

# SUSTAINABILITY REPORT

GREECE 2014



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## “Sound business today can only be done with an eye towards the future”

**PIERRE DELEPLANQUE**, Chief Executive Officer

**The debate over anthropogenic climate change has matured towards consensus.** The majority of climate scientists agree that human-created greenhouse gas (GHG) emissions have impacted on climate shifts. Climate change is visible across the globe, including droughts, extreme weather phenomena and desertification. The cement industry contributes to emitting greenhouse gases globally and this makes the responsibility to reduce our own GHG emissions a business imperative. If we are part of the challenge, then we must be part of the solution. We adopt a solutions-based approach to systematically devote our resources to achieving a carbon-neutral, zero-waste circular economy.

**Our people and the communities in which we operate are our priceless assets.** Any health or safety incident is unacceptable in our culture. We are committed to mitigating all such risks and ensuring that our employees and contractors are safe and in good health. This approach is extended to the communities in which we run our business. Our timeless goal has been to ensure that our practices are transparent and understood. Our stakeholder engagement processes ensure that we inform communities about our practices and, in turn, those people help us co-define our material sustainability challenges. This reciprocal relationship, along with embodying stakeholder expectations into our business strategy, improves the way we think and act in our daily operations.

**Building sustainable cities and providing affordable housing is core to our sustainability aspirations.** 54% of the world’s population, including Greece, live in urban areas (expected to increase to 66% by 2050). This sustainable living indicator is central to our business. We are focussing on the “House of Tomorrow” with an approach to continuous innovation. This includes ‘Research & Development’ initiatives to reduce costs across the full life -cycle of building, living functions and maintenance. With a focus on the end-user of our products, we move towards our overarching vision of contributing to sustainable cities which are cleaner, functional, climate-change resilient, efficient, abundant in natural resources and more beautiful.

**Our merger with Holcim took place in a spirit of positive contribution towards sustainability.** Combining the broad base of knowledge and expertise from both organizations will enable LafargeHolcim to go further with innovation and product differentiation, and develop solutions which meet the needs of our end customer in a more sustainable way.

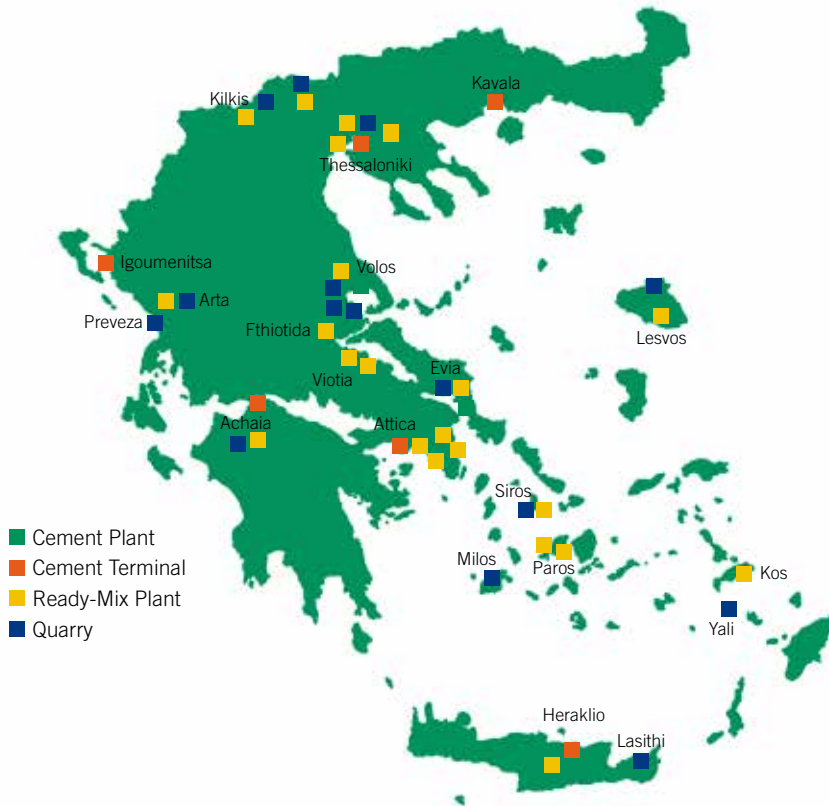
**Sustainability is about values and leadership.** One of our core values is building trust, with our internal (organization) and external stakeholders. We strive to build trust and understanding about our vision to be a successful, profitable business in a socially and environmentally sustainable way.

*GRI Standard Disclosures: G4-1*

## COMPANY PROFILE

# OUR PRESENCE

Heracles Group of Companies, a member of Lafarge, is Greece's largest cement producer. With more than 100 years presence in the market, we operate in cement, aggregates and concrete through a network of 47 production and commercial facilities across Greece. We place innovation at the heart of our priorities, bringing to the market differentiated products and solutions that serve sustainable construction and architectural creativity. Our ambition is to contribute to building better cities, with solutions that provide cities with better housing and make them more compact, durable, more beautiful, better connected and more resilient to climate change and its implications.



Turnover

**€236,5m**

Number of employees

**835**

Production and distribution sites

**47**

Number of quarries

**23**

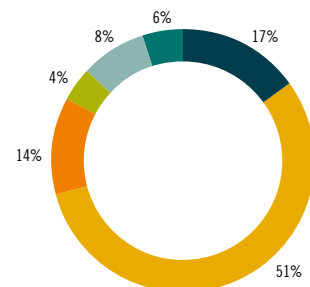
Supply spent in Greek businesses

**€128,8m**

### OUR BRANDS



### EMPLOYEES DISTRIBUTION



- Central functions
- Cement plants
- Distribution terminals
- LAVA quarries
- RMX plants
- Aggregates quarries

GRI STANDARD DISCLOSURES: G4-DMA: MARKET PRESENCE  
G4-2 / G4-3 / G4-4 / G4-6 / G4-7 / G4-8 / G4-9 / G4-EC1

# UNDERSTANDING OUR STRATEGY

**Our 'Building Better Cities' ambition encapsulates our determination to respond to one of the major challenges of the 21st century: increasing urbanization. It is also a reinvigorated commitment to conduct our business in a way that is respectful of nature and society<sup>1</sup>.**

## BUILDING BETTER CITIES

By 2050 the global population is forecast to exceed 9 billion, and around 70% of those people will live in cities. This trend towards urbanization brings with it many challenges: providing more effective management of urban density and mobility flows, providing universal access to decent housing, improving housing quality, and building infrastructure, all at the same time as eliminating natural resource wastage, pollution and greenhouse gas emissions. As the world leader in building materials Lafarge has a crucial role to play in these social transformations. With this in mind, we have identified key priorities for responding to the needs of this market: contributing to building cities that offer better infrastructure, energy efficiency and buildings that enhance quality of life.

## IN-MARKET INNOVATION

Our customers do not simply buy products but their properties and the benefits they represent. Innovation and research are major levers for developing materials and solutions able to respond to the challenges of the construction industry and ensure that

construction is ever more efficient and sustainable. We have developed substantial technical expertise relating to cement, aggregates and concrete, allowing us to provide customers with technical support and services that are unique in the market. Moreover, as a result of this technical expertise, we have developed a market offer of differentiated and added-value products, covering all applications in the construction sector, from public works to decoration.

## STRONGER PERFORMANCE FOR GREATER COMPETITIVENESS

After innovation, performance is our second lever for growth. As part of making ourselves more competitive, we are taking direct action to reduce our costs and boost the productivity of our production facilities. We have made a relentless effort to open up new markets and new opportunities for our products and services, not only in Greece, but also in international markets, compensating for the decline in the domestic market due to the still difficult financial context. In pursuing export opportunities, we leverage our cement plants port facilities to conduct our clinker and cement

GRI STANDARD  
DISCLOSURES

G4-2



Rotary kiln, the heart of a cement plant (Milaki plant)

#### GRI STANDARD DISCLOSURES

G4-DMA: products  
and services  
G4-2

exports operations. We have also identified opportunities in highly specialized products, taking advantage of our plants assets and team competencies. In that respect, our Milaki plant has been certified as POM 2.0 inside a world class operating model, covering all phases of plant operations, which contributes to improved production expertise and more reliable, energy-efficient plants.

In parallel, we have made significant effort to manage our costs. Energy costs hold the potential for significant progress, being the biggest of our costs. Our aim is to increase the proportion of alternative fuels we use, such as recycling residue and agricultural biomass, in substitution of fossil fuels by 20% in 2015 and 40% in 2020, as against 5% in 2013 and 12% in 2014. This is an objective which forms part of our drive for sustainable development. The supply chain is also a critical operation for us, playing a key part in cost optimization, thus giving us a competitive advantage towards our customers. To achieve excellence, we have designed our operations in logistics and supply chain incorporating transport planning and management software, as well as performance indicators. We have therefore been able to continuously optimize inbound and outbound flows and delivery rotations, improving the management of

transport providers and ensuring that road safety standards are respected.

#### LAFARGE EMPLOYEES: THE DRIVING FORCE BEHIND OUR TRANSFORMATION

Well managed production units and competent people and teams in the right place are key levers for an efficient and innovative organization that will help us build our competitive advantage. Our sales teams are an essential link in our value chain and are being trained in the most efficient sales practices to enable them to fine-tune their response to our customers' requests. The constant development of our employees is not confined to the commercial functions; it is also occurring at the heart of our industrial functions. We are focused on our plants reliability and robust mastery, stepping up performance through training and programs for developing our employees' skills and career path. We pursue excellence in our day-to-day performance from all our employees and our internal programs are based on communication, empowerment of our employees and coaching, in order to step up their active management behaviors.

#### SUSTAINABLE DEVELOPMENT: A CONFIRMED COMMITMENT

Lafarge's ambition to contribute to the process

GRI STANDARD  
DISCLOSURES

G4-19.



Silo truck loading in Heraklion terminal in accordance to H&S Lafarge standards

of building better cities is being achieved by improving the quality of life for city dwellers and creating value for everyone. By everyone, we mean not only our employees and subcontractors, but also all the stakeholders affected by what we do, from shareholders to customers, suppliers, governments and the communities who live close to our operating locations. Our growth and competitiveness are inextricably linked to living conditions in places we operate, and there can be no long-term economic development without conservation and respect of the natural capital. In that respect, we have demonstrated our commitment to combating climate change over many years.

### AN AMBITIOUS PROGRAM FOR ACCELERATING OUR PROGRESS

Launched in 2007, the Ambitions 2012 program enabled us to improve our sustainable development practices. Its successor – Sustainability Ambitions 2020 – is the most comprehensive program in our sector. It addresses all areas of sustainable development – social, economic and environmental – in a single program. By taking full account of the major challenges facing our Group and the expectations of our stakeholders, we have set ambitious, quantified targets for each priority action area. Together, these

Ambitions provide a roadmap for the Group in making a positive net contribution to society and the environment, through minimizing our environmental footprint, while at the same time maximizing value for all our stakeholders.

### A SUSTAINABLE ROADMAP INTEGRAL TO OPERATING COUNTRY STRATEGIES

Our sustainable development ambitions are not in conflict with our growth. In fact, they contribute directly to our industrial and commercial development strategies in our operating countries. This is achieved through a unique methodology called the Lafarge Sustainability Compass, which enables our country to develop a sustainable development strategy aiming at maximizing value for all its stakeholders. There are three stages in this process: determining the maturity in each of the principal areas of sustainable development (e.g. water, biodiversity, health and safety, employment, climate change) by measuring and benchmarking performance, followed by the prioritization of challenges for its own internal and external stakeholders, and finally, by using this data to identify priority action areas. ◆



# CLIMATE CHANGE AND ENERGY

Climate change is a defining challenge for the 21st century and the construction sector as a whole. Over the years Lafarge has developed a comprehensive climate and energy strategy. Adopting the basics of this strategy, we are improving our greenhouses gases emissions (GHG) generated by our production sites, by decreasing our GHG emissions specific factor from 707kg CO<sub>2</sub>/t cem eq in the year 1990 to 694 kg CO<sub>2</sub>/t cem eq in 2014 despite markets constraints and the overall difficulties in the current socio-economic environment. Being aware of and accepting our responsibility in all aspects of our activities we try to minimize and offset emissions from purchased energy and emissions associated with the transport of our products.





# INTRODUCTION

Cement is a key ingredient of concrete, the material mostly used on earth after water, vital for the construction of housing and infrastructure and, therefore, a cornerstone of socio-economic progress. Part of the reason for the high levels of CO<sub>2</sub> emissions associated with cement production is the sheer volume of cement required to produce concrete: an estimated 3.7 billion tons in 2012 alone\*. At the same time, cement and concrete can make a positive impact towards meeting the challenges of climate change, working towards net zero CO<sub>2</sub> emissions (within the 'two-degree threshold') by providing energy efficient construction solu-

tions that contribute towards more compact, connected and resilient cities, which are of vital importance in the context of boosting urban development.

Our climate change and energy strategy revolves around the following three areas:

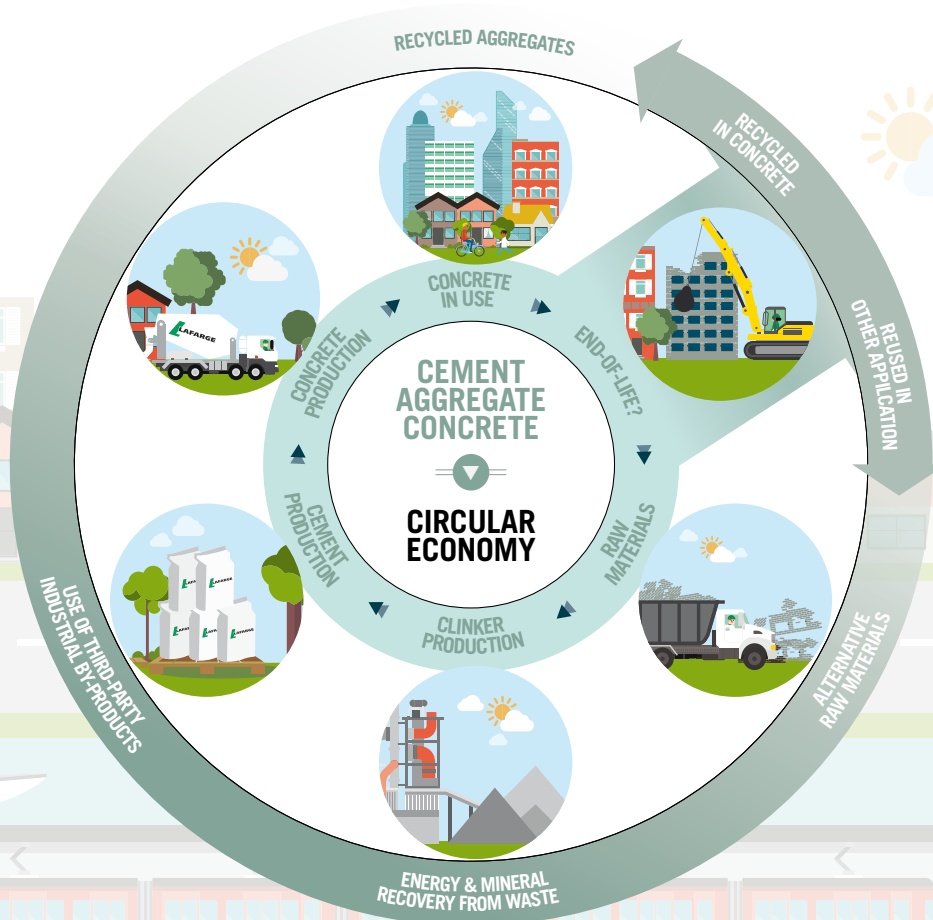
- Contributing to the reduction of society's overall emissions, through construction solutions to **improve building energy efficiency;**
- **Reducing our direct emissions** per ton of cement, through industrial performance programs and R&D to develop lower-carbon solutions; **and also our indirect emissions,** by

using more renewable energy and lower-carbon transport;

- **Promoting responsible energy and climate policies** by business and governments.

There is an increasing focus not only on limiting climate change but also adapting to the effects of climate change that are unavoidable and already present today. Concrete is very resilient to extreme weather conditions and our product mix designs are optimized to develop concrete with the capacity to withstand the potential effects of climate change.

\* Source: Global Cement magazine

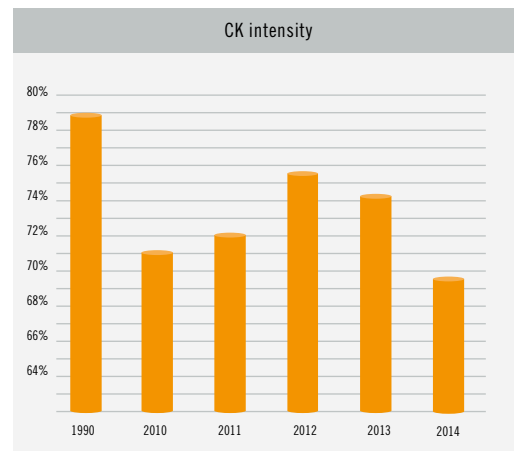


# REDUCING DIRECT AND INDIRECT EMISSIONS

**CO<sub>2</sub> emissions are a material issue for cement production. We tackle climate change by implementing cost effective CO<sub>2</sub> emissions reduction initiatives in our processes and developing less carbon-intensive products. Meeting our emissions target is essential and has continued in 2014.**

- In order to reduce emissions we have focused on improving kiln energy efficiency, substituting fossil fuels with other energy sources and using additives, such as filler, fly ash and pozzolan, to produce less carbon-intensive blended cements. In order to reduce energy required to produce cement, we are deploying a world-class operating model (POM 2.0) at our cement plants. Covering all phases of plant operations, POM 2.0 contributes to improved production expertise and more reliable, energy efficient plants. This supplements ongoing initiatives that result in year-to-year improvements of our energy efficiency.
- A key lever for increasing sustainability is the replacement of conventional fuels with those manufactured from industrial, household or agricultural waste. Our use of these alternative fuels has progressed significantly in the last few years, reaching an average substitution rate of 12% in 2014. This resulted in a CO<sub>2</sub> reduction of 31 thousand tons. Using processed waste as a fuel for cement kilns reduces our environmental footprint, secures energy supplies over the long term and improves plant competitiveness. It can also contribute to more efficient and safer waste management and also boost local economic activity and job-creation. An important aspect of this program concerns the use of renewable biomass as fuel. Our biomass fuel use has increased considerably in the last years. The biomass content accounted for 27% of overall alternative fuel use in 2014.

