

2016

Lafarge Africa **SUSTAINABILITY** **REPORT**

*Promoting Sustainable Construction
for a Better Society*



LH A member of
LafargeHolcim



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LAFARGE

BUILDING NIGERIA



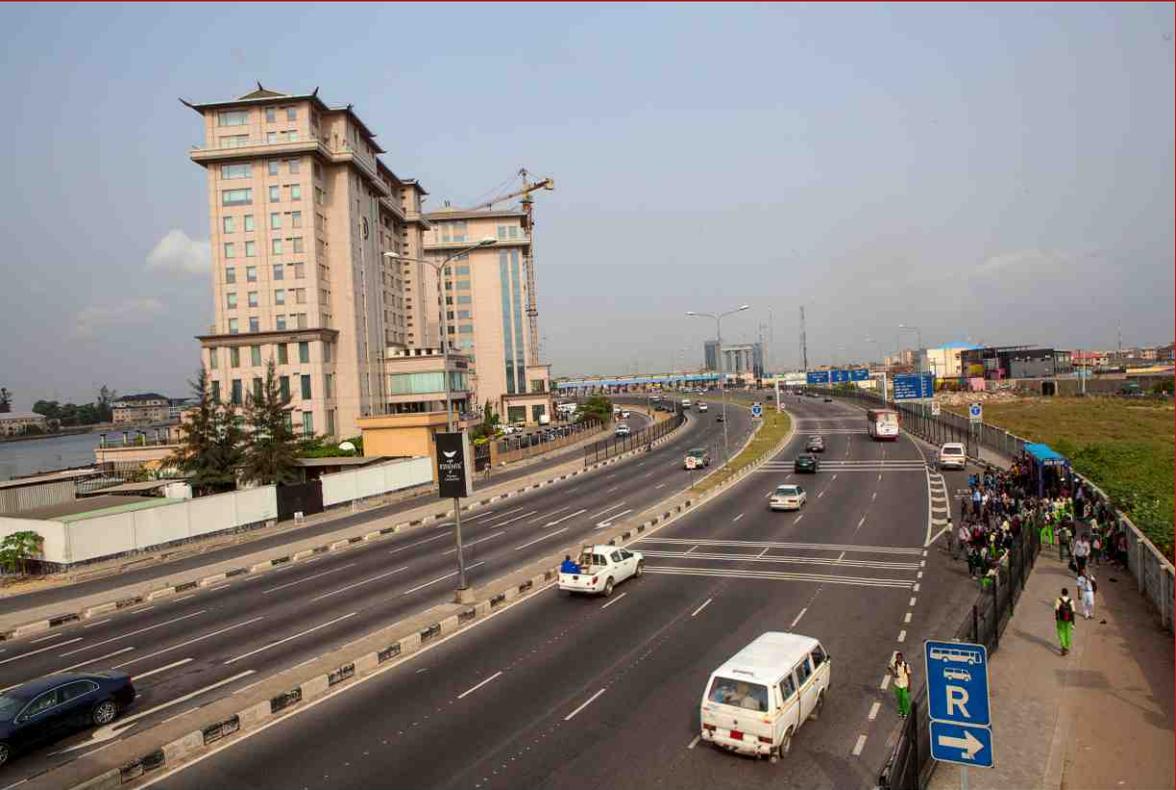
Lafarge Africa has been contributing to the development of Nigeria for over fifty years. We put our values at the forefront of the way we do business: health & safety, environmental protection, people development, corporate governance and social responsibility.

A member of LafargeHolcim, the world leader in building solutions, our innovative products and services provide cities with more housing, making them more compact, more durable, more beautiful and better connected.

www.lafarge.com.ng

 A member of
LafargeHolcim

 **LAFARGE**
Building better cities™



OUR FOCUS AREAS

STAKEHOLDERS' PERCEPTION

APPENDIX

LAFARGE AFRICA PLC: So the world builds better

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CREATING SHARED VALUE



“We remain hopeful in our economy which has thankfully begun to show signs of recovery. Our commitment is to continue to work with our stakeholders and partners to build a strong and viable construction and building materials sector, leveraging on the Economic Recovery and Growth Plan (ERPG) recently launched by the Federal Government of Nigeria.”

