


Ernst & Young Assurance

Lafarge, S.A. — Financial year ended on December 31, 2009

Statutory auditor's report on a selection of environmental, safety and human resources indicators

Free translation of the original French text

Further to Lafarge's request and in our capacity of statutory auditor of Lafarge, we have performed a review on the selection of environmental, safety and human resources indicators for the financial year 2009 identified by the  symbol in the sustainability report on pages 4 and 5 (the "Indicators") to obtain limited assurance that the Indicators were prepared in accordance with the reporting criteria applicable in 2009 (the "Reporting Criteria"), consisting in:

- External standards and guidelines elaborated by the Cement Sustainable Initiative (CSI) of the World Business Council for Sustainable Development (WBCSD) for environment and safety indicators and the international Hay job evaluation method for data on senior managers. Those standards and guidelines are available on the WBCSD and Hay websites, respectively ¹;
- Lafarge Group specific instructions and procedures, a summary of which is provided on page 51 under the heading "Reporting methodology", in the comments related to the Indicators presentation on pages 41 to 46 of the sustainability report and on the Group website ².

It is the responsibility of Lafarge's Sustainable Development and Public Affairs Department to prepare these Indicators and to provide information on the Criteria.

It is our responsibility to express a conclusion on these Indicators on the basis of our review. Our review was conducted in compliance with the international standard ISAE 3000 ³ of IFAC. Our independence is defined by legal and regulatory texts as well as by our professional code of ethics.

A higher level of assurance would have required more extensive work.

NATURE AND SCOPE OF OUR REVIEW

We performed the following review to be able to express a conclusion:

- We have assessed the Reporting Criteria with respect to their relevance, completeness, neutrality, understandability, and reliability.
- At the Group level and at the Cement, Aggregates and Concrete, and Gypsum Branch levels, we have conducted interviews with the persons responsible for environmental, safety, human resources, competition policy, and stakeholder relationship reporting in order to assess the application of the Reporting Criteria. At this level, we have implemented analytical procedures and verified, on a test basis, the calculations and the consolidation of data.

- At the Cement Branch level, we checked the consistency of CO₂ emissions with figures declared to authorities and verified in the framework of the 2007/589/CE European Directive on "allowances".

- At the Cement Branch level, for the indicators related to CO₂ emission reduction compared to 1990 emissions, our review was limited to reviewing modifications brought since 2005 to the 1990 baseline.

- We have selected a sample of four cement sites, one regional technical center, and seven business units on the basis of their activity, their contribution to the Group's consolidated data, their location, and the results of the review performed during prior financial years. At the level of the selected sites and entities, we have verified the understanding and application of the Reporting Criteria, and verified, on a test basis, calculations and reconciliation with supporting documents.

- We reviewed the presentation of the Indicators in the sustainable development report and the associated notes on methodology.

On average, our tests covered 27% of environmental indicators ⁵, 12% of hours worked used in the calculation of the lost time injury frequency rate, and 12% of senior management staff. Taking into account the review performed during the past four financial years in different activities and countries, we assess that these coverage rates provide a sufficient basis for the conclusion expressed below.

INFORMATION ABOUT THE REPORTING CRITERIA

Relevance

- The Group publishes key performance indicators defined for cement activities by the working groups of the WBCSD-CSI, as indicated on page 40.
- Methodologies selected by the Group are consistent with the latest versions of the WBCSD-CSI standards and guidelines; the Group's amendments or specificities are specified in the notes on methodology (see details on pages 41 to 46, 51, and on the Group website ²).

Completeness

- The Indicators reporting perimeter aims to cover the whole Group worldwide. Methods for estimating missing data, notably atmospheric emissions or 1990 baseline for CO₂ emissions, as well as the perimeters covered by the Indicators (expressed in percentage) have been indicated in the notes on methodology on pages 41

to 46, 51, and on the Group website ².

Neutrality

- The Group provides detailed information on methodologies used to establish the Indicators in the notes on methodology on page 51, in the comments next to the published data, in particular for indicators related to "SO₂, NO_x and dust emissions", the "% of women in senior management", the "quarries with a rehabilitation plan", the "share of audited sites", the "implementation of the competition policy", and the "training on stakeholder relationship management" on page 41 to 46, and on its website ².

Reliability

- Progress has been achieved in improving internal controls by the regional technical centers of the Cement Branch in North America (CTS) and China (ATC). Efforts to formalise controls carried out by regional technical centers should be continued, in particular on the Indicators related to air emissions in the Europe and Russia area.
- For the indicator "quarries with a rehabilitation plan", controls on the consolidated data could be strengthened.
- The methodology selected for the calculation of the indicator "training on stakeholder relationship management" should be formalised and the potential for interpreting this methodology should be reduced. Communication to targeted business units and internal controls will have to be strengthened.

CONCLUSION

Based on our review, nothing has come to our attention that causes us to believe that the Indicators were not established, in all material respects, in accordance with the Reporting Criteria.

Paris-La Défense, April 14th 2010
The Statutory Auditor

ERNST & YOUNG
Audit
Christian Mouillon

ERNST & YOUNG
Environment and
Sustainable Development
Eric Duvaud

¹ | www.wbcsd.org/Sector/Project/Cement and www.haygroup.com/OurServices/Jobevaluation ² | <http://sustainabilityreport.lafarge.com> in the section "Reporting Methodology" ³ | ISAE 3000: "Assurance Engagement other than reviews of historical data", International Federation of Accountants, International Audit and Assurance Board, December 2003. ⁴ | Four cement plants: Davenport (USA), Dujiangyan (China), Hope (United Kingdom), and Okke (South Korea); the Cement Branch regional technical center Corporate Technical Services (CTS) based in Montréal (Canada); four business units of the Cement Branch (South Korea, River Region U.S.A., United Kingdom, and Sechuan in China), one Concrete business unit in Spain, and two business units of the Aggregates and Concrete Branch: Lafarge Eastern USA and United Kingdom. ⁵ | 39% of CO₂ emissions, 27% on average of SO₂, NO_x and dust emissions, and 21% on average of sites and active quarries.