

Sustainable Development Report 2009



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Introduction

About this publication

Holcim Lebanon releases its sustainable development report every three years, with the last report published in 2006. This report gives insight into our activities demonstrating our commitment to sustainable development, transparency and integrity in reporting. We aim to present a robust assessment of our environmental, social and economic performance while showing a continuous improvement over time. Data in this report covers the period from the beginning of 2006 till end of 2008. Our sustainability reporting is aligned with the global reporting initiative's (GRI) G3 guidelines.

Methodology and Assurance

A data collection and measuring performance system has been available for many years in all our departments and sites. The system enables us to collect, analyze and update the data annually. We are responsible for the accuracy and consistency of our data and the quality of the information, hence report credibility. Our performance data presented in this publication is consistent with the data reported on a Group level.

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Performance Summary

Holcim Lebanon's performance in the environment, social and economic domains is summarized using the following Key Performance Indicators (KPIs).

ENVIRONMENTAL PERFORMANCE	2006	2007	2008
Specific power consumption:			
Up to and including clinker production (Kwh / ton of clinker)	66	65	62
For cement grinding (Kwh / ton of cement)	48	45	42
Phosphogypsum used as alternative raw material (tons / year)	17,592	18,734	31,184
Mineral components used as substitutes of clinker (tons / year)	272,869	305,095	359,724
Clinker factor (average percent of clinker in cement) (%)	86	86	82
Atmospheric Emissions:			
Net specific CO ₂ emissions (Kg CO ₂ / ton of cementitious materials)	803	821	782
Average fugitive dust emissions (µg /m ³)	101	71	61
Average dust emissions at kiln stack (mg/Nm ³)	62	57	38
Average NO _x emissions at kiln stack (mg/Nm ³)	1042	1086	1147
Average SO ₂ emissions at kiln stack (mg/Nm ³)	7.1	3.7	6.4
Specific water consumption (L / ton of clinker)	124	92	93

SOCIAL RESPONSIBILITY	2006	2007	2008
Percent of females in:			
Top management level (%)	17	17	17
Senior management level (%)	40	33	40
Middle management level (%)	9	7	12.5
First management level (%)	12.5	11	10
Percent of employees from northern cities (%)	87	87	87
Number of training programs	31	35	31
Lost-time injury frequency rate	4.9	4.2	4.8
Total CSR spending (USD)	297,500	412,250	496,656

ECONOMIC COMMITMENT	2006	2007	2008
Percent of national market based suppliers from total suppliers (%)	60	70	75
Payments to national suppliers (000 USD)	34,599	30,006	42,195
Percent of payments to national suppliers out of all suppliers, excluding fuel (%)	58.5	59	65
Payments to regional suppliers (neighboring communities) (000 USD)	15,310	14,182	19,034
Percent of payments to regional suppliers (neighboring communities) out of national suppliers (%)	44.3	47.3	45.1



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About Holcim

Holcim Ltd

Holcim is one of the world's leading producers of cement and aggregates (crushed stone, sand and gravel). It also supplies ready-mix concrete, asphalt and other services. The Group is globally spread and holds majority and minority interests in more than 70 countries, in over 2,000 production facilities on all continents.

Holcim's commitment to sustainability received recognition and the group ranked "Leader of the Industry" in the renowned Dow Jones Sustainability Index (DJSI) for four consecutive years.

Holcim key figures		2006	2007	2008
Annual cement production capacity	Million t	197.8	197.8	194.9
Sales of cement	Million t	140.7	149.6	143.4
Sales of aggregates	Million t	187.6	187.9	167.7
Sales of ready mix concrete	Million m3	44.2	45.2	48.5
Sales of asphalt	Million t	15.3	14.8	13.5
Net sales	Million CHF	23,969	27,052	25,157
EBITDA	Million CHF	6,333	8,468	5,780
Operating profit	Million CHF	4,385	5,024	3,360
Personnel		88,783	89,364	86,713

Source: Holcim Ltd annual report

Holcim Lebanon

Established in 1929, Holcim Lebanon is one of the leading cement companies in Lebanon and operates the largest cement kiln in the country. The plant and head office are situated in Chekka, North of Lebanon and products are distributed to customers all over the country and exported to neighboring countries. In addition to a grey cement plant, Holcim Lebanon operates a white cement plant through its subsidiary in Chekka, Société Libanaise des Ciments Blancs (SLCB), the only producer of white cement in Lebanon. It also runs four concrete plants in Nahr El Mott, Kfarchima, Chekka and Tyre along with a grinding station located in Northern Cyprus.

The annual cement production capacity of the Chekka plant, amounting to 2.2 million tons, is attributed to the modern manufacturing equipments and sophisticated kiln. The cement plant is certified ISO 9001 for its quality management system and ISO 14001 for the environmental management system. Our cement is in compliance with the Lebanese Standard, NL 53:1999.

Consolidated key figures for Holcim Lebanon		2006	2007	2008
Annual cement production	000 t	2,136	2,317	2,182
Sales of cement and clinker	000 t	2,112	2,218	2,171
Sales of white cement	000 t	78	92	102
Sales of ready mix concrete	000 m3	202	186	240
Net sales	000 USD	155,204	173,395	201,991
EBITDA	000 USD	52,816	57,060	59,332
Operating profit	000 USD	35,031	38,231	40,515
Personnel*		299	302	314

Source: General Management Report

* Includes full time employees from grey cement plant in Chekka, SLCB, the four concrete plants and grinding station in Northern Cyprus, excluding subcontractors.

CEO Statement

Dear Stakeholder,

Holcim Lebanon continues its ongoing commitment to sustainability reporting through the release of its second report in 2009, a custom which started in 2006. Sustainable development has been the foundation for our working philosophy. It is based on our belief in simply doing the right thing. Through this report, we intend to demonstrate how we manage our environmental, social and economic impacts, the elements of the triple bottom line. We provide our stakeholders a clear and accurate picture of our performance. Sharing our best practices and challenges in an objective and credible manner is our approach to reinforce our integrity and our ability to “walk our talk”.

Year after year, our sustainability profile and reporting have improved and we are optimistic of our ability to achieve our goals. Effective monitoring and mitigating, reliable data that tracks changes and transparent reporting are the drivers behind our engagement in sustainable development.

Through the past 3 years, our company had its ups and downs but we believe that our persistence to sustainability has long term benefits; hence we continue to improve our performance. We have made a steady progress over the years with significant reduction in CO₂ emissions (mainly driven by the decrease in the clinker factor), dust and power consumption. We had difficult years in terms of work accidents and fatalities. This led us to come up with innovative solutions to tackle this problem, as our aim is to have a safe place to work in.

Guided by our code of conduct, we integrate our values in our daily routines with a staff that lives up to our policies and principles. Our approach has evolved in that we concentrate on improving working and environmental conditions as well as supporting our staff with training and development opportunities. We embrace our role as a socially responsible corporation by focusing on projects that improve the quality of life of those in underserved communities around us. We collaborate with government bodies, local authorities, private institutions and NGOs since we strongly believe in the power of networking and partnerships.

Although we are making progress, there is still a lot of work ahead of us to ameliorate our performance and continue our commitment to sustainable development.

Vincent Bouckaert
Chief Executive Officer
Holcim Lebanon





Vision, Strategy and Corporate Governance

Our vision is to provide foundations for the future of our society.

Our mission is to be the world's most respected and attractive company in our industry, creating value for all our stakeholders.

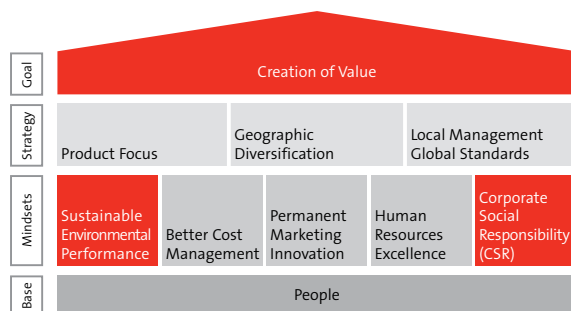
Vision, Strategy and Corporate Governance

Placing sustainable development at the core of our business strategy aims to enhance our value, safeguards our reputation and contributes to continued success.

Sustainable Development at the Core of our Business

Sustainable development is “the development that meets the needs of the present without compromising the ability of future generations to meet their own needs” (Brundtland Report, 1987). Holcim Group, an active member of the World Business Council for Sustainable Development (WBCSD) and the Cement Sustainability Initiative (CSI), is committed to sustainable development through the balance between the three pillars of economic growth, ecological balance and social progress. At Holcim, we are aware of the opportunities to contribute to sustainable development: at an operational level as building materials manufacturers, as providers of goods and services in the building materials value chain and through collaboration and partnerships.

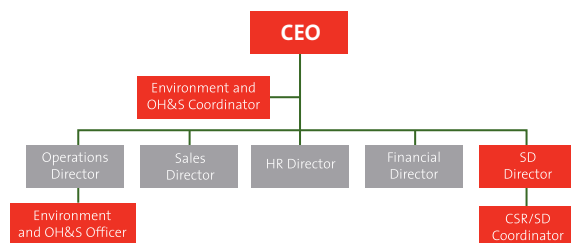
Group strategy and our approach to value creation integrate economic, environmental and social impacts – the three elements of the triple bottom line.



Holcim strategy house and the triple bottom line

Managing Sustainable Development

In order to apply the principles of our sustainable development strategy and manage our engagement strategically, we dedicated resources in different departments. Roles and responsibilities are clearly defined to ensure that efforts are effective and coordinated and that internal and external stakeholders are adequately involved.



The organizational structure of sustainable development management at Holcim Lebanon

Our Sustainable Development Priorities

In 2008, a workshop was organized at our plant in Chekka to conduct a sustainable development materiality review (Table 1.1). The purpose of the review is to ensure that the risks and opportunities are integrated in the business risk management system. As a result, we were able to identify the issues of highest priority according to all stakeholders. The identified issues were plotted on a materiality matrix to balance the concerns of our stakeholders and the impacts on Holcim Lebanon. The results of the review, which were confirmed by stakeholders through interviews, revealed our top priority issues to be economic impact, resource management, spills and other incidents, atmospheric emissions, transport, water, occupational health and safety (OH&S), corporate social responsibility (CSR) and employment practices.