CHAIRMAN'S INTRODUCTION

Sustainability is integral to our operations at Lafarge Africa Plc and I am delighted to write this introduction to our 2016 Sustainability Report which provides a scorecard of our achievements in this regard while still giving attention to financial performance.

We are convinced that with a consistent focus on our sustainable development strategy - The 2030 Plan - we are able to achieve growth as a business and add value to our stakeholders. We also have a firm conviction that organizations like ours, have the capacity to create transformational change through innovative business models that deliver significant societal value as they generate economic wealth.

Our vision at Lafarge Africa is to be an active participant in driving this change. In doing so, we will work in alignment with international best practices recommended by standards such as the United Nations' Sustainable Development Goals (UNSDGs). These standards will be applied in executing our interventions in the four focused key pillars of – Climate, Circular Economy, Water & Nature, and People & Communities. We believe that our interventions can help to reduce Carbon Dioxide (CO₂) emissions, provide better quality building solutions, improve on health and safety, build a strong corporate governance and contribute to the long-term social, environmental and economic development of the country.

While 2016 was a challenging year for the Nigerian economy following the aftermath of the global crash in prices of commodities. The economy has begun to recover from a period of painful economic recession as from the end of the second quarter of 2017.

Whereas changes in economic landscape remain a constant phenomenon, we will continue to focus on our objective to be a force for good wherever we operate. We will therefore, consistently ensure that the actions we take are not only in the

interests of our organisation but also to the overall benefit of society.

In achieving our sustainability goals, our host communities as partners are key. We therefore employ an inclusive approach to fostering growth, empowerment, and development within these communities through continuous stakeholder engagement, and prioritisation of their needs. For impact on a national scale, we have continued to passionately use the platform of our Lafarge Africa National Literacy Competition which seeks to improve literacy amongst indigent primary school pupils across our country.

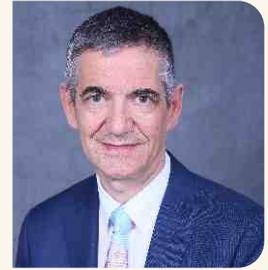
We remain hopeful in our economy which has thankfully begun to show signs of recovery. Our commitment is to continue to work with our stakeholders and partners to build a strong and viable construction and building materials sector, leveraging on the Economic Recovery and Growth Plan (ERGP) recently launched by the Federal Government of Nigeria. We are confident that the focus on delivering much-needed investments in infrastructure, job creation and affordable housing will boost domestic consumption of cement and consequently increase capacity utilisation for local cement manufacturers.

As we positively look forward to the years ahead I would like to express our immense gratitude to all our stakeholders for their faith in us as we commit to building a better and secure future for us all.

Mobolaji Balogun
Chairman
LafargeAfrica Plc

ENTRENCHING SUSTAINABILITY AS A BUSINESS STRATEGY

“Our overarching value is Health and Safety and it is at the core of everything we do. Our ambition is to achieve zero harm to people and create a healthy and safe environment for all our stakeholders.”



COUNTRY CHIEF EXECUTIVE OFFICER'S STATEMENT

I am pleased to introduce you to our 2016 Sustainability Report, detailing our commitment to Promoting Sustainable Construction for a Better Society. The report was compiled in adherence to the GRI-G4 standards and the assurance of an external party, CSR-In-Action Consulting.

Following the LafargeHolcim global merger in 2015, Lafarge Africa has been at the forefront of championing positive change by paying close attention to our ACE Culture and CRISP Values, and recording significant success in our efforts to build a motivated workforce and a sustainable business.

We also launched our Turn-Around Plan, which revolves around achieving high reliability across our production facilities, including reviews of processes by our Board.

Though the year 2016 brought with it unique challenges, we are pleased that we ended the year with some key wins.

Forging ahead with The 2030 Plan – Building for Tomorrow

Our 2030 Plan revolves around 4 key pillars – **Climate, Circular Economy, Water and Nature, and People and Communities**.

Owing to the nature of our business, caring for the Climate and protecting the **Circular Economy** will always be crucial matters that we take full responsibility for. We are taking significant steps to reduce our emissions, in particular, CO₂. In 2016, we focused on energy consumption by increasing the use of alternative fuels (AF) – palm kernel shells and wood waste – in the energy mix in our Ewekoro plant. This approach created employment and business opportunities for our local community stakeholders.

