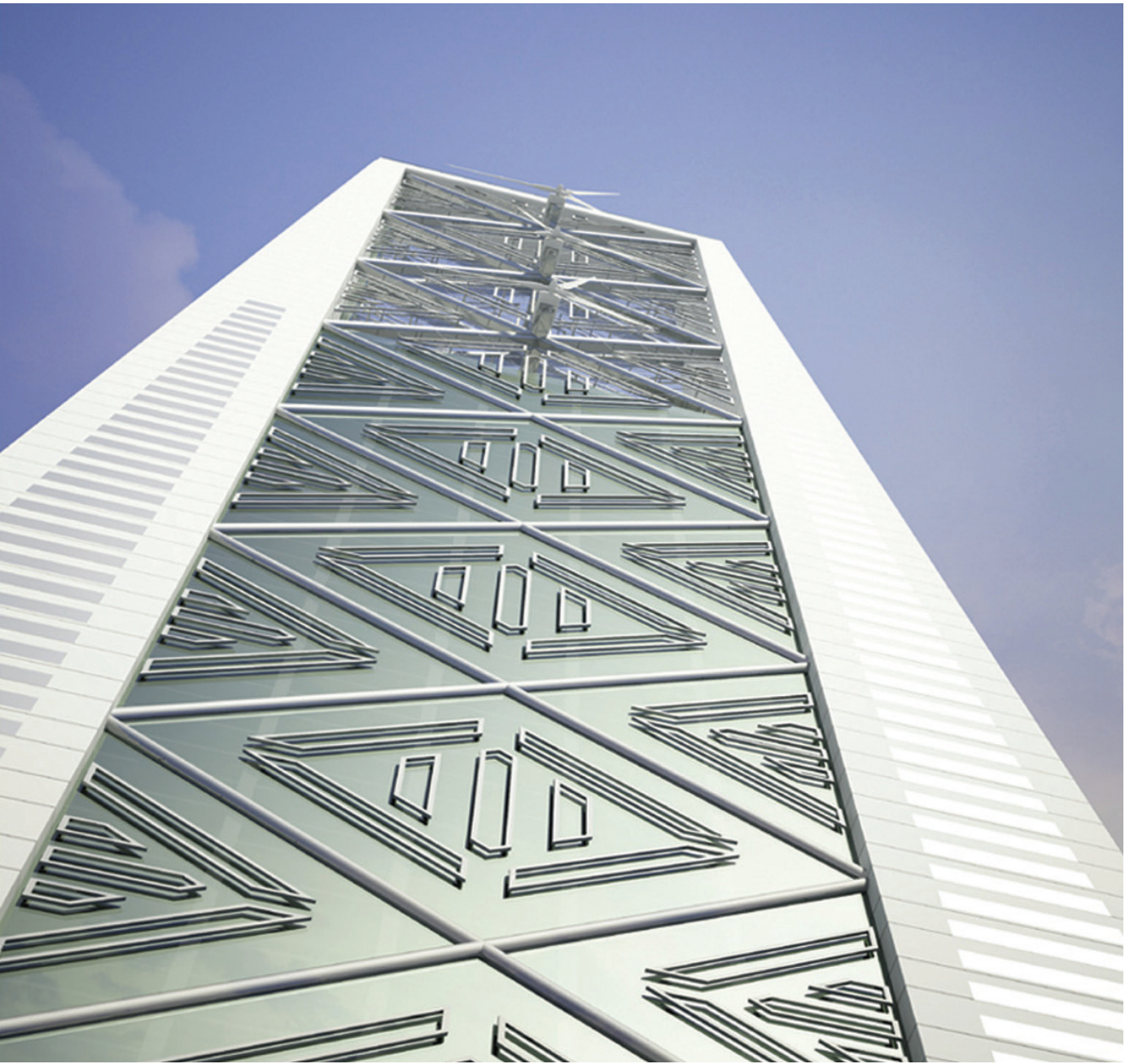


# SUSTAINABILITY REPORT

2015



# CONTENTS

## Our approach

- 4 Message of the CEO**
- 5 Profile of the HERACLES Group of Companies**
- 6 Strategy, Governance and Integrity**
  - 8 Our strategy
  - 10 Analysis of material aspects
  - 12 Business ethics & governance

## Focus areas

- 14 Our people**
  - 17 Employee Health and Safety
  - 20 Development of our people
  - 23 Diversity and equal opportunities
  - 23 Respecting human rights
- 24 Local communities**
  - 26 Social participation and consultation with stakeholders
  - 28 Building sustainable cities
  - 29 Sustainable supply chain
- 31 Climate change**
  - 33 Fighting climate change
  - 34 CO<sub>2</sub> emissions
  - 35 Air emissions
  - 36 Energy

## 37 Circular economy

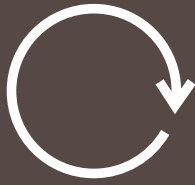
- 39 Alternative fuels and raw materials
- 40 Waste management

## 41 Water and nature

- 43 Water
- 44 Biodiversity

## Our performance

- 47 Reporting methodology**
- 49 Annex I: Key performance indicators**
- 52 Annex I: GRI tables**
- 56 Annex I: Greek sustainability code - Compliance table**



# OUR APPROACH

This Sustainability Report is a complete record of our financial, environmental and social impact for the year 2015, and of the manner we manage them.

It includes the programs, actions and objectives that allow us to responsibly respond to the current financial, social and environmental challenges. Our Sustainability strategy is based on the “2030 Plan” of the LafageHolcim Group, which defines our vision and provides a clear framework for managing impact, sets new standards and guides for our industry, helping the management of the current major issues of the planet.

## **MESSAGE OF THE CEO**

Page 4

## **PROFILE OF THE HERACLES GROUP OF COMPANIES**

Page 5

## **STRATEGY, GOVERNANCE AND INTEGRITY**

Page 6

# MESSAGE OF THE CEO



**Georgios Michos**  
Chief Executive Officer

Sustainable Development is a long-term commitment for the HERACLES group of companies and has become a priority of our business. We are committed to operate with responsibility and sustainability, adding value to our customers and stakeholders and to the wider communities where we operate.

Today, many of the planet's global challenges are directly or indirectly related to infrastructure and the industry of building materials. These include climate change, population growth, urbanisation, lack of natural resources and raw materials. The production of sustainable products and providing sustainable solutions are now essential to the world and addressing these challenges will give us a significant competitive advantage and at the same time contribute to social welfare and improve the quality of life.

Traditionally, the environment was the core of companies' sustainable development in the building materials industry. Despite the fact that this dimension remains very important, for the HERACLES group of companies sustainable development has a broader sense, since we recognise the impact of our operations in economic growth, sustainability and social cohesion.

Sustainable Development, one of the four pillars of the strategy of our group, LafargeHolcim, determines not only how we operate but also the solutions we offer our customers. The "LafargeHolcim 2030" program, implemented by all group companies worldwide, sums up the determination of the group to play a leading role in the building materials industry and in the transformation that is necessary worldwide towards sustainable development.

For yet another year, we are pleased to present the performance of HERACLES Group regarding sustainable development. This report comprises our progress in terms of our strategy and the "LafargeHolcim 2030" program. Indeed, our performance in many areas has significantly improved, while in others we are committed to intensifying our efforts to maximise value for our stakeholders and at the same time to continuously reduce our environmental footprint.

The long-term objective of the "LafargeHolcim 2030" plan is the holistic transformation of our group, to ensure that by 2030, one third of our revenue will come from products, services and solutions of increased performance on sustainability issues. This objective can only be achieved by having innovation as the core of all our business and by influencing all links of the value chain, from access to raw materials to comprehensive customer service.

In HERACLES group we are committed to operate using our resources effectively and wisely, improving the reliability and life cycle of our products, while reducing the environmental impact. As an active and responsible corporate citizen, through our partnership with local communities, we will contribute to positive social development. Finally, we will continue to create economic value for our employees, customers, shareholders and for the society as a whole.

The HERACLES Group of companies, in an increasingly demanding economy, will continue to contribute to the Sustainable Development of the country, especially in the regions where it operates, as an agent of economic activity.

# PROFILE OF THE HERACLES GROUP OF COMPANIES

The HERACLES group of companies, member of LafargeHolcim, is a leader in the building materials market. With the strong brand name and product line "HERACLES", with more than 100 years of market presence, experience in the industry of cement, aggregates and concrete and leveraging the Group's expertise, we offer reliable high quality solutions.

Our priority is to be the partner of choice for our customers, covering all needs in building materials, through a wide range of products and services. Innovation is at the heart of our activities, as we develop and launch differentiated products with added value for our customers, in any construction -from its conception to completion. Moreover, we offer comprehensive services and ongoing technical support in quality issues related to the specific requirements of each project.

The organizational structure of the company and the effective management of resources at all levels, allow us to export Cement, Clinker, Pumice and Special raw materials and Solid Fuel to more than 20 countries.



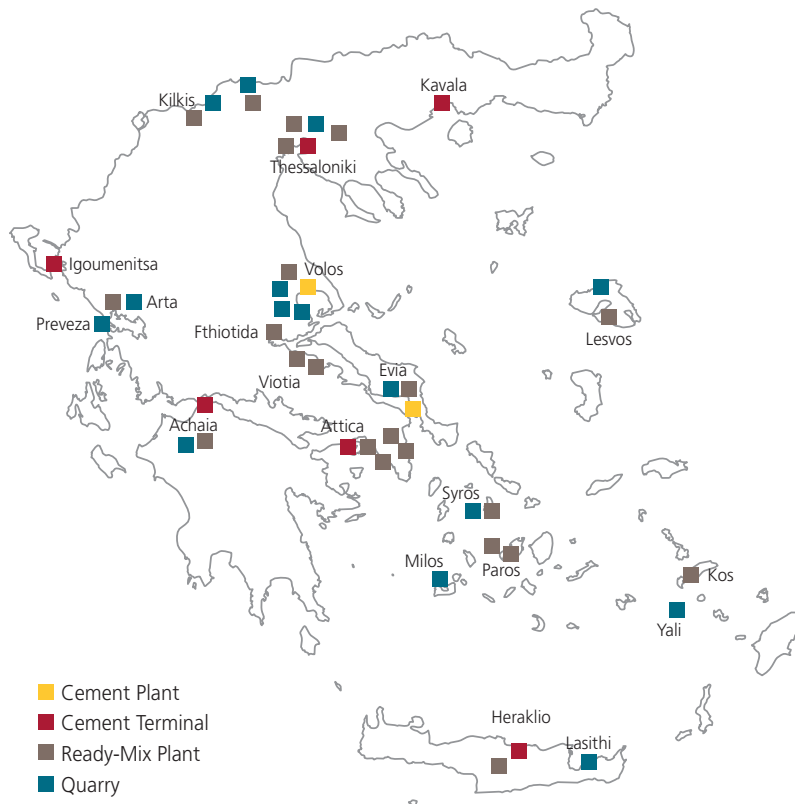
700+ employees



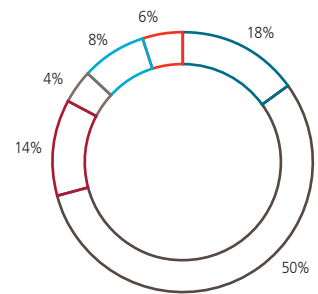
30+ points of presence



12 ports



- Central functions
- Cement plants
- Distribution centres
- LAVA quarries
- Ready mix plants
- Aggregates quarries



## OUR PRODUCTS

Bulk Cement  
Bagged Cement  
Aggregates  
Concrete  
Alfa Blok  
Agro Lava

Special Concrete:  

- Ultra Series
- Agilia Series
- Hydromedia Series
- Artevia Series

 Pumice



# STRATEGY, GOVERNANCE AND INTEGRITY

## OUR STRATEGY

Page 8

## ANALYSIS OF MATERIAL ASPECTS

Page 10

## BUSINESS ETHICS & GOVERNANCE

Page 11

The business strategy we implement at AGET HERACLES focuses on the management of all significant sustainability issues associated with our operation. As member of the LafargeHolcim Group, we implement an updated Sustainability strategy, while following the updated Code of Business Conduct "Building with Integrity", which provides guidance to all Group employees on a series of issues.

# OUR STRATEGY

**The merger of the companies Lafarge and Holcim in 2015 was accompanied by multiple benefits for AGET HERACLES.** One of these was strengthening the vision of sustainable development and the enrichment of sustainability values through joint targeting. The new Sustainability strategy governing the LafargeHolcim Group companies aims to create motivation and vision and enhance the holistic value offered by setting targets and determining the strategic point of sustainability where the company aspired to be in 2030.

Throughout our course, we operate as pioneers of change, creating added value for all our stakeholders. Our starting point is our employees, who work responsibly so that people around the world may meet their housing needs, building houses with more durable and sustainable materials. We operate in full awareness of the value of natural resources. We fully understand that it is difficult to reflect the actual financial value of natural resources and this is why we are not limited simply in respecting their use, but also work with social shareholders of all categories in order to continuously improve our performance and develop our strategy for sustainability.

In this context, we seek to enrich our product range with innovative, sustainable solutions so that one third of our revenues, by 2030, comes from products and services with enhanced sustainability performance. Also we will promote the manufacture of products that are of superior environmental and social efficiency, both in the stages of production and disposal.

The sustainable development strategy focuses on four key areas: climate (climate change), circular economy, water and nature and people and communities. As regards the climate (climate change), we aim to reduce our environmental footprint in the entire life cycle of our products. Specifically, we hope that the measures we currently take may improve our environmental performance, so that by 2030, carbon dioxide emissions do not show a significant increase compared with the emissions we had in 1990. To achieve this, we offset the increase in production pollutants by offering product and service solutions that reduce pollutant emissions in buildings, infrastructure and transport.

## The 2013 Plan of the LafargeHolcim Group

We will create one third of the annual turnover out of solutions with significant performance with terms of sustainable development

The second pillar of our strategy for sustainable development is to promote circular economy. Our goal is to significantly increase the use of waste as raw materials in our production process.