As the vast majority of our greenhouse gas emissions are associated with the production of clinker - the key ingredient to make cement - the environmental footprint of the product can be lessened by reducing the quantity of clinker used. Continuous improvements have been achieved, in the context of meeting customer requirements.



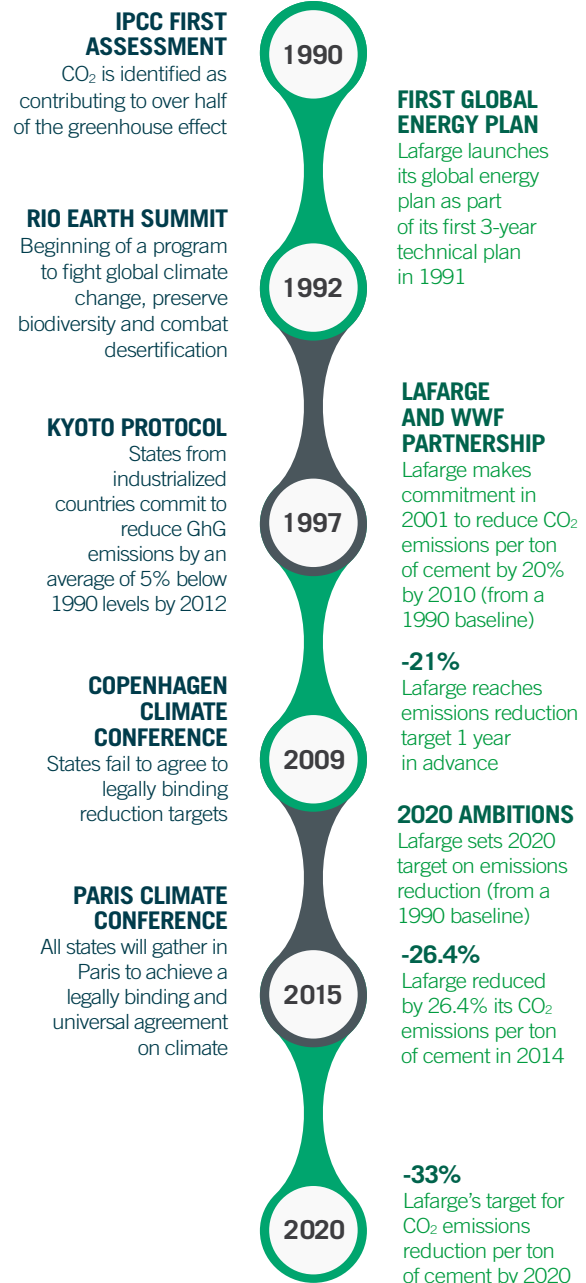
CO<sub>2</sub> emissions reduction linked to product and materials transportation is progressed through optimizing distribution towards road and sea transport, which tends to be less energy-intensive. Our approach has focused on country-led projects, with the collaboration of third parties (companies, universities). These projects are targeting mostly to the support of the operational fleet activity, considering environmental criteria, safety, costs and service level.

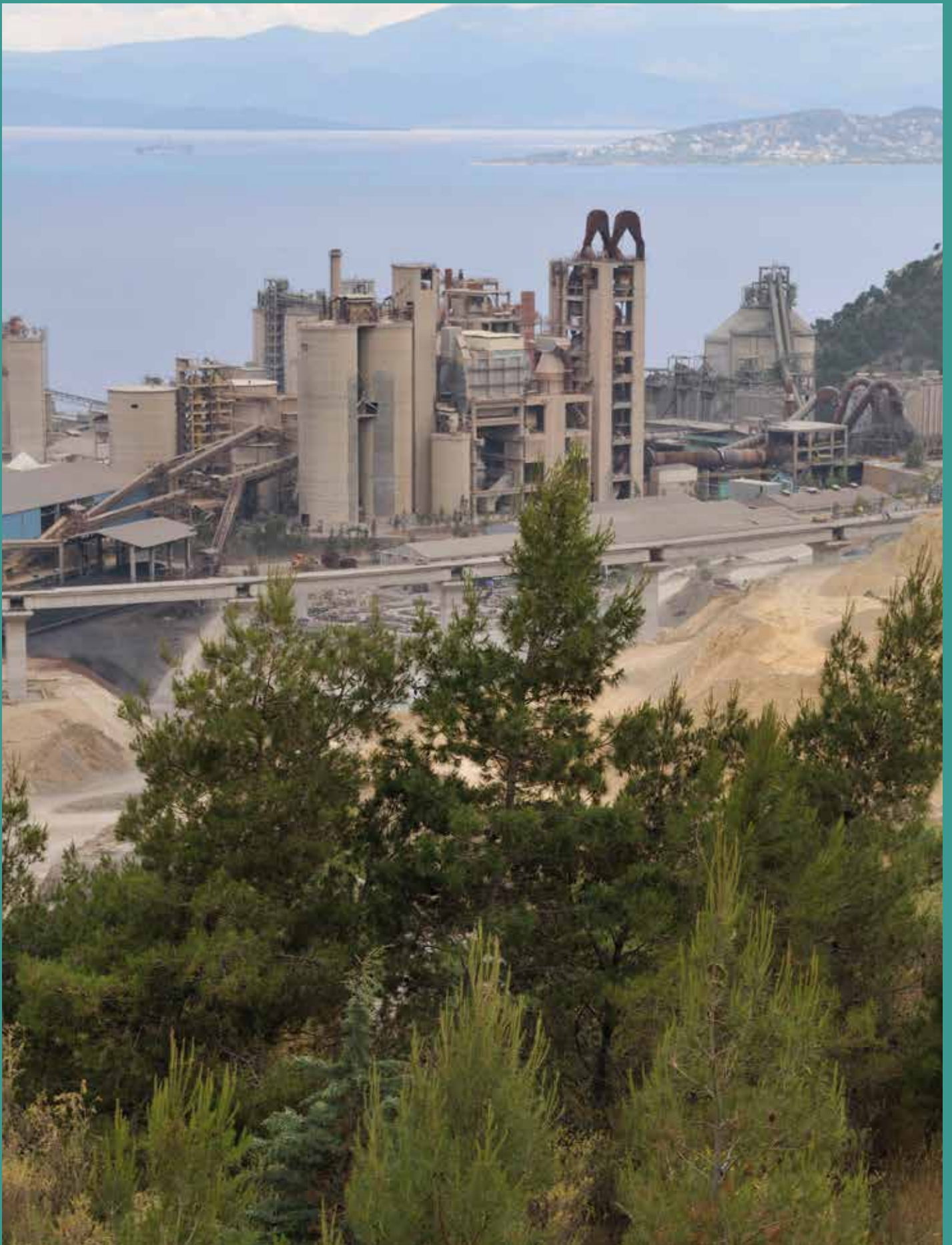
# PROMOTING STRONG CLIMATE AND ENERGY POLICY

**Lafarge is a strong advocate of responsible energy and climate policies, particularly through participation and leadership in associations such as the European Round Table of Industrialists (ERT) and the World Business Council for Sustainable Development (WBCSD).**

By systematically contacting authorities and policy-makers in different markets, Lafarge has supported the introduction of policies that phase-out subsidized fossil fuels, establish a meaningful price on carbon while avoiding 'carbon leakage', and promote long-term price stability to avoid volatility in carbon markets that would be detrimental to investment. Lafarge also promotes economic policies that incentivize R&D processes necessary to achieve net zero CO<sub>2</sub> emissions by 2100\*. In 2014 the World Bank initiative 'Putting a Price on Carbon' was ratified, a manifesto that recognizes the importance of implementing carbon pricing in order to promote energy efficiency. To this end, Chairman and CEO of Lafarge, Bruno Lafont, participated in the Private Sector Forum at the United Nations Climate Summit that took place in September 2014, which brought together governments, business leaders and NGOs to discuss the role that the private sector can - and should - play in the development of solutions to fight climate change, in the build up to UN's Climate Change Conference (COP21) to be held in Paris in December 2015. Participating and demonstrating leadership in such events, including the Climate and Energy Program by the WBCSD, is an integral way via which Lafarge contributes towards effective solutions, as, for instance, carbon pricing. We also believe that policies should not be limited solely to targets for CO<sub>2</sub> emissions reduction, but should also encourage energy efficiency and innovation across the whole value chain, especially in the building sector. For example, focusing regulatory framework focusing on the energy performance of buildings, beyond the use of specific materials, would provide a more fertile ground for innovation, which in turn can lead to a further limitation of CO<sub>2</sub> emissions.

\*UNIPCC report, November 2014







# MANAGING OUR ENVIRONMENTAL FOOTPRINT



**S**ustainable business development has been our key priority for more than 10 years. Our Sustainability Ambitions program has already allowed us to significantly reduce our use of non-renewable resources by incorporating recycled materials and alternative fuels into the production process. Our target is to increase the proportion of alternative fuels we use, such as household refuse and agricultural waste (biomass), reaching a level of 20% of alternative fuels in our fuel mix by 2015 and 40% by 2020. At the same time, we are consistently improving water management to preserve this resource in areas we operate, emphasizing on those where water scarcity is more intense.

Managing our environmental footprint essentially requires that our business operations fall within planetary boundaries. To that end, we have implemented plans to rehabilitate our quarries, thus restoring and enhancing biodiversity. Similarly, we endeavor to limit our emissions in order to contribute to the fight against climate change, while promoting overall air quality at the same time.

*GRI STANDARD DISCLOSURES: G4-DMA: Overall*

**Photo: A view of the Volos ring road next to the local Lafarge production unit.**

**14 Alternative fuels  
and recycling**

**16 Biodiversity**

**18 Water & Wastes**

**20 Emissions**

# ALTERNATIVE FUELS AND RECYCLING

**In 2014 we have reduced further the consumption of natural resources by using industrial, municipal and agricultural waste as alternative fuels and re-using wastes as alternative raw materials in our cement plants. We believe in a future without waste, and we are committed to further promoting this goal on a systematic basis.**



**Locally sourced biomass used as fuel in Volos plant (3% in fuel mix)**

## GRI STANDARD DISCLOSURES

G4-DMA: materials / material stewardship  
G4-EN2

**W**e consider “Industrial Ecology” to be a key lever for sustainable development. In 2014, we managed to substitute more than 35 kilotons of fossil fuels with municipal and agricultural wastes, reaching a 12% participation into our fuel mix. The Milaki plant has launched the co-processing of dry sewage sludge generated from the Athens Waste Water treatment plant in Psitaleia. A silo-to-silo approach has been used to minimize environmental impact at every stage of the process. Special silo-trucks transfer the material from the loading silo, in a closed circuit up to the feeding silo in Milaki. In Volos,

we accelerated our efforts to collect agricultural residues coming from the agricultural crops of the Thessaly plain near our plant. Moreover, 160 kilotons of industrial wastes and other by-products are being collected and used as alternative raw materials. New collaborations with several industries have been developed, making Lafarge a reliable and consistent partner for their waste management and recovery.

### ADAPTING PROJECTS TO THE LOCAL CONTEXT: VOLOS - OUR BIOMASS PLANT

Located by the Thessaly plain, where massive

## CASE STUDY



### RETURN CONCRETE RECYCLED IN THE RAW MIX OF THE CEMENT PLANT

cultivation of cotton and corn takes place, the Volos Plant is dedicated to manage more than 20 kilotons of agricultural wastes per year, thus providing a valuable service to local farmers and communities. In 2014, we moved one step further to ensure a sustainable solution for handling these agricultural wastes. Joint Venture “VIOMAS” was launched in partnership with local experts to optimize and boost the collection of the agricultural wastes, improving the quality of service to the farmers and providing a holistically sustainable solution to the local community. New investments (more than 300k€) for new harvesting equipment and the upgrading of the Volos feeding line have been realized. We developed new partnerships for the usage of modern moving-floor trucks to optimize logistics design, reduce circulation load, and minimize the overall environmental impact. In 2015, we look forward to fully developing VIOMAS as a reliable partner for the local community, which provides environmental solutions and enhances the sustainable economic activity of the area.

The RMX plant in Volos, aligned with the terms of its environmental impact assessment, launched in 2014 a collaboration with the local cement plant in order to dispose properly the returned concrete wastes. This way, mutual benefits are reaped by all sides, both environmental and economic. All the returned concrete debris is crashed down to a max diameter of 500mm

with a hammer-drill before being transported by trucks to the “adjacent” cement plant, 20km from the RMX site. Concrete debris is further downsized in a hammer crusher and mixed with the rest of the raw materials inside pre-homo piles. This synergy is a big relief for the Volos RMX site in terms of storage areas, since during the last years significant quantities of

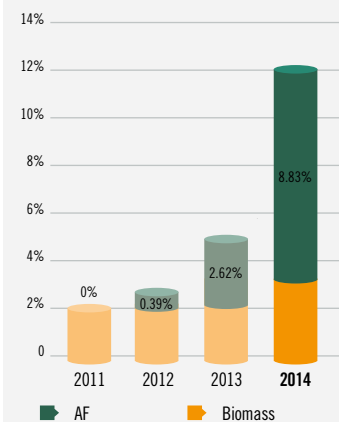
returned concrete debris had been accumulated on-site. The cement plant EIA permit was recently renewed, so the company was given the opportunity to exploit all kinds of construction debris (concrete, tiles etc.) saving approximately 1% of limestone in the raw mix, thus 35,000 tons of limestone on an annual basis.

GRI STANDARD DISCLOSURES: G4-DMA: Materials / G4-EN1 / G4-EN2

### BOOSTING RECYCLED PRODUCTS OFFER

In 2013 we launched a program to increase the use of recycled concrete and aggregates, thus helping conserve natural resources. Despite the fact that recycled concrete solutions face regulatory constraints and low market acceptance, in 2014 we managed to include the returned concrete waste as raw material in our cement plants. The recycling rate for all waste generated in our industrial sites remained very high, i.e. at levels higher than 90%. ◀

### DISTRIBUTION OF ALTERNATIVE FUELS



GRI STANDARD DISCLOSURES: G4-DMA: Material Stewardship

# BIODIVERSITY



A view of the quarry rehabilitation in the area of Almiros, Magnesia, Greece.

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**We manage biodiversity at our sites and engage with experts and local stakeholders to protect natural capital. Effective quarry rehabilitation, facilitating the protection and promotion of local biodiversity is key to maintaining good relations with local stakeholders around our operational sites and for the establishment of our sustainable operations.**

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## REHABILITATION PLANS FOR QUARRIES

All quarries are screened using data from our Integrated Biodiversity Assessment Tool and Geographic Information Systems to determine sites with high biodiversity (within 500 m of IUCN I to VI, Ramsar, IBA, Natura 2000 and World Heritage Sites<sup>2</sup>). Sites are also screened for local sensitivity, i.e. proximity to protected habitats or species and naturally occurring caves.

Since 2013, 100% of Sensitive (Aggregates & Cement plants) quarries have Biodiversity Management Plans (BMPs), whilst a project for conducting BMPs for the rest of the non-sensitive quarries, has been initiated. Currently, in 2014, our Biodiversity Project

is running and the BMPs for non-sensitive quarries cover 100% of the Aggregates and 43% of our Cement Plant quarries.

## BIODIVERSITY ENHANCEMENT PROGRAM

The biodiversity program, launched in 2011, concerning the recording and tracking of flora and fauna in our Volos quarries, in collaboration with the University of Thessaly has been successfully concluded. Results exceeded our expectations, and they were presented at the international SDIMI 2013 forum. All findings are to be implemented in quarries as to restore and enhance biodiversity. ◀



## CASE STUDY 1



### RECOGNITION FOR OUR BIODIVERSITY MANAGEMENT PLAN IN ARAXOS

In the Araxos quarry in the Peloponnese, located in a Natura 2000 protected area, Lafarge successfully implemented a biodiversity conservation project that helped the protection of the local endangered plant species Centaurea Niederi. Specifically, 1175 Centaurea Niederi plants now thrive

inside the quarry rehabilitation area. Our effort to preserve local biodiversity is on-going. In collaboration with the Department of Biology of the University of Patras, we ran a pilot project in which 105 Hedera Helix plants were planted, in a designated area of 500 m<sup>2</sup> inside the quarry, in order to

observe the growth of that species and its ability to accelerate the vegetation cover on the quarry's vertical slopes. If results turn out to be positive, we will extend plantations on the remaining cliffs of our quarry, under the guidance and supervision of specialists' from the University of Patras.

### GRI STANDARD DISCLOSURES

G4-DMA: biodiversity / G4-EN13 / G4-EN14 / G4-14 / G4-25 / MM1 / MM2  
G4-EN11 / G4-EN12 /

## CASE STUDY 2



### KATAKALO SCHIST QUARRY - GOOD PRACTICES

As a top priority, the company has established the rehabilitation of our quarries far beyond required standards in such a way that the local natural environment is enhanced. We decided to plant olive trees (Fig. 1) and vines in the exhausted

Katakalo Schist quarry in Milaki, expanding in an area of approximately 70,000 sq. meters. The entire project was undertaken by a local farmer who was responsible for managing the area and providing the company with a specified amount of produce.

