CEMEX- BIRDLIFE INTERNATIONAL PARTNERSHIP

BIODIVERSITY SCOPING STUDY

An assessment of CEMEX sites' biodiversity enhancement opportunities

EXECUTIVE SUMMARY

Including country results

October 2010

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SUMMARY

During 2008 and 2009, as part of their global partnership, CEMEX and BirdLife International carried out a Biodiversity Scoping Study with the aim to provide a solid basis for developing a corporate biodiversity strategy. This study prioritizes all the 543 CEMEX cement and aggregates operations worldwide in terms of biodiversity sensitivity and opportunities, based on both their proximity to areas of importance for biodiversity and their current biodiversity management practices. It represents a significant milestone of the CEMEX-BirdLife partnership and differentiates CEMEX within the industry by the rigorousness of its biodiversity approach.

Out of the 543 CEMEX sites assessed, half are located within two kilometers of an area of high biodiversity value, including 131 sites that overlap with such an area. Of the overlapping sites, 70 have potential to enhance biodiversity management and require further investigation to ensure that impacts on biodiversity are appropriately considered. The study differentiates the sites according to their national, regional or global relevance. Out of the 70 priority sites, 58 are overlapping with areas of national or regional importance; and 12 sites have a global relevance.

Following on from the study, the strategy adopted to progressively improve the company's management of biodiversity issues is as follows. Firstly, corporate guidelines on biodiversity management will be provided through the development of a Biodiversity Action Plan standard. Secondly, potential opportunities for the priority sites will be confirmed on the ground and site Biodiversity Action Plans will be developed and implemented by 2015. Finally, communication on biodiversity issues will be enhanced so as to raise awareness of biodiversity among line managers and their teams and to give more external visibility to the successful initiatives already existing within CEMEX.

The Biodiversity Scoping Study also provides CEMEX operations with new tools, including maps and databases providing detailed information on the biodiversity features of each operational site, which can directly inform site-level decision making.

1. STUDY OBJECTIVES

The Biodiversity Scoping Study is the first step in developing a corporate strategy, in addition to existing local strategies, to maximize the company's contribution to biodiversity conservation. It aims to:

- Prioritize CEMEX cement and aggregates operations worldwide in terms of biodiversity enhancement opportunities based on their proximity to areas of importance for biodiversity and their current biodiversity management practices.
- Provide CEMEX operations with a set of tools and information describing the main biodiversity issues of each site. This will aid operational managers in better understanding the biodiversity context in which they operate and in improving their biodiversity management.

The study covers 543 cement and aggregates sites in 22 countries, both plants and quarries. It focuses on these businesses because of their closer interrelation with biodiversity issues compared to other businesses of the company (ready-mix, asphalt, etc).

2. METHODOLOGY AND MAIN FINDINGS

The Biodiversity Scoping Study took place in three main steps and particular findings were documented for every step as follows:

- ### STEP 1 - GEOGRAPHICAL MAPPING OF CEMEX SITES AND ASSESSMENT OF THEIR PROXIMITY TO AREAS OF HIGH BIODIVERSITY VALUE

The first step of the study consisted of mapping all 543 CEMEX cement and aggregate sites and assessing their proximity to areas of high biodiversity value, assuming that the closer a site to a biodiversity area, the likelier the occurrence of an impact, but also the greater the potential for interesting biodiversity initiatives at the site.

This was done with a Geographic Information System (GIS). Precise locations of each CEMEX site were provided by CEMEX operations. BirdLife provided the delineation of more than 97,000 biodiversity areas[1], all of them being recognized by different entities such as international conventions, governments or major conservation NGOs.

The CEMEX sites were classified into three categories based on their proximity to the high biodiversity value areas mapped:

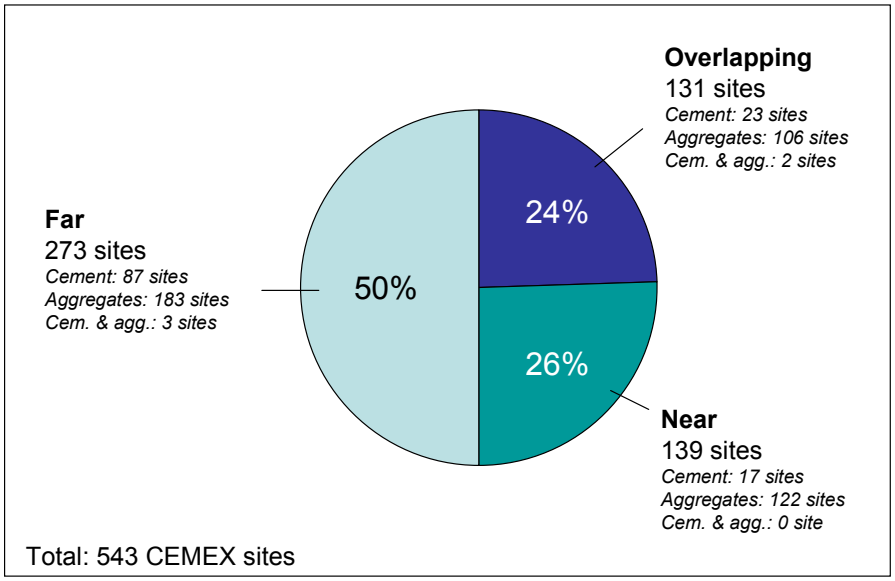
- Overlapping: sites partly or entirely located inside at least one biodiversity area
- Near: sites from which the closest biodiversity area is 0 to 2 km away
- Far: sites from which the closest biodiversity area is more than 2 km away

