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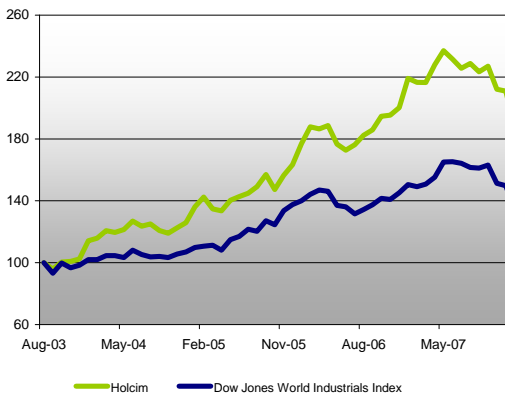
Company Report – Holcim

Company Description

Founded in 1912, Holcim is one of the world's leading manufacturers of cement and other products for the construction sector. Holcim's core businesses include manufacture and distribution of cement and clinker, production, processing and distribution of aggregates (crushed stone, gravel and sand) and ready-mix concrete goods and asphalt. Furthermore, the company offers consulting, research, trading, engineering and other management services. Holcim is a global company with production sites in over 70 countries and market presence on every continent. Holcim's business strategy is based on continuous growth in emerging high growth markets as well as in developed economies. Through recent moves in China and India, Holcim has further strengthened its position in regions with high economic growth and increased demand for cement and related products.

Performance of Holcim

Since Inclusion in the DJSI September 2003



Source: Bloomberg

Sustainability Performance

Through a further strengthening of the commitment towards sustainable development and a corresponding orientation of the group strategy, Holcim was confirmed as industry leader in the sector for the third consecutive year. The group is successfully addressing the core sustainability issues related to the cement industry and in particular the need to reduce the environmental footprint for its resource intensive activities. Holcim has recognized and assumed responsibility with regard to biodiversity by developing a global approach in cooperation with substantial stakeholder integration, e.g. in cooperation with IUCN. The company takes a leading position in environmental policy as well as recycling and energy-saving strategies, be it through the use of alternative sources of energy, the use of waste as fuels or the development of new products. Holcim is aware of specific risks and challenges connected to climate change and possible consequences from regulatory changes, which is reflected by a comprehensive integration

of climate change in strategy development, the definition of emission reduction targets and a solid performance track record with regard to environmental targets. Developing and maintaining a strong relationship with different interest groups is key for Holcim. The company uses various methods to reach out to its stakeholders, assess local needs in areas where it operates, promote community involvement and improve educational, cultural and social development.

Industry Driving Forces

The industry covers producers of materials used in the construction and refurbishment of buildings and structures, including producers of bathroom and kitchen fixtures, plumbing supplies and central air-conditioning and heating equipment. Due to the diverse nature of the industry, the competitive environment varies considerably. With regard to cement producers, greenhouse gas emissions will remain the key challenge to be addressed within the short and mid-term. The usage of alternative fuels will play an increasingly important role in tackling this issue. In addition, more involvement and education of local communities is needed to ensure public support. For all building materials, recycling and reuse of materials will remain a high priority. Building materials have also started to perform additional tasks such as absorbing nitrogen oxides or electricity generation through integrated solar cells. The industry will therefore be even more knowledge driven than in the past with talent attraction, retention and development becoming an essential source of competitive advantage.

Company Performance for selected Criteria

