

# Building on ambition

Corporate Sustainable Development Report 2014



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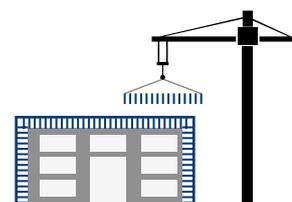
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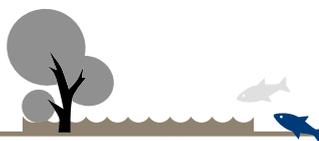
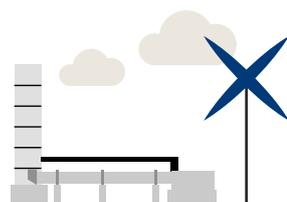
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## Summary of progress against current targets

The following is a summary of our progress against our main sustainable development performance targets.

Area	Target	Progress	Target date	Status 2014
<b>Holcim Sustainable Development Ambition 2030</b>				
SEnSo	By 2030, we aspire to generate one-third of our revenue from our portfolio of Sustainability Enhanced Solutions	See page 19	2030	7% of revenues (estimated)
Climate	Achieve no net increase in CO <sub>2</sub> emissions vs 2013 <sup>1</sup>	See page 22	2030	Methodology to measure this is under development
	Reduce specific CO <sub>2</sub> emissions by 25% compared with 1990 levels	See pages 22 & 33	2015	23.9%
	Reduce specific CO <sub>2</sub> emissions by 30% compared with 1990 levels	See pages 22 & 33	2020	
Resources	Use 1 billion tonnes of secondary materials between 2013 and 2030	See page 25	2030	75.1 million tonnes (accumulated)
	Achieve a Thermal Substitution Rate of 20%	See pages 26 & 34	2020	14.0%
	Use 10 million tonnes of construction and demolition waste and other alternative aggregates	See page 25	2020	2.6 million tonnes
	Positive impact on water resources in water-scarce areas	See page 27	2030	Methodology to measure this is under development
	Define our operational water footprint across all sites	See page 27	2015	Work in progress
	Improve water efficiency by 20% compared with 2012 and meet water-quality criteria in all sites	See page 27 & 36	2020	Cement -30% Aggregates -37% <sup>2</sup>
	Positive change for biodiversity across the Group	See page 28	2030	Work in progress
	Implement Biodiversity Action Plans for all sensitive sites	See page 28 & 35	2015	94%
	Assess the biodiversity quality at all our extraction sites	See page 28	2020	In piloting stage
Community	Impact 100 million people at the base of the pyramid between 2013 and 2030, progressively focusing on inclusive business solutions	See page 29	2030	By end 2014 10.4 million people had benefitted from our strategic social investment and inclusive business initiatives in 2013 and 2014
	40 million people at the base of the pyramid to benefit from our strategic social investment and inclusive business initiatives between 2013 and 2020		2020	
<b>Other targets</b>				
OH&S	Reduce lost-time injury frequency rate to below 1 and total injury frequency rate to below 5	See pages 13 & 38	2014	LTIFR: 1.6 TIFR: 4.8
Community involvement	Every Group company to have a community engagement plan covering all sites	See pages 30 & 38	2012	92%
Management systems	ISO 14001 implemented by all cement plants and alternative fuels and raw materials (AFR) pre-treatment platforms	This is a rolling target as newly acquired Group companies require time to implement management systems. See performance data table on page 33.	Ongoing	Cement 94% AFR 93%
Air emissions	Reduce global average specific nitrogen oxides, sulfur dioxide and dust emissions (g pollutant/tonne cementitious materials) by 20%, using 2004 as reference	Holcim's target to reduce nitrogen oxides (NO <sub>x</sub> ) emissions per tonne of cementitious material by 20% by 2013 (against a base year of 2004) was met in 2012. Similarly, our targets to reduce dust and sulfur dioxide (SO <sub>2</sub> ) emissions per tonne of cementitious material by 20% were also met ahead of schedule. Efforts are continuing to ensure these reductions are sustained.	Ongoing	NO <sub>x</sub> - 20% Dust - 74% SO <sub>2</sub> - 66%

<sup>1</sup> Any increase in CO<sub>2</sub> emissions from operations compared to 2013 needs to be compensated by a reduction of emissions resulting from the use of our products and services.

<sup>2</sup> Implementation of the Holcim Water Measurement Protocol is ongoing. See note 12 on page 39.

# CEO statement

## Measuring our value



In our last Corporate Sustainable Development Report, we published our long-term sustainability strategy: the Holcim Sustainable Development Ambition 2030. The overarching tenet of the Ambition is to change the paradigm and actively pursue avenues that enable us to become part of the solution to the problems of our time. Our sustainability focus in the last year has been on integrating those ambitions into our business models and on translating them into tangible actions.

**Bernard Fontana**  
Chief Executive  
Officer



We have conducted pilot projects in three diverse Group companies to help us to better understand what will be required to achieve our Ambition. These pilots highlighted the resources required for deployment and, more importantly, the opportunities and benefits the Ambition brings to the Group. It is especially gratifying to see the enthusiasm and engagement of the project teams, and their commitment in contributing to a more sustainable future.

As part of the pilot projects, Integrated Profit and Loss (IPL) statements were calculated for the companies. This helped in identifying where the most potential exists to not just reduce impacts, but to add value across the triple bottom line: the social, the environmental and the financial. As a next step, we are working on preparing the first IPL calculation for the Holcim Group as a whole.

This is not intended to be a definitive statement of account – after all, this is a very new discipline and many of the underlying assumptions can be debated. However, as with the pilot companies, it does provide a broad picture of where the Group needs to act to create even more value for all stakeholders. We will initially use this new tool internally to guide our decision making processes.

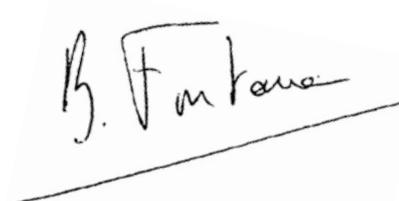
Apart from our progress on the Sustainable Development Ambition 2030, this report details our ongoing activities in Sustainable Development (SD), and discloses data for a number of key performance indicators. I am particularly pleased with the progress we have made with compliance, and the successful implementation of the Holcim Integrity Line. The report shows that the system is fully operational, with investigations conducted into reported incidents, and that there are consequences to non-compliance.

As we incorporate our Sustainable Development ambitions into business models focused on our customers, we now report for the first time a Group Net Promoter Score (NPS). The encouraging NPS level of 56.6, measured in 2014 with around 9000 customers, is a strong motivation for all our employees to continue their efforts to achieve our aim of achieving “customer excellence”.

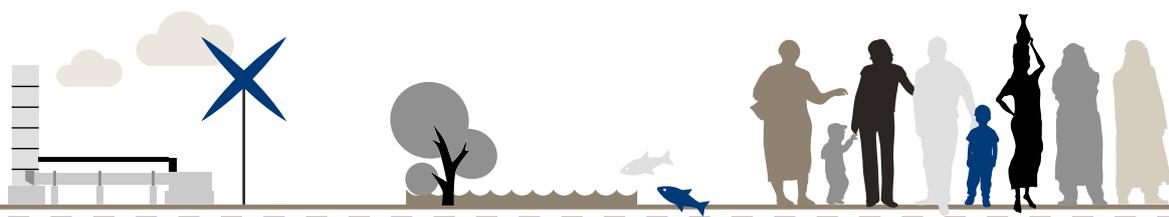
Occupational Health and Safety remains a serious concern. Despite our continuing efforts, fatalities and injuries arising from our activities remain unacceptably high. We will continue to focus on improving our performance, implement programs, develop a culture of safety in all parts of the organization and apply strict consequence management practices. At Holcim, we consider safety management as our license to lead.

As in previous reports, we have asked for the input of an External Report Review Panel, incorporating the views of a broad range of experts from a number of stakeholder groups. The Panel provided input on the content of the report and a statement with recommendations and observations, which can be found on page 43. We are extremely grateful to the Panel members for their constructive comments and suggestions.

The imminent proposed merger with Lafarge will be a challenging and exciting step in our journey, presenting many opportunities to be leveraged. Looking forward, I am confident that sustainability, safety and customer focus will continue to be core values, building on the experience and achievements of both Groups so far. I would like to thank all Holcim employees for their steadfast and unwavering commitment, in sometimes difficult circumstances, to generating value for all stakeholders. This is clearly demonstrated in the business results we achieved in 2014 and also in our recent **SUSTAINABLE: THAT’S US** campaign, where our employees from across the globe proudly highlight their contributions to sustainability. It is this dedication and commitment that will ensure that our sustainability agenda goes from strength to strength, and that we will indeed be increasingly part of the solution to the problems of our time.



Holcim Sustainable Development Ambition 2030



Sustainability Enhanced Solutions

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Climate

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Resources

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Communities

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## Interview with Holcim Chairman, Dr Wolfgang Reitzle, and Holcim CFO, Thomas Aebischer



**Q:** How important will sustainable development be for the new Group? Given the significant effort it will take to integrate the business operations of Holcim with Lafarge following the proposed merger, how much focus can realistically be placed on sustainability issues?

**Reitzle:** Holcim and Lafarge both have a clear and deep commitment to sustainable development – and this commitment will carry over into the new group. We have to ensure a smooth transition and continuity of operations, and work to realize an attractive return on invested capital – that is what we have promised the market. Sustainable development is critical to achieve value creation in the mid- to long term. We want to ensure sustainable profits and we can only do this by taking a holistic view. We know that resources are not infinite, that we need the goodwill of employees, communities and regulators, and that our customers are increasingly demanding sustainability enhanced products and services. If anything, sustainable practices will need to be further enhanced to reflect the higher responsibility that the merged entity will have as the undisputed leader of our sector.

**Aebischer:** Sustainable development should not be viewed as a cost – it is fundamental to be successful in our business. I have always said that our global focus on sustainable development strengthens our competitive position in the market, earns our license to operate and offers an attractive risk–reward relation. This was the rationale for the development of the Holcim Sustainable Development Ambition 2030, and that rationale remains.

## Q: What about the Holcim Sustainable Development Ambition 2030? Will it be continued post-merger?

**Aebischer:** Of course we will continue on that path. There is a huge opportunity for the new group to make a significant difference. We will have a larger geographical footprint, reach more markets, and have more operations and resources. Our capacity to make a positive contribution will be enhanced. Both groups have a well-respected and documented track record in sustainable development and we will leverage the synergies that will emerge.

**Reitzle:** The spirit and the intention of the Ambition will certainly be continued. The basic premise of the Ambition – that we seek to be part of the solution to the problems of our time – remains valid. We cannot just try to mitigate our impacts. That simply isn't enough any more. We have to demonstrate a positive contribution.

## Q: Holcim has recently renewed its partnership with the International Committee of the Red Cross. What are your expectations for this partnership?

**Reitzle:** For me, sustainable development is about creating value, earning trust and generating pride within our organization. The partnership with the ICRC fulfills all of these aspects. It clearly demonstrates that private companies can be a significant force for good. It is clear that we live in an unstable world, and equally clear that the many humanitarian issues the world faces cannot be fully addressed without the involvement of private enterprises such as Holcim. The initial partnership was, in our view, very successful and broke new ground. In providing both financial support and on-the-ground training to ICRC personnel in the use of concrete products, we have made a real difference to the lives of people in conflict affected areas.

**Aebischer:** I am particularly delighted by the intention to work together in developing products and services that can address humanitarian needs. This aligns fully with the Holcim Sustainable Development Ambition 2030, where we aim to improve the quality of life of 100 million people. With the new merged company we will be entering some new territories, and this partnership, together with our existing human rights management approach, will help to ensure that we effectively and proactively manage the associated risks.

# Strategy and governance

## Holcim Sustainable Development Ambition 2030

In June 2014, Holcim published its Sustainable Development Ambition 2030. Aligned with our vision “to provide foundations for society’s future,” the aim of the Ambition is to significantly increase interest in, and the uptake of, our innovative range of sustainability-enhancing solutions. The Ambition states: “By 2030, we aspire to generate one-third of our revenue from our portfolio of Sustainability Enhanced Solutions.”

**Solutions**  
2030

**Sustainability Enhanced Solutions**  
Grow our portfolio of sustainability solutions to 1/3 of revenues by 2030

Climate	Resources	Communities
<p>Acting to cap the carbon footprint across the lifecycle</p> <ul style="list-style-type: none"> <li>• Achieve no net increase in absolute carbon emissions vs 2013 across the lifecycle</li> </ul>	<p>Minimize the use of primary resources; show a positive impact on water and a positive change for biodiversity</p> <ul style="list-style-type: none"> <li>• Valorize 1 Bio tonnes of waste and other secondary materials</li> <li>• Water index in water scarce areas &gt; 0 in 2030</li> <li>• Biodiversity condition index 2030 &gt; 2020</li> </ul>	<p>Invest strategically and develop «inclusive business models» to create positive social impact and business returns</p> <ul style="list-style-type: none"> <li>• Improve the quality of life – in particular with regard to livelihoods and shelter – of 300 million people at the base of the pyramid</li> </ul>

**Holcim Sustainable Development Ambition 2030**

Strength. Performance. Passion.

Holcim

Our solutions have proven sustainability benefits. When compared to other products, they offer superior environmental and social performance in the manufacturing, use and disposal phases of buildings and other infrastructure. In particular, these solutions will help us to take advantage of the growing number of opportunities arising in the sustainable and resilient construction segment. Sustainability Enhanced Solutions are defined on page 19, and examples of these products and solutions can be found throughout this report.

The Sustainable Development Ambition 2030 contains aspirations and intermediate targets in three main areas – Climate, Resources and Communities – as detailed in the relevant chapters of this report. The diagram opposite outlines the Holcim Sustainable Development Ambition 2030. For more on the Ambition, go to [www.holcim.com/sustainable](http://www.holcim.com/sustainable).

**Materiality**

Our Business Risk Management process identifies financial and sustainable development risks at both corporate and Group Company levels.

We also conduct material issue reviews to ensure that the full range of sustainability risks and opportunities are correctly weighted and addressed. These reviews consider the opinions of external stakeholders through our External Report Review Panel and are conducted at least every two years. The last review was conducted in September 2013 and is reflected in the materiality matrix below.

As the proposed merger with Lafarge, due to be completed in mid-2015, will present increased sustainability challenges and opportunities, a comprehensive materiality review will be conducted after completion.

