

Lafarge and CARE sign a new partnership

Press kit
June 2009



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INTRODUCTION

Two visions joined in this partnership: on the one hand, a company present in 79 countries, concerned about behaving like a responsible industrial company respecting the communities and environments in which it is located. On the other hand, an NGO that, over the last sixty years, has developed an expertise in the management of emergency situations as well as long-term actions towards the poorest communities, and provides its expertise to companies faced with these challenges that are not in the heart of their business.

Today, companies are often perceived from the point of view of their negative impacts. Lafarge and CARE share the conviction that a company can be an asset to a community when it acts responsibly.

In this mutual learning state of mind, Lafarge and CARE have decided to strike a new partnership.

After a first collaboration that concentrated on the fight against HIV/Aids, the company and the NGO decided to go a step further together by defining three new work themes, enabling them to capitalise on the experience gained to strengthen the directions of Lafarge's social responsibility actions in a better way.



Otavalo plant, Ecuador

ABOUT THE PARTNERSHIP

A FIRST FRUITFUL COLLABORATION

Lafarge and CARE already established a first 5-year partnership in 2003. It mainly concentrated on the fight against HIV / Aids from a strategic point of view.

The union of a Group faced with new challenges and an experienced NGO

This first partnership was born following Lafarge's purchase of Blue Circle. With this acquisition, the Group entered into ten Sub-Saharan African countries where the prevalence rate of Aids is particularly high. Lafarge was faced with a major new challenge, hence the necessity to act within the framework of a partnership and to join forces with an experienced NGO to develop a professional approach. As CARE had a lot of experience in the fight against Aids in the work place, using both a pragmatic approach and a decentralised international structure, similar to the one of Lafarge, it seemed an ideal partnership.

The main objective of the partnership was to accompany Lafarge in its reaction towards HIV, by giving support in the following actions:

- assess the impact of HIV on company operations (economic impact)
- define its position in relation to the illness in terms of actions methods, zone of responsibility etc.
- define Group's policies in relation to the illness
- create management and assessment tools that were adapted to the Group
- CARE's support for the project's deployment and monitoring

Actions and significant results

Over these five years, long-term programmes were developed in the 12 Sub-Saharan African countries where Lafarge was established. Today, 7,000 employees and their families benefit from access to HIV/ Aids prevention, tests and treatments. The Group then expanded its approach to other health issues such as malaria, by developing a more global approach to health problems in the work place with CARE's support. It also developed a comprehensive approach for the management of stakeholders relations around its sites.

The result of this first partnership was very positive for both parties. For CARE, it enabled it to develop its company partnership procedure with the implementation of a win-win model. Lafarge, thanks to the work carried out with CARE, was able to develop its structures for improving the welfare of its employees, vital for the company's productivity, efficiency and continuity. All these positive points enabled the Group and the NGO to position themselves as a benchmark organisation on the societal side of CSR.

*Voluntary testing at the Hima cement plant,
Ouganda*



THREE NEW WORK AREAS TO GO FURTHER TOGETHER

With this first collaboration from 2003 to 2008 on their side, Lafarge and CARE decided to agree on a new three year partnership. This new agreement, uniting both parties, seals their common willingness to move towards more pragmatism and professionalism in their actions in favour of local communities.

Three specific themes were defined, on which CARE would support Lafarge in a critical and constructive way. The NGO, by continuing its commitments, would support Lafarge in its health commitments taken on within the framework of its *Sustainable Ambitions 2012*.

Extend the African experience for the fight against HIV / Aids and malaria

Lafarge has been active for several years now on the health theme in sub-Saharan Africa. In these countries, where state health provision is weakest, both pandemics can be real scourges.

The first partnership between Lafarge and CARE enabled to define a strategic direction concerning the fight against HIV / Aids, an approach that extended gradually transforming into an integrated health approach. Today, both parties would like to go further and enable new countries to take example from the African experience for an adapted health programme in other countries with health issues (Asia, Latin America etc.).

