

SUSTAINABILITY AMBITIONS 2012: HAVE WE DELIVERED?

Our Sustainability Ambitions 2012 program came to term at the end of the year. Almost all the objectives were achieved and contributed to the integration of sustainability into our business processes and strategic orientations. We have built on this program to develop our Sustainability Ambitions 2020, an even more ambitious plan to make a net positive contribution to society.

● FULLY ACHIEVED ● PARTIALLY ACHIEVED ● IN PROGRESS

MANAGEMENT				
Target	Deadline	Performance 2012	Performance 2011	Why is Lafarge pursuing this ambition? What will change? How are we progressing against this ambition?
● On safety, reduce the employee Lost Time Injury Frequency Rate (LTIFR) for Lafarge employees to 0.94 or below in 2010.	2010	0.75	0.63	Lafarge continued to make progress in 2012 in reducing the lost-time injury frequency rate (LTIFR) for its on-site contractors, with a 19% reduction compared to 2011. However, the LTIFR for employees was disappointing with a 19% increase compared to 2011.
● Continue to check the implementation of our Competition compliance program in our business units. 100% of all significant business units tested for compliance by end of 2010.	2010	100%	96%	Our Competition Compliance Program has been implemented in 100% of our business units. To ensure its effectiveness, the Group Legal Department conducts regular unannounced compliance checks and verifications.
Manage and improve our local stakeholder relationship management by:				Training workshops focus on the key personnel for stakeholder engagement: Cement Plant Managers and Aggregates & Concrete (A&C) Area/Regional Managers. With the reorganization that took place at both Group and country level in 2012, some training sessions were postponed to allow country-level organizations to be put in place; going forward, we will continue to reinforce this program. The other objectives had been completed previously.
● Training 100% of units in the local stakeholder relationship methodology.	2012	Cement: 64% A&C: 41%	Cement: 76% A&C: 80%	
● Full reporting of the three new indicators. Three additional targets (undertaking self-assessment on stakeholder relationships, launching a dedicated intranet site and providing an internal audit screening tool) were completed in 2009.	2009	done	done	
● On customers, by 2012, the Group will achieve €3 billion annual sales in new products.	2012	€2.2 billion	€2.3 billion	New concrete product sales increased, but overall sales of new products decreased slightly in 2012.
● Reach 20% of women in senior and executive management (Lafarge grades 18+) by 2012.	2012	16.4%	15.8%	In 2012 we continued the improvement seen over the last few years, and by year-end 16.4% of positions in senior management were held by women. Although we did not reach our target of 20% by end 2012, we are making progress and our Sustainability Ambitions 2020 target is to have 35% of senior management positions held by women in 2020.

⁽¹⁾ Sensitive areas are defined as IUCN Category I to VI sites, Ramsar, IBA, Natura 2000.

⁽²⁾ Net CO₂ emissions are the gross emissions less the emissions that come from burning waste.

SOCIAL				
Target	Deadline	Performance 2012	Performance 2011	Why is Lafarge pursuing this ambition? What will change? How are we progressing against this ambition?
● By end 2010, establish a comprehensive Group-wide occupational health program including, at a minimum, regular medical examinations.	2010	Completed	Plan rolled-out	A protocol for Health Assessment (HASOP) has been developed and broadened in all countries to provide a standardized approach to risk-based medicals. This protocol will ensure that the relevant occupational and personal health risks are identified and managed. Assessments are now being implemented at country level, and should be finished by 2014.
● For HIV/AIDS and malaria, by end 2010, Lafarge will have extended to major emerging countries where it operates, its best practice implemented in Africa.	2010	Completed	Completed	Based on its experience in Africa, the Group has developed a manual and user guide to assess and manage relevant public health issues. The Group is working towards the development of an integrated health approach to improve the well-being of its communities. In 2012 guidelines were developed to facilitate the implementation of the health strategy.

ENVIRONMENT				
Target	Deadline	Performance 2012	Performance 2011	Why is Lafarge pursuing this ambition? What will change? How are we progressing against this ambition?
● Have 100% of our sites audited environmentally within the last four years.	Permanent	89.3%	88.4%	Although we did not complete our objective, we have made progress over the years and will continue to work towards the target of having 100% of our sites audited environmentally within the last four years.
● By end 2010 reach a rate of 85% of quarries with a rehabilitation plan complying with Lafarge standards.	2010	84.6%	86.4%	Although we reached this objective in 2011, changes in assets slightly undermined our performance in 2012.
● By end of 2010, all our quarries will have been screened according to criteria validated by WWF International.	2010	100%	97%	Lafarge continued to build on the 2011 mapping of all its quarries and screened them to confirm locations that are inside internationally protected areas or within 500m of them using IBAT (Integrated Biodiversity Assessment Tool).
● Sites in sensitive areas ⁽¹⁾ will have developed a site biodiversity program by 2012.	2012	99.2%	49.2%	In order to achieve this ambition, Lafarge and WWF employed ecology graduates to help develop site biodiversity programs, in close collaboration with the environment and operational teams in several countries.
● By end 2010, cut our worldwide net ⁽²⁾ CO ₂ emissions per ton of cementitious by 20% compared to 1990. During 2011, a new objective of reduction of 33% vs 1990 by 2020 was set.	2010	(24.7%)	(23%)	Our new CO ₂ emissions reduction objective was made public in June 2011 and is part of the Sustainability Ambitions 2020 plan. By end of 2012 we made significant progress, in line with our new objective.
● Cut our dust emissions in cement plants by 30% over the period 2005-2012.	2012	(45%)	(39%)	Although cement plants generate dust, we have continued to make significant progress in lowering emissions through revamping or replacing less efficient air pollution control devices.
● Cut our NO _x emissions in our cement plant by 20% over the period 2005-2012.	2012	(34.5%)	(33.5%)	NO _x is emitted from virtually every combustion, including cement manufacture. Since achieving our targeted reduction in 2009 we have continued to implement NO _x abatement technologies such as SNCR (Selective non catalytic reduction) and many of our newer kilns are designed with low-NO _x precalciners.
● Cut our SO ₂ emissions in our cement plant by 20% over the period 2005-2012.	2012	(61%)	(51%)	SO ₂ can be another unwanted product of some cement kilns. We have reduced emissions by approximately 60% since 2005.
● By end 2010 have a baseline for persistent pollutants in our cement plants for 100% of kilns and reinforce our Best Manufacturing Practices to limit emissions.	2010	98%	100%	Persistent pollutants are emitted by cement kilns. Lafarge is working with WWF to achieve significant emission reduction. Measurements have been completed for all kilns but the analytical results for recently acquired operations in one country are pending. Plant-specific action plans have been developed to reduce emissions from a group of top-emitting plants. Progress with reducing emissions will be monitored and reported.