**Sustainable development governance structures**

Our commitment to sustainable development is driven by the Holcim Executive Committee (Exco) and Board of Directors. However, ultimately responsibility for sustainability rests with every employee. The dedication of line managers and their teams to implementing Group programs and meeting targets is key to achieving our sustainability ambitions.

A Sustainable Development Steering Group operates as a Holcim Exco subcommittee. It is chaired by Exco member Andreas Leu, and comprises senior managers including Holcim CEO Bernard Fontana, Exco member Roland Köhler and Holcim Technology CEO Urs Bleisch.

A second committee, comprising the CEOs of Holcim Group companies and functional experts, advises on the design and implementation of our sustainable development programs.

**Comparison internal and external ranking**

	Importance of issues – global view				Page	
	Low	Medium	High	Very high		
<b>Economic dimension</b>						
Business ethics and compliance				●	10, 11	● Holcim view – result of Holcim business risk management process.
Economic impact			●		12, 32	● External stakeholder view – result of interviews with a range of external stakeholders.
Customer management	●	●	●		19, 20, 21, 33	● View from Holcim and external stakeholders coincide.
Supplier management		●	●		11, 32	● Range of external stakeholder views.
<b>Environmental dimension</b>						
Resource management			●		25–28	● Low: Low level of concern to stakeholders and low level of current impact on Holcim.
Water		●			27, 35, 36	● High: High level of concern to stakeholders and high level of current or potential impact on Holcim.
Energy			●		24, 34	
Raw materials			●		25–28	
Waste & recycling		●			25–27, 36, 37	
Managing environmental impacts			●		19–28, 33–37	
CO <sub>2</sub>				●	22–24, 33	
Biodiversity		●			35, 38	
Other atmospheric emissions		●			3, 34	
Environmental incidents		●			33	
Sustainable construction			●		21	
<b>Social dimension</b>						
Employment practices			●		16–18, 37–38	
Human rights		●			18, 38	
OH&S				●	13–15, 38	
Community engagement and stakeholder relations			●		30, 38	
Inclusive business solutions		●			29	

# Operating with integrity

## Strengthening compliance

In 2014, we further strengthened our Group Compliance function and capability. Under the leadership of the Chief Legal and Compliance Officer, a team of dedicated regional compliance officers was deployed, working with a network of local compliance officers. We also appointed a Head of Group Investigation and set up a global investigations team.

In addition, we revised the Holcim Code of Business Conduct (CoBC) in 2014. The CoBC centers on integrity in business practices, in the workplace and in communities. The revised Code is available in 28 languages, and supported by a global campaign focusing on our values – particularly integrity.

### Integrity Line

To support the CoBC, we established a global Integrity Line. The Integrity Line was rolled out in waves throughout 2014, with the last group going live in September; it is available in 50 countries and enables employees to report their integrity-related concerns in 27 languages by telephone or through an online platform. The Integrity Line, which has an integrated case management tool, provides a safe, confidential environment for anyone who comes forward in good faith to ask questions or report violations.

In 2014, 292 reports were received by Group Compliance through the Integrity Line and other channels. Of those reports, 190 were related to the CoBC and handed over for investigation. By the end of 2014, 78 cases had been

closed, with 20 employees leaving Holcim as part of compliance remediation. The remaining 112 cases were still under investigation on December 31, 2014.

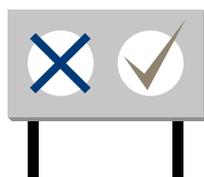
### Integrity training

In addition to the CoBC, we have specific directives and programs to deal with anti-bribery, corruption and fair competition, supported by employee training. All “relevant” employees must attend face-to-face training at least once every two years, while the e-learning modules need to be completed each year.

In 2014, a total of 16,482 employees completed an e-learning module on the Anti-Bribery and Corruption Directive, while 10,908 participated in our Value Creation in a Competitive Environment e-learning.

### Responsible tax

Holcim recognizes the concerns and the calls from civil society for increased transparency on taxes paid. As a general principle, Holcim pays tax in the jurisdictions where business activities generate profits.



Holcim Code of Business Conduct



Integrity Line



Integrity training

To increase transparency on where we pay taxes, Holcim will report on taxes paid per region, beginning with the half-year 2015 earnings release, and will continue to do so on an annual basis. Furthermore, a statement on our position on taxes is being developed and will be available on our website from the end of July 2015.

### Transparent engagement

Holcim's vision is to provide foundations for society's future and to create value for all stakeholders in a sustainable manner. In this regard, we are committed to engaging with our stakeholders at global, regional and local levels. These groups include employees, local communities, NGOs, think tanks and industry partners, as well as government bodies and international institutions.

At all levels, engagement is conducted with integrity and in accordance with the highest ethical standards. Our credibility in the communities where we operate depends upon everyone working together fairly and honestly, and is ensured through internal practices, guidelines and rules, and adherence to external schemes.

Reflecting our relations with government bodies at a regional level, Holcim is registered with the European Union's voluntary Transparency Register, operated jointly by the European Parliament and the European Commission. Through this registration, we publicly disclose the interests we pursue in the EU public policy area, as well as additional information on how we organize our work in this field, and commit to strictly adhere to the associated Code of Conduct. Holcim applies this principle of transparent engagement in all the other regions where we operate.

At a global level, Holcim is one of a number of Swiss companies that have pledged to observe the 10 principles of the UN Global Compact (UNGC) on human rights, labor, the environment and anti-corruption.

Our business practices are in alignment with the OECD guidelines and we are in close contact with the Swiss National Contact Point regarding potential claims by stakeholders in Indonesia, India and Sri Lanka. We are always open to dialogue and appreciate the possibility to investigate and respond to potential non-conformities.

### Sustainable procurement

Holcim recognizes the importance of responsibility along our value chain. We have developed a Supplier Code of Conduct, informed by the UNGC principles, which has been communicated to all suppliers.

Furthermore, Holcim Group companies identify and prioritize suppliers that pose a higher sustainability risk. Those suppliers, together with all new suppliers, are evaluated by an independent third party with assessment tools appropriate to the level of perceived risk, ranging from self-assessment questionnaires to full audits. Action plans are implemented to address any shortfalls discovered.

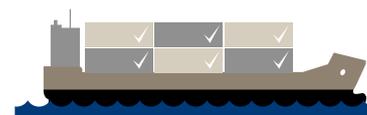
Group companies report annually on the status of their supplier assessments in the annual procurement scorecard (see the performance table on page 32).



Responsible tax



Transparent engagement



Sustainable procurement

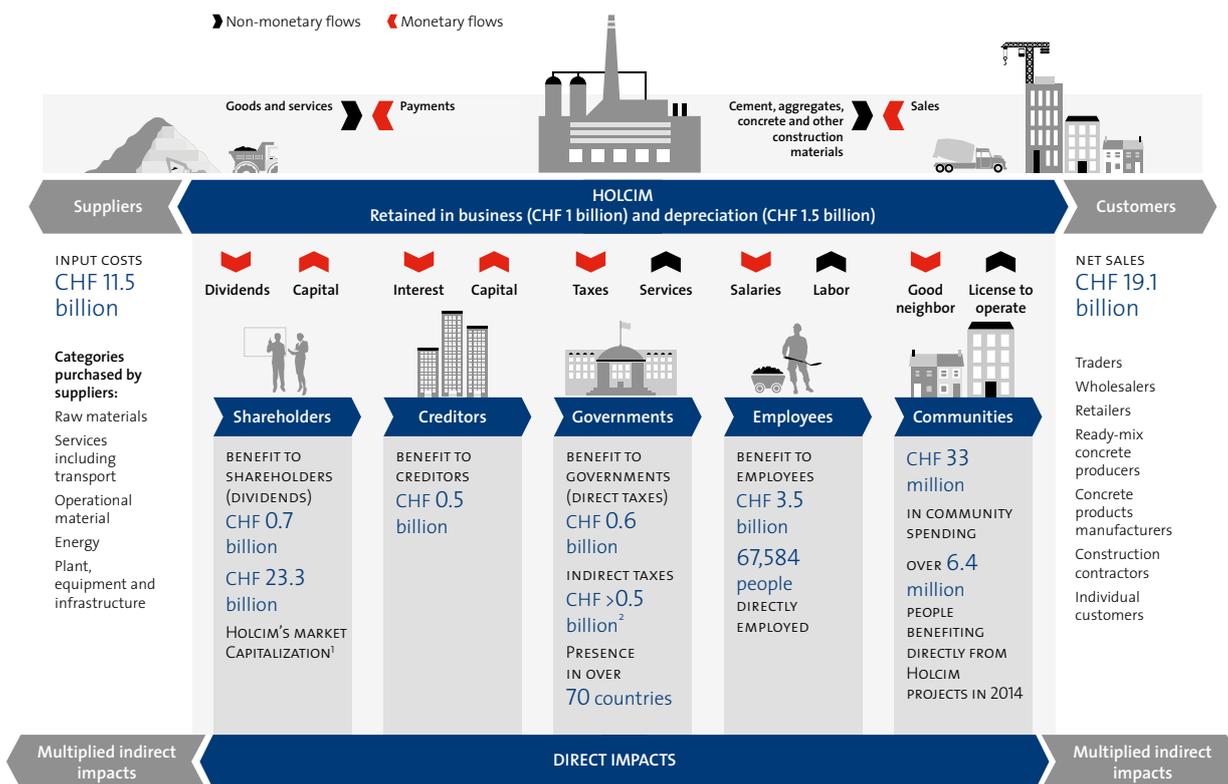
# Measuring our value

Achieving our long-term sustainability ambitions requires that we establish where we need to focus our efforts to enhance the value we add to people, profit and the planet. With this aim, we are working to establish the impact of our operations across the triple bottom line: social, environmental and financial impacts.

In collaboration with KPMG, we are developing a tool with which we seek to build an objective and transparent base for advocacy, demonstrate our license to operate, and engage and mobilize employees and stakeholders. We believe that the tool will enhance our decision-making processes in the medium term and sustain value creation in the long term by raising awareness of the risks and opportunities posed by externalities (through quantification). The process will also allow scenario analysis of how externalities may have an impact on the bottom line. The end result will be presented as an Integrated Profit and Loss (IPL) statement.

The tool has been piloted in our Group companies Ambuja Cements and Holcim Indonesia, and the results of the Ambuja Cements exercise can be found in their 2013 sustainability report. As a next step, we will extend this methodology to further Group companies and we are also working on preparing the first IPL calculation for the Group as a whole. We will initially use this new tool internally to guide our decision making processes.

Economic impacts along the value chain



<sup>1</sup> On 31.12.2014.

<sup>2</sup> Indirect taxes include items such as property taxes, national insurance contributions and municipal levies.

# Occupational health and safety (OH&S)

## Our progress towards zero harm

Occupational health and safety (OH&S) is Holcim’s number one priority: we are genuinely committed to the health and safety of our people. We have spent a number of years focusing on our reporting culture to build trust throughout the Group, and the results have started to reflect this change.

Since we introduced critical incident reporting, the number of incidents reported has increased substantially. This is not because we have experienced more incidents than before, but rather because our reporting culture has developed and is becoming embedded.

All of our occupational health and safety efforts are designed to improve performance and move the Group toward being a zero-harm organization. We believe this is not simply an aspirational target but an achievable one, and we will not cease in our endeavors to achieve it.

### OH&S performance

In 2014, Holcim recorded a Lost Time Injury Frequency Rate (LTIFR) for direct employees of 1.6, and a Total Injury Frequency Rate (TIFR) of 4.8. See the table opposite for a regional breakdown of LTIFR, TIFR and Lost Time Injury Severity Rate (LTISR) performance.

### Key data OH&S

See [CR](#) pages 32–38 for full data tables. Visit [www.holcim.com/sustainable](http://www.holcim.com/sustainable) for more information.

### Regional breakdown of LTIFR, TIFR and LTISR performance

REGION	EMPLOYEES	LTIFR	TIFR	LTISR
Asia Pacific	31,850	0.9	3.1	42.2
Latin America	10,733	2.5	5.0	133.4
Europe	15,399	2.7	5.9	121.0
North America	6,777	1.2	11.1	119.5
Africa Middle East	1,928	1.4	2.1	68.2
Corporate	897	1.4	3.5	24.6
<b>Total</b>	<b>67,584</b>	<b>1.6</b>	<b>4.8</b>	<b>85.2</b>

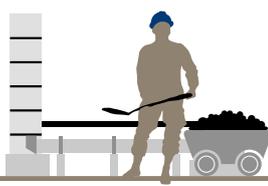
### Regional breakdown of fatalities

REGION	EMPLOYEES	FATALITIES (DIRECTLY EMPLOYED)	FATALITIES (INDIRECTLY EMPLOYED)	FATALITIES (OTHERS)	TOTAL
Asia Pacific	31,850	3	14	5	22
Latin America	10,733	0	5	4	9
Europe	15,399	2	0	2	4
North America	6,777	0	1	0	1
Africa Middle East	1,928	0	0	5	5
Corporate	897	0	0	0	0
<b>Total</b>	<b>67,584</b>	<b>5</b>	<b>20</b>	<b>16</b>	<b>41</b>

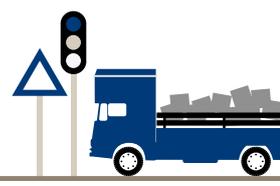
Health and Safety programmes and initiatives:



Directives Assessment Program



Design Safety and Construction Quality Program

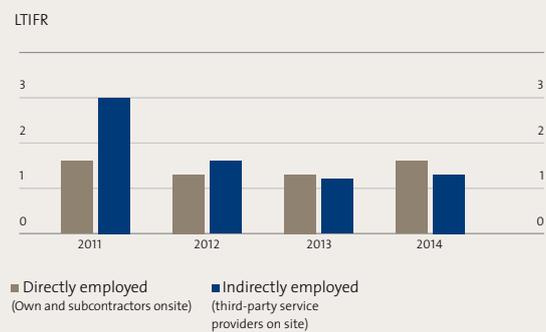


Road Safety Improvement Program

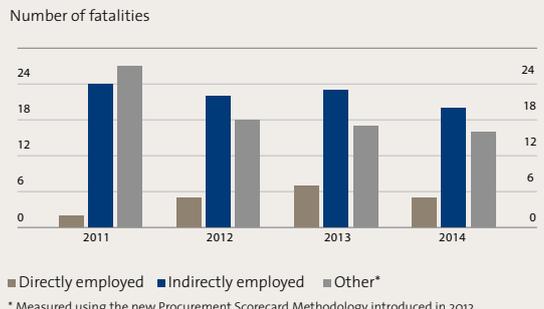
**Key data OH&S**

See CR pages 32–38 for full data tables. Visit [www.holcim.com/sustainable](http://www.holcim.com/sustainable) for more information.