As regards the third pillar of our strategy for sustainable development, which relates to water and nature, we aim to significantly reduce the use of water and to reduce our impact on biodiversity. In 2015, we continued the measurements of the total volume of water required for our operations and developed action plans for biodiversity.

The fourth pillar of our strategy for sustainable development is the support of our people and local communities. As regards our people, we aim to further improve our performance in the Health and Safety field. As regards communities, we recognise that by offering products that meet market needs and can offer solutions to social issues we create shared value for everyone. At the same time, we make investments and synergies, to improve the quality of life of people in a sustainable manner, which is also included in our vision for 2030.



We focus on climate, circular economy, water and nature, people and communities





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We want to generate 1/3 of our revenue from products and services with enhanced sustainability performance

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|                             |  <p><b>Climate</b></p>   |  <p><b>Circular economy</b></p>                               |  <p><b>Water and nature</b></p>   |  <p><b>People and communities</b></p>  |
|-----------------------------|---|--|--|---|
| <b>In-house</b>             | We will reduce net specific CO <sub>2</sub> emissions by 40% per tonne of cement (vs 1990)  | We will use 80 million tonnes of waste-derived resources per year  | We will reduce specific freshwater withdrawal in cement operations by 30%<br>We will implement the WASH Pledge on all sites  | We want zero fatalities<br>We will reduce LTIFR to <0.20<br>We will reduce TIFR by 50%<br>We will reduce our disease rate to <0.1<br>We will have 30% minimum gender diversity at all management levels |
| <b>Beyond our fence</b>     | We will help our customers avoid 10 million tonnes of CO <sub>2</sub> being released from buildings each year through our innovative solutions      | We will provide end-of-life solutions for our products and will supply four times more recycled aggregates from CDW/RAP                        | We will make a positive impact on water in water-scarc areas<br>We will show a positive change for biodiversity  | We will develop initiatives to benefit 75 million people<br>We will engage in collective action to combat bribery and corruption in high-risk countries   |
| <b>Innovative solutions</b> | <ul style="list-style-type: none"> <li>• Low-carbon cement and concrete</li> <li>• Insulating concrete</li> <li>• Thermal-mass solutions</li> </ul> | <ul style="list-style-type: none"> <li>• Recycled aggregates</li> <li>• Urban mining solutions</li> <li>• Waste management services</li> </ul> | <ul style="list-style-type: none"> <li>• Rainwater harvesting</li> <li>• Pervious concrete</li> <li>• Stormwater protection</li> <li>• Vertical green solutions</li> </ul> | <ul style="list-style-type: none"> <li>• Affordable housing materials and solutions</li> <li>• Affordable sanitation solutions</li> </ul>   |

**Note:** all targets are for 2030. Baseline year is 2015 unless stated otherwise.

**CDW:** Construction and Demolition Waste, **RAP:** Reclaimed Asphalt Pavement, **WASH:** Water Sanitation and Hygiene Implementation at the Workplace, **LTIFR:** Lost Time Injury Frequency Rate, **TIFR:** Total Injury Frequency Rate

# ANALYSIS OF MATERIAL ASPECTS

**AGET HERACLES has a significant range of business and as a result the various sustainability issues related to our business are equally extensive.** Sustainability programs can improve our performance in these issues and reduce any potentially negative impact on our stakeholders. It is a prerequisite that these programs are interrelated, in the context of the broader business strategy, and mainly focused on issues that are important.

For these reasons, first we identify the impact arising from our operations on the environment, economy and society and then evaluate them to determine the material sustainability aspects that will be prioritised.

## Evaluating material aspects

Our concern is to identify the main material aspects of corporate social responsibility related to our operation and the effects arising from it, with a view to their efficient management.

The following table lists the results of the identification process of Corporate Social Responsibility material aspects, based on the GRI Guidelines. The results have incorporated both the view of the company (significance of economic, environmental and social impacts) and the view of stakeholders (Pressure / stakeholders' expectations).

In the process of identification of material aspects that we include in the Sustainability Report, we incorporate the opinions and expectations of our stakeholders.

The inclusion of our stakeholders is important for us, as it allows us to maximise the value we generate for society. The common result of this process is subsequently included in the decision-making processes at all levels.

## Scope and boundaries of material aspects

The materiality analysis we implemented concerns all business activities of HERACLES GROUP. Its companies included in the annual consolidated financial statements are presented in page 23 of the Annual Financial Report (Annual Report of the Board of Directors) for the year 2015. ([http://www.lafarge.gr/Annual\\_Report\\_2015n.eng.pdf](http://www.lafarge.gr/Annual_Report_2015n.eng.pdf))

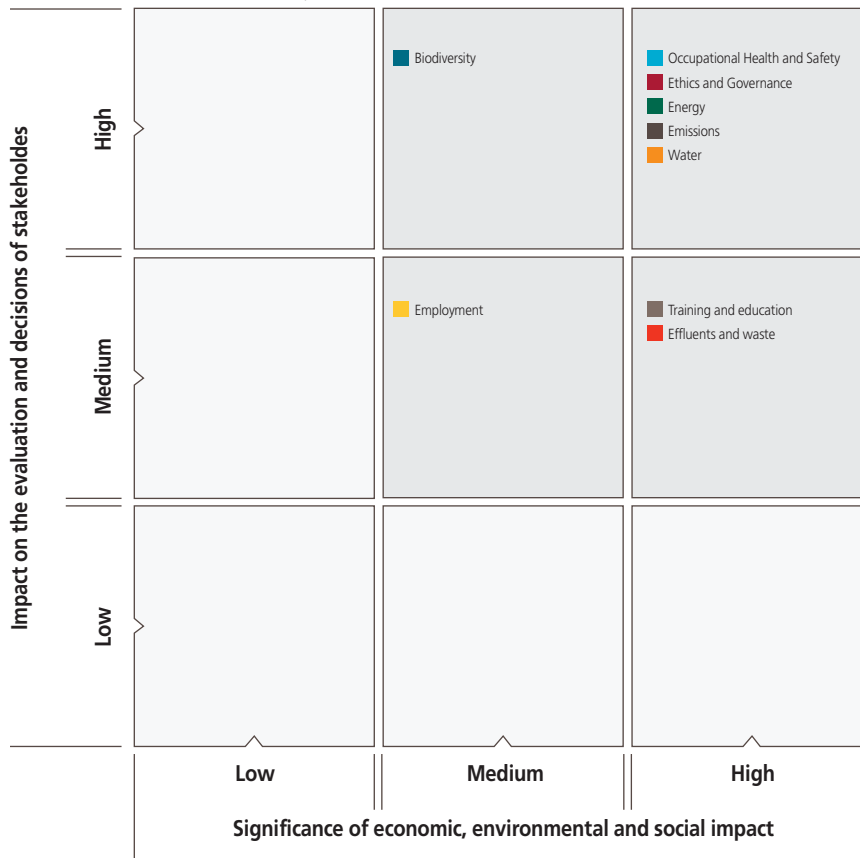


For AGET HERACLES,  
stakeholders are all social  
groups that are affected  
and/or affect the operation  
of the company

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| Disclosures category           | Material aspects of AGET HERACLES  | Boundaries           |                       |
|--------------------------------|--|----------------------|-----------------------|
|                                |  | Within AGET HERACLES | Outside AGET HERACLES |
| Governance and business ethics | <ul style="list-style-type: none"> <li>Ethics and governance</li> </ul>          | ✓                    | -                     |
| Environmental issues           | <ul style="list-style-type: none"> <li>Energy</li> </ul>                         | ✓                    | -                     |
|                                | <ul style="list-style-type: none"> <li>Water</li> </ul>                          | ✓                    | -                     |
|                                | <ul style="list-style-type: none"> <li>Biodiversity</li> </ul>                   | ✓                    | -                     |
|                                | <ul style="list-style-type: none"> <li>Emissions</li> </ul>                      | ✓                    | -                     |
|                                | <ul style="list-style-type: none"> <li>Effluents and waste</li> </ul>            | ✓                    | -                     |
| Social issues                  | <ul style="list-style-type: none"> <li>Employment</li> </ul>                     | ✓                    | -                     |
|                                | <ul style="list-style-type: none"> <li>Occupational Health and Safety</li> </ul> | ✓                    | -                     |
|                                | <ul style="list-style-type: none"> <li>Training and education</li> </ul>         | ✓                    | -                     |

**AGET HERACLES material aspects**



# BUSINESS ETHICS & GOVERNANCE

**Business ethics is incorporated in the principles of our corporate governance and is the framework of our social and environmental responsibility.** It is also an essential part of our risk management system. The Executive Team and the Chief Executive Officer have the ultimate responsibility to ensure that our business conduct policies are implemented in our strategies and operations, under the constant supervision of the Board of Directors, which systematically examines on an annual basis the implementation of policies and procedures of Corporate Governance and Social Responsibility.

## Ensuring operation based on our values

In October 2015, with the merger of the companies Lafarge-Holcim and the creation of new LafargeHolcim Group we adopted the new Code of Business Conduct in order to ensure that our business activities are conducted with integrity. The Code offers guidance on health and safety, diversity, fairness and respect, protection of the Group's assets, environmental protection, conflicts of interest, information systems, email and social media, anti-corruption, gifts and hospitality and transactions with competitors, suppliers and customers. All employees of HERACLES Group of Companies are obliged to comply with this Code.

## The code of business conduct in practice: beyond compliance

Training on the implementation of the Code of Business Conduct is systematically carried out as of 2009, covering all employees of the cement industry and as of 2014 for employees in the aggregates and concrete industry. This training includes a one-day session of updates, discussion and control scenarios for employees in groups of 15 persons, to ensure that the content of the code and its implications are understood. To ensure the effectiveness of the Code, all new employees receive special training on the Code of Business Conduct upon their joining the company.

**In 2015, as a result of the merger between the companies Lafarge and Holcim and the creation of the new LafargeHolcim Group, we have updated the Code of Business Conduct "Building with Integrity", which provides guidance to all Group employees on a series of**

**issues, so that they may operate with integrity.**

*For the updated Code of Business Conduct visit the company's website. (section Sustainable development / Ethics & Corporate Governance)*

## Our commitment to free competition

Given the peculiarities of the market in our industry, the risks arising from competition are addressed through the Program of Group Compliance with the Law on Competition, established in 2007. The implementation of this program includes legal guidance, reporting tools and compliance inspection, as well as training provided under the supervision of the Legal Service.

The Executive Committee of HERACLES Group of Companies ensures that all employees attend seminars and are trained through online programs on the rules of the Group's compliance with the law on competition, under the guidance of the Legal Division. Each new employee is required to attend this training (in person or as distance learning), so that all employees remain constantly updated on the rules of compliance with the law on competition. As part of our commitment not to merely ensure compliance with the law, the Legal Division organises regular seminars with the sales department for their continuous update on best practices according to the latest political developments.

Strong corporate governance is at the heart of our sustainability approach and is the basis for achieving strong business performance. It reflects our commitment to express our core values of courage, respect, integrity and transparency in everything we do.

*For further information and the updated Code of Business Conduct "Building with Integrity" visit the company website. (section Sustainable development / Ethics & Corporate Governance)*

### **Participation in Bodies and Organisations**

In order to promote various sectoral and industry issues and to promote matters related to sustainable development, we participate in a series of bodies and organisations and support initiatives.

The Code of Business Conduct reflects our values and principles, but also covers a wide range of sensitive matters of business and professional conduct.

### **Greek Sustainability Code**

HERACLES GROUP supports and is a founding member of the Greek Sustainability Code, a local initiative to promote sustainable development and transparency in the business world.

### **Other organizations**

Furthermore, HERACLES GROUP actively participates in a number of other bodies and organisations of business and sectoral interest, or to promote sustainability issues and responsible business.

- Hellenic Federation of Enterprises (SEV)
- Association of Industries of Thessaly and Central Greece (AITCG)
- Foundation for Economic and Industrial Research (FEIR)
- Hellenic Cement Industry Association
- Hellenic Network for Corporate Social Responsibility
- French - Hellenic Chamber of Commerce & Industry
- ASSOCIATION OF MINERAL ENTERPRISES "SME"
- Hellenic Union of Industrial Users of Energy "EVIKEN"
- Federation of Recycling and Energy Recovery Industries and Enterprises, former "SEPAN"
- Hellenic Recovery Recycling Corporation "EEAA"



**FOCUS AREAS**

# **OUR PEOPLE**

## **EMPLOYEE HEALTH AND SAFETY**

Page 17

## **DEVELOPMENT OF OUR PEOPLE**

Page 21

## **DIVERSITY AND EQUAL OPPORTUNITIES**

Page 23

## **RESPECTING HUMAN RIGHTS**

Page 23

Ensuring Health and Safety for our employees and partners is a top priority for us. We make every possible effort to eliminate accidents and take all necessary measures to create a safe working environment.

At the same time, we ensure the ongoing education and training of our people, while we seek to protect human rights and provide equal opportunities to all, without discrimination.





# EMPLOYEE HEALTH AND SAFETY

**Health & Safety is the overarching value for the company and remains the number one priority in our decision-taking.**

Based on our policy on Health and Safety, we are committed to:

- Conduct our business with the goal of zero injuries.
- Provide healthy and safe working conditions for employees and contractor employees.
- Maintain an integrated Health and Safety Management System, designed to continuously improve our performance and to actively manage the risk in our business
- Comply with the applicable legal, regulatory, industrial and corporate requirements.
- Openly communicate with all stakeholders on matters related to health and safety.

## HEALTH AND SAFETY PERFORMANCE

Our performance in Health and Safety has significantly improved over the last 10 years; the mentality of prevention is well-established and this is reflected in the course of accidents. Despite the above, the main objective of their elimination in a permanent manner has not yet been achieved.

In 2015 there was a slight reduction in the total number of accidents (accident frequency figure), recording 3 lost time injuries, all to HERACLES contractor employees (2 in the plant of Volos and 1 to the driver of a bulk cement tanker at a customer's facility). In all cases, the incidents concerned male employees.