Measure the impact of Lafarge's activities on local communities

Lafarge's activity, local and long-term by nature, has impacts that are both positive and negative on the communities living around its sites. The Group aims to play the role of a responsible economic player when a specific local requirement or challenge arises, and it puts actions in place that contribute to the economic and social development of the local stakeholders on a long-term basis.

However, Lafarge would like to understand the impacts it has on a local standpoint and to measure them in order to optimise its contribution to local development. Within the framework of the partnership with CARE, one of the themes aims at defining a system to assess the social and economic impact of Lafarge actions, in order to:

- get a picture of actions taken, which vary from one site to another
- learn from programmes that are already in place
- define a long-term strategic action plan with local populations.

Pragmatically, two countries will be selected to carry out this pilot project, in order to evaluate the social and economic impacts of Lafarge activities on local communities so that they can be monitored and secondly to propose a local action plan.

In the future, this will also allow to better share experiences on management of relations with local stakeholders and to distribute good practices from one site to another within the Group.

Enable poor populations to get access to better housing

Lafarge and CARE agree on the fact that companies, in general, can participate in the reduction of poverty in a sustainable way, by adopting an approach that combines a social objective and the will to move towards a lasting economic model.

For its part, Lafarge has a role to play in the development of solutions to housing problems for the poor populations of emerging countries, by contributing to the construction of better quality, more secure and comfortable housing. As such, for several years now, the Group has developed initiatives aimed at developing housing that is more accessible to deprived populations. Notably, in South Africa, Lafarge has partnered with the Government and property developers to build social housing for people living in shantytowns.

Within the framework of this new partnership, Lafarge wishes to work closer with CARE to benefit from its expertise:

- on the one hand in the running of such projects, to maximise their social impact, by working on the balance between the project's social ambitions and economic objectives
- on the other hand so that the NGO may be able to propose to Lafarge additional ways of giving access to housing to the most impoverished populations.



This initiative is emerging in the form of a pilot project in Indonesia. The aim is still to identify innovating, economical and lasting methods to give access to housing to the poorest populations. Here there is a double objective: enable poor populations to get access to small credits for housing, and develop economic activities in association with housing conditions. In practical terms, it means developing access to micro credits for adding rooms to the house and training masons in partnership with local organisations.

Thanks to CARE, Lafarge will be better equipped to understand and determine the economic stability of the project which will then enable it to replicate the project in other regions. The presence of CARE in many Southern countries where Lafarge is located will in fact enable other projects of this type to be set up.

The creation of CARE

CARE was founded in 1946, at the end of the 2nd World War which cruelly afflicted the country and its people. Food was scarce.

Then arrived the first humanitarian aid from the United States: CARE packages.

These packages were sent by Europeans living in America, citizens who, in a few weeks, decided to participate in the rebuilding of the continent.

The first CARE packages arrived in Le Havre on the 11th May 1946. In them were essential items of food and goods for a family to live on for a few days. In total, CARE distributed more than 100 million packages.



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CARE today



© CARE / Jason Sangster

Over more than 60 years, CARE has become one of the largest organisations for international, apolitical and non-denominational solidarity.

CARE fights **all causes of poverty** and in all its projects, CARE has one aim: a world where extreme poverty is eradicated, where human rights are respected.

CARE participates in the world movement which committed to dividing the number of people who live below the poverty line by half by the year 2015.

Because sustainable development cannot be achieved without the implication of the whole of society, CARE joins forces in its projects with all economic, political and organisational players.

For CARE, respect for women's rights is a key factor, with good governance, for the planet's sustainable development.

Women are the first victims of poverty, violence and inequalities.

Protecting them, giving them access to education, to basic rights, to basic health care so that they are able to live a decent life is one of the essential bases in the fight against poverty.

In 2008, CARE brought a thousand projects to a successful conclusion, for the benefit of nearly 30 million women in particular.

An organisation that fights for development...

Clean water and access to sanitation are essential for good health. CARE ensures that most people have access to this right.