**Lost-time injury frequency rate** GRI LA8



**Fatalities – cement, aggregates and ready-mix concrete** GRI LA8



In 2014, 25 individuals lost their lives while working for Holcim, 20 of whom were indirectly employed through contractors or service providers. Seven out of these 25 were involved in road accidents outside our plants. A further 16 individuals not connected to Holcim lost their lives, the majority as a result of traffic accidents with vehicles carrying Holcim products.

The Group is sincerely saddened by each loss of life. Although these safety figures are disappointing, Holcim takes some solace from knowing that our increasing discipline in reporting is helping us to understand the actual situation. This enables us to conduct comprehensive risk exposure analyses and to target resources accordingly. See the table on page 13 for a regional breakdown of fatalities.

**Safety excellence and management systems**

We continue to work hard to strengthen our safety performance, and have a number of programs and initiatives that allow us to provide targeted support where specific and individual improvements are required:

- the Directives Assessments Program assesses each Group company’s capability and understanding in relation to hazard identification and risk management

- the Design Safety and Construction Quality Program allows us to target support based on the risks associated with major hazards such as fires, explosions, and geotechnical and structural integrity, tackling issues at their source during the design, construction, and operation of quarries and facilities
- the Road Safety Improvement Program strengthens performance in areas such as leadership and commitment; vehicle, driver, contractor and journey management; and road and traffic conditions on our own sites.

As a broader measure, we look to our line managers to demonstrate visible leadership, enabling positive behavior changes at all levels of the organization. In addition, all Group companies are required to implement the Holcim OH&S Management System, which is aligned with international standards such as OSHAS 18001. In 2014, 64% of Group companies reported that they audited their OH&S management system.



### Holcim Safety Awards 2014

In 2014, a total of 82 entries were received for the third annual Holcim Safety Awards. Twenty-eight of these were submitted to the five regional juries for the Americas, Europe, South Asia, East Asia Pacific, and Africa Middle East. Regional winners were then submitted to the global judging panel.

The juries assessed the entries against the five excellence criteria:

- leveragability (replicability)
- investment in people
- sustainability
- traceability of results
- involvement and innovation.

The team from Ambuja Cements receiving their award from CEO Bernard Fontana

The 2014 Holcim Safety Award was jointly won by Holcim Ecuador and Ambuja Cements, India.

Holcim Ecuador received the award for its **Safety School**, a program that ensures that all staff and contractors are qualified to undertake their duties safely, by reviewing the skills required for each role and providing additional training or qualifications where necessary. The school, which is open seven days a week throughout the year, has certified 100% of staff and contractors with the skills they need to carry out their activities.

Ambuja Cements received the award for its **We Care** campaign, which engages employees on the importance of occupational health and safety through organizational measures, performance management, capability building and communication. Since implementation, the program has led to a reduction in fatalities, increased reporting of critical incidents, greater employee engagement, and personal pride in health and safety achievements.

All of the award entries will be entered into the Holcim OH&S Proven Practices Library as a reference for other Group companies.

### Safety Awards

Our annual Safety Awards foster a culture in which safety excellence is recognized and shared for the benefit of all. We are now in our third cycle of rewarding best practices at regional and global levels, and we can see many of these examples being replicated elsewhere in the Group. The case study above features the winning entries in 2014.

# Our people

## Respect and responsibility

We know that the success of our organization and our ability to create value depends on the abilities and dedication of our people. With around 68,000 employees in 70 countries, the Group's reach is global. To benefit from this diversity and spread, we continuously align our people processes to reinforce the right foundation upon which to build and grow.

Our aim to be the employer of choice involves efforts to implement labor standards throughout our supply chain, and paying wages that match or exceed local industry standards. At entry level, our Group companies pay a median of 50% above the minimum wage.

Our values of strength, performance and passion are integral to our strategy. We focus on behaviors that set standards against which all employees are measured. The six behaviors are:

- customer excellence
- drive for results
- collaboration
- integrity
- developing yourself and others
- change and inspirational leadership.

Together, the values and behaviors shape our culture and identity.

### People development

We invest in professional and individual development programs throughout the Group, and provided employees with a total of 1,395,503 hours of training in 2014. Details of training hours can be found in the performance data table on page 38.

The Holcim Learning Institute was launched in 2014. The Institute comprises online learning centers for each of our functions, known as Functional Academies, and training elements on topics such as Occupational Health & Safety, and Legal and Compliance. Through virtual classrooms, and supported by an internal training network of 260 mentors, the Institute provides a platform for our people to learn more and share expertise throughout the Group.

We aim to be the employer of choice:



The Holcim Learning Institute



Diversity and equal opportunities



Human rights impact assessment



### Diversity and inclusion in Costa Rica

Since 2013, Holcim Costa Rica has run a strategic program to promote and maintain a work environment that encourages diversity and inclusion. The program was designed to build better working conditions for all employees, but particularly for women and disabled people.

- For disabled people, employment opportunities were identified, physical accessibility assessments were carried out in all workplaces and priority improvements were made. Since the program was launched, two disabled interns have joined the Cement Plant and Administration Building teams.
- In terms of gender diversity, we revised our Succession Plan, which identifies female candidates who are qualified for management and leadership positions.
- The diversity program also included a review of current working hours and the introduction of flexible working plans when applicable, to allow employees to spend more time with their families.

### Diversity

We believe that diversity and inclusion are imperative to generating the right talent pool for sustainable performance. Our CSR policy lays down our commitment, stating: “We value diversity and promote equal opportunities in recruitment, employment, development and retention.” This includes non-discrimination in respect of gender, religion, sexual orientation or ethnic origin.

While our workforce is very diverse, particularly in terms of nationality, we recognize the need to address gender diversity in leadership positions. With this aim, we established a Diversity Council in 2014 to help create a workforce that is open, takes a broader view, and embraces diversity in attitude and perspective. We believe that diversity leads to inspiring innovations and value creation.

### Managing contract labor

We take our responsibility to contract labor and the UN Human Rights frameworks extremely seriously. Holcim is a long-term supporter of the UN Global Compact (UNGC) and is active in local networks in a number of countries. We use these frameworks and related instruments, such as the International Labor Organization (ILO) Core

Labor Standards, to inform our policies, directives and programs, which are binding for all Group companies. Our Group companies are also required to report progress against these directives annually.

### Our directives include:

- the Contractor Safety Directive: Issued in 2009, this directive sets the minimum requirements for Contractor Safety Management, which each Holcim Group company must apply when outsourcing services to contractors. The Directive outlines the requirements for ensuring that adequate processes are developed and implemented to control or minimize the risks associated with contracted activities
- the Contract Workers Directive: Issued in 2012, this Directive refers specifically to the UNGC principles and is supported by detailed mandatory implementation steps. The implementation process is overseen by the Procurement and CSR departments, and progress is tracked annually through the CSR Questionnaire. This data is included in the scope of the assurance for this report, carried out by PricewaterhouseCoopers (see page 41).

More details on these Directives can be found at [www.holcim.com/sustainable](http://www.holcim.com/sustainable)



A Human Rights Impact Assessment workshop being held in India.

To date, Human Rights Impact Assessments (HRIAs) have been conducted at 39 Group companies. Twelve of these received thorough impact assessments, 29 conducted self-assessments, and two companies did both. Impact assessments in the remaining seven high-risk business environments are scheduled for 2015.

The HRIAs indicated that certain recurring themes required attention, including contract workers, occupational health and safety, working conditions and community impacts.

Action plans have been drawn up by 21 Group companies to rectify these and other identified issues, specifically monitoring the implementation of agreed measures. Examples of actions undertaken or committed to as a result of the HRIAs include:

- **Madagascar** – at the Ibity plant, a restroom and hygiene building were built for truck drivers where no facilities had been available previously
- **Switzerland** – plans have been drafted to close the gender pay gap for basic salaries and remuneration
- **Lebanon** – relevant personnel will receive human rights and equal opportunities training, and a human rights clause (including the right to non-discrimination) will be added to supplier contracts
- **El Salvador** – a campaign will be launched to provide opportunities for disabled people in personnel recruitment, selection, hiring and promotion.

### Respecting human rights

Our approach to managing human rights is risk-based and fully in line with the internationally recognized UN Guiding Principles on Business and Human Rights. The methodology is further based on a categorization of countries from the UN Human Development Index (HDI) and the Freedom House Index (FHI) according to low-, medium- or high-risk business environments.

The 16 Group companies operating in high-risk countries are required to conduct a full human rights impact assessment, supported by a trained facilitator. The assessment consists of a seven- to ten-day process of data collection, defining relevant business issues, and conducting interviews and focus groups with various internal and external stakeholders (such as the CEO, employees and NGOs). The assessment concludes with a debriefing and a workshop to develop an action plan, including how implementation will be monitored.

The remaining 35 Group companies operating in lower-risk environments are required to conduct a self-assessment, consisting of a group workshop with the CEO and function heads to rate the risk level on 14 business-related human rights issues, and to assess existing safeguards and mitigation measures. A debrief and the development of an action plan containing monitoring measures are also required.

These assessments are due to be completed by the end of 2015. See the case study for a summary of the findings of the assessments conducted to date.

# Sustainability Enhanced Solutions

## Superior performance by design



Our Sustainable Development Ambition 2030 promotes the development and sale of Sustainability Enhanced Solutions (SEnSo), which will allow us to achieve the goals we have set for 2030 and beyond. Our SEnSo focus is a key driver in our innovation efforts.

We define SEnSo as products and/or services with superior environmental and/or social performance compared to the typical or common practices in the market. Sustainability benefits can occur in:

- the manufacturing phase (eg low CO<sub>2</sub> cements)
- the construction, use and/or disposal phases of buildings and other infrastructure (eg high-strength concretes or concretes with additional insulation properties)
- the application they have specifically been designed for (eg water solutions, waste treatment services).

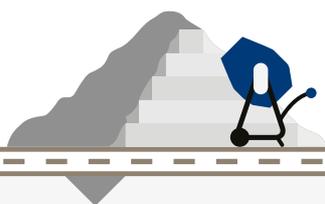
A reference guide has been developed for our own global portfolio, detailing the qualitative or quantitative requirements for products and services to be classified as “sustainability enhanced.”

For example, for a low CO<sub>2</sub> cement to be classified as a SEnSo, it must have specific net CO<sub>2</sub> emissions at least 20% lower than the regional average, as defined by the Cement Sustainability Initiative. We apply rigorous methodologies to measure the contribution of SEnSo to our revenue. In 2014, an estimated 7% of total revenue was derived from these solutions.

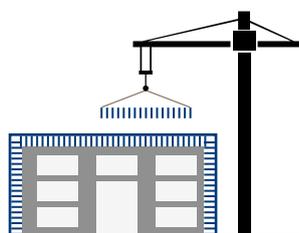
### Piloting for success

The Sustainable Development Ambition 2030 was piloted in 2014 by three Holcim Group companies: Holcim Costa Rica, Holcim Indonesia and Aggregate Industries (UK). The aim of the pilots was to establish how we can translate our Ambition into actions, how much this will cost and what the Ambition will bring to the Group. The pilots also looked at how to build on our existing experience. Special emphasis was placed on the identification of potential SEnSo, and the drafting of implementation action plans.

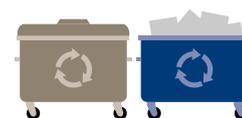
Where sustainability benefits can occur:



Manufacturing phase, e.g. low CO<sub>2</sub> cements



Construction, use and/or disposal of buildings



Their specific application, e.g. waste treatment services



Manrique Arrea,  
CEO Holcim  
Costa Rica

“The Sustainable Development Ambition 2030 serves as an inspiration for our Company and is contributing to integrating our sustainability vision into our business model. It is a turning point from my point of view – it appeals to our co-workers, and motivates them to take stronger action and think how Holcim can contribute to solving society’s major problems and leave a better future for the coming generations.

During the planning phase, we challenged our paradigms and went for aggressive and very ambitious sustainable development targets. We don’t have all the answers, but it has spurred innovation and thinking outside the box. In our Sustainable Development Ambition workshop, very creative initiatives were proposed: they are currently being analyzed. Some may not be applicable today, but we need to start now to have them ready in 10 years. How does it add value? Our radar has widened and we are looking into new business opportunities and cost-saving initiatives.

The Sustainable Development Ambition 2030 ingrains sustainability as a state of mind. Let me share with you an example that originated from this process – one of our local Exco members got motivated to put solar panels and a rainwater harvesting system in his house. What would be the impact of replicating this with all our co-workers? We are inspiring a cultural change that does not end at the company gate, but one that is lived and stays with us at home. ”

One of the positive effects of the pilots was the enthusiasm and connection generated among our employees. In the box above, Holcim Costa Rica CEO Manrique Arrea explains the benefits of the program to his Company.

#### Innovating to meet customer needs

Our Customer Excellence vision is to be the most customer-focused company with the greatest loyalty in our industry, and to create more value for customers and greater, sustainable returns for our Company. This vision is complemented by a focus on innovation and product development to benefit customers, society and the environment.

Clear innovation and differentiation turns building materials into high-value sustainable products and services, such as the Insulating Concrete Formwork (ICF) building shell systems manufactured by Aggregate Industries in the UK. These systems offer significant thermal insulation and, depending upon final door and window specification, can be built to meet the Passivhaus Standard.

#### Product transparency in New Zealand

In 2014 Holcim New Zealand worked with one of its main customers, Allied Concrete, to become the first concrete manufacturer in Oceania to publish an Environmental Product Declaration (EPD). Thanks to this, Allied Concrete won the Extra Distance Award 2014 from the New Zealand Ready Mixed Concrete Association. Since the award announcement, Allied Concrete’s exposure has increased significantly through extensive media coverage and requests to attend conferences.

The process of benchmarking on a plant-by-plant basis brought an unexpected outcome. Discrepancies in production costs were revealed as each plant’s resource usage was collated and cross-checked against similar sized operations around the country. These discrepancies can help us to identify improvements, particularly in terms of water consumption through fewer wash cycles, and waste generation through optimized fleet use, and could additionally lead to significant annual cost savings.



### Green Building Centers in India

The quality and sustainability of buildings in rural India is generally recognized as poor, which is a burden on the region's economic development, as well as a welfare issue for local communities. We are committed to improving building practices and contributing to a better quality of life. ACC Limited, our Group company in India, aims to educate the rural population in construction techniques,

create business opportunities for them, build partnerships with local entrepreneurs and governments, and generate a new customer segment.

