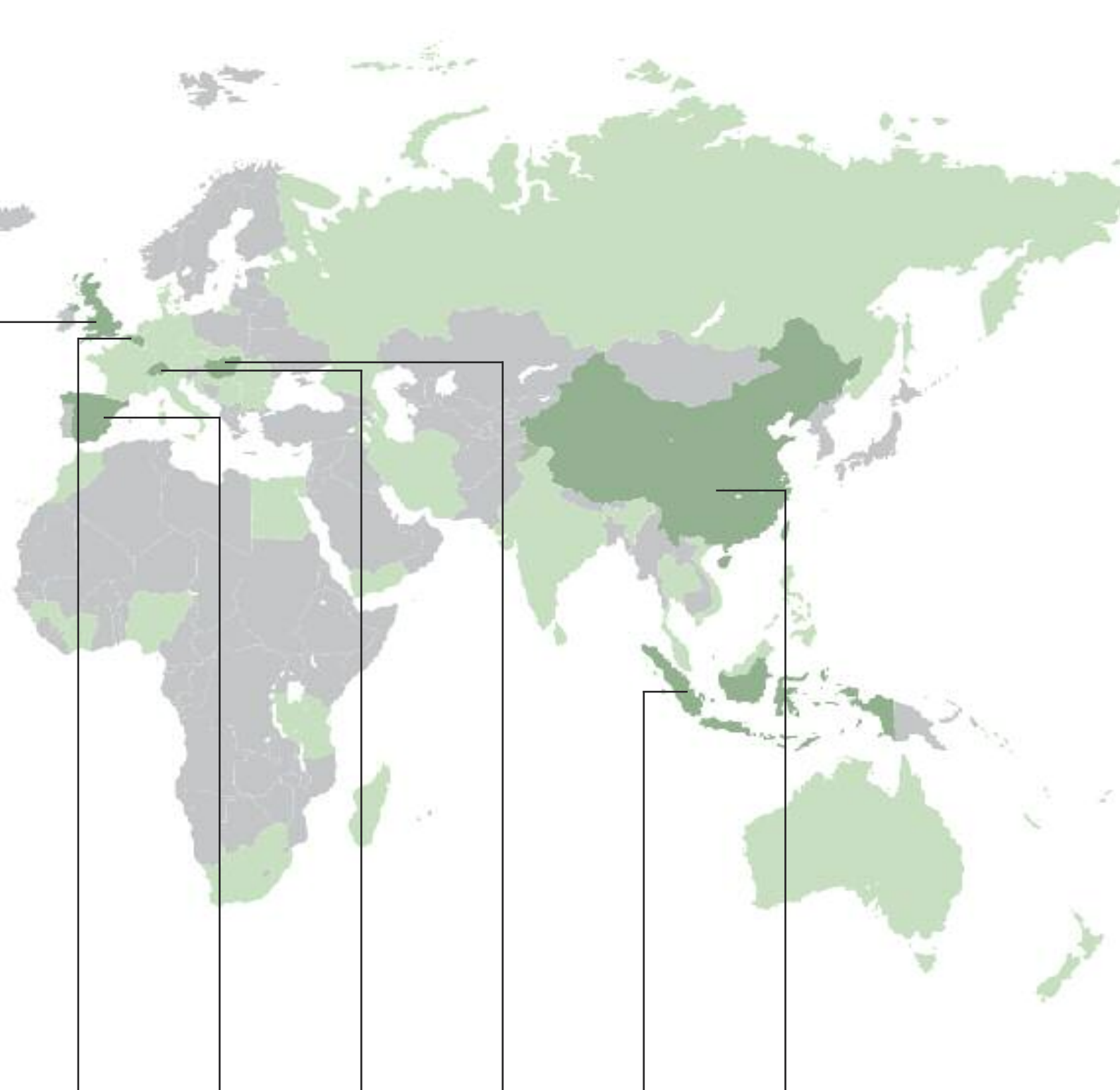
Key lessons from the panel visits

In order for the panel to advise Holcim on appropriate biodiversity management measures, it is important that the members see first-hand the global diversity of quarry operations. They visited operations in 7 countries, representing different geographies, operations, lifecycle stage, and issues. These visits allowed the panel to observe operations, talk to Holcim staff, and meet with local stakeholders and authorities in person.

US
April 2009
Active engagement with local stakeholders. Consider future land use as early as possible.

UK
June 2009
Biodiversity management can be well integrated into the business. Strong local partners provide expertise in conservation.





Belgium
January 2009
 Former quarries can be naturally rehabilitated and rich in biodiversity. Take into account the broader landscape.

Spain
June 2008
 Important to balance regulatory requirements with local stakeholder needs and conservation. Active quarries can provide habitats for important species.

Switzerland (HQ)
 Panel recommendations enhance existing processes to strengthen biodiversity considerations.

Hungary
January 2009
 External stakeholders do not always consider biodiversity of high concern. Impact assessments can help reduce footprint on Natura 2000 area.

