

Fact Sheet - Sustainable Development

SD at the core of our business

Our vision is to provide foundations for society's future. We aspire to be the world's most respected and attractive company in our industry, creating value for all our stakeholders. Placing sustainable development (SD) at the core of our business strategy aims to enhance this value, safeguards our reputation and contributes to continued success.

Group strategy and our approach to value creation integrates economic, environmental and social impacts – the three elements of the triple bottom line.

We all have a role to play in addressing the triple bottom line

All players in society, including individuals, governments, businesses and NGOs, have to collectively ensure that sustained economic growth doesn't overburden limited resources. Key challenges need to be addressed simultaneously – particularly risks related to energy supply and the impacts of climate change, the degradation of ecosystems with a resulting loss of biodiversity, and increasing water scarcity.

Holcim acknowledges its own significant role in tackling these issues. We recognize the contribution we can make toward sustainable development: at an operational level as building materials manufacturers. As providers of goods and services in the building materials value chain, and through collaboration and partnerships. A precedent condition to making a meaningful contribution to sustainable development is to have an adequate return on invested capital.

In this context, we have identified the following priority issues:

Occupational health & safety (OH&S)

We recognize that the health and safety of our employees, subcontractors, third parties and visitors is vital to our business success. Our "Passion for Safety" initiative aims for continuous improvement and we aim to achieve our vision of "zero harm" to people.

Climate and energy

By 2030, some 70% of the global population – five billion people – will be living in cities – compared to 50% today. This requires the construction of infrastructure for water and

sewerage systems, hospitals and schools, railroads and roads, as well as housing. These rates of growth will increase the demand for construction for lower energy consumption and reduced emissions are therefore of major ecological significance.

Given its long life cycle and owing to its natural thermal inertia, concrete is one of the most energy-efficient and eco-friendly building materials available, and can significantly contribute toward achieving this potential.

With regard to the manufacture of cement, which remains a resource-and energy-intensive process, innovation is key to reducing CO₂ emissions. This can be achieved by optimizing products and processes, and investing significantly in research and development such as developing new types of cement and using alternative fuels, within the current technical limits. Holcim is investing in process and product optimization and is reducing its net CO₂ emissions per tonne cement on an ongoing basis.

Sustainable products and services

The Group's ongoing innovation strategy focuses on process and product innovation as well as promoting sustainable construction, demonstrated in our business operations and through the Holcim Foundation for Sustainable Construction (see next chapter).

In the field of process innovation, we base our work on research carried out at Eidgenössische Technische Hochschule (ETH) Zürich. In the product side, we promote the use of sustainable, eco efficient products such as composite cements containing mineral components, and benefit from our active collaboration with Ecole Polytechnique Fédérale de Lausanne (EPFL) where potential applications for nanotechnology are being researched.

Construction of affordable housing presents us with opportunities to create new markets. It also benefits low-income communities by addressing important social issues. Our approach is an integrated one, combining both commercial and CSR expertise to create an enhanced offer to customers. These include long-standing engagements in Latin America as well as more recent projects in Asia, North Africa and Eastern Europe.

Sustainable construction

Together with the Holcim Foundation for Sustainable Construction, we support research and development for innovative solutions in the construction industry – irrespective of the building materials – as each application and situation dictates the best material.

How can we assure a more efficient and sustainable use of our products if they are a component of a larger entity - a building or infrastructure? The establishment of the Holcim Foundation for Sustainable Construction is an important step in that direction: more information is available at www.holcimfoundation.com/

Resources conservation

Production of cements and aggregates depends on long-term access to raw materials that we acquire through quarrying. We plan our raw material extraction and management according to a defined process with impacts assessed at each stage of quarry operation. Rehabilitation guidelines and plans are implemented by almost all quarries, resulting in many conservation and restoration projects. Previous quarry sites now host habitats such as wetlands, forests and natural grasslands.

We recognize that quarrying activity has an impact on biodiversity and are committed to conducting environmental and social impact assessments (ESIA) following WBCSD CSI guidelines. Our partnership with IUCN, aimed at developing new standards for biodiversity conservation, extends and builds on our efforts.

Community involvement

The Holcim Corporate Social Responsibility (CSR) approach is strategic, not philanthropic. It aims to build capacity of people and organizations through investment and engagement, which goes beyond the act of corporate donation. Based on this approach, our Group companies focus on projects in collaboration with stakeholders where our expertise can contribute to achieving greater impacts mainly in the areas of education provision, infrastructure building and sustainable community development.

Stakeholder engagement

At Holcim, developing and maintaining strong relationships with our stakeholders is vital to the success of our business. We are committed to a continuous process of listening to, and learning from, people and organizations engaged with our operations around the world.

We have developed a rich network of external partners at Corporate and local level. This spans our activities in community development, economic development, education, environment, health, affordable housing and sustainable construction and include our key strategic corporate partnerships with GTZ and IUCN.

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/