The monitoring and management of our performance in relation to Health and Safety is made in a particularly systematic manner and in case of an accident the established procedure provided by law and regulations is followed.

At HERACLES Group of companies, we believe that the zero accidents goal is feasible and we systematically work to implement this ambition.

### Health & Safety indicators

|      | FATALITIES |     | LOST TIME INCIDENTS |     | CONTRACTORS LOST TIME INCIDENTS |     |
|------|------------|-----|---------------------|-----|---------------------------------|-----|
|      | CEMENT     | A&C | CEMENT              | A&C | CEMENT                          | A&C |
| 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   |
| 2015 | 0          | 0   | 0                   | 0   | 3                               | 0   |

CASE STUDY

ALLAZO: (CHANGE-LIVE) H&S IMPROVEMENT PLAN 2015

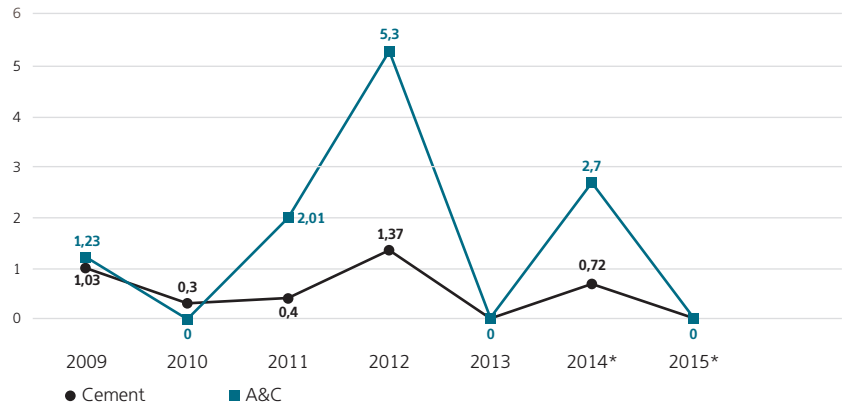
In the past year we established the “allaZO” program, aimed at strengthening the role of leadership and basic behaviours. It focused on the following three subject matters: Personal Protective Equipment, Risk Assessment and Work at Height, which became the means for upgrading basic behaviours and the leadership. “allaZO” is a program developed and designed by the employees themselves, who work in teams to design and guide its implementation in all the country’s facilities. The first action carried out by the employees was the naming of the program (allaZO=change-LIVE): Health and safety starts with me through a competition and award, which attracted more than 120 proposals. In the subject matter of personal protective equipment (PPE) significant results were achieved concerning compliance with the four mandatory PPE and especially with the work uniform. Furthermore, Risk Assessment was implemented in every work area and employees improved its quality in a measurable way. As regards Work at Height (WaH) a clear and safe method was

established for both the use of ladders and safe anchorage when carrying out WaH. A special training program was developed for this action, with the contribution of a specific certified instructor, targeting the detailed description of all equipment and means and their implementation method.

Moreover, in the context of the program, regular meetings were established among members of the management and employee teams in all facilities (Coffee and discussion on H&S). This meeting is aimed at the personal contact of both sides, their first hand information on H&S issues concerning the employees, their concerns and suggestions. Through these meetings, it was possible to directly inform teams on the H&S objectives to appropriately contribute, solutions and proposals of the employees were promoted while there was good coordination of the management targeting on the needs and daily life of employees.

Lost time incident frequency rate

(Number of accidents leading to loss of time per million hours worked)

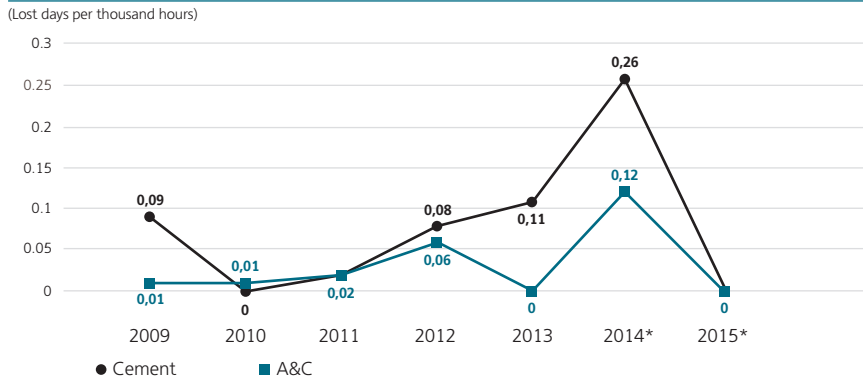


HEALTH AND SAFETY IN THE NEW LAFARGEHOLCIM COMPANY

On 15 July, HERACLES Group joined the new leader in the building materials industry, the LafargeHolcim company. The first policy and rules that were implemented concerned H&S, thus setting H&S as a primary value for the new company. These fundamental principles were communicated to all our employees and partners, in a manner that is clear and understandable. In the context of the relevant communication campaign a poster competition was held, inspired by the five H&S rules, where 3 employee proposals were awarded.

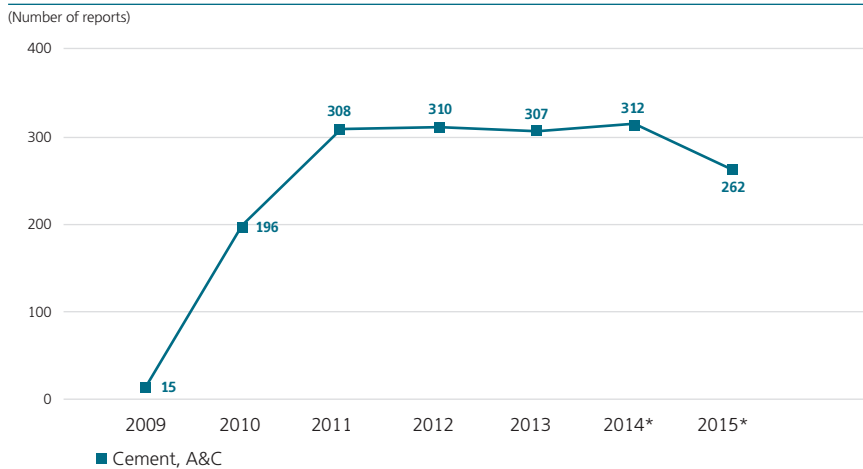
Moreover, the methodology for the continuous improvement of H&S was established through a structured H&S improvement plan (HSIP). In this manner the annual plan is build, based on documented needs of each unit (RCA, near misses, inspection findings, trainings) defining common

### Lost time incident severity rate



\*Accidents up to 2012 concern only the cement industry. Accidents of the aggregates and concrete industry are included as of 2013 onwards and LAVA accidents as of 2014.

### Near misses indicators / Reporting of near misses



\*Accidents up to 2012 concern only the cement industry. Accidents of the aggregates and concrete industry are included as of 2013 onwards and LAVA accidents as of 2014.

axes at country level. Each axis is assigned for implementation to a member of the Steering Committee, with specific resources and measurable deliverables at a 3-month period.

### HEALTH PROGRAM

In the context of the Health Programme, we implemented the control program for exposure to harmful factors with the conduct and analysis of measurements. In total more than 350 measurements/dust samples (and components thereof, e.g. Si crystals), noise, vibrations and investigation for exposure to new factors (e.g. welding gases) (noise, dust, vibration, etc.) in all facilities of the Group. Based on the results of these measurements, actions were taken to improve working conditions (e.g. noise reduction in the concrete Plant of Mytilini).

Moreover, the entire workforce received theoretical and practical training on the importance of protection against harmful factors and on the proper use of the PPE for respiratory and hearing protection by a specialised supplier.

Finally, as every year, the health monitoring of all employees was continued by Occupational Physicians, based on special, personalised health protocols. This program is implemented through the "Hippocrates" in the context of the relevant directive of the Group.

# DEVELOPMENT OF OUR PEOPLE

**The development of our people is our top priority and a critical matter for the success of our company.** In a constantly changing environment, the development of the necessary skills, talents and abilities of our employees so that they may be able to perform their work in the best possible way and be properly prepared for the challenges of the future, is more vital than ever.

Investing in our people is crucial for achieving the company's strategic and operational objectives and a prerequisite for addressing everyday challenges. Through organised programs and initiatives, such as the certification programs for staff employed in technical jobs, the leadership skills development program in H&S and the training of executives in Performance Management issues, we strengthen the improvement of our employees' skills and contribute to the development of their career.

## Training hours per module

| Module of training          | Hours of training |
|-----------------------------|-------------------|
| Health and Safety           | 5,616             |
| Technical training          | 2,741             |
| IT issues                   | 682               |
| Language                    | 130               |
| Management / Administration | 353               |
| Other training              | 365               |
| <b>Total hours</b>          | <b>9,887</b>      |

## CASE STUDY

### SUCCESSSES AND DISTINCTIONS IN H&S

In the context of the Health and Safety Management System of the parent group, the facilities of the six cement Distribution Centres (DC) were inspected by a team of the parent group with participation of HERACLES GROUP executives. The results of the inspection were excellent, classifying the DCs in the team of Lafarge's Excellence Club, which includes the facilities with the worldwide best performance on H&S (in a total of about 1,600 plants, only 14 members make it in the Excellence Club, among which one is now an operational plant of the 6 DCs). This distinction is the result of many years of laborious efforts by employees and executives of the DCs.

This top distinction also received the WINNER prize in the Construction Industry in a relevant nationwide contest, where dozens of companies and organizations participated.

Moreover, there were national awards both for the good H&S performance of teams and for distinguished initiatives by individual employees and associates. Therefore, the cement Distribution Centres of Kavala and Drapetsona and the concrete plants of Lakkia and Neochorouda received special distinction for achieving zero accidents over long periods (7,000, 2,000, 2,000 and 1,000 days respectively). Furthermore, two employees (in Milaki Plant and Adrana Aggregates and Concrete business) who personally contributed in bringing about significant improvements in H&S (implementation of best practice for reducing work hazards in pet coke bagging and good implementation of the Control of Hazardous Energy (LOTO) standard in 28 aggregates and concrete plants), were awarded a special honorary prize.

### **CERTIFICATION PROGRAM FOR TECHNICAL STAFF**

The certification program for our technical staff successfully continued in 2015, aiming at training and upgrading skills in critical jobs and finally the relative certification.

The program specifies a particular certification course through personalised education, based on the analysis of development needs and the use of appropriate tools to improve the processes and performance of each employee. In this way, it contributes to the upgrading and improvement of our plants' efficiency, while strengthening cooperation and the mentality of operating towards a structured and harmonized approach.

The certification program is designed and implemented in cooperation with the plants, the Organisation & Human Resources Department and the Industrial Performance Centre of LafargeHolcim Cement.

Up to 2015, 16 panel operators, 3 maintenance inspectors, 9 shift quality control operators and 1 production coach have been certified, while more technical staff are currently in the certification process.

### **"GUIDE SAFELY": LEADERSHIP DEVELOPMENT PROGRAM IN H&S**

In 2015 we emphasised on the development of attitudes and skills of guidance and leadership of employees at all levels of management in our company. Their ability to guide their teams to work safely every day and to create a single Health and Safety mentality with zero accidents are the main axes of the "Guide Safely" program.

The program consists of three stages and combines alternative training options, including classroom training, workshops, weekly and monthly guidance meetings, action plans and practice, the content of which was adapted to the needs of each production line and the corresponding units. The active participation of employees, the commitment of the management and the continuous support of the program by the HR team, are important success factors for the program.

In 2015, the program was inaugurated with the conduct of an internal Health and Safety research, with participation of 79% of our employees and our partners, so that development objectives are real and adapted to our reality.

### **BALANCE OF PROFESSIONAL AND PERSONAL LIFE**

Our company implements practices aimed at achieving a balance of professional and personal life, realizing its immediate and long-term benefits. Below are two important relevant indicators for the year 2015.

The total number of employees eligible and applying for such leaves, take them and return to their work after their expiry.

**Total number of employees eligible for parental leave by gender**

|       | AGET HERACLES |        | LAFARGE BETON |        | LAVA |        |
|-------|---------------|--------|---------------|--------|------|--------|
|       | MALE          | FEMALE | MALE          | FEMALE | MALE | FEMALE |
|       | 133           | 15     | 17            | 4      | 5    | 0      |
| TOTAL | 148           |        | 21            |        | 5    |        |
| TOTAL | 174           |        |               |        |      |        |

**Total number of employees eligible for school performance leave per gender**

|       | AGET HERACLES |        | LAFARGE BETON |        | LAVA |        | ANEH |        |
|-------|---------------|--------|---------------|--------|------|--------|------|--------|
|       | MALE          | FEMALE | MALE          | FEMALE | MALE | FEMALE | MALE | FEMALE |
|       | 177           | 30     | 45            | 6      | 12   | 1      | 0    | 1      |
| TOTAL | 207           |        | 51            |        | 13   |        | 1    |        |
| TOTAL | 272           |        |               |        |      |        |      |        |

**ADDITIONAL BENEFITS**

The additional benefits provided to all our employees are:

- Medical & Hospital Care, Life Insurance & Permanent Total Disability (PTD): Provided to all of our company employees, regardless of their type of contract or employment (fixed-term or part time contract). Employees participate in premiums with a corresponding deduction from their salaries, while the biggest part of the cost is covered by the company.
- Meal Vouchers: Provided to all employees, regardless of their type of contract or employment (fixed-term or part time contract).
- Coaches for the transfer of employees: the company undertakes the costs of transfer of employees to and from their work.
- Employees' catering: the company provides meals at special prices in its plants and headquarters for all its employees.

# DIVERSITY AND EQUAL OPPORTUNITIES

**At AGET HERACLES, we strengthen diversity and provide a working environment of equal opportunities.**

As set out in our company's Code of Conduct, all employees have a responsibility to behave with dignity while respecting pluralism and diversity of race, religion, gender, sexual orientation or any other difference and we incorporate these principles in all decisions concerning hiring, training, evaluation, promotions and rewards.