Indonesia
September 2008
 Key factors for biodiversity conservation: link to local context, goal oriented rehabilitation planning, and local partnerships.

China
September 2009
 Greenbelts around plants can enhance biodiversity. Rapid assessments will inform rehabilitation and raise employee awareness.



Biodiversity importance

Applying the IUCN Red List of Threatened Species™

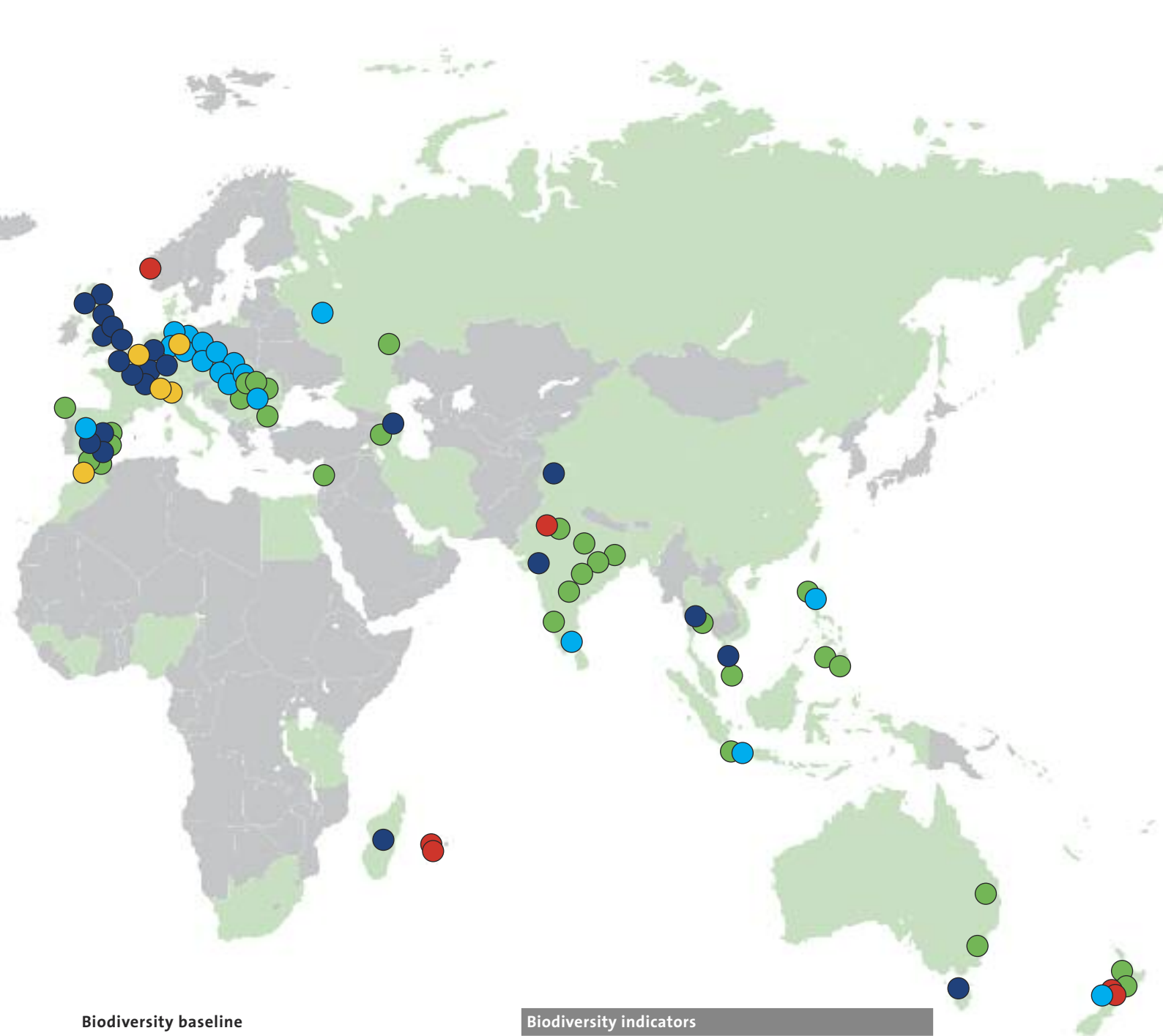
As part of the Holcim-IUCN agreement, Rashila Tong was seconded from Holcim to the IUCN Species Program. There, she worked on the business case for the IUCN Red List and a related communications plan, while also generating Holcim's initial biodiversity baseline report and inventory.

Biodiversity communication

The "Business Case for the IUCN Red List of Threatened Species" was published during the secondment to IUCN. It shows how the information contained in the IUCN Red List can be used in site selection and biodiversity management at existing sites.

Communication tools were also developed to explain the IUCN Red List to a broader audience and help IUCN to persuade the business community of its importance. The IUCN Red List website was improved to make it easier to access the information by non-experts. Updates included easier navigation and expanded search features such as geographic criteria, common names, and threat category.