CARE trains farmers on **sustainable farming techniques**, so that communities get access to a balanced diet and in sufficient quantity throughout the year, without damaging the environment.

CARE trains teachers and builds schools because **education** is the best solution for a hopeful future.

Every year **Aids** kills thousands of people because they don't have access to treatments. To fight against this plague, CARE informs the most vulnerable people, providing them with psychosocial support and puts pressure on decision-makers to give them access to medication.

CARE finances **micro credits** mainly aimed at women so that they can find an activity that will generate revenue and become independent.

... and reacts to emergency situations

Because **natural catastrophes and wars** often affect most the poorest people and inevitably increase poverty, 1/3 of activities respond to emergencies and rehabilitation actions.

CARE intervenes very rapidly when there is a catastrophe by providing first emergency aid: food, shelter, drinking water, first aid. CARE then helps communities to rebuild their future.



© CARE

A few key figures from 2008 :

Operational presence in **66 countries**
1039 programmes in progress

Nearly 55 million people have benefited from CARE projects

CARE France - member of the CARE network

CARE is an international network composed of 12 members: Germany, Austria, Australia, Canada, Denmark, America, France, Japan, Norway, Holland, United Kingdom, Thailand. Its international secretariat dept. is based in Geneva.

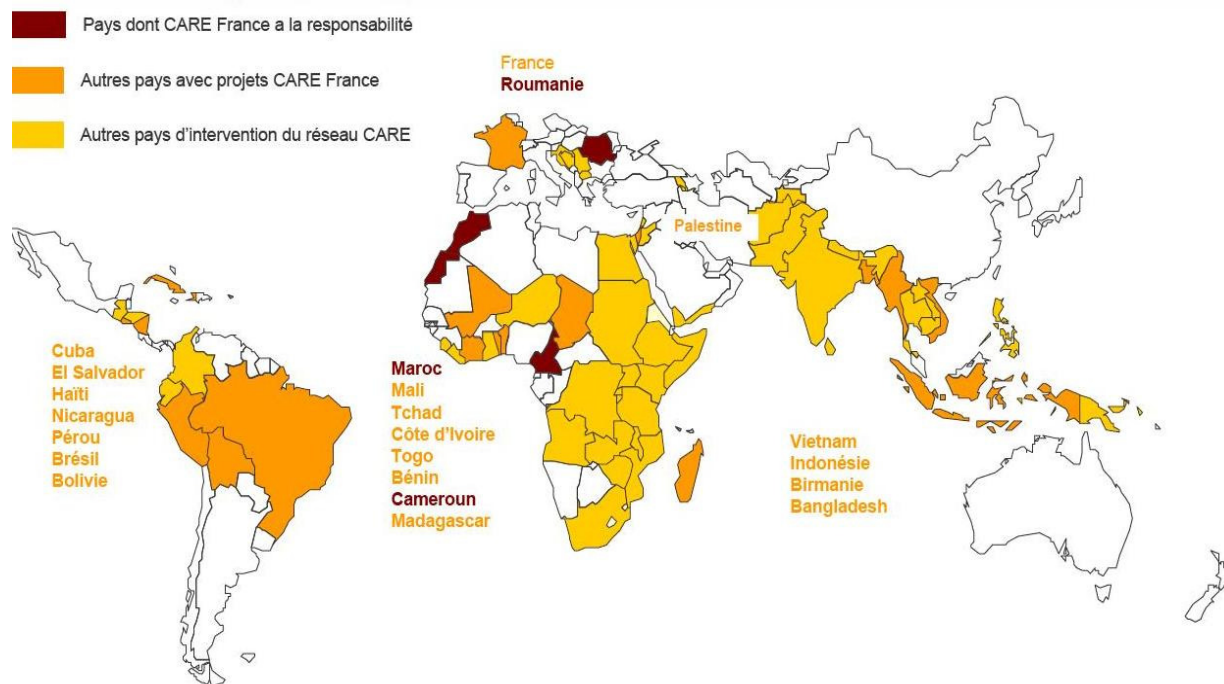
Created in 1983, CARE France is one of the 15 largest associations for French international solidarity.