Across our third pillar, **Water and Nature**, we have noted areas for progress, and are focusing on our operations with the aim of sustainably reducing our environmental footprint.

Overall, our efforts enabled us to close the year out with satisfied stakeholders, especially within the communities as we promised in the **People and Communities** pillar of our 2030 Plan to work in partnership to provide solutions to their challenges. Personally, it was a delight for me to visit some of our communities and appreciate the rich cultural heritage in which we operate. In 2016, we increased our engagements with our diverse stakeholders, and are pleased to share in the smiles of our friends from **Oke-Oko Sekoni** and **Oke-Oko Egbado** communities who we relocated and provided shelter for, much to their exultation.

I also acknowledge with pride the numerous accolades and awards we received from a number of organisations who have recognised our contributions. I applaud my team for their commitment, resulting in the emergence of Lafarge Africa Plc. as the **Best Company in Stakeholder Engagement** and the **Most Outstanding Company of the Decade** at the 10th edition of the Sustainability Enterprise Responsibility Awards (SERAs).

Promoting Health and Safety

Our overarching value is Health and Safety and it is at the core of everything we do. Our ambition is to achieve zero harm to people and create a healthy and safe environment for all our stakeholders.

Nigeria is expected to become Africa's third most populous nation in the world resulting in increasing urbanisation and demand for sustainability. Lafarge Africa is resolute in supporting all efforts to innovatively work in partnership to encourage more mindful use of nature's resources to build more durably and sustainably. We are committed to our purpose to provide materials and solutions so the world builds better.

Michel Puchercos
Group Managing Director/CCEO
Lafarge Africa Plc

THE LAFARGEHOLCIM GROUP

Rapid change in our world is bringing new challenges for the construction and building materials industries: demographic growth, increasing urban development, climate change, and the need for environmental conservation.

As the new leader in this new world, LafargeHolcim addresses these major trends by providing what really matters: spaces to live and learn, places to rest and work, infrastructure that facilitates mobility, and innovations that maintain energy supplies.

These are the main missions of building materials, particularly those of cement, aggregates, and concrete solutions. In providing what really matters, we will set the standard for the industry as a whole.

80 COUNTRIES

90,000 EMPLOYEES

IN TOP 3 POSITION IN 80% OF OUR MARKETS

CHF 26.9 BILLION IN NET SALES

LafargeHolcim

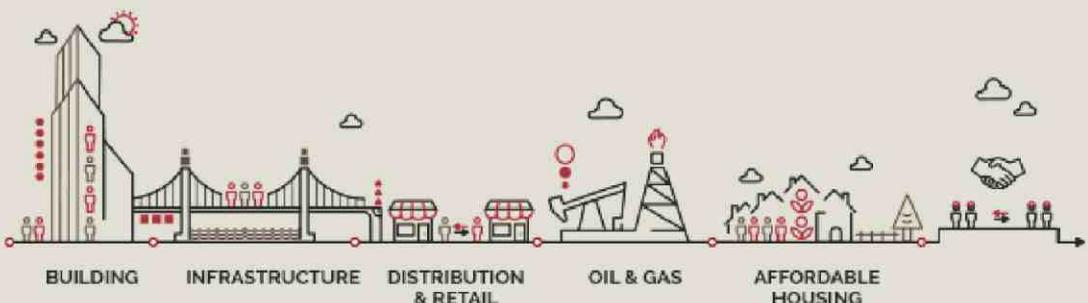
FOUNDED IN 2015
following the merger of Lafarge and Holcim

353.3 MT INSTALLED CAPACITY WORLDWIDE

OVER 2,300 PLANTS
Including over 1,400 in ready mix concrete, over 600 in aggregates, over 200 in cement and grinding plants

OUR PRODUCTS, SOLUTIONS AND SERVICES

Cement, concrete, aggregates and asphalt for the following businesses



LAFARGE AFRICA PLC



WHO WE ARE

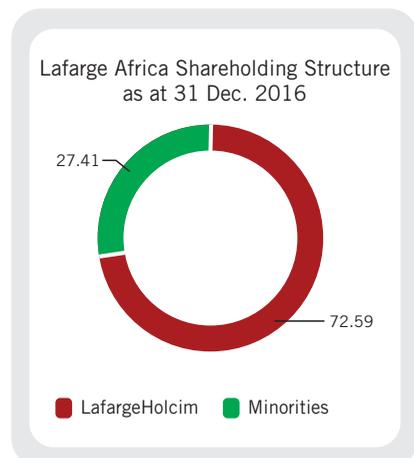
LafargeHolcim was formed in 2015 following a successful merger between two global cement giants – Lafarge and Holcim.