During 2014, olive trees from the Katakalo quarry produced high quality olive oil, which was classified as "extra virgin olive oil" by independent bodies and was branded as Lafarge extra virgin olive oil (Fig. 2).

# WATER EFFICIENCY & WASTES MANAGEMENT

**Good freshwater availability is a critical social, environmental and economic issue. As a water-using company and a visible stakeholder in communities, we are committed to reducing our water impacts and enhancing water management in the wider water basin. We have been working for several years to measure and reduce the water footprint of our operations. Cement manufacture is not a major water-using activity but careful management of our facilities can ensure that water is best-managed at both the local and regional levels. Therefore, we are using water foot-printing and are improving our infrastructure to enhance our own water management. This, in turn, reduces our use of this vital, shared resource.**

## PROGRESS IN 2014

Performance of our industrial sites in 2014 has been improved. We further reduced our reliance on groundwater because - apart from the Milaki desalination unit operation - the volume of waste water generated by the adjacent refreshment-drinks plant and

used for production needs of the Volos plant, was increased, from 27.000 m<sup>3</sup> in 2013 to 32.000 m<sup>3</sup> in 2014. The Milaki plant and LAVA Milos (pozzolan) quarry have built autonomous water systems for the collection and use of rainwater. This type of water is used for watering plants, spraying, washing,



View of Volos cement plant and EPSA refreshment and drinks plant. Waste water of EPSA is transported to the cement plant through an underground pipeline

## CASE STUDY

### CASE STUDY: COLLECTIVE ALTERNATIVE MANAGEMENT SYSTEM - “RECYCLING”

Since 2003 Lafarge has been part of the C.A.M.S – RECYCLING System that has been developed in order to implement an

alternative process of packaging wastes in Greece. The total amount of our financial contributions from the beginning

of our cooperation up-to-date, is estimated to have purchased approximately: **14,295 blue bins or 20 garbage recycling vehicles.**

### GRI STANDARD DISCLOSURES

G4-DMA: water  
G4-EN2  
G4-EN8

G4-EN10  
G4-21

and other activities, and its quantities depend on natural precipitation.

### WATER USE IN AGGREGATES AND CONCRETE BUSINESS

Water used in the aggregates production-line is limited to that required for fugitive dust suppression and the watering of plants in rehabilitation areas. Concrete production, which is supplied by ground water and the public network, is a more water-intensive process; the finished product is 15% water (by weight) and the processed water is treated and re-used with no water discharges. In ready-mix plants, wastewater is produced when mixers, mixer cabins, trucks and truck loading areas are washed. Although it is free from microbial and organic compounds, it contains suspended solids. We therefore implement a three-stage sedimentation treatment to remove suspended solids. This way, we produce an effluent of sufficient quality to be returned to the washing stage, in order to be reused. The solid residue from the system (sludge that is dried) is disposed at appropriately licensed and designated sites. ◆

### WASTES

	Cement	Cement	Cement + A&C	Cement + A&C
	Hazardous (recycled)	Hazardous (incinerated)	Non Hazardous (recycled)	Non Hazardous (disposed)
<b>Wastes in tons</b>				
2014	51	28	1,138	2,574
2013	62	16	1,437	86
2012	52	33	1,586	148

### WATER

Withdrawn water (m <sup>3</sup> )	CEMENT + A&C				
	Ground	Open	Other	Rainwater harvested	Water consumption
2014	1,090,000	908,000	65,000	26,000	668,400
2013	1,117,000	822,000	69,000	21,500	895,000
2012	1,290,000	635,000	71,000	19,300	979,000

# EMISSIONS

**We set ambitious targets to reduce emissions as part of our environmental stewardship and responsibility towards communities surrounding our operations<sup>1</sup>.**

**C**ommitments on emissions reduction have been part of our sustainability program for many years.

## RESULTS ON CO2 EMISSIONS

The reduction in direct CO<sub>2</sub> emissions in 2014 as compared to 2013 was 16 kg per ton of cement. A combination of actions enabled this reduction of direct emissions, including better kiln energy efficiency to reduce the amount of energy required, per ton of clinker produced, an increase of 7,2 % in alternative fuels substitution for conventional fuels, as well as the increased sales of cements with a lower carbon content. The latter type of cement is obtained by changing the production technology (Separate Grinding) via increasing the additives content. This results in the reduction of clinker intensity. Emissions were however adversely impacted by the eminent instability in market demand.

## AIR QUALITY CHALLENGES

In addition to the challenge of reducing greenhouse gas emissions, cement manufacturing requires that we address the following emissions from the stack: dust, nitrogen oxides (NOx) and

sulfur dioxide (SO<sub>2</sub>). The presence of the latter depends strongly, apart from the type of fuels, on raw material inputs used in the manufacturing process. Another challenge to be addressed - given that stack dust emission reduction has been so successful - is fugitive dust emissions, which result from the raw materials storage and conveying, as well as internal transport. In 2014, NOx emissions further decreased by 3,3% with respect to 2013. SO<sub>2</sub> emissions remain well below legal limits and below our own reduction targets. Stack dust emissions remain very low, exhibiting a further decrease by 18% against 2013. Our control of fugitive dust sources is improved at all sites. ◆

### GRI STANDARD DISCLOSURES

G4-DMA: emissions  
 G4-DMA: energy  
 G4-21  
 G4-EN15  
 G4-EN18  
 G4-EN19  
 G4-EN21

## CASE STUDY

### GHG EMISSIONS – GOLD ENVIRONMENTAL AWARD

In 2014 Lafarge Greece has been awarded a Gold Environmental Award for its efforts to reduce GHG emissions. Our use of alternative fuels has progressed significantly, having increased by more than 4 times in the last 2 years, reaching an average of 12% in 2014, leading to a CO<sub>2</sub> reduction of 40.000 tn. More than 200kt of processed industrial,

municipal and agricultural wastes have been used in our cement plants as alternative fuels and alternative raw materials. In Lafarge, we are committed to reduce our environmental footprint and secure energy supplies and natural resources over the long term. In coming years, we will accelerate further our efforts towards GHG emissions reduction, contributing to the

development of the Greek circular economy. Our motivation is to provide responsible and sustainable solutions for a cleaner environment and better, more appealing living spaces. We work with our stakeholders around Greece to advance a zero-waste future and ensure a brighter tomorrow for local communities.



# CONTINUING PROGRESS IN EMISSION REDUCTION

<h2>1</h2>	<p><b>STACK DUST EMISSIONS</b> (GRAMS/TON CLINKER)</p> <p>Stack dust emissions remain very low, exhibiting a further reduction of 18% compared to 2013</p>	<table border="1"> <thead> <tr> <th>Year</th> <th>Emissions (Grams/Ton Clinker)</th> </tr> </thead> <tbody> <tr> <td>2005</td> <td>118.90</td> </tr> <tr> <td>2010</td> <td>5.90</td> </tr> <tr> <td>2011</td> <td>5.89</td> </tr> <tr> <td>2012</td> <td>11</td> </tr> <tr> <td>2013</td> <td>10.72</td> </tr> <tr> <td>2014</td> <td>8.80</td> </tr> </tbody> </table>	Year	Emissions (Grams/Ton Clinker)	2005	118.90	2010	5.90	2011	5.89	2012	11	2013	10.72	2014	8.80
Year	Emissions (Grams/Ton Clinker)															
2005	118.90															
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2013	10.72															
2014	8.80															
<h2>2</h2>	<p><b>SO<sub>2</sub> EMISSIONS</b> (GRAMS/METRIC TON CLINKER)</p> <p>SO<sub>2</sub> emissions remain well below legal limits and below our own reduction targets. There was a marginal increase of approximately 2,4% compared to 2013.</p>	<table border="1"> <thead> <tr> <th>Year</th> <th>Emissions (Grams/Metric Ton Clinker)</th> </tr> </thead> <tbody> <tr> <td>2005</td> <td>232</td> </tr> <tr> <td>2010</td> <td>85</td> </tr> <tr> <td>2011</td> <td>117</td> </tr> <tr> <td>2012</td> <td>115</td> </tr> <tr> <td>2013</td> <td>70</td> </tr> <tr> <td>2014</td> <td>71.65</td> </tr> </tbody> </table>	Year	Emissions (Grams/Metric Ton Clinker)	2005	232	2010	85	2011	117	2012	115	2013	70	2014	71.65
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<h2>3</h2>	<p><b>NO<sub>x</sub> EMISSIONS</b> (GRAMS/TON CLINKER)</p> <p>Our NO<sub>x</sub> emissions in 2014 decreased by 3,3% compared to 2013</p>	<table border="1"> <thead> <tr> <th>Year</th> <th>Emissions (Grams/Ton Clinker)</th> </tr> </thead> <tbody> <tr> <td>1990</td> <td>2,231</td> </tr> <tr> <td>2010</td> <td>1,938</td> </tr> <tr> <td>2011</td> <td>1,770</td> </tr> <tr> <td>2012</td> <td>2,028</td> </tr> <tr> <td>2013</td> <td>1,986</td> </tr> <tr> <td>2014</td> <td>1,921</td> </tr> </tbody> </table>	Year	Emissions (Grams/Ton Clinker)	1990	2,231	2010	1,938	2011	1,770	2012	2,028	2013	1,986	2014	1,921
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<h2>4</h2>	<p><b>NET CO<sub>2</sub> EMISSIONS PER UNIT OF PRODUCT</b> (KILOGRAMS PER METRIC TON OF CEMENT<sub>T<sub>ce</sub></sub>)</p> <p>The reduction in direct CO<sub>2</sub> emissions in 2014 compared to 2013 was 16 kg per ton of cement (approx. -2.3%)</p>	<table border="1"> <thead> <tr> <th>Year</th> <th>Emissions (Kilograms per Metric Ton of Cement)</th> </tr> </thead> <tbody> <tr> <td>1990</td> <td>708</td> </tr> <tr> <td>2010</td> <td>648</td> </tr> <tr> <td>2011</td> <td>655</td> </tr> <tr> <td>2012</td> <td>717</td> </tr> <tr> <td>2013</td> <td>710</td> </tr> <tr> <td>2014</td> <td>694</td> </tr> </tbody> </table>	Year	Emissions (Kilograms per Metric Ton of Cement)	1990	708	2010	648	2011	655	2012	717	2013	710	2014	694
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2013	710															
2014	694															
<h2>5</h2>	<p><b>TOTAL CO<sub>2</sub> EMISSIONS</b> (KILOTONS PER YEAR)</p> <p>Total CO<sub>2</sub> emissions marginally decreased in 2014 due to changes in our clinker production plan. GRI and other international reporting protocols prescribe that net emissions differ from gross in the exclusion of emissions from combustion of waste. Because our use of waste as fuel is currently at very low levels, any difference between our gross and net emissions is considered immaterial.</p>	<table border="1"> <thead> <tr> <th>Year</th> <th>Emissions (Kilotons per Year)</th> </tr> </thead> <tbody> <tr> <td>1990</td> <td>5,285</td> </tr> <tr> <td>2010</td> <td>2,997</td> </tr> <tr> <td>2011</td> <td>2,129</td> </tr> <tr> <td>2012</td> <td>2,233</td> </tr> <tr> <td>2013</td> <td>2,366</td> </tr> <tr> <td>2014</td> <td>2,332</td> </tr> </tbody> </table>	Year	Emissions (Kilotons per Year)	1990	5,285	2010	2,997	2011	2,129	2012	2,233	2013	2,366	2014	2,332
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# CREATING VALUE FOR OUR STAKEHOLDERS



**A**s an industrial Group with strong local roots, we have a particular responsibility towards all our stakeholders, especially the communities living in close proximity to our sites. The health and safety of Lafarge people and contractors remains our number one priority with the objective of reaching zero harm. Everywhere we operate, we are promoting local job creation and, more broadly, the economic and social development of communities. Designed in partnership with local actors, our programs are supported by employees through a policy encouraging volunteering. Many of our innovation efforts focus on the creation of solutions facilitating the development of inclusive business, such as affordable housing to ensure that everyone can have access to decent housing at an affordable price. Our ambition is to create value for society as a whole.

*GRI STANDARD DISCLOSURES: G4-25 / G4-DMA: Local Communities*

**Our people conducting Health and Safety procedures in Rio cement Distribution Center (view of Rio-Antirrio high bridge in the Peloponnese)**

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**24 Health and Safety**  
**27 People development**

**30 Community engagement**

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# HEALTH AND SAFETY

**Health & Safety of our employees and contractors is a top-priority. Reaching - then maintaining - zero harm is an absolute necessity<sup>1</sup>.**

**O**ur significant improvement on H&S over the last 10 years was sadly overshadowed in 2014, by the fatal accident of an electrician in the Volos plant. This devastating event has shown that we need to insist more in embedding within our sustainability strategy and practice the strongest possible commitment to the Health & Safety of our people.

### FATAL ACCIDENT AND ACTIONS

On July 2nd 2014, a Lafarge electrician in Volos plant suffered extensive thermal burns as a result of an arc flash, while performing LOTOTO on a low voltage electrical substation. After 14 days of hospitalization, he passed away.

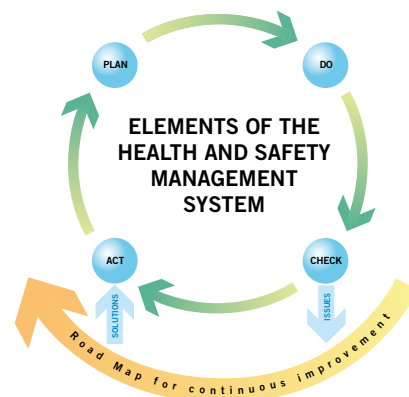
An extensive investigation and analysis was performed. Consequently, a set of preventive actions have been implemented in all sites within the framework of the Electrical Safe Work Practice (ESWP) including: review of electrical risks and control measures for LOTOTO and troubleshooting, refresh training to all electricians, review of PPEs and upgrade relevant signage, inspection, thermography study and maintenance of electrical rooms, preparation to perform Arc Flash studies to all electrical rooms (in 2015), inspection of incoming circuit breakers of electrical rooms, design and kick off of a H&S Initiative (αἰνῶδες) with the target to achieve a sustainable change in key behaviors (to run in 2015).

### HEALTH & SAFETY MANAGEMENT SYSTEM (HSMS) & AUDITS

The HSMS is a comprehensive system which encompasses all aspects of Health and Safety for everyone who works for, and with, Lafarge. It provides high-level guidance on how the organization consistently identifies and controls risks related to Health and Safety (H&S) and consists of 10 elements that covers both risk management topics (e.g. work at height) but also leadership, engagement and competence. Its implementation reduces the potential for injuries and occupational illnesses, improves overall

performance, and through the Plan-Do-Check-Act (PDCA) cycle ensures continuous improvement for sustainable H&S performance.

In this framework we performed a weekly HSMS Audit in the A&C line, and specifically in 4 Quarries (Yali, Altsi, Aliveri and Mytilini) and 3 RMX sites (Mytilini, Heraclion and Aliveri) with a team of 8 auditors coming from BUs around Europe. The result has validated the good work that was conducted in 2013 and 2014, in comparison with the previous HSMS audit (+ 20%), and it became a milestone to set the challenge for further improvement.





**GRI STANDARD DISCLOSURES**

G4-DMA: occupational health and safety

Furthermore, 12 key managers from Greece have participated as auditors in relevant HSMS Audits performed in cement plants, RMX and quarries in other European Business Units. Through this initiative, our managers, by supporting those sites, gained a lot of know-how, benchmarking, idea sharing and networking for the benefit of their own development and their sites back home.

**RISK ASSESSMENT**

2014 was a tipping point for the implementation of Risk Assessment (RA) in all operation sites. It has become the overarching tool for the safe preparation of works. Building on the achievements of 2014, where RA was implemented in all procedures in cement plants and distribution terminals. RA was introduced in the high risks tasks of our Aggregates & Concrete (A&C) production line. This tool was embedded in our organization as the critical step before each work. In all steps of the work (preparation, execution, feed-back) the responsible person or team benefit from it, in many ways: as a source of information, as an alarm on various hazards, as a reminder of the measures, as permit to work, or as a feedback and improvement mechanism; in a nutshell, it is the single point of reference for any assigned work to be conducted safely. In order for this to be effectively performed, a quality control mechanism is necessary. Therefore, plants have implemented a constant improvement process, via the implementation of RA quality audits. Each day, each manager is performing on site a quality audit, by inspecting working conditions and interacting with the execution team, challenging them on H&S conditions and measures. This way we have achieved significant quality improvements through knowledge sharing, implementing additional measures, and increasing awareness around material H&S issues.

**HEALTH PROGRAM**

Health is equally important as safety. In our company we undertake a set of health initia- ►

**CASE STUDY**



**LAFARGE SAFETY LEADERSHIP IN DRY FLY ASH LOGISTICS (TRANSPORT AND LOGISTICS AWARDS 2014)**

Silo trucks of cement-producing companies collect ash being generated in the thermoelectric energy producing plants of PPC (The Greek Public Power Corporation) in Ptolemaida, by burning lignite. This ash is subsequently being used as raw material input for producing cement products. Lafarge Greece consumes approximately 350,000 tons of ash annually, thus reducing at the same time the need to dispose an equal amount of ash in the natural

environment. Yet, this process entails significant risks. Lafarge, therefore, established with its own expenditure an integrated protection and safety system within the premises of the PPC. More specifically, Lafarge Greece installed 4 platforms enabling safe access on the silos-trucks' roofs, a silo-truck washing system, as well as an asphalted and hatched parking area in order for the trucks to not be parking on ash and dust. Nonetheless, "absolute" safety was not

attained, and additional processed had to be put in place, in order to allow a "real-time" and remote monitoring of the proper use of premises, and that of the drivers' compliance to safety regulations. This was achieved via the use of telemetry systems, GPS and appropriate software as to be able to control the movement and speed of silo-trucks inside the premises and ensure the appropriate use of the safe-access platforms.

