

## AIMING FOR SUSTAINABILITY

Several of the world's leading cement manufacturers are working together to finalise a strategic study that will help cement producers around the globe reach sustained levels of commercial success, whilst improving environmental performance and social responsibility over the next 20 years.

Dix des plus grands fabricants de ciment à l'échelle mondiale ont confié au "World Business Council for Sustainable Development" (Conseil mondial des entreprises pour le développement durable) la réalisation de la plus grande étude de développement durable jamais effectuée dans ce secteur. Faisant appel à des conseillers indépendants, le "Battelle Memorial Institute", pour garantir l'objectivité de l'étude, les résultats auront d'importantes implications pour les fabricants de ciment. L'étude permettra de mettre au point différents outils de gestion pratiques, dont le premier est un protocole de mesure du CO2 commun à l'ensemble du secteur et approuvé par le UNFCCC (Convention cadre des Nations Unies sur les changements climatiques), l'IPPC (Groupe intergouvernemental sur l'évolution du climat) et le WRI (Institut mondial des ressources naturelles).

Zehn der weltweit führenden Zementhersteller haben den World Business Council for Sustainable Development beauftragt, die größtangelegte Überprüfung der Umweltverträglichkeit, die je von der Industrie unternommen wurde, durchzuführen. Der Einsatz unabhängiger Gutachter vom Battelle Memorial Institute gewährleistet Objektivität, was dazu führt, dass die Ergebnisse der Untersuchung weitreichende Folgen für Zementhersteller haben wird. Eines der ersten Beispiele der praktischen Verwaltungsinstrumente, die als Folge der Untersuchung eingeführt wurden, ist ein industrieweites CO2-Bestandsprotokoll, dass durch das UNFCCC (Sekretariat der Klimarahmenkonvention der Vereinten Nationen), IPPC (Richtlinie zum integrierten Umweltschutz) und vom WRI (Welt-Ressourcen-Institut) unterstützt wird.

Diez de los productores de cemento más importantes del mundo han encargado al Consejo mundial de empresas para el desarrollo sostenible (World Business Council for Sustainable Development) que lleve a cabo la más importante revisión de la sostenibilidad que se haya realizado jamás en el sector. Contando con la participación de consultores independientes (el Battelle Memorial Institute) con el fin de garantizar la objetividad, los resultados del estudio tendrán consecuencias de gran alcance para los productores de cemento. Uno de los primeros ejemplos de las herramientas prácticas de gestión, elaborado como resultado de la revisión, es un protocolo de inventario acerca del CO2 que cubre todo el sector y que ha sido adoptado por la UNFCCC (Convención Marco de las Naciones Unidas sobre el Cambio Climático), la CIPF (Convención Internacional de Protección Fitosanitaria) y el WRI (Instituto Mundial sobre Recursos).

**T**oward a Sustainable Cement Industry' is a research programme designed to encourage individual cement producers around the world to achieve the social and environmental objectives first proposed at the 1992 Earth Summit in Rio de Janeiro. As the largest sustainability review project yet undertaken by the cement industry, the two-year-long, US\$7m WBCSD research is expected to have important implications. Sponsored by ten leading cement manufacturers – which produce about a third of the world's cement - it will provide a detailed insight into the effects of cement making on land use and the conservation of natural resources, such as clean air and water. At the same time, the project is also exploring how constructive relationships can be fostered with employees, local communities and other stakeholders who are directly and indirectly

affected by cement manufacturing.

In order to ensure objectivity and transparency, the WBCSD has commissioned the not-for-profit Battelle Memorial Institute to act as lead consultant on both the overall study and a series of thirteen sub-studies. These focus on issues ranging from climate change to minimising the cement industry's impact on land resources and determining key performance indicators. To ensure Battelle's independence, an external assurance group has also been convened as referees.

Third party views are crucial in reaching sustainable solutions. With this in mind, worldwide dialogues with key stakeholder groups have been a key component of Battelle's work. Details of the study's progress are also available online, at [www.wbcds-cement.org](http://www.wbcds-cement.org), so that non-governmental organisations (NGOs) and special interest groups can register their views. The study's results and recommendations will be published by Battelle in March 2002. The response of the ten cement producers to its recommendations will follow in the second quarter of 2002. These responses are expected to consist of both collective and individual company commitments with clearly defined targets, objectives and a reporting framework.

