

Is Reputation Manageable – a Benchmarking Exercise

Private Sector: Holcim

Workshop



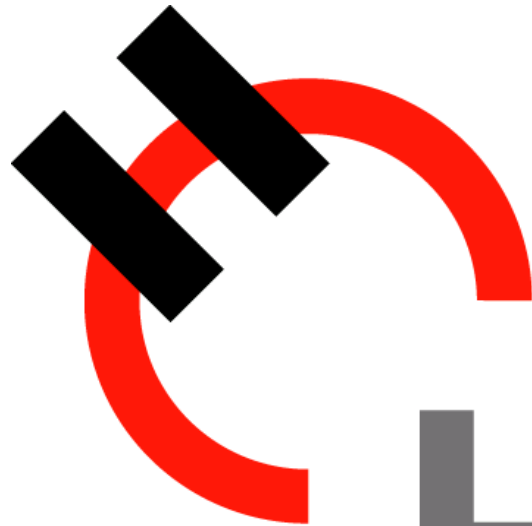
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VP CSR/SD Coordination

Evolving from a group of companies...



...to a global Group



Holcim

Sustainable development is a key element of our vision and mission



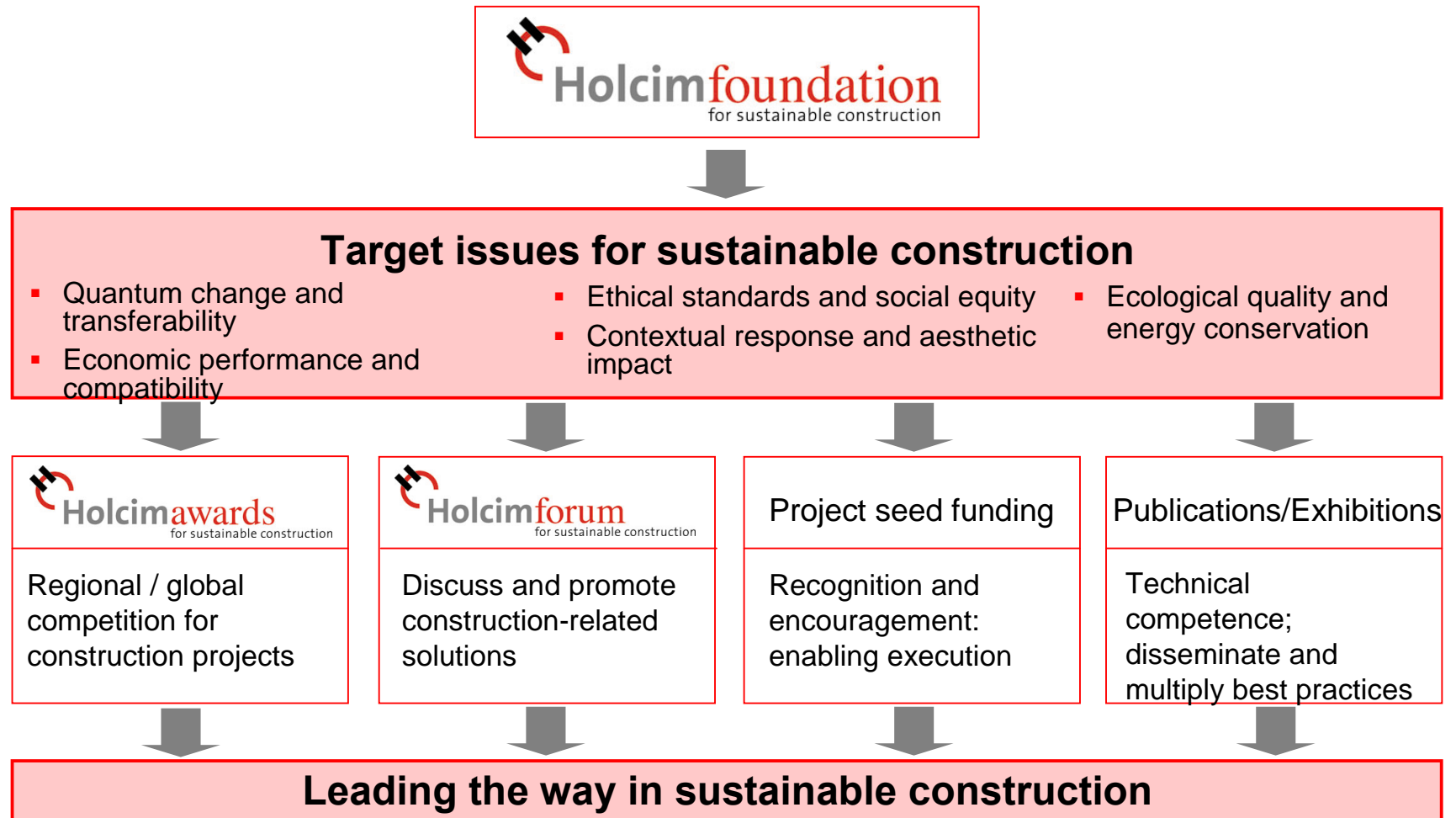
- Sustainable development is a core element of the vision and mission of Holcim
- Our mission is to be the world's most respected and attractive company in our industry – creating value for all our stakeholders.