As shown in Figure 1, the result of this classification is that 50% of the CEMEX sites are located within 2 km from a biodiversity area, including 24% - 131 sites - that overlap with such an area. Overlapping

[1] International Protected Areas, National Protected Areas, Natura 2000 areas for European countries, Important Bird Areas, Key Biodiversity Areas, Globally Threatened Bird Species distribution, and Endemic Bird Areas. Definitions can be found in the full study report.

CEMEX sites are the sites with the greatest sensitivity, but also with the greatest opportunities, compared to the other categories. They are thus the focus of further analysis taken in steps 2 and 3.

Figure 1 - Number and percentage of CEMEX sites in the Overlapping, Near and Far categories



Another output of this step is a set of maps and databases giving quantitative and qualitative information on the biodiversity areas surrounding each CEMEX site. Maps and databases can directly inform site-level decision making.

- **STEP 2 - CATEGORIZATION OF OVERLAPPING CEMEX SITES, ACCORDING TO THE BIODIVERSITY IMPORTANCE OF THE AREAS THEY OVERLAP**

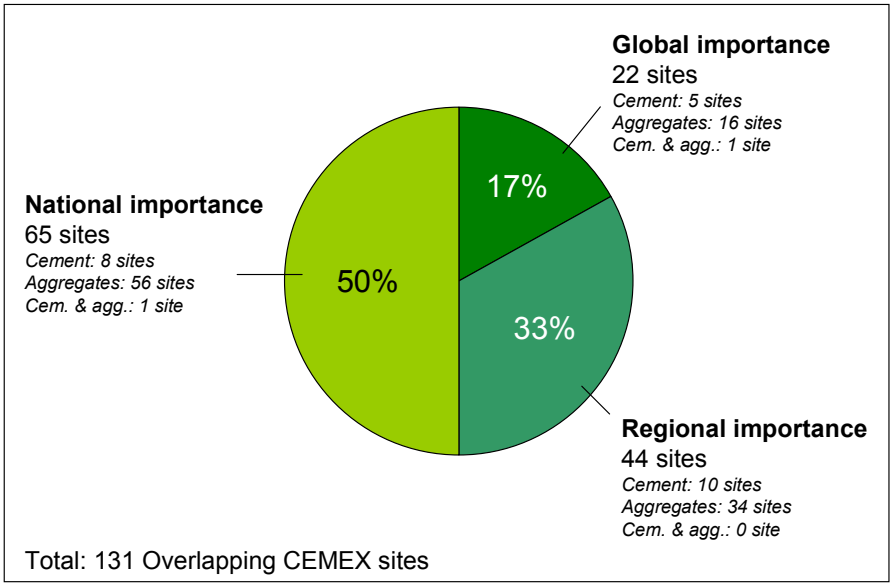
The second step of the Biodiversity Scoping Study was dedicated to a further prioritization of the 131 Overlapping CEMEX sites, looking at the biodiversity value of the areas they overlap.

The biodiversity areas considered in the study are all of significant concern for conservation. However, they do not all have the same level of importance in terms of biodiversity value and conservation interest. For the purpose of the study, they were classified into three categories as follows (from the most to the least important): areas of Global Importance, areas of Regional Importance and areas of National Importance; as shown in figure 2.

Biodiversity areas of Global Importance have the greatest value at global level because of the richness of the species and habitats they shelter and/or because they are critical for the conservation of particular species and habitats that are globally threatened.

Biodiversity areas of Regional Importance are important at the regional level but not at the global level. Biodiversity areas of National Importance are important at country scale but not at regional or global level.

