

Is Reputation Manageable? – a Benchmarking Exercise

Holcim's Reputation Management from an Analyst's Perspective

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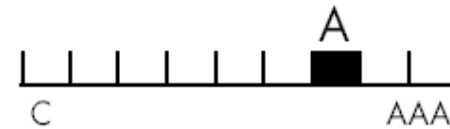
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Holcim's Sustainability Rating by ZKB

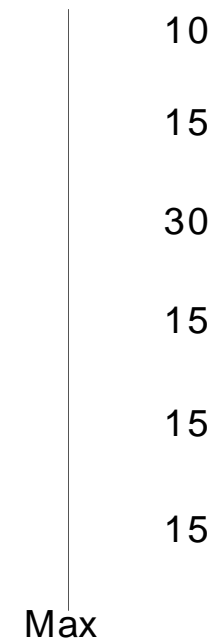
Sustainability Rating



Topics reviewed



Weighting %



Reputation Management - Positive Aspects

- Solid basis with...
 - CSR Mission and Policy
 - Environmental Policy Statement (2001)
 - Code of Conduct (2004)
- ISO 14001 as a standard
 - By the end of 2004, 66% of all plants had an ISO 14001 certificate
 - Target for end of 2005: 100%
- Quantitative reduction targets for CO₂ emissions, progress towards targets discussed in CSR report
 - Reduction of approx. 13% per ton of cement (1990--2004), target 2010: 20%
 - Spec. net emissions: 649 kg of CO₂/t cement
- ZKB Corporate Governance Rating: good result
 - 2004: Rank 5 out of 26 SMI-Companies
 - New report will be published next week: positive trend

Reputation Management - Room for Improvement

- Sustainability management at group level is relatively young and therefore vulnerable
 - Environment: first steps in 1999
 - Health and Safety Initiative: 2003
 - Code of Conduct: 2004
- Sustainable building products
 - Cement is a very energy-intensive product. Research on alternative building materials as a basis for a long-term sustainable strategy
- The cement industry faces a lot of investigations concerning cartel actions
 - Proactive approach would position Holcim as leader
- Major presence outside Europe and North America
 - Little information about training activities in developing countries; i.e. training on "Code of Conduct", health and safety, employment issues, environmental issues
- No group employee satisfaction surveys
 - Some group companies have conducted surveys

Questions

- To what extent can Holcim influence the business practices in the cement industry and where are the limits?
- Does a credible sustainability strategy for Holcim include research on alternative building materials?