### Cement CO<sub>2</sub> Protocol

The project is already producing a range of practical management tools that can be used to imple-



ment initiatives that will move the companies towards a more sustainable future. One of the first tangible results is a global CO<sub>2</sub> inventory protocol. It has been independently verified and validated by KPMG and endorsed by a number of key global institutions, including the International Framework Convention on Climate Change, Inter-governmental Panel on Climate Change and the World Resources Institute. Participating cement companies believe that they are the first industry group to create such a widely-applied protocol.

### Good for business

Developing a global protocol on CO<sub>2</sub>, which an entire industry will hopefully adopt, is no mean feat for the participating cement companies and the WBCSD. It is a real example of the benefits that industry-wide studies – undertaken on this scale – can produce. While the WBCSD project underlines the industry's commitment to improving its sustainability, many of the cement producers concerned had already realised that by adopting a responsible environmental approach, their business improves. Many of the ten sponsoring companies have reported that, during discussions and presentations on the WBCSD work, their competitive advantage has been enhanced through the adoption of best practice.

While legislation in certain regions has forced environmental changes in some aspects of production and reporting, an important number of initiatives have been undertaken voluntarily: for many companies this has meant following a steep learning curve. Sustainable development is defined as 'meeting the needs of the present without compromising the ability of future generations to meet their own needs'. Explained more fully, the fundamental aim of sustainable development is to acknowledge and manage the impact that business activities have on living standards, lifestyles and environmental issues. These do not conventionally appear on corporate balance sheets. The concept of Sustainable

Development is frequently quantified as the 'triple bottom line' concept which suggests that individual companies should prepare to deliver:

- Social responsibility by considering the well-being of employees and communities
- Economic prosperity for both stakeholders and their own businesses
- Protection and conservation of the local and global environment

Most company decision-makers are already acutely aware of new pressures they are facing to meet these three aims. For a start, stakeholder power is growing. The definition of stakeholders includes environmental organisations, government officials, local customers and increasingly vociferous neighbours and special interest groups as well as a company's own shareholders.

Typically, stakeholders are now expressing concern about the effects of quarrying and processing on employment, health, job safety, amenity values, visual impact, pollution control, CO<sub>2</sub>, NO<sub>x</sub> and SO<sub>x</sub> emissions, volatile organic compounds, heavy metals, dust, noise, remediation, property values and many other associated issues. Environmental legislation, which is becoming increasingly stringent, also plays a role in many developed economies. To stay in business, producers now have to work with strict emissions standards, energy taxation, targeted levies and raw materials management practices.

### Positive response

Few would underestimate the size of the challenge facing the cement industry. Cement production is a very capital intensive industry, with the

cost of a new plant averaging some \$130m/Mt of cement produced. This implies very long payback periods equating to about three years worth of production revenue at a typical plant.

The cement industry's current work with the WBCSD reflects a growing enthusiasm to understand and invest in sustainable development. Howard Klee, programme manager at the WBCSD, believes this is very positive. "The cement industry may not yet have the same high profile, with regard to sustainable development, as other industries. However, the study currently being undertaken demonstrates that the major producers are now taking the issue very seriously. We hope that this study will provide the industry with a comprehensive roadmap towards a sustainable future. No-one expects the industry to be able to immediately implement all of the changes and improvements that are highlighted in Battelle's study. However, cement manufacturers are very serious about following through on the study's conclusions," says Klee.

Patrick Verhagen, who heads industrial ecology at Holcim, co-chairing the project team, states: "In many of the emerging nations where we operate, environmental legislation is often non-existent, or if there is regulation, it is not as controlled as in more developed countries," he says. "However, by implementing good practices globally, we benefit economically as well as supporting the environmental and social bottom lines of sustainable development."

Noel Morrin, international environment director of RMC Group, one of the ten study sponsors, adds further force to the argument, but points out that legislation is not the only driver for change. "Maximising the recovery and use of raw material is a priority for all manufacturing industries: cement producers are no exception. Recent developments in automation technologies have enabled us to improve the control of production processes dramatically. As an example, in the last 20 years, dust emissions from cement making have been cut by more than 90%." **GCL**