Activities enhancing our SD reputation



SD JOURNEY

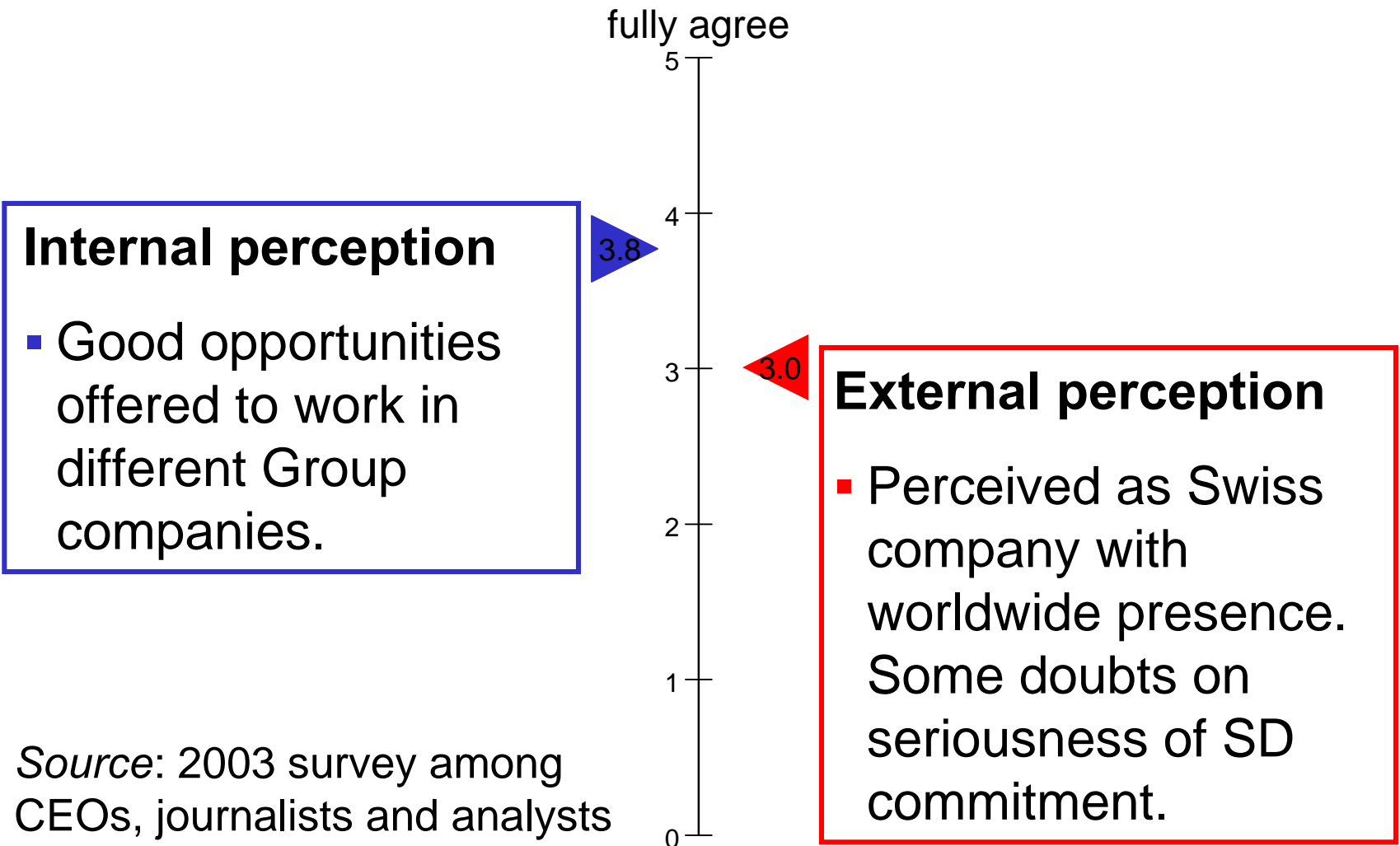
Focused activities to lead the way



Approaches analyzing the reputation of Holcim



Internal and external perception of Holcim's commitment to SD



Issues raised at the 1st corporate stakeholder dialogue end of 2003

- Appraisal of Holcim's SD Commitment and Approach
 - ▶ Holcim's current SD approach is honest, transparent and down-to-earth
 - ▶ Clear performance targets on priorities and reporting on achievement levels as well as addressing weaknesses

- White spots:
 - ▶ Code of Conduct
 - ▶ Biodiversity policy
 - ▶ SD potentials on the market side (product differentiation)

