GS6 — Boosting sustainability innovation through biodiversity
Mr David Alvarez
CEO, Ecoacsa

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LAFARGEHOLCIM Building action for nature and people
Boosting sustainability innovation through biodiversity

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LAFARGEHOLCIM
2018 at a Glance

Who we are

As a global leader in building materials, we run 4 business segments:

- Cement
- Aggregates
- Ready-Mix Concrete
- Solutions & Products

Our focus is on solving our customers' building challenges, from individual homes to major infrastructure projects.

Innovative and forward-looking, we are prepared to face urbanization, population growth and climate challenges.

Employing around 75,000 people in around 80 countries, we are a globally diverse team.

Net Sales FY 2018 = 27.66 million CHF

5.1% Net Sales Growth (2017: 4.7%)

~ 48 mio CHF investments CSR projects

~ 15 mio direct beneficiaries
LAFARGEHOLCIM INTEGRATED PROFIT AND LOSS STATEMENT
A roadmap to prioritize strategic initiatives

MEASURE THE EXTENT OF OUR IMPACTS

INFORM OUR STAKEHOLDERS

ENHANCE DECISION MAKING PROCESS
"True Value" and "SROI" are the basis of strategic social investment decisions

INTEGRATED REPORT 2018

A Science-based tool is needed to value biodiversity and ecosystem services.
The oldest restored territorial units present more Ecosystem Services linked with biodiversity conservation goals, that those areas in agriculture use or under exploitation.
Older restored territorial units provide more social value, highlighting cultural ES, and ES provided from habitat with endemic or forestry species.
If traditional rehabilitation continued (mainly monoculture “pine” forest, agricultural land). Site Biodiversity index 2017: ~ 2.2

**Current situation**: More diverse habitats created through natural regeneration. Site Biodiversity Index 2017: ~ 3.5.

Over-all, the “targeted” rehabilitation approach will incur less cost (~ x savings) due to lower operating costs (less maintenance/preparation, higher survival rate).
NEXT LEVEL OF LH IMPACT VALUATION
Enable a long-term financial prosperity through performance beyond finance

“Long-term financial prosperity” by operationalizing impact valuation for business applications:

VALUE BALANCING ALLIANCE:
Disclose to customers and stakeholders the positive impact of LH on society, using an “accepted and comparable" impact valuation approach.
LH joined forces on a 3-years non-for profit organization sponsored by OECD to:
- Standardize a model and calculation tool
- Align external disclosures
- Make the outcome available via the OECD
- Improve transparency about value creation

Towards integrated reporting

Decisions & Actions

Reputation & comparability
UEPG (European Aggregates Industry) represents:

The aggregates sector is by far the largest amongst the non-energy extractive industries.

- Sand
- Gravel
- Crushed Rock
- Marine Aggregates
- Recycled Aggregates
- Manufactured Aggregates

The European (EU28+EFTA, 2017) aggregates production is 3 billion tonnes/year, representing an annual turnover of an estimated €15 billion.

The aggregates industry comprises 15,000 companies (mostly SMEs).

Aggregates demand is just on 6 tonnes per capita per year.

Producing at 26,000 sites (quarries and pits).

With just over 200,000 people employed (including contractors).
Aggregates extraction COMPATIBLE with Biodiversity

➢ Aggregates extraction sites, by their very specificities, can be natural biodiversity havens

➢ Biodiversity Management Plans help creating new habitats and attracting pioneer species throughout the life of aggregates extraction sites.

➢ A number of Natura 2000 areas have been designated on former & active extraction sites – which demonstrates the sector is an integral part of nature conservation areas and the Natura 2000 network.
UEPG Biodiversity Task Force

• Raising awareness on sustainable extraction practices
• Disseminating the practice of Biodiversity Management Plans
• Developing Biodiversity Indicators
• Communicating on innovative projects
• Exchange of good practices and case studies across Europe

+ UEPG Sustainable Development Awards – Special Category for Biodiversity