



CEMENT

WORLD LEADER
in building materials

**LAFARGE**

bringing materials to *life*™

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LAFARGE

Giving meaning to sustainability

Lafarge is the world leader in construction materials and is committed to act as a responsible industrial player in each country where it operates.

The Group intends to maintain its status as a sustainable development role model for the cement industry and can be justly proud of its progress in reducing its environmental footprint, taking care of employees' health and safety, respecting and contributing to wider initiatives in society.

With its presence in many different areas of the world, Lafarge is in a position to make a significant positive contribution to local communities, emerging markets and the global fight against climate change.

WORLD LEADER IN CONSTRUCTION MATERIALS WITH OVER 2 000 PRODUCTION SITES THROUGHOUT THE WORLD, LAFARGE IS:

- **No. 1 worldwide in Cement**
- **No. 2 worldwide in Aggregates**
- **No. 3 worldwide in Concrete**
- **No. 3 worldwide in Gypsum**

In 2010, for the sixth consecutive year, Lafarge was listed in the 'Global 100 Most Sustainable Corporations in the World'.

Innovation drives us

Innovation is a key driver at Lafarge and the Group operates the world's largest building materials laboratory engaged in the optimisation of production processes and the creation of innovative solutions for sustainable construction materials. Our ability to innovate products and services that provide better value for our customers and anticipate their future needs, differentiates us from our competitors.

Customer focused

Building mutually rewarding relationships with our customers is the foundation for the long-term success of our business. To develop our products, we focus on customers' needs, whether industry professionals or the DIY homeowner, to have value, improved safety, comfort and quality in their daily life.

Sustainable development in action

For many years, Lafarge has been a building materials industry leader in sustainable development, continually searching for ways to allow people to enjoy the benefits of economic growth, while minimising the damaging impact on the environment of the manufacture and use of building materials.

Innovation has always been a core strength of the Group and, as new challenges are identified in relation to global warming and dwindling fossil fuels, it is being used to tackle the challenge of sustainability. During 2009, Lafarge received more than 50 sustainability awards from around the world, covering environmental as well as social and economic topics.



In South Africa, Lafarge Cement was the first cement manufacturer to offer a full range of lower-carbon extended cements and the first to make quality cement available in a convenient 25kg bag.

A leader in caring

Lafarge cares for its employees, its customers and the communities that interact with its operations. Our business is the extraction of materials from the earth to create products that enable people to inhabit the world, irrespective of their cultural, social and economic background. Lafarge aims to contribute to building a better society through the responsible use of the earth's resources.

With 78 000 employees in 78 countries, in 2009 Lafarge achieved sales of Euros 15,8 billion.



Caring for the environment

Lafarge seeks partnerships to combine its skills and technical resources with the expertise of others for greater effectiveness in the environmental control field:

- Lafarge recently renewed its partnership agreement with WWF International. In 2000, Lafarge was the first industrial group to enter into a worldwide 'Conservation Partnership' with the environmental protection organisation, WWF International
- Lafarge is a founding member of WBSD-CSI (the World Building Council's Cement Sustainability Initiative), which actively promotes responsible management and the worldwide reduction of carbon dioxide emissions by the industry
- Leading by example, Lafarge committed to reducing the Group's net carbon dioxide emissions by 20% per ton of cement produced worldwide from 1990 to 2010. The Group achieved a reduction of 20,7%, one year ahead of schedule
- Lafarge is co-chair of the "Energy Efficiency in Buildings" Project, which works towards the objective of zero net energy use in buildings



Committed to South Africa

Lafarge's interests in South Africa are incorporated in the wholly-owned subsidiary, Lafarge South Africa Holdings (Pty) Limited.