Table 1.1 - Sustainable Development Materiality Review

Categories	Issues	Importance of Issues		
		Low	Medium	High
Economic	Economic impact			High
	Corporate governance		Medium	
	Customer and supplier relations		Medium	
Environmental	Legal compliance		Medium	
	Resource management			High
	Spills and other incidents			High
	Atmospheric emissions			High
	Transport			High
	Water			High
	Energy		Medium	
	Eco-efficient products		Medium	
Social	Waste management	Low		
	Carbon dioxide	Low		
	Sustainable construction	Low		
	OH&S			High
	CSR engagement			High
	Employment practices			High
	Supply chain management		Medium	



Environmental Performance

We aim to understand our current performance through consistent measurement and reporting techniques. We monitor progress towards our targets through the implementation of management systems. Our environmental policy is based on the following four guiding principles: management systems, resource utilization, environmental impacts and relationship with stakeholders.

Environmental Performance

Our commitment is to continuously improve our environmental performance and provide positive contributions to our business.

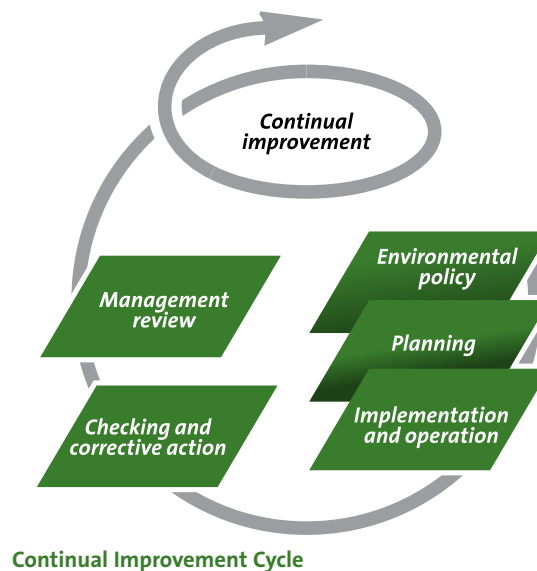
More than 4.5 million USD invested in 3 years (2006 - 2008) to improve our environmental performance.

Significance

Cement production poses major impacts on the environment through consuming large quantities of raw materials and energy and leading to atmospheric emissions. It is essential to reduce the environmental impacts, manage resources and measure performances using robust and auditable management systems.

Implementation

We have integrated assessment tools and management systems into our business processes and supported them with appropriate training. Managing the company's environmental impacts focuses on identifying and assessing level of impacts, setting targets to reduce them and commit to continuous improvement as part of our organizational policy-making. Sustaining a high level of performance requires the joint effort of all the departments in assuming environmental responsibilities. An environmental committee, presided by the CEO, monitors performance and enforcement of regulations.



Management Systems

Environmental Management System (EMS)

The Environmental Management System (EMS) is based on ISO 14001 standards. EMS provides a set of practices and processes that enable us to reduce the environmental impacts and increase operating efficiency. Through a continuous cycle of planning, implementing, auditing, reviewing and improving processes, we identify, prioritize and manage the environmental concerns throughout the operations. We are in full compliance with international environmental management rules and standards. Holcim Lebanon maintains the ISO 14001 certification received in 2004, confirming the quality of the system and reflecting our commitment to the environment, local communities and our customers

Environmental Management Plan (EMP)

The Environmental Management Plan (EMP), an essential element for the proper functioning of the management system, is annually updated as part of the continuous improvement of EMS. It includes a series of preventive and corrective measures aiming to reduce the adverse impacts of our activities on the environment. An assessment for risks and associated impacts is first implemented, after which measures are determined and prioritized (Table 2.1).

How does Holcim Lebanon benefit from EMS?

- Improved overall efficiency and performance
- More efficient use of natural resources (fuels, water...)
- Cost saving from better management of resources
- Complying with environmental regulations
- Ability to audit our business and identify intervention areas
- Less impact of our activities on the local communities and the environment



Environmental Performance

Table 2.1 - Example of an Environmental Management Plan (EMP)

Significant aspects	Activities	Impact on	Objectives	Environmental policy guidelines	Targets	Actions	Performance indicators	Cost (USD)	Due date	% of progress to date	Probability of achievement on time
Dust	Cement	Air quality	Reduce dust emissions	III-1	Filters to remove dust	Installation of new filters and renewal of existing ones.	Proper functioning of the filter	150,000	End of 2006	100	100
Dust	Clinker storage	Air quality	Reduce dust emissions	III-2	Filters to remove dust	Dust removal in the hangar	Monitoring dust levels	215,000	2008	100	100
Waste	Power plant	Natural resources	Reduce waste	II-2	-	Waste treatment	Quantities of waste measured	30,000	Dec 07	100	100
Dust	Dedusting	Air quality	Reduce dust emissions at kiln stack	III-1	Compliance with regulations	Optimization of the main filter	Emissions below 50 mg/Nm3	230,000	2008	100	100
Visual aspect	General activities	Local landscape	Better management of visual aspect in the plant	III-1	To improve the view in the area	Install a 1.5 meter high wall next to coal storage	-	35,000	2008	100	100

Source: Holcim Lebanon

Plant Environmental Profile (PEP)

A basic component for the Holcim approach to environmental management is the Plant Environmental Profile (PEP). PEP is an internal monitoring and reporting tool. This self-assessment tool studies and quantifies the environmental performance through measurements and calculations, thus presenting the stakeholders with objective information. The purpose is to evaluate our performance on all relevant environmental issues, to assess progress and to provide a benchmark across a range of environmental impacts. Obtaining accurate results requires intensive training for plant personnel and regular evaluation reports to management. The PEP scheme is divided into three parts: 1) the implementation of EMS, 2) compliance to regulations, and 3) an environmental performance score based on indicators such as atmospheric emissions, energy and material consumption, water and waste management (see page 18).



Environmental Performance

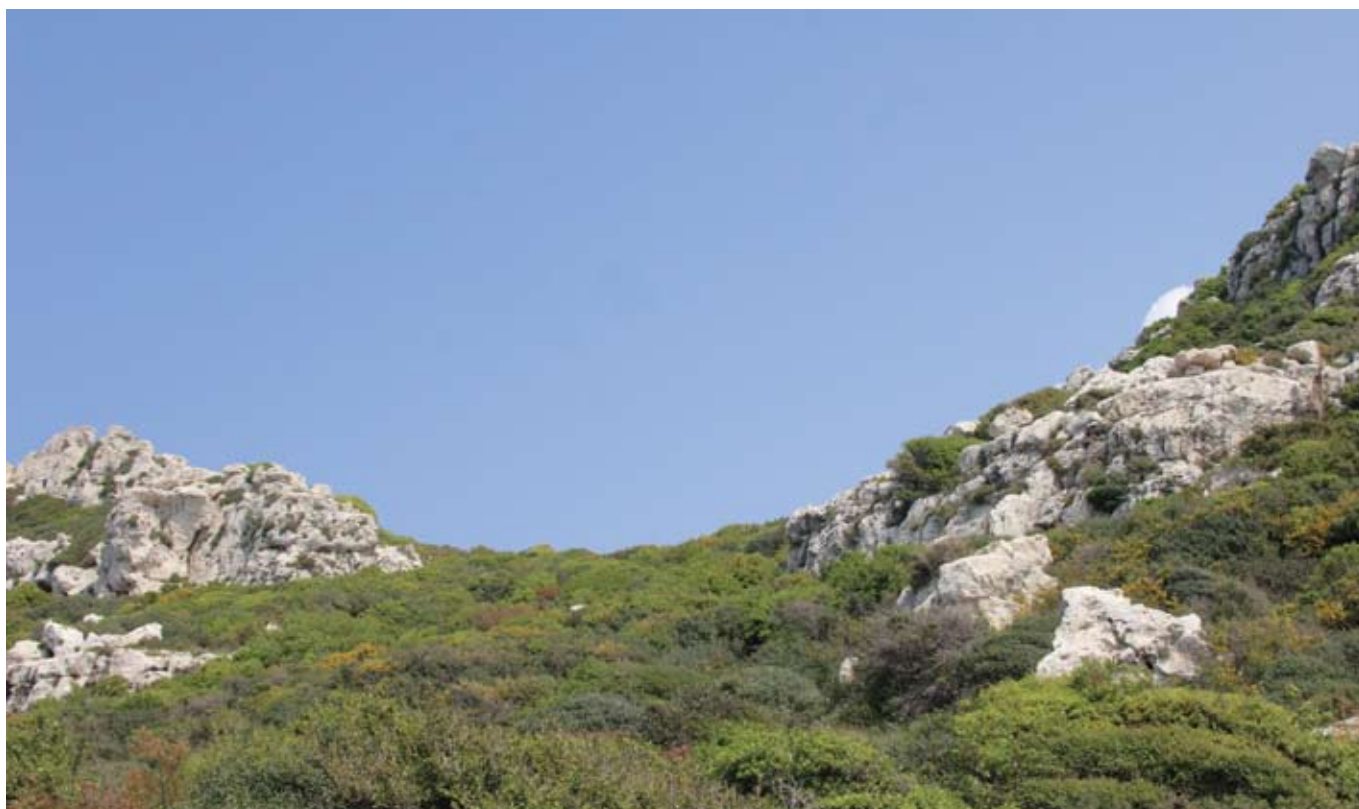
Environmental Training Plan

The sustainability of the system depends on informed and competent personnel and management. Therefore, training sessions are conducted on a regular basis throughout the year based on identified environmental needs. The sessions are planned and conducted by the quality and environment representative and the environment and OH&S Coordinator.

This multipurpose program aims to: 1) acquaint the staff with local policies and EMS, 2) reinforce the application of the procedures, 3) introduce behavioral change in daily practices and 4) ensure compliance to regulations (Table 2.2).