In this manner, we promote a non-discriminatory workplace that is inclusive, fosters respect for all employees, customers and business partners.

As explicitly expressed in the Code of Conduct of our company, we aim to create a work environment "where personal dignity, privacy, freedom of association and collective bargaining as well as the individual rights and security of each individual, are part of our everyday work experience. We believe that respect in the workplace is essential for performance and participation. All employees, regardless of their job title or level in the hierarchy, must be treated fairly in matters relating to promotion, training, hiring, remuneration and the termination of employment".

# RESPECTING HUMAN RIGHTS

**Defending human rights is one of our settled and solid commitments, incorporated in the Corporate Social Responsibility Policy (CSR) of our company and is enriched through our participation in the UN Global Compact.**

As a member of the LafargeHolcim Group, AGET HERACLES implements a Human Rights Management system, which examines not only the company's attitude as regards respect for human rights but also the attitude of suppliers and subcontractors.



**FOCUS AREAS**

# **LOCAL COMMUNITIES**

**SOCIAL PARTICIPATION AND CONSULTATION  
WITH STAKEHOLDERS**

Page 26

**BUILDING SUSTAINABLE CITIES**

Page 29

**SUSTAINABLE SUPPLY CHAIN**

Page 30



At AGET HERACLES, we ensure that our operation is in harmony both with the local communities and with all stakeholders with whom we are related. We seek to generate value for all our stakeholders and communicate regularly with them, contributing to the sustainability both of the local area and of the wider society in the regions where we operate. At the same time, we also seek to promote sustainability issues in our supply chain as well.

# SOCIAL PARTICIPATION AND CONSULTATION WITH STAKEHOLDERS

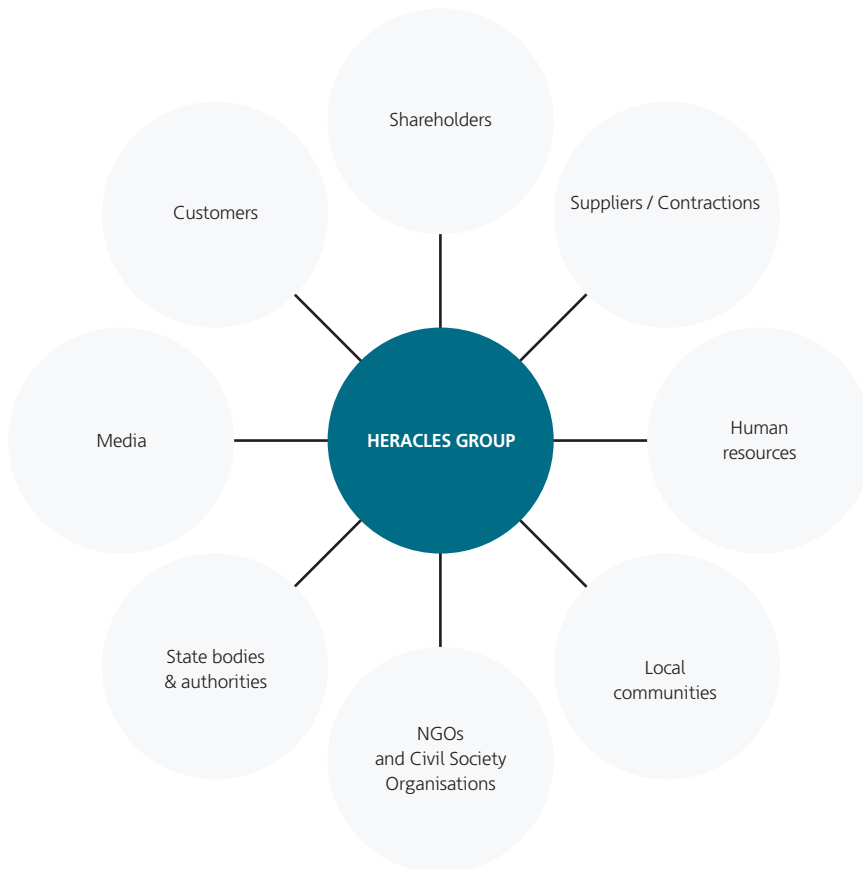
**As a responsible and active corporate citizen, with a long history and strong local roots, we make long-term investments in our business.** First, we invest in the Health and Safety of our employees, who are our most important asset. For neighbouring local communities, our business implies our duty for taking an active role in their socio-economic development, especially as a result of the economic crisis. Locally, this means improving and supporting access to health services, education and participation in programs of urban development and environmental conservation, creating business and maintaining jobs. These actions are implemented through close cooperation with local stakeholders, in a process where our employees have to contribute through volunteer programs that are consistent with our values.

To us, consultation with our local stakeholders is critical for achieving our business objectives and supports the implementation of our sustainability aspirations. Our commitment to local communities is supported by a methodology which focuses on awareness, dialogue and cooperation and is designed to create common value both for local stakeholders and for our business.

Our products - produced from local resources and available in the domestic and international markets - are important both for our economic development and for the development of the country. The development of our company is closely related to the local communities where we operate and the progress thereof. In this extremely adverse economic climate, we have made every effort to mitigate the effects of the market downturn on our business in the socio-economic role that our local stakeholders expect from us to realise in the regions where we operate.

## OUR STAKEHOLDERS

We have production, distribution and mining facilities throughout Greece and are commercially active throughout the country. The basis for identifying our stakeholders is to identify those that affect or are affected by our business. Our stakeholders include the employees and local communities in the regions where we operate, our customers, the extensive network of suppliers and contractors who work with us, the national, regional and local authorities that control and regulate our operations, our shareholders, NGOs and civil society organisations monitoring our performance with respect to the environment and social responsibility and the Media that record and present said performance.



## DIALOGUE WITH OUR STAKEHOLDERS

For the dialogue and cooperation with all groups of our abovementioned stakeholders, we have developed a structured approach to ensure that we can hear the stakeholders, learn from their feedback and respond to their expectations. The determination of stakeholders is part of our overall strategic planning, by the Chief Executive Officer and the Executive Committee by evaluating the impact and taking measures adjusted to each group of stakeholders.

The company's communication with stakeholders is systematic, interactive and in a manner that is appropriate for each group, such as various individual actions (e.g. Contacts with suppliers) and formal procedures (e.g. meetings with state and legislative authorities and local communities).

Specifically, respecting our commitments we continued communication with stakeholders throughout 2015. We were not limited to simply listening to the views, potential needs and demands of the stakeholders but also responded to as many of them as possible. Conducting consultations with stakeholders we received useful comments and information for improving the environmental performance of our plants and for clarifying the role of the company's facilities in the waste management system of the region. We notified our intentions and therefore the company and local communities found common ground regarding proper waste management.

At the same time, given the impact of the economic crisis in the wider Greek society, we developed synergies to relieve vulnerable social groups. In parallel, being fully aware of the

adverse economic condition of the Greek State, we actively supported the Police, the Fire Brigade and the Coast Guard in order to facilitate their efforts in exercising their service.

Finally, we strengthened our cooperation with scientific institutions such as the Technical Chamber of Greece and Universities by providing joint training and alignment of academic knowledge with the Greek industry. A typical example of these synergies is the creation of the innovative "oikiaLAVA", a product developed in collaboration with the Vegetable Crops Laboratory of the Faculty of Agriculture of AUTH, which provides solutions for household and urban vegetable cultivation.

### RELATIONS WITH LOCAL COMMUNITIES

Local committees of consultation with the stakeholders is the main pillar of our commitment at local level. In the plants of Volos and Milaki these meetings allow us to listen to our stakeholders, to learn from their feedback on our initiatives, to exchange views and to discuss with them the actions that are based on public interest and mutual understanding. Examples of initiatives supporting local development include, in many cases, contribution with our products, cement, aggregates and concrete to improve local infrastructure and for repairs to school buildings or other public spaces.

### BUILDING THE FUTURE ON SOLID FOUNDATIONS - WE LISTEN TO OUR PARTNERS' NEEDS

As part of the company's effort to listen to and effectively meet the needs of its business partners and end customers (professionals and individuals), in 2015 a series of actions were implemented, such as:

- "Blind" product testing, to determine what product properties are positively assessed by users of our products and to improve product performance in these.
- Customer satisfaction survey (through TNS ICAP, which cooperates with the parent company in many countries for similar studies) revealing the satisfaction factors and the intent to strengthen cooperation in the future.
- According to the survey results, the company in the Greek market achieves satisfaction levels that are marginally better than the world average and significantly better than most companies active in the cement market in Greece.
- Information sessions for updating on the properties of the company's products to provide business partners and product users with the knowledge required for choosing the most appropriate cement product, depending on the use (in terms of cost-efficiency, effectiveness etc.).
- Loyalty reward schemes to strengthen the relationship with the company and build a common dynamic course.

# BUILDING SUSTAINABLE CITIES

**We identified the main priorities** to address the challenge: helping to build cities that offer better infrastructure, energy efficiency and buildings that improve the quality of life.

## CASE STUDY

### RELEASE OF THE NEW "OIKIALAVA" PRODUCT

The cultivation of vegetables in urban environments is a popular practice in recent years. It is an innovative and efficient solution for the production of vegetables by consumers themselves who find in their cultivation a creative activity, while at the same time cover their own nutritional needs.

LAVA S.A. distributes to the Greek market enriched pumice in ready bags under the

trademark oikiaLAVA, intended for domestic use. The oikiaLAVA bag is a ready substrate for vegetable production at home, which only requires to add water during cultivation.

In December 2015 the oikiaLAVA bag was redesigned, based on feedback from the market and became smaller, handier and more attractive. The oikiaLAVA ready bag is sold across Greece by the network of LAVA associates.

## CASE STUDY

### USES OF PUMICE - INNOVATIVE STRUCTURAL SOLUTIONS

In the context of the successful completion of the "UrbanBioRoof" project, in September LAVA co-organised with the Agricultural University of Athens a two-day seminar on Urban Rooftops at the Conference Centre of the AUA.

During the seminar the works, the results and the conclusions of the relevant scientific project were presented to more than 150 representatives of the scientific community and the public.

The project Urban BioRoof, concerning the "Cooperation for the research & development of technologies for the selection and composition of substrates and plants for green roofs" was co-funded by European & National funds in the context of the Business Programs of Entrepreneurship and Competitiveness (EPAN II), and more precisely of the international Cooperation Program between China and Greece. The substrate mix used in all Research Works contained as main constituent the LAVA pumice stone, a material that contributes in the retaining of water and pollutants because of its porous composition.

During the seminar, participants were updated by the researchers themselves on the latest developments concerning the technology, installation, management and environmental contribution of green roofs.

Moreover, in an effort for the introduction of lightweight concrete with pumice into the National Concrete Regulation the current results of the research project "High Performance Structural lightweight concrete with Pumice stone" were presented during a conference, organised in EKET on 21 July 2015.

The project is implemented by the HERACLES Group (EKET, LAFARGE BETON and LAVA) in collaboration with the National Technical University of Athens (Laboratory of Reinforced Concrete) led by Associate Professor Christos Zeris.

The results so far prove the satisfactory behaviour of lightweight concrete with pumice in the manufacture of structural elements and highlight the advantages and limitations of its use compared to conventional concrete (lighter construction, enhanced thermal/acoustic insulation which improves the energy requirements of buildings and reduces CO2 emissions, reduction of the volume of concrete, reduction of reinforcement, increase of elastic deformation, etc.). The conference was attended by members of National Standardization Committees on construction materials, customers of AGET HERACLES and employees of the Company.

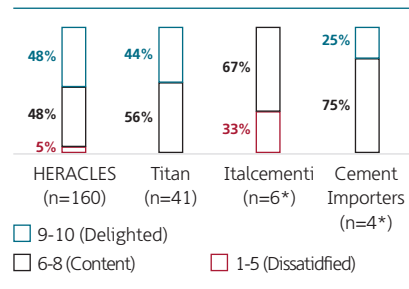
# SUSTAINABLE SUPPLY CHAIN

All employees receive introductory and regular training in business conduct and compliance issues while we ensure that our non-negotiable values are diffused across our supply chain and this is reflected in the Code of Conduct of our company.

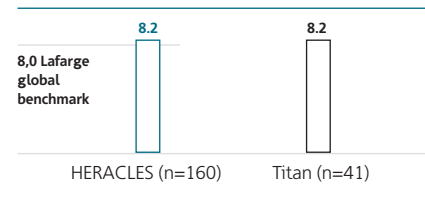
We prohibit the following practices and will not knowingly do business with any individual or company that participates in the following:

- Exploitation of children, including child labour
- Physical punishment
- Violence towards employees, specifically when based on gender, origin, religion or sexual orientation
- Forced or compulsory labour
- Unlawful discrimination in employment and hiring practices
- Provision of unsafe working conditions
- Salary payments (or deductions) that illegally leave the worker below minimum wage
- Illegal overtime regulations

Overall Satisfaction



Overall Satisfaction (Mean Scores)



## CASE STUDY

### PROGRAM ON HEALTHY EATING IN THE SCHOOLS OF MILOS AND NISYROS

The Company tries to maintain an active role in the socio-economic growth of communities around its plants, in an effort to add value to local initiatives, using its know-how, products, equipment and expertise.

The year 2015 was dedicated to healthy eating and LAVA, in cooperation with the Greek Society of Nutrition and rapporteur Dr. Dimitris Grigorakis clinical dietician - nutritionist, organised in April an informative educational program titled "Eat healthy, feel good" for the pupils of the junior high school, the senior high school and the Vocational Senior High School of Milos and the event was repeated in October for the pupils of Nisyros.

The program, attended by 400 persons, was held

in order to inform children about proper and balanced diet as a condition for health and for proper mental and physical development. Apart from presenting information, the event also included an interactive game on healthy diet, the completion of a personal anonymous questionnaire, drawing conclusions and forwarding them to the relevant bodies for statistical analysis and planting vegetables in oikiaLAVA bags. The presentations were followed by questions from participants. The events were also attended by representatives of the Local Authorities. A special booklet with basic advice on healthy eating was prepared for the program in cooperation with the Greek Society of Nutrition.