To facilitate this, ACC Limited established a number of Green Building Centers throughout the country. The ACC Green Building Centers familiarize customers with sustainability-enhanced rural construction techniques, and act as "one-stop shops" with:

- locally produced, easy-to-use, reasonably priced construction products (e.g. bricks, tiles, pavers)
- training on how to produce and apply these products in a rural context
- well-equipped laboratories to monitor product quality
- machinery that enables end-users to manufacture products themselves and save costs
- displays that explain the application of sustainability-enhanced rural construction elements (e.g. fly ash bricks, roofing, and affordable housing solutions).

ACC initially set up four Green Building Centers in the states of Uttar Pradesh, Madhya Pradesh and Rajasthan in 2013. A further 10 centers were opened in 2014, bringing the total to 14 by year-end. The company has plans to establish 17 more centers in 2015.

### Promoting sustainable construction

The Holcim Foundation for Sustainable Construction promotes initiatives that combine sustainable construction solutions with architectural excellence and enhanced quality of life. Through initiatives including the Holcim Awards competition, symposiums and publications, the Holcim Foundation encourages sustainable responses to the technological, environmental, socioeconomic and cultural issues affecting building and construction around the globe, and beyond the bounds of our industry:

[www.holcimfoundation.org](http://www.holcimfoundation.org).

Furthermore, Holcim has developed methodologies and competencies to measure and report on the embedded impacts of products across the entire value chain, to guarantee the responsible sourcing of products and solutions to customers.

Requests for greater transparency of operations and products are gaining importance in business. Customers, civil society and governments expect companies to show increased responsibility toward the environmental and social impacts of their products. We are sensitive to this shift, and we have developed internal expertise in Environmental Product Declarations (EPDs). As a Group, we are committed to marketplace transparency using recognized methodologies.

Our SEnSo range enables customers to identify products and services with sustainability advantages quickly and clearly when making purchasing decisions. In certain countries, including the UK, certification by a responsible sourcing scheme such as BES 6001 is becoming a requirement to retain business. The publication of EPDs is just one way to provide recognized transparency at a product level.

# Climate

## Acting to cap the carbon footprint across the lifecycle



Tackling climate change requires effective carbon stewardship. We engage with governments, associations and other stakeholders to promote new carbon pricing regulations that are environmentally effective, economically efficient, fair and consistent. Anticipating regulatory change can lead to a competitive advantage – not only through reducing emissions and costs, but also by providing solutions to the challenges set by climate change.

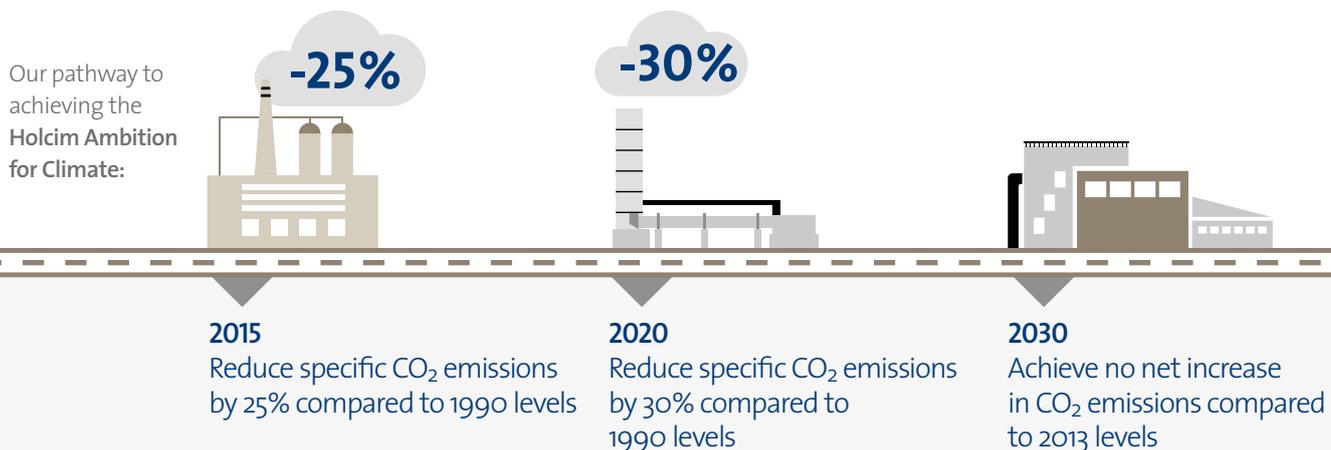
In our Sustainable Development Ambition 2030, we stated our intention to maintain net absolute CO<sub>2</sub> emissions at 2013 levels across the whole lifecycle of our products. This requires us to reduce emissions from our activities, and to develop and market products that reduce emissions in the construction, use and disposal of buildings or infrastructure.

As the vast majority of our emissions stem from cement production, our commitment to mitigating emissions per tonne of cement remains strong. We aim to do this by improving the energy efficiency of our own operations, lowering the clinker content of our products and substituting fossil fuels for lower-carbon alternatives. This is reflected in our pathway to achieving the Holcim Ambition for Climate targets for 2015 and 2020, as outlined below.

We are currently developing a methodology with internal and external stakeholders to monitor and measure carbon emission reductions from our products and services. The results of this research will give us the basis for our focus on future innovation, particularly in the areas of improving energy efficiency for buildings and road repair, and extending building durability.

In 2014, we maintained our focus on the continuous reduction of clinker in cement through the use of carbon-neutral mineral components such as granulated blast furnace slag or fly and bottom ash from the power industry. Natural pozzolanic material such as volcanic rock ash is also used where this is viable.

By the end of 2014, our cement contained an average of 69.8% clinker, and had achieved a reduction of 23.9% in CO<sub>2</sub> emissions per tonne of cement against a 1990 baseline. This puts us well on track to meet our 2015 target of a 25% reduction, and reinforces our position as an industry leader.



### Tackling climate change

Fighting climate change requires an international agreement to reduce emissions. The United Nations Climate Change Conference (COP21)<sup>1</sup> is scheduled to be held in Paris, France, in December 2015; negotiations are underway to ensure that a binding and universal agreement on climate change is achieved. Reaching this agreement at COP21 could be a turning point, which we advocate for and trust will bring a competitive advantage to those companies in the sector that are most carbon efficient.

In this context, Holcim has issued a paper outlining its position. In brief, we believe that addressing climate change requires an international agreement, with binding reduction targets based on the ability of sectors to reduce emissions. To achieve these targets, market-based regulations that are environmentally effective, economically efficient, fair to competition, and internationally consistent are required, along with research in energy-efficient technologies.

In addition to climate regulations, international climate finance (such as the Green Climate Fund) is paramount in promoting investment in low-carbon technologies and action to increase resilience to climate change. The financing of such initiatives should be conditional on governments committing to reduce emissions and establish regulations.

The full paper can be found at [www.holcim.com/sustainable](http://www.holcim.com/sustainable)

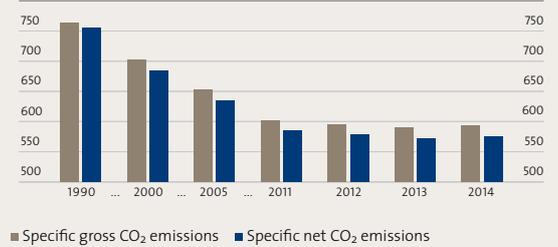
### Key data Climate

See [CR](#) pages 32–38 for full data tables.  
Visit [www.holcim.com/sustainable](http://www.holcim.com/sustainable) for more information.

#### Specific CO<sub>2</sub> emissions

GRI LA8

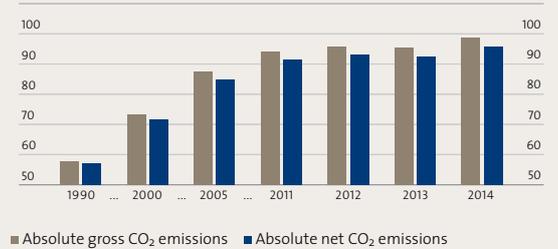
kgCO<sub>2</sub>/tonne cement



#### Absolute CO<sub>2</sub> emissions (Scope 1)

GRI EN16

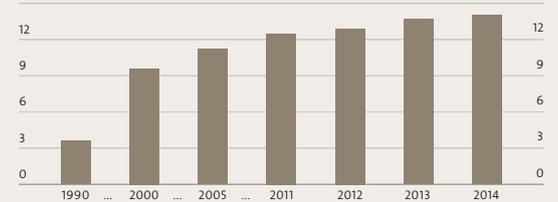
Million tonnes CO<sub>2</sub>



#### Thermal substitution rate by alternative fuels

GRI EN5

% of thermal energy from alternative fuels



<sup>1</sup> Conference of the Parties to the United Nations Framework – Convention on Climate Change.

## Energy

Cement is manufactured through a large-scale, complex, and capital and energy-intensive process. At the core of the production process is a rotary kiln, in which limestone and clay are heated to approximately 1,450 degrees Celsius. Thus security of energy supply and efficiency are key business drivers. We have increased our cement production by around 120% since 1990; however, in the same period, our annual energy consumption increased by less than 60%, while energy used from traditional fossil fuels increased by only 27%. We have reduced energy consumption per tonne of clinker from 4,578MJ in 1990 to just 3,469MJ in 2014.

This reduction has been achieved by using alternative fuels and by optimizing equipment, processes and operations. An example of this is the global “fan initiative” implemented by Holcim in 2014. Large process fans account for about 30-50% of the total electrical energy bill in cement plants. Actual measurements show that these fans often have to cope with large amounts of false air and run below their expected efficiency levels. Avoiding these undesired false air flows will improve the fans’ efficiency and save energy consumption and cost. Implementation has been carried out in 34 operating companies, covering 93% of all larger fans in the Holcim Group. Holcim is committed to continuing the multiplication of such solutions, thereby substantially reducing the consumption of electrical energy.

As carbon emissions in cement production are directly linked to resource and energy efficiency, lowering our energy consumption plays a significant role in reducing our carbon footprint and helping us to achieve our climate goals.



### Low-carbon cement in Croatia

In April 2014 Holcim Croatia launched a lower carbon-intensive cement (see page 19). Holcim Majstor Green cement, developed by the Company’s technical competence center, was designed to both decrease construction costs for customers and reduce environmental impact.

When tested, the new cement performed similarly to Holcim Majstor, an existing brand, but with one key difference: 25% less CO<sub>2</sub> was generated during its production when compared with regular Majstor cement, mainly due to a reduction of the clinker content.

The Holcim Croatia technical competence center has also helped customers to reduce the carbon intensity of their projects by up to 33% through optimizing cement and concrete formulae. The center is currently focusing on solutions to lower electricity consumption at the company’s cement plant.

# Resources

## Treating resources responsibly



We appreciate that our business success depends on nature and ecosystem services. That is why we have set ourselves clear targets to be less dependent on primary materials and to sustainably manage natural resources and ecosystems.

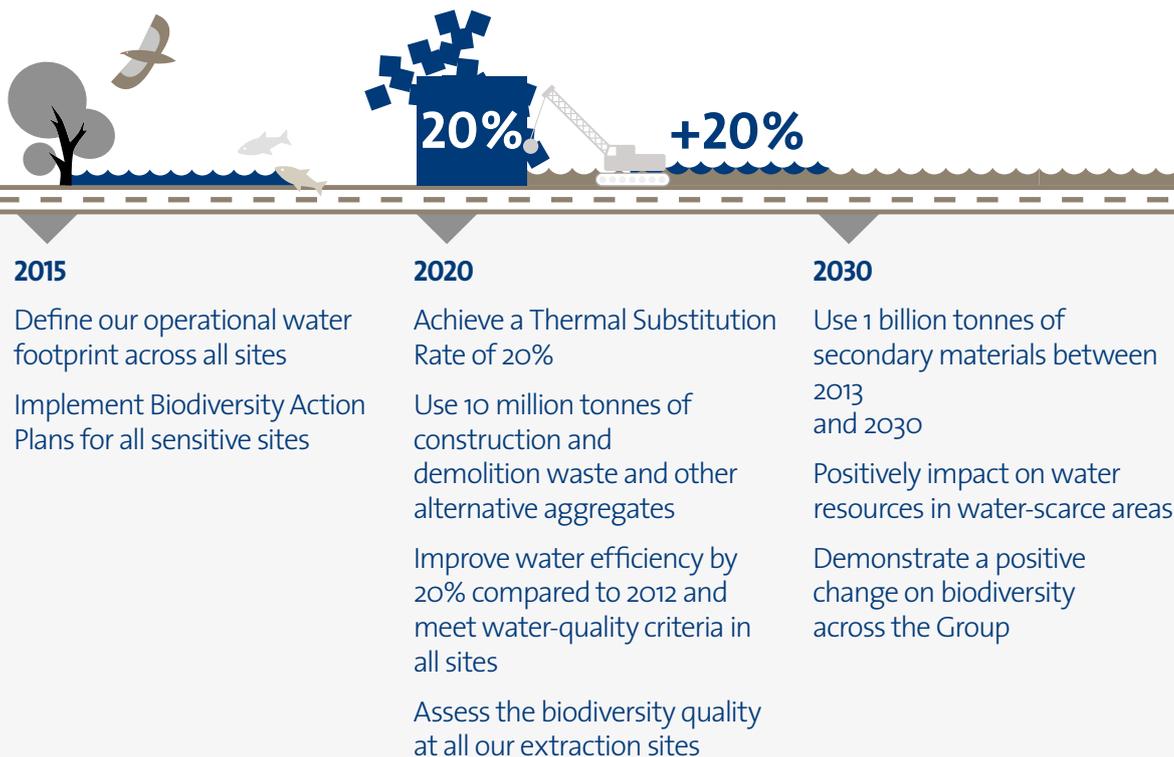
In our Sustainable Development Ambition 2030, we stated our aspiration to use 1 billion tonnes of secondary resources by 2030, replacing approximately 25% of the primary materials we use. We further aspire to have a positive impact on water resources in scarce areas by 2030 and to create positive changes for biodiversity.

### Alternative fuels and raw materials

The use of waste-derived alternative fuel and resource (AFR) contributes significantly to our sustainable development (SD) and economic performance. As a long-time leader in SD, we began to use alternative fuels decades ago, recognizing that there was an alternative way to produce the heat required for the manufacture of cement.