Table 2.2- Environmental awareness and training

Target	Sessions	Issues
All departments, employees at all levels and sub-contractors	<ul style="list-style-type: none"> • Environmental awareness • Emergency situations • Waste management • Transport 	<ul style="list-style-type: none"> • Purpose and focus of ISO 14001 • Environmental policy • Role of managers and staff in the management systems • Sustainable development (definition and application) • Aspects and negative impacts • Internal and external environmental complaints and the use of progress forms • Environmental legal requirements • Environmental indicators and improvements • Response to accidents and emergency situations • Incident forms • Oil spill • De-dusting • Sound environmental behavior



Environmental Performance

Resource Utilization

The WBCSD defines eco-efficiency as “...the delivery of competitively priced goods and services that satisfy human needs and bring quality of life, while progressively reducing ecological impacts and resource intensity”. In other words, eco-efficiency is concerned about creating more value with less impact. This is achieved through minimizing waste materials (reuse and recycle), reducing fuel and water used in manufacturing. Cement manufacture is a resource and energy intensive process. With the objective of becoming and remaining eco-efficient, we undertake to preserve non-renewable natural resources and privilege material recycling.

Water Management

“Scarcity and misuse of freshwater pose a serious threat to sustainable development and protection of the environment...” (The Dublin Statement on Water and Sustainable Development, UN 1992). At Holcim Lebanon, we acknowledge water as a fundamental natural resource and the opportunities to deal with growing water scarcity. Our comprehensive water management strategy incorporates protection of water resources, control of water consumption, surface water management and wastewater treatment (see page 18).

Our efforts in managing water are materialized through:

- A closed circuit cooling system to reduce water use and effluents
- A metering system to monitor consumption
- Renewed and well maintained piping systems to reduce water losses
- Settling ponds for rainwater used as a drainage system
- Sedimentation pools to prevent runoff of oil and other elements into the sea.

Treatment of Wastewater

Physical treatment of wastewater is conducted in a sedimentation pool before discharge into the sea. The quality of the effluent is controlled to ensure proper treatment and to prevent pollution of the surrounding ecosystems. Samples of effluents are regularly analyzed for physical, chemical and microbiological characteristics at the Environment Core Laboratory at the American University of Beirut.

Energy Consumption and Efficiency

The inadequate electricity infrastructure in Lebanon is the leading cause of our on-site power generation. Thanks to the existence of the power plant, Holcim Lebanon is able to generate its own electricity due to eight generators with a total capacity of 40 MWH. This has led to a series of challenges mainly concerning emissions and fuel consumption. In 2006, the installation of a new generator of 18.5 MWH contributed to an improved environmental performance (see page 18).

Alternative Fuels and Raw Materials (AFR)

We are committed to increase co-processing of industrial by-products as alternative fuels and raw materials (AFR) for clinker production. AFR is a key element in our eco-efficiency approach due to its ecological, economical and social benefits. It constitutes one of our core business strategies aiming to reduce consumption of fossil fuels and natural raw materials, reduce production costs and decrease CO₂ emissions.

Alternative fuels are not merely an important source of energy, but they contribute to alleviating the problem of waste management, one of the most significant challenges to our society. Co-processing involves the utilization of used oil, filtered fuel at the kilns and olive husk generated from oil extraction.

Challenge

Holcim Lebanon has the opportunity to engage in co-processing of industrial residues due to modern technology and know-how. However, there are still gaps in terms of local legislations hindering its implementation in Lebanon. The challenge remains in the absence of a legal framework and lack of support from public authorities which affect people's perception towards the use of AFR.

44 different elements in compliance with water quality guidelines for discharged water.

84% less dust at stack with the new generator; from 297 mg/Nm³ to 48.7 mg/Nm³.

17% less fuel consumption by the new generator; 232 g/KWH compared to 192 g/KWH.

From 2006 to 2008, Holcim Lebanon has successfully managed 67,510 tons of synthetic gypsum, also called phosphogypsum from the chemical plant in Selaata, and used it as alternative to production (see page 19).



Environmental Performance

By 2008, we managed to reduce our CO₂ emissions to 782 Kg per ton of cement produced compared to 900 Kg prior to 2004, i.e a decrease of 13%. (see page 20).

40% less fugitive dust in 3 years.

More than 2 million USD to minimize dust in 2 years.

A decrease in the clinker factor by 4 points, in 3 years.

Environmental Impact

Cement manufacture produces atmospheric emissions during quarrying, combustion of fuel and raw materials, clinker production, transport and other processes. The main substances emitted include but are not limited to carbon dioxide (CO₂), dust, nitrogen oxide (NO_x) and sulfur dioxide (SO₂).

Controlling Atmospheric Emissions

Monitoring and decreasing atmospheric emissions are significant group priorities. Hence, ongoing investments to upgrade equipments, regular maintenance and training are required. Holcim Lebanon undertakes a reliable measurement of emissions by following the Holcim Emission Monitoring and Reporting (EMR) Directive. Accordingly, all sites with clinker production continuously measure the emissions at the main kiln stack by continuous measuring equipment (SICK) and regularly by an external certified body (APAVE).

The Clinker Factor

In order to monitor the eco-efficiency of clinker production, we strive to reduce CO₂ emissions and our dependence on raw materials. Lowering the clinker factor, i.e the percentage of clinker in cement, is a prime concern. It controls the amount of fuel required per ton of cement produced, thus fuel costs. It also allows the substitution of clinker with alternative raw materials such as mineral components including limestone, natural pozzolan, phosphogypsum and blastfurnace slag, thereby reducing CO₂ emissions (see page 19).

Challenge

We recognize the need to improve our reporting of NO_x.

Carbon Dioxide (CO₂)

Minimizing exhaust gas remains an ongoing challenge. Holcim Group has set the target to reduce specific net CO₂ per ton of cement produced by 20% by 2010, compared with 1990. Holcim Lebanon is committed to achieve this goal using a variety of approaches:

- Reducing the clinker factor
- Improving thermal energy efficiency
- Co-processing of alternative fuels

Dust

Our constant improvement of environmental performance, specifically concerning dust emissions, helps us comply with environmental regulations, thus providing a positive contribution to our business (see page 20). Table 2.3 depicts the mitigation measures taken between 2007 and 2008 for dust control.

Our actions to reduce dust in the external environment:

- Improving the efficiency and maintenance of the bag filters
- Watering internal roads
- Dedusting the clinker storage areas
- Transporting materials on closed conveyor belts
- Storing petcoke and coal in closed areas.

Nitrogen Oxide and Sulfur Dioxide

Our actions have been successful in maintaining our emissions below the legal limit values of 2500 mg/Nm³ for NO_x and 850 mg/Nm³ for SO₂. The corresponding graphs (see page 21) have relatively flat curves showing small changes over the last 3 years. Yet, we have ambitious targets to further reduce these emissions, in line with the commitment of the Group. As such, Holcim Lebanon is taking continuous measures to improve performance by lowering NO_x levels below 500 mg/Nm³.

Table 2.3 - Some mitigation measures for dust control, 2007 - 2008

Year	Function	Activities	Actions taken	Cost (USD)
2007	Quarry	Material extraction	Improvement of the de-dusting system through water sprinkling	30,000
		Clinker storage	De-dusting of the clinker storage area	200,000
	Kiln	Dust control at stack	Optimization of the performance of the main filter to maintain dust emissions below our internal target of 50 mg/Nm ³ (2 out of 4 compartments)	250,000
		Filters for clinker cooler	Maintenance and changing of filters and gas recovery	640,000
	Grinder	Clinker transport	Optimization of the de-dusting system for the transport of clinker	40,000
		Grinding cement	Modernization of the grinding system Renewal of 6 filters for grinders 16 and 17	400,000 100,000
2008	Quarry	Material extraction	Apparatus to wash truck tires	80,000
		Compliance	Optimization of de-dusting for the clinker tower	15,000
	Kiln	Dust control at stack	Optimization of the performance of the main filter to maintain dust emissions below our internal target of 50 mg/Nm ³ (4 out of 4 compartments)	250,000

Environmental Performance

In 2008, 31 tons of solid waste recycled and 385 tons of fuel residues burned in kiln.

Recyclable materials such as metals, wood and tissues are sorted out in 16 waste bins distributed throughout the plant and daily collected for disposal.

Around 360,000 USD invested in 2 years (2007 - 2008) to improve the visual aspect.

Waste Management

A Waste Management System is set in place whereby all wastes generated from the plant and quarry areas are controlled. The system consists of separation, collection, storage, recycling and disposal. Special disposal methods are adopted for wear parts from the production process, building and demolition waste, workshop waste, laboratory waste, office waste and household waste.

Relationship with stakeholders

Our environmental policy states that we “engage our stakeholders and report publicly on compliance, performance and progress”. Accordingly, we communicate our performance indicators to government authorities through monthly and yearly reports.

We also publish the sustainable development report with performance indicators and information updated annually. Interacting with our partners and releasing our data in the public domain allows us to be better known and recognized as bearers of change. We are responsible towards our stakeholders in reporting our environmental performance and our future direction with respect to sustainable development. Consequently, we create a climate of trust and transparency, essential to our company’s operation. Moreover, understanding and responding to the changing needs and expectations of the people who are affected by our business is central to the Holcim approach to sustainable development. Asking stakeholders to comment on our performance and involving them in consultations provides us with valuable information.

Visual Aspect Surrounding the Plant

Table 2.4 - Mitigation measures to improve the visual aspect, 2007 – 2008

Year	Activities	Actions taken	Cost (USD)
2007	Material extraction	Site rehabilitation and landscaping	20,000
	Material extraction	Set up a management system for quarry use and rehabilitation.	100,000
	Green spaces	Tree plantation and vegetation	5,000
	All buildings	Demolition of abandoned and unused buildings	80,000
	Nahr El Jouz road	Pavement of roads to improve circulation	33,550
	Clinker storage	Landscaping of clinker and coal storage areas	30,000
2008	Visual aspect	Tree plantation and vegetation on the mountainside of the plant	30,000
	Internal roads	Repair of internal roads (Kefraya side)	25,000
	Visual aspect	Building a 1.5 meter high wall (Kefraya side)	35,000



Environmental Performance

Case Study – Oil Spill

On March 22, 2008 an oil spill occurred next to the power plant of Holcim Lebanon located on the seaside. The incident was mainly due to a glitch in the valves from aging pipes and fixtures. The spill was aggravated by a sudden temperature rise that melted the snow in a short period of time, triggering a strong runoff. The rapid snowmelt led to flooding of water and seepage into underground old tunnels. This water, carrying oil from the old pipelines, overflowed a settling tank and reached the sea. As a consequence, estimated amounts ranging between 1 and 2 tons of residual fuel oil from the pipelines reached the shoreline. Fortunately, the separators next to the settling tank retained most of the oil.