Biodiversity baseline

A baseline of Holcim practices in biodiversity conservation management was established with an inventory of all extraction sites around the world. Holcim has applied a preliminary version of a biodiversity risk matrix to classify these locations and their importance. 547 active extraction sites were mapped for biodiversity importance and preliminary risk classifications have been made.

Biodiversity indicators

Number of sites	547	
Number of sites with biodiversity action plans	156	29%
Number of sites with environmental and social impact assessments	299	55%
Number of sites that report externally	110	20%
Number of sites with partnerships	102	19%

Site biodiversity importance category

- Unknown
- Global
- National
- Local
- Low



Integrating biodiversity into the site lifecycle

The panel's recommendations for the Biodiversity Management System

Active quarry, Malaga, Spain.

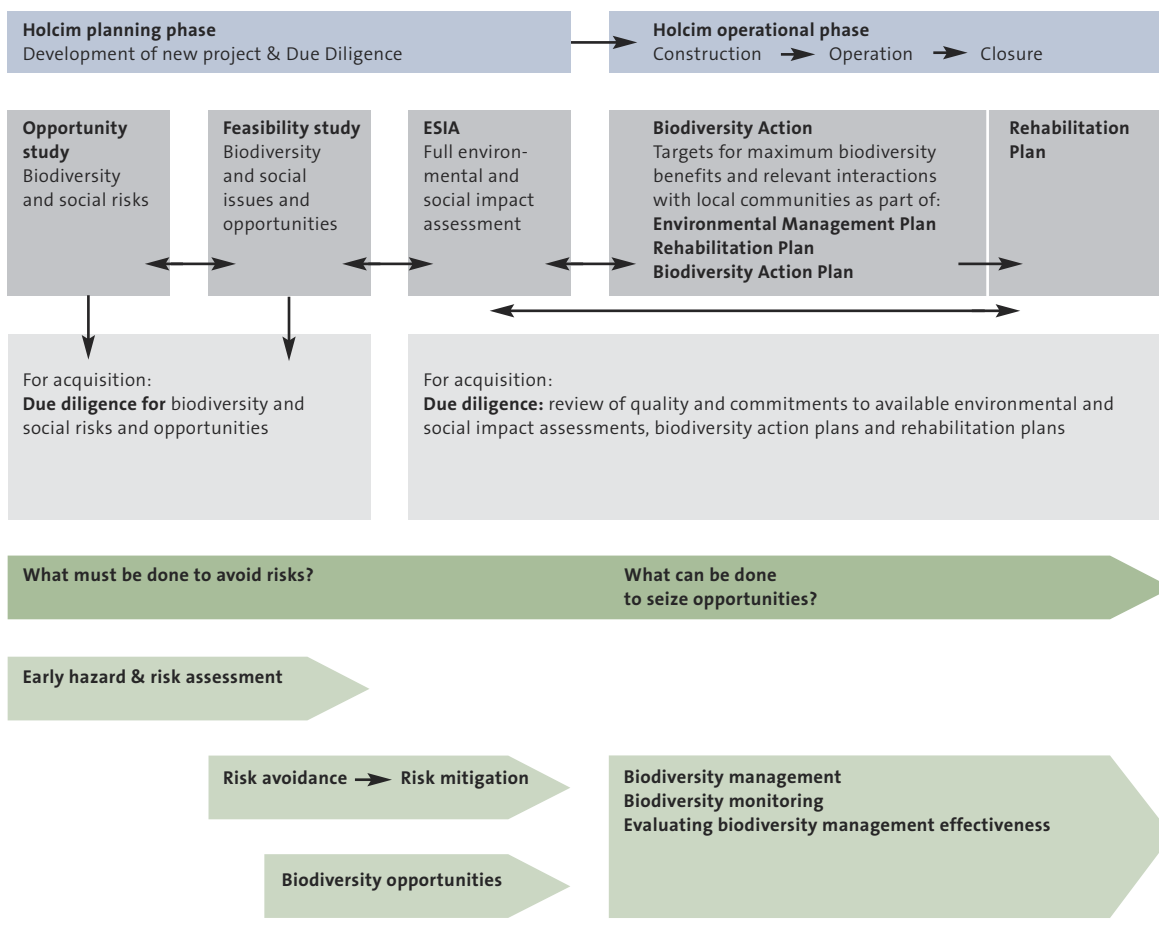
The Biodiversity Management System (BMS) is a proposal for Holcim to integrate biodiversity considerations into policy, strategic planning, and operational processes throughout its worldwide operations. A basic requirement for the implementation of the BMS is to have a good understanding of the biodiversity values of each site, and assign it to one of four importance categories (*see map of sites and their importance*).