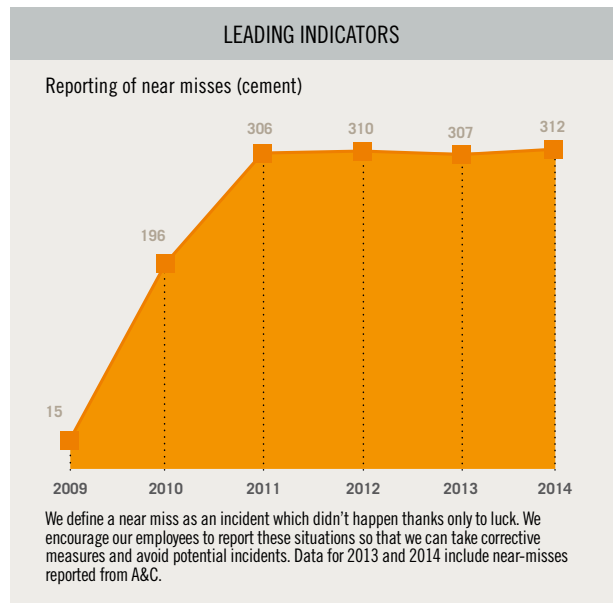
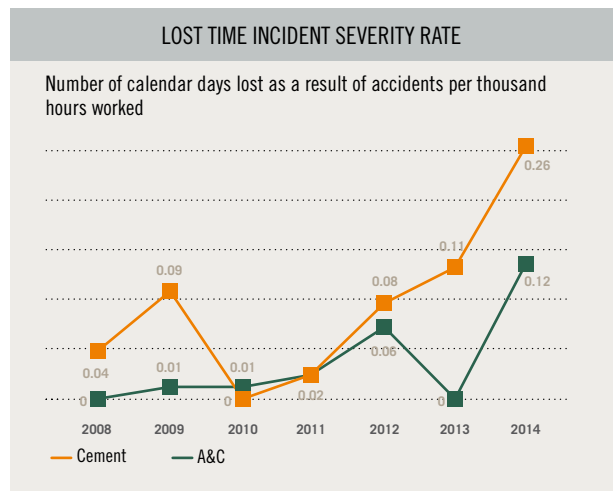
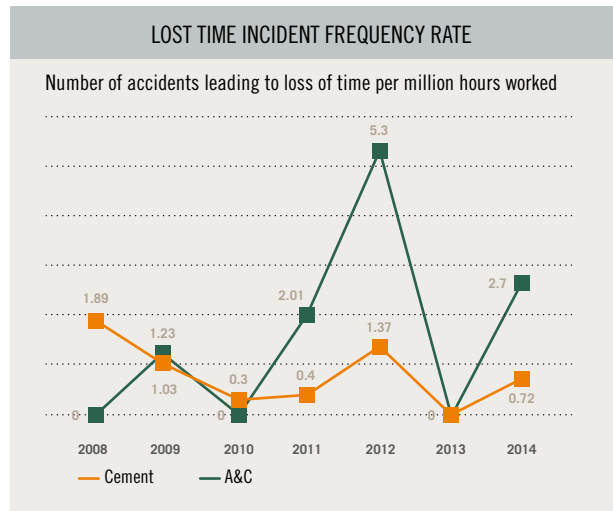
**HEALTH & SAFETY INDICATORS**

Number of incidents (contractors and employees)

	FATALITIES		LTIs		CONTRACTOR LTIs	
	CEMENT	A&C	CEMENT	A&C	CEMENT	A&C
2010	0	0	1	0	1	1
2011	0	0	1	1	2	1
2012	0	0	3	2	1	0
2013	0	0	0	0	4	1
2014	1	0	0	1	2	1

tives, which aim at ensuring medical wellness for our people, through the effective monitoring and reduction of exposure to health hazards related with our activities, coupled by prompt readiness for medical emergency response.

As per the Health Assessment Standard Operating Procedure (HASOP) and respective analysis of all job positions, employees undertake medical examinations based on special, risk-based health assessment protocols. Our project named “Ippokratis” is the tool to monitor on an annual basis employees’ fitness to perform daily duties. Concerning Industrial Hygiene, in 2014 we performed the standard annual survey for measuring harmful parameters (noise, dust, vibration etc), covering all sites i.e. cement plants, distribution terminals, concrete plants, quarries etc. Based on the results of this survey, several actions took place towards reducing the exposure (dust and noise emissions reduction, PPE, training, etc). Furthermore, our annual plan has been reviewed as per Lafarge’s Group Industrial Hygiene plan, aiming at the improvement of both the qualitative (systematic approach to exposure, measurements per job position) and quantitative aspects of this process (more measurements and repetitions). The implementation of this plan will begin in 2015. Finally, in 2014 our emergency preparedness and responsiveness has been thoroughly evaluated. We performed 11 emergency exercises in our sites, including drills with combined scenarios (fire, injury, pollution, security, evacuation) and table-top analysis. Thus, our preparedness to respond to health or life threatening emergency situations (among many other topics) has been analyzed, covering all related parameters (training/skills, tools/equipment, procedures, cooperation with authorities, communication systems etc). Several corrective actions have already been implemented. ◆



# PEOPLE DEVELOPMENT

We strongly believe that people development is crucial for our company's success. Particularly today, it is imperative to develop talent -our greatest competitive advantage- with a focus on business objectives and growth opportunities. Investment in our people and their development is key to achieving our business strategic objectives, facing up our challenges and ensuring our long term sustainability. Our commitment to people is based on robust programs and initiatives such as skills development and career management.

GRI STANDARD  
DISCLOSURES

G4-10



Compression test of cement by qualified personnel in the plant lab

## CERTIFICATION

In our cement plants, Key Operators & Technicians have a major impact on daily performance. Our certification program, launched in 2012, contributes to the plants' mastery and performance improvement by improving the efficiency of peoples' skill. During the program, participants' critical skills and competencies are cultivated. The certification program is a collaborative process involving the Human Resources Department, the plants' management and the Industrial team, all of which are in close cooperation with the "Lafarge Industrial Performance Center".

## Key benefits are:

- Development of competencies and employee performance in an efficient manner
- Change of mindset
- Operational consistency via a structured approach of Standard Operating Procedures
- Process stability
- Enhancement of team culture
- Uniformity of practices, fully compliant with our safety standards

Thus, our people acquire all the necessary knowledge and skill-base as to apply standard operating procedures in an autonomous way, ►

**GRI STANDARD DISCLOSURES**

G4-DMA: Employment  
 G4-DMA: Labor/management relations  
 G4-DMA: Freedom of association  
 G4-DMA: Child labor  
 G4-DMA: Non-discrimination  
 G4-DMA: Forced or compulsory labor  
 G4-DMA: Investments (human rights)

G4-DMA: Diversity and equal opportunity  
 G4-DMA: Training and education  
 G4-DMA: Equal remuneration of men and women  
 G4-I0  
 G4-LA1

which enables them to meet more effectively their operational targets. Up to 2014, 13 Kiln Control Room Operators (CROs), 3 Mill Control Room Operators (CROs), 3 Maintenance Inspectors, and 6 Quality Control Shift Operators (QCSOs) in our plants were certified, while 9 Inspectors, 9 Mill CROs, 3 Kiln CRO's, 2 Kiln coaches and 3 QCSOs are currently in the certification process.

**ACTIVE MANAGEMENT BEHAVIORS PROGRAM**

One of our main goals is the development of leadership competencies of our middle-level managers. To that end, the "Active Management Behaviors" initiative was designed and implemented in 2014. Its objective is to improve the efficiency of our mid-level management teams by developing their managerial skills, competencies, values and behavior, through coaching.

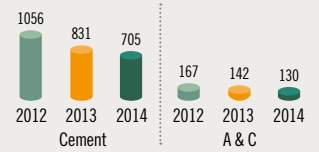
The main targets are 7 key behaviors related to the assignment of work, providing directions, effective follow-up, providing constructive feedback, coaching and support, problem solving and reporting. This program has helped our mid-level managers become more effective on their day-to-day tasks and improve their overall performance. The "Active Management Behaviors" program has been designed in cooperation with an external consultant and was rolled out jointly with internal coaches and

trainers. The program is a combination of in-class workshops, weekly and monthly coaching sessions, action plans and field-assignments. 91 middle managers from all our operations, plants, aggregates and concrete, terminals and Lava have participated to the program. The content and coaching sessions have been customized according to different needs of each product line and respective production sites. Key success factors to this program include a strong commitment on behalf of the management, whose active presence and support throughout the program has played a significant role, along with the participants' engagement and continuous support of our Human Resources team.

**SALES FORCE EFFECTIVENESS**

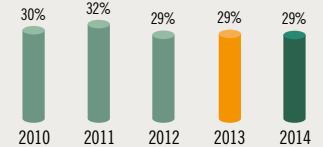
The Sales Force Effectiveness program was launched in 2013 and continued throughout 2014, with the participation of all our sales representatives and managers from Cement, Aggregates and Concrete product lines. Its main goal is to support the strategic commercial transformation of our organization. Skills and competencies development was addressed through classroom training, on-the-job training and coaching, supported by specific tools and methods, as to provide more flexibility to our sales force and engage respective employees with advanced skills and behaviors, leading to their overall professional development. ◆

**NUMBER OF EMPLOYEES**

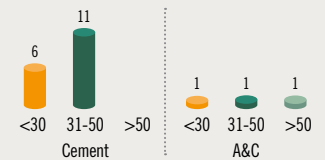


**WOMEN IN MANAGEMENT**

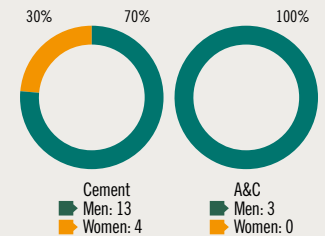
(Percentage of female managers in Hay grades 18+)



**NEW HIRES BY AGE**

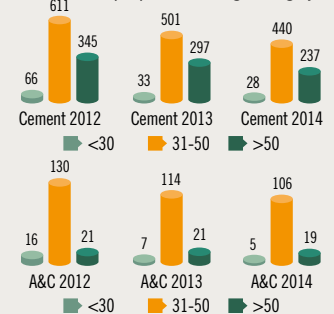


**NEW HIRES BY GENDER**



**THE AGE STRUCTURE OF OUR WORKFORCE**

(Number of people in each age category)





## NUMBER OF PROMOTIONS IN 2014

Cement	8
A&C	0

## INTERNSHIPS IN 2014

Cement	20
A&C	0

## TOTAL TRAINING HOURS 2014

Cement	6,822
A&C	2,231

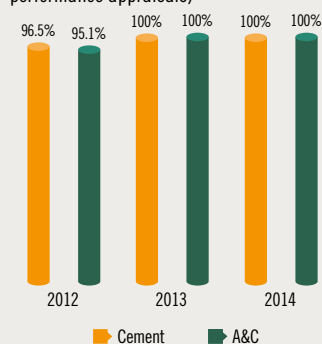
## INVESTMENT IN TRAINING BY TYPE

	CEMENT 2013	A&C 2013	CEMENT & A&C 2014
H&S	52.31%	23.68%	63.29%
Technical	10.40%	9.80%	7.88%
IT Training	2.16%	20.42%	0
Language Training	4.20%	0	1.32%
Management Training	8.81%	10.18%	3.03%
Human rights	0	0	0
Environment awareness	1%	0	0.29%
Other Types of Training	21.19%	35.90%	24.18%

Health and Safety is our number one training priority and is therefore the subject of the most training hours overall.

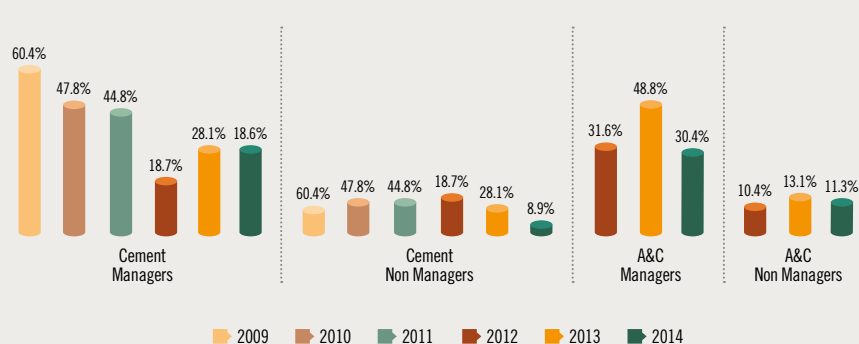
## REVIEWING PERFORMANCE

(Percentage of managers receiving performance appraisals)



## INVESTING IN A SKILLED WORKFORCE

(Average hours of training per person per year)



## JOB EVOLUTION

(Number of jobs created and lost)

	2012 CEMENT	2012 A&C	2013 CEMENT	2013 A&C	2014 CEMENT	2014 A&C
Hirings	8	1	15	1	17	3
Resignations	5	4	3	1	6	0
Retirement	1	24	3	0	15	0
Early retirements	213	13	112	19	48	13
Deaths	0	0	1	0	2	0
Dismissals	1	13	80	9	72	2
<b>Total</b>	<b>219</b>	<b>41</b>	<b>199</b>	<b>29</b>	<b>143</b>	<b>15</b>

## WOMEN IN THE WORKFORCE

(Women in different categories of employment)

	2012 CEMENT	2012 A&C	2013 CEMENT	2013 A&C	2014 CEMENT	2014 A&C
Number of women (HG 12 & above)	41	12	38	5	38	5
Number of women (HG 11 & below)	73	16	58	10	50	10
Total	114	28	96	15	88	15
Total headcount	1,056	167	837	137	705	130
%	10.80	16.77	11.47	10.95	12.48	11.54

## THE AGE STRUCTURE OF OUR WORKFORCE

AGE RANGE	2014		2013		2012		2011		2010	
	CEMENT	A&C	CEMENT	A&C	CEMENT	A&C	CEMENT	A&C	CEMENT	A&C
<=30	28	5	33	7	66	16	95	23	128	28
31 - 50	440	106	501	114	611	130	675	153	734	194
>= 51	237	19	297	21	345	21	464	31	422	39
<b>Total</b>	<b>705</b>	<b>130</b>	<b>831</b>	<b>142</b>	<b>1,022</b>	<b>167</b>	<b>1,234</b>	<b>207</b>	<b>1,284</b>	<b>261</b>

# COMMUNITY ENGAGEMENT

**As an industrial Group with a long history and strong local roots, we invest in our operations for the long term and this created a special responsibility towards society. It starts with our own employees, whose health and safety is our number one priority. Our impact on neighboring communities means that we must also play an active part in their socio-economic development. On a local level, this entails the improvement of access to health services and education, taking part in urban development and environmental conservation programs, as well as business and job creation. These actions are carried out in consultation with local stakeholders, a process in which our employees are called upon to contribute, basically via volunteering programs that are aligned to our values.**

**Strong engagement with local stakeholders is a catalyst for the delivery of our business objectives and supports the achievement of our sustainability aspirations. Our commitment to the communities is supported by a methodology focusing on awareness, dialogue and collaboration designed to create shared value both for local stakeholders and our own operations.**

**O**ur products - manufactured from local resources and sold in neighboring markets - are essential to economic growth and the development of the country. In turn, our development is closely linked to the communities around our sites and their advancement. Throughout the economic recession in Greece, we have made every possible effort to balance the effects of the market decline on our activity, with the socioeconomic role that our community stakeholders anticipate from us, in regions where we operate.

## OUR STAKEHOLDERS

We have production and distribution facilities throughout Greece and a countrywide commercial presence. The identification of our stakeholders takes place through mapping those who impact - or are impacted by - our business. Our stakeholders include: employees and the communities around our production and distribution sites, our customers, our extended network of suppliers and

contractors who work with us, local, regional and national authorities, which control and regulate our operations, our shareholders, NGOs and civic society organizations who monitor our environmental and social performance, and the media, which report on that performance.

## ENGAGING WITH OUR STAKEHOLDERS

In order to engage with all the identified stakeholder groups, we have established a structured approach to ensure that we are able to listen to our stakeholders, learn from their feedback and respond to their expectations. Stakeholder group identification is integrated in the overall strategic planning led by the CEO and the Executive Committee, through conducting impact-assessment and undertaking specific engagement actions customized per stakeholder group. Stakeholder identification is in effect an integral part of our Sustainability Compass methodology, which - as of 2014 - is part of our sustainability planning in delivering our Sustainability Ambitions for 2020.

## CASE STUDY



### SAFE INTERNET NAVIGATION

The Company has an active role in the socio-economic development of communities around its sites. In an effort to add value to local initiatives, LAVA, a Lafarge Greece subsidiary, organized the educational program “Safer Internet” for schools in the Milos and Nisyros islands, where LAVA quarries operate. This took place in cooperation with the

Hellenic Police Electronic Crime Task Force. The program was attended by students, parents and teachers of primary and secondary schools to inform pupils on potential risks entailed in new technologies and on way via which they can surf safely the Internet. The program held at the Milos Conference Center on March 31, 2014 with the participation of 300

secondary school-students of the island. The Mayor of Milos and other representatives of local authorities attended the event, which was iterated in of the island of Nisyros, on Tuesday, April 8. This event was attended by primary and secondary school students and by local authority representatives, as well.