**FOCUS AREAS**

**CLIMATE CHANGE**

**FIGHTING CLIMATE CHANGE**

Page 33

**CO<sub>2</sub> EMISSIONS**

Page 34

**AIR EMISSIONS**

Page 35

**ENERGY**

Page 36

Sustainable business development has been our top priority for more than 10 years. Managing our environmental footprint essentially requires that we operate within clear limits and actions.

To this end, we improve CO<sub>2</sub> emissions from our production plants, optimise our carbon footprint while systematically monitor and limit pollutant emissions resulting from our activities.



# FIGHTING CLIMATE CHANGE

**Climate change is an important challenge for the 21st century and the building materials industry as a whole.**

The consumption of heat and electricity and the consumption of raw materials are fundamental resources for cement plants and the construction industry as a whole, a fact implying a significant impact on climate change. Over the years, our company has developed an integrated strategy for climate and energy. Our strategy on climate change and energy is focused on:

- Reduction of our direct emissions per tonne of cement produced with the use of alternative raw materials and fuels and with the design and development of production models and low carbon footprint products
- Control, monitoring and recording of our indirect emissions
- Contributing to the reduction of total emissions, with construction solutions aimed at improving the energy efficiency of buildings
- Promotion of responsible policies on energy and climate with the synergy of businesses and relevant state bodies.



# CO<sub>2</sub> EMISSIONS

**Cement production in fact implies CO<sub>2</sub> emissions, most of which are released during the clinker production process in the rotary kilns.**

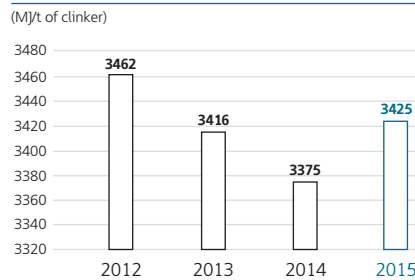
To reduce emissions, we focus on improving the energy efficiency of kilns, through the substitution of fossil fuels with fuel from industrial, household or agricultural waste and through the optimisation of the sintering process, reducing the Specific Heat Consumption (MJ/t of clinker) in rotary kilns, always according to the specific quality requirements of the clinker produced.

Additionally, we are focusing on the production of composite cements, using additives such as limestone, fly ash and pozzolan, to produce cements with lower carbon intensity, namely lower the clinker content of the final product.

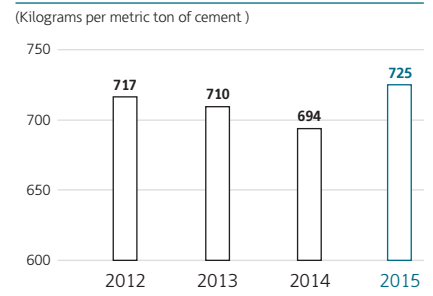
All these actions are guided of course by the circumstances and the particular requirements of the market. In this context, in 2015 there was a relative increase in Specific Heat Consumption, amounting to 3,425 MJ/t of clinker compared to 3,375 MJ/t of clinker in 2014. This increase was due to the high energy requirements of the produced clinker quality and the clinker content (%) of the final product.

Furthermore, in 2015 there was an increase of the specific emission factor kgCO<sub>2</sub>/t cem eq by 2.4% compared to the baseline year 1990 (725 versus 708 kgCO<sub>2</sub>/t cem eq). However, we achieved an increase in the substitution rate of conventional fuels, which in 2015 exceeded 16% compared to 12% in 2014.

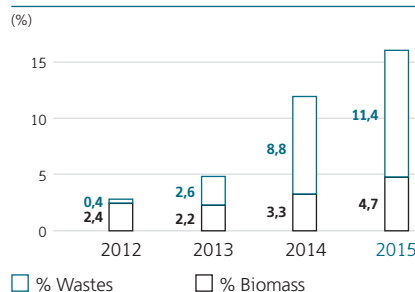
## Specific Heat Consumption per tonne of clinker



## Net CO<sub>2</sub> emissions per unit of product



## Origin of alternative fuels



# AIR EMISSIONS

Apart from the challenge of reducing greenhouse gas emissions, the legal framework for cement production, in full compliance with the requirements set by the Best Available Techniques (BAT), requires regular control and continuous monitoring of point emissions such as: dust, nitrogen oxides (NO<sub>x</sub>) and sulphur dioxide (SO<sub>2</sub>).

Point dust emissions from chimneys in 2015 remain extremely low, showing a further reduction of 64% compared to 2014.

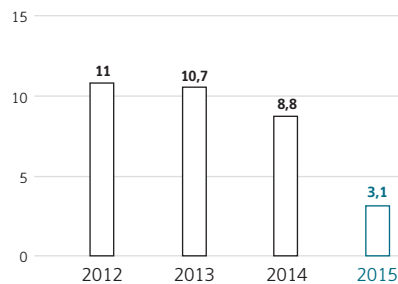
In 2015, NO<sub>x</sub> emissions were dramatically reduced by 50% compared to 2014, which is directly related to the increased substitution rate of conventional fuels.

In 2015, SO<sub>2</sub> emissions (195g/t of clinker) show a significant increase compared to 2014 (72g/t of clinker), as the result of the composition for the raw material mix for the production of clinker.

Apart from the point dust emissions that have been extremely reduced, fugitive dust emissions generated by the storage and handling of materials and internal vehicle traffic are also in the focus of control. Controlling the sources and implementing measures aimed at reducing fugitive dust emissions is high on the environmental priority agenda in all our units.

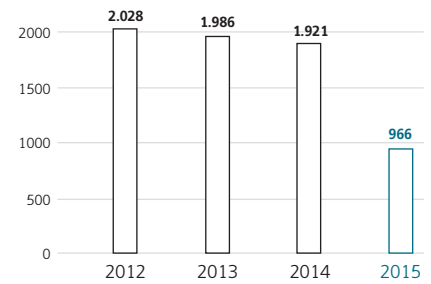
## Dust

(g/t clinker)



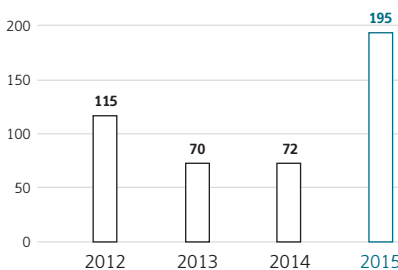
## NO<sub>x</sub>

(g/t clinker)



## SO<sub>2</sub>

(g/t clinker)

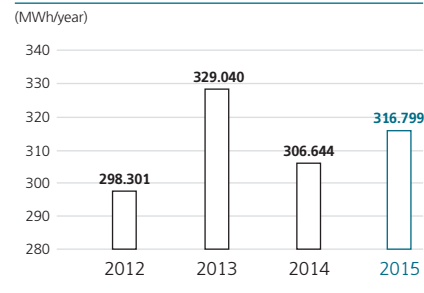


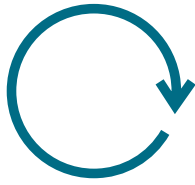
# ENERGY

**As we believe that our policies should not only be limited to targets for reducing CO<sub>2</sub> emissions, but should also promote energy efficiency and innovation throughout the value chain, especially in the construction industry, we focus - along with improving the energy performance of our plants - on the regulatory framework for the energy performance of buildings, in addition to the use of specific materials, hence creating fertile ground for innovation.**

Electricity consumption in cement production plants is monitored in order to optimise performance per production stage.

## Indirect energy consumption





**FOCUS AREAS**

# **CIRCULAR ECONOMY**

**ALTERNATIVE FUELS AND RAW MATERIALS**

Page 39

**WASTE MANAGEMENT**

Page 40

Our objective is to implement practices consistent with circular economy. In this context, we contribute to the preservation of natural resources by substituting raw materials and fuels with alternative materials and optimising water and waste management systems.

# ALTERNATIVE FUELS AND RAW MATERIALS



Biomass was 29% of all alternative fuels in 2015

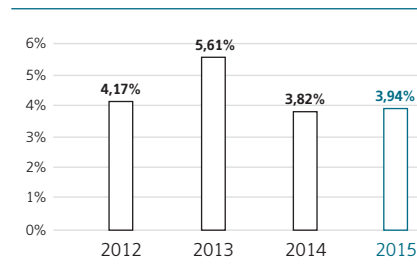
**The substitution of natural raw materials with alternative raw materials is a key driver in achieving sustainability.** In 2015 4% of the total raw materials used in cement production concern alternative raw materials, mainly by-products or industrial waste, being slightly increased compared to 2014.

Despite the adverse conditions regarding the authorisation of their use, we have made significant progress in the use of alternative fuels in recent years, reaching an average of 16% substitution rate in 2015. This led to a reduction of CO<sub>2</sub> by 33 thousand tonnes. The percentage of CO<sub>2</sub> emissions from alternative fuels amounted to 2.5%.

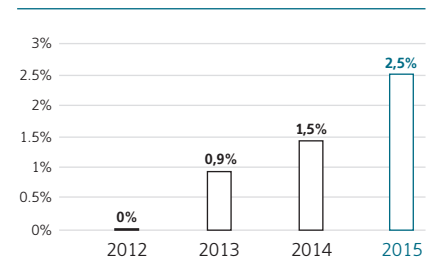
The use of treated waste as fuel in cement kilns reduces our environmental footprint, ensures long-term energy supply and improves the competitiveness of plants. It can also contribute to a more efficient and safe waste management, enhance local economy and create jobs.

At the same time, another important aspect of this program is the use of biomass as fuel. Biomass was 29% of all alternative fuels in 2015.

**Alternative Raw Materials rate of use**

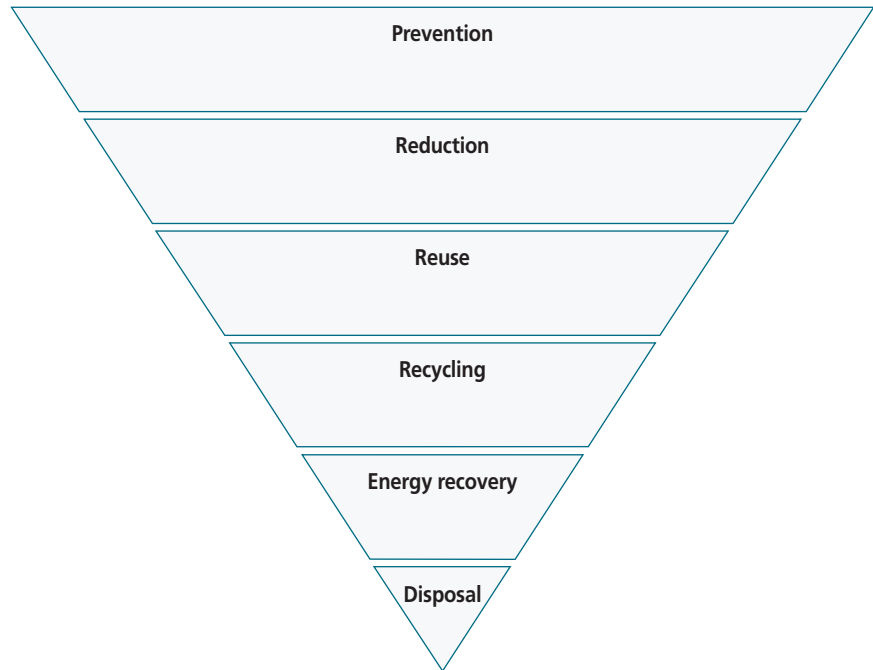


**Emissions (t CO<sub>2</sub>) % from alternative fuels**



# WASTE MANAGEMENT

The management of waste generated from our plants follows the rules of “sustainable waste management”.



In practice, this means that first the option of “internal management” is exhausted and then the method of disposal/management specified by law is implemented, in collaboration with the appropriate licensed contractors/subcontractors.

**Waste Table (AGET HERACLES)**

| Waste in tonnes | Hazardous (recycled) | Hazardous (incinerated) | Non-Hazardous (recycled) | Non-Hazardous (disposable) |
|-----------------|----------------------|-------------------------|--------------------------|----------------------------|
| 2015            | 20                   | 21                      | 802                      | 71                         |
| 2014            | 53                   | 28                      | 1,106                    | 69                         |





**FOCUS AREAS**

# **WATER AND NATURE**

**WATER**

Page 43

**BIODIVERSITY**

Page 44

We ensure the reduction of water usage to the minimum levels required, aiming at the minimum impact possible on the habitats in the areas where we operate. At the same time, we implement restoration programs for our quarries, restoring and enhancing biodiversity in our areas of action.

# WATER



25% reduction in water consumption

**Proper management of natural resources is a top priority for us, with water consumption being in the top of the list, as it is important, especially in the cement plants.**

Water consumption in cement production in 2015 amounted to 406,324 m<sup>3</sup> of water, being significantly lower than that of 2014, which amounted to 668,400 m<sup>3</sup>. This was achieved both through the desalination unit operating for the last four years in the plant of Milaki and the use of liquid waste in the plant of Volos from the adjacent soft drink factory of EPSA.

In both cement plants of Volos and Milaki a closed water recycling system operates thus significantly contributing to the reduction of the water footprint of the activity.

Consumption of surface or underground natural water is measured by water meters installed at pumping points, while the mains water consumption is recorded on the invoices of the municipal water companies.

The plant of Milaki and the LAVA quarry (pozzolan) in Milos have installed autonomous systems for the collection and use of rainwater. Rainwater is used for watering plants, spraying, washing and other activities and its available quantity depends on the annual rainfall.