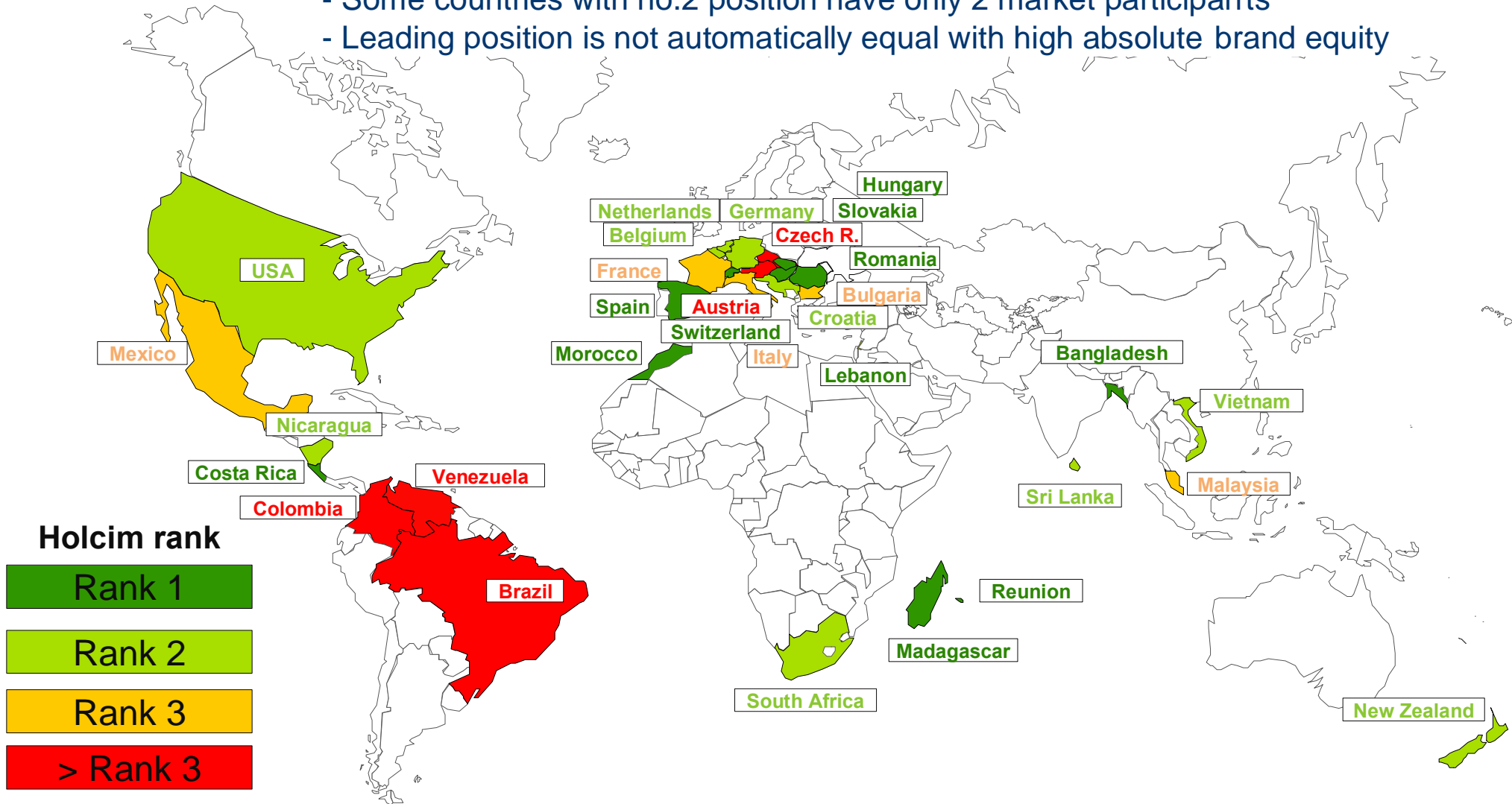
- Energy and Climate Change
 - ▶ Holcim should promote a visionary goal to curb absolute CO₂ emissions

Holcim measures Customer Satisfaction and Loyalty as part of its global research efforts

- Holcim has set its goal to become the **preferred premium brand** for cement in all its markets and measures therefore regularly **satisfaction and loyalty** among cement customers and influencers of cement purchases
- In 2005 Holcim completed its first worldwide standardized measurement which encompassed more than **12'000 interviews in 31 countries**
- The study was conducted as a market survey (including Holcim's and its competitor's customers) by an **independent research agency**
- The results are used to calculate an index which is part of Holcim's global **performance management system**