One of the major building materials companies in South Africa, Lafarge manufactures and markets cement, readymix concrete, aggregates, gypsum plasterboard and associated interior fitting systems. The company has approximately 2 740 employees and is structured in four business units:

- Lafarge Cement
- Lafarge Aggregates
- Lafarge Concrete
- Lafarge Gypsum



Lafarge Cement

The Lafarge Cement Business Unit employs approximately 1100 people and is one of the major cement manufacturers in South Africa with a capacity in excess of 3 million tons per annum. The core manufacturing facilities are:

- A 2,4 million tons per annum cement facility at Lichtenburg in the North West Province, which is one of the largest and most technically advanced cement works in the country
- A 200 000 tons per annum cement clinker grinding station at Richards Bay in KwaZulu-Natal, together with blending and bagging capabilities
- A one million tons per year cement clinker grinding station at Randfontein on the west side of Johannesburg
- Subsidiary company, Ash Resources, currently produces and sells over 2 million tons per year of fly ash products. The company processes hard coal fly ash from Eskom's pulverised coal fired power stations. (Ash Resources became a subsidiary of Lafarge South Africa Holdings in 2004, when Lafarge acquired a 75% shareholding in the company.)

Caring for our customers

Lafarge Cement believes that building long term relationships with customers is the key to future success. Through understanding our customers' businesses, we identify how we can provide innovative products and solutions that will add value to their businesses.

We are committed to achieving a Customer Orientation culture in which our staff, throughout the sales and supply chain, is motivated to satisfy the needs of our customers. We aim to create attractive value propositions for customers and continually improve them.

Most importantly, we strive at all times to deliver what we promised.

Our primary customer service elements are:

- The CELIA (Customer Excellence at Lafarge in Action) Customer Care Centre, which provides a rapid response service to queries and complaints
- The Woodmead Call Centre processes customer orders and keeps customers informed on the order execution arrangements
- The Lafarge OTIFIC (On Time, In Full and Invoiced Correctly) system, which monitors our performance on all aspects of every cement transaction from order processing to satisfactory delivery
- Offering customers an innovative bulk silo service



Sustainable DEVELOPMENT

For many years, the Lafarge Group has pioneered sustainable development in the building materials industry. It continues to be a core value of the Group and the aim is to maintain that industry leadership with active programmes and challenging targets. All of the Group's industrial sites are required to align themselves with the Lafarge standards, which are based on three core campaigns:

- Reduction of greenhouse gas emissions
- Rehabilitation and biodiversity conservation plans for all the Group's quarries
- Creation of the best environment for the health and safety of Lafarge employees, while also helping to improve the well-being of the communities in which the Group operates

The Group has an extensive and well-publicised programme of action to lessen the impact of its activities on the environment. This embraces:

- Global quarry rehabilitation programmes
- Controlling and reducing greenhouse gas and dust emissions
- Promoting waste water control at all sites
- Working towards energy efficiency and reduced energy consumption
- Reducing the generation of waste
- Promoting proper disposal of all chemical waste from cement laboratories
- Developing innovative methods to use waste to generate energy
- Recovering and utilising waste energy in production processes
- Conducting ongoing environmental audits

Within South Africa, Lafarge Cement has achieved considerable success through the innovative incorporation of cementitious extenders in its cement formulations. This refers to blast furnace slag and in particular quality siliceous fly ash, which are by-products of the steel making and power generating processes. Fly ash is sourced from Ash Resources who pioneered the use of fly ash in South Africa, and is regarded as one of the world's leaders in the application of fly ash technology.



Better, more sustainable products

At Lafarge Cement we combine creativity with passion to continually reinvent cement and extend the vital role it plays in building techniques.

We work closely with our customers in all fields of the construction process in order to:

- Develop responsive innovative solutions to the industry and general public, while being proactive with our advice and support
- Apply our global experience and technical resources to innovating more user-friendly products that offer our traditional reliable high performance in an environmentally-friendly formulation



Lafarge Cement was the first member of the local building materials industry to join the Green Building Council of South Africa (GBCSA). It is a commitment to assist the Council in leading the transformation of the South African property industry to ensure that all buildings are designed, built and operated in an environmentally sustainable way. The aim is to allow all people in our country to work and live in healthy, efficient and productive environments.