Lafarge Africa Plc, (Lafarge Africa) with headquarters in Lagos, Nigeria, is one of the 80 locations in which LafargeHolcim is present. A publicly quoted company on the Nigerian Stock Exchange (NSE), Lafarge Africa provides consumers in Nigeria and

South Africa with a choice of cement and concrete solutions designed to meet all building and construction needs, ranging from individual home buildings to major construction projects.

Lafarge Africa serves a wide range of consumers, including: manufacturing, construction, individual home builders, block makers, and general end-users.

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Lafarge Africa Plc's ownership and legal form

OUR VALUES



Health and Safety

As member of LafargeHolcim, health and safety is an overarching principle of our operations in Nigeria. At Lafarge Africa, we want to do more than prevent accidents, by creating a healthy and safe environment for our employees, contractors, communities, and customers based on a true safety culture.



Customers

Our focus on customers means we will continue to build an organisation and culture that is centered on markets and customers. We understand fully who our customers and end users are, what drives their businesses and what they value, by listening to them. This allows us to anticipate their needs and provide innovative solutions for shared value creation. As part of our continuum of improvements to customer experience management, Lafarge Africa uses Net Promoter Score (NPS) methodology allows direct dialogue with our customers.



Results

Results stand for a passion to achieve our goals and deliver on our targets through rigorous execution with zero harm to people. We strive for continuous improvement and challenge the status quo with innovative solutions that drive lasting results for shareholders.



Integrity

This means creating an environment where compliance is a central commitment. We have the courage to make the right decisions based on our ethical principles at all times, even when it means forgoing a business opportunity.



Sustainability

For us sustainability is demonstrating leadership in environmental stewardship, and being a responsible role model for future generations. We proactively engage with stakeholders to create shared value with society, and drive sustainable solutions through the entire value chain.



People, Openness and Inclusion

At Lafarge Africa, we stand for openness and inclusion, and truly care for and respect every individual. We seek diversity and embrace new and different ideas, experiences, and perspectives, and are open to collaboration and sharing. We enable teams and empower individuals to reach their full potential and succeed. We recognise high performance and address underperformance.