## Water (HERACLES GROUP)

| Pumped water (m <sup>3</sup> ) | Ground water | Surface waters | Other  | Rainwater harvesting | Water consumption |
|--------------------------------|--------------|----------------|--------|----------------------|-------------------|
| 2015                           | 782,375      | 0              | 0      | 19,000               | 496,324           |
| 2014                           | 1,090,000    | 908,000        | 65,000 | 26,000               | 668,400           |
| 2013                           | 1,117,000    | 822,000        | 69,000 | 21,500               | 895,000           |

### CASE STUDY

#### REDUCING WATER CONSUMPTION, UTILISING LIQUID WASTE

For yet another year at the plant of Volos, natural water consumption was partly substituted with liquid waste from the adjacent soft drinks factory of EPSA (29,000 m<sup>3</sup> in 2015 compared to 27,000 m<sup>3</sup> in 2014). Meanwhile, in 2015, as every year since 2011 onwards, most of

the water for the production of cement in the plant of Milaki came from the desalination unit that has been installed for four years now. As a result, water consumption in cement production significantly decreased in 2015.

# BIODIVERSITY

**We recognise that the production of cement and aggregates depend on and significantly affect biodiversity and ecosystems in general.** However, restoration programs for quarrying areas, can restore and often upgrade biodiversity in these regions.

Since 2013, all (100%) sensitive quarries (aggregates and cement factories) have Biodiversity Management Plans while a program has been initiated for the implementation of Biodiversity Management Plans in other, non-sensitive quarries. As of 2014, the Biodiversity Program is implemented and Biodiversity Management Plans for non-sensitive quarries cover all aggregates quarries (100%) and 43% of the quarries of our cement plants.

## CASE STUDY

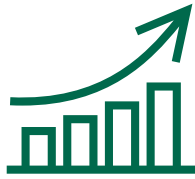
### QUARRY ON GYALI ISLAND

The HERACLES Group of Companies had always showed great awareness in environmental issues, undertaking initiatives to ensure that all its units are as environmentally friendly as possible, exceeding by far the legal requirements.

The gradual reduction, wherever possible, of the height of countertops to 5 metres, changing the final slope to improve both the reformation and the visual effect, the creation of nurseries to supply and cover the needs of all quarries with trees and shrubs of the local flora, are some of our well-established practices.

On Gyali island, where only people who work on the pumice quarry (owned by HERACLES Group) live, the company reformed an area exceeding 2,000m<sup>2</sup> in a vineyard with more than 500 vines producing both white and red wine, to improve the reformation and the visual effect and to create an additional incentive for employees.

The initiative was very well received by quarry workers, some of whom got involved in the keeping of the "local" vineyard in their spare time and were very proud of it.



# OUR PERFORMANCE

## **REPORT METHODOLOGY**

Page 47

## **ANNEX I: KEY PERFORMANCE INDICATORS**

Page 49

## **ANNEX II: GRI TABLE**

Page 52

## **ANNEX III: GREEK SUSTAINABILITY CODE – COMPLIANCE TABLE**

Page 56

This Report is the seventh Sustainability Report of AGET HERACLES, after the previous Sustainability Report for year 2014. The report covers the period between 01/01/2015 - 31/12/2015 and meets the requirements of «In accordance - Comprehensive” reporting guidelines of the Global Reporting Initiative (GRI-G4). The company issues a Sustainability Report annually.

# REPORT METHODOLOGY

## SCOPE AND BOUNDARIES

The Report covers the company's business in Greece as a whole. The Group's subsidiaries are presented on p. 22-23 of the 2015 Annual Financial Report, which is available on the company website.

## SIGNIFICANT CHANGES

On 10.07.2015, the merger of Lafarge and Holcim companies was completed, resulting in the creation of the new LafargeHolcim Group. More information on p. 38 of the 2015 Annual Financial Report.

Due to this change the material aspects of AGET HERACLES were revised, taking into account the material aspects of the LafargeHolcim Group.

## METHODOLOGY

The 2015 Sustainability Report of AGET HERACLES was prepared in accordance with the latest guidelines of the Global Reporting Initiative (guidelines GRI-G4) and meets the requirements on "Comprehensive option". As regards the definition of the Report's content, the company's sustainability team has assessed as material aspects all those that have a significant impact on the company and are important to major stakeholder groups (shareholders, employees, customers, suppliers and local communities). These material aspects, as confirmed by the Administrative Committee, are the contents of the Sustainability Report.

## SOURCES OF INFORMATION

The data required for the preparation of the key performance indicators used in the entire AGET HERACLES Group is collected in accordance with the procedures of AGET HERACLES and in accordance with reporting standards and the GRI-G4 guidelines. We use the revised 3rd edition of the CSI Protocol (1\*) to calculate CO<sub>2</sub> emissions from the baseline year of 1990 up to the year of the current report. Other data on our environmental performance are collected according to the procedures of the Environmental Department of AGET HERACLES. Data on Health & Safety and Human Resources are the responsibility of the respective Departments. The financial data contained in the report is in full compliance with the information contained in the 2015 Financial Report of the company (available on the company website under Investor Relations/Financial Information). This data, as well as additional information on the products and services of the company, are detailed on the website: [www.lafarge.gr](http://www.lafarge.gr)

(1\*) <http://wbcsdcement.org/index.php/en/key-issues/climate-protection/co-accounting-and-reporting-standard-for-the-cement-industry>

## PROJECT TEAM

A special team of executives from the relevant departments was created to prepare the report under the supervision of the sustainability department. The primary task of the team was to gather the information required regarding the areas of Corporate Social Responsibility and Sustainable Development in AGET HERACLES. The Corporate Responsibility team members that cooperated for this edition, are:

- Coordinators: Varvara Georgalli, Evi Ioannidou

The 2015 Corporate Social Responsibility and Sustainable Development Report was compiled with the support and scientific guidance of

consultant Mr Giorgos Iliopoulos, specialising in Corporate Responsibility and Sustainable Development issues.

## EXTERNAL VERIFICATION

In AGET HERACLES we recognise the added value of external assurance of the disclosed data, information and performance indicators (KPI) contained in our sustainability reports and we believe that this process enhances both the accountability and credibility of the company towards our stakeholders. Assurance is provided in various ways. The departments of Environment, Health and Safety and Human Resources perform internal audits, for the cohesion and cross-check of the data supplied by the plants and other units of the company. AGET HERACLES Group collects, consolidates, audits and validates the data that contribute to the performance indicators of the HERACLES Group, which are included in the Group's Report. The above are carried out by the Technical Centres of AGET HERACLES. Moreover, independent auditors provide external validation and ensure the following information submitted to the LafargeHolcim group: frequency of lost time accidents, compliance with the competition policy, training in the methodology of relationship management with stakeholders, percentage of women in senior management positions, environmental controls, quarries restoration, CO<sub>2</sub>, dust, NO<sub>x</sub>, SO<sub>2</sub> emissions and water consumption. This process is carried out based on the consolidated figures and ratios of the Group and not at national level.

## CONTACT POINT

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# ANNEX I

## KEY PERFORMANCE INDICATORS

### BUILDING COMMUNITIES

|  | Unit   | 2013 | 2014   | 2015                 | Scope                            |             |
|--|--|------|--------|----------------------|----------------------------------|-------------|
| <b>Health and Safety</b>               |  |      |        |                      |                                  |             |
| <b>Fatalities</b>                      | Fatalities (directly employed)   | #    | 0      | 1                    | 0                                | Cement, A&C |
|  | Fatalities (indirectly employed)   | #    | 0      | 0                    | 0                                | Cement, A&C |
|  | Fatalities (3rd party)   | #    | 0      | 0                    | 0                                | Cement, A&C |
| <b>Lost Time Injuries</b>              | Lost Time Injuries (directly employed)   | #    | 0      | 0                    | 0                                | Cement      |
|  |  | #    | 0      | 1                    | 0                                | A&C         |
|  | Lost Time Injuries (indirectly employed - contractors and sub-contractors on site) | #    | 2      | 2                    | 3                                | Cement      |
|  |  | #    | 0      | 0                    | 0                                | A&C         |
|  | Lost time injury frequency rate (directly employed)                                | %    | 0      | 0.72                 | 0                                | Cement      |
|  |  | %    | 0      | 2.7                  | 0                                | A&C         |
|  | Lost time injury severity rate   | %    | 0.11   | 0.26                 | 0                                | Cement      |
|  |  |      | 0      | 0.12                 | 0                                | A&C         |
| <b>General</b>                         | Near misses  | c    | 307    | 312                  | 262                              | Cement, A&C |
| <b>Employee Diversity &amp; Skills</b> |  |      |        |                      |                                  |             |
|  |  |      |        | M: males, F: females |                                  |             |
| <b>Workforce</b>                       | Total Headcount  | #    | 831    | 705                  | 645 (558M, 87F)                  | Cement      |
|  |  |      | 142    | 130                  | 123 (108M, 15F)                  | A&C         |
|  | Employees with full time contracts   | %    | 100    | 99.88                | 99.87 (99,85M, 100F)             | Cement, A&C |
|  | Part-time employees  | #    | 0      | 1                    | 1 (0,15M, 100F)                  | Cement, A&C |
|  | Number of employees under collective labor agreements                              | #    | 100    | 643                  | 574 (515M, 59F)                  | Cement, A&C |
|  | Number of strikes and lock-outs exceeding one week's duration                      | #    | 0*     | 0*                   | 0                                | Cement, A&C |
|  | Employees under the age of 30  | #    | 33     | 28                   | 27 (20M, 7F)                     | Cement      |
|  |  | #    | 7      | 5                    | 4 (4M, 0F)                       | A&C         |
|  | Employees between 30 and 50  | #    | 501    | 440                  | 388 (328M, 60F)                  | Cement      |
|  |  | #    | 114    | 106                  | 97 (83M, 14F)                    | A&C         |
| Employees above 50                     | #  | 297  | 237    | 230 (210M, 20F)      | Cement                           |             |
|  |  | 21   | 19     | 22 (21M, 1F)         | A&C                              |             |
| <b>Turnover</b>                        | Employee turnover rate   | %    | 23.54  | 18.92                | 11.33 (12,16%M, 6,86%F)          | Cement, A&C |
|  | Hirings  | #    | 16     | 20                   | 20 (15M, 5F AGE:<30=7, 31-50=13) | Cement, A&C |
|  | Resignations   | #    | 4      | 6                    | 5 (3M, 2F)                       | Cement, A&C |
|  | Retirements  | #    | 3      | 15                   | 11 (10M, 1F)                     | Cement, A&C |
|  | Early Retirements  | #    | 131    | 61                   | 29 (26M, 3F)                     | Cement, A&C |
|  | Dismissals   | #    | 89     | 74                   | 41 (41M)                         | Cement, A&C |
| <b>Employees by region</b>             | North Greece   | #    | 333    | 306                  | 296 (273M, 23F)                  | Cement, A&C |
|  | Central Greece   | #    | 351    | 248                  | 204 (191M, 13F)                  | Cement, A&C |
|  | Attica   | #    | 212    | 208                  | 197 (132M, 65F)                  | Cement, A&C |
|  | Aegean Islands & Crete   | #    | 77     | 73                   | 71 (70M, 1F)                     | Cement, A&C |
|  | Others   | #    | 0      |                      | -                                | Cement, A&C |
|  | Total  | #    | 973    | 835                  | 768 (666M, 102F)                 | Cement, A&C |
| <b>Training and skills development</b> | Total hours of training  | #    | 15,200 | ,053                 | 9887 (8240M, 102F)               | Cement, A&C |
|  | Average number of hours of training for management staff                           | #    | 28.1   | 18.57                | 28,4 (23,7M, 4,7F)               | Cement      |
|  |  |      | 48.8   | 30.4                 | 20,8 (17,4M, 3,4F)               | A&C         |
|  | Average number of hours of training for non-management staff                       | %    | 11     | 8,92                 | 9,1 (7,6M, 1,5F)                 | Cement      |
|  |  | 13.1 | 11.3   | 8,8 (7,4M, 1,4F)     | A&C                              |             |

|   | Unit | 2013    | 2014    | 2015         | Scope         |
|---|------|---------|---------|--------------|---------------|
| Amount spent on training  | k €  | 190     | 125.9   | 87.6         | Cement, A&C   |
| Managers who had an annual performance review   | %    | 100     | 100     | 100          | Cement<br>A&C |
| Non managers who had an annual performance review   | %    | 0       | 0       | 0            | Cement, A&C   |
| <b>Diversity</b>  |      |         |         |              |               |
| Female share of total workforce   | %    | 11.4    | 12.3    | 13.28        | Cement, A&C   |
| Women in senior management positions  | %    | 29      | 29      | 28           | Cement, A&C   |
| Disabled people employed  | #    | -       | -       | 18 (15A, 3F) | Cement, A&C   |
| <b>Economic Development &amp; Governance</b>  |      |         |         |              |               |
| <b>Economic Performance</b>   |      |         |         |              |               |
| Total revenue (turnover)  | m €  | 235.2   | 236.5   | 247.2        | Cement, A&C   |
| Net profit / (Losses) – after taxes   | m €  | (136.3) | (40.7)  | (18.4)       | Cement, A&C   |
| Operating cost (cost of sales & administrative and distribution expenses)                     | m €  | (286.3) | (260.9) | (255.7)      | Cement, A&C   |
| Total assets  | m €  | 549.3   | 537.5   | 514.6        | Cement, A&C   |
| Total payments to governmental bodies<br>(total of indirect and direct taxes paid)            | m €  | 14.5    | 12.5    | 11.2         | Cement, A&C   |
| Total investments   | m €  | 7.7     | 4.9     | 6.0          | Cement, A&C   |
| <b>Socio-Economic results</b>   |      |         |         |              |               |
| Employee wages and benefits<br>(total personnel expenses)                                     | m €  | -       | 50      | 46.6         | Cement, A&C   |
| Social contributions (financial & products)   | m €  | 0.3     | 0.1     | 0.2          | Cement, A&C   |
| <b>Code of Business</b>   |      |         |         |              |               |
| Political contributions   | m €  | 0       | 0       | 0            | Cement, A&C   |
| Ongoing antitrust main litigations  | #    | 0       | 0       | 0            | Cement, A&C   |
| Amount of financial provisions made for pending<br>or in anticipation of antitrust litigation | #    | 0       | 0       | 0            | Cement, A&C   |