Remedial actions

Immediate actions were taken to separate and pump the oil. The response team was in charge of cleaning up the contaminated areas on the seashore. Cleaning the oil contaminated sand continued for several months following the incident until all traces of the oil spill were eliminated. The incident was reported to the Ministry of the Environment and the Municipalities of Chekka, Hery and Kefraya, and shared with all stakeholders.

Actions taken following the incident were:

1. Isolating the spill on the beach
2. Removing and recovering the floating oil by filling it into bags and then emptying into barrels
3. Cleaning up the contaminated sand and the shoreline.

Action Plan

As a result of the incident, the following corrective actions were taken:

- Separate the water drainage from fuel tunnels. This is done by isolating the tunnels of the power plant and the grinding station from water drainage with walls.
- Increase the capacity of the existing separators at the grinding station, the power plant and fuel storage.
- Improve our Spill Prevention Program through daily inspections for the 4 separators near the coast, routine inspections in the tunnels, auditing the inspection system and intensive onsite maintenance.

Developing a spill emergency response and a spill prevention team were recommended as preventive measures to ameliorate future interventions in case of accidents.

Accomplishments

Holcim Lebanon demonstrated the ability to manage emergency situations through:

- The efficiency and preparedness in responding to accidents
- The effective implementation of the emergency plan as set in the procedures.
- The competency of the onsite intervention team
- The availability of equipments and appropriate training.



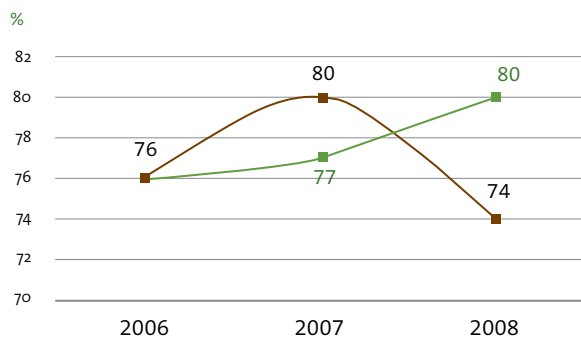
Environmental Performance

Key Performance Indicators

PEP Indicator trend, 2006 - 2008

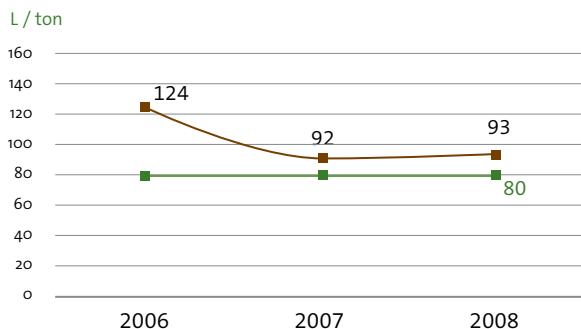
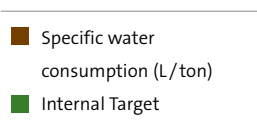
The decrease in PEP, observed in 2008 is due to the spill incident which was contained and managed (See Case Study - Oil Spill).

Source: Holcim Lebanon and Holcim Group Support (HGRS)



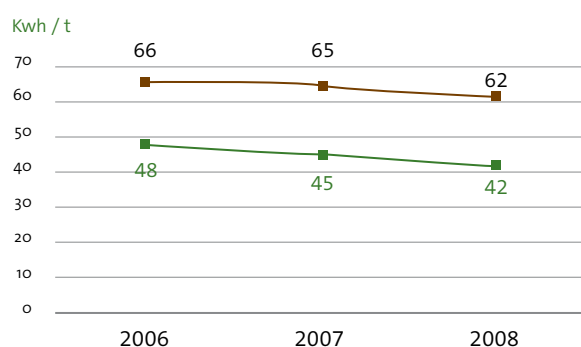
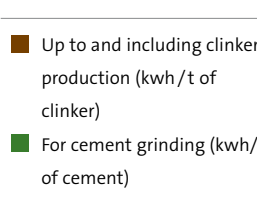
Specific water consumption per ton of clinker produced, 2006 - 2008

Although significant reductions in water consumption were accomplished between 2006 and 2008, much still needs to be done to achieve our internal target of 80 liters per ton of clinker produced.



Specific power consumption including clinker production and for cement grinding, 2006 - 2008

The data reveals progressive improvement per year in power consumption for clinker production and cement grinding highlighting higher efficiency of equipments.



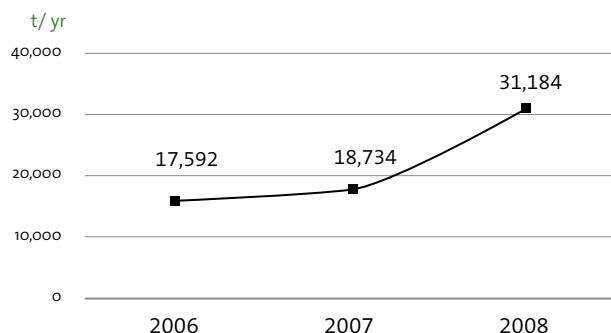
Source: Holcim Lebanon

Environmental Performance

Key Performance Indicators

Phosphogypsum used as alternative raw material, 2006 – 2008

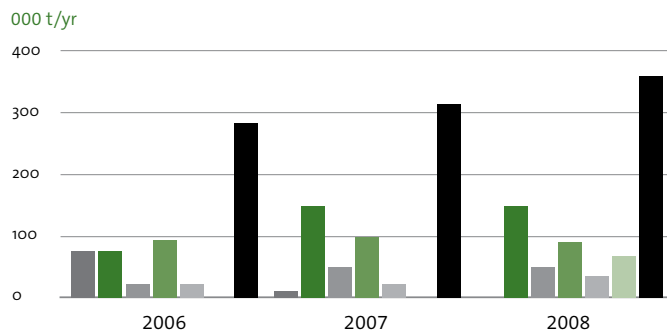
The quantities of phosphogypsum used as alternative raw material increased by 50% from 2006 to 2008.



Types of mineral components used, 2006 – 2008

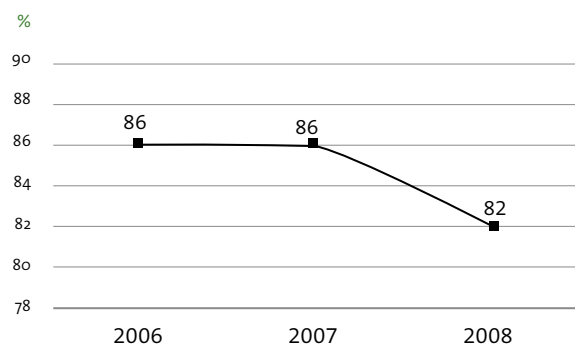
Our increased use of mineral components as substitutes of clinker in cement production results in less fuel and raw materials per ton of cement produced.

- Blastfurnace slag
- Limestone
- Natural Pozzolan
- Gypsum
- Phosphogypsum
- Basalte
- Total



Clinker factor or the average percent of clinker in cement, 2006 - 2008

A steady progress in clinker factor is clearly manifested over the years. Studies show that every 1% drop in the clinker factor is equivalent to a reduction between 7.5 and 9 Kg of CO₂ per ton of cementitious materials.



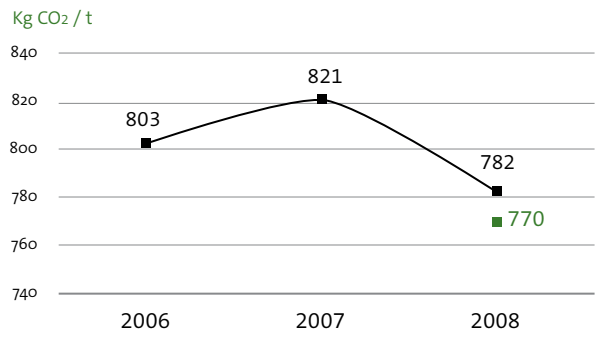
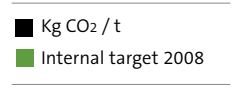
Source: Holcim Lebanon

Environmental Performance

Key Performance Indicators

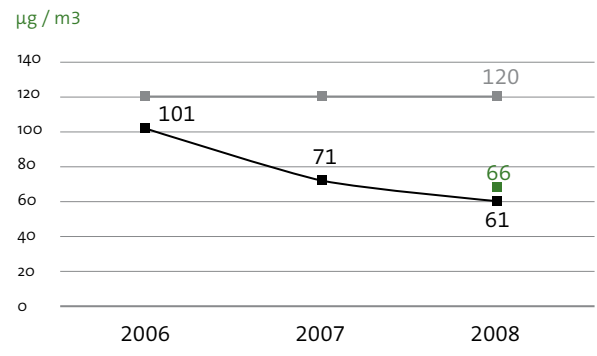
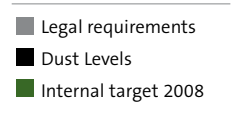
Net specific CO₂ emissions per ton of cementitious material, 2006 – 2008

CO₂ emissions substantially decreased between 2006 and 2008 due to the drop in clinker factor and optimization of our products and processes, although the levels did not reach our target of 770 Kg of CO₂ per ton of cementitious material. We are committed to continue our progress in this area to achieve further reductions in CO₂. It should be noted that the power generators are contributors to CO₂ release with 69.24 Kg CO₂/t in 2007 and 75 Kg CO₂/t in 2008.



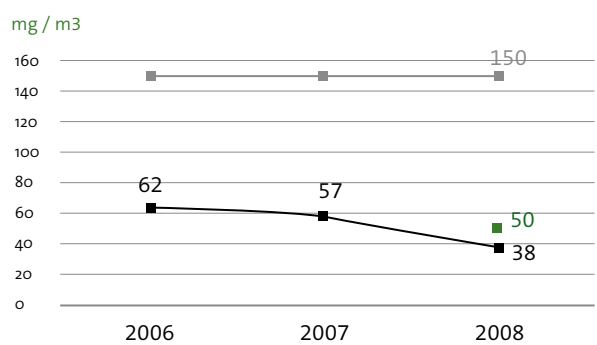
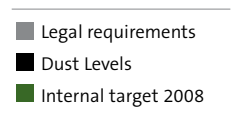
Annual average fugitive dust emissions, 2006 - 2008

Our fugitive dust emissions are constantly below the maximum allowable levels. This shows that we go beyond the legal requirements seeking to continually reduce fugitive dust. Our target of 66 µg / m³ was successfully attained in 2008.