Planning phase

In the early planning of a new development, the focus is on a first quick desk-study assessment of possible risks originating from high biodiversity values, and

their inclusion in the Holcim risk management process. In more advanced planning, the biodiversity issues will have to be analysed in greater detail. Building on these findings, a formal impact assessment must ensure a full inventory of the key biodiversity elements of a site, covering ecosystems, habitats, vertebrates and higher plants. A key output of the impact assessment is a comprehensive set of recommendations for appropriate mitigation measures and positive biodiversity enhancement initiatives. These will subsequently serve as a basis during the operational phase. In addition, the impact assessment should contain suggestions for potential biodiversity monitoring.

Biodiversity in the Holcim site lifecycle



Operational phase

Throughout the life cycle of any site, some form of biodiversity management should be undertaken. In most cases, the level and intensity of the biodiversity management will depend on the importance of its biodiversity versus the risk of impacts on biodiversity from operations. Since the development of rehabilitation plans is mandatory for all extraction sites, the standard method of biodiversity management is the inclusion of biodiversity components in these plans. In cases of high biodiversity importance and a high risk of impact, a separate biodiversity action plan is proposed. It should be linked with other local or national biodiversity plans that cover the general area and be implemented in partnership with local agencies and/or non-governmental organisations. All biodiversity management should be conducted on the basis of clearly defined targets.

A plausible management of biodiversity must be underpinned by a professional program of monitoring and evaluation. The starting point (base data) is the biodiversity inventories. The monitoring should be conducted on one of three levels of intensity, depending on the biodiversity importance and the biodiversity management to be pursued. Regular, basic level monitoring should be carried out by local staff, while higher level monitoring will require expert

assistance. The purpose of the monitoring is to assess the effectiveness of biodiversity management and ultimately to measure impact on biodiversity.

Management requirements

Besides a strong commitment from top leadership, special management processes will be required for the effective implementation of the BMS, including the development of internal skills at corporate and local levels and the establishment of formal links with external partners and experts. The adjustment of relevant guidelines and directives, as well as the development of handbooks to assist implementation, are equally fundamental.

Roll-out of BMS

A phased introduction of the BMS into corporate and local management processes is proposed. While the adaptation of internal planning and management guidelines is an essential preparatory step, the operationalisation in the field should be first tested in selected pilot sites and/or countries in order to assess the need for possible further adjustments. On global introduction of the system, priority must be given to the full-scale application of the BMS to any new developments, for retrofitting it to existing operations, especially to active extraction sites.



IUCN response to the panel's proposal

Rehabilitated
quarry, Sri Lanka.

The Biodiversity Management System (BMS) represents a major milestone in the effort to systematically integrate biodiversity into Holcim's business operations. The BMS is proof that concrete results can be achieved through IUCN's engagement with forward-looking companies such as Holcim.

The innovative aspect of the BMS is the credibility of the process that produced it. Throughout, careful attention was paid to delivering practical recommendations, to avoid letting the BMS be driven by unrealistic aspirations. The independence of the panel, along with the strong conservation and scientific perspectives of its members, were also critical. Another key ingredient was the input from a variety of expert reviewers, who IUCN selected on the basis of their authority on specific subjects covered in the BMS.

As we look forward to supporting the implementation of the BMS, notably through the development of meaningful metrics and indicators, we are confident that it represents a strong foundation upon which to build. It is our expectation that this will not only encourage others to make use of the BMS, but also to follow the IUCN-Holcim model of collaboration.

For over 10 years, IUCN has drawn upon its extensive network of conservation experts to provide independent advice to business. During this period, IUCN has gained considerable experience and developed a set of practical models for delivering this advice. The success of the IUCN-Holcim independent expert panel, which is clearly demonstrated by the finalization of the BMS, is clear evidence that collaboration can yield encouraging results.