### GRI STANDARD DISCLOSURES

G4-24	G4-27
G4-DMA: local communities	G4-EC7
G4-25	G4-EC8
G4-26	G4-DMA: indirect economic impacts

### COMMUNITY RELATIONS

Local stakeholder consultation committees are the main pillars of our engagements at the local level. In our plants in Milaki and Volos, these meetings give us the opportunity to listen to our stakeholders, receive their feedback on our initiatives and share and discuss with them actions that are founded on common interest and understanding. Examples of supporting local development initiatives include multiple contributions with products, cement, aggregates and concrete for the improvement of local infrastructure and repairs in school buildings or other public facilities. ◆

# BUILDING SUSTAINABLE CITIES

**We have identified key priorities for responding to the needs of this challenge; contributing to building cities that offer better infrastructure, energy efficiency and to the construction of buildings that enhance quality of life.**



Concreting of Anangel Maritime Headquarters foundation in accordance to leed certification standards

**D**uring the next five decades it is estimated that cities will have about 2 billion new inhabitants. In Greece, 61.4% of the population lives in an urban environment. By 2030 this figure is estimated to reach 69% of the country's inhabitants. The built environment is therefore at the heart of many social and environmental challenges related to health and quality of life, climate change, energy efficiency of buildings, management of waste and consumption of natural resources. These issues make urbanization one of the greatest challenges of the 21st century for the construction sector and they are at the heart

of our business. We work to ensure a sustainable supply of raw materials for our processes and the development of more eco-efficient and cost-effective products and solutions for our end-users. Contributing to more sustainable, livable towns and cities, has become one of our core strategic aims.

## DEVELOPING INNOVATIVE SOLUTIONS

Innovation and research are major levers for developing materials and solutions able to respond to the challenges of the construction industry and ensure that construction is ever more efficient and sustainable. We analyze market needs to design new solutions and respond to



## CASE STUDY



### TAKING ADVANTAGE OF OUR PRODUCTS' UNIQUE PROPERTIES

New applications of existing products are areas we are exploring successfully. Such is the example of our LAVA pumice stone, a volcanic rock combining a low density with very high mechanical resistance, commercialized by our affiliate company LAVA. Mainly aimed at the prefabrication industry, pumice stone produced by LAVA is widely used in agriculture.

The natural, pumice substrate for hydroponics "agroLAVA " was awarded

on October 27, 2014 with the European Ecological Label – Ecolabel by the relevant body of the Ministry of Environment.. The agroLAVA substrate is the first Greek product to receive Ecolabel in the category of "Growing Media".

The European System of ecological labeling Ecolabel was launched in 1992 and is part of the broader European strategy for the promotion of sustainable consumption. An Ecolabel certification provides

companies with a competitive advantage. It helps consumers to identify products with a reduced environmental impact throughout their life cycle, contributing to the efficient use of natural resources and to enhanced environmental protection.

The Ecolabel is awarded to products that meet specific requirements and criteria regarding their production and the protection of the environment and the consumers' health.

### GRI STANDARD DISCLOSURES

G4-DMA: Materials / G4-EN7  
G4-DMA: Occupational Health and Safety

these specific needs, thus creating value for our customers and growth for our business. We have been the pioneers in the differentiation of cement products in the Greek market, with a diversified product range of cements, addressing the different needs that our customers have in different applications. We are again the first to innovate, investing in a process in our Volos plant which increases the reactivity of clinker (the basic component of cement) and that of raw materials at the grinding stage. This new technology is based on the separate grinding of each material to the optimum level for obtaining their properties in full. Cements manufactured with this technology have enhanced technical performance properties, such as strength, workability and durability, offering to our market a range of enhanced performance cements. One more significant benefit of the separate grinding process is the positive effect on carbon footprint of cement manufacturing.

### SUPPORT ON QUALITY

Our work with our customers does not finish with the delivery of products. We assist our customers during the realization of their projects providing technical support on quality matters related to project specifications. In addition, through our Country Development Lab, we offer additional services to customers in the construction industry, on the optimization of their concrete mix designs or the performance of durability tests in constructions.

### HEALTH & SAFETY AT WORK

Health and Safety are core values at Lafarge and an absolute priority in all our activities. Our aim is to share the positive effects of workplace safety with all our customers, improving safety in their facilities. We have therefore developed initiatives to assist our customers in adopting best practices related to the safety of their

installations, such as the safe circulation of pedestrians, safe loading and unloading, as well as housekeeping and the use of personal protective equipment by the facility personnel. These programs are on-going for our customers in cement, aggregates and concrete, led by our sales force. ◆

# SUSTAINABLE SUPPLY CHAIN

**Sustainable supply chain management is an integral part of our sustainability strategy. It is our responsibility to ensure that our suppliers follow specific sourcing policies that promote sustainable management. To do so, we promote high standards of sustainability throughout our sourcing network, thus promoting sustainability not only within the Company's direct jurisdiction but across our whole value chain.**



**Bagged cement export shipping (Volos plant)**

## **EVALUATING OUR TRANSPORTERS**

In order to ensure visibility in the evaluation process of our transporters we designed and implemented a scorecard tool to assess objectively the performance of our contractors, their drivers and their vehicles. We set evaluation criteria in key areas such as safety, customer service and contractors' economic viability, which we now use, through the KPIs, in order to facilitate the evaluation process that takes place semi-annually.

## **STRIVING TO BETTER SERVE OUR CUSTOMERS**

Our target in Supply Chain is to always respond promptly and consistently to the needs of our customers. Improving customer service by reducing the order to cash life cycle has been a key lever towards this direction. Through the introduction of ZAPO, a tool developed by IT, we redesigned our order taking process by unifying the way cement orders are received for both cash and non-cash customers, thus reducing the order to cash life cycle. The whole process is now integrated in our SAP

GRI STANDARD DISCLOSURES	
G4-DMA: Transport assessment for labor practices	G4-DMA: Supplier environmental assessment
G4-DMA: Supplier assessment for impacts on society	G4-12
G4-DMA: Supplier human rights assessment	G4-21
	G4-56
	G4-HR1

SUPPLIERS				
(percentage of spend)	2013	2013 (m€)	2014	2014 (m€)
Suppliers in GREECE	72.2%	134.68	70.3%	128.58
Suppliers from other countries	27.8%	51.92	29.7%	54.42
<b>Total</b>	<b>100%</b>	<b>186.6</b>	<b>100%</b>	<b>183</b>

SUPPLIERS PER CATEGORY				
	2013	2013 (m€)	2014	2014 (m€)
Raw materials and fuel	38.53%	71.91	33.71%	61.69
General services	6.15%	11.48	11.90%	21.78
Transportation services	21.10%	39.37	23.74%	43.45
General supplies	0.27%	0.50	1.19%	2.17
Industrial supplies	9.82%	18.32	9.99%	18.29
Industrial products and consumables	9.42%	17.58	7.69%	14.07
New facilities and equipment	2.46%	4.60	1.66%	3.04
Other	0.51%	0.95	0.52%	0.95
Electric energy	11.74%	21.91	9.60%	17.56
<b>Total</b>	<b>100%</b>	<b>186.6</b>	<b>100%</b>	<b>183</b>

platform. Furthermore, the implementation of ZAPO facilitated the process of proposing and agreeing the delivery time between customers and the call center by taking into consideration business criteria and restrictions, such as the delivery plan, customer prioritization, loading, unloading and transportation times, loading points and transportation means capacities. The above has significantly improve our performance in the

view of customers relationships management.

### SAFE AND SUSTAINABLE LOGISTICS AND TRANSPORTATION

Having an eye on innovation, our Logistics team in collaboration with Oil Distribution company Jetoil, Telematics company Emphasis and the Athens University of Business and Economics have launched a research initiative that was granted EU

funding, aiming at developing an advanced Fleet Management System (NextGen-FMS) that will support the operational fleet activity, considering environmental criteria, safety cost and service quality. Its main objectives are: a) to ensure safe and environmentally friendly driving by the driver by monitoring the execution of the delivery. b) to evaluate the driver's behavior and identify potential training needs. c) to reduce transportation costs and emissions taking into account limitations related to the use of vehicles and road conditions. d) to improve routing in real time, taking into account dynamic information on traffic conditions on the road.

Additional telematics to GPS have already been installed on vehicles that will be recording measures such as acceleration and deceleration of vehicles, angular velocity, accidents or rollovers. Through direct communication with the driver, they will propose ways to improve driving behavior in real time. Recorded data and route data will be wirelessly transferred from the vehicle telematics unit to a central server, in order to be processed by the NextGen-FMS software. ◆



Silo truck deliveries in Volos plant

# GOVERNANCE



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# BUSINESS ETHICS & GOVERNANCE

Business ethics is embedded into our governance principles and comprises the framework of our social and environmental responsibility. It is also a core part of our risk management system. The Executive Committee and Country CEO are ultimately responsible for ensuring that business ethics and country policies are implemented in our strategies and operations, under continuous monitoring by the Board of Directors that systematically reviews on an annual basis the implementation of our Corporate Governance and Corporate Responsibility policies, processes and procedures.

## ENSURING A VALUES BASED OPERATION

We have been a member of the UN Global Compact since 2008 and we are committed to ensure that the 10 key principles are reflected in our policies and actions. Our Code of Business Conduct reflects our values and principles, but also covers a wide range of sensitive business and professional conduct areas, including compliance with laws and regulations on free competition and trade, corruption and insider trading; conflicts of interest; health and safety; prevention of discrimination and harassment and environmental protection. All Heracles Group employees are expected to abide by this Code.

## OUR CODE OF BUSINESS CONDUCT IN PRACTICE: GOING BEYOND COMPLIANCE

Training on the application of the Code of Business Conduct has been systematically performed since 2009, which covered all our cement line employees. In 2014, training sessions were delivered to our aggregates and concrete line employees. This training includes a full-day session of briefing, discussion and scenarios testing with groups of 15 employees to ensure the Code and its implications are understood. To ensure effectiveness of the Code, all new comers receive a special training on the Code of Business Conduct, immediately upon their arrival to the organization.

## TRACKING SPECIFIC ISSUES

Conflict of interest is a sensitive issue that

requires careful application of the individuals' judgment. Therefore, in 2014 we submitted a questionnaire to 449 employees of all business lines aiming at improving their awareness on potential conflicts and the potential implication of those conflicts on our reporting processes. We have a zero tolerance policy on corruption, which is reflected in our "Corruption and conflict of interest policy". In order to avoid any complicity with such issues, specific procedures on fraud have been implemented. Since 2007 we have had in place procedures with respect to transactions with intermediaries. All such transactions (contracts) above 5,000 € must be approved by the Heracles Group CEO. In 2013 the procedure was further improved by incorporating management controls. This process was extended to our aggregates and concrete business line. Furthermore, our top management, members of the Executive and Operational committees, certifies annually their compliance with our policies and rules laid down in the Code of Business Conduct and the Corruption & Conflict of Interest Policy.

## OUR COMMITMENT TO FAIR COMPETITION

Given the market specificities of our industry, risks stemming from competition are being addressed through the Group Competition Compliance Program, established in 2007. The implementation of this program includes legal guidance, reporting tools and compliance audit and training conducted by, or under the supervision of, our legal team.

The Heracles Group General Counsel ensures that all employees attend training sessions and perform conduct e-learning sessions on Group competition law compliance rules, under the guidance of the Legal Department. Every new employee must follow such training (in-person or through e-learning), in order for all of them to be aware of competition law compliance rules on a continuing basis. Reflecting our commitment to go beyond compliance, the legal team organizes regular workshops with country sales teams to raise awareness of best practices and latest policy developments.

**Strong governance is at the heart of our approach to sustainability and key to achieving strong business performance. It reflects our commitment to embody the core values of courage, integrity, respect and transparency in everything we do.** ◆

## GRI STANDARD DISCLOSURES

G4-DMA: Compliance	G4-DMA: Public policy
G4-DMA: Anti-corruption	G4-15
G4-DMA: Anti-competitive behavior	G4-34
G4-DMA: Non-discrimination	G4-35
G4-DMA: Child-labor	G4-36
G4-DMA: Forced or compulsory labor	G4-42
G4-DMA: Freedom of association	G4-45
	G4-46
	G4-47
	G4-56
	G4-57
	G4-58

# APPENDIX I: MATERIALITY ANALYSIS & STAKEHOLDER EXPECTATIONS



At Lafarge we have a firm grasp of the sustainability challenge and its increasing importance and remain fully committed to turning theory into practice and enacting policies into sustainable bottom-line results. It is necessary to understand that a paradigm shift is imperative to fulfil this commitment. This is a shift from a limited focus on shareholders' value towards comprehensive maximization of our stakeholders' value. That is the reason why, for many years, we have been integrating robust stakeholder identification and engagement processes throughout our sustainable business strategy. Developing comprehensive sustainability programs with little connection to our broader business strategy is ineffective. When sustainability programs are not aligned with business priorities, business growth may well cause significant negative impacts on our stakeholder base. In order to realistically minimize this impact on the value of our stakeholders, trade-offs in between business, environmental and societal positive and negative externalities need to be prudently managed and accounted for. To do so, we integrate stakeholder expectations into the company's sustainability priorities and materiality analysis. The joint outcome of this process is further encompassed within decision-making processes at all levels.

Through a stakeholder identification process, both at Group and national levels, 9 key internal and external stakeholder groups were identified. These are:

- Investors
- Suppliers
- Workforce (employees / contractors)
- Local communities
- NGOs and Academia
- Governments
- Media
- Clients
- End-users

The stakeholder reference framework is illustrated in the figure above.

This macroscopic map of stakeholders across our value chain includes commercial stakeholders and business partners promoting business growth: investors, suppliers, workforce, clients and end-users, as well as stakeholders affecting the company's "license to operate", i.e. local communities, governments, NGOs and the media.

This process is aligned with the GRI G4 guidelines for stakeholder engagement:

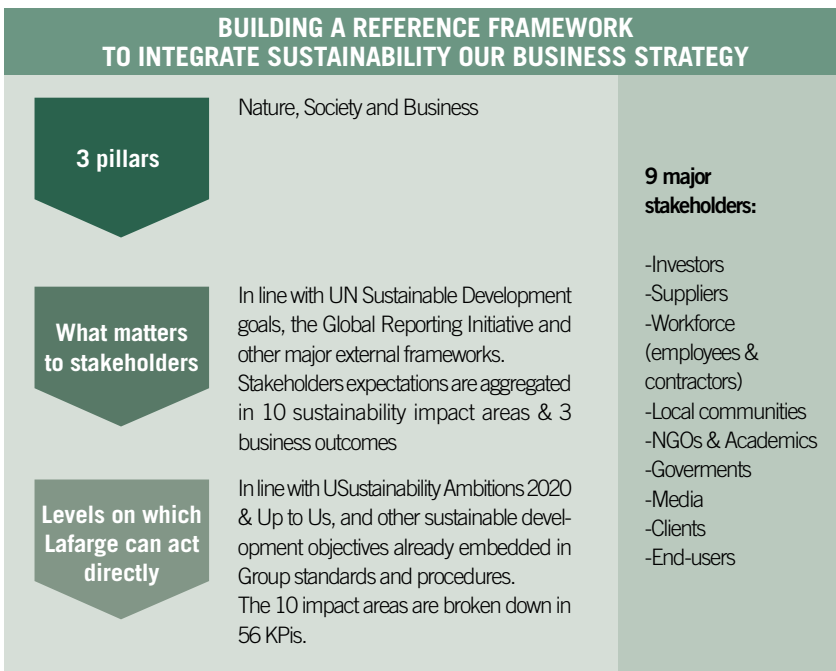
**GRI G4 Guidelines:** Key stakeholders -such as investors, market regulators, civil society, suppliers, employees or customers- have a vital role to play in informing an organization's materiality assessment. Taking stakeholders' views into account is central to developing a robust understanding of a company's economic, environmental, and social impacts, and of how these relate to business value and resilience.

Systematic communication and active engagement with the identified stakeholder groups was conducted via various ad hoc (e.g. contacts with suppliers) and formalized arrangements (e.g. meetings with governmental and legislative authorities and local communities) and yielded substantive feedback in regards to their expectations, across all 3 pillars of the triple-bottom-line sustainability framework: environment, economy, society.

Specifically, material sustainability aspects<sup>(1)</sup> as identified by stakeholders are as follows:

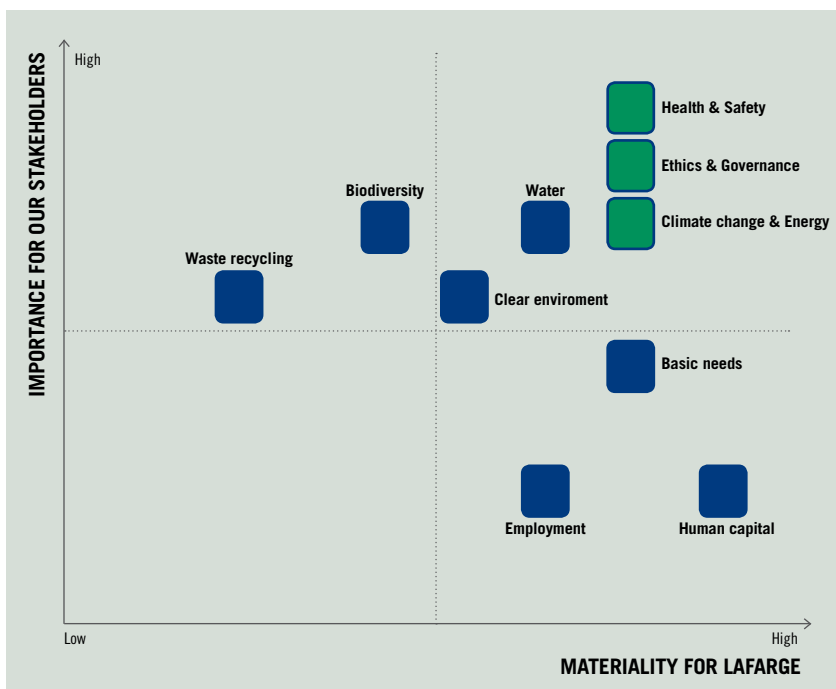
**Environmental Aspects:**

- Climate Change and Energy
- Water
- Biodiversity
- Clean Environment



#### GRI STANDARDS DISCLOSURE

G4-DMA:	G4-18 / G4-19 / G4-20
Environmental/Labor Practices/Human Rights / Impacts on Society Grievance Mechanisms	/ G4-21 / G4-24 / G4-25 / G4-26 / G4-27



Development (WBCSD), the principles of the United Nations Global Compact and other financial ratings agencies that assess the sustainability maturity of multinational organizations.