Using alternative fuels and raw materials to replace natural resources is a sustainable solution – both for waste management and cement production. Energy and material recovery in the form of waste-derived AFR, also called co-processing, provides a solution to society’s waste problem while also offering employment opportunities. Furthermore, co-processing improves the environmental footprint of our operations by reducing the use of fossil fuels and natural raw materials, as well as lowering emissions. See the case study on page 26 on our partnership with Unilever.

Our pathway to achieving the Holcim Ambition for Resources:





### Partnering for a zero waste future

Our use of waste-derived alternative fuels and raw materials is an important contribution to our 2030 Ambition. To this end, our waste management company Geocycle continually seeks opportunities to work with other parties to create mutual value by offering a tailored waste management solution.

One example is Geocycle's global support for Unilever's ambition to achieve zero production waste to landfill at more than 240 manufacturing sites across 67 Unilever plants worldwide by 2015. So far, opportunities for further cooperation have been identified in about 10 countries, primarily in emerging markets, which have been translated directly into specific business operations. Areas in which specific measures have been implemented include Sri Lanka and

Indonesia, where Geocycle provides bespoke waste management solutions to Unilever and is so helping its local operations to close gaps to achieve the zero landfill policy.

Through the cooperation, Geocycle Indonesia is now helping the Wall's ice cream plant in Cikarang, Indonesia, to responsibly co-process 150 tonnes of sludge per month, a quantity that was previously landfilled. The initial high moisture of the sludge had led to a calorific value that was below our permitted limit for co-processing. To address this hurdle, Geocycle provided advice and conducted tests to reduce the sludge moisture, thereby reducing transportation cost and bringing the material within the permit limitations for co-processing at the cement plant.

Partnering with another third party, Geocycle offered Unilever a complete waste management solution, including the dewatering of the sludge onsite using a filter press, transportation and final waste treatment, enabling Unilever to achieve its zero landfill policy in the Wall's plant. This successful solution is now being replicated in other Unilever plants in Indonesia and also by Geocycle Vietnam.

By achieving full recovery of energy and material in the combustion process of the cement kiln, we mitigate the risk of rising energy costs, and improve energy security and our production costs. In 2014, 14% of our thermal energy demand in clinker production was covered by alternative fuels.

Through the use of waste-derived materials as alternative raw materials products, we can reduce the amount of minerals we consume. The most desirable of these waste-derived raw materials are rich in calcium, silica, aluminum or iron, which are similar in composition to materials traditionally used during the manufacture of cement. Specific examples include power plant fly ash, blast furnace slag, foundry sands and steel mill wastes. In 2014, we used 198.5 million tonnes of natural raw materials and 33.5 million tonnes of alternative raw materials to produce 166.2 million tonnes of cement.

### Alternative aggregates

Fine aggregates – material that generally has a grain size of less than 4mm – are an essential component of both concrete and asphalt products. These aggregates can either occur naturally as sand or are manufactured from hard rocks such as limestone and granite. Replacing natural sand with manufactured sand is our core strategy to revert the long-term trend of natural sand scarcity, and that of the construction materials industry as a whole.

We also seek innovative solutions to reduce the use of scarce natural resources, such as the use of crushed glass and by-products from other industries, including washed copper slag. Copper slag is a by-product from the ship repair industry, and is an appropriate replacement for fine aggregates in both structural and non-structural concrete. See the case study opposite on Holcim Green.



### Holcim Green range

Holcim Green and Holcim Green S are ready-mix concrete developed by Holcim Singapore that is produced with washed copper slag (WCS) as recycled aggregate material to replace natural sand.

The positive aspects of Holcim Green and Holcim Green S include:

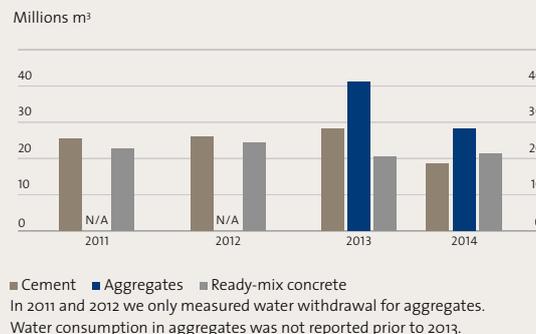
- **high durability** – the washed copper slag in Holcim Green makes its structure denser than normal concrete, thus increasing its durability
- **low permeability** – the denser structure of Holcim Green also makes it less permeable than normal concrete, increasing its resistance to the penetration of water and other potential harmful substances that could affect the concrete’s durability
- **early strength** – Holcim Green develops its strength at an earlier age compared to normal concrete
- **high heat resistance** – the higher heat resistance of Holcim Green helps minimize temperature fluctuation, eventually reducing energy consumption through air-conditioning. This is suitable for building façades with high exposure to direct sunlight.

There are additional sustainability benefits too. As well as conserving scarce natural resources, the pavement and surrounding stays cooler when used in paving exposed to sunlight. Additionally, the amount of water needed to make concrete with washed copper slag is lower than conventional concrete.

### Key data Water consumption

See [CR pages 32–38](#) for full data tables. Visit [www.holcim.com/sustainable](http://www.holcim.com/sustainable) for more information.

#### Water consumption



### Water

Our awareness of how precious water is motivates us to manage water resources efficiently, equitably and sustainably. It is our ambition that all of our sites in water-scarce areas will provide more water to communities and to nature than we consume by 2030.

Our aim can be achieved through active intervention, by rainwater harvesting and providing access to water and sanitation. As an example, Ambuja Cements, our Group company in India, has recently been certified by DNV–GL as being four times water positive. This means that, in 2014, through rainwater harvesting and other water initiatives, Ambuja Cements returned to the environment and communities four times the quantity it consumed.

Our interim target in cement and aggregates is to reduce water consumption per tonne of product by 20% by 2020 when compared to 2012. By 2014, we already achieved a reduction of 30% in cement and 37% in aggregates. This is largely due to the continuing implementation of the Holcim Water Measurement Protocol. This has led to more accurate measurement due to the installation of water meters but also a better understanding of definitions and what needs to be measured and reported.

See the case study on the following page on water recycling at our Pedro Leopoldo site in Brazil.



### Improving water efficiency at the Pedro Leopoldo site

The Holcim cement plant in Pedro Leopoldo, Brazil, was identified as having one of the highest water withdrawal and specific water consumption rates in the Latin America region. The main reason

for this was the process design and the age of the plant, leading to numerous maintenance challenges.

Triggered by increasing water costs and regulatory pressures, together with Holcim’s target to reduce specific water consumption by 20% by 2020, a project was designed to identify water-saving opportunities in the plant, essentially in those places where water was neither recycled nor reused. The initial target was to reduce water withdrawal from the river by 10%.

During the water-mapping process, it was identified that the water used for cooling purposes in the compressor area of the shipping department was discharged directly into the river. The discharged water, which was still of good quality, was neither re-used nor recycled. The water flow was re-designed to capture this water and return it to the existing recirculation system, where it was then reused in the production process.

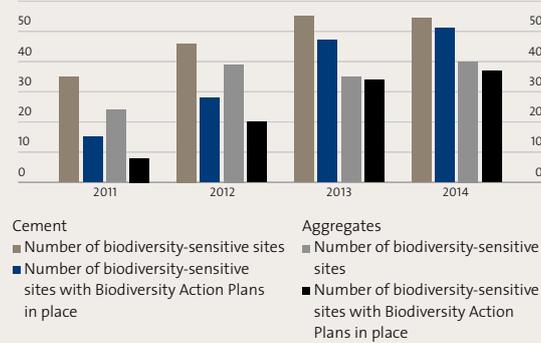
By the end of the project, the plant had achieved the reuse of 126,100 m<sup>3</sup> of water per year. This represents a reduction in water withdrawal from the river of nearly 13%, exceeding the target set at the start of the project.

An additional three leaks were also identified during the project. Work is currently ongoing and, once completed, the plant is expected to further improve its specific water consumption and, consequently, reduce its total water withdrawal.

### Key data Efficiency – Biodiversity

See [CR](#) pages 32–38 for full data tables. Visit [www.holcim.com/sustainable](http://www.holcim.com/sustainable) for more information.

#### Biodiversity sensitive sites



### Reporting our biodiversity efforts

Part of our ambition is to demonstrate a positive change for biodiversity between 2020 and 2030. By 2020, we will use a biodiversity reporting system developed in conjunction with the International Union for Conservation of Nature (IUCN) to assess our extraction sites against a number of habitat indicators.

The Biodiversity Indicator Reporting System (BIRS) has been designed by an independent group of experts, in close cooperation with the mineral extraction industry for the building sector, and drawing on the help and advice of a wide circle of biodiversity conservation specialists.

The BIRS will provide information to allow us to answer three questions:

- How do we affect habitats and ecosystems for which we have management responsibility?
- How effective are our biodiversity mitigation and habitat rehabilitation measures?
- How do we measure and report on our biodiversity management activities?

Through the BIRS, the indices of all sites in a selected region or country can be aggregated into a regional/national index, which in turn can be combined on a global level. By reviewing our global results, we will be able to determine whether overall biodiversity suitability is increasing or decreasing in our plants.

Full details on the BIRS system can be found at [www.holcim.com/sustainable](http://www.holcim.com/sustainable)

# Communities

## Positive social impact



In our Holcim Sustainable Development Ambition 2030, we stated our ambition to invest strategically and develop “inclusive business models” to create positive social impacts and business returns. As a further aim, we committed to improving the quality of life – in particular with regard to livelihoods and shelter – of 100 million people at the base of the pyramid.

### Inclusive business

The core premise behind inclusive business is that the profitability and competitiveness of a company and the well-being of its community are interdependent. To be successful, these initiatives must address a social need, drive product or service development, be profitable and provide measurable benefits to the company.

With this ambition in mind, we have implemented a range of inclusive business initiatives. Examples of inclusive business solutions include housing and sanitation for low-income customers, and of micro-enterprise development that provides us with products and services.

To enable us to measure the number of people who benefit from these programs, we have developed a protocol ([www.holcim.com/sustainable](http://www.holcim.com/sustainable)) in conjunction with internal and external stakeholders. The protocol will be used from 2015, with the aim of moving forward from our previously conservative estimates. In 2013 and 2014, an estimated 10.4 million people benefited from our initiatives.

### Strategic social investment performance

Not all social needs can be addressed through market-based solutions, which is why strategic social investments remain important. These are investments that sustainably improve people’s quality of life, by enabling the implementation of activities in the areas of education, community development and infrastructure, contributing to capacity building and empowerment of stakeholders.

Our pathway to achieving the Holcim Ambition for Communities



**2015**

Invest 75% of our CSR spending in strategic social and collaborative projects

**2020**

40 million people at the base of the pyramid to benefit from our strategic social investment and inclusive business initiatives between 2013 and 2020

**2030**

Impact 100 million people at the base of the pyramid between 2013 and 2030, progressively focusing on inclusive business solutions

To ascertain that social investments are strategic, we encourage Group companies to use our Social Engagement Scorecard. The Scorecard evaluates the feasibility of proposed projects, and the efficiency and impact of projects that are under implementation or concluded. In 2014, 72% of Group companies reported that they used the Scorecard to evaluate projects.



### Sanitation for life in India

Sanitation is a global issue impacting the lives of millions of people. Poor sanitation not only affects people's health and dignity, but also slows down the economic and social development of the country. According to UNICEF, 53% of India's population currently has no access to toilets.

As concrete is an ideal material for the construction of sanitation units, ACC Limited (ACC) and Ambuja Cements Limited (ACL), the Holcim Group companies in India, have initiated the Sanitation for Life (S4L) project. For this project, ACC and ACL develop concrete sanitary units for sale to low-income clients in rural India. Subsidies are available from local authorities and development agencies, and credit for low-income clients is obtainable through micro-credit institutions.

The project is currently being piloted in two locations while two more will be added in the coming months, involving local business partners and the distributor network. The number of units produced and sold in 2015 is targeted at 10,000 by the end of the year and expected to rise to 500,000 annually by 2025.

Concurrently, as part of their community outreach programs, both companies are engaging in sanitation education campaigns in the relevant areas. It is hoped that nearly 6 million people will have benefited from the program by 2030.

### Stakeholder and community engagement

We have long recognized the value of engaging with the communities in which we operate and we use a number of platforms to achieve this (details of engagement activities carried out by Group companies are included in the performance data summary on page 38). All Group companies are expected to have a Community Engagement Plan (CEP) in place covering all of their operational sites. By the end of 2014, 92% of Group companies had plans in place.

The CEP is developed in collaboration with local stakeholders, who include representatives from local government, associations, schools and NGOs. These stakeholders also participate in our Community Advisory Panels (CAPs), our local platforms for dialogue, where community representatives discuss project ideas, address conflicts or voice concerns. More details of the engagements and partnerships undertaken by Group companies can be found at [www.holcim.com/sustainable](http://www.holcim.com/sustainable)

In 2014, we invested CHF 33m in community engagement activities – approximately 1.5% of income before taxes – and an estimated 6.4 million people benefited directly from these projects (full details can be found in the performance data table on page 38). With 53% of spend being allocated to strategic projects in 2014, we are on track to achieve our 2015 target of focusing 75% of the amount we invest in CSR on strategic social and collaborative projects.

We further engage with key stakeholders at a global level. In various contexts we collaborate with the German Federal Enterprise for International Cooperation (GIZ) and the International Union for Conservation of Nature (IUCN). Holcim is also a member of the Corporate Support Group of the International Committee of the Red Cross (ICRC), an organization known for protecting the lives and dignity of victims of conflict and other life-threatening situations. This engagement allows us to implement our commitment to sustainable development in conflict-affected regions where both Holcim and the ICRC operate.



Masons undergoing training at Tritriva, Madagascar.

### Eco-friendly school in Madagascar

Poor infrastructure in Madagascar is considered the main cause of very low levels of primary school enrollment, particularly in rural areas (69% in 2012, according to UNICEF). For this reason, building schools has always been a priority for Holcim Madagascar's social responsibility work.

To address this gap and enhance the development of local skills, Holcim Madagascar led the building of an eco-friendly school near a pozzolan quarry in the village of Tritriva, 220 km from the capital Antananarivo and 45 km from our Ibity plant. A masons' school, educating local people in sustainable construction methods, was also established.