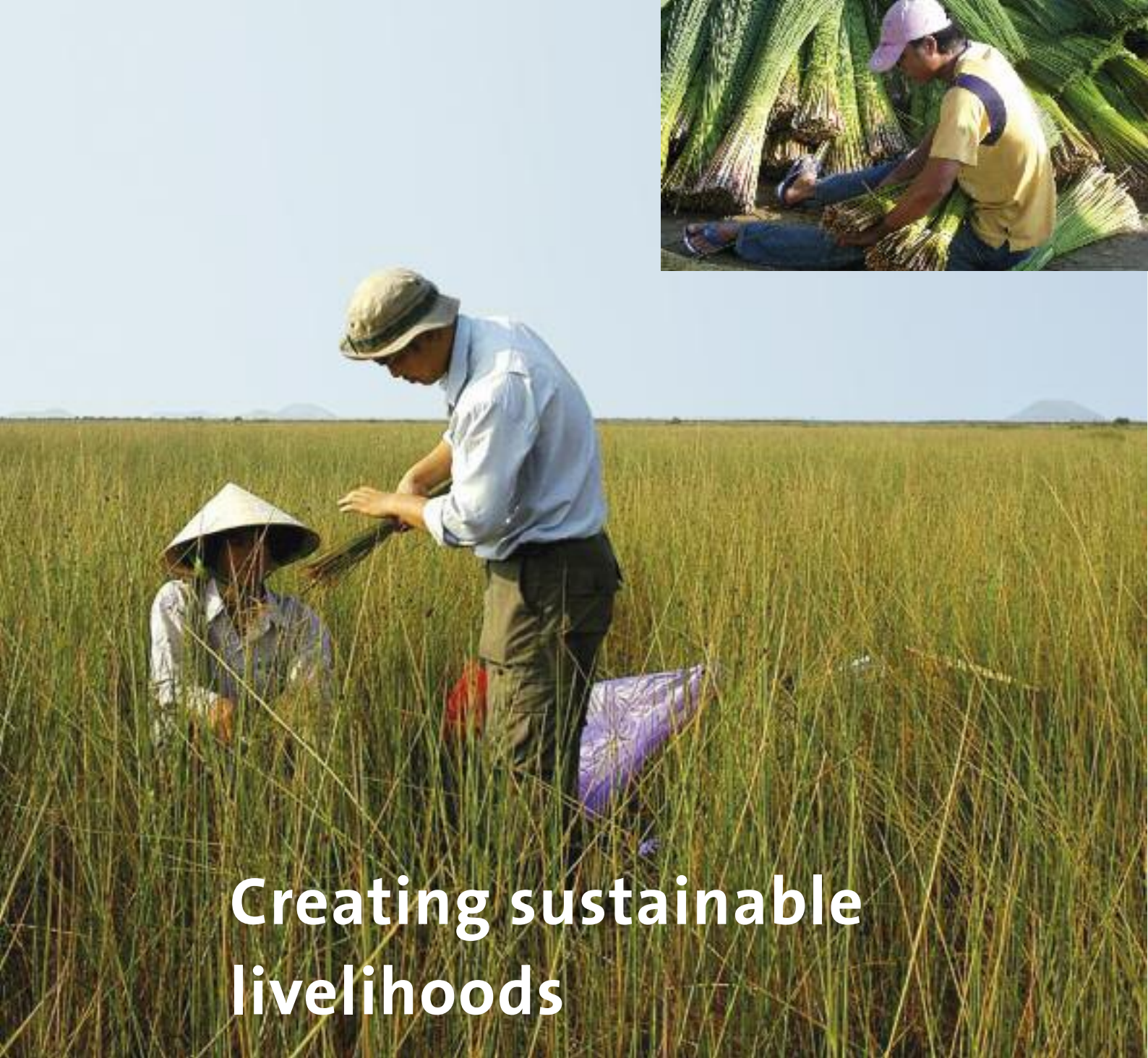
Holcim response to the panel's proposal

Biodiversity is a complex issue that calls for the involvement of everyone in society. Therefore, governments, individuals and industry must work together to conserve biodiversity and reverse ecosystem degradation. A multi-stakeholder approach not only serves to underline the importance of biodiversity conservation, but also results in real action and progress. The impact on nature of our industry, especially when opening new extraction sites, is very visible.

A lot of effort has already been made to include local stakeholders in finding suitable solutions for rehabilitation and future land use. This work goes on the background and is therefore often not recognized by wider society outside the local communities. Even though Holcim has a long history of successfully working together with conservation organisations and NGOs, this has mostly taken place at this local site level.

The relationship with IUCN has provided an impressive global network of experts, and the recommendations of the independent expert panel will allow Holcim to develop a consistent framework for managing biodiversity at all our extraction sites world wide. Further cooperation with IUCN will also facilitate sharing of information on how our industry at large can have a positive impact on biodiversity conservation. In this respect, the next phase of the partnership will seek to establish a biodiversity impact measurement system that identifies negative impacts to be addressed, but that also recognizes the positive effects of our mitigation efforts. The IUCN-Holcim partnership has provided a greater understanding of biodiversity within Holcim. We feel better equipped to preserve ecosystems and biodiversity at Holcim extraction sites. By working together, we are able to share knowledge, expertise and solutions across all geographies.

Four Holes Swamp,
Holly Hill, US.



Creating sustainable livelihoods

Sustainable
Ilex peroni
harvesting in
Phu My wetlands,
Vietnam.

Developing biodiversity-based microenterprises has the potential to lift individuals and communities out of poverty while conserving biodiversity. The main characteristic of these enterprises is that they depend on biodiversity for their core business or contribute to biodiversity conservation through their activity, while at the same time providing sources of incomes for entire families.

The development and pilot-testing of an approach in selected countries is another focus of the Holcim – IUCN collaboration. The main actors of microenterprise development projects and owners of respective businesses are local stakeholders themselves. The process of assessing the local environment, identifying business opportunities and entrepreneurs, equipping them with the skills necessary to lead a business, as well as supporting the integration of the businesses

into the local value chain, is facilitated and supported by Holcim and IUCN. The concept, made available to the public, incorporates a variety of approaches and key tools for the different phases of microenterprise development.