Figure 2 - Number of Overlapping CEMEX sites, according to the importance category of the biodiversity area they overlap



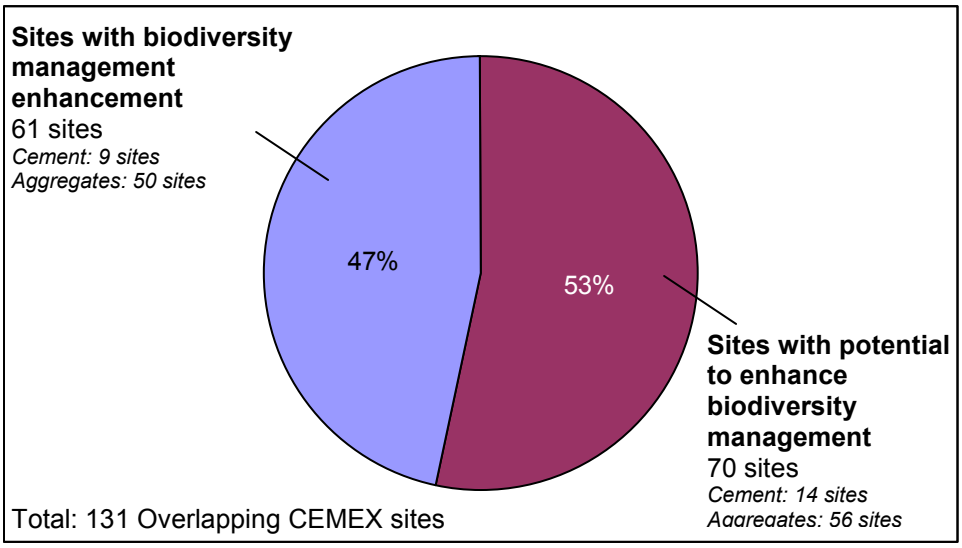
- **STEP 3 - ANALYSIS OF THE MANAGEMENT PLANS IN PLACE TO ADDRESS BIODIVERSITY ISSUES AT OVERLAPPING CEMEX SITES**

This analysis was based on biodiversity management practices at the sites. In the absence of harmonized country regulation, internal requirements were set for the purpose of the study: (i) the sites should have carried out an environmental impact assessment (EIA) and, to the extent not already in existence, established a rehabilitation plan; (ii) these EIA and rehabilitation plans should meet certain criteria to ensure that they integrate biodiversity issues.

As shown in Figure 3, the result of the analysis is that 53% of the Overlapping sites have potential to enhance biodiversity management. These sites require further investigation to identify the specific enhancement opportunities.

It should be noted that a number of sites were found to have already implemented voluntary conservation projects, often with the local BirdLife Partners or other conservation organizations. As part of the future biodiversity strategy of the company, these exemplary practices will be promoted through the development and communication of case studies.

Figure 3 - Number of Overlapping CEMEX sites depending on the plans assessment results



- **CLASSIFICATION OF SITES WITH ENHANCEMENT OPPORTUNITIES**

Finally, as a result of steps 1, 2 and 3, the Biodiversity Scoping Study classifies the sites according to their national, regional or global relevance, as shown in Figure 4.

Figure 4 - Classification of CEMEX Overlapping sites according to the biodiversity importance of the areas they overlap and to the management plans in place to address biodiversity issues

	No. sites with potential to enhance biodiversity management	No. sites with biodiversity management enhancement	Total
No. sites in areas of Global Importance	**12**	10	22
No. sites in areas of Regional Importance	25	19	44
No. sites in areas of National Importance	33	32	65
Total	70	61	131

Figure 5 - List of the 12 Priority Sites

Region	Country	CEMEX site name	Business type
Americas	Colombia	Planta Bucaramanga-Aporte 019	Cement
	Colombia	Planta Bucaramanga-La Nacuma	Cement
	Dominican Republic	Concesión El Alcalde, S. Pedro Macorís-Las Salinas Barahona	Cement
	Mexico	Hermosillo Cement Plant-Cerrito Blanco Open Pit Mine	Cement
	Mexico	Planta Agregados Morelia	Aggregates
EMEAA	Ireland	Rossmore Co. Cork (A)-Rossmore Co. Cork (B)	Aggregates
	Malaysia	Kelantan Plant - Timor Barat Batu Sdn Bhd Quarry	Aggregates
	Spain	Camporreal	Aggregates
	Spain	Soto Pajares	Aggregates
	UK	Middleton Plant	Aggregates
	UK	Raynes Plant	Aggregates
	UK	South Ferriby Cement Plant and Quarry	Cement

3. NEXT STEPS

Following on from the Biodiversity Scoping Study, CEMEX, with the help of BirdLife, will focus the partnership activities on the following priorities:

First, to develop a Biodiversity Action Plan standard, setting out the necessary components for a plan to adequately address the potential to enhance biodiversity management.

Second, for the priority sites to check the biodiversity issues and management practices on the ground and to implement site Biodiversity Action Plans, where possible with the involvement of the local BirdLife Partner organizations.

Then, progressively to ensure that all the sites overlapping with biodiversity areas adequately enhance their biodiversity management. The ambition is to have Biodiversity Action Plans established for all these sites by 2015.

