

# Sustainable development

## Challenges and achievements

### What we have achieved

We first set measurable and quantifiable targets to monitor our progress in sustainability and benchmark with our peers in a comparable manner back in 2005. Since then, we have focused our efforts on continuous self-improvement and we have managed to reach an advanced level of performance across all environmental areas. We invested in upgrading and modernizing all the plants we have acquired; and incorporated the latest technology and industry best practice. This has contributed to the transfer of know-how and expertise, and the adoption of high standards in the developing markets in which we operate.

### What we have learned

Despite our efforts and increased investments, the targets we set in 2010 for 2015 were not all achieved. While on dust emissions and water consumption we have exceeded our expectations, our CO<sub>2</sub> emissions further increased in 2015 and the target we set for 2017 to increase our use of alternative fuels to 10% is unlikely to be met.

### Planning for the future

Building on what we have learned, we are planning for 2020 and beyond, focusing on the priorities we have identified at both Group and local level.

For this reason we have welcomed the UN's 17 SDGs, their study on global trends, considering that it will help build a common language worldwide, and a more balanced approach to sustainability. We are working to relate future targets to relevant SDGs and have strengthened our social pillar, through three clear priorities:

- Place even greater emphasis on managing our material issues;
- Continue to improve our health and safety performance; and
- Focus on local sustainable development through collaborative programs, such as the European Pact for Youth.

## SOCIAL

	2005 performance	Target set for 2015	2015 performance	Target status	Progress since 2005
<b>Zero fatalities</b> Employees, contractors and third parties	3	0	2	✗	↑
<b>Lost time injuries frequency rate (LTIFR)</b> Employees	5.87	To be in the top quartile of WBCSD/CSI members' performance	2.00	✗	↑

## ENVIRONMENT\*

	2005 performance	Target set for 2015	2015 performance	Target status	Progress since 2005
<b>Gross direct CO<sub>2</sub></b> kgCO <sub>2</sub> /t <sub>Product</sub>	693.0	628.0	711.4	✗	↓
<b>Dust</b> g/t <sub>Clinker</sub>	128.2	95.0	36.5	✓	↑
<b>SO<sub>x</sub></b> g/t <sub>Clinker</sub>	266.0	240.0	211.2	✓	↑
<b>NO<sub>x</sub></b> g/t <sub>Clinker</sub>	2,008	1,670	1,705	✗	↑
<b>Cement plants</b> ISO 14001 certification or equivalent	45.5%	100%	100%	✓	↑
<b>Active quarries</b> ISO 14001 certification or equivalent	21.6%	100%	100%	✓	↑
<b>Dry mortar production facilities</b> ISO 14001 certification or equivalent	100%	100%	100%	✓	—
<b>Water consumption</b> lt/t <sub>Cement</sub>	394.5	350.0	294.2	✓	↑
<b>Alternative fuel use</b> %Thermal basis of total heat energy consumed for clinker production	0.81%	10.00%**	6.96%	🔄	↑

**Key:** ✓ Achieved 🔄 Ongoing ✗ Not achieved ↑ Improved — No change ↓ Declined

\*Relevant performance calculated based on 2009 equity

\*\*Target set for 2017

## Aligning with the UN Sustainable Development Goals



Given the significant changes all businesses have experienced over the last five years, we have revisited our sustainability strategy, expanding our scope and objectives while focusing on the implementation of collaborative efforts. In 2015, we have been following the key steps of the SDG Compass tool, starting with understanding and identifying the relevant SDGs for our business and where we can meaningfully contribute to their achievement. In particular, we are addressing as key areas to invest in the future health, the consumption of natural resources, climate change and collaboration for sustainable development.

### Active participation

Since 2000, we have actively contributed to the foundation of local networks to promote sustainability and corporate social responsibility within the framework of the UN Global Compact.

We will work with local networks to promote dialogue for the SDGs in the areas where we operate and support the development of relevant National Action Plans.

### Defining our priorities

The Group Corporate Social Responsibility Committee has decided to utilize the SDGs to define our future priorities and areas for further improvement. We believe that they offer us a unique opportunity to strengthen collaborative action, deepen stakeholder engagement and increase the value we create at local level.

We have already begun the alignment of the Group's goals through our materiality assessment process. Rather than setting new targets for the next three to five years, we are focusing on the "triple bottom line" – taking into account financial, social and environmental goals – and benchmarking our performance externally.

However, we have agreed that not all the 17 SDGs are of equal importance to us, so we have defined two main categories:

### SDGs most relevant to our business



### SDGs complementary to our main priorities



We will continue our assessment process throughout 2016, taking under consideration consultations with national stakeholders as we develop and promote the SDGs in each of the countries where we currently operate.