Fly ash and the environment

Quality siliceous fly ash is a by-product of hard coal burning power stations. Selected and processed to ensure the best chemical and physical properties, siliceous fly ash is not only an effective cementitious extender but it also enhances the handling properties of fresh concrete mixes and creates higher strength, more impermeable and durable, hardened concrete. Most importantly, it is an environmentally-friendly material, which can be used to produce 'greener' cements by:

- Recycling a waste-product from hard coal burning power stations
- Reducing the usage of non-renewable resources such as limestone
- Reducing carbon emissions from cement manufacture
- Each ton of fly ash used in cementitious products saves approximately one ton of CO₂ emissions
- Cutting down on landfill sites

In the last decade, it is estimated that the use of Ash Resources' fly ash products by the South African cement and construction industries has saved the country in excess of 6 million tons of harmful greenhouse gas emissions.

Bringing the benefits of innovation

Innovation is the key driver that differentiates us from our competitors. Our aim is to provide customers with innovative products and services that offer better value than can be obtained elsewhere.



Lafarge Cement was the first manufacturer in South Africa to offer a full range of 'environmentally-friendly' extended cements incorporating fly ash and achieve a significant reduction in carbon dioxide emissions. The range includes the first CEM II 52,5N cement to be offered to the precast industry.

Our current range of innovative cements comprises:

LE CLASSIC

A versatile 32,5MPa cement that provides the effective performance solution for a wide range of concrete and mortar applications. Designed to meet the needs of DIY and homeowner customers, environmentally-friendly Le Classic is packed in a convenient 25kg bag with the advantages of:

- No wastage - the smaller bag allows users to make a variety of mix quantities without leaving part-used 50kg bags of cement to go to waste
- Easier handling
- Safer to carry - less risk of back injury
- Easy mix calculations: exactly half the size of the traditional 50kg cement pocket

FASTCAST

The benefits of a 52,5MPa high strength, rapid early strength cement, as used by the precast industry and construction contractors, are now available from local building materials stores. Packed in a 50kg bag, Fastcast is a lower carbon formulation that features:

- Economy: less Fastcast is required per cubic metre of concrete than with lower strength class cements
- High rate of early strength development that gets any concrete job done quicker: saving time, saving money
- Increased output: allows quicker turnaround time of moulds and formwork
- Superior strength at all ages creates concrete for the most challenging applications

BUILDCRETE

A product that gives our customers extra value, Buildcrete CEM IV/B-V 32,5R is our versatile general purpose bagged cement developed to meet the needs of the reseller market. The product has a wide range of concrete and mortar applications, from domestic construction to large building projects. Buildcrete is also the cost-effective solution for many soil stabilisation projects.

The innovative low carbon formulation of Buildcrete also provides the early strength gain benefit of an 'R' classification.

CIVILCRETE

To meet the needs of our contractor customers involved in domestic construction or large building projects, Buildcrete is also supplied in bulk under the brand name, Civilcrete.

ROADCEM

Designed to meet commonly encountered road stabilisation requirements, RoadCem is a slower strength-gaining cementitious binder. It is produced from Portland cement, siliceous fly ash and blast furnace slag (slag).

RoadCem is delivered by bulk tanker with the option of a spreading service, or in palletised loads of 50kg bags.

POWERCRETE PLUS

Powercrete Plus is a Premium Technical cement for specialist applications, which combines excellent strength performance at all ages with versatility and enhanced durability benefits.

It is a CEM II/A-M (V-L) 42,5N premium composite cement, complying with the latest SABS and European standards. The extended CEM II formulation has a reduced carbon footprint, which contributes to meeting increasingly demanding environmental specifications in construction tenders.

RAPIDCEM

Rapidcem CEM II 52,5N was the first cement in its strength class in South Africa to offer high early and ultimate strength, combined with the handling and environmental benefits from incorporating a quality fly ash in the formulation.

Quality and integrity

The Lafarge name proudly stands for reliable high quality products that more than meet the regulatory requirements, which are in place to protect the consumer:

- **LOA number:** It is mandatory to display a Letter of Authority (LOA) number on a bag of cement and on the bagged or bulk sale transaction documentation
- **SABS mark:** Although displaying the SABS mark is no longer mandatory, Lafarge Cement voluntarily displays it
- **e-mark:** Indicates that the packaging equipment and systems at our Lichtenburg Cement Works have been audited and approved by the NRCS and comply with the SANS 1841 standard. Our customers are assured of receiving the quantity they have paid for



Renowned technical resources

At Industria in Gauteng, Lafarge Cement has the unique technical and laboratory resources of Quality Department Southern Africa (QDSA). QDSA operates one of the largest and most respected Accredited Civil Engineering testing facilities in Southern Africa.

