

We conduct an annual materiality assessment, to identify areas that are important to our stakeholders and our business. This has allowed us to define three overarching priority areas at Group level: climate change, health & safety, and ethics and governance.

Identifying what matters

We are committed to transparent reporting and disclosure for the benefit of all our stakeholders. We report publicly on over 100 indicators related to the environment, employees, society and socio-economic development. These indicators cover both the positive contribution and negative impacts of our business on sustainability issues and the means used to manage their related outcomes.

Our reporting focuses on material issues. These material issues are those that are important either to our business (the cost of not managing these impacts properly for the Group) or to our stakeholders (employees, local communities, clients, architects, investors, etc.). The Lafarge Stakeholder Panel has helped inform us on the most important issues for our stakeholders. The importance of issues for our business is reviewed yearly by Group Executives with responsibility for sustainable development. We have grouped issues into **10 impact areas covering the three domains of sustainable development** (economy, society, and environment). These impact areas are consistent with existing external frameworks such as the United Nations Global Compact principles, the GRI and those used by extra-financial rating agencies.

In order to ensure proper management of material issues, we distinguish between:

- issues that are inherently important because of the nature of our business (in red),
- issues that are important in certain local contexts due to cultural or geographical specificities (in green),
- issues of general corporate responsibility (in blue).



Deciding on our priorities

Based on this materiality assessment, we have defined three main priorities at Group level: **climate change, health & safety and ethics & governance**. These are all of high importance to all our stakeholders and to our business. They are also inherently important to Lafarge due to the nature of our activities.

In addition to this Group-level analysis, we have developed the '**Sustainability Compass**' methodology to help our country management teams to perform their own materiality assessment on a yearly basis, to guide the development of their strategic plan. Having identified their level of maturity on a range of issues relating to sustainable development, our countries then prioritize areas for action and improvement, according to their local business objectives and the expectations of their key stakeholders. This ensures the integration and coherence of sustainable development issues into business strategy and the relevance of our sustainability actions locally.