Traditional local construction techniques use furnace-prepared or 'cooked' bricks in building work, which creates considerable CO<sub>2</sub> emissions. When designing the new school, Holcim decided to adopt an environmentally friendly solution based on compressed bricks. The two-classroom school, which expects to welcome 100 new pupils in the next school year, was built according to sustainable construction standards with compressed bricks, generating just 20 tonnes of CO<sub>2</sub>. In comparison, a cooked-brick school generates 100 tonnes of CO<sub>2</sub> and consumes half a hectare of eucalyptus trees for its furnaces.

In addition, 20 local residents began training as masons. Once trained, they will be the main workforce for future social projects in the area. The training was conducted by professional masons, who helped motivate trainees and ensure that they completed their education, while Holcim Madagascar contributed to trainees' family incomes for the duration of the training.

The success of the project was based on its engagement with the local community from the start. Holcim Madagascar intends to repeat the project in two other sites, Ibity and Andranomanelatra. Planned projects include education, health, access to water and sanitation, and income-generating activities, which will be developed taking environmental aspects into account, as well as local community involvement.

# Performance

## Economic performance

	CSI	GRI	2012	2013	2014
Net sales (CHF billion)		G4-EC1	21.1	19.7	19.1
Input factor (cost of all goods, materials and services provided) (CHF billion)			13.1	11.7	11.5
Depreciation and amortization (CHF billion)			2.2	1.5	1.4

## Value creation for Holcim and key stakeholders

Benefit to employees		G4-EC1	4.0	3.6	3.5
Benefit to governments (taxes)			0.6	0.7	0.7
Benefit to shareholders (including minorities)			0.5	0.6	0.7
Benefit to creditors			0.7	0.6	0.5
Benefit to communities			0.045	0.036	0.033
Retained in business			0.5	1.0	0.9
Sales of cement (million tonnes)			142.3	138.9	140.3
Sales of mineral components (million tonnes)			4.8	4.1	4.3
Sales of aggregates (million tonnes)			158.2	154.5	153.1
Sales of ready-mix concrete (million m <sup>3</sup> )			45.3	39.5	37.0
Sales of asphalt (million tonnes)			9.1	8.9	10.0

## Sustainable product

% revenues from our portfolio of Sustainability Enhanced Solutions <i>Note 1</i>		G4 - EN2	N/A	N/A	7
Tonnes of secondary materials used (million tonnes) <i>Note 2</i>			N/A	36.9	38.2
% of cement products containing mineral components <i>Note 3</i>			76	79	78

## Cement types produced by Holcim

Slag cement (%)		G4 - EN2	10	10	10
Pozzolan cement (%)			8	8	7
Fly ash cement (%)			25	27	27
Limestone cement (%)			16	15	17
Multiple blend cement (%)			13	15	13
Masonry cement, oilwell cement, white cement, special binder, MIC and other (%)			4	4	3
Ordinary Portland cement (%)			24	21	22

## Suppliers

Goods, services and materials purchased (CHF billion)		G4-EC1	13.1	11.7	11.5
% of suppliers identified as "High Risk" (for sustainability criteria aligned with the Holcim Supplier Code of Conduct) <i>Note 4</i>		G4-LA14 G4-EN32 G4-HR10 G4-SO9	5.2	6.9	10.4
Group companies screening local suppliers for sustainability criteria (%)					
OH&S (%)		G4-LA14	91	91	91
Environment (%)		G4-EN32	66	77	75
Human rights and labor (%)		G4-HR10	64	75	73
Bribery and corruption (%)		G4-SO9	25	52	59
Local suppliers screened					
OH&S (%)		G4-LA14	15	27	38
Environment (%)		G4-EN32	10	14	14
Human rights and labor (%)		G4-HR10	15	17	22
Bribery and corruption (%)		G4-SO9	5	11	31
National market suppliers					
% of Group companies with a policy to favor national market suppliers		G4-EC9	18	20	20
% of suppliers from national markets			88	84	83

## Government relations

Political contributions (CHF)		G4-SO6	91,677	52,295	73,526
Number of Group companies making political donations			2	3	3
Average subsidies from national governments (grants, tax relief and other financial benefits) (CHF million)		G4-EC4	1.4	1.2	1
Number of Group companies receiving subsidies			14	11	11

## Economic performance (continued)

	CSI	GRI	2012	2013	2014
<b>Customer relations</b>					
% of Group companies conducting a customer survey			76	75	74
% of those surveyed measuring customer satisfaction			95	100	100
Overall Net Promoter Score <i>Note 5</i>			N/A	N/A	56.6
% of Group companies with a specific customer health and safety policy		G4-PR1	41	51	44
% of Group companies with a specific product information and labeling policy		G4-PR3	45	51	52

## Environmental performance

	CSI	GRI	2012	2013	2014
<b>Number of plants included in evaluation</b> <i>Note 6</i>					
Cement and grinding plants			152	146	142
Aggregates			332	294	265
Ready-mix concrete			1,143	925	837

### Management systems

Implementation of ISO 14001 (% of plants)					
Cement plants			95	96	94
AFR pre-treatment platforms			95	95	93
Aggregate plants			43	45	47
Ready-mix concrete plants			34	40	38

### Environmental investments and environmental compliance

Environmental investments (CHF million)		G4-EN31	42	38	46
Provisions for site restoration and other environmental liabilities (CHF million)			843	719	742
Number of plants/quarries reporting noncompliance cases					
Cement		G4-EN29	2	3	6
Aggregates			10	2	2
Ready-mix concrete			29	20	14
Noncompliance cases					
Cement			2	3	8
Aggregates			12	2	2
Ready-mix concrete			32	27	19
Associated fines and penalties (CHF)					
Cement			80,300	347,000	22,000
Aggregates			150	2,490	425
Ready-mix concrete			131,116	7,860	3,200

### Reducing CO<sub>2</sub> emissions

Cement					
Absolute gross CO <sub>2</sub> emissions (million tonnes) <i>Note 7</i>	✓	G4-EN15	95.9	95.4	98.7
Absolute net CO <sub>2</sub> emissions (million tonnes)	✓		93.2	92.6	95.6
Specific gross CO <sub>2</sub> emissions (kg CO <sub>2</sub> /t cementitious materials) <i>Note 7</i>	✓	G4-EN18	595	590	594
Specific net CO <sub>2</sub> emissions (kg CO <sub>2</sub> /t cementitious materials)	✓		578	572	575
Aggregates					
Absolute gross CO <sub>2</sub> emissions (million tonnes)		G4-EN15	0.3	0.2	0.2
Specific gross CO <sub>2</sub> emissions (kg CO <sub>2</sub> /tonne of product)		G4-EN18	2.0	1.8	1.8
Ready-mix concrete					
Absolute gross CO <sub>2</sub> emissions (million tonnes)		G4-EN15	0.1	0.1	0.1
Specific gross CO <sub>2</sub> emissions (kg CO <sub>2</sub> /m <sup>3</sup> )		G4-EN18	1.9	2.2	1.7
Total Scope 1 emissions (cement, aggregates, ready-mix and own power generation) (million tonnes) <i>Note 8</i>		G4-EN15	100.8	100.0	103.2
Total Scope 2 emissions (cement, aggregates and ready-mix) (million tonnes) <i>Note 8</i>		G4-EN16	6.8	6.4	6.9
Total Scope 3 emissions (cement, aggregates and ready-mix)(million tonnes) <i>Note 8</i>		G4-EN17	N/A	21.9	21.7

### Energy

Thermal energy mix of clinker production (%)					
Coal		G4-EN3	56	52	52
Petcoke			21	25	25
Heavy fuel			1	0	0

## Environmental performance (continued)

	CSI	GRI	2012	2013	2014
<b>Energy (continued)</b>					
Natural gas			7	7	7
Shale and lignite			2	2	2
Alternative fossil fuels			9	9	10
Alternative biomass fuels	✓		4	5	4
Thermal energy efficiency (MJ/tonne clinker)	✓	G4-EN5	3,499	3,466	3,469
Thermal substitution rate (% thermal energy from alternative fuels)	✓	G4-EN6	12.9	13.7	14
Waste types used as alternative fuels (%)		G4-EN6			
Waste oil			4	3	3
Tires			9	11	9
Plastics			11	11	13
Solvents			11	9	9
Impregnated sawdust			4	3	3
Industrial waste and other fossil-based wastes			29	29	31
Animal meal and animal fat			3	1	1
Agricultural waste/charcoal			14	15	13
Wood/non-impregnated sawdust			1	1	1
Other biomass			14	16	16
Dried sewage sludge, paper, carton and diaper waste			2	1	1
Clinker factor (average % of clinker in cement)	✓		70.1	69.8	69.8
Fuel consumption (specific MJ/t)		G4-EN3			
Cement			2,804	2,751	2,743
Aggregates			27	24	25
Ready-mix concrete (MJ/m <sup>3</sup> )			28	32	26
Fuel consumption (total million GJ/a)		G4-EN3			
Cement			452	445	456
Aggregates			4	3	3
Ready-mix concrete			1.2	1.2	0.9
Power consumption (specific) kWh/t		G4-EN3			
Cement			96	94	94
Aggregates			2.6	2.9	2.8
Ready-mix concrete (kWh/m <sup>3</sup> )			3.5	3.8	3.7
Power consumption (total million kWh/a)		G4-EN3			
Cement			15,525	15,368	15,608
Aggregates			410	387	378
Ready-mix concrete			157	140	132
<b>Other atmospheric emissions</b>					
<b>NO<sub>x</sub></b>					
Number of kilns reporting <i>Note 9</i>		G4-EN21	127	122	112
Total emissions (tonne/a)	✓		165,710	154,540	156,740
Average specific concentration (g/tonne cementitious materials)	✓		1,100	1,125	1,120
<b>SO<sub>2</sub></b>					
Number of kilns reporting <i>Note 9</i>		G4-EN21	130	122	115
Total emissions (tonne/a)	✓		26,330	27,250	29,400
Average specific concentration (g/tonne cementitious materials) <i>Note 10</i>	✓		175	200	210
<b>Dust</b>					
Number of kilns reporting <i>Note 9</i>		G4-EN21	130	122	115
Total emissions (tonne/a)	✓		6,660	6,260	4,190
Average specific concentration (g/tonne cementitious materials) <i>Note 11</i>	✓		44	46	30
<b>Mercury</b>					
Number of kilns reporting <i>Note 9</i>		G4-EN21	127	116	112
Total emissions (tonne/a)	✓		1.63	1.2	1.0
Average specific concentration (g/tonne cementitious materials)	✓		0.011	0.009	0.007
<b>Organics</b>					
Number of kilns reporting <i>Note 9</i>		G4-EN21	129	119	113
Total emissions (tonne/a)	✓		5,540	5,150	4,970
Average specific concentration (g/tonne cementitious materials)	✓		37	38	36

## Environmental performance (continued)

	CSI	GRI	2012	2013	2014
<b>Other atmospheric emissions (continued)</b>					
<b>Dioxins/furans</b>					
Number of kilns reporting <i>Note 9</i>		G4-EN21	127	117	114
Total emissions (grams/a)	✓		2.6	3.1	2.5
Average specific concentration (micrograms TEQ/tonne cementitious materials)	✓		0.017	0.022	0.018
Implementation rate of continuous emission monitors (%)	✓		91	92	95
<b>Biodiversity and resources conservation</b>					
<b>Number of biodiversity-sensitive sites</b>					
Cement	✓	G4-EN11	46	55	54
Aggregates	✓		39	35	40
<b>Number of biodiversity-sensitive sites with Biodiversity Action Plans in place</b>					
Cement	✓	G4-EN12	28	47	51
Aggregates	✓		20	34	37
<b>Approved mining plans by local authorities (% sites)</b>					
Cement			100	100	100
Aggregates			99	94	94
<b>% of sites with quarry rehabilitation plans in place</b>					
Cement	✓	G4-EN12	99	99	99
Aggregates	✓		95	90	92
<b>Water <i>Note 12</i></b>					
<b>Number of sites with water risks <i>Note 13</i></b>					
Cement			N/A	51	48
Aggregates			N/A	66	62
Ready-mix concrete			N/A	226	244
<b>Water withdrawal</b>					
<b>Cement</b>					
Total water withdrawal (mio m <sup>3</sup> )		G4-EN8	N/A	48.3	42.7
From public grid			N/A	4.0	3.1
From groundwater/springs			N/A	18.2	16.7
From surface waters			N/A	17.6	14.9
From rainwater harvested			N/A	4.1	4.0
Purchased and transported			N/A	0.4	0.7
Quarry water used			N/A	4.0	3.2
<b>Aggregates</b>					
Total water withdrawal (mio m <sup>3</sup> )		G4-EN8	93	72.4	64.0
From public grid			N/A	6.7	0.8
From groundwater/springs			N/A	26.4	15.2
From surface waters			N/A	26	26.0
From rainwater harvested			N/A	1.2	11.7
Purchased and transported			N/A	1.0	0.1
Quarry water used			N/A	11.2	10.2
<b>Ready-mix concrete</b>					
Total water withdrawal (mio m <sup>3</sup> )		G4-EN8		8.4	8.2
From public grid			N/A	4.5	4.4
From groundwater/springs			N/A	2.3	2.1
From surface waters			N/A	0.4	0.3
From rainwater harvested			N/A	0.3	0.4
Purchased and transported			N/A	0.9	0.9
<b>Water Discharge</b>					
<b>Cement</b>					
Total water discharge (mio m <sup>3</sup> )		G4-EN22	N/A	9.78	16.7
To surface water			N/A	9.30	14.1
To groundwater			N/A	0.14	1.0
To sewers			N/A	0.32	0.8
Others			N/A	0.20	0.8