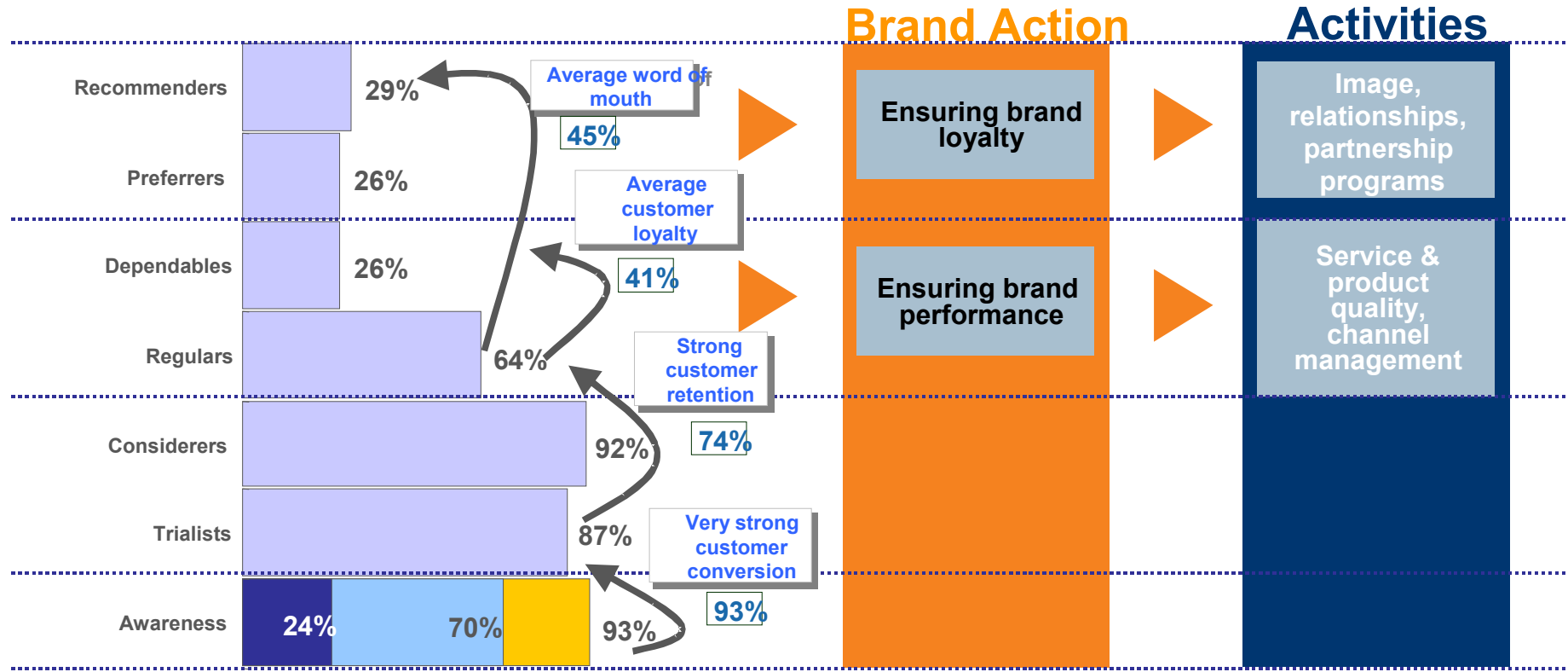
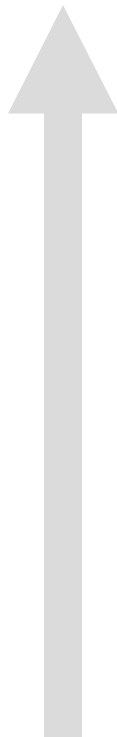
Holcim Brand Equity Index – Relative Ranking

- Leading brand in 11 countries (out of 31 countries)
- Some countries with no.2 position have only 2 market participants
- Leading position is not automatically equal with high absolute brand equity





Market Example: Brand Relationship



Top of Mind Awareness
 Spontaneous Awareness
 Aided Awareness

Clients expect SD commitment from Holcim

- In five key markets, Holcim also assessed in in-depth studies the influence of its **Corporate Social Responsibility** and **Sustainable Development** programs on the brand
- The results show that Corporate Social Responsibility and Sustainable Development have an **impact on selection of cement suppliers**
- Although in general the industry seems to perform low on the questions of "*is a socially responsible company*" and "*is active to environmental issues*", **Holcim performs mostly as a leader** in these fields among the surveyed groups

Reputation through compliance and accountability

- Reputation hinges on the management's reliability
- Code of Conduct and the reliance on our own integrity
- Fair competition and the VCCE implementation
- OHS record and the „Passion for Safety“ initiative
- SD commitment and maintaining external recognition



Our goal: We want to be the most respected company

Possible questions for discussion

- How do you rate the way Holcim is dealing with reputation?
- What is missing?
- What would you do to become the most respected company in our industry as well as the preferred premium brand?