In Nagarote, Nicaragua, a pilot project was initiated in 2008. A working group made up of Holcim and IUCN representatives and local community stakeholders conducted a participatory assessment of the socio-economic situation as well as available economic and natural resources. The team surveyed existing microenterprises and identified opportunities for biodiversity-related businesses such as ecotourism, reforestation and waste management. The start-up of businesses was foreseen for late 2009 but the economic crisis has currently delayed the implementation.



Engagement with industry sector peers

The third objective of the IUCN-Holcim relationship is to promote good practices by sharing their experiences with the wider industry and communities.

Although this objective was set at the beginning of the relationship, it was not easy to embark on related activities straight away. Holcim first had to better understand the nature of the topic and determine what it meant for its own operations. Therefore, activity towards this objective only started in the latter part of the four year agreement. Holcim did though participate in various biodiversity related industry task forces, such as Cement Sustainability Initiative (CSI) with the World Business Council for Sustainable Development (WBCSD), the European Minerals Association, and other local level organizations. All these industry task forces were established after 2008, and culminated in a lot of activities as part of the International Year of Biodiversity in 2010.

From the very start of the relationship, IUCN provided the necessary access and exposure for Holcim to participate at both global and regional events related to biodiversity. In many cases, both organizations could jointly feature their relationship, and as results became more tangible, start explaining its output. Just the fact that a major international organization such as IUCN had engaged with the private sector in a strategic relationship was already an interesting feature to present to varied audiences composed of both government officials and NGOs. IUCN, through their memorandum of understanding with the WBCSD, also participated in key WBCSD or CSI events. For example, Bill Jackson, deputy director general of IUCN, presented his views on future trends in NGO and private sector collaboration to the CSI.

The publication of TEEB by the European Commission and the strong input from IUCN for the third deliverable “TEEB for business”, have far reaching influence beyond the building material sector. Holcim is proud to be mentioned several times in this report, with an ecosystem valuation case study and several elements of the relationship with IUCN, including the BMS. It is

another example placing Holcim amongst the leading companies in the business and biodiversity arena. Without IUCN expertise and engagement, this would not have been possible.

A more detailed description of the work conducted in this ecosystem valuation case study is outlined on page 20. For more detailed information on the Corporate Ecosystems Valuation guide, refer to the WBCSD website and publications.

Left:
Education Center,
Beidler forest,
South Carolina, US.

Right:
Conservation days
at Holcim US sites.



Haliaeetus leucocephalus (bald eagle), can be found at Ste Genevieve, US, IUCN Red List category “least concern”.



Country based relationships

Wetlands close to active Hon Chong cement plant, Vietnam.

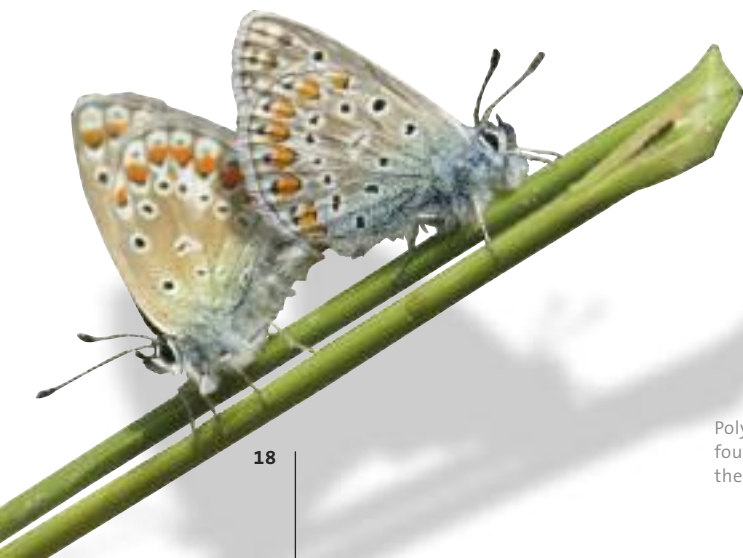
Local agreements complement and strengthen the work carried out at the global level. These country agreements address site specific needs and threats.

Sri Lanka (signed in March 2007)

- Restoration of biodiversity and landscape values at the Palavi limestone quarry
- Deployment of artificial coral reefs to enhance and conserve marine biodiversity
- Implementation of solid waste management solution for the Puttalam community

Vietnam (signed in February 2008)

- Raising awareness and training on environmental and social aspects for local communities, employees, and authorities
- Establishment of karst conservation area in the Ha Tien plains



Polyommatus icarus (argus bleu), can be found all over northern Europe including the Obourg site, Belgium.