## Environmental performance (continued)

	CSI	GRI	2012	2013	2014
<b>Water (continued)</b>					
<b>Aggregates</b>					
Total water discharge (mio m <sup>3</sup> )		G4-EN22	N/A	16.8	25.4
To surface water			N/A	11.7	19.9
To groundwater			N/A	4.9	4.3
To sewers			N/A	0.03	0.04
Others			N/A	0.02	1.2
<b>Ready-mix concrete</b>					
Total water discharge (mio m <sup>3</sup> )		G4-EN22	N/A	0.75	0.7
To surface water			N/A	0.36	0.3
To groundwater			N/A	0.08	0.1
To sewers			N/A	0.24	0.2
Others			N/A	0.08	0.1
<b>Specific water consumption (l/t)</b>					
Cement			260	281	185
Aggregates			N/A	413	282
Ready-mix concrete (l/m <sup>3</sup> )			244	204	213
<b>Water consumption (total million m<sup>3</sup>/a)</b>					
Cement			40	39	26.0
Aggregates			N/A	56	38.5
Ready-mix concrete			11	8	7.5
<b>Water recycling systems (%)</b>					
Cement		G4-EN10	85	84	86
Aggregates			63	66	62
Ready-mix concrete			84	83	84
<b>Transport</b>					
G4-EN29					
<b>Road (%)</b>					
Cement			71	72	71
Aggregates			82	80	81
Ready-mix concrete			100	100	100
<b>Rail (%)</b>					
Cement			19	19	18
Aggregates			5	5	6
<b>Water (%)</b>					
Cement			10	9	11
Aggregates			8	9	9
<b>Other (%)</b>					
Aggregates			5	6	4
<b>Waste management and recycling</b>					
Waste generated and disposal (tonnes) <i>Note 14</i>					
<b>Cement</b>					
Production waste		G4-EN23	N/A	84,620	104,310
Total other waste (hazardous)		G4-EN25	N/A	93,950	12,300
Recycled			N/A	13,310	7,680
Downcycled			N/A	73,670	1,990
Incineration			N/A	900	890
Controlled landfill			N/A	6,080	1,740
Uncontrolled landfill			N/A	0	10
Total other waste (non-hazardous)			N/A	273,460	114,060
Recycled			N/A	77,200	55,120
Downcycled			N/A	138,630	19,690
Incineration			N/A	9,440	2,160
Controlled landfill			N/A	48,160	37,080
Uncontrolled landfill			N/A	30	10
<b>Aggregates</b>					
Production waste		G4-EN23	N/A	-	-
Total other waste (hazardous)		G4-EN25	N/A	9,500	1,210

**Environmental performance (continued)**

	CSI	GRI	2012	2013	2014
<b>Waste management and recycling (continued)</b>					
Recycled			N/A	3,120	940
Downcycled			N/A	140	140
Incineration			N/A	6,050	80
Controlled landfill			N/A	190	50
Uncontrolled landfill			N/A	0	0
Total other waste (non-hazardous)			N/A	34,090	9,780
Recycled			N/A	24,820	5,370
Downcycled			N/A	4,330	200
Incineration			N/A	400	140
Controlled landfill			N/A	4,540	4,070
Uncontrolled landfill			N/A	0	0
<b>Ready-mix concrete</b>					
Production waste		G4-EN23	N/A	735,790	680,100
Total other waste (hazardous)		G4-EN25	N/A	640	420
Recycled			N/A	420	160
Downcycled			N/A	100	130
Incineration			N/A	70	80
Controlled landfill			N/A	50	50
Uncontrolled landfill			N/A	0	0
Total other waste (non-hazardous)			N/A	30,080	31,160
Recycled			N/A	2,800	10,300
Downcycled			N/A	9,960	270
Incineration			N/A	9,910	12,700
Controlled landfill			N/A	6,940	5,050
Uncontrolled landfill			N/A	470	2,840
<b>General waste management system (%)</b>					
Cement			99	97	99
Aggregates			95	92	97
Ready-mix concrete			87	89	92
<b>Returned concrete recycling system (%)</b>					
Ready-mix concrete			22	22	22

**Social performance**

	CSI	GRI	2012	2013	2014
<b>CSR strategy</b>					
% Group companies with a specific CSR strategy			96	84	91
<b>Employment practices</b>					
<b>Group employees by region</b>			76,359	70,857	67,584
Asia Pacific			36,523	34,080	31,850
Latin America			11,765	11,181	10,733
Europe			17,924	15,868	15,399
North America			7,136	6,791	6,777
Africa Middle East			2,153	2,128	1,928
Corporate			858	809	897
<b>Employee turnover (%) <i>Note 15</i></b>					
Asia Pacific		G4-LA1	6.7	8.5	7.7
Latin America			19.5	18.5	12
Europe			13.1	16.1	13.3
North America			10.8	13.8	15.9
Africa Middle East			3.0	5.2	5.9
Corporate			15.3	22.9	19.2
<b>Personnel expenses (CHF million)</b>			4,023	3,653	3,538
Asia Pacific			1,090	894	866
Latin America			549	548	468
Europe			1,275	1,122	1,124
North America			779	777	762
Africa Middle East			86	86	94
Corporate			244	227	224

## Social performance (continued)

	CSI	GRI	2012	2013	2014
<b>Employment practices (continued)</b>					
% of female workforce		G4-LA12			
Top management level			10	11	11
Senior management level			9	9	10
Middle management level			13	13	14
Nonmanagement level			12	12	13
Notice given for operational changes		G4-LA4	5–6 weeks	5–6 weeks	5–6 weeks
% Group companies conducting employee satisfaction surveys <i>Note 18</i>			57	49	10
% Group companies with employee grievance procedures			86	86	96
% where grievances can be submitted anonymously			69	73	92
<b>Training</b>					
Hours of training per employee		G4-LA9			
Senior management			37	41	32
Middle management			55	54	56
Other organizational levels			23	28	24
Average all levels			28	32	29
<b>Occupational health and safety</b>					
Number of fatalities – cement, aggregates and ready-mix concrete		G4-LA6			
Directly employed	✓		5	7	5
Indirectly employed	✓		22	23	20
Other <i>Note 16</i>	✓		18	17	16
<b>Lost-time injury frequency rate (LTIFR)</b>					
Directly employed (Own and subcontractors onsite) <i>Note 17</i>	✓	G4-LA6	1.3	1.3	1.6
Indirectly employed (Third-party service providers on site)	✓		1.6	1.2	1.3
<b>Total Injury Frequency Rate (TIFR)</b>					
Directly employed (Own and subcontractors onsite)		G4-LA6	6.6	5.7	4.8
Indirectly employed (Third-party service providers on site)			5.2	5.0	4.1
% Group companies with serious disease programs			94	86	88
% Group companies with joint health and safety committees		G4-LA8	96	100	98
% of workforce represented by committees			87	84	85
<b>Human rights</b>					
% Group companies giving training on equal opportunity policies		G4-HR2	47	37	42
% Group companies giving training on human rights policies			37	37	42
<b>Community involvement</b>					
Community spending total (CHF million)		G4-EC1	45	37	33
% Donations and charity			17	19	14
% Education projects			14	21	17
% Community development projects			24	22	23
% Infrastructure community projects			24	10	11
% Low-income housing				2	2
% CSR overhead			16	21	28
% Other			5	5	4
Number of people directly benefitting from inclusive business and strategic social investments (Million)			N/A	4.0	6.4
<b>Stakeholder engagement</b>					
Stakeholder engagement at local level (% of Group companies)		G4-SO1			
Needs assessment			69	78	85
Stakeholder involvement in CSR planning			80	82	84
CSR/SD memberships			80	71	72
Stakeholder dialogues			82	76	80
Community engagement plans in place			94	90	91
Community advisory panels			74	76	92
Cooperations			76	65	70

## Notes to the performance data table

- Note 1** The definition of Sustainability Enhanced Solutions can be found on our website [www.holcim.com/sustainable](http://www.holcim.com/sustainable). The methodology for measuring the % of revenues from Sustainability Enhanced Solutions is still under development. The figure reflected is an estimate based on Holcim Group Companies, net sales and volume of low CO<sub>2</sub> cements sold 2014. Price differentiation by product was not considered.
- Note 2** The figure reflects the amount of secondary materials that Holcim recover and reuse from other industrial processes or construction activities. These are industrial mineral components (e.g. slag, fly ash, artificial gypsum), secondary aggregates (e.g. recycled construction and demolition waste and asphalt), alternative fuels and alternative raw materials.
- Note 3** Reflects the % of products other than Ordinary Portland Cement (OPC).
- Note 4** Measured using the Sustainable Procurement Initiative methodology developed in 2012. The increase is due to the inclusion of an additional element on contractor safety in the methodology. It is expected that the number of "high risk" suppliers will increase even further as a result of this.
- Note 5** As a measurement of customer intimacy, Holcim relies on Customer Loyalty, a concept that is stronger than Customer Satisfaction. Holcim applies the "Net Promoter Score" Methodology, which allows for a direct dialogue with customers. The figure reflects a consolidated global figure for the Net Promoter Score survey conducted in Holcim Group companies (Promoters minus detractors).
- Note 6** The change in the figure is mainly due to divestments resulting from the CEMEX transaction in Spain and the Czech Republic and also plant closures. The "cement" figure reflects cement plants and grinding stations.
- Note 7** The increase in the reported absolute emission is primarily due to the increase of cement production, notably in China. The stagnation in specific emissions is due to fuel mix adjustments at key plants.
- Note 8**
- Total scope one emissions include emissions from own power generation at cement plants which are excluded in the absolute emissions figures reported for cement as per the WBCSD/CSI cement CO<sub>2</sub> protocol.
  - Scope two emissions figures for 2012 and 2013 reflect cement only. 2014 includes aggregates and ready-mix.
  - Scope three emissions include: purchased goods and services, fuel and energy-related activities, upstream transportation and distribution, business travel, employee commuting and downstream transportation and distribution. The largest portion (39%) is downstream transportation and distribution.
- Note 9** We have a universe of 115 kiln lines excluding Gador (Spain) and Prachovice (Czech Republic) which were divested in January 2015 and did not report. Where data reported was incomplete or unreliable for a specific component, to maintain data integrity that plant was excluded from the calculations and this is reflected under "number of kilns reporting".
- Note 10** The increase is due to increased sulfur content in the raw material mix in some plants.
- Note 11** The improvement is mainly due to the closure of a kiln line and a filter upgrade at one of the largest emitting plants.
- Note 12** The improvement in water performance is due to the continuing implementation of the Holcim Water Measurement Protocol. This has led to more accurate measurement due the installation of water meters and also a better understanding of definitions and what needs to be measured and reported.
- Note 13** Based on the Holcim water risk matrix developed in conjunction with IUCN.
- Note 14** This is only the second year we have reported waste figures in such detail. The fluctuations in figures are due to improved data quality and a better understanding of definitions. Furthermore, waste figures are often driven by large refurbishment projects and the completion or initiation of a project can significantly influence waste volumes.
- Note 15** Reflects total number of people leaving – we do not yet collate figures for voluntary turnover.
- Note 16** These reflect casualties in areas outside of our direct control and influence, mainly traffic-related accidents on public roads.
- Note 17** Holcim believes the increase is not as a result of more incidents than before – rather we are ascertaining more and this advancement in culture is reflected in this increased figure.
- Note 18** In addition, a Group-wide employee engagement survey was conducted in the first half of 2015, covering over 50,000 employees.

# Methodology and assurance

## Methods of data collection

We collect information from Group companies using the following tools: Plant Environmental Profile (PEP) questionnaire; equipment data and operating statistics based on annual plant technical reports; corporate CO<sub>2</sub> inventory according to the WBCSD/WRI Cement CO<sub>2</sub> Protocol; corporate Occupational Health and Safety (OH&S) questionnaire; and our Corporate Social Responsibility questionnaire.

Our data collection systems enable monitoring of performance at three operational levels: individual plant performance; Group company; and corporate consolidation of global performance.

### System boundaries

The scope of our reporting is outlined below.

**Economic performance** – Data included represent consolidated data from Holcim Group plants and companies covering all of the Group's operations, and are consistent with those reported in the Holcim Annual Report 2014.

**Environmental performance** – CO<sub>2</sub> and energy: the scope of data collection for CO<sub>2</sub> and resources use includes integrated cement plants, grinding and blending stations. Consolidation of data is consistent with the WBCSD/CSI Cement CO<sub>2</sub> Protocol where operational control is used as a criterion. Where Holcim owns between 20% and 50% of the Group company and does not have management control, data are proportionally consolidated; below 20%, the data are not reported; all other companies are reported 100%.

**Other environmental data** – The Plant Environmental Profile (PEP) self-assessment questionnaire is the source of performance information and data related to all other environmental impacts of the cement, aggregates and ready-mix concrete business segments; all data from all principal consolidated Group companies are included in this report at 100%. CO<sub>2</sub> data from the non-cement business segments is reported based on data from the PEP.

**Restatement of historical data** – Holcim now reports CO<sub>2</sub> and resources use according to Version 3 of the WBCSD/

WRI Cement CO<sub>2</sub> Protocol. All historical data have been recalculated according to the updated Protocol, to enable comparison of data over time. Historical data are also restated to reflect changes in consolidation of companies and acquisitions/divestments.

**Social performance** – Personnel data represent consolidated data from Holcim Group plants and companies' covering the entire Group's consolidated operations. OH&S data are collected for all operations via monthly reports and an annual survey, which is then revalidated by our regular business process system. Data are segregated according to on-site and off-site (logistics-related) incidents, and cover directly and indirectly employed, third-party service providers, visitors and others. This is consistent with the WBCSD CSI Guidelines for Reporting. All other social performance data are derived from the CSR questionnaire, which covers all Group companies (except Cement Australia), and are fully consolidated.

### Reporting cycle

Holcim has publicly reported SD performance since 2002. Until 2013, a full report was published every two years. Since 2013, a full report has been published every year.

### External assurance

PwC has undertaken external assurance of our reporting, including a review of our materiality process and of the draft report. Full details of the scope of the assurance, which included CO<sub>2</sub>, OH&S and selected environmental data, and the data collection process for social data can be found in the assurance statement on page 41. An independent expert panel also informed the materiality process and reviewed the report and their statement is on page 43.



# Independent Assurance Report

## on the Holcim Sustainable Development Reporting

To the Executive Committee of Holcim Ltd. Rapperswil-Jona ('Holcim'):

We have been engaged to perform assurance procedures to provide limited assurance on selected aspects of the 2014 Corporate Sustainable Development Report of Holcim ("CSDR").

### Scope and subject matter

Our limited assurance engagement focused on the following data and information disclosed with the CSDR of Holcim and its consolidated subsidiaries, for the period January 1, 2014 to December 31, 2014:

- a) Nature and extent of Holcim's incorporation of the GRI G4 materiality principles (materiality, sustainability context, and stakeholder inclusiveness) with respect to stakeholder dialogue;
- b) The application of the WBCSD Cement Sustainability Initiative (CSI) guidelines to the reporting and disclosure of CO<sub>2</sub> emissions, other emissions (NO<sub>x</sub>, SO<sub>2</sub>, dust) and OH&S data as well as the internal reporting system and procedures, including the control environment, to collect and aggregate CO<sub>2</sub> emissions, other emissions (NO<sub>x</sub>, SO<sub>2</sub>, dust), water, biodiversity, transport, waste management, recycling, OH&S data, social data, information from Holcim's CSR Questionnaire and ethical and sustainability issues regarding Holcim's contracted workforce; and
- c) The cement-related scope 1 & 2 CO<sub>2</sub> emissions data in the tables in the section Environmental Performance on page 33, the other emissions data (NO<sub>x</sub>, SO<sub>2</sub>, dust) on page 34, water, biodiversity, transport, waste management and recycling data in the tables in the section Environmental Performance on pages 35 - 37, the OH&S data (Fatalities, LTIFR & TIFR) in the tables in the section Social Performance on page 38 and ethical and sustainability issues regarding Holcim's contracted workforce disclosed in the 2014 CSDR.

