
Introduction
Since 2007, Holcim has invited an External Report Review Panel of independent experts to:
• challenge the company’s approach to sustainable development,
• review its most material issues, and
• assess the content and process of preparing its Corporate Sustainable Development Report.

For this year’s review, Holcim appointed eight new panel members and retained one member from previous panels.

The names and details of the panelists can be found at www.holcim.com/sustainable

This statement provides an assessment of Holcim’s Corporate Sustainable Development Report 2013. 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 October 2013, when panel members were asked to review the Group level materiality matrix to inform the content of the company’s sustainable development reporting. In March 2014, the experts were interviewed individually to give feedback to the draft report and provide input for the joint statement. To finalize the panel statement an online consultation was organized in April 2014. To ensure independence, the external panel process was facilitated by Barbara Dubach, engageability, and monitored by the CSDR assurors, PricewaterhouseCoopers.

The External Report Review Panel (ERRP) is pleased to share with this statement its independent opinion on Holcim’s Corporate Sustainable Development Report 2013 (CSDR).

Feedback to Holcim’s Corporate Sustainable Development Report 2013
Approach and ambitions
The panel welcomes Holcim’s approach to sustainable development and is of the opinion that sustainability is evolving well within the company.

To judge if Holcim is addressing the most important trends and challenges relevant for a building materials company, the panel has been invited to challenge the internal review of material issues. Overall, there was great alignment of the views of the external panel and internal stakeholders. The only substantial differences were in the area of supplier management and water where the majority of the panel members rated the issues as more material than internal stakeholders.

As recommended by previous panels, Holcim has defined a new sustainability strategy and aspirations for 2030 in three focus areas: resources, climate and communities. Six members of the ERPP were invited to participate in the stakeholder dialogues conducted in Switzerland and in India to assess the credibility of Holcim’s sustainable development ambitions. The panel members welcome the new ambitions and recommend the formulation of quantifiable targets in all priority areas. Future reports should explain the process the company plans to follow to achieve and monitor its sustainability ambitions. It would for example be interesting to understand how many million tonnes of cement Holcim can save with its aspiration to valorize 1 billion tonnes of secondary materials.

Report structure and content
The CSDR 2013 provides a good coverage of the main issues facing Holcim, the structure has been thought through and it’s an easy read with additional information available on the company’s website.

To improve the report, the panel encourages Holcim to address the dilemmas and challenges the company is facing in the different areas and to provide more substance or evidence as well as benchmark information. The report should also clarify how Holcim respects international good practice standards, like ISO standards or the UN Guiding Principles on Business and Human Rights.

Opportunities for improvements
Holcim has a number of directives and programs in place such as the Anti-Bribery and Corruption Directive, Holcim’s Whistle Blowing System and the Fair Competition Program to inform and educate employees. The panel would be interested in understanding how many employees have been trained and learning more about pending cases as well as the type of remediation actions or employment consequences warranted.

To achieve Holcim’s vision and new ambitions and to seriously address climate change challenges, innovation is essential. The ERPP expects more information about Holcim’s innovation strategy including its R&D approach as well as the relevance of sustainable construction solutions and sustainable products. The panel members are interested in understanding Holcim’s ability to impact and influence sustainable construction for example by engaging in partnerships with customers.

The supply chain is critical for a large company like Holcim. Responsible supply chain management is more than sustainable procurement and should include how Holcim is managing its supply chain, how the company is helping small suppliers to improve, how many audits have been undertaken and how the company is monitoring the outcomes. In addition, a continued focus on raising occupational health and safety standards along the supply chain will be key to achieve improvements in this area.

Holcim has a long history of good stakeholder relations. The panel encourages Holcim to articulate its approach to stakeholder engagement more clearly. Such disclosure would include information about Holcim’s significant stakeholders, how stakeholder inputs might influence Holcim’s decision making process as well as how existing conflicts with stakeholders or communities are managed.

Future reports should could attempt to capture regional specificities even more with additional regional examples or data. The regional balance given could reflect the economic impact and revenues from the countries and regions where Holcim operates. Furthermore, region-specific information on competition, taxation and legal compliance would be appreciated.

Conclusions
The panel members are pleased to see that Holcim has taken on board and incorporated feedback from previous panels as well as comments raised during this review and look forward to further engagement with Holcim over the coming years as their approach continues to evolve.