The team is composed of 31 staff and about twenty voluntary workers. The association is supported by 100,000 donors.

In 2008, CARE France's budget amounted to 18 million Euros, of which 84 % was allocated to financing the social mission.

In 2008 CARE France carried out 53 projects in 22 countries. The main ones were in: Palestine, Madagascar, Romania, the Ivory Coast, Chad, Cameroun, Togo, Nicaragua, Peru, Morocco etc.

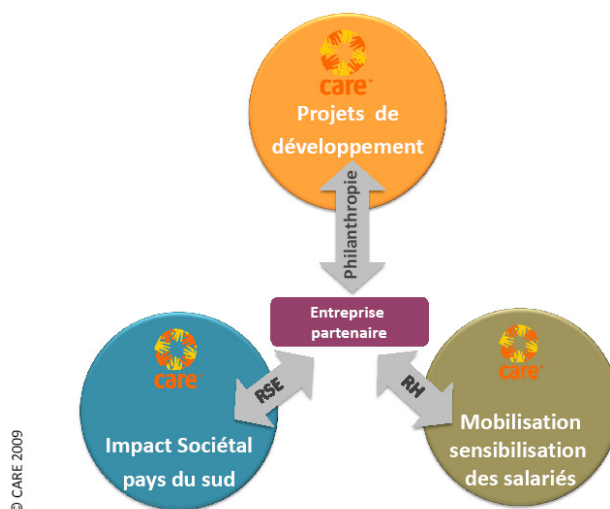
Countries of action (2008)



CARE's corporate partners

In order to fight efficiently against causes of poverty it is essential to implicate all economic players. For the last few years CARE has developed partnerships with companies that combine economic profit and social performance.

Today partnerships between CARE and companies are multiform, mobilize different categories of players within companies and have various motivations: financing development projects, developing company practices, federating employees for meaningful projects.



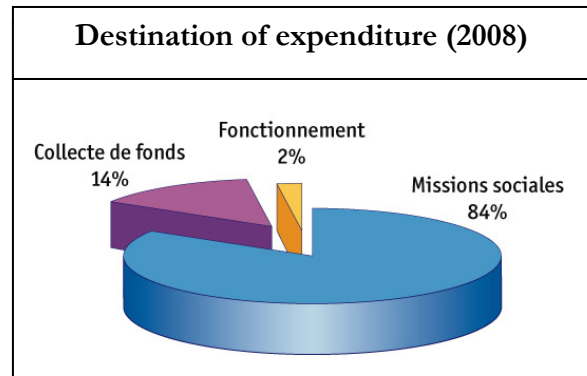
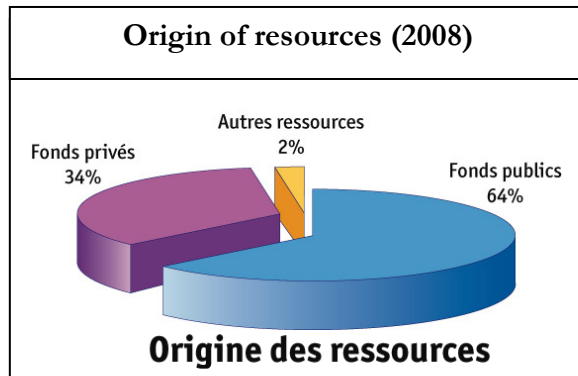
Historically, the relation between companies and CARE was started by the financing of development programmes or reactions to emergencies. Companies are invaluable partners because they enable CARE to find the co financing requested by many institutional financial backers, therefore generating a strong leverage for the company. For example, the Orange Foundation financed a food security programme amounting to 98,000 Euros in Madagascar which enabled the implementation of a 1.5 million euro project benefiting 100,000 people.

