

Stakeholder Dialogue for the World Business Council for Sustainable Development Toward a Sustainable Cement Industry Project

Dialogue Summary
Bangkok, Thailand
December 12 – December 14, 2000

Dialogue Team

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Thailand Overview

Population	59,600,000
Official Language	Thai
Area	510,890 km ²
Density	117 Inhabitants/km ²
Urbanization	20%
GNP per capita	US\$ 2740
Per capita cement consumption	315kg
Nationwide Cement Market Size	19 Million tones
Nationwide Capacity	53 million tones annually
Estimated Growth through 2003	3-5% a year

Cement Company	Capacity	# of Plants
Siam Cement	21.85 Mta	6
Siam City Cement	12.35 Mta	1
TPI Polene	9.0 Mta	1
Italcementi (Jalaprathan Cement) (Asia Cement)	6.3 Mta	3

Source: Global Cement Report from International Cement Review, 2000

I. Introduction

Following is a summary from the World Business Council for Sustainable Development's stakeholder dialogue session on *Toward a Sustainable Cement Industry* project held in Bangkok, Thailand, December 12 – December 14, 2000. The three-day workshop involved over 30 representatives from various parts of the country to provide a national picture of the cement industry and its associated sustainable development issues. Participants included individuals from business, government, non-government organizations, universities, the cement industry, and the local community. In addition to the structured dialogue, seven interviews were conducted with leaders from business groups, academia, and government in and around Bangkok prior to the group session. (See participant list and interviewee list in Attachments A and B, respectively).

The meeting in Bangkok was the second in a series of four stakeholder dialogues being held in various parts of the world in the conduct of the WBCSD's *Toward a Sustainable Cement Industry Project*. National and local perspectives on the types and significance of issues associated with moving the industry toward a sustainable future are valuable for the project team to understand and address within the performance of the project. Therefore, stakeholder dialogue sessions in Brazil, Thailand, Portugal, and Egypt provide an opportunity to directly interact with a diversified group of stakeholders. The objective of these sessions is to learn views on the sustainability issues associated with the cement industry and to validate or refine previous efforts to identify stakeholder concerns.

II. Project Overview

The *Toward a Sustainable Cement Industry* project is one of several WBCSD member-led activities. The project was developed by the companies supporting the effort: CEMEX, Cimpor, Heidelberger Zement, Holderbank, Italcementi, Lafarge, RMC, Siam Cement, Ssangyong, Taiheiyo, and Votorantim. The project will explore sustainability issues related to the cement industry, with input from a broad range of stakeholders. The result will be an action plan for the cement industry to adopt more sustainable practices, while considering environmental, social, economic, and governance issues facing the industry over the next 20 years.

The dialogue event in Bangkok was supported by the Thailand Environment Institute (TEI), who helped organize the workshop and interviews, and by Siam Cement, a local Thai cement company participating in the project. The stakeholders who generously gave their time provided the contributions and insight that were sought in order to capture a local perspective on the cement industry. The intent of this group of dialogues is to develop a picture of stakeholder issues with an appreciation for their regional variability or commonality.

III. Summary of Dialogue Event

The event began with key stakeholder interviews to learn the views of high-level stakeholders on the economic, environmental, and social issues associated with the future development of the cement industry within Thailand. The objectives of the interviews were two-fold, 1) to improve the scope, focus and content of the study and 2) to provide a "jump start" to the group dialogue

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sessions to take place during the following days. Results of the interviews were shared with the dialogue participants as a prelude to the group breakout sessions. (Interview participants, questions, and key findings can be found in Attachment B).

The group dialogue event started with a dinner the evening of December 12. This activity welcomed stakeholders and allowed them to become acquainted with one another, the project team, facilitators, and interpreters. During this dinner, Dr. Chaiyod Bunyagidj, Vice President of the Thailand Environment Institute, made introductions, and Mr. Bruce Vigon, Battelle project manager presented a project overview to participants.

The second day began with a tour of Khao Wong Cement Plant, a local cement plant operated by Siam Cement. Stakeholder participants were given the opportunity to discuss environmental, health, and safety issues with the plant manager and operational staff. The afternoon session consisted of a keynote address on sustainability by Dr. Chongrak Polprasert, Professor and Dean of the Asian Institute of Technology and an overview of the National Cement Industry by Mr. Kalin Sarasin, Secretary General of the Thailand Fellowship of Cement Manufacturers. Dr. John Ehrmann of Meridian Institute set the stage for the next day's breakout sessions by reviewing the goals of the event and by discussing the role of facilitators during the breakout sessions. Facilitators would generate discussions around a general topic and allow the group to exchange ideas openly. Further information regarding the breakout groups is contained in the next section.

IV. Summary of the Breakout Sessions

In order to better understand and evaluate the global concerns related to sustainability for the industry, various areas were investigated to provide input into the final "blueprint for sustainable development" for the industry. For the breakout session on December 14, three breakout groups addressed three "clusters" of issues. Participants were divided between the groups based on their backgrounds and experience. Previously defined questions were used to guide the discussions, but not to restrict them. The questions were organized among the following three clusters. A complete list of questions can be found in Attachment A.

