

The three years Programme Agreement between Holcim and IUCN, signed on 19 February 2007, defines the key element of the relationship.

Extracts of the Agreement are provided below:

1. Overall purpose

The overall purpose of this Agreement (this "Agreement") is to enable the Parties to build a lasting relationship to develop robust ecosystem conservation standards for the Holcim Group, contributing to sector-wide improvements in the cement and related sectors.

2. Strategic Objectives

The strategic objectives of the collaboration between the Parties are to:

- a) Review and assess the approach of the Holcim Group to biodiversity conservation management, establish a baseline, and develop a more comprehensive corporate biodiversity policy and strategy for the Holcim Group.
- b) Explore, identify and develop joint initiatives of mutual interest and benefits, particularly those supporting sustainable livelihoods and biodiversity conservation.
- c) Promote good practice by sharing the learning with the wider industry and conservation communities.

3. Specific areas of cooperation

In the pursuit of aforementioned objectives, the Parties shall cooperate in the following two work streams:

- 3.1 The approach to biodiversity conservation management of the Holcim Group:
 - Establish a baseline of current practice and related policies, guidelines and commitments;
 - Establish, classify and categorize the Holcim Group site inventory using IUCN knowledge, information and expertise;
 - Review existing quarry rehabilitation planning and implementation;
 - Review the quality of Environmental and Social Impact Assessments at selected sites within the Holcim Group;
 - Assess the need and viability of site-specific biodiversity action plans (BAPs) as a tool to guide biodiversity conservation management over the lifetime of an extraction site;
 - Measure biodiversity impacts using biodiversity and ecosystem metrics, in order to determine whether current research undertaken in this area can be used to establish practical Key Performance Indicators (KPIs) for Holcim Group-specific site monitoring and biodiversity management; and
 - Develop a robust, pragmatic and comprehensive biodiversity policy and strategy, including guidelines and tools for the Holcim Group.

3.2 Joint sustainable livelihood initiatives:

- Explore and encourage the use of sustainably produced or sourced biomass as an alternative fuel;
- Identify synergies between the social engagement, sustainable housing initiatives and nature conservation activities within the Holcim Group that can be realized through collaborative efforts in select locations; and
- Generate joint projects through a matching fund mechanism potentially leveraged with additional third party funds, recognizing that it will require patience and sustained effort over an extended period given the time-consuming approval processes of donors, especially in the public sector.

In addition, the Parties may undertake any other project or activity, as they may agree in writing, consistent with the overall purpose of this Agreement. Among others, these may include the joint organization and/or participation in relevant events such as training courses, conferences and meetings.

4. Implementing the cooperation

4.1 Each Party shall nominate a dedicated Relationship Manager responsible (the "Relationship Manager") for the day-to-day management of the overall relationship as well as coordination of all the different projects to be implemented under this Agreement. The two Relationship Managers shall work closely together, maintaining regular communication with the Steering Committee, as defined in Article 7 below.

4.2 An annual work plan and annual budget for each successive year shall be prepared and approved before the commencement of each year. The Relationship Managers shall draft the annual work plan and annual budget, following the indicative three years budget in Annex 1, which forms an integral part of this Agreement, and submit it, by 1 September of the preceding year, to the Steering Committee for its approval. The Steering Committee shall decide on the annual work plan and annual budget by 1 October of the preceding year.

4.3 For the first year in the term of this Agreement, however, the work plan and budget shall be approved within three months following the signing of this Agreement or within such other time period as the Parties may agree.

4.4 An independent Standing Expert Panel shall be established to provide scientific and quality assurance support in select areas of Holcim activities. The Terms of Reference for the Panel, its expertise, and management procedures shall be agreed between the Parties within six months following the signing of this Agreement, and subject to the condition that IUCN shall have the complete freedom and authority to appoint, convene and manage the Panel, to ensure the independence of the Panel and the integrity of its work and outputs.

4.5 The Parties shall involve their field level operations and offices in carrying out the provisions of this Agreement wherever necessary and useful in the mutual opinion of the Parties.

4.6 The Parties shall also encourage their respective field operations and offices to engage at the local and field levels, in close collaboration and after prior approval of the Parties, in projects consistent with the overall purpose and strategic objectives of this Agreement, and shall require them to report any such engagement and progress there under, to the Relationship Managers to ensure coherence and synergy in organization-wide collaboration. The annual work plan shall reflect the relevant components of local projects or Agreements.

4.7 The activities for *ad hoc* engagement that cannot be specifically envisaged at this stage, as well as the specific activities under Article 3.2 that remain to be further defined, shall be discussed and agreed, along with the necessary budget and financing, between the Parties on a case by case basis.

6. Measures to strengthen the capacity of partners to implement their commitments

6.1 Within the first six months during the term of this Agreement, Holcim, at its own costs, shall provide one person on a secondment to IUCN (on a full time basis for 12-18 months) to assist primarily in the mapping exercise (Article 3.1), and to additionally function as a liaison with the Standing Expert Panel. The person so seconded shall be assigned to the Species Programme of IUCN and shall report to the Head of the Species Programme. The Terms of Reference for the secondment shall be developed and agreed in writing between the Parties prior to the commencement of the secondment.

6.2 At an appropriate time the Parties shall discuss the provision of a secondment from IUCN to Holcim, at the latter's expense, with the objectives to support Holcim in drafting elements of its corporate biodiversity policy and strategy envisaged in Article 3.1 above. The term of the secondment and its Terms of Reference will be developed and agreed between the Parties prior to the commencement of the secondment.

7. Governance

7.1 The overall relationship shall be governed by a Steering Committee composed of up to three (3) representatives from each Party including IUCN Director, Global Programme, and the Senior Vice-President of Holcim responsible for the relationship, and supervisors of the Relationship Managers of the two organizations.

7.2 The Relationship Managers shall be *ex-officio* members of the Steering Committee and shall, together, serve as its secretariat.

7.3 A minimum of two (2) Steering Committee meetings shall be held annually at venues to be agreed by the Parties. The meetings shall be co-chaired by the most senior representatives of IUCN and Holcim, present at the meeting. Guests may be invited.

9. Transparency and confidentiality

9.1 The Parties commit to transparency in this Relationship. Neither Party shall unreasonably hold information confidential. However, where for commercial, strategic or other reasons, one Party designates any information confidential, the other Party shall abide by the confidentiality requirements with respect to such information.

13. Evaluation and review

13.1 The relationship established through this Agreement shall be reviewed annually by the Steering Committee and its findings shared by the Relationship Managers with their senior management respectively.

13.2 Together, the Relationship Managers shall develop some practical indicators and shall advise the Steering Committee, no later than its second meeting, of such indicators against which progress shall be assessed.

13.3 The Relationship Managers shall be responsible for ensuring that data is generated and gathered in a form and manner that enables an objective assessment of the progress by the Steering Committee.

13.4 At the end of the third year and prior to the Expiration Date, an external assessment of this Agreement shall be undertaken, which shall form the basis for defining the need, nature and scope of a possible follow-up agreement.