Costa Rica, Nicaragua (signed in August 2008)

- Development of guidelines for environmental management for different business sectors and regional land use
- Incorporating biodiversity conservation in the quarry rehabilitation plans for the Cartago quarries
- Strategies for micro-enterprise development for the community of Nagarote

Spain (signed in March 2009)

- Publication of “Gravera el Puente, a Sustainable Business” on the restoration of the El Puente gravel pit
- Integration of ecological considerations into the closure plan of the Torredonjimeno quarry

China (signed in March 2010)

- Rapid biodiversity assessments of the Chibi and Huangshi quarries and their surroundings
- Recommendations for incorporating biodiversity aspects into rehabilitation planning

Holcim is also working with IUCN members: Fauna & Flora International (FFI) in Indonesia, Applied Environmental Research Foundation (AERF) in India, and Wildlife Trusts in the United Kingdom.

“At Aggregate Industries we aim to be recognised as the leader in our sector in protecting and enhancing ecosystem services. We have a responsibility for more than 1,700 hectares of land designated by government and councils to be protected; and more than 110 protected species which can be found across our sites. Being involved with a dynamic new tool such as these guidelines keeps our knowledge at the forefront of our sector and gives us the opportunity to promote biodiversity as a key environmental challenge for everyone.”

Alain Bourguignon
Chief Executive, Aggregate Industries



Corporate Ecosystems Valuation case study

Newly planted
Ripon quarry
reedbeds, UK.

Aggregate Industries UK, a subsidiary of Holcim, has been mining sand and gravel in North Yorkshire for over thirty years. The company restores ecosystems as part of its quarrying operations and its corporate commitment to improved sustainability.

In support of a request to extend an existing quarry in North Yorkshire, the company proposed to create a mix of wetlands for wildlife habitat as well as an artificial lake for recreation, following extraction on

land currently used for agriculture. Stakeholders were consulted to identify local concerns and preferences for different types of restoration.

In collaboration with IUCN, ecosystem valuation was undertaken to assess the types and scale of economic benefits associated with wetland restoration. The study showed that the value of biodiversity benefits that would be generated by the proposed wetlands (£1.4 million), the recreational benefits of the lake (£350,000) and increased flood storage capacity of the overall area (£224,000) would, after deducting restoration and opportunity costs, deliver net benefits to the local community of about £1.1 million. The value of carbon sequestration in these wetlands was found to be relatively small, while the marginal benefits associated with wetlands far exceeded the current benefits derived from agricultural production.

The study further shows that the costs of ecosystem restoration and aftercare are small compared to both the economic benefits of wetland restoration and the financial returns from sand and gravel extraction. This example illustrates that compensation for adverse environmental impacts is not only an important means for companies to maintain their license to operate, but can deliver overall improvements in ecosystem services with substantial economic benefits at modest expense.

The company hopes to do more ecosystem valuation to demonstrate to planning agencies and the public that it makes valuable investments in ecosystems following extractive activities. Future access to minerals depends on companies leaving sites in which it operates with the ecosystem no worse off, and preferably even better off.



Anax imperator (Emperor dragonfly) at various sites throughout Europe, IUCN Red List category “least concern”.



Summary extract of the external review of the IUCN-Holcim partnership agreement

Background

The IUCN-Holcim agreement provides for an external assessment to be undertaken before it expires, “which shall form the basis for defining the need, nature and scope of a possible follow-up agreement”. The review was undertaken on the basis of observation of partnership meetings, review of documentation, interviews with key partnership participants and a questionnaire survey distributed to a broader group of informants.

Partnership activities

Most of the partnership’s effort and activity has been concentrated on the first of the three strategic objectives of the agreement, which is to enhance the Holcim group’s biodiversity policy and strategy. Work

has focused on the biodiversity impacts of Holcim’s quarry operations, although the resultant systems and learning are also relevant to other aspects of the group’s activities. IUCN appointed a five member independent expert panel to develop recommendations to Holcim on a biodiversity conservation policy and supporting tools. The panel has worked with Holcim, notably through visits to seven of its operating companies, to develop a Biodiversity Management System (BMS).

The partners worked towards the second objective – joint initiatives, especially on sustainable livelihoods and biodiversity conservation - through collaboration on procedures and guidelines for biodiversity-based microenterprise development, which can help to

Cerro Blanco protected forest, near active Guayaquil cement plant, Ecuador.



European Minerals Day 2009, Altkirch, France.

realise Holcim's commitment to sustainable livelihoods in communities affected or (formerly) employed by its operations. There have been a variety of joint activities in some ten countries, with differing degrees of contact in about a dozen others.

There has been least activity with regard to the third objective, which was to share learning from the partnership with the wider industry and conservation communities. However, Holcim has remained active in the Cement Sustainability Initiative and broader WBCSD activities. IUCN has brokered a number of informal discussions between Holcim and other cement companies.

Achievement of partnership objectives

The IUCN-Holcim partnership remains strongly relevant for both parties. It has helped IUCN develop real understanding and influence in an environmentally important global industry. It has helped Holcim to come closer to its target of environmentally sustainable operations. The justification for the partnership thus remains valid.