#### MATERIALITY MATRIX

We conduct an annual materiality assessment, to identify areas that are important to our stakeholders and our business<sup>(2)</sup>. Following the Lafarge Group Sustainability Compass framework, AGET Heracles carried out a materiality exercise for Greece to reflect local priorities and to identify issues considered material, both by the company and its stakeholders<sup>(3)</sup>. As shown in the figure below there are three overarching priority areas (highlighted in green), which are inherently important to our business sector and operations: Health and Safety, ethics and governance and climate change and energy. Other areas, highlighted in blue, reflect issues of general corporate responsibility (e.g. human capital development), as well as issues of local context that basically pertain to point-source environmental footprint (e.g. biodiversity and water consumption). ▶

- (air emission and point-source pollution)
- Waste and Materials

- Human Capital (Diversity and Skills Development)
- Employment

#### Socio-Economic Aspects:

- Health and Safety
- Ethics and Governance
- Basic Needs (i.e. socio-economic development)

Those Aspects have been defined also in conjunction with existing, internationally recognized sustainability frameworks such as the World Business Council for Sustainable

<sup>(1)</sup> The term "Aspect" as defined in the GRI G4 Sustainability Reporting Guidelines, i.e. substantive sustainability subjects that exceed thresholds to the point of being considered "material".

<sup>(2)</sup> As per GRI G4-20 disclosure standard

<sup>(3)</sup> As per GRI G4-21 disclosure standard

# APPENDIX II: REPORTING METHODOLOGY

**O**ur Sustainability Report 2014 describes the sustainability performance of the business managed by Heracles General Cement Company in 2014. Heracles Sustainability Report 2014 (covering the period 1/1/2014 - 31/12/2014) constitutes the seventh consecutive annual publication of Heracles General Cement Company S.A. All the Sustainability Reports of the Company are available on <http://www.lafarge.gr> (section Journalists / Download Center). Heracles Sustainability Report is published annually and covers the Company's operations in Greece, as a whole. The Report does not include data related to subsidiaries abroad, potential joint ventures, partners, suppliers or other third parties. The terms «the Company», «we», «Lafarge Greece», «Heracles» or «Heracles General Cement Company» refer to the Heracles General Cement Company S.A., which is a member of the Lafarge Group of Companies. Whenever the term «Group» is used in context with Lafarge, it refers to the Lafarge Group of Companies.

## RESTRICTIONS AND SIGNIFICANT CHANGES

During 2014 no significant changes have been made to the scope, boundaries or methods of evaluation used in the current Report. In cases where revisions amendments have occurred, specific reference has been made to individual units, tables or diagrams as well as clarification of the reasoning behind updating respective items. Furthermore, no significant changes have been made to the size, structure or ownership of the Company, which may affect the content of the Report for the year 2014. In cases where revisions have occurred specific references have been made to separate sections, tables or diagrams, as to reflect any changes.

## PROJECT TEAM

A dedicated team from relevant departments

and business units was formed in order to compile the Report, under the supervision of the sustainability department. The team's primary task was to collect the required raw data and information on Corporate Responsibility and Sustainability at Heracles.

## METHODOLOGY

Heracles Sustainability Report for the year 2014 has been benchmarked against the latest guidelines on CSR/ Sustainability Reports issued by the international Global Reporting Initiative Organization (GRI –G4 Guidelines). In order to determine robustly the Report's content, the company's Sustainability team has identified as material sustainability aspects all these that have significant impact to the Company and are concomitantly of high significance to major stakeholder groups (shareholders, employees, customers, suppliers and local communities). These material issues, validated by the Executive Committee and the CEO, lay the foundation and form the content of our Sustainability Report.

## COMPLIANCE WITH GRI

The Sustainability Report of Heracles for 2014 reflects the Company's initiation of its compliance process with the newer GRI G4 reporting Principles and Guidelines, moving onwards from the previous reporting framework coded GRI - G3.1.

The updated GRI G4 Guidelines offer two options to an organization in order to prepare its sustainability report 'in accordance' with the Guidelines: the Core option and the Comprehensive option<sup>(4)</sup>. The Core option contains the essential elements of a sustainability report. The Core option provides the background against which an organization communicates the impacts of its economic, environmental and social and governance performance. The Comprehensive option builds on the Core option

GRI STANDARD  
DISCLOSURES

G4-2

by requiring additional Standard Disclosures of the organization's strategy and analysis, governance, and ethics and integrity. In addition, the organization is required to communicate its performance more extensively by reporting all Indicators related to identified material Aspects<sup>(5)</sup>.

Heracles' 2014 Sustainability Report fulfils all Core reporting criteria and most of the Comprehensive set of reporting criteria. Our goal is to systematically and consistently keep improving all aspects of our disclosed metrics along with the qualitative information contained inside this and our future sustainability reports. The ultimate goal is to fulfil to the largest possible extent the fundamental Reporting Principles of GRI G4 Standards: stakeholder inclusiveness, sustainability context, materiality, completeness, balance, comparability, accuracy, timeliness, clarity and reliability<sup>(6)</sup>. If and where applicable, we provide descriptive analyses of why we omitted specific disclosure elements, either because this is structurally unfeasible or a work in progress.

### SOURCES OF INFORMATION

All data necessary for the estimation and overall preparation of sustainability KPIs, are being collected in accordance with Lafarge's procedures and in parity with the GRI G4 reporting standards and guidelines.

We use the CSI Revised Protocol Version 3<sup>(7)</sup> to calculate CO<sub>2</sub> emissions between the 1990 baseline-year and the reporting year in scope. In 2011 we changed our methodology of calculating air emissions to comply with the as of March 2012 CSI guidelines for emissions monitoring and reporting in the Cement Industry (wbcsdcement.org). Before the switch in our methodology, gas factors based on the type of kiln process were utilized, whereas now we use gas factors based on

energy consumption of the specific kiln; prior years data and our baseline (2010) is restated using this methodology for comparison.

Other data on our environmental performance are being collected according to the procedures of Heracles' Environment Department. Health and safety and Human Resources data fall within the responsibility of the Health and Safety and Human Resources departments, respectively. Financial data included in the Report are in full compliance with the information contained in the Financial Report 2014 of the Company (which is available on the Company's website in section Investor Relations / Financial Reports). This data, as well as additional information on Heracles General Cement Company products and services are depicted in detail on the Company's website, at: [www.lafarge.gr](http://www.lafarge.gr)

### EXTERNAL ASSURANCE

At Heracles, we recognize the added value of external assurance of the disclosed data, information and KPIs included in our sustainability reports and we believe that this process strengthens both the Company's accountability and reliability towards its stakeholders. Assurance is provided in manifold ways. The Heracles Environmental, Health and Safety and Human Resources departments perform internal verifications, validations and consistency checks of the data provided by plants, sites and other business-units. Lafarge Group collects, consolidates, reviews and validates data that contributes to the preparation of the Lafarge Group KPIs, which forms part of the Group Sustainability Report. This is conducted by Lafarge's Technical Centers. Additionally, independent auditors of the Lafarge Group (Bureau Veritas) provide external validation and assurance for the following data items we submit to Lafarge Group: lost time injury frequency rate, competition policy, training

on stakeholder relationship methodology, female senior managers, environmental audit, and quarry rehabilitation, CO<sub>2</sub>, dust, NO<sub>x</sub>, SO<sub>2</sub> and water withdrawal. This process takes place on the consolidated Group data and indicators and not on a national level. ◆

#### GRI STANDARDS DISCLOSURE

G4-13	G4-DMA: forced or
G4-22	compulsory labor
G4-23	G4-DMA: labor
G4-28	practices grievance
G4-29	mechanisms
G4-30	G4-DMA: human rights
G4-33	assessments
G4-HR9	G4-DMA: human rights
G4-DMA: freedom of	grievance mechanisms
association	G4-EN8
G4-DMA: child-labor	

<sup>(4)</sup>In accordance with the GRI G4-18 disclosure standard.

<sup>(5)</sup>As per the GRI G4 Sustainability Reporting Guidelines Reporting Principles and Standard Disclosures Manual, available at: <https://www.globalreporting.org/resource-library/GRI/G4-Part1-Reporting-Principles-and-Standard-Disclosures.pdf>

<sup>(6)</sup>In accordance with the GRI G4-22 disclosure standard.

<sup>(7)</sup>More details on: <http://www.wbcsdcement.org/index.php/en/key-issues/climate-protection/co-accounting-and-reporting-standard-for-the-cement-industry>



# KEY PERFORMANCE INDICATORS

## BUILDING COMMUNITIES

		Unit	2012	2013	2014	Scope	GRI
<b>Health and Safety</b>							
<b>Fatalities</b>	Fatalities (directly employed)	#	0	0	<b>1</b>	Cement, A&C	G4-LA6
	Fatalities (indirectly employed)	#	0	0	<b>0</b>	Cement, A&C	G4-LA6
	Fatalities (3rd party)	#	0	0	<b>0</b>	Cement, A&C	G4-LA6
<b>Lost Time Injuries</b>	Lost Time Injuries (directly employed)	#	3	0	<b>0</b>	Cement	G4-LA6
		#	2	0	<b>1</b>	A&C	G4-LA6
	Lost Time Injuries (indirectly employed - contractors and sub-contractors on site)	#	1	2 <sup>(1)</sup>	<b>2</b>	Cement	G4-LA6
		#	0	0 <sup>(1)</sup>	<b>0</b>	A&C	G4-LA6
	Lost time injury frequency rate (directly employed)	%	1.37	0 <sup>(1)</sup>	<b>0.72</b>	Cement	G4-LA6
		%	5.30	0	<b>2.7</b>	A&C	G4-LA6
	Lost time injury severity rate	%	0.08	0.11	<b>0.26</b>	Cement	G4-LA6
			0.06	0	<b>0.12</b>	A&C	G4-LA6
<b>General</b>	Near misses	c	310	307 <sup>(1)</sup>	<b>312</b>	Cement, A&C	G4-LA6
	Absenteeism Rate	%	1.88			Cement, A&C	G4-LA6
	Lost Day Rate (LDR)	%	0.08			Cement, A&C	G4-LA6
<b>Employee Diversity &amp; Skills</b>							
<b>Workforce</b>	Total Headcount	#	1,056	831	<b>705</b>	Cement	G4-10
			167	142	<b>130</b>	A&C	G4-10
	Employees with full time contracts	%	100	100	<b>99.88</b>	Cement, A&C	G4-10
	Part-time employees	#	0	0	<b>1</b>	Cement, A&C	G4-10
	Number of employees under collective labor agreements	#	100	100	<b>643</b>	Cement, A&C	G4-11
	Entities <sup>(2)</sup> having strike actions	#	27	26	<b>6</b>	Cement, A&C	MM4
	Employees under the age of 30	#	66	33	<b>28</b>	Cement	G4-LA12
			16	7	<b>5</b>	A&C	G4-LA12
	Employees between 30 and 50	#	611	501	<b>440</b>	Cement	G4-LA12
			130	114	<b>106</b>	A&C	
Employees above 50	#	345	297	<b>237</b>	Cement	G4-LA12	
		21	21	<b>19</b>	A&C		
<b>Turnover</b>	Employee turnover rate	%	21.95	23.54	<b>18.92</b>	Cement, A&C	G4-10
	Hirings	#	9	16	<b>20</b>	Cement, A&C	G4-10
	Resignations	#	7	4	<b>6</b>	Cement, A&C	G4-10
	Retirements	#	25	3	<b>15</b>	Cement, A&C	G4-10
	Early Retirements	#	226	131	<b>61</b>	Cement, A&C	G4-10
	Dismissals	#	1	89	<b>74</b>	Cement, A&C	G4-10
<b>Employees by region</b>	North Greece	#	379	333	<b>306</b>	Cement, A&C	G4-10
	Central Greece	#	485	351	<b>248</b>	Cement, A&C	G4-10
	Attica	#	246	212	<b>208</b>	Cement, A&C	G4-10
	Aegean Islands & Crete	#	83	77	<b>73</b>	Cement, A&C	G4-10
	Others	#	30	0		Cement, A&C	G4-10
	Total	#	1,223	973	<b>835</b>	Cement, A&C	G4-10
<b>Training and skills development</b>	Total hours of training	#	20,155	15,200	<b>9,053</b>	Cement, A&C	
	Average number of hours of training for management staff	#	18.7	28.1	<b>18.57</b>	Cement	G4-LA9
			31.6	48.8	<b>30.4</b>	A&C	G4-LA9
	Average number of hours of training for non-management staff	%	13.1	11	<b>8.92</b>	Cement	G4-LA9
		10.4	13.1	<b>11.3</b>	A&C	G4-LA9	

	Unit	2012	2013	2014	Scope	GRI
Amount spent on training	k €	167,5	190	125,9	Cement, A&C	G4-LA9
Managers who had an annual performance review	%	96,5	100	100	Cement	G4-LA11
		95,1	100	100	A&C	G4-LA11
Non managers who had an annual performance review	%	0	0	0	Cement, A&C	G4-LA11
<b>Diversity</b>						
Female share of total workforce	%	11,6	11,4	11,4	Cement, A&C	G4-LA12
Women in senior management positions	%	29	29	29	Cement, A&C	G4-LA12
Disabled people employed					Cement, A&C	G4-LA12
<b>Economic Development &amp; Governance</b>						
<b>Economic Performance</b>						
Total revenue (turnover)	m €	228,2	235,2	236,5	Cement, A&C	G4-EC1
Net profit / (Losses)- after taxes	m €	(76,5)	(136,3)	(40,7)	Cement, A&C	G4-EC1
Total assets		663,5	549,3	537,5	Cement, A&C	G4-EC1
Total payments to governmental bodies (total of indirect and direct taxes paid)	m €	22,6	14,5	12,5	Cement, A&C	G4-EC1
Total investments	m €	5,4	7,7	4,9	Cement, A&C	G4-EC1
<b>Board governance</b>						
Board size / number of directors	#	6	6	7	Cement, A&C	G4-38
Executive directors	#	1	1	1	Cement, A&C	G4-38
Non - executive directors	#	6	5	6	Cement, A&C	G4-38
Independent directors	#	2	2	2	Cement, A&C	G4-38
Women on Board	#	0	0	0	Cement, A&C	G4-38
<b>Code of Business</b>						
Political contributions	m €	0	0	0	Cement, A&C	G4-S06
Ongoing antitrust main litigations	#	0	0	0	Cement, A&C	G4-S07
<b>Socio-economic Results</b>						
Salaries	m €	71,0	62,3	51,3	Cement, A&C	G4-EC1
Vendors-Contractors	m €	149,5	187	183	Cement, A&C	G4-EC1
Social contributions (financial & products)	m €	0,3	0,3	0,1	Cement, A&C	G4-EC1

## BUILDING THE CIRCULAR ECONOMY

CO <sub>2</sub> and Air Emissions		Unit	2012	2013	2014	Scope	GRI
<b>Carbon emissions</b>							
Total CO <sub>2</sub> emissions (net)	tsd t	2,233	2,366	2,332	Cement	CSI, G4-EN15/ EN16	
CO <sub>2</sub> emissions per unit of product (gross & net)	kg/t	717	710	694	Cement	CSI, G4-EN15/ EN16/EN18	
The sum of indirect GHG emissions identified in tons of CO <sub>2</sub> equivalent	t	40,000	42,000	41,700		G4-EN16	
<b>Air emissions</b>							
Total NOx emissions	t	5,270	5,608	5,520	Cement	CSI, G4-EN21	
Specific NOx emissions	gr/t	2,004	1,986	1,921	Cement	CSI, G4-EN21	
Total SO <sub>2</sub> emissions	t	308	196	206	Cement	CSI, G4-EN21	
Specific SO <sub>2</sub> emissions	gr/t	120	70	72	Cement	CSI, G4-EN21	
Total Stack Dust emissions	t	29	30,3	25,4	Cement	CSI, G4-EN21	
Specific Stack Dust emissions	gr/t	11	10,7	8,8	Cement	CSI, G4-EN21	
The emissions of specific ozone-depleting substances in tons and tons of CFC-11 equivalent	t	0	0	0	Cement, A&C	G4-EN20	

