

CEMENT



2010
SUSTAINABLE
DEVELOPMENT
a way of life

 **LAFARGE**
bringing materials to *life*™

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“Sustainable development is development that meets the needs of the present without compromising the needs of future generations to meet their own needs.”

By 2025, two billion more individuals worldwide will need housing, places to work and the infrastructure to ensure mobility.

The Lafarge Group's business aims to meet these basic human needs by extracting materials from the earth to create building materials.

The Group is conscious of the fact that meeting this demand in traditional ways is not a sustainable option. To minimise the damaging impact on our earth, responsible, innovative thinking and bold action plans are required.

“We are committed to act as a responsible industrial player in each country where we operate. This is not a new plan: it is the Lafarge Way. Our business is producing high quality materials to meet the needs of both customers and communities. But we do so while reducing our environmental footprint, taking care of our employees' health and safety, respecting and contributing to wider initiatives in the societies we operate in.

As a leader, we have to set the pace and be a role model in our industry to secure a sustainable future...”

**Bruno Lafont,
Chairman and CEO of Lafarge**

LIVING UP TO OUR VALUES

Over thirty years ago, Lafarge openly committed the Group to a policy of sustainability. In keeping with this strong leadership, Lafarge Cement in South Africa recognises it has a responsibility to use its resources wisely and in as “environmentally-friendly” a manner as possible to ensure that it operates sustainably.

However, the issues of conserving non-renewable resources and protecting our fragile environment are key parts of a broader sustainable development picture. At Lafarge we aim to make sustainability considerations a part of all our activities and bring our values to life everywhere that we operate.

The Group has a large global footprint and, with a strong sustainable business, is in a position to make a positive contribution to local communities, emerging markets and the fight against climate change.

We direct our passion for innovation to making a difference, whether for the lives of people, our products or curbing pollution:

Caring for the environment

- Reducing carbon dioxide emissions
- Alternative fuels
- Schools ‘green’ team initiative

Caring for our neighbours

- Education facilities for the Bodibe community
- Benefits from the Randfontein project
- Social and labour planning – Lichtenburg
- Roads upgrading

Caring for knowledge and skills development

- Building and life skills for Gauteng youths
- Engineering learnerships at Lichtenburg
- Tertiary education facilities

Caring for our people’s well-being

- Health care
- Safety our No. 1 priority

Caring for the needs of customers

- Innovative product range
- Lower-carbon footprint products



CARING FOR THE ENVIRONMENT

“We do not inherit the earth from our ancestors; we borrow it from our children.” Native American proverb

Reducing carbon dioxide emissions

Increasingly, there is a general awareness of the need to ensure a healthy, viable environment for our children by minimising the release of ‘greenhouse’ gases - in particular carbon dioxide - and through recycling materials. Lafarge Cement’s innovative development work produced the first complete range of lower-carbon footprint extended cements in South Africa.

These products are all formulated using cementitious extenders such as quality siliceous fly ash and slag, which enhance many performance and handling properties of concrete, while also contributing wide ranging environmental benefits.

Cementitious extenders and the environment:

Fly ash and Slag are environmentally-friendly cementitious extenders. Lafarge Cement’s increasing use of these materials as components of building materials is making a significant contribution to sustainable development by:

- Reducing the use of non-renewable resources
- Reducing carbon dioxide emissions from cement plants
- Recycling by-products of coal burning power stations and blast furnaces which cuts back on the landfill sites

Alternative fuels and raw materials

The Lafarge group is evaluating all possibilities for reducing the impact of cement manufacture on the environment. The Group has active programmes in over 60 countries throughout the world exploring the use of alternative fuels and raw materials (AFRs). In an exciting development for South Africa, Lafarge and NPC-Cimpor formed a joint venture, ECO2, to develop AFR's. A wide range of potential schemes is being assessed.

ECO2 has identified a site at Kaalfontein in Gauteng province for a plant to process waste motor vehicle tyres, municipal solid waste and bio-fuels. The process of acquiring an environmental licence to operate from the Department of Environmental Affairs is underway and is expected to be concluded by the end of 2010. It is envisaged that all of the processed AFRs would be transported to the Lafarge Lichtenburg Cement Works.