Annual average dust emissions at kiln stack, 2006 – 2008

Our dust emissions at kiln stack are regularly compliant with the legal requirements. The continuous decrease in dust levels is attributed to modern kilns, de-dusting equipments and the continuous optimization of the filters.



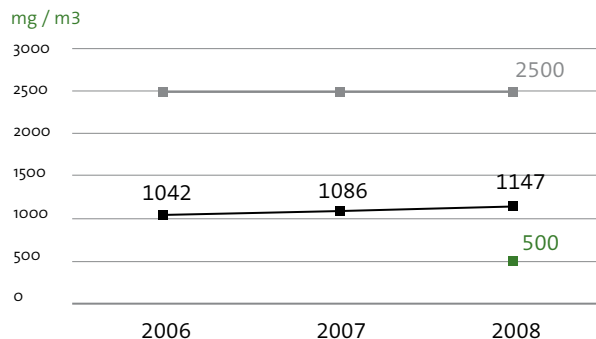
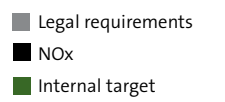
Source: Holcim Lebanon

Environmental Performance

Key Performance Indicators

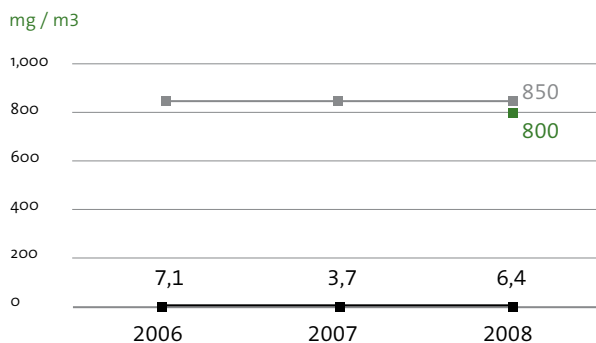
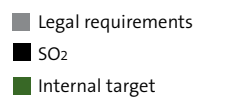
Annual average NOx emissions at kiln stack, 2006 - 2008

Our NOx emissions are compliant with the legal requirements (2500 mg/Nm³), but there is still scope for improvement to reach our internal target of 500 mg/Nm³ in 2010. The 2006 measurements were taken by (SICK) while those of 2007 and 2008 were certified by APAVE.



Annual average SO₂ emissions at kiln stack, 2006 - 2008

The data shows that SO₂ concentrations are very low or below detection levels compared to the legal requirements (850 mg/Nm³) and our internal target (800 mg/Nm³) of 2010.



Source: Holcim Lebanon



Social Responsibility

Social responsibility is about caring for people: our employees, our neighbors, our customers and suppliers. We are committed to work as partners with all our stakeholders, building and maintaining relationships of mutual trust and respect. We aim to contribute to effectively improving the quality of life of the members of our workforce, their families and the communities around our operations.

Social Responsibility

We are committed to improve our social performance through our CSR engagement which is an essential factor in maintaining “our license to operate” and in strengthening our business.

Significance

Our CSR engagement is based on the belief that it not only enables us to fulfill our social responsibilities but also adds value to the business and contributes to issue management. This approach gives us the opportunity to reap internal and external benefits. Internally, it increases productivity and improves loyalty and motivation among the employees. External benefits embody friendly and cooperative host communities.

Implementation

We view CSR as a comprehensive set of practices and programs that are integrated into business operations and decision-making processes. Our CSR approach is strategic, not philanthropic. It aims to build the capacity of people and organizations through investments and engagement, which goes beyond the act of corporate donation. Based on this approach, we focus on long term projects, in collaboration with stakeholders, mainly in the areas of education provision, infrastructure building and sustainable community development.

CSR Six Pillars

Business Conduct

The code of conduct is clearly communicated to all stakeholders including employees and shareholders through the group-wide mission statement. The code of conduct applies to workers, employees, managers and directors, all held accountable in case of violations. It is designed to ensure compliance with laws and regulations and to demonstrate commitment to high business ethics and personal integrity.

The code promotes:

- Corporate governance, i.e. protecting stakeholders’ interests
- Social responsibility to internal and external stakeholders
- Better environmental performance
- Fair competition, refusal of bribery and corruption, confidentiality of insider information, accuracy and reliability of accounts and reports and refusal of gifts and donations
- Resolution of conflict of interest
- Open and transparent communication
- Compliance with governmental laws and regulations

“Human Rights Matter” - A workshop on human rights

Our commitment to human rights is embedded in our business conduct, employment practices and our relations with suppliers and customers, among other CSR policy issues. A workshop on human rights was held in 2008 in our facility in Chekka, Lebanon. The workshop explored the universal declaration of human rights and the challenges pertaining to human rights specifically in the construction and infrastructure sector. It also identified the opportunities for Holcim Lebanon to promote the application of human rights principles in local CSR practices within the sphere of influence.



Social Responsibility

235 out of 270 employees in Holcim Lebanon are residents of the North.

More than 800,000 USD spent on training and skills development programs in 3 years.

Employment Practices

Respect and Equity

Our employees are essential to the success of our business. As such, the principle of equity and fair treatment for all employees in employment, development and retention is an integral element. We promote a culture that respects human rights and promotes equal treatment without any discrimination to gender and religion. Holcim Lebanon encourages recruitment from the local community. The majority of our staff (87%) resides in the surrounding communities of Chekka, Hery, Kefraya, Anfeh and other communities in the North (see page 31).

Development and Training

At Holcim Lebanon, we are committed to providing our staff with optimal support through continuous personal and professional development while providing opportunities to acquire new skills. The advancement of our employees is solely determined by their qualification, development potential and individual performance.

Individual development plans and progress in performance are evaluated using "Dialogue", the performance evaluation tool adopted by Holcim Lebanon. Training programs target all departments and managerial levels to improve knowledge and competencies essential for an optimal performance. For the past 3 years, our staff participated in a number of internal and external training programs focusing on improving technical, managerial and leadership competencies (see page 32)

Engaging with our Employees

Employee engagement is an important means to improve employees' motivation and to ensure that their interests are considered. In 2006, focus groups were used as a basis for the development of a questionnaire on job satisfaction. The significance of the latter is that it is an indicator of well being and affects business performance. The employee satisfaction survey provided us with valuable information on the level of satisfaction at the workplace. With a response rate of 78%, the results of the survey showed that 72% of the employees are satisfied with their jobs (see page 33).



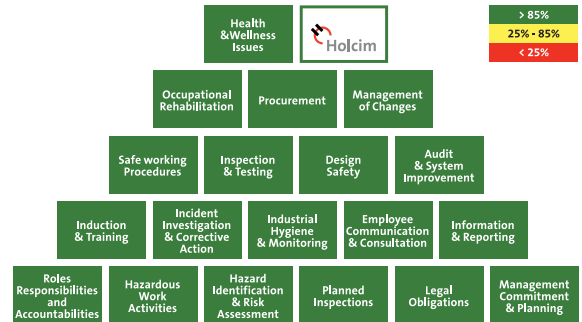
Social Responsibility

Occupational Health And Safety (OH&S)

Mission for OH&S

To achieve zero harm to people through putting the right structures in place and through developing a culture where no compromise on health and safety is tolerated.

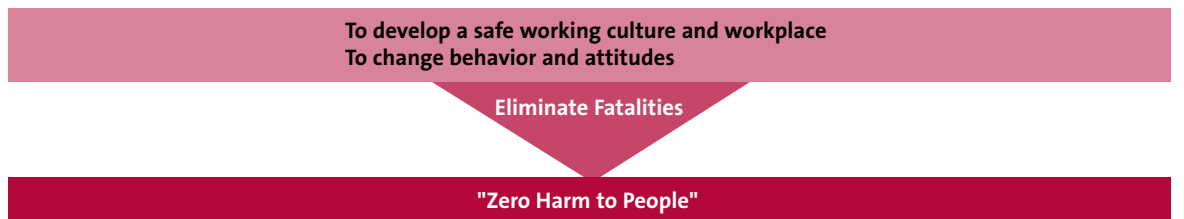
We place a high value on ensuring health and safety by striving for zero risk to our employees, sub-contractors, third parties and visitors. We apply OH&S standards and guidelines, provide the necessary resources and training and we measure performance. Making safety a top priority, the commitment to OH&S extends from top management to every single worker. Below is an illustration of the initiatives we adopted and the activities conducted in the past 3 years.



The occupational health and safety pyramid

Our Safety Journey

2006	2007	2008
<p>Certification of OH&S pyramid The pyramid is made of blocks, each containing minimum requirements to be fulfilled.</p> <p>“Passion for Safety” It describes programs focusing on improving our performance in OH&S. It aims to:</p> <ul style="list-style-type: none"> • Make OH&S a condition of success • Reinforce leadership and establish structures • Enhance skills and competencies • Monitor and recognize 	<p>“The Five Cardinal Rules” The rules address the high risk activities and hazards in the workplace which are involved in serious injuries and fatalities.</p> <p>The intent is to stop unsafe and at risk behavior and save lives.</p> <p>All employees and sub-contractors are expected to follow “The Five Cardinal Rules” of safety without any tolerance for breaches.</p>	<p>Fatality Prevention Elements (FPE) We implement the FPE directives to address the major causes of fatal accidents such as working at heights, vehicle and traffic safety, machine guarding, electrical safety...</p> <p>Contractors Minimum Requirements The requirements target the safety of our sub-contractors.</p> <p>Reinforcement of safety organizational structure The organizational structure of OH&S at Holcim Lebanon was modified and strengthened to improve our performance.</p>



Social Responsibility



The 5 Cardinal Rules

1	Do not override or interfere with any safety provision nor allow anyone else to override or interfere with them.
2	Personal Protective Equipment (PPE) rules applicable to a given task must be adhered to at all times.
3	Isolation and lock-out procedures must always be followed.
4	No person may work if under the influence of alcohol or drugs.
5	All injuries and incidents must be reported.

Actions

To put the initiatives into practice, actions were implemented with respect to putting new systems in place, change in behavior, training and events. Measures in safety engineering at the plant level were vital to complement the changes at the organizational level.