## BUILDING THE CIRCULAR ECONOMY

	Unit	2012	2013	2014	Scope	GRI
<b>Energy Consumption and Resource Management</b>						
<b>Energy efficiency</b>	Total energy consumption	GJ	9,105,374	9,641,500	<b>9,696,600</b>	Cement G4-EN3
	Direct energy consumption by primary energy source					
	coal	GJ	1,076,162	946,700	<b>823,100</b>	Cement G4-EN3
	petcoke	GJ	7,665,076	8,103,900	<b>7,584,800</b>	Cement G4-EN3
	oil	GJ	26,206	31,800	<b>26,100</b>	Cement G4-EN3
	natural gas	GJ	81,463	91,500	<b>106,700</b>	Cement G4-EN3
	biomass	GJ	221,227	214,400	<b>270,000</b>	Cement G4-EN3
	Other alternatives	GJ	35,240	253,200	<b>885,900</b>	Cement G4-EN3
	Indirect Energy Consumption - Electricity purchased	MWh	298,301	329,040	<b>312,992</b>	Cement G4-EN3/EN4/EN6
	Clinker Intensity	%	73	74.3	<b>69</b>	Cement, A&C CSI
<b>Fuels</b>	Consumption of fuels	kt	305.4	325	<b>324.3</b>	Cement
<b>Alternative Fuels</b>	Alternative fuels (Consumption of alternative fuels as % of thermal consumption)	%	2.80	4.85	<b>12.1</b>	Cement CSI, G4-EN3/EN5
<b>Materials</b>	Quantity of quarried material	kt	3,984	4,387	<b>4,547</b>	Cement CSI, G4-EN1
	Alternative raw materials rate (consumption of alternative materials as % of total raw materials consumed)	%	13.5	13.9	<b>12</b>	Cement CSI, G4-EN2
	Consumption of raw material	kt	5,529	4,160	<b>4,490</b>	Cement CSI, G4-EN1
<b>Waste</b>	Hazardous (oils, grease) - recycled	t	52	62	<b>51</b>	Cement G4-EN23
	Hazardous (contaminated rags etc) - incinerated	t	33	16	<b>28</b>	Cement G4-EN23
	Non hazardous - recycled	t	1,586	1,151	<b>1,138</b>	Cement, A&C G4-EN23
	Non hazardous - disposed	t	127	86	<b>2,574<sup>(3)</sup></b>	Cement, A&C G4-EN23
<b>Natural Resources</b>						
<b>Biodiversity</b>	Quarries with a rehabilitation plan compliant with Lafarge standards	#	14	14	<b>14</b>	Cement CSI, G4-EN11/EN12/MM1/MM2
	Active quarries that have been screened for biodiversity according to WWF's criteria	#	9	9	<b>9</b>	A&C & LAVA
	Biodiversity Management Plan Programs for high biodiversity sensitive quarries	#	4	3	<b>3</b>	Cement CSI, G4-EN13/EN14/MM1/MM2
		#	5	5	<b>5</b>	A&C
<b>Environmental expenses</b>	Environment capital expenditure	k€	422	193	<b>536</b>	Cement, A&C CSI, G4-EN31
	Environment operating expense	€	1,018	914	<b>1,157</b>	Cement, A&C CSI, G4-EN31
<b>Water</b>	Total water withdrawal from ground water	m <sup>3</sup>	1,290,000	1,117,000	<b>1,089,845</b>	Cement, A&C G4-EN8
	Total water withdrawal from open water (surface water)	m <sup>3</sup>	634,881	822,000	<b>908,054</b>	Cement, A&C G4-EN8
	Total water withdrawal from other sources	m <sup>3</sup>	71,000	69,000	<b>65,418</b>	Cement, A&C G4-EN8
	Rainwater harvested	m <sup>3</sup>	19,330	21,500	<b>15,322</b>	Cement, A&C G4-EN8
	Quantity of water consumed	m <sup>3</sup>	979,000	895,000	<b>668,383</b>	Cement, A&C G4-EN8
	Sites equipped with a water recycling system					
<b>Verification</b>	Sites (in terms of revenues) audited as part of our Environmental Management System	#	3	2	<b>2</b>	Cement G4-EN8
	Monetary value of significant fines for non-compliance with environmental laws and regulations	€	7,680	9,716	<b>1,024</b>	Cement, A&C G4-EN29

(1) Correction to comply with the KPIs definition

(2) Entities = Sites

(3) Higher volume as the returned concrete and settling basins waste is managed/recycled

# GLOBAL REPORTING INITIATIVE (GRI) CONTENT INDEX – G4



Our sustainability reporting is aligned with the GRI G4 Guidelines; Lafarge has chosen the “in accordance” option Comprehensive as per the GRI G4 Guidelines:

1. A content index matching the GRI Standard Disclosures with information included in our reporting is presented below. Material aspects are covered and the reporting process is supervised by respective teams both from Greece and the Lafarge Group.
  2. Detailed information on the reporting methodology is provided in Appendix II, page 41.
  3. The following aspects have been assessed as non-material given the nature of Lafarge activities:
    - Procurement practices: due to the local nature of Lafarge activities, procurement is a substantially local activity which takes place in accordance with specific global requirements.
    - Waste and effluents: the quantities of offsite waste and effluents are not significant compared to emissions to air;
    - Customer Health and Safety: our building materials are sold business-to-business and are generally used as input materials to other businesses. We publish materials safety data sheets for all our significant products
    - Product and service labelling: labelling issues are not significant for the Group as most products are sold in bulk.
    - Marketing communications: Lafarge’s products are not consumer goods and do not involve intensive marketing.
    - Customer privacy: our products are generally sold business-to-business and therefore personal privacy issues are not relevant.
    - Product compliance: our products are subject to strict specifications in almost all jurisdictions in which they are sold, and products are not shipped if they do not meet required standards.
- Questions on the Lafarge Sustainability Report for Greece can be directed here: [evi.ioannidou@lafargeholcim.com](mailto:evi.ioannidou@lafargeholcim.com)

1.G4-9/2.G4-10/3.G4-11/4. G4-18/5. G4-31/6.G4-32/7. G4-48

## GENERAL STANDARD DISCLOSURE

General standard disclosures	Page	Omissions	External Assurance
<b>STRATEGY AND ANALYSIS</b>			
G4-1	Page 3		
G4-2	Pages 4-6, Page 40, see also Annual Financial Report 2014, pages 5-9 and 11,12 via the following link: <a href="http://www.lafarge.gr/Heracles_Financial_Report_2014_Eng.pdf">http://www.lafarge.gr/Heracles_Financial_Report_2014_Eng.pdf</a>		
<b>ORGANIZATIONAL PROFILE</b>			
G4-3	Page 4		
G4-4	Page 4		
G4-5	See back-cover and following link: <a href="http://www.lafarge.gr/wps/portal/gr/1_5-Contacts_and_locations">http://www.lafarge.gr/wps/portal/gr/1_5-Contacts_and_locations</a>		
G4-6	Page 4, see also section “Lafarge Group Profile” on Page 55		
G4-7	Page 4, see also Pages 1-5 here: <a href="http://www.lafarge.gr/BoD_Act_2015_Gr.pdf">http://www.lafarge.gr/BoD_Act_2015_Gr.pdf</a>		
G4-8	Page 4		
G4-9	Pages 4, 45. See also Page 32 on the Annual Financial Report 2014: <a href="http://www.lafarge.gr/Heracles_Financial_Report_2014_Eng.pdf">http://www.lafarge.gr/Heracles_Financial_Report_2014_Eng.pdf</a>		
G4-10	Pages 27, 28, 29 and 45		
G4-11	Page 45		
G4-12	Page 35		
G4-13	Page 41. See also Pages 4 & 5 on the Annual Financial Report 2014: <a href="http://www.lafarge.gr/Heracles_Financial_Report_2014_Eng.pdf">http://www.lafarge.gr/Heracles_Financial_Report_2014_Eng.pdf</a>		
G4-14	Page 17		
G4-15	Page 37. See also <a href="http://www.lafarge.gr/wps/portal/gr/6_2_B_2-Initiatives_and_Partnerships">http://www.lafarge.gr/wps/portal/gr/6_2_B_2-Initiatives_and_Partnerships</a>		
G4-16	<a href="http://www.lafarge.gr/wps/portal/gr/6_2_B_2-Initiatives_and_Partnerships">http://www.lafarge.gr/wps/portal/gr/6_2_B_2-Initiatives_and_Partnerships</a>		

General standard disclosures	Page	Omissions	External Assurance
<b>IDENTIFIED MATERIAL ASPECTS AND BOUNDARIES</b>			
G4-17	See pages 40-45 in our Annual Financial Report 2014: <a href="http://www.lafarge.gr/Heracles_Financial_Report_2014_Eng.pdf">http://www.lafarge.gr/Heracles_Financial_Report_2014_Eng.pdf</a>		
G4-18	Page 39		
G4-19	Page 39		
G4-20	Page 39		
G4-21	Page 39		
G4-22	Page 41		
G4-23	Page 41		
<b>STAKEHOLDER ENGAGEMENT</b>			
G4-24	Page 39. See also: <a href="http://www.lafarge.gr/wps/portal/gr/1_6-Stakeholder_dialogue">http://www.lafarge.gr/wps/portal/gr/1_6-Stakeholder_dialogue</a>		
G4-25	Pages 23, 31, 39		
G4-26	Pages 31, 39		
G4-27	Pages 31, 39		
<b>REPORT PROFILE</b>			
G4-28	Page 41		
G4-29	Page 41		
G4-30	Page 41		
G4-31	Page 45		
G4-32	Page 45		
G4-33	Page 41		
<b>GOVERNANCE</b>			
G4-34	Page 37		
G4-35	Page 37		
G4-36	Page 37		
G4-37		Currently unavailable: Consultation process is currently not in place. Internal discussion on process-design and implementation is planned for 2017	
G4-38	Page 43. See also Page 16 of the Annual Financial Report 2014: <a href="http://www.lafarge.gr/Heracles_Financial_Report_2014_Eng.pdf">http://www.lafarge.gr/Heracles_Financial_Report_2014_Eng.pdf</a>		
G4-39	Page 16 of the Annual Financial Report 2014: <a href="http://www.lafarge.gr/Heracles_Financial_Report_2014_Eng.pdf">http://www.lafarge.gr/Heracles_Financial_Report_2014_Eng.pdf</a>		
G4-40	Pages 13-17 of the Annual Financial Report 2014: <a href="http://www.lafarge.gr/Heracles_Financial_Report_2014_Eng.pdf">http://www.lafarge.gr/Heracles_Financial_Report_2014_Eng.pdf</a>		
G4-41	Page 15 of the Annual Financial Report 2014: <a href="http://www.lafarge.gr/Heracles_Financial_Report_2014_Eng.pdf">http://www.lafarge.gr/Heracles_Financial_Report_2014_Eng.pdf</a> See also Page 6 of our Code of Business Conduct: <a href="http://www.lafarge.gr/Code_Business_Conduct_eng.pdf?xtmc=codebusinessconduct&amp;xtcr=1">http://www.lafarge.gr/Code_Business_Conduct_eng.pdf?xtmc=codebusinessconduct&amp;xtcr=1</a>		
G4-42	Page 37. See also Pages 5-7 of the Annual Financial Report 2014: <a href="http://www.lafarge.gr/Heracles_Financial_Report_2014_Eng.pdf">http://www.lafarge.gr/Heracles_Financial_Report_2014_Eng.pdf</a>		
G4-43		Currently unavailable: No such measures taken within the reporting period of 2014. The timeframe to examine the design and implementation of such a process is unknown.	
G4-44		Currently unavailable: No such process in place as of yet. The timeframe to examine the design and implementation of such a process is unknown.	
G4-45	Page 37. See also Pages 4-7 of the Annual Financial Report 2014: <a href="http://www.lafarge.gr/Heracles_Financial_Report_2014_Eng.pdf">http://www.lafarge.gr/Heracles_Financial_Report_2014_Eng.pdf</a>		
G4-46	Page 37. See also Pages 4-7 of the Annual Financial Report 2014: <a href="http://www.lafarge.gr/Heracles_Financial_Report_2014_Eng.pdf">http://www.lafarge.gr/Heracles_Financial_Report_2014_Eng.pdf</a>		
G4-47	Page 37		
G4-48	Page 45		
G4-49		Currently unavailable: The formal process is now under review and will be completed and recorded in writing upon merger completion with Holcim	
G4-50	See Pages 5-9 of the Annual Financial Report 2014: <a href="http://www.lafarge.gr/Heracles_Financial_Report_2014_Eng.pdf">http://www.lafarge.gr/Heracles_Financial_Report_2014_Eng.pdf</a>		
G4-51	Pages 10, 19 of the Annual Financial Report 2014: <a href="http://www.lafarge.gr/Heracles_Financial_Report_2014_Eng.pdf">http://www.lafarge.gr/Heracles_Financial_Report_2014_Eng.pdf</a>		
G4-52	Pages 10, 19 of the Annual Financial Report 2014: <a href="http://www.lafarge.gr/Heracles_Financial_Report_2014_Eng.pdf">http://www.lafarge.gr/Heracles_Financial_Report_2014_Eng.pdf</a>		
G4-53		This is N/A as such process is not in place.	



General standard disclosures	Page	Omissions	External Assurance
G4-54		Currently unavailable: This information will be considered after post-merger integration with Holcim. As per Lafarge-Holcim upcoming policy, the annual social questionnaire will be accordingly updated and sent to countries as for this information to be collected.	
G4-55		Currently unavailable: This information will be considered after post-merger integration with Holcim. As per Lafarge-Holcim upcoming policy, the annual social questionnaire will be accordingly updated and sent to countries as for this information to be collected.	

#### ETHICS AND INTEGRITY

G4-56	Pages 35 & 37. See also Page 3 in our Code of Business Conduct: <a href="http://www.lafarge.gr/Code_Business_Conduct_eng.pdf?xtmc=codebusinessconduct&amp;xtcr=1">http://www.lafarge.gr/Code_Business_Conduct_eng.pdf?xtmc=codebusinessconduct&amp;xtcr=1</a>		
G4-57	Page 37. See also Pages 12-15 in our Code of Business Conduct: <a href="http://www.lafarge.gr/Code_Business_Conduct_eng.pdf?xtmc=codebusinessconduct&amp;xtcr=1">http://www.lafarge.gr/Code_Business_Conduct_eng.pdf?xtmc=codebusinessconduct&amp;xtcr=1</a>		
G4-58	Page 37. See also Pages 12-15 in our Code of Business Conduct: <a href="http://www.lafarge.gr/Code_Business_Conduct_eng.pdf?xtmc=codebusinessconduct&amp;xtcr=1">http://www.lafarge.gr/Code_Business_Conduct_eng.pdf?xtmc=codebusinessconduct&amp;xtcr=1</a>		

## SPECIFIC STANDARD DISCLOSURES

DMA and Indicators	Page	Omissions	External Assurance
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#### CATEGORY: ECONOMIC

##### Aspect: Economic Performance

G4-DMA	Pages 10-12 of the Annual Financial Report 2014: <a href="http://www.lafarge.gr/Heracles_Financial_Report_2014_Eng.pdf">http://www.lafarge.gr/Heracles_Financial_Report_2014_Eng.pdf</a>		
G4-EC1	Pages 4 and 43. See also pages 20-24 and 32-34 of the Annual Financial Report: <a href="http://www.lafarge.gr/Heracles_Financial_Report_2014_Eng.pdf">http://www.lafarge.gr/Heracles_Financial_Report_2014_Eng.pdf</a>		
G4-EC2	Page 9		
G4-EC3	Pages 67-71 of the Annual Financial Report: <a href="http://www.lafarge.gr/Heracles_Financial_Report_2014_Eng.pdf">http://www.lafarge.gr/Heracles_Financial_Report_2014_Eng.pdf</a>		
G4-EC4		Currently unavailable: As per Group decision this indicator will be considered after post-merger integration with Holcim. Countries' HQs will be respectively surveyed as for relevant information to be generated and consolidated.	

##### Aspect: Market Presence

G4-DMA	Page 4. See also Pages 4-6, 20-24 and 32-34 of the Annual Financial Report: <a href="http://www.lafarge.gr/Heracles_Financial_Report_2014_Eng.pdf">http://www.lafarge.gr/Heracles_Financial_Report_2014_Eng.pdf</a>		
G4-EC5		Currently unavailable as no such data-collecting process is in place. Respective timeframe of design and implementation is currently unknown.	
G4-EC6		Currently unavailable as no such data-collecting process is in place. Respective timeframe of design and implementation is currently unknown.	

##### Aspect: Indirect Economic Impacts

G4-DMA	Page 31		
G4-EC7	Page 31		
G4-EC8	Page 31		

#### CATEGORY: ENVIRONMENTAL

##### Aspect: Materials

G4-DMA	Pages 14, 15, 33		
G4-EN1	Pages 15, 44		
G4-EN2	Pages 14, 15, 44		

##### Aspect: Energy

G4-DMA	Page 20		
G4-EN3	Page 44		
G4-EN4	Page 44		
G4-EN5	Page 44		
G4-EN6	Page 44		
G4-EN7		Currently unavailable: There is only a qualitative account for this indicator. No process is in place in order to collect specific data and quantify/disclose elements a., b., and c. of this indicator. Timeframe unknown.	