- **Communication, Dialogue, and Social Aspects:** Areas include stakeholder dialogue and communication approaches and contributions to socio-economic development
- **Business Practices and Governance:** Areas include public policy instruments, innovations, key performance indicators, and the promotion of sustainable development
- **Technology, Environment, and Innovation:** Areas include climate change mitigation; environmental, health, and safety performance; land use and biodiversity, and industrial ecology.

The following summary seeks to synthesize the key messages from the dialogue session. Readers should recognize that there were many differences in personal perspectives and that the following is a generalization of the dialogue. The summary text does not fully represent the richness of the comments received or illustrate the personal emotion of the participants generated during the discussions. However, this summary does encapsulate the key points made by the breakout groups.

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Key Points from Breakout Sessions

Communication, Dialogue, and Social Aspects:

- Community representatives would like for the local communities to be made aware of real environmental problems, and what the real causes are (cement manufacture or quarrying, etc.). The industry should initiate engagement and include local villagers as well.
- Communication is important and companies need to improve internal and external communications to be effective. Improved internal communications can be used to promote better external communications.
- Because cement plants are often built at greenfield sites, villages will often develop around the plant. Therefore, it is important for companies to understand how their plans for plant operations may be affected if they will be operating in the middle of a community. Local communities around cement plants have high expectations of support from the plants.
- Local communities often do their own informal environmental monitoring (often based on visual analysis of dust). This information will then be presented to companies or to the local government.
- The community wishes to have their land rehabilitated after quarries are worked out. In addition, they would like to have a point of contact in the cement companies if any problems from the local quarry should raise community concerns (e. g. a landslide or other environmental concern).
- Illegal quarrying in the area is a big concern. The local community would like to engage illegal operators through the support of a reputable company that could discuss the advantages and practices of operating appropriately. (e. g. Siam could promote good practices.)
- An improved communication system is needed between the district and central government regarding who will have control over the use of local taxes to be spent on local projects.
- Communication with academia, government, and business needs to be initiated. One idea would be to create an advisory committee, consisting of state agencies, communities, plant personnel, temples, and the district chief, or the governor, whose role would be to improve the local community area.
- Waste management needs to be addressed (as the kilns could provide waste disposal), but training needs to be given to individuals who could manage waste projects. (e. g. Siam City Cement has been helping with skill training).

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- Both the community and companies view media as an inefficient means of communication. Direct channels between stakeholders and companies need to be established.
- Increased external communication is needed to publicize the industry's actions and goals, to ensure that the community sees the advantages of the factory (such as more jobs), and to improve access to the community (especially at the grass roots level).

Business Practices and Governance:

- "Sustainable Development " is an abstract concept that needs a practical definition. As it is currently stated it is difficult for people, especially non-experts, to understand what should be done.
- The government sector, the private sector, and the community need to be involved in regulation development in order to understand impacts on society, environment, and technology and to advance in a way that allows business to continue, for people to live in good health, and for technology to be encouraged.
- A company's reputation is critical to success. Siam Cement feels that a good reputation leads to employee and customer loyalty, which in turn leads to responsibility and profitability. Alignment toward this philosophy is needed from senior management throughout the company.
- Cement companies should identify a sustainability philosophy and select suppliers with a compatible philosophy in order to green the supply chain.
- Companies should establish a "cement industry society" to organize a local symposium on a yearly basis with suppliers and a technical symposium to involve manufacturers and suppliers.

Technology, Environment, and Innovation:

- The industry needs to better implement eco-efficiency concepts to improve existing operations, improve product shelf-life, and to utilize wastes in production. It is also important for new ideas to be tested locally because the Thai people do not trust new concepts that have only been tested in other regions.
- The companies should consider climate change issues. Possible advancements would be to reduce thermal energy, to reduce electricity consumption, and to substitute alternative materials.
- The industry needs to implement a 20-year vision around sustainability to respond to SD and to encourage competitiveness. Initiatives could include a guideline for good manufacturing practices, benchmarking practices, standardized performance indicators, sustainability reporting, efficient use of cement, improved products, waste exchange management, and the adoption of a national Thai standard.

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V. General Comments

In general, attendance for this meeting was very good. Participants were extremely pleased that they were given the opportunity to participate and were very interactive. Conversations could have gone on for much more than the allotted time period. This was counter to the initial concerns on the part of the dialogue organizers who were uncertain whether participants would speak up in a group setting. Dialogue results, combined with other local perspectives from around the globe, will provide insight into local and global concerns and will aid in the direction of the study. Participants appeared to be enthusiastic about the session and felt it offered a model for future conversations. These types of dialogues were considered as a tool for citizens to communicate effectively with both governmental agencies and industry. All participants are looking forward to follow-up in the community.