The first of the partnership's strategic objectives has been achieved. A biodiversity baseline of the Holcim Group's operations is in place and will now be updated regularly. Holcim's approach to biodiversity conservation management has been reviewed and assessed. In developing the BMS, the partners have achieved a more comprehensive biodiversity policy

and strategy for the Holcim Group. The next step will be to apply the policy and strategy via detailed company guidelines and procedures, without diluting or diverting its principles and intended outcomes. The second strategic objective has been partially achieved. Complete fulfilment of this objective would have been difficult because it was broadly framed and based on an imperfect understanding of the optimal themes and means for collaboration. Some, but not all, of the country-level partnerships have achieved positive conservation outcomes and enhanced understanding of ways to make the cement industry environmentally sustainable. Work on biodiversity-based microenterprise development produced valuable joint learning and a useful document that is being applied in some country-level collaboration; but there is no integrated follow up.

There has only been limited progress towards the third strategic objective. Partly because of the preliminary status of the learning and approaches that the partnership has generated, there has not yet been a structured effort to share them with the wider industry and conservation communities.

The value of the partnership

Despite some deviations and shortcomings, the IUCN-Holcim partnership has performed well for both parties. Holcim is poised to apply a Biodiversity Management System developed with world class expertise in thoughtful collaboration with the company. The partnership has strengthened IUCN's confidence that such links with the private sector can help it to pursue its mission effectively.

Both partners are keen to nurture and develop the relationship through a second phase.

Independent reviewer of relationship:

Stephen D. Turner

Stephen Turner (sdtturner@iafrica.com), is an independent consultant based in the UK. He has 30 years of experience in environment and development issues, primarily in Africa, and has been involved in a number of institutional and programme reviews for IUCN. These include the 1999 and 2003 External Reviews, and the 2006 review of experience and lessons learned by IUCN in its interactions with the private sector.

The full text of the review's report is available on www.iucn.org



Next phase of the relationship

The initial IUCN-Holcim agreement expires at the end of 2010. The collaboration has proven successful but has also highlighted issues on the long path ahead to further incorporate biodiversity management practices within Holcim operations.

Therefore, both organizations have decided to extend the relationship into a second phase which will last an additional 3 years.

The first objective of the second phase of the agreement is the effective implementation of the Biodiversity Management System, and establishing the relevant biodiversity impact indicators to monitor progress and share with industry peers and other sectors. An independent expert panel adapted to these activities would be a desirable vehicle to support this effort.

Two further objectives are the establishment of the necessary policy framework in selected countries, and engagement with the wider building materials

sector. The first will involve the local IUCN offices or members, as well as IUCN's Environmental Law Centre in Bonn. With regard to wider sector engagement, the Cement Sustainability Initiative is, among other trade associations, a very effective global platform for driving the biodiversity agenda in the cement industry.

An additional workstream has been added to focus on water related issues. Holcim will work with the IUCN Water Programme to understand water related risks in its operational locations with the aim of developing a Water Management Strategy that takes into account wider watershed management.

All of these planned activities will need to be supported by the continuation of the existing agreement, and the creation of additional local agreements between Holcim and IUCN. If IUCN is not present in some targeted countries, the intention is to leverage IUCN's membership and network to cover these areas.

Rehabilitated
quarry at
Milton, Canada.





Conclusion

“In my previous role as regional procurement officer for Holcim, I had to monitor thousands of suppliers. In the first years of managing the relationship with IUCN, I asked myself: “What am I doing wrong? I seem to spend a lot of time managing just one relationship!” Well, managing a relationship with an organization like IUCN is slightly more challenging than a supplier or more standard service provider. As my counterpart at IUCN, Giulia Carbone would remind me, IUCN is a partner...not a supplier or a consultant.”

Rehabilitated quarry at Milton, Canada.

This comment by Gérard Bos, IUCN relationship manager at Holcim, highlights the breadth of the relationship, and shows that the two global organizations are moving in the relatively new world of complex public/private sector coalitions. The relationship requires dedication and constant communication by both parties to make it successful. Both Holcim and IUCN have also benefitted greatly from strong commitment at the top levels of their respective organizations.

The achievements of the independent expert panel were highlighted by the independent external review of the agreement. The highly interactive modus operandi between the panel and Holcim has ensured that recommendations made are pragmatic and take into account the constraints of Holcim operations. Through this panel, IUCN has designed a very powerful tool that works as an excellent buffer between the scientific rigor expected from IUCN and the pragmatic mindset and tangible output required by the private sector. The composition of the panel was well balanced in terms of skills and expertise, and this has been a key success factor in the first phase of the agreement.

Moving into the second phase of the relationship is not only proof of the success of the first phase, but it is also an opportunity to build on what has been learned over the first four years. It also marks the beginning of the next stage of the multi-faceted journey to make biodiversity an integral part of the Holcim business.

The results of the IUCN-Holcim relationship up to now provide a model for how IUCN, and the wider environmental movement, can engage in a substantive cooperation with a large global corporation such as Holcim.

The need to reach out to the wider building materials sector, and provide the foundation for IUCN to engage with other sectors and other leading companies, are crucial if we, together, are to build a more sustainable future.

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