

## **Independent Expert Panel Visits Holcim Indonesia (September 2008)**

The 9-day country visit included a mix of meetings with Holcim Indonesia, site visits, and meetings with external parties with the following purpose:

- To learn about Holcim Indonesia's national operations – i.e. its national and local management structures, operational processes and activities on individual sites
- To study and obtain first hand impressions of a variety of Holcim sites in a developing country and build on the previous country visit to a developed country, Spain.
- To see onsite examples of biodiversity and social issues affecting Holcim's operation
- The visit was not to conduct a review or environmental assessment of Holcim Indonesia and its individual sites.

### Holcim Sites Visited

- Naragong cement plant and associated quarries
- Maloko aggregate quarry
- Cilacap cement plant and associated quarries
- Tuban future cement plant and jetty sites

### External Meetings organized by IUCN

- Ministry of Environment
- Ministry of Manpower and Transmigration
- Kehati, a biodiversity conservation grant making foundation
- Yayasan Pelangi, an Indonesian based think tank focusing on climate change

### External Meetings organized by Holcim Indonesia

- Village heads in Naragong, Cilacap, Tuban
- BMT Swadaya Pribumi, a community micro financing organization in Naragong
- District heads in Naragong, Cilacap, Tuban
- Regional planning head in Tuban
- Local community members in Maloko and Cilacap

### Main outcomes from the visit:

- The panel was impressed with the work of Holcim Indonesia – its general approach towards environmental and social issues, the standard of implementation of plans and policies in the field, the expertise of the staff, their openness towards new concepts and ideas and their innovation in thinking beyond the “cement box”.
- The concept of Solusi Rumah appeared to the Panel a good way of operationalising the strategic aim to evolve from “provider of cement” to “provider of healthy living conditions”. Since biodiversity is a part of good quality living environment, the company's effort in relation to biodiversity could provide an important additional dimension (and credibility) to the aspired strategic direction.
- Holcim's role in the Megacity Project is another example of Holcim innovative thinking about the future which the Panel was very interested to learn about – a theme that becomes more and more relevant (i.e. urgent) in many parts of Asia.



Solusi Rumah offers affordable housing solutions

### **Recommendations and conclusions by the Panel:**

- Although the purpose of the visit was not a formal evaluation of the Holcim operation in Indonesia, during intensive discussions with Holcim staff the Panel made many informal suggestions and recommendations about specific issues and sites.
- Generally, there seems to be a need for Holcim Indonesia to pursue a more pro-active communication strategy with regard to environmental and social initiatives.
- The Indonesia visit has brought into focus the following three key factors that are important for Holcim's biodiversity work.

Context: Planning for biodiversity-related actions on a specific site must be linked to and embedded in the local context and collaboration with competent local NGOs could be of great advantage.

Goal: All biodiversity-related work on Holcim sites, whether on-going rehabilitation or restoration after closure, must be guided by well defined and measurable goals and/or targets. A choice is required between two key strategic options for future land use: 1. If the site is of national or international biodiversity importance, the goal should be biodiversity-defined or 2. If the site is of local biodiversity value only, the goal of the biodiversity measures should be community-defined with benefits for the local communities.

Partnerships: For all biodiversity-related work on Holcim sites, the formation of partnerships with individual experts, NGOs, relevant government authorities and local communities is essential.

### **Conclusion and next steps:**

This was a two way learning experience and was also very beneficial to Holcim Indonesia (HIL). HIL acknowledged that they have focused on conservation, but have not had an overall biodiversity strategy. Tim Mackay, HIL CEO stated that he is "proud that Holcim has decided to work with IUCN" and appreciated the Panel's recognition of the company's efforts.

A joint meeting between IUCN, Fauna and Flora International (with a lot of active resources in Indonesia) and HIL will take place in the near future to explore how to implement some of the actionable recommendations identified by the panel during this visit.



Onsite fuelwood test plot at the Naragong plant