Over and above this financial support, for more than 5 years, CARE has developed a new partnership method with French companies which are established internationally on a large scale or which produce key goods and services for the development of Southern countries (medication, energy, water etc.). These strategic partnerships, closely linked to the heart of the company's core business, are above all based on a co-production and an exchange of expertise. CARE's objective is to encourage companies' social responsible practices and to develop new models that put the company at the disposal of the poorest people, like for example with Lafarge with whom CARE has just renewed its partnership for a 3 year period.

CARE's corporate alliances



Transparency of CARE France:



- CARE France is a 1901 act association, registered charity.
- CARE France is Charter Committee authorized
- CARE France's accounts are certified by the Cabinet COFICOM.
- The annual report is available on request or on the internet site: www.carefrance.org

LAFARGE'S ACTIVITIES

Lafarge, world leader in building materials, is present in three activities: Cement, Aggregates & Concrete and Gypsum. With more than 84,000 employees in 79 countries, Lafarge posted sales of Euros 19 billion in 2008.

Lafarge: World leader in cement

10,911 M€ turnover
49 673 employees
166 production sites
 Present in **50** countries

Ranges of cement, hydraulic binders and lime for building, renovation and public works.



Lafarge: n°2 in aggregates & n°3 world leader in concrete

6 573 M€ turnover
25,633 employees
1 945 production sites
 Presence in **40** countries

Ranges of aggregates, ready to use and precast concrete, bituminous asphalt for art, roads and buildings.

Lafarge: n°3 worldwide for gypsum

1,521 M€ turnover
8,132 employees
76 production sites
 Presence in **29** countries

Gypsum board systems and gypsum-based interior planning solutions for new buildings and renovations.



VALUES FOR A SUSTAINABLE LEADERSHIP

A multi-local approach

Lafarge is convinced that the success of its approach as a responsible economic player does not only rely on its capacity to satisfy its customers, employees and shareholders. The key to the Group's success also depends on the actions it carries out for the communities of the places in which it is located. In the field, this means daily discussions and decisions made in consultation with the stakeholders, and searching for excellence through its know-how, combining industrial efficiency, creation of value, respecting man and cultures, protecting the environment and saving natural resources.

Because each of the Group's activities is first and foremost a local activity, Lafarge considers that the best approach to adopt should not be global but multi-local. Indeed, products are mainly manufactured where they are used, but it is only the mobilization of all employees throughout the world that will enable the development of the company on a long-term basis. To combine these two approaches, the Group encourages dynamism and enters into international and local partnerships, with the aim of sharing know-how and experiences, crossing boundaries so that the good practices of ones are used to the benefit of others.

Working together

The Group's policy comes within the scope of the development of a dialogue that is meant to last and on the building of exchanges with civil society. Thanks to partnerships and opportunities for dialogue with a panel of stakeholders, Lafarge makes progress in improving its social, environmental and economic performances.

Since 2000, Lafarge has relied on international NGOs that are recognized worldwide for their expertise by creating partnerships on a global scale, which will then be developed on the field: worldwide partnerships have thus been concluded with WWF International, CARE and Habitat for Humanity. However, many initiatives took root in field actions, close to local communities, and have given rise to many local partnerships for very specific actions in varied domains such as education, economic development or even building infrastructures.

Moreover, in 2003, Lafarge took the initiative of creating a stakeholder panel at worldwide level, composed of an architect, union and NGO representatives etc. The ten of them have the mission to provide "constructive criticism" of Lafarge's sustainable development strategy and reporting practices, suggesting improvements and each year giving their opinion on the Group's responsibility strategy.

SUSTAINABLE DEVELOPMENT, A LONG-TERM COMMITMENT

For several years now, Lafarge has been committed to a sustainable development approach and a long-term value creation strategy that reflects the Group's fundamental values in industrial know-how, performance and respect for employees, local cultures and the environment.

In May 2007, Lafarge went a step further in its sustainable development commitment by launching its « Sustainable Ambitions 2012 ». This roadmap is the result of a review and in-depth dialogue with stakeholders and has enabled to define domains in which its impact is real, and the subjects on which Lafarge can influence the industry positively.