## BUILDING THE CIRCULAR ECONOMY

|   | Unit | 2013   | 2014   | 2015   | Scope  |
|---|------|--------|--------|--------|--------|
| <b>CO<sub>2</sub> and other emissions</b>   |      |        |        |        |        |
| <b>CO<sub>2</sub> emissions</b>   |      |        |        |        |        |
| Total CO <sub>2</sub> emissions (net)   | k t  | 2,366  | 2,332  | 2,246  | Cement |
| CO <sub>2</sub> emissions per unit of product (gross & net)                                   | kg/t | 710    | 694    | 725    | Cement |
| The sum of indirect GHG emissions identified in tons<br>of CO <sub>2</sub> equivalent         | t    | 42,000 | 41,700 | 39,900 | Cement |
| <b>Air emissions</b>  |      |        |        |        |        |
| Total NOx emissions   | t    | 5,608  | 5,520  | 2,664  |        |
| Specific NOx emissions  | gr/t | 1,986  | 1,921  | 966    | Cement |
| Total SO <sub>2</sub> emissions   | t    | 196    | 206    | 537    | Cement |
| Specific SO <sub>2</sub> emissions  | gr/t | 70     | 72     | 195    | Cement |
| Total Stack Dust emissions  | t    | 30.3   | 25.4   | 8.7    | Cement |
| Specific Stack Dust emissions   | gr/t | 10.7   | 8.8    | 3.1    | Cement |
| The emissions of specific ozone-depleting substances<br>in tons and tons of CFC-11 equivalent | t    | 0      | 0      | 0      | Cement |

## BUILDING THE CIRCULAR ECONOMY

|   |  | Unit           | 2013      | 2014      | 2015             | Scope       |
|---|--|----------------|-----------|-----------|------------------|-------------|
| <b>Energy Consumption and Resource Management</b> |  |                |           |           |                  |             |
| <b>Energy efficiency</b>                          | Direct energy consumption by primary energy source   | GJ             | 9,641,500 | 9,696,600 | <b>9,446,410</b> | Cement      |
|   | coal   | GJ             | 946,700   | 823,100   | <b>259,250</b>   | Cement      |
|   | petcoke  | GJ             | 8,103,900 | 7,584,800 | <b>7,546,337</b> | Cement      |
|   | oil  | GJ             | 31,800    | 26,100    | <b>33,482</b>    | Cement      |
|   | natural gas  | GJ             | 91,500    | 106,700   | <b>85,254</b>    | Cement      |
|   | biomass  | GJ             | 214,400   | 270,000   | <b>231,225</b>   | Cement      |
|   | Other alternatives   | GJ             | 253,200   | 885,900   | <b>1,290,862</b> | Cement      |
|   | Indirect Energy Consumption - Electricity purchased  | MWh            | 329,040   | 312,992   | <b>316,799</b>   | Cement      |
| Clinker Intensity                                 | %  | 74.3           | 69        | <b>79</b> | Cement           |             |
| <b>Fuels</b>                                      | Consumption of fuels   | kt             | 325       | 324.3     | <b>325.7</b>     | Cement      |
| <b>Alternative fuels</b>                          | Alternative fuels<br>(Consumption of alternative fuels as % of thermal consumption)                        | %              | 4.85      | 12.1      | <b>16</b>        | Cement      |
| <b>Materials</b>                                  | Quantity of quarried material  | kt             | 4,387     | 4,547     | <b>4,800</b>     | Cement      |
|   | Alternative raw materials rate (consumption of alternative materials as % of total raw materials consumed) | %              | 13.9      | 12        | <b>7</b>         | Cement      |
|   | Consumption of raw material  | kt             | 4,160     | 4,490     | <b>5,137</b>     | Cement      |
| <b>Waste</b>                                      | Hazardous (oils, grease) - recycled  | t              | 62        | 53        | <b>22</b>        | Cement      |
|   | Hazardous (contaminated rags etc) - incinerated  | t              | 16        | 28        | <b>21</b>        | Cement      |
|   | Non hazardous - recycled   | t              | 1,151     | 1,106     | <b>802</b>       | Cement      |
|   | Non hazardous - disposed   | t              | 86        | 69        | <b>71</b>        | Cement      |
| <b>Natural Resources</b>                          |  |                |           |           |                  |             |
| <b>Biodiversity</b>                               | Quarries with a rehabilitation plan compliant with Lafarge standards                                       | #              | 14        | 14        | <b>14</b>        | Cement      |
|   | 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                             | #              | 23        | 23        | <b>23</b>        | Cement, A&C |
|   |  | #              | 3         | 3         | <b>3</b>         | Cement      |
|   |  | #              | 5         | 5         | <b>5</b>         | A&C         |
| <b>Environmental expenses</b>                     | Environment capital expenditure  | k €            | 463       | 230       | <b>310</b>       | Cement      |
|   | Environment operating expense  | k €            | 853       | 934       | <b>999</b>       | Cement      |
| <b>Water</b>                                      | Total water withdrawal from ground water   | m <sup>3</sup> | 1,117,000 | 1,089,845 | <b>782.375</b>   | Cement, A&C |
|   | Total water withdrawal from open water (surface water)   | m <sup>3</sup> | 822,000   | 908,054   | <b>0</b>         | Cement, A&C |
|   | Total water withdrawal from other sources  | m <sup>3</sup> | 69,000    | 65,418    | <b>0</b>         | Cement, A&C |
|   | Rainwater harvested  | m <sup>3</sup> | 21,500    | 15,322    | <b>19,000</b>    | Cement, A&C |
|   | Quantity of water consumed   | m <sup>3</sup> | 895,000   | 668,383   | <b>496.324</b>   | Cement, A&C |
|   | Sites equipped with a water recycling system   | #              | 2         | 2         | <b>2</b>         | Cement      |
| <b>Verification</b>                               | Sites (in terms of revenues) audited as part of our Environmental Management System                        | #              | 2         | 2         | <b>2</b>         | Cement      |
|   | Monetary value of significant fines for non-compliance with environmental laws and regulations             | €              | 9,716     | 1,024     | <b>0</b>         | Cement      |

## ANNEX II

# GRI TABLE

### GENERAL STANDARD DISCLOSURE

| General Standard Disclosure                       | ISO 26000                     | Page number or reference / note   | Reasons for omission | External assurance |
|---|-------------------------------|---|----------------------|--------------------|
| <b>STRATEGY AND ANALYSIS</b>                      |                               |   |                      |                    |
| G4-1  | 4.7, 6.2, 7.4.2               | Page 4  | -                    | -                  |
| G4-2  |                               | Page 8-9, 11, Annual Financial Report 2015 pages 83-85  | -                    | -                  |
| <b>ΠΡΟΦΙΛ ΟΡΓΑΝΙΣΜΟΥ</b>                          |                               |   |                      |                    |
| G4-3  | 6.3.10,                       | Page 5  | -                    | -                  |
| G4-4  | 6.4.1-6.4.2,<br>6.4.3, 6.4.4, | Page 5, www.lafarge.gr  | -                    | -                  |
| G4-5  | 6.4.5, 6.8.5, 7.8             | Page 48, Annual Financial Report 2015 page 38   | -                    | -                  |
| G4-6  |                               | Page 5  | -                    | -                  |
| G4-7  |                               | Page 5, Annual Financial Report 2015 pages 25, 38   | -                    | -                  |
| G4-8  |                               | Page 5  | -                    | -                  |
| G4-9  |                               | Pages 5, 49-50  | -                    | -                  |
| G4-10   |                               | Pages 16, 49  | -                    | -                  |
| G4-11   |                               | Page 16   | -                    | -                  |
| G4-12   |                               | Sustainability Report 2014 page 35, <a href="http://www.lafarge.gr/Infographic_Supply_Chain_2013.pdf">http://www.lafarge.gr/Infographic_Supply_Chain_2013.pdf</a> | -                    | -                  |
| G4-13   |                               | Pages 8, 47, Annual Financial Report 2015 page 38   | -                    | -                  |
| G4-14   |                               | Page 40   | -                    | -                  |
| G4-15   |                               | Pages 12-13   | -                    | -                  |
| G4-16   |                               | Pages 12-13   | -                    | -                  |
| <b>IDENTIFIED MATERIAL ASPECTS AND BOUNDARIES</b> |                               |   |                      |                    |
| G4-17   | 5.2, 7.3.2, 7.3.3,            | Annual Financial Report 2015 pages 69-70  | -                    | -                  |
| G4-18   | 7.3.4                         | Pages 10-13   | -                    | -                  |
| G4-19   |                               | Page 11   | -                    | -                  |
| G4-20   |                               | Page 11   | -                    | -                  |
| G4-21   |                               | Page 11   | -                    | -                  |
| G4-22   |                               | There were no restatements  | -                    | -                  |
| G4-23   |                               | There are no changes  | -                    | -                  |
| <b>STAKEHOLDER ENGAGEMENT</b>                     |                               |   |                      |                    |
| G4-24   | 5.3                           | Pages 26-28   | -                    | -                  |
| G4-25   |                               | Pages 26-28   | -                    | -                  |
| G4-26   |                               | Pages 26-28   | -                    | -                  |
| G4-27   |                               | Pages 8-13, 26-28   | -                    | -                  |
| <b>REPORT PROFILE</b>                             |                               |   |                      |                    |
| G4-28   | 7.5.3, 7.6.2                  | Page 46   | -                    | -                  |
| G4-29   |                               | Page 46   | -                    | -                  |
| G4-30   |                               | Page 46   | -                    | -                  |
| G4-31   |                               | Page 48   | -                    | -                  |
| G4-32   |                               | Pages 47-48, 52-55  | -                    | -                  |
| G4-33   |                               | Page 48   | -                    | -                  |
| <b>GOVERNANCE</b>                                 |                               |   |                      |                    |
| G4-34   | 6.2, 7.4.3, 7.7.5             | Pages 11-12, Annual Financial Report 2015 pages 11-13, 17-22  | -                    | -                  |
| G4-35   |                               | Pages 11-12, 48, Annual Financial Report 2015 pages 7-9   | -                    | -                  |
| G4-36   |                               | Pages 11-12, 48, Annual Financial Report 2015 pages 7-9   | -                    | -                  |
| G4-37   |                               | Pages 26-28   | -                    | -                  |

| General Standard Disclosure | ISO 26000  | Page number or reference / note  | Reasons for omission  | External assurance |   |
|-----------------------------|--|--|---|--------------------|---|
| G4-38                       | 6.2, 7.4.3, 7.7.5  | Annual Financial Report 2015 pages 17-19   | -   | -                  |   |
| G4-39                       |  | Annual Financial Report 2015 pages 17-19   | -   | -                  |   |
| G4-40                       |  | Annual Financial Report 2015 page 19   | -   | -                  |   |
| G4-41                       |  | Annual Financial Report 2015 pages 12-17, Code of Business Conduct<br><a href="http://www.lafarge.gr/GR_gr_LH_CoBC_Brochure_A4-223_(1).pdf">http://www.lafarge.gr/GR_gr_LH_CoBC_Brochure_A4-223_(1).pdf</a>              | -   | -                  |   |
| G4-42                       |  | Pages 8-12   | -   | -                  |   |
| G4-43                       |  | Pages 8-12   | -   | -                  |   |
| G4-44                       |  | Annual Financial Report 2015 pages 6-9   | -   | -                  |   |
| G4-45                       |  | Pages 26-28, Annual Financial Report 2015 pages 6-9  | -   | -                  |   |
| G4-46                       |  | Pages 8-13, Annual Financial Report 2015 pages 12-13   | -   | -                  |   |
| G4-47                       |  | Pages 8-13, Annual Financial Report 2015 pages 12-13   | -   | -                  |   |
| G4-48                       |  | Pages 4, 8-13, 48, Annual Financial Report 2015 pages 12-13  | -   | -                  |   |
| G4-49                       |  | Pages 26-28, Annual Financial Report 2015 pages 14-16, Code of Business Conduct<br><a href="http://www.lafarge.gr/GR_gr_LH_CoBC_Brochure_A4-223_(1).pdf">http://www.lafarge.gr/GR_gr_LH_CoBC_Brochure_A4-223_(1).pdf</a> | -   | -                  |   |
| G4-50                       |  | Pages 11, 26-28, No incident   | -   | -                  |   |
| G4-51                       |  | Annual Financial Report 2015 page 101  | -   | -                  |   |
| G4-52                       |  | Annual Financial Report 2015 page 101  | -   | -                  |   |
| G4-53                       |  | There is no such a process regarding compensation policy   | -   | -                  |   |
| G4-54                       |  | -  | Currently not available information. The data will be collected during next reporting period. | -                  |   |
| G4-55                       |  | -  | Currently not available information. The data will be collected during next reporting period. | -                  |   |
| <b>ETHICS AND INTEGRITY</b> |  |  |   |                    |   |
| G4-56                       |  | 4.4, 6.6.3   | Pages 8-12  | -                  | - |
| G4-57                       | Code of Business Conduct <a href="http://www.lafarge.gr/GR_gr_LH_CoBC_Brochure_A4-223_(1).pdf">http://www.lafarge.gr/GR_gr_LH_CoBC_Brochure_A4-223_(1).pdf</a>   |  | -   | -                  |   |
| G4-58                       | Code of Business Conduct <a href="http://www.lafarge.gr/GR_gr_LH_CoBC_Brochure_A4-223_(1).pdf">http://www.lafarge.gr/GR_gr_LH_CoBC_Brochure_A4-223_(1).pdf</a><br>Annual Financial Report 2015 page 11 |  | -   | -                  |   |

