

Fact Sheet - Stakeholder Relations

Introduction

Stakeholder expectations about the role of business in society have grown in many markets around the world. Research* has shown that two out of every three citizens want companies to go beyond their historical role of making a profit, paying taxes, employing people and obeying all laws - they want companies to contribute to broader societal goals as well.

It can be argued that this situation has arisen due to the increasing awareness of society to the sustainable development issues that affect us, and the planet. It is perceived that traditional civic institutions such as government have not been able to solve the dilemmas caused by human impact on the globe. As a result, people are now looking to the business community to play a more active role.

Why the issue is important

Understanding and responding to the changing needs and expectations of the people who are affected by our business is central to the Holcim approach to sustainable development (SD). We recognize that earning and keeping the trust and respect of our stakeholders, through strong SD performance, is not only a prerequisite for our license to operate, but will fundamentally strengthen our business.

For a decade now, many Holcim Group companies have engaged in regular dialogues with their local communities, but from 2003, we expanded these dialogue efforts to the corporate level. Asking stakeholders to comment on our performance, our reporting, and our future direction with respect to sustainable development provides Holcim with valuable information. The ideas and positions presented help to shape and influence our processes of issue identification and prioritization.

Challenges for Holcim

Our Group companies have come to realize the value of identifying, meeting with, and listening to stakeholders. It helps us stay on the same wavelength as our neighbors, it mitigates the negative effects of potentially 'hot issues', and it helps us spot opportunities and innovate.

However, we are constantly challenged by diverse stakeholder needs for consultation and involvement in the different communities. The issue of alternative fuels and raw materials (AFR) is a case in point. Some communities have expressed high levels of concern that dialogue with the company could not resolve. Meanwhile, in other communities, the same information, delivered in a different way, is accepted and supported by stakeholders.

Essentially, such experiences in the field mean that we need to balance a systematic approach to engagement Group-wide with addressing local stakeholder needs and aspirations. As such, depending on the relevance of the issue and the location, we prioritize our relations with the various groups, and rely on local management knowledge to support this process.

Our commitment

The commitment to deliver value for, and engage with all our stakeholders is built into the Holcim mission statement. Specifically, our business goals include a commitment to 'maintain an active dialogue with governments, international organizations and NGOs, and be acknowledged as a valued and trusted partner'.

Both our environmental and social policies include declarations in regard to stakeholder engagement. In the former document, our commitment is to 'engage our stakeholders and report publicly on compliance, performance and progress'. The latter document, meanwhile, commits us to 'work with all our stakeholders, building and maintaining relationships of mutual respect and trust'. More specifically, our social policy promotes stakeholder engagement and partnership in community involvement projects, and encourages stakeholder feedback as part of the ongoing monitoring of performance.

As part of our engagement with the WBCSD Cement Sustainability Initiative (CSI), Holcim is also an active contributor to and participant in CSI stakeholder dialogues. Furthermore, our support of the UN Global Compact commits Holcim to strive to implement its ten principles and investigate engagement opportunities as part of the Compact. Holcim also engages in a public-private partnership with GTZ to develop solutions for integrated waste management.

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/

*The Millennium Poll on CSR, conducted by Environics International in cooperation with the Prince of Wales Business Leaders Forum and The Conference Board.