Schools 'green' team initiative

Lafarge is sponsoring a recycling initiative at schools in the Lichtenburg area with prizes for the best achievements by pupils. The objectives are 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, we aim to create a self-sustaining ongoing programme of environmental conservation activities within the community.



The Green Building Council of South Africa (GBCSA)

Lafarge Cement is the first member of the building materials industry to join GBCSA. It is a commitment to assist the Green Building 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.



Caring for our NEIGHBOURS

The Lafarge Lichtenburg Cement Works and Tswana Lime Quarry are closely associated with the Bodibe people. In the last two years over R8 million (€830 000) has been spent on social responsibility and sustainability projects to help develop the community.

Education facilities for 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 R3,5million (€365 000), 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
- Computer training for school principals, deputies, educators and clerks
- Language and literacy programme for Grade 1 learners
- The Lafarge Dream League: a soccer league for boys and girls
- Creation of environmental and life-skills clubs



Global achievements

- Leading by example in 2000, Lafarge was the first in the industry to enter into a "Conservation Partnership" agreement with WWF International. An outcome of this partnership was the Group's commitment to reduce its net carbon dioxide emissions by 20% per ton of cement produced worldwide by 2010. Lafarge achieved a reduction of 20,7% in 2009 - one year ahead of schedule
- In 2010, for the sixth consecutive year, Lafarge was listed in the "Global 100 Most Sustainable Corporations in the World"



Lighting up Randfontein

Lafarge Cement's new grinding station at Randfontein, Johannesburg was constructed on a greenfield site which entailed development of the total infrastructure for the facility. It also provided an opportunity to incorporate some significant community upliftment features in the project:

- R40million (€4,2million) has been invested in a new electrical power transition yard, which now supplies power not only for the grinding station but also for an estimated 30 000 people in the surrounding communities who had never previously had electricity
- Lafarge has invested over R3million (€625 000) to upgrade the traffic intersection outside the factory for the safety and convenience of the local community with:
 - Road widened
 - Sensor triggered robots
 - Street lights
 - Bus shelter

Social and labour planning - Lichtenburg

Lafarge Cement 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, we have procured brick making machines for the community.

Roads upgrading

A Lafarge Cement Social Responsibility initiative aims to upgrade roads in the towns of Lichtenburg and Kieserville, which are the responsibility of the Ditsobotla Local Municipality. With a strong focus on safety issues, we are partnering the Municipality to eliminate potholes in the roads of the towns, upgrade a major intersection and construct speed calming speed humps near two schools.



LAFARGE IS:

- Supplying all the cement for the upgrading project
- Supplying all the readymix concrete for the project
- Paying the cost of the contractor, who will be appointed by the Municipality to carry out the work

Caring for skills DEVELOPMENT

South Africa's diverse and often historically disadvantaged people are today's labour force and tomorrow's leaders. Lafarge Cement looks for suitable partners to help channel its experience and technical skill with building materials into sustainable development projects for underprivileged local communities.

Building and life skills for Gauteng youths

We believe the best foundations for tomorrow's houses will be laid by giving our youth training in building and business skills. In partnership with the Gauteng Department of Housing (GDOH) and the National Homebuilders Registration Council (NHBRC), we provided training and donated building equipment and materials for a Youth Training Programme held in Soweto. 77 unemployed young men and women from Gauteng were trained in the use of construction materials.



Trainees and organisers at the successful Gauteng Youth Training Programme

Engineering learnerships at 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 company also offers bursaries for furthering studies at a tertiary education institution.

Tertiary education facilities

The Lafarge Education Trust has committed R1,7 million (€180 000) 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

Caring for our PEOPLE'S WELL-BEING

Lafarge Cement is committed to providing a safe and healthy work environment for its stakeholders and to conducting its business in a safe manner. Health and Safety are core values that are incorporated into all aspects of our business:

Health care

An effective workforce has to be a healthy workforce and Lafarge employees have the benefit of a comprehensive healthcare programme. It embraces regular medical examinations, nutritional support and convenient, free access to confidential counselling on any matters that may be of concern to an employee and his/her family, whether financial, emotional, legal, sexual or medical.

In South Africa, it became apparent nine years ago that basic health care would not cope with the ramifications of the HIV/AIDS pandemic. Lafarge considered it not only had a responsibility to help protect its employees and ease the plight of the affected but if the health and well-being of employees was allowed to be endangered by HIV/AIDS, the future prosperity of the company was at stake.