DMA and Indicators	Page	Omissions	External Assurance
<b>Aspect: Water</b>			
G4-DMA	Page 19		
G4-EN8	Pages 19, 41, 44		
G4-EN9		Not applicable: we do not exert material pressure on specific water sources	
G4-EN10	Page 19		
<b>Aspect: Biodiversity</b>			
G4-DMA	Page 17		
G4-EN11	Pages 17, 44		
G4-EN12	Pages 17, 44		
G4-EN13	Pages 17, 44		
G4-EN14	Pages 17, 44		
MM1	Page 44		
MM2	Page 44		
<b>Aspect: Emissions</b>			
G4-DMA	Pages 10 and 20		
G4-EN15	Page 20		
G4-EN16	Page 43		
G4-EN17		Currently unavailable: This indicator pertains to Scope 3 emissions (across the whole value chain) that are not being explicitly measured for operations in Greece. It is a management decision to not perform this task.	
G4-EN18	Pages 20, 43		
G4-EN19	Page 20		
G4-EN20	Page 43		
G4-EN21	Pages 20, 43		
<b>Aspect: Products and Services</b>			
G4-DMA	Page 6. See also Page 5 of the our Annual Financial Report 2014: <a href="http://www.lafarge.gr/Heracles_Financial_Report_2014_Eng.pdf">http://www.lafarge.gr/Heracles_Financial_Report_2014_Eng.pdf</a>		
G4-EN27	Page 10		
G4-EN28		Currently unavailable: Building a circular economy is a pillar of our sustainability strategy and we track the amount of our products containing recycled materials (G4-EN2). The majority of our products are shipped in bulk, i.e. without packaging. This information will be considered at the Group level upon merger integration with Holcim. Environmental accounting and reporting is expected to be updated at the Group level as to include this indicator.	
<b>Aspect: Compliance</b>			
G4-DMA	Page 37		
G4-EN29	Page 44		
<b>Aspect: Transport</b>			
G4-DMA	Pages 8, 35		
G4-EN30		Currently unavailable: No process of accounting and reporting explicitly our transportation impact, apart from consolidating internal emissions data of silo-trucks and other vehicles into our overall emissions metrics within our plants	
<b>Aspect: Overall</b>			
G4-DMA	Page 13		
G4-EN31	Page 44		
<b>Aspect: Supplier Environmental Assessment</b>			
G4-DMA	Page 35. See also Page 8 of the Annual Financial Report 2014: <a href="http://www.lafarge.gr/Heracles_Financial_Report_2014_Eng.pdf">http://www.lafarge.gr/Heracles_Financial_Report_2014_Eng.pdf</a>		
G4-EN32		Currently unavailable: there is no process for measuring the percentage of new suppliers screened using environmental criteria. We are considering implementing such procedures and respective KPIs within following reporting periods.	
G4-EN33		Currently unavailable: A true impact-assessment is not available by suppliers. We assess suppliers on their overall environmental policy. At a Group level, the implementation of that will be considered upon merger integration with Holcim.	
<b>Aspect: Environmental Grievance Mechanisms</b>			
G4-DMA	Page 39		This is an integral part of our stakeholder engagement processes
G4-EN34		Currently unavailable (elements a, b, and c). We are considering the inclusion of this information within subsequent reporting periods.	

DMA and Indicators	Page	Omissions	External Assurance
<b>CATEGORY: SOCIAL</b>			
<b>Subcategory: LABOR PRACTICES AND DECENT WORK</b>			
<b>Aspect: Employment</b>			
G4-DMA	Page 28. See also Page 24 of the Lafarge Group Annual Report 2014: <a href="http://www.lafarge.com/sites/default/files/atoms/files/03232015-press_publication-2014_annual_report-uk.pdf">http://www.lafarge.com/sites/default/files/atoms/files/03232015-press_publication-2014_annual_report-uk.pdf</a>		
G4-LA1	Page 28		
G4-LA2		Currently unavailable: This information is not being collected and accounted for, within our sustainability reporting framework. We consider doing so in future reporting periods.	
G4-LA3		Currently unavailable: Collecting this information requires major updates on our IT systems. This will be considered upon merge integration with Holcim. Reporting options will be investigated in conjunction with our HR function.	
<b>Aspect: Labor/Management Relations</b>			
G4-DMA	Pages 28		
G4-LA4	Lafarge Group Annual Report 2014, Page 152: <a href="http://www.lafarge.com/sites/default/files/atoms/files/03232015-press_publication-2014_annual_report-uk.pdf">http://www.lafarge.com/sites/default/files/atoms/files/03232015-press_publication-2014_annual_report-uk.pdf</a>		
MM4	Page 42		
<b>Aspect: Occupational Health and Safety</b>			
G4-DMA	Pages 25, 33		
G4-LA5		Indicator "Percentage of workforce represented in Health and Safety Committees" is not currently available for Lafarge Greece. To be included in the following reporting period	
G4-LA6	Page 42		
G4-LA7		N/A since neither company operations nor geographic locations of those operations are related to specific diseases beyond ordinary occurrence.	
G4-LA8		Currently not available. This information will be obtained upon finalization of merger with Holcim within the next reporting period.	
<b>Aspect: Training and Education</b>			
G4-DMA	Page 28		
G4-LA9	Pages 42, 43		
G4-LA10		Currently not available. This information is to be comprehensively collected, processed and disclosed in the following reporting period.	
G4-LA11	Pages 42, 43		
<b>Aspect: Diversity and Equal Opportunity</b>			
G4-DMA	Page 8 of Code of Business Conduct: <a href="http://www.lafarge.gr/Code_Business_Conduct_eng.pdf?xtmc=codebusinessconduct&amp;xtcr=1">http://www.lafarge.gr/Code_Business_Conduct_eng.pdf?xtmc=codebusinessconduct&amp;xtcr=1</a>		
G4-LA12	Pages 42,43		
<b>Aspect: Equal Remuneration for Women and Men</b>			
G4-DMA	Page 8 of Code of Business Conduct: <a href="http://www.lafarge.gr/Code_Business_Conduct_eng.pdf?xtmc=codebusinessconduct&amp;xtcr=1">http://www.lafarge.gr/Code_Business_Conduct_eng.pdf?xtmc=codebusinessconduct&amp;xtcr=1</a>		
G4-LA13		The ratio of basic salary and remuneration of women to men is currently unavailable. On a Group level this indicator is expected to be available after 2016.	
<b>Aspect: Supplier Assessment for Labor Practices</b>			
G4-DMA	Page 35. See also Page 8 of the Annual Financial Report 2014- <a href="http://www.lafarge.gr/Heracles_Financial_Report_2014_Eng.pdf">http://www.lafarge.gr/Heracles_Financial_Report_2014_Eng.pdf</a>		
G4-LA14		Percentage of new suppliers screened for labor practices is currently unavailable. To be considered upon merger integration with Holcim, in a timeframe yet unknown.	
G4-LA15		Currently unavailable: A true impact-assessment is not available by suppliers. We assess suppliers on their overall labor policies. At a Group level, the implementation of that will be considered upon merger integration with Holcim.	
<b>Aspect: Labor Practices Grievance Mechanisms</b>			
G4-DMA	Page 41		This is an integral part of our stakeholder engagement processes
G4-LA16		Currently unavailable: No such data-collecting process is in place. To be considered upon merger integration with Holcim within a timeframe yet unknown.	

DMA and Indicators	Page	Omissions	External Assurance
<b>Subcategory: HUMAN RIGHTS</b>			
<b>Aspect: Investment</b>			
G4-DMA		Currently unavailable: No such data-collecting process is in place. To be considered upon merger integration with Holcim within a timeframe yet unknown.	
G4-HR1		Currently unavailable: No such data-collecting process is in place. To be considered upon merger integration with Holcim within a timeframe yet unknown.	
G4-HR2		Currently unavailable: No such data-collecting process is in place. To be considered upon merger integration with Holcim within a timeframe yet unknown.	
<b>Aspect: Non-Discrimination</b>			
G4-DMA	Page 8 of Code of Business Conduct: <a href="http://www.lafarge.gr/Code_Business_Conduct_eng.pdf?xtmc=codebusinessconduct&amp;xtcr=1">http://www.lafarge.gr/Code_Business_Conduct_eng.pdf?xtmc=codebusinessconduct&amp;xtcr=1</a>		
G4-HR3		Currently unavailable: No such data-collecting process is in place. To be considered upon merger integration with Holcim within a timeframe yet unknown.	
<b>Aspect: Freedom of Association and Collective Bargaining</b>			
G4-DMA	Page 4 of Code of Business Conduct: <a href="http://www.lafarge.gr/Code_Business_Conduct_eng.pdf?xtmc=codebusinessconduct&amp;xtcr=1">http://www.lafarge.gr/Code_Business_Conduct_eng.pdf?xtmc=codebusinessconduct&amp;xtcr=1</a>		
G4-HR4		Currently unavailable: No such data-collecting process is in place. To be considered upon merger integration with Holcim within a timeframe yet unknown.	
<b>Aspect: Child Labor</b>			
G4-DMA	Page 4 of Code of Business Conduct: <a href="http://www.lafarge.gr/Code_Business_Conduct_eng.pdf?xtmc=codebusinessconduct&amp;xtcr=1">http://www.lafarge.gr/Code_Business_Conduct_eng.pdf?xtmc=codebusinessconduct&amp;xtcr=1</a>		
G4-HR5		Currently unavailable: No such data-collecting process is in place. To be considered upon merger integration with Holcim within a timeframe yet unknown.	
<b>Aspect: Forced or Compulsory Labor</b>			
G4-DMA	Page 4 of Code of Business Conduct: <a href="http://www.lafarge.gr/Code_Business_Conduct_eng.pdf?xtmc=codebusinessconduct&amp;xtcr=1">http://www.lafarge.gr/Code_Business_Conduct_eng.pdf?xtmc=codebusinessconduct&amp;xtcr=1</a>		
G4-HR6		Currently unavailable: No such data-collecting process is in place. To be considered upon merger integration with Holcim within a timeframe yet unknown.	
<b>Aspect: Security Practices</b>			
G4-DMA	Page 26 of the Lafarge Group 2014 Annual Report: <a href="http://www.lafarge.com/sites/default/files/atoms/files/03232015-press_publication-2014_annual_report-uk.pdf">http://www.lafarge.com/sites/default/files/atoms/files/03232015-press_publication-2014_annual_report-uk.pdf</a>		
G4-HR7		Currently unavailable: No such data-collecting process is in place. To be considered upon merger integration with Holcim within a timeframe yet unknown.	
<b>Aspect: Indigenous Rights</b>			
G4-DMA	Page 135 of the Lafarge Group 2014 Annual Report: <a href="http://www.lafarge.com/sites/default/files/atoms/files/03232015-press_publication-2014_annual_report-uk.pdf">http://www.lafarge.com/sites/default/files/atoms/files/03232015-press_publication-2014_annual_report-uk.pdf</a>		
G4-HR8		Currently unavailable: No such data-collecting process is in place. To be considered upon merger integration with Holcim within a timeframe yet unknown.	
MM5		Currently unavailable: No such data-collecting process is in place. To be considered upon merger integration with Holcim within a timeframe yet unknown.	
<b>Aspect: Assessment</b>			
G4-DMA	Page 4 of Code of Business Conduct: <a href="http://www.lafarge.gr/Code_Business_Conduct_eng.pdf?xtmc=codebusinessconduct&amp;xtcr=1">http://www.lafarge.gr/Code_Business_Conduct_eng.pdf?xtmc=codebusinessconduct&amp;xtcr=1</a>		
G4-HR9		Currently unavailable: No such data-collecting process is in place. To be considered upon merger integration with Holcim within a timeframe yet unknown.	
<b>Aspect: Supplier Human Rights Assessment</b>			
G4-DMA	Page 35. See also Page 8 of the Annual Financial Report 2014- <a href="http://www.lafarge.gr/Heracles_Financial_Report_2014_Eng.pdf">http://www.lafarge.gr/Heracles_Financial_Report_2014_Eng.pdf</a>		
G4-HR10		Currently unavailable: No such data-collecting process is in place. To be considered upon merger integration with Holcim within a timeframe yet unknown.	
G4-HR11		Currently unavailable: A true impact-assessment is not available by suppliers. We assess suppliers on their overall human rights policies. At a Group level, the implementation of that will be considered upon merger integration with Holcim.	
<b>Aspect: Human Rights Grievance Mechanisms</b>			
G4-DMA	Page 41		This is an integral part of our stakeholder engagement processes
G4-HR12		Currently unavailable: No such data-collecting process is in place. To be considered upon merger integration with Holcim within a timeframe yet unknown.	

DMA and Indicators	Page	Omissions
<b>Subcategory: SOCIETY</b>		
<b>Aspect: Local Communities</b>		
<b>G4-DMA</b>	Pages 23, 31	
<b>G4-S01</b>		Currently unavailable: No such information-collecting process is in place. To be considered upon merger integration with Holcim within a timeframe yet unknown.
<b>G4-S02</b>		Currently unavailable: No such information-collecting process is in place. To be considered upon merger integration with Holcim within a timeframe yet unknown.
<b>MM6</b>		Currently unavailable: No such information-collecting process is in place. To be considered upon merger integration with Holcim within a timeframe yet unknown.
<b>MM7</b>		Currently unavailable: No such information-collecting process is in place. To be considered upon merger integration with Holcim within a timeframe yet unknown.
<b>Aspect: Anti-Corruption</b>		
<b>G4-DMA</b>	Page 37. See also Page 5 in our Code of Business Conduct: <a href="http://www.lafarge.gr/Code_Business_Conduct_eng.pdf?xtmc=codebusinessconduct&amp;xtcr=1">http://www.lafarge.gr/Code_Business_Conduct_eng.pdf?xtmc=codebusinessconduct&amp;xtcr=1</a>	
<b>G4-S03</b>		Currently unavailable: No such information-collecting process is in place. To be considered upon merger integration with Holcim within a timeframe yet unknown.
<b>G4-S04</b>		Currently unavailable: No such information-collecting process is in place. To be considered upon merger integration with Holcim within a timeframe yet unknown.
<b>G4-S05</b>		Currently unavailable: No such information-collecting process is in place. To be considered upon merger integration with Holcim within a timeframe yet unknown.
<b>Aspect: Public Policy</b>		
<b>G4-DMA</b>	Page 37	
<b>G4-S06</b>	Page 43	
<b>Aspect: Anti-Competitive Behavior</b>		
<b>G4-DMA</b>	Page 37. See also Page 4 in our Code of Business Conduct: <a href="http://www.lafarge.gr/Code_Business_Conduct_eng.pdf?xtmc=codebusinessconduct&amp;xtcr=1">http://www.lafarge.gr/Code_Business_Conduct_eng.pdf?xtmc=codebusinessconduct&amp;xtcr=1</a>	
<b>G4-S07</b>	Page 43	
<b>Aspect: Compliance</b>		
<b>G4-DMA</b>	Page 37. See also Pages 4 & 5 in our Code of Business Conduct: <a href="http://www.lafarge.gr/Code_Business_Conduct_eng.pdf?xtmc=codebusinessconduct&amp;xtcr=1">http://www.lafarge.gr/Code_Business_Conduct_eng.pdf?xtmc=codebusinessconduct&amp;xtcr=1</a>	
<b>G4-S08</b>		Currently unavailable: No such information-collecting process is in place. To be considered upon merger integration with Holcim within a timeframe yet unknown.
<b>Aspect: Supplier Assessment for Impacts on Society</b>		
<b>G4-DMA</b>	Page 35. See also Page 8 of the Annual Financial Report 2014: <a href="http://www.lafarge.gr/Heracles_Financial_Report_2014_Eng.pdf">http://www.lafarge.gr/Heracles_Financial_Report_2014_Eng.pdf</a>	
<b>G4-S09</b>		Currently unavailable: No such information-collecting process is in place. To be considered upon merger integration with Holcim within a timeframe yet unknown.
<b>G4-S10</b>		Currently unavailable: A true impact-assessment is not available by suppliers. We assess suppliers on their overall societal policies. At a Group level, the implementation of that will be considered upon merger integration with Holcim.
<b>Aspect: Grievance Mechanisms for Impacts on Society</b>		
<b>G4-DMA</b>	Page 39	This is an integral part of our stakeholder engagement processes
<b>G4-S11</b>		Currently unavailable: No such information-collecting process is in place. To be considered upon merger integration with Holcim within a timeframe yet unknown.
<b>OTHER SECTOR-SPECIFIC INDICATORS: MINING AND METALS SECTOR</b>		
<b>Aspect: Material Stewardship</b>		
<b>G4-DMA</b>	Page 14. See also Lafarge Group Sustainability Report 2014, Page 18: <a href="http://www.lafarge.com/sites/default/files/atoms/files/04302015-publication_sustainable_development-sustainable_report_2014-uk.pdf">http://www.lafarge.com/sites/default/files/atoms/files/04302015-publication_sustainable_development-sustainable_report_2014-uk.pdf</a>	This is the former MM11 sector-specific G4-DMA.
<b>MM3</b>		Not applicable: No significant risks are associated to our quarrying byproducts, most of which are reused for quarry rehabilitation
<b>MM8</b>		Not applicable: ASM not in use at Lafarge.
<b>MM9</b>		Not applicable to Greece.



DMA and Indicators	Page	Omissions	External Assurance
<b>Aspect: Closure Planning</b>			
<b>G4-DMA</b>	See Page 49 of the Lafarge Group Sustainability Report 2014: <a href="http://www.lafarge.com/sites/default/files/atoms/files/04302015-publication_sustainable_development-sustainable_report_2014-uk.pdf">http://www.lafarge.com/sites/default/files/atoms/files/04302015-publication_sustainable_development-sustainable_report_2014-uk.pdf</a>		
<b>MM10</b>	Currently unavailable: most of our assets are long-lived assets where we use the property indefinitely. We report on our rehabilitation plans within this report. The provision of such information will be considered upon merger integration with Holcim.		

**1. GRI STANDARD DISCLOSURES:** *G4-3/G4-5/G4-7/G4-31/G4-32*

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## COMPANY PROFILE

# LAFARGE WORLD PRESENCE

A world leader in building materials as major player in the cement, aggregates and concrete industries, we contribute to the construction of cities throughout the world. Our innovative solutions provide cities with better housing and make them more compact, more durable, more beautiful and better connected. The Group operates in 61 countries and employs 63,000 people. It generates annual sales of €12.8 billion.



SHARED VALUE AT LAFARGE <sup>5</sup>	€m 2013	€m 2014	2014 %
Sales	15,198	12,843	–
Costs of goods sold	10,265	8,631	–
Cash value added	4,933	4,212	100
Paid to employees for their services	2,239	1,917	45.5
Paid to lenders as a return on their borrowings	1,041	870	20.7
Retained for growth	819	666	15.8
Community investment	20	27	0.6
Net cash	814	732	17.4
Income taxes paid to governments	525	443	60.5
Paid to investors for providing capital	289	289	39.5

### Revenues

**€12,843m**

### Number of countries

**61**

### Number of employees

**63,000**

### Number of production sites

**1,612**

### Number of quarries

**680**

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