

# Comparability of performance how do we measure up?

We believe that it is important not only to track our performance against previous years but to look at our performance against peer companies and SRI rating indices. We make this exercise a driver for improvement.

There are many other evaluations done by professional agencies, banks, NGOs and others. We cannot list them all. We thank them for their interest in and attention to our company. In all cases we consider what they have to say carefully and in the light of them consider how we can improve both our communication and our absolute performance.

## SRI RATING AGENCIES

SRI rating agencies produce indices to inform investors about how responsibly and sustainably companies operate. However we believe that the indices produced can help drive performance and inform reporting.

The nature of the questions as well as the evolution of the questions on issues raised by SRI rating agencies are an indicator for us on how sustainability issues are evolving.

## EVALUATION BY SAM (DJSI INDEX)

In 2009 we improved our total score in the index to 76%. This was an increase of 6% over 2008, which in turn was an increase of 6% over 2007. This was the result of improvements that we were already making. It was also the result of our applying thorough analysis to the more detailed score supplied to us by SAM. In some places where we had not scored well this was due to us not disclosing as much information as we could. In other areas plans needed to be put in place to rectify weaknesses in our performance.

2009 saw material increases in our scores for Codes of Conduct/Compliance/Corruption & Bribery, Anti-Trust Policy, Human Capital Development, Recycling Strategy and Operational Eco-Efficiency. We are pleased to have improvements in these areas recognized. We are aware that we need to keep on driving for improvement against the all-important health and safety measure.

## OEKOM RESEARCH

Our rating from this agency is C+, which gives us Prime status. Within the Oekom system a Prime status company is one which "ranks among the world's best companies within the same industry and fulfils the sector specific minimum requirements". The survey identified quarry rehabilitation, addressing climate change

and sustainable construction as strengths. These are areas where we have been active for some time. Recyclability and reusability of construction materials were identified as areas of weakness. We had already set ourselves the target of making progress in these areas. This reinforced our determination to do so.

## VIGEO

Vigeo is a French based ratings agency with a strong interest in the social elements of company operations. Vigeo rates Lafarge overall CSR performance as above the sector average. Indeed Lafarge is one of the top performers in the survey. The areas of strongest performance are community involvement and human resources. The weakest area is corporate governance, as Vigeo pointed out that the role of CEO and Chairman are not distinct. Lafarge owns 0.74% of the equity in Vigeo.

## OTHER INDICES

In addition to learning from the indices covered above we have also learned from a wide range of other indices of other organizations including but not limited to, Capitalcom/RiskMetrics, FTSE4Good, Global 100 Most Sustainable Corporations, Innovest and Storebrand. Coverage of these can be found in past year's Sustainability Reports and on our website @.

## A CHANGING COMPETITIVE ENVIRONMENT

Through detailed engagement with all these indices we recognize that there is a general improvement in the response of major corporates to CSR and sustainability issues. Performance which was sector-leading last year will not necessarily be so this year. This reinforces our determination to use the indices as a way of driving improvement in our own performance.