

## **Fact Sheet – Corporate Social Responsibility (CSR)**

### **Introduction**

Corporate Social Responsibility (CSR) is one of this decade's major business issues, following the rise to prominence of environmental management during the 1990s. Social responsibility has always been a cornerstone of the Holcim commitment to sustainable development. It is about caring for people: our employees and our neighbors as well as our customers and suppliers. We are determined to contribute to improving the quality of the lives of our stakeholders within our spheres of influence.

The philosophy behind CSR recognizes that stakeholders should have the opportunity to benefit from the way a company conducts its business. Improved working conditions for employees, for example, could include development opportunities and the benefits inherent in a diverse workforce. Working within a community provides the opportunity to enhance their quality of life - perhaps by a company contributing to infrastructure projects or capacity building. Companies further need to recognize that their activities are an integral part of the supply chain - both down and upstream - and contribute to spreading good social and environmental practice beyond their own production process.

### **Why the issue is important**

Society's calls for more corporate transparency and business involvement to solve social and environmental problems have gathered momentum, especially in the aftermath of the Johannesburg World Summit in 2002. Adopting a proactive CSR approach that permeates the whole organization - from the boardroom to the shop floor - paves the way for business to respond to these urgent calls.

More than this, however, is the opportunity for business to significantly benefit from its adoption of the CSR agenda. Not only is there an increased likelihood of loyal employees, increased productivity and motivation inside the organization, but beyond the company fence, 'friendly' host communities also contribute more readily to business success.

### **Challenges for Holcim**

CSR has been an integral part of the Holcim culture for decades, but prior to 2003 had always been planned and managed within the remit of local Group companies. Whilst this ensured close engagement with stakeholders, there was no corporate coordination. This translated into

a variety of approaches and a patchy coverage of core issues. Since development of our global CSR policy, we take a more holistic view. The policy serves as guidance for our decisions and actions, and focuses on the following pillars :

- Business conduct - including our participation in the UN Global Compact
- Employment practices - focusing on respect and equal opportunities
- Occupational health & safety (OH&S) - where our aim is for zero risk
- Community involvement - by assessing local needs and partnering stakeholders
- Customer & supplier relations - by engaging in sustainable relationships
- Monitoring & reporting performance - including both evaluation of programs and activities as well as public reporting on performance and progress

We are challenged to engage all levels of management in our widespread Group with these efforts and align current projects with these goals, as well as source new projects to further our CSR engagement. To further strengthen our approach and facilitate the exchange of good practices, we conduct regional and global workshops.

One area we are concentrating on is in promoting sustainable supplier relationships – encouraging suppliers to respect our environmental and social policies and standards. Our Group procurement policy and supplier qualification program include social accountability criteria and ISO 14001 certification.

## **Our commitment**

At the heart of the Holcim CSR approach is our commitment to work as partners with all our stakeholders - to effectively improve the quality of life of the members of our workforce, their families and the communities around our operations. We also aim to be a catalyst for spreading good practice, both throughout the cement industry and within the wider business community.

Our Group-wide CSR approach was launched in 2003 and clear targets and milestones were defined for its implementation. All Group companies conducted a CSR assessment and defined their own CSR strategy based on the Group policy. CSR is integrated into Group company business plans, and budgets have been established to support activities. We realize that we cannot solve complex social problems and that we must not lose sight of the fact that economic growth and healthy financial returns are the decisive factors that enable companies to help build sustainable societies. But within our local spheres of influence, we do all that we can to build foundations for society's future.

## **Related publicly available information**

Holcim publishes Corporate Sustainable Development Reports (CSDRs) each second year, with performance information and data updated annually on our website. Together with additional fact sheets and other SD-related information, this can be found at:

[www.holcim.com/sustainable/](http://www.holcim.com/sustainable/)