Finally, to increase the communication on biodiversity issues, so as to raise biodiversity awareness among line managers and their teams and to give more visibility to the successful initiatives already existing within CEMEX.

4. APPENDIX: COUNTRY SPECIFIC RESULTS

This section provides detailed results of the 3 main steps of the study by region and country, as well as an overview of the tools developed for CEMEX operations.

Figure 6 - Number of CEMEX sites in the Overlapping, Near and Far categories by region and country

Region	Country	Number of OVERLAPPING sites	Number of NEAR sites	Number of FAR sites	Total number of CEMEX sites in the country
Americas	Colombia	2	2	16	20
	Costa Rica	0	0	2	2
	Dominican Republic	1	0	3	4
	Mexico	4	2	44	50
	Nicaragua	0	0	5	5
	Panama	0	1	1	2
	Puerto Rico	0	0	4	4
	USA	10	24	91	125
EMEAA	Croatia	0	1	4	5
	Czech Republic	2	3	4	9
	Egypt	0	1	3	4
	France	12	8	21	41
	Germany	29	13	3	45
	Ireland	9	9	9	27
	Israel	1	7	3	11
	Latvia	0	1	2	3
	Malaysia	1	0	2	3
	Philippines	0	0	5	5
	Poland	0	1	13	14
	Spain	18	24	14	56
	Thailand	0	0	1	1
	UK	42	42	23	107
Total Americas		17	29	166	212
Total EMEAA		114	110	107	331
Total CEMEX		131	139	273	543

Reminder: CEMEX sites are classified in Overlapping, Near and Far categories based on their proximity to important biodiversity areas:

- Overlapping: sites partly or entirely located inside at least one biodiversity area
- Near: sites from which the closest biodiversity area is 0 to 2 km away
- Far: sites from which the closest biodiversity area is more than 2 km away

The distance is measured edge to edge. The total number of CEMEX sites considered in the study is 545.

Figure 7 - Number of Overlapping CEMEX sites according to the importance category of the biodiversity areas they overlap, by region and country

Region	Country	Number of sites in biodiversity areas of GLOBAL IMPORTANCE	Number of sites in biodiversity areas of REGIONAL IMPORTANCE	Number of sites in biodiversity areas of NATIONAL IMPORTANCE	Total number of Overlapping sites
Americas	Colombia	2	0	0	2
	Dominican Republic	1	0	0	1
	Mexico	2	0	2	4
	USA	0	0	10	10
EMEAA	Czech Republic	1	1	0	2
	France	2	6	4	12
	Germany	5	3	21	29
	Ireland	2	5	2	9
	Israel	0	0	1	1
	Malaysia	1	0	0	1
	Spain	2	16	0	18
	UK	4	13	25	42
Total Americas		5	0	12	17
Total EMEAA		17	44	53	114
Total CEMEX		22	44	65	131

Figure 8 - Number of Overlapping CEMEX sites depending on the plan assessment results, by region and country

Region	Country	Number of sites WITH BIODIVERSITY MANAGEMENT ENHANCEMENT	Number of sites WITH POTENTIAL TO ENHANCE BIODIVERSITY MANAGEMENT	Total number of Overlapping sites
Americas	Colombia	0	2	2
	Dominican Republic	0	1	1
	Mexico	0	4	4
	USA	2	8	10
EMEAA	Czech Republic	2	0	2
	France	12	0	12
	Germany	24	5	29
	Ireland	4	5	9
	Israel	0	1	1
	Malaysia	0	1	1
	Spain	4	14	18
	UK	13	29	42
Total Americas		2	15	17
Total EMEAA		59	55	114
Total CEMEX		61	70	131

5. CEMEX-BIRDLIFE INTERNATIONAL GLOBAL PARTNERSHIP

The CEMEX-BirdLife International Global Partnership

CEMEX established a ten-year global partnership with BirdLife International in December 2007. Through this collaboration, CEMEX seeks to achieve the following goals:

- To refine CEMEX biodiversity-related strategies, policies, and operational practices so as to manage potential impacts and maximize contribution to nature conservation.
- To raise awareness among CEMEX employees and stakeholders about the importance of biodiversity.
- To create additional opportunities to build links with local communities through environmental conservation initiatives.
- To strengthen the relationships between CEMEX operations and the local BirdLife Partners at country level.
- To contribute to wider conservation initiatives with targeted benefits for birds, biodiversity and people.

With BirdLife Partners operating in over one hundred countries and territories worldwide, BirdLife International is collectively one of the world's largest NGOs and provides a global outreach that very well matches the global distribution of CEMEX operations. BirdLife is the leading authority on the status and conservation of birds and their habitats both at global and local scales and thus provides CEMEX with technical expertise, access to wider stakeholder networks and improved credibility in terms of conservation ability.