This approach has given rise to clear, measurable and ambitious objectives in three domains:

- management, with objectives concerning safety, relations with local communities, good competition practices, and customer satisfaction.
- social, a domain in which Lafarge has engaged using programmes for the fight against Aids and malaria, and management feminization objectives.
- environmental, a constant preoccupation marked by commitments on biodiversity assessment and reduction of pollutant emissions.

Every year, since 2001, Lafarge edits its Sustainable Development Report, which reviews the Group's commitments and challenges in terms of sustainable development. According to the framework defined by the Global Reporting Initiative, Lafarge's 2008 report received an A+ grade, translating its performance for giving account of its economic, environmental and social actions.

HEALTH, A MAJOR CHALLENGE FOR LAFARGE, CLOSE TO COMMUNITIES

A business challenge

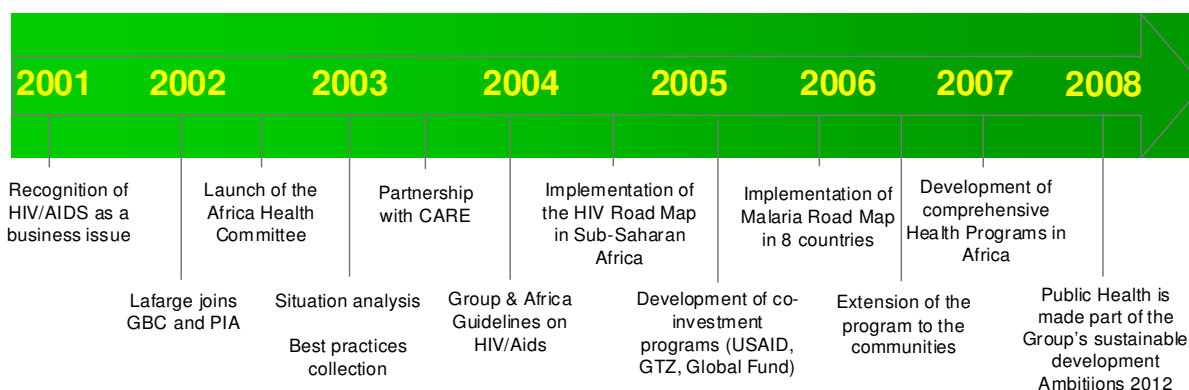
Due to its location in emerging countries, where national health policies and safety issues sometimes suffer from a terrible lack of means, Lafarge is particularly faced with public health challenges that have an effect on its employees and local communities. In these countries, in particular, the company is duty bound to play its role of a responsible economic player.

Moreover, if they are a sign of commitment to citizenship, health programmes developed by companies also have essential economic justifications. Indeed, over and above the ethical question and the philanthropic action, public health is a business challenge because it has an impact on the good running of the company, causing direct and indirect costs and loss of productivity. This is why health issues cannot be compartmentalized into the private or professional sphere.

The establishment of a plant or quarry may be perceived as a significant disruption (ecologic, economic or social) by the surrounding communities. The company, in particular if it has industrial operations, is often perceived only from the angle of its negative impacts, which may compromise its continuity.

The challenge therefore consists of establishing or re-establishing trust between them and local interested parties. Implementing concrete implementations, in particular concerning access to health care, confirms the Group's ethical commitment and participates in its integration into society.

A long-term commitment



The integration of the health theme in the Group's *Sustainable Ambitions 2012* proves that it has become a global stake for Lafarge. Dealing with public health issues is no longer considered only an African responsibility, and is no longer confined to the fight against HIV or malaria: the whole Group and the multi-dimensional aspect of health care are concerned.

Concerning health care, Lafarge fixed themselves the objective of developing a programme that would cover the whole Group. This would include at least one regular medical check-up for each employee from now to year 2010. As for HIV/Aids and malaria, the Group's objective is to expand its best practices to the main developing countries in which it is located (like for example China and India).

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