## SPECIFIC STANDARD DISCLOSURES

| Management approach and performance indicators | ISO 26000                     | Page number or reference / note  | Reasons for omission | External assurance |
|--|-------------------------------|--|----------------------|--------------------|
| <b>CATEGORY: ENVIRONMENTAL</b>                 |                               |  |                      |                    |
| <b>Energy</b>                                  |                               |  |                      |                    |
| <b>G4-DMA</b>                                  | 6, 7.3.1, 7.4.3, 7.7.3, 7.7.5 | Pages 32-36, 36-39, Environmental Policy<br><a href="http://www.lafarge.gr/Environmental_Policy_Heracles_Lafarge_2014.pdf">http://www.lafarge.gr/Environmental_Policy_Heracles_Lafarge_2014.pdf</a>        | -                    | -                  |
| <b>G4-EN3</b>                                  | 6.5.4                         | Pages 33-34, 36, 39, 50-51   | -                    | -                  |
| <b>G4-EN4</b>                                  |                               | Pages 33-34, 36, 39, 50-51   | -                    | -                  |
| <b>G4-EN5</b>                                  |                               | Pages 33-34, 36, 39, 50-51   | -                    | -                  |
| <b>G4-EN6</b>                                  | 6.5.4, 6.5.5                  | Pages 33-34, 36, 39, 50-51   | -                    | -                  |
| <b>G4-EN7</b>                                  |                               | Pages 33-34, 36, 39, 50-51   | -                    | -                  |
| <b>Water</b>                                   |                               |  |                      |                    |
| <b>G4-DMA</b>                                  | 6, 7.3.1, 7.4.3, 7.7.3, 7.7.5 | Pages 42-43, 50-51, Environmental Policy<br><a href="http://www.lafarge.gr/Environmental_Policy_Heracles_Lafarge_2014.pdf">http://www.lafarge.gr/Environmental_Policy_Heracles_Lafarge_2014.pdf</a>        | -                    | -                  |
| <b>G4-EN8</b>                                  | 6.5.4                         | Pages 42-43, 50-51   | -                    | -                  |
| <b>G4-EN9</b>                                  |                               | Pages 42-43, 50-51   | -                    | -                  |
| <b>G4-EN10</b>                                 |                               | Pages 42-43, 50-51   | -                    | -                  |
| <b>Biodiversity</b>                            |                               |  |                      |                    |
| <b>G4-DMA</b>                                  | 6, 7.3.1, 7.4.3, 7.7.3, 7.7.5 | Pages 42, 44, 51, Environmental Policy<br><a href="http://www.lafarge.gr/Environmental_Policy_Heracles_Lafarge_2014.pdf">http://www.lafarge.gr/Environmental_Policy_Heracles_Lafarge_2014.pdf</a>          | -                    | -                  |
| <b>G4-EN11</b>                                 | 6.5.6                         | Pages 42, 44, 51   | -                    | -                  |
| <b>G4-EN12</b>                                 |                               | Pages 42, 44, 51   | -                    | -                  |
| <b>G4-EN13</b>                                 |                               | Pages 42, 44, 51   | -                    | -                  |
| <b>G4-EN14</b>                                 |                               | Pages 42, 44, 51   | -                    | -                  |
| <b>MM1</b>                                     |                               | Pages 51   | -                    | -                  |
| <b>MM2</b>                                     |                               | Pages 51   | -                    | -                  |
| <b>Emissions</b>                               |                               |  |                      |                    |
| <b>G4-DMA</b>                                  | 6, 7.3.1, 7.4.3, 7.7.3, 7.7.5 | Pages 32-36, 37-38, 50-51, Environmental Policy<br><a href="http://www.lafarge.gr/Environmental_Policy_Heracles_Lafarge_2014.pdf">http://www.lafarge.gr/Environmental_Policy_Heracles_Lafarge_2014.pdf</a> | -                    | -                  |
| <b>G4-EN15</b>                                 | 6.5.5                         | Pages 32-34, 39, 50-51   | -                    | -                  |
| <b>G4-EN16</b>                                 |                               | Pages 32-34, 39, 50-51   | -                    | -                  |
| <b>G4-EN17</b>                                 |                               | Pages 32-34, 39, 50-51   | -                    | -                  |
| <b>G4-EN18</b>                                 |                               | Pages 32-34, 39, 50-51   | -                    | -                  |
| <b>G4-EN19</b>                                 |                               | Pages 32-34, 39, 50-51   | -                    | -                  |
| <b>G4-EN21</b>                                 | 6.5.3                         | Pages 32-34, 39, 50-51   | -                    | -                  |
| <b>Effluents and waste</b>                     |                               |  |                      |                    |
| <b>G4-DMA</b>                                  | 6, 7.3.1, 7.4.3, 7.7.3, 7.7.5 | Pages 36-38, 50-51, Environmental Policy<br><a href="http://www.lafarge.gr/Environmental_Policy_Heracles_Lafarge_2014.pdf">http://www.lafarge.gr/Environmental_Policy_Heracles_Lafarge_2014.pdf</a>        | -                    | -                  |
| <b>G4-EN22</b>                                 | 6.5.3, 6.5.4                  | Pages 38-40, 50-51   | -                    | -                  |
| <b>G4-EN23</b>                                 | 6.5.3                         | Pages 38-40, 50-51   | -                    | -                  |
| <b>G4-EN24</b>                                 |                               | Pages 38-40, 50-51   | -                    | -                  |
| <b>G4-EN25</b>                                 |                               | Pages 38-40, 50-51   | -                    | -                  |
| <b>G4-EN26</b>                                 | 6.5.3, 6.5.4, 6.5.6           | Pages 38-40, 50-51   | -                    | -                  |

| Management approach and & performance indicators           | ISO 26000                     | Page number or reference / note  | Reasons for omission  | External assurance |
|--|-------------------------------|--|---|--------------------|
| <b>LABOUR PRACTICES AND DECENT WORK</b>                    |                               |  |   |                    |
| <b>Employment</b>  |                               |  |   |                    |
| G4-DMA   | 6, 7.3.1, 7.4.3, 7.7.3, 7.7.5 | Pages 15-17, 49-50   | -   | -                  |
| G4-LA1   | 6.4.3                         | Pages 16, 49-50  | -   | -                  |
| G4-LA2   | 6.4.4, 6.8.7                  | Pages 22   | -   | -                  |
| G4-LA3   | 6.4.4                         | Pages 22   | -   | -                  |
| <b>Occupational Health and Safety</b>                      |                               |  |   |                    |
| G4-DMA   | 6, 7.3.1, 7.4.3, 7.7.3, 7.7.5 | Pages 15-21  | -   | -                  |
| G4-LA5   | 6.4.6                         | A Health and Safety committee operates at the company and informs the highest governance body for issues covering all employees.   | -   | -                  |
| G4-LA6   | 6.4.6, 6.4.8                  | Pages 17-19, 49  | -   | -                  |
| G4-LA7   | 6.4.4                         | Pages 17-19, 49  | -   | -                  |
| G4-LA8   | -                             | -  | Not available: Due to merger of Lafarge and Holcim, this data will be available by next reporting period. | -                  |
| <b>Training and education</b>                              |                               |  |   |                    |
| G4-DMA   | 6, 7.3.1, 7.4.3, 7.7.3, 7.7.5 | Pages 15, 18, 20-21, 49-50   | -   | -                  |
| G4-LA9   | 6.4.7                         | Pages 15, 18, 20-21, 49-50   | -   | -                  |
| G4-LA10  | 6.4.7, 6.8.5                  | Pages 15, 18, 20-21, 49-50   | -   | -                  |
| G4-LA11  | 6.4.7                         | Page 50  | -   | -                  |
| <b>OTHER SECTOR SPECIFIC INDICATORS: MINING AND METALS</b> |                               |  |   |                    |
| <b>Material stewardship</b>                                |                               |  |   |                    |
| G4-DMA   |                               | Pages 38-39  | -   | -                  |
| MM3  |                               | Not applicable: No significant risks are associated to our quarrying byproducts, most of which are reused for quarry rehabilitation  | -   | -                  |
| MM8  |                               | Not applicable: ASM not in use at Lafarge  | -   | -                  |
| MM9  |                               | Not applicable to Greece   | -   | -                  |
| <b>Closure planning</b>                                    |                               |  |   |                    |
| G4-DMA   |                               | Pages 26-28  | -   | -                  |
| MM10   |                               | 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 next reporting period. | -   | -                  |

## ANNEX III

# GREEK SUSTAINABILITY CODE - COMPLIANCE TABLE

## GREEK SUSTAINABILITY CODE - COMPLIANCE TABLE



| Pillars                   | Criteria                                  | Report section   |
|---------------------------|---|--|
|                           | <b>1. Strategic analysis &amp; action</b> | Our strategy (p. 8-11)<br>Business ethics & governance (p. 11-13)  |
|                           | <b>2. Materiality</b>                     | Our strategy: The 2013 Plan of the LafargeHolcim Group (p. 8-9)<br>Our strategy: Analysis of material aspects (p. 10)<br>Our strategy: Evaluating material aspects (p. 10-11)<br>Our strategy: Scope and boundaries of material aspects (p. 11)  |
|                           | <b>3. Objectives</b>                      | Message of the CEO (p. 4)<br>Our strategy (p. 8)<br>Our strategy: The 2013 Plan of the LafargeHolcim Group (p. 8-9)  |
|                           | <b>4. Value chain management</b>          | Message of the CEO (p. 4)<br>Our strategy (p. 8)<br>Our strategy: The 2013 Plan of the LafargeHolcim Group (p. 8-9)<br>Sustainable supply chain (p. 30)  |
| <b>Process Management</b> | <b>5. Responsibility</b>                  | Message of the CEO (p. 4)<br>Our strategy (p. 8)<br>Our strategy: The 2013 Plan of the LafargeHolcim Group (p. 8-9)<br>Business ethics & governance – Ensuring operation based on our values (p. 11)<br>Business ethics & governance - The Code of Business Conduct in practice:<br>Beyond compliance (p. 11)<br>Social participation and consultation with stakeholders (p. 26-28)<br>Methodology – Project team (p. 48)  |
|                           | <b>6. Rules &amp; procedures</b>          | Message of the CEO (p. 4)<br>Our strategy (p. 8)<br>Our strategy: The 2013 Plan of the LafargeHolcim Group (p. 8-9)<br>Business ethics & governance – Ensuring operation based on our values (p. 11)<br>Business ethics & governance – The Code of Business Conduct in practice:<br>Beyond compliance (p. 11)<br>Employee Health and Safety (p. 17)<br>Respecting human rights (p. 23)<br>Social participation and consultation with stakeholders (p. 26-28)<br>Waste management (p. 40)<br>Water (p. 42-43)<br>Methodology – Project team (p. 47) |
|                           | <b>7. Monitoring</b>                      | Our strategy (p. 8)<br>Our strategy: The 2013 Plan of the LafargeHolcim Group (p. 8-9)<br>Scope and boundaries of material aspects (p. 11)   |



| Pillars | Criteria  | Report section   |
|---------|---|--|
|         |   | Our People (p. 16)<br>Health and Safety performance (p. 17-19)<br>Balance of professional and personal life (p. 21-22)<br>CO <sub>2</sub> emissions (p. 34)<br>Air emissions (p. 35)<br>Alternative fuels and raw materials (p. 39)<br>Water (p. 43)<br>Methodology – Project team (p. 47-48)<br>Key Performance Indicators (p. 49-51)   |
|         | <b>8. Rewarding schemes and motives for Sustainable Development</b> | Additional benefits (p. 22)<br>Annual Financial Report 2015 (p. 23, 101)   |
|         | <b>9. Stakeholder engagement</b>                                    | Social participation and consultation with stakeholders (p. 26-28)   |
|         | <b>10. Responsible products and innovation</b>                      | Our strategy: The 2013 Plan of the LafargeHolcim Group (p. 8-9)<br>Sustainable supply chain - Release of the new "oikiaLAVA" product (p. 30)<br>Sustainable supply chain - Uses of Pumice - Innovative structural solutions (p. 30)  |
|         | <b>11. Use of natural resources</b>                                 | Our strategy: The 2013 Plan of the LafargeHolcim Group (p. 8-9)<br>Alternative fuels and raw materials (p. 39-40)<br>Water (p. 42-43)<br>Key Performance Indicators (p. 49-51)   |
|         | <b>12. Management of resources</b>                                  | Our strategy: The 2013 Plan of the LafargeHolcim Group (p. 8-9)<br>Alternative fuels and raw materials (p. 39-40)<br>Water (p. 42-43)<br>Key Performance Indicators p. 49-51)  |
|         | <b>13. Climate change and air emissions</b>                         | Our strategy: The 2013 Plan of the LafargeHolcim Group (p. 8-9)<br>Fighting climate change (32-35)<br>Alternative fuels and raw materials (p. 39-40)<br>Key Performance Indicators (p. 49-51)  |
|         | <b>14. Labour rights</b>  | Our People (p. 16-23)  |
|         | <b>15. Equal opportunities</b>                                      | Our People – Diversity and equal opportunities (p. 2-23)   |
|         | <b>16. Employment</b>   | Our People (p. 16)   |
|         | <b>17. Human rights in the supply chain</b>                         | Business ethics & governance – Ensuring operation based on our values (p. 11)<br>Business ethics & governance – The Code of Business Conduct in practice:<br>Beyond compliance (p. 11)   |
|         | <b>18. Support of Local Communities</b>                             | Social participation and consultation with stakeholders - Relations with local communities (p. 28)<br>Social participation and consultation with stakeholders - Program on healthy eating in the schools of Milos and Nisyros (p. 30)<br>Biodiversity - Quarry on Gyali island (p. 44)   |
|         | <b>19. Initiatives and political influence</b>                      | Business ethics & governance - Participation in Bodies and Organisations (p. 12)<br>Business ethics & governance - Greek Sustainability Code (p. 12-13)  |
|         | <b>20. Corruption prevention and fighting</b>                       | Our strategy: The 2013 Plan of the LafargeHolcim Group (p. 8-9)<br>Business ethics & governance – Ensuring operation based on our values (p. 11)<br>Business ethics & governance – The Code of Business Conduct in practice: Beyond compliance (p. 11)<br>Business ethics & governance – Participation in Bodies and Organisations (p. 12)<br>Business ethics & governance – Our commitment to free competition (p. 12)<br>Business ethics & governance – Greek Sustainability Code (p. 12-13) |

