

Fact Sheet - Plant Environmental Profile (PEP)

Introduction

A key element of the Holcim approach to environmental management is the company's environmental assessment system. Known internally as the Plant Environmental Profile (PEP), it enables monitoring of performance on three operational levels - individual plant performance assessment, Group company assessment, and corporate consolidation of plant performance worldwide. Whilst implementation of the PEP scheme throughout the Group started in 1995, it was only in 2000 that corporate data collection began for our cement business. From 2005, we have also consolidated and reported aggregates and ready-mix concrete performance data.

The suite of self-assessment tools that form PEP contains key elements of ISO 14001 and enables companies to evaluate their performance on all relevant environmental issues. It also contributes to continuous improvement in monitoring and reporting as part of our overall commitment to sound environmental management.

Why this issue is important

Monitoring of environmental performance is a critical issue for a company such as Holcim – not only to provide a benchmark across a range of environmental impacts, but also to present stakeholders with objective information relating to the performance of our operations.

The Holcim PEP scheme was developed to take account of these twin needs. The core of the self-assessment is divided into categories dedicated to environmental management, regulatory compliance and performance. Performance issues cover a wide range of topics - including atmospheric emissions, energy and material consumption, water, waste and quarry management. We use this evaluation to develop both individual and integrated performance indicators which serve as an environmental 'score -card' for each plant.

Challenges for Holcim

A key challenge is the rigor which needs to be applied when using self-assessment tools in the monitoring of environmental performance. Data quality is important as the information is used in both our reporting to stakeholders as well as continuous improvement initiatives.

As a result, we ensure that proper training is undertaken so that completion of the PEP questionnaire by plant personnel is accurate and objective. An intensive program of regional training workshops, extensive technical feedback provided to individual Group companies, and regular evaluation reports presented to Group management has ensured significant progress in Holcim environmental monitoring and reporting over the past few years.

During 2003, the PEP environmental questionnaire and user manual were reviewed and validated by SustainAbility Ltd. The review concluded that they are 'effective tools for assessing the environmental performance of Holcim cement plants and quarries' and that they reflect 'a significant commitment to understand and manage impacts'. Specific improvements, including the development of new leading indicators, are regularly implemented.

Another challenge which we recognize is the need to transform the data collected via the PEP scheme into management information for the further development of environmental policies, procedures and investments. We address this by providing regular detailed performance summaries to Group management which include improvement recommendations. These reports support continuous improvement initiatives at our plants, and form the basis for setting internal targets, enabling performance comparison within the Group as well as allowing plants to benchmark their performance against 'best in class'. Today, the PEP scheme is also an integral support tool in our regular business planning processes.

Our commitment

Holcim has developed PEP systems for facilities dealing with our core businesses of cement, aggregates and ready-mixed concrete. Reporting of 2005 performance covered all business segments for the first time. The extension of the PEP from about 150 cement plants and grinding stations to include more than 300 aggregate sites and nearly 1000 ready-mix concrete operations was a significant challenge.

To further contribute to achieving our continuous improvement objective, we continue to establish global targets for environmental performance. Examples include the implementation of the Holcim Emission Monitoring and Reporting (EMR) standard to ensure a consistent global approach to atmospheric emissions, the setting of emission reduction targets, and the implementation of ISO 14001 across the Group to standardize our approach to environmental management. As an integral part of our overall approach to environmental management, Holcim is confident that the PEP system provides the relevant tools to help us achieve our environmental policy objectives.

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/