Scope of Accreditation

The SANAS accreditation covers 35 test methods, including all the SABS EN tests for Common and Masonry cements, other SABS (SANS), EN and DIN test methods, as well as an in-house method for Dense Medium Separation. Within the framework of this accreditation, QDSA can add another 200 tests to the above methods. Complying with ISO/IEC 17025, the facility has a proud fifteen-year track record of continuous accreditation.

Customer focus

QDSA provides unequalled quality assurance and technical service to Lafarge Cement's operations in South Africa. The technical team maintains close contact with customers, assisting them with their product development work and addressing any technical concerns with on site and/or laboratory collaborative test work.

In addition to these extensive local commitments, QDSA provides quality assurance, technical services and training support to the Lafarge South East Africa businesses in Zimbabwe, Zambia, Malawi and Tanzania.

International technical strength

Our technical strength is enhanced by the Group's resources, in the form of access to the world's largest building materials research laboratory and the technical knowledge embodied in Lafarge's 160 cement and clinker facilities around the world.





Caring for our people

Health & Safety (H&S) is the No.1 priority at Lafarge. Our aim is to foster the well-being of our people and help them develop to their full potential in the company.

HEALTH

Healthy employees are considered to be the pillars on which the future prosperity of our company is founded. Over the last nine years, Lafarge has implemented a comprehensive health care programme for its employees, including a strategy and action plan for dealing with the HIV/AIDS pandemic. The overall aim of the programme is to minimise the number of employees and their families who get infected, while providing caring support for those who are HIV Positive.

HIV/AIDS CAMPAIGN WINS GLOBAL AWARD

Lafarge in South Africa has been commended for its HIV/AIDS campaign in the 2009 Awards for Business Excellence by the Global Business Coalition (GBC) and was awarded 2nd place in the category, Programme Performance Monitoring.

GBC is an organisation that promotes international business interventions in the fight against the three major global pandemics: HIV/AIDS, tuberculosis and malaria. The 2009 Awards for business excellence in these interventions were presented during the GBC Business Action on Global Health conference at the end of June 2009, held in Washington DC, USA.



SAFETY

The priority at Lafarge is the safety of the men and women who work with the Group. Already a leader in safety management in its industry, Lafarge aims to be recognised as a leading world-class industrial organisation for safety.

In line with the Group's position, Lafarge Cement in South Africa:

- continually strives to improve safety practices
- aims to be among the best industrial companies for safety and caring for its people
- enforces formal safety standards and encourages safe working behaviour
- is sparing no expense or effort in its drive to eliminate fatalities and Lost-Time Injuries

DEVELOPMENT

Lafarge Cement views its employees as its most important asset and provides a range of support services to encourage each employee to develop their full potential. In keeping with the company's policy of creating sustainable development opportunities for the communities in which we operate, training and advancement opportunities are also offered to persons from local disadvantaged backgrounds.

Our development programmes include:

- Africa Training Centre for accredited trades training
- GIBS leadership and management programmes
- Quality Department Southern Africa provides Chemical Engineering and Analytical Chemistry students with unparalleled opportunities for experiential training
- A range of bursary schemes for training and further education



Caring for the community

Wherever we operate, we aim to be a responsible member of the community, proactively using our skills and resources to help develop self-sustaining societies and build long-term good relationships. Our social responsibility programme embraces involvement in a wide range of projects, illustrated by the following examples:

IMPROVING SCHOOLS - BODIBE COMMUNITY

The Lafarge Lichtenburg Cement Works and Tswane Lime Quarry are closely associated with the Bodibe community. Through the Lafarge Education and Community Trust a variety of projects are in progress to upgrade the infrastructure and standard of education at eleven local schools.