Systems

- A system that recognizes efforts and good practices by including safety behavior in bonuses as incentives. On the other hand, a warning system penalizes employees for non compliance where disciplinary actions are applied to those violating the cardinal rules.
- Recognition for good OH&S performance and attitude by including them in career progression as a way to motivate employees.
- A safety management system, coordinated by OH&S coordinator, to assess the risks and manage hazardous materials.
- New positions such as OH&S coordinator and OH&S officer to support the safety activities in the plant.
- The OH&S committee including representatives from management and union manages cases for violation of the company's safety rules.

Training

Training of all personnel to recognize the risks and correct unsafe behaviors. Training issues involve risk assessment, incident investigation, risk awareness and safety observations.

Behavior change

- Involvement of workers in regular safety behavior observations to detect unsafe acts and implement corrective / preventive actions.
- Improved communication through innovative communication vehicles using videos of real life situations and posters.
- A pre-qualification assessment for subcontractors and evaluation of their OH&S performance are conducted.

Events

- A campaign of "Safety First" in 2008 to reinforce our "Passion for Safety" and safety practices within the company.
- A safety day event organized to our staff and their families to widen the scope of safety beyond occupational health and safety.
- Participation in a global OH&S network to reinforce learning and share expertise among all OH&S coordinators.
- A launching event for "The Five Cardinal Rules" with an emphasis on zero tolerance.



Social Responsibility

Fatalities and Lost time injury frequency rate (LTIFR)

Holcim set a target to reduce lost time injury frequency rate (LTIFR) by at least 30% per year from 2006 to 2008, using 2004 as a reference, until a rate of less than two is achieved. Despite the presence of the management system and procedures, we suffered from the loss of 3 persons and a number of injuries have occurred in the past 3 years (see page 32). This situation drove us to channel our efforts into new initiatives that are more pertinent to behavior change among employees. Our focus is to improve the safety behavior and develop a culture where everybody acts safely at all times. This will allow us to reach our goal and achieve our vision of “zero harm to people”.

Safety First

On October 11, 2008, Holcim Lebanon organized a safety day in Selaata. “Safety First” was a day dedicated to our employees and their families who enjoyed a wide range of activities including games, plays, painting and drawing. As the name implies, this day focused on a single message that safety comes first not just at work but in everyday life. Family activities were designed specifically for children and employees who need to comprehend and appreciate their responsibilities for health and safety. We addressed issues like road safety, safety at home and precautions at the workplace such as personal protective equipments (PPEs). The day focused not just on the welfare of employees but any other individual directly affected by the working activities in the company. This event was successful in meeting the objective of inducing a culture of safety among our stakeholders and strengthening our relationships.



Social Responsibility

Community Involvement

Developing and maintaining strong relationships with our stakeholders is vital to the success of our business. We are aware of the changing needs and expectations and that the rising societal and environmental concerns cannot be tackled by acting alone. So, we work in partnership with local communities to secure innumerable benefits and achieve synergy. We are committed to a continuous process of listening to, and learning from, people and organizations engaged with our operations. Maintaining an open dialogue with all parties is attained through informal meetings, focus groups, visits, open house days and discussions allowing us to learn from the experience of others and share our own. We jointly evaluate the issues within our sphere of influence and prioritize needs using a collaborative planning and management approach.

Local communities spend a day at Holcim Lebanon

On March 29, 2008, Holcim Lebanon hosted an open house to its employees, their families and members of the neighboring communities. This event is part of our commitment to open dialogue and community involvement to demonstrate transparency towards stakeholders. During this day, the activities revolved around our engagement to sustainable development in the economic, social and environmental domains. Participants had a guided tour in the different sections of the facility and were given an explanation of the cement production process. This event was an occasion for people to know more about Holcim Lebanon and the activities of the company. It was also an opportunity for us to share our policies on sustainable development and safety initiatives.

In addition, we ask our stakeholders to comment on our performance, reporting and future direction with respect to sustainable development.

Our aim is to expand and systematize dialogue with the local organizations and authorities through creating sustainable channels of dialogue. In the past 3 years, our contribution to the neighboring communities was directed towards areas where we have the highest impact and can make a difference. As such, we engaged in activities and projects within the three focus areas, in the four communities of Chekka, Hery, Kefraya and Kfarhazir. Supporting Holcim Foundation for sustainable construction, we worked in association with universities in promoting sustainable construction. In addition, we supported local initiatives and sponsored a wide range of cultural, educational, environmental, social and sports-related events (see page 33).

Challenge: We are convinced that CSR is not a passing trend or a public relation opportunity; it is the key to our long term success. Our challenge remains to engage in projects with long term benefits within the three focus areas.



Social Responsibility

Focus areas

Activities from 2006 to 2008



Education

Education is imperative for sustainable development and an opportunity to improve people's quality of life. We are convinced that strengthening the education of young people is a catalyst for social progress, hence a promising future. Our financial contributions to the AUB scholarship fund and some modest investments in local public schools have long term impacts on the community.

We initiated a summer program in 2008 in the public school of Hery in collaboration with the school administration, where around 90 participating students were equipped with stationary material. The program proved its success by attracting new students in the following year and enhancing the reputation of the school.

In view of the limited resources in the area, our activities included financing the technical school of Chekka with laboratory equipments (2008) and an ongoing sponsorship for an instructor in the public school of Chekka, since 2006, as the school administration lacks the means to provide a permanent foreign language teacher.



Infrastructure building

A further key element in sustainable development is supporting infrastructure building for the betterment of living conditions. In addition to limited economic resources, the neighboring villages and towns suffer from an underdeveloped infrastructure. We highlight our role as a responsible and socially committed company with a series of projects, mostly with respect to water and wastewater networks, maintenance of roads and rehabilitation of buildings.

We cooperated with the municipality of Kfarhazir and invested in installing a sewage network and maintaining the internal roads. We also supported the municipality of Kefraya and its residents by providing a public space through establishing a sports stadium in 2008. A beautification project is an initiative carried out in collaboration with a local NGO "Help Lebanon" and the municipality of Hery aiming to maintain and beautify the residential areas. Other water-related projects were carried out in Chekka and Kefraya such as building water tanks and network rehabilitation.



Sustainable community development

In keeping with our goal of long term benefit, we launched an initiative in sustainable construction in collaboration with universities and developed a course titled "Atelier Construction Durable" through a three year partnership with the University of Balamand (ALBA). A conference on sustainable construction was also held in collaboration with Université Saint Esprit - Kaslik (USEK).

Social Responsibility

Customer And Supplier Relations

The long term relationships we have with our customers and suppliers are the foundation of their satisfaction, loyalty and respect to our policies. An annual survey, that monitors customers' satisfaction levels, constitutes part of our activities directed towards their needs. We aim to ensure their loyalty and satisfaction with the range of the construction materials we provide. Our services include a system for our customers to express their complaints. Our relations are characterized by our preference for locally based suppliers. We also assess suppliers' compliance with social accountability (human rights issues), environmental policies, OH&S standards and employment practices.

Monitoring And Reporting Performance

Communicating and reporting our strategy and performance is an integral part of our CSR/SD approach. It helps us demonstrate our commitment to issue management as well as openness and transparency. We communicate our environmental, social and economic performance to all our stakeholders. This takes the form of internal and external reports, press releases, events, web information, internal newsletter (Holcimiyat) and meetings.

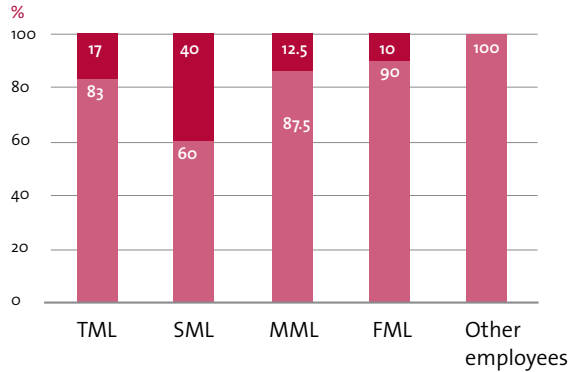
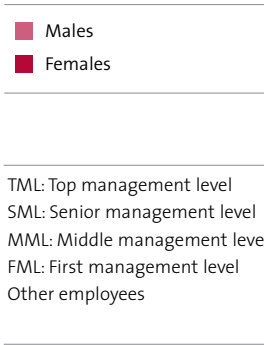


Social Responsibility

Key Performance Indicators

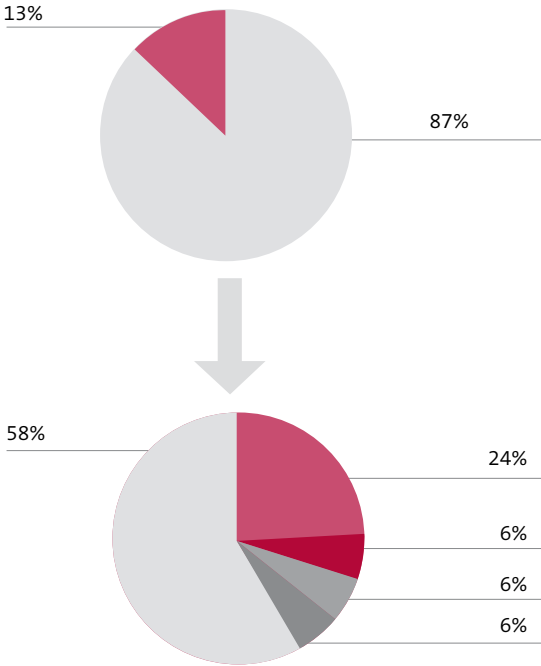
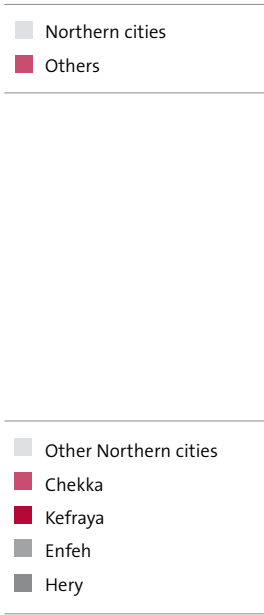
Sex distribution of permanent personnel, 2008

Women in Holcim Lebanon are represented in management positions. The graph shows the percentages of women holding positions of responsibility.



Regional distribution of employees in Holcim Lebanon, excluding Cyprus activities

Our support for employment from local communities and surrounding areas is demonstrated where the majority of our personnel reside in Northern cities.