Lafarge established a comprehensive Prevention, Testing and Treatment programme that has earned the respect of the local industry and, in June this year, was recognised by an international award from the Global Business Coalition.



YOUR HEALTH IS IN
YOUR HANDS!

Voluntary Confidential Counselling and Testing

Why is Lafarge launching a VCCT campaign?

The prevalence of HIV and its potential impact on our employees must receive priority attention

Global award for our HIV/AIDS campaign

Lafarge South Africa has been recognised in the 2009 Awards for Business Excellence by the Global Business Coalition (GBC).

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

Lafarge South Africa was commended for their holistic programme of HIV/AIDS prevention and treatment interventions. In particular, Lafarge was awarded 2nd place in the category for programme performance monitoring.

“The GBC Award is recognition of our commitment to a sustainable development strategy,” comments Lafarge Cement MD, Thierry Legrand. “While Lafarge has built a reputation for being a caring employer, it is also critical to maintain a skilled and healthy workforce in an increasingly competitive construction environment.”



Sustain was the key word. During the June 2010 Safety Month the Cement BU set, and planned how to sustain, a high standard of housekeeping.

- Strong, consistent KAP surveying
- Use of KAP data to identify knowledge gaps
- Peer education
- Effective communication education
- Workplace awareness campaigns
- Monitor interviews

KNOWLEDGE IS HEALTH

Safety: our No.1 priority

The Lafarge Global Safety Month initiative involves all of its 78 000 employees around the world with an intensive month of safety activities each year in June. In South Africa, the Cement BU applied its creative energy to the Group's 'Housekeeping' theme for Safety Month 2010.



Building road safety partnerships

Lafarge Cement is working closely with key road transport contractors to achieve Road Safety priorities and ambitions:

- A monthly Lafarge/Contractor Road Safety Forum monitors the progress of the agreed actions and the performance indicators
- An email Road Safety Hotline has been launched. Under the theme, **“How do we avoid the next accident?”** transporters and employees are invited to submit observations and suggestions on any issue relating to Road Safety

About Lafarge in South Africa

Lafarge is a leading supplier of building materials to the South African construction industry. The company operates through four business units: Lafarge Cement, Lafarge Aggregates, Lafarge Readymix and Lafarge Gypsum.

Lafarge is the world leader in building materials, with top-ranking positions in all of its businesses: Cement, Aggregates & Concrete and Gypsum. In 2009, the Group's 78 000 employees in 78 countries, generated sales of Euros 15,8 billion (approximately R152 billion).

For more information, visit the website at www.lafarge.co.za

Caring for the needs of our CUSTOMERS

Building mutually rewarding relationships with today's customers is the platform for a successful, sustainable Lafarge business. 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.

Innovative product range

Illustrating this, Lafarge Cement commissioned extensive market research in the bagged cement reseller channel that identified key customer needs as:

- High strength
- More convenient, smaller bag
- Better product differentiation

In partnership with major retail chains, Lafarge Cement responded rapidly, introducing two new innovative and environmentally-friendly products in 2008:

Le Classic comes in a stylish 25kg white bag that is more convenient and safer to handle. The product is formulated to:

- Be a versatile general purpose cement
- Meet the market need for a more convenient size
- Be easier and safer to handle
- Minimise wastage



Fastcast brings the benefits of a high performance precast industry cement to the small contractor and DIY customer. Available in 50kg at building material retail stores it offers:

- High ultimate and early strength development
- High rate of strength gain which provides economical solutions to a wide range of concrete jobs
- More efficient use of moulds and formwork



Lower-carbon footprint products

Lafarge Cement was the first manufacturer in South Africa to offer a full range of 'environmentally-friendly' extended cements, incorporating fly ash and achieving a significant reduction in carbon dioxide emissions. The range includes:

- The first CEM II 52,5N cement to be offered to the precast industry
- Buildcrete 32,5R which offers early strength gain, while reducing CO₂ emissions in its manufacture by 50% compared with traditional ordinary Portland cement

Our range of innovative cements meets the need of a market that is increasingly aware of environmental issues and assists contractors with tenders that now routinely contain environmental specifications

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