### Criteria

The management reporting processes with respect to the CSDR were assessed against the internal and external policies and procedures as set forth in the following:

- Global Reporting Initiative G4 reporting guidelines, May 2013
- The following WBCSD Cement Sustainability Initiative (CSI) guidelines:
  - Cement CO<sub>2</sub> and Energy Protocol (version 3.1), December 2013;
  - Safety in the Cement Industry: Guidelines for measuring and reporting (version 4.0), May 2013;
  - Guidelines for Emissions Monitoring and Reporting in the Cement Industry (version 2.0), March 2012;
- Holcim internal data reporting guidelines of and the defined procedures by which the CO<sub>2</sub> emissions, other emissions (NO<sub>x</sub>, SO<sub>2</sub>, dust), environmental, OH&S and social (CSR) data are gathered, collated and aggregated internally as part of the data management of Holcim; and
- The principles summarized in the section "Methodology and assurance" on page 40 of the CSDR which define the scope of the reporting.

The accuracy and completeness of sustainability indicators are subject to inherent limitations given their nature and methods for determining, calculating and estimating such data. Our assurance report should therefore be read in connection with Holcim's internal guidelines, definitions and procedures on the reporting of its sustainable development performance.

### Responsibility and Methodology

The Holcim Executive Committee is responsible for both the preparation and the presentation of the selected subject matter in accordance with the reporting criteria. Our responsibility is to form an independent conclusion, based on our limited assurance procedures, on whether anything has come to our attention to indicate that the subject matter is not stated, in all material respects, in accordance with the reporting criteria.

We planned and performed our procedures in accordance with the International Standard on Assurance Engagements (ISAE 3000) 'Assurance engagements other than audits or reviews of historical financial information'. This standard requires that we comply with ethical requirements and plan and perform the assurance engagement to obtain limited assurance on the identified environmental data.

For the subject matter for which we provide limited assurance, the nature, timing and extent of procedures for gathering sufficient appropriate evidence are deliberately limited relative to a reasonable assurance engagement.

We have complied with the independence and other ethical requirements of the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

### Summary of work performed

Our assurance procedures included the following work:

- **Evaluation of the application of external and internal reporting guidelines**  
Reviewing and assessing the application of the external WBCSD CSI measuring, monitoring and reporting guidelines and the Holcim internal data reporting guidelines (see section 'Criteria');
- **Site visits and management inquiry**  
Visiting selected plants of Holcim in Argentina, Romania, Vietnam and Morocco. The selection was based on quantitative and qualitative criteria and represents on average the following coverage:
  - SO<sub>2</sub>: 2% of Group emissions
  - NO<sub>x</sub>: 8% of Group emissions
  - Dust: 4% of Group emissions
  - CO<sub>2</sub>: 7% of Group emissions (a further 38% of Group emissions have been externally assured in the scope of emissions trading schemes such as the EU ETS and Group company SD reports that have been externally assured)

Interviewing personnel responsible for internal reporting and data collection at the plants we visited and at the country Head Office level;
- **Assessment of the performance indicators**  
Performing tests on a sample basis of evidence supporting the CO<sub>2</sub> emissions, other emissions (NO<sub>x</sub>, SO<sub>2</sub>, dust), water, biodiversity, transport, waste management, recycling, OH&S and ethical and sustainability issues regarding Holcim's contracted workforce related data, relative to completeness, accuracy, adequacy and consistency;
- **Assessment of the processes and data consolidation**  
Reviewing the appropriateness of the management and reporting processes for CO<sub>2</sub>, other emissions (NO<sub>x</sub>, SO<sub>2</sub>, dust), water, biodiversity, transport, waste management, recycling, OH&S, ethical and sustainability issues regarding Holcim's contracted workforce and CSR questionnaire reporting;

- Interviews and management inquiry regarding GRI G4 materiality adherence**  
 Inquiries and interviews with selected executive and senior managers, the SD steering committee and staff from the SD department representing different functions in the Group, regarding Holcim's adherence to the GRI G4 materiality principles (materiality, sustainability context, and stakeholder inclusiveness), including Management's commitment to the principles, the existence of systems, procedures and processes to support adherence to the principles and the embedding of the principles at corporate level.
- Review the CSDR**  
 Reviewing the coverage of material issues within the CSDR against the key issues defined in the stakeholder engagement processes, material issues and areas of performance covered in peers and good practice reports, as well as topics raised by plant and local head office levels of the Holcim organisation.

We have not carried out any work in respect of projections and targets nor such outside of the agreed scope and therefore restrict our conclusion to the 2014 CSDR of Holcim.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our limited assurance conclusion.

#### Conclusion

Based on our work performed and described in this report on the identified CSDR Reporting 2014 nothing has come to our attention causing us to believe that:

- Holcim's materiality determination process does not adhere to the principles and guiding factors (materiality, sustainability context, and stakeholder inclusiveness) with respect to stakeholder dialogue as defined with GRI G4;
- Holcim's internal CSDR guidelines and internal reporting systems to collect and aggregate CR data are not functioning as designed and provide an appropriate basis for its disclosure in all material aspects; and
- The CSDR data and information mentioned in the subject matter disclosed in the 2014 CSDR is not stated, in all material respect, in accordance with the reporting criteria.

Zurich, 18 May 2015  
PricewaterhouseCoopers AG



Marc Schmidli



Stephan Hirschi

# Statement of Holcim's External Report Review Panel reviewing the Corporate Sustainable Development Report 2014

## Introduction

Since 2007, Holcim has invited an External Report Review Panel of independent experts. The panel's objectives were to:

- challenge the company's approach to sustainable development and
- assess the content and process of preparing its Corporate Sustainable Development Report.

For this year's review, Holcim retained seven members from the previous panel.

See [www.holcim.com/sustainable](http://www.holcim.com/sustainable) for details of the panel members.

This statement provides an assessment of Holcim's Corporate Sustainable Development Report (CSDR) 2014. The review did not include verification of performance data underlying the report or the information on which the case studies in the report were based. The members of the External Report Review Panel express their views as individuals, not on behalf of their organizations.

The engagement started in January 2015, when panel members were asked to provide input to the structure and outline of the Holcim Corporate Sustainable Development Report 2014. In April 2015, the experts discussed the draft report during an online consultation. Based on their feedback, the panel statement was drafted and circulated to the panel members for approval.

To ensure independence, the external panel process was facilitated by Barbara Dubach, engageability, and monitored by the CSDR assurers, PricewaterhouseCoopers.

*The External Report Review Panel (ERRP) is pleased to share with this statement its independent opinion on Holcim's Corporate Sustainable Development Report 2014.*

## Feedback to Holcim's Corporate Sustainable Development Report 2014

### Approach

The panel welcomes Holcim's sustainable development strategy, the long-term vision of Ambition 2030 and appreciates the summary of progress against targets disclosed in the report. The community targets to 'improve the quality of life – in particular with regard to livelihoods and shelter – of 100 million people at the base of the pyramid' are exciting, more exciting than the climate or resources targets, especially as the importance of the social dimension will further increase in the future. In light of the planned merger between Holcim and Lafarge, the panel recommends maintaining these targets, particularly its CO<sub>2</sub> commitments.

The panel understands that a comprehensive materiality review will be undertaken after completion of the merger. Most material topics are addressed well in the 2014 report and new topics such as managing contract labor have been taken up based on previous feedback. The impact of the renewed materiality assessment and the data collection process for the planned integrated profit and loss statement on the company's strategy will need to be shown in next year's report.

The case study about pilot testing the Sustainable Development Ambitions 2030 in Costa Rica nicely highlights the impacts of Holcim's SD strategy beyond the company gate. The panel recommends assessing the broader impact and benefits of the Sustainability Enhanced Solutions beyond the immediate

achievement of the targets and to disclose the externalities and multiplied indirect impacts to the company, the environment and society. In this regard, the panel encourages aiming for external assurance of the methodology to monitor Holcim's sustainability ambitions and validation of the data.

### Report structure and content

The CSDR 2014 is an easy read and has made a lot of progress in terms of completeness. A consistent structure guiding readers through the strategy, the portfolio of sustainability enhanced solutions and other material issues would be appreciated as well as links between the sections to highlight interconnectedness for example between integrity and human rights.

The report refers more clearly to international standards and frameworks (e.g. UNGC, OECD guidelines and UN Guiding Principles) Holcim aligns with and its approach to managing human rights risks and its Human Rights Impact Assessments (HRIA) are good practice and the level of detail disclosed is exemplary. The stringent implementation of the HRIA should be followed closely in a continuous learning process.

To understand implementation of Holcim's sustainability commitment in the Group, the panel would like to see bottom up examples of how the different activities improve the situation at local level. Future reports would benefit from additional case studies for example on how Holcim is operating with integrity, how the sustainable procurement initiative is being implemented or information about training of contractors as well as corrective actions.

### Opportunities for improvements

The focus on integrity and occupational health and safety is seen as very positive: A chapter on competition and on responsible tax confirming that Holcim aims to adopt a tax policy of ensuring that each jurisdiction in which it operates receives a fair share of tax revenues would complete the report. To reach the target of a zero-harm organization, Holcim should provide information about what didn't work and what more can be done to improve the status quo.

The next report should address the challenges of the merger including information how the two cultures are being brought together as well as the impacts on people. According to the panel members, Holcim's standards should be the basis for the future company.

In addition to this panel statement, the credibility of future reports would benefit from the inclusion of critical but constructive voices.

### Conclusions

The panel applauds the progress made and is pleased to see that Holcim has incorporated feedback from previous panels as well as comments raised during this review.

With hope of Holcim's continuing commitment to sustainable goals and shared value creation while addressing the significant impacts and challenges of the merger, which external stakeholders will be watching with great interest, the panel looks forward to further engagement over the coming years.

## Holcim response

Holcim welcomes the constructive comments and recommendations from the independent External Report Review Panel (ERRP) and also the findings of the report assessor. Holcim remains committed to addressing the recommendations in a process of continuous improvement.

We are grateful for the recognition of the progress we have made, and mindful of the challenges we still face. Our response to the main themes contained in the statements is as follows:

### Approach to sustainability

We are convinced that the aspirations we set with the Holcim Sustainable Development Ambition 2030 is the right direction and we will bring it as a key input for the future strategy of the new Group.

We are heartened that the emotional appeal of the targets and ambitions set out in the “Communities” stream are singled out by the panel as exciting. We do however feel that the “Climate” and “Resources” aspirations are also challenging and ambitious. Indeed, Holcim is the first in its sector to commit to action to cap absolute CO<sub>2</sub> emissions across the lifecycle.

We take note of the call for assurance of the methodologies to monitor our sustainability ambitions. We are still in the process of defining the monitoring methodologies and the most appropriate metrics. This process involves a robust peer review before the methodologies are deployed. When appropriate, we will include the validation of the data into the scope of our external assurance.

### Report structure and content

We appreciate the recommendations of the panel for improving the report’s content and structure and will take them into account when planning future reports.

We take heed of the call for more granular reporting on taxes and will be addressing this in the course of 2015, giving a breakdown of taxes paid per region.

We appreciate the endorsement of the Holcim human rights management approach and take note of the recommendation to ensure continuous improvement in its implementation. Holcim takes human rights very seriously and we will strive to refine our approach and ensure robust and meaningful implementation of the Human Rights Management System throughout the Group.

### Opportunities for improvements

We are equally committed to all dimensions of the triple bottom line and tried to demonstrate this in the report. We will strive to ensure that this better reflected in future reports.

We take note of the recommendations to provide further case studies and examples, and in particular to provide information on what didn’t work. Holcim has been working hard to develop a culture where criticism and mistakes are viewed as opportunities to improve performance. We will continue on this path and reflect this in future reports.

We further take note of the panel’s views that the combining of cultures and the impacts on people of the proposed merger with Lafarge should be addressed in the next report, and that Holcim’s standards should be maintained. Holcim and Lafarge both have a clear and deep commitment to sustainable development – and this commitment will carry over into the new group. If anything, sustainable practices will need to be further enhanced to reflect the higher responsibility that the merged entity will have as the undisputed leader of our sector.

In conclusion, we thank the panel and our assessors for their goodwill and constructive recommendations to improve our SD performance. Their contribution is highly valued and appreciated.

# Communication on progress

## Global reporting initiative

This PDF report, with additional information on our web site, is prepared in accordance with the Global Reporting Initiative (GRI) G4 Sustainability Reporting Guidelines at comprehensive level. To locate the elements and information contained within the guidelines, including disclosures on management approach to economic, environmental and social aspects, use the GRI index at [www.holcim.com/sustainable](http://www.holcim.com/sustainable)

Holcim, along with organizations from over 50 countries, is an Organizational Stakeholder of the GRI and we are a member of the GRI Stakeholder Council. To learn more about the Organizational Stakeholder role in the GRI, go to [www.globalreporting.org/OS](http://www.globalreporting.org/OS)

For a detailed explanation of the GRI indicators, visit [www.globalreporting.org](http://www.globalreporting.org)

## UN Global Compact (UNGC)

With our integrated approach to sustainable development, Holcim aims at embracing the UNGC principles. We strive to implement the 10 principles of the Compact and to use it as a basis for advancing responsible corporate citizenship. At the same time, the Compact provides Holcim with the opportunity to further push our own ongoing programs and processes in the areas of human rights, labor standards, the environment and anti-corruption.

Holcim is involved in the expert group on “Responsible Business and Investment in conflict-affected and high-risk areas” as well as in the “supra-environmental” stewardship strategy group.

Our annual communication on progress (COP) to the UNGC outlines Holcim’s continued commitment to the Compact’s philosophy, intent and principles. This latest document highlights key actions implemented in 2014 against the Compact’s 10 principles as well as confirming our sustainability priorities and performance targets.

Review the COP at [www.holcim.com/sustainable](http://www.holcim.com/sustainable)



Holcim is one of the world’s leading building materials companies and has a presence on all continents. With its innovative products and services and a commitment to sustainable construction, Holcim is contributing to the success of its customers around the world – as a trusted partner for more than 100 years.

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