With a total budget in excess of R3,5 million, the projects will contribute to the current 5 400 school children having improved prospects for their future and lay the foundation for better ongoing education in the area:

- Construction of classrooms and other facilities, while providing local employment
- An executive leadership course for school principals
- The Lafarge Dream League: a soccer league for boys and girls
- Computer training for school principals, deputies, educators and clerks
- Creation of environmental and life-skills clubs
- Language and literacy programme for Grade 1 learners

SOCIAL AND LABOUR PLANNING - LICHTENBURG

Lafarge has engaged extensively with the Tau Rapulana Traditional Council in the identification of local economic development projects. These include the building of a Multi-Purpose Centre involving the upgrading of the council offices, provision of a computer information centre and a small library. To encourage self-development, Lafarge will provide brick making machines to the community.



SCHOOLS 'GREEN' TEAM INITIATIVE - LICHTENBURG

Lafarge is sponsoring a recycling initiative with schools in the Lichtenburg area with prizes for the best achievements by pupils.

The aim is to:

- Recycle glass, cans, paper and plastics
- Create environmental awareness
- Show pupils that they can make a difference
- Educate the community about greenhouse gases and carbon footprints

By laying the foundation for the environmental programme, Lafarge aims to create a self-sustaining ongoing programme of environmental conservation activities within the community.

SKILLS POOL FOR THE FUTURE - LICHTENBURG

The Lafarge Africa Training Centre is based at Lichtenburg Works and has established an excellent reputation for artisan training. Courses are run for employees of Lafarge companies throughout sub-saharan Africa. In addition, an important role is offering Engineering Learnerships to historically disadvantaged members of the Bodibe community.

The basis of the programme is:

- A three year contract to study one of the priority trades, which currently means studying to become a millwright or an electrician
- Spending six months of each year at the Africa Training Centre and six months gaining practical on the job experience in the Plant
- Provision of a monthly allowance together with personal protective equipment (PPE) and clothing, plus a tool box
- Bursaries for furthering studies at a tertiary education institution



TERTIARY EDUCATION BURSARIES - NATIONAL

Close to R1 million is currently being spent on annual and semester bursaries for seventy students throughout the country. Assistance is being given to help those students who are required to undertake formal experiential training to complete their qualification.

TERTIARY EDUCATION FACILITIES - FORT HARE

Lafarge has committed R1,7 million towards the upgrading of the School of Physical and Computational Sciences at the University of Fort Hare. **This will be allocated in a three phase programme to:**

- Increase the teaching staff complement
- Laboratory refurbishment and maintenance
- Procure equipment

FACILITIES FOR HIGH SCHOOLS - NORTHERN KWAZULU-NATAL

Lafarge Zululand is assisting the Zimeme and Sihubela high schools to upgrade their facilities. While this involves organising the building of administration blocks and additional classrooms, a holistic approach is adopted recognising that sustainable quality education means far more than just classrooms. **The project embraces:**

- Building organisation structures, organisational skills and project management capabilities
- Mechanisms to improve literacy
- Vocational training
- Ensuring local building contractors benefit from the projects, while helping to enhance their skills and capabilities

BEING A GOOD NEIGHBOUR - RANDFONTEIN

Upgrading of local road intersection

While involved with the development of the world-class Randfontein Grinding Station, Lafarge Cement also demonstrated its caring attitude towards neighbouring communities. Over R3 million was contributed to the upgrading of the intersection and robots on the road leading to the factory, in order to make it easier and safer for local road users. In addition, a new bus shelter was constructed.

The close working relationship established with Randfontein Municipality was critical to this entire road project. The successful outcome reaffirmed Lafarge Cement's belief in the principle of Public-Private Partnerships with everyone having a role to play.

Electricity for surrounding communities

In keeping with its policy of assisting the development of communities in which it operates, Lafarge helped finance a new electrical power transition yard, which not only supplies power to the grinding station but also creates a better life for the company's neighbours: communities surrounding the site are enjoying having an electricity supply for the first time.



As a member of the global Lafarge Group, we aim to live up to our responsibilities in the communities that we share.

We work with our community stakeholders to be a better neighbour and partner.

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