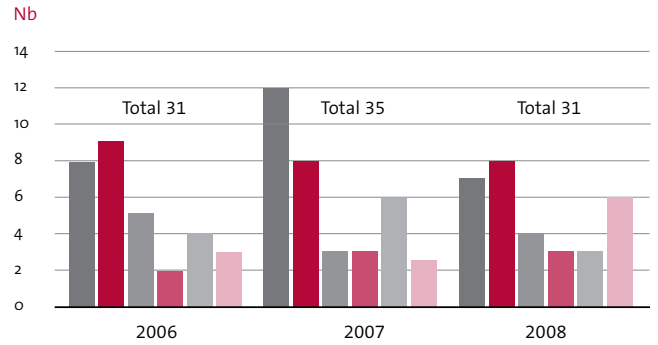
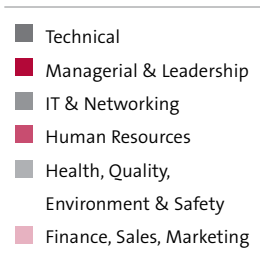
Source: Holcim Lebanon

Social Responsibility

Key Performance Indicators

Training and skills development programs, 2006 – 2008

We are committed to providing a continuous professional development to our staff, whereby a total of 97 workshops and seminars were conducted, internally and externally, between 2006 and 2008 in which Holcim Lebanon was an active participant (31 in 2006; 35 in 2007; 31 in 2008).



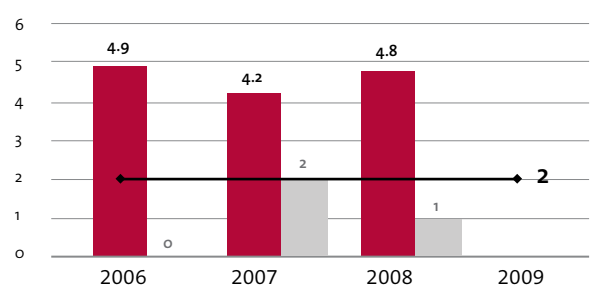
Average number of training hours per employee, 2006 – 2008

	2006	2007	2008
Top and senior management levels	77	36	31
Middle management level	65	56	70
Other employees	27	25	26

Lost-time injury frequency rate, (LTIFR) 2006 – 2008

LTIFR is calculated as:

$$\frac{\text{number of lost time injuries} \times 1,000,000}{\text{total number of hours worked}}$$

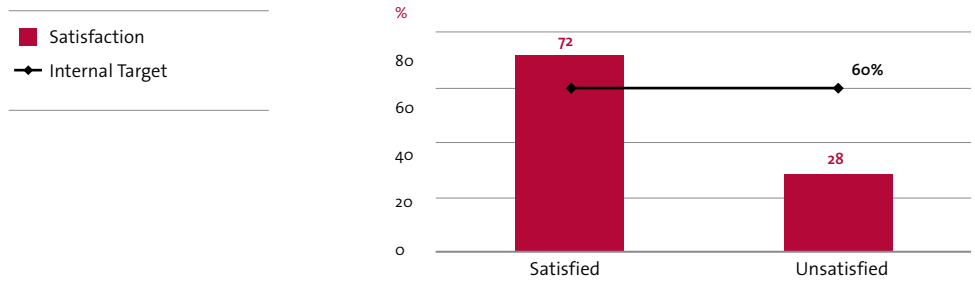


Source: Holcim Lebanon

Social Responsibility

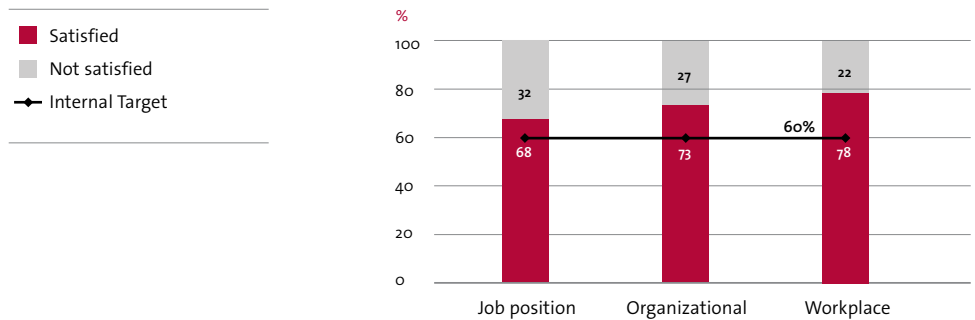
Key Performance Indicators

Job satisfaction rate among Holcim Lebanon staff, 2007



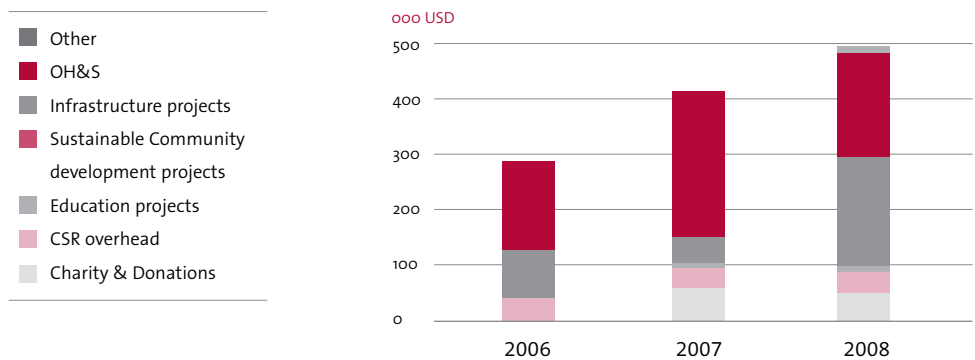
Characteristics of job satisfaction, 2007

Job satisfaction was based on three criteria: job position, organizational and workplace characteristics. The satisfaction rate in all categories was above the target of 60%.



Total CSR spending 2006 - 2008

The total CSR spending increased from 297,500 USD in 2006 to 496,656 USD in 2008, including OH&S, community projects and donations.



Employee turnover and recruitments, 2006 – 2008

	2006	2007	2008
Employee turnover* (%)	1.06	1.4	3
Newly recruited employees	3	3	16**

* Employee turnover < 3: ideal situation, 3 – 5: normal, > 5: critical
 ** Excluding permanent subcontractors who became full time employees

Source: Holcim Lebanon



Economic Performance

Our activities and services positively influence the local economy through direct and indirect financial impact. We provide benefits to employees and sub-contractors through job opportunities, government and local authorities through taxes and fees, shareholders through dividends and the society through overall economic development.

Economic Performance

Economic growth and healthy financial returns are the decisive factors that enable companies to help build sustainable societies.

Significance

Cement is a key ingredient in economic development. The use of cement has long been the basis for society development and national growth. Through our economic performance, we are able to examine societal benefits arising from our activities.

extends beyond our employees. It encompasses payments to the local neighborhoods that represent the source of our supply, generating a high level of economic activity. The indicators we present regarding our economic performance present a clear picture of our contribution to the local economy.

Between 2006 and 2008, payments to our suppliers from neighboring communities accounted 44% - 47% out of total payments to national suppliers, amounting to 14 – 20 million USD.

Implementation

Holcim Lebanon plays a major role in meeting society's needs. Our increasing production rate is an indication of the growing demand for housing and infrastructure. The cement industry focuses on serving the local market rather than international. As such, we are important contributors to the local economy via our employees and the activities of our suppliers and customers. Our financial impact on the surrounding communities, where most of our employees reside, is driven by wages and benefits. Our contribution to economic development



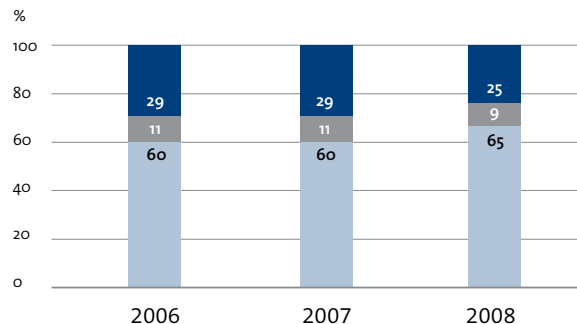
Economic Performance

Key Performance Indicators

Value creation for Holcim Lebanon and key stakeholders as percentage of net sales, 2006 – 2008

This graph shows that 25% - 29% of our net sales represent benefits to employees, governments, shareholders and creditors.

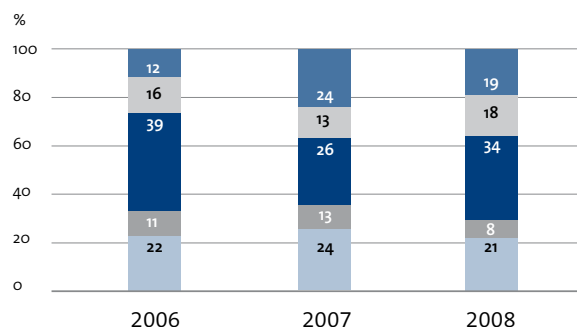
- Benefits to employees, governments, shareholders and creditors
- Depreciation and amortization
- Input factor (Cost of all goods, materials and services purchased)



Benefits to employees, governments, shareholders and creditors, 2006 – 2008

This graph better describes the benefits distribution with 21% - 24% of total benefits going to our employees through wages, retirement funds, pension schemes, health/accident insurance, school allowance and maternity leave.

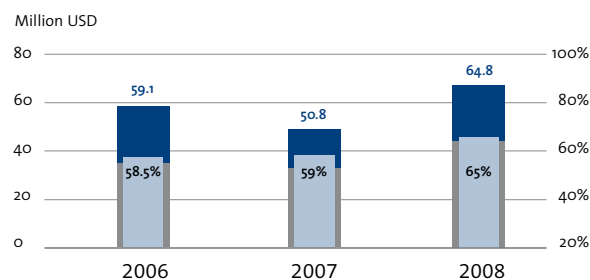
- Retained in business
- Benefit to creditors
- Benefit to shareholders (inc. minorities)
- Benefit to government (taxes)
- Benefit to employees



Total cost of all goods, services and materials purchased, excluding fuels, by suppliers, 2006 – 2008

The total cost of goods and services, excluding fuels ranges between 50.8 million USD and 64.8 million USD. Lebanese-based suppliers accounted for 58.5%, 59% and 65% of the total cost of goods purchased in 2006, 2007 and 2008 respectively. Out of the expenses paid to the Lebanese-based suppliers, those from neighboring communities represented 44%, 47% and 45% (not shown in the graph).

