



**United Nations Global Compact – Lafarge’s 2014 Communication on Progress (COP)  
Chief Executive Officer Statement**

I am pleased to confirm Lafarge’s continued adherence to the Global Compact Principles in 2014 as well as its renewed commitment to work with the UN on promoting sustainable development as a Global Compact LEAD company. Hereafter follows a summary of the progress made by Lafarge in 2014 with regard to the Principles as well as an outlook on the pursuit of our sustainability journey in the context of our merger project with Holcim.

**Environment:**

Climate change is one of today’s biggest global challenges. Lafarge intends to be a key contributor towards the development of solutions for a carbon-neutral, zero waste circular economy. The entire life cycle of our materials, from production to their use, is taken into account in our actions to mitigate climate change. It is a search for innovative answers, to both reduce the impact of our industrial sites and provide solutions to meet societal challenges. This includes improving energy efficiency in buildings and contributing towards building better cities, aiming to make them more compact, more durable, better connected and more beautiful. In 2014, we further reduced our direct CO<sub>2</sub> emissions by 4kg per ton of cement and increased our use of alternative fuels to 20,7%<sup>1</sup>.

Our commitment to sustainable development goes beyond climate change and addresses all dimensions of our responsibility. That is why we have defined an ambitious roadmap covering the management of all natural and social capital, which has enabled us to accelerate progress in 2014. Special concretes with high sustainability characteristics (such as Agilia®, Thermedia® and Hydromedia®) are sold in 27 countries and make up over a third of our concrete sales. We launched our Group Biodiversity Strategy on International Biodiversity Day (22 May). It was developed in conjunction with WWF and in consultation with the Group’s International Biodiversity Panel, and includes a commitment not to open new quarries in protected areas IUCN I & IUCN III (a first for the sector) and World Heritage Sites.

It is such innovative programs responding to societal needs and enabling business growth that will allow us to contribute positively to the future of cities, society and nature.

**Promoting Human and labor rights:**

Lafarge adheres to major UN frameworks: the Universal Declaration on Human Rights, the Declaration on the Rights of Indigenous People and the Guiding Principles on Business and Human Rights. We are also a member of the association *Entreprises pour les Droits de l’Homme* in France. In 2014 Lafarge pursued the implementation of the Global Framework Agreement on Corporate Social

---

<sup>1</sup> Consolidated according to financial standard IFRS11 (17.4% when consolidated for entities under the Group’s management control)

**Lafarge S.A.**

Responsibility and International Industrial Relations signed with BWI<sup>2</sup> and IndustriALL Global Union in 2013. It covers forced and child labor, discrimination, protection of migrant workers, freedom of association, compensation, working hours, health and safety and working conditions among others and also applies to subcontractors.

**Managing the risk of corruption:**

Engagement with national governments mainly relates to our license to operate. Specific procedures against fraud and corruption are in place at all businesses to avoid complicity in corruption issues. Group approval rules require all intermediation and business development related contracts above €300,000 to be validated by the Group Executive Vice President and the Group General Counsel and above a certain threshold, by the Group Chief Executive Officer. Below this threshold, the Country CEO must approve all such contracts. Specific rules also apply in countries concerning participation in political action. Policies are in place to ensure transparency and compliance with national regulations. Dialogue is also maintained with anticorruption organizations and business organizations to foster continuous improvement.

In 2014 there were no reported corruption cases, nor any report of human rights breaches.

**Outlook on the future:**

In 2015 we will continue progress towards our Sustainability Ambitions 2020. Fatalities within our business remain unacceptable and we will refocus our efforts to ensure progress in 2015. The challenge presented by climate change is transforming our business. The speed of innovation across the entire business – from our manufacturing processes to product solutions - is accelerating to address these challenges, creating more value and enhancing competitiveness.

Sustainability will remain a key driver of value creation in the new Group resulting from the merger with Holcim: we will leverage the most geographically diverse operational portfolio and proven expertise of our teams to fulfil even more ambitious goals. LafargeHolcim will be at the forefront of the sector in ensuring the needs of customers and markets in over 90 countries are met in a sustainable way.

The merger project presents us with a great opportunity and major responsibility.

Sincerely yours,

L A F A R G E S . A .



Bruno Lafont  
Chairman and Chief Executive Officer

---

<sup>2</sup> Building and Wood Worker's International