- Other suppliers
- Lebanese-based suppliers
- Percent paid to Lebanese suppliers

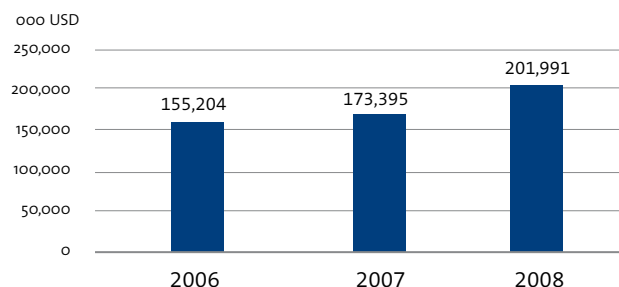


Source: Holcim Lebanon

Economic Performance

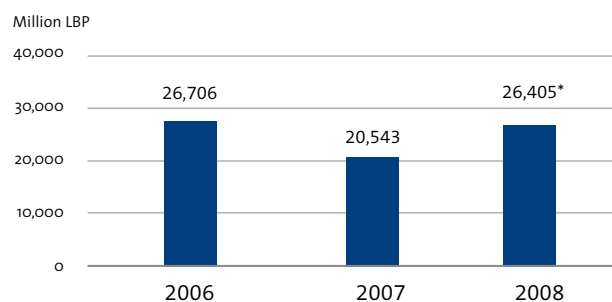
Key Performance Indicators

Annual net sales in 2006 – 2008



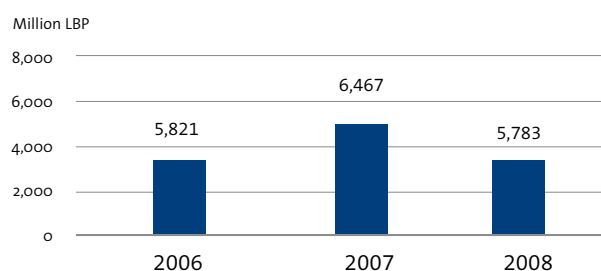
Dividends paid to shareholders in 2006 – 2008

*Amount to be submitted to the shareholders general meeting.



Taxes and fees paid by Holcim Lebanon 2006 – 2008

The reduction shown in 2008 includes an amount of 1.6 billion LBP as a result of an approval by the tax authorities for an objection filed by the company on additional taxes which were paid based on a tax inspection for financial years 1994 to 1999 inclusive.



Source: Holcim Lebanon

Aggregates

Coarse particulate material used in construction, including sand, gravel, crushed stone, slag, recycled concrete and geosynthetic aggregates. Aggregates are a component of composite materials such as concrete and asphalt concrete. It serves as reinforcement to add strength to the overall composite material.

Alternative Fuels and Raw Materials

Residual materials used for co-processing.

Atmospheric Emissions

The introduction of chemicals, particulate matter, or biological materials that cause harm or discomfort to humans or other living organisms, or damages the natural environment, into the atmosphere.

By-products

A secondary or incidental product deriving from a manufacturing process, a chemical reaction or a biochemical pathway, and is not the primary product or service being produced. By-products can be useful and marketable, or can have negative ecological impact.

Carbon Dioxide – CO₂

A naturally occurring gas, and also a by-product of burning fossil fuels and biomass, land-use changes and other industrial processes.

Cement

A substance which sets and hardens independently, and can bind other materials together. It is made by heating limestone with small quantities of other materials (such as clay) to 1,450°C in a kiln. The resulting hard substance, called 'clinker', is then ground with a small amount of gypsum into a powder to make 'Ordinary Portland Cement', the most commonly used type of cement.

Cement Sustainability Initiative – CSI

A global effort by 18 major cement producers who believe there is a strong business case for the pursuit of sustainable development. Collectively these companies account for about 30% of the world's cement production.

Clinker

The basic component of cement, made up of four major minerals (limestone, alumina, silica and iron oxide). It is obtained by cooking at high temperature (1,450°C) in a cement plant in kiln.

Co-processing

Use of residues as raw material and /or as a source of energy to replace natural mineral resources (material recycling) and fossil fuels (energy recovery) in industrial processes, mainly in energy intensive industries (EII) such as cement, glass and power generation. It is a proven sustainable development concept that reduces demands on natural resources, reduces pollution and landfill space, thus contributing to reducing the environmental footprint.

Corporate Governance

Set of processes, customs, policies, laws, and institutions affecting the way a corporation is directed, administered or controlled. It includes the relationships among the many stakeholders involved and the goals for which the corporation is governed.

Corporate Social Responsibility – CSR

The deliberate inclusion of public interest into corporate decision-making. CSR policy would function as a built-in, self-regulating mechanism whereby business would monitor and ensure their adherence to law, ethical standards, and international norms.

Dow Jones Sustainability Index (DJSI)

Launched in 1999, the Dow Jones Sustainability Indexes are the first global indexes tracking the financial performance of the leading sustainability-driven companies worldwide.

Eco-efficiency

Based on the concept of creating more goods and services while using fewer resources and creating less waste and pollution.

Effluent

Something that flows out as an outflowing branch of a main stream or lake or waste material (liquid industrial refuse or sewage) discharged into the environment when serving as a pollutant.

Environmental Management Plan – EMP

A structured, quantified and planned project over a given period, which includes a series of environmental measures and determines the human and material means required for their implementation.

Environmental Management System – EMS

A series of measures and initiatives taken by the company within the scope of its environmental strategy, aiming at adapting its operation to its strategy.

Environmental Performance

Measurable results of the environmental management system related to an organization's control of its environmental aspects, based on its environmental policy, objectives and targets.

Focus Group

A form of qualitative research in which a group of people are asked about their attitude towards a product, service, concept, advertisement, idea, or packaging. Questions are asked in an interactive group setting where participants are free to talk with other group members.

Fugitive Dust

Particles lifted into the ambient air caused by man-made and natural activities such as the movement of soil, vehicles, equipment, blasting, and wind. This excludes particulate matter emitted directly from the exhaust of motor vehicles and other internal combustion engines.

Holcim Foundation for Sustainable Construction

The Holcim Foundation for Sustainable Construction promotes sustainable responses to the technological, environmental, socioeconomic and cultural issues affecting building and construction at the national, regional and global levels. To encourage innovative approaches to sustainable construction, the foundation conducts activities including: Holcim Awards competition, Holcim Forum symposium, Holcim Grants seed funding for building initiatives and grants for research projects.

ISO Certification

A certificate issued by an independent international body, guaranteeing the observation of a certain number of standards and the development of a system complaint with these standards. ISO certifications may concern quality, management, the environment, etc...

Key Performance Indicators – KPIs

Measurable indicators used to report progress, which are chosen to reflect the critical success factors of a project.

Kiln

Thermally insulated chambers, or ovens, in which controlled temperature regimes are produced. They are used to harden, burn or dry materials.

License to Operate

The ability of a corporation or business to continue operations based on ongoing acceptance by external stakeholder groups.

Lost-time injury frequency rate – LTIFR

The Lost Time Injury Frequency Rate is the total number of lost time injuries per million working hours.

Mitigation Measures

Methods to reduce, eliminate or compensate for adverse environmental effects.

Nitrogen Oxide – NOx

Nitrous oxides are among the pollutants found in motor vehicle emissions and are produced during all high-temperature combustions that use air.

Personal Protective Equipments – PPEs

Protective clothing, helmets, goggles, or other garment designed to protect the wearers' body or clothing from injury by electrical hazards, heat, chemicals, and infection, for job-related occupational health and safety purposes.

Philanthropy

The act of donating money, goods, services, time and/ or effort to support a socially beneficial cause, with a defined objective and with no financial or material reward to the donor.

Phosphogypsum

It is the gypsum formed as a by-product of processing phosphate ore into fertilizer with sulfuric acid.

Plant Environmental Profile – PEP

An internal tool of Holcim Group, under the form of a three-item questionnaire, which allows measuring and quantifying the environmental performance.

Sedimentation Pools

The reservoir space allotted to the accumulation of submerged sediment during the life of the structure.

Sphere of Influence

An area or region over which a state or organization has significant influence.

Stakeholders

Individuals and groups with a more or less direct interest in the life of a company or institution: shareholders, employees, clients and suppliers, public authorities, civil society (NGOs, local communities, residents, etc.).

Sulfur dioxide – SO₂

Compound produced by volcanoes and in various industrial processes. Since coal and petroleum often contain sulfur compounds, their combustion generates sulfur dioxide.

Sustainable Development

A pattern of resource use that aims to meet human needs while preserving the environment so that these needs can be met not only in the present, but also for future generations to come.

Triple Bottom Line

Values and criteria for measuring organizational and societal success: economic, ecological and social.

World Business Council for Sustainable Development – WBCSD

A CEO-led, global association of some 200 companies dealing exclusively with business and sustainable development. The Council provides a platform for companies to explore sustainable development, share knowledge, experiences and best practices, and to advocate business positions on these issues in a variety of forums, working with governments, non-governmental and intergovernmental organizations.

GRI Index

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Acronyms

AFR	Alternative Fuels and Raw Materials
AUB	American University of Beirut
CO ₂	Carbon Dioxide
CSI	Cement Sustainability Initiative
CSR	Corporate Social Responsibility
DJSI	Dow Jones Sustainability Index
EBITDA	Earnings Before Interest, Tax, Depreciation and Amortization
EMR	Emission Monitoring and Reporting
EMP	Environmental Management Plan
EMS	Environmental Management System
FPE	Fatality Prevention Elements
GRI	Global Reporting Initiative
HGRS	Holcim Group Support
ISO	International Standard Organization
KPIs	Key Performance Indicators
Kwh	Kilowatt hour
LTIFR	Lost-Time Injury Frequency Rate
NO _x	Nitrogen Oxide
OH&S	Occupational Health and Safety
PPEs	Personal Protective Equipments
PEP	Plant Environmental Profile
SO ₂	Sulfur Dioxide
SD	Sustainable Development
WBCSD	World Business Council for Sustainable Development



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