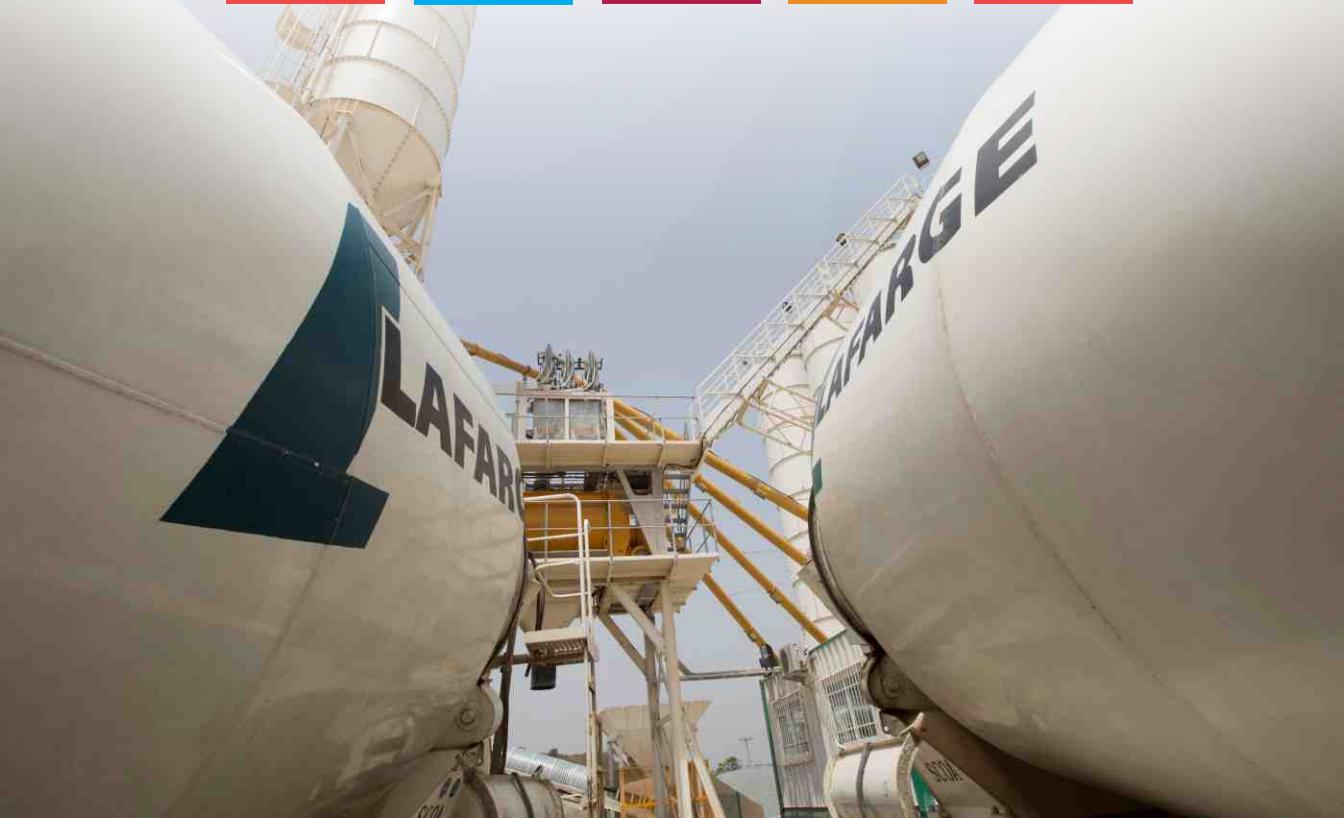
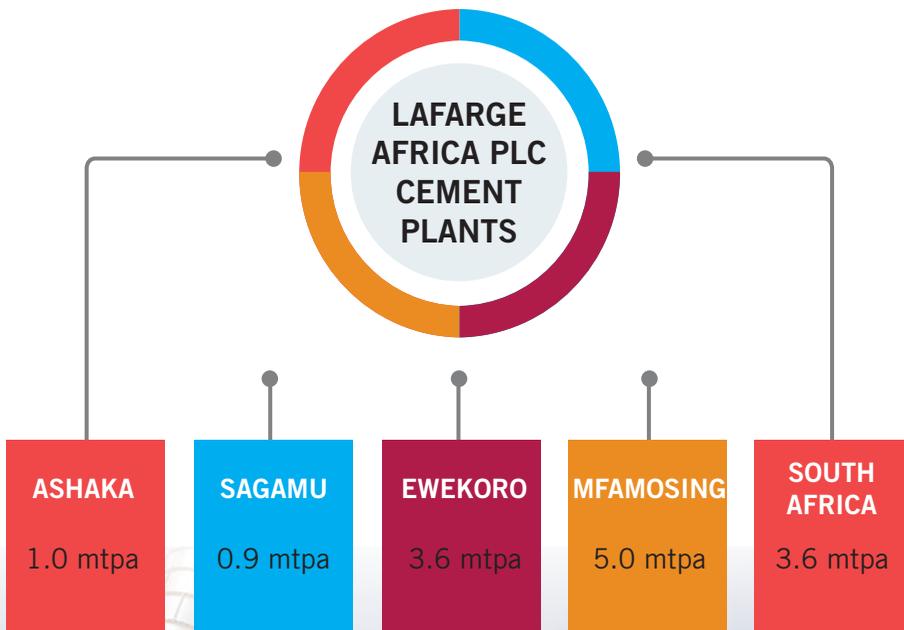


Readymix Plant, Abuja

WHERE WE OPERATE

Lafarge Africa has a combined cement capacity of 14.1mtpa with operations in South West (SW), North East (NE) and South South (SS) geopolitical zones of Nigeria specifically in Ogun, Gombe, Cross River and Rivers states, respectively; as well as in South Africa.

In addition, we have strong market leading positions in aggregates, ready-mix concrete and fly ash.



FINANCIAL PERFORMANCE

The global crash in commodity prices which began in 2015 impacted crude oil prices and resulted in a significantly lower US Dollar revenue for the Federal Government of Nigeria. This constrained government expenditure with a negative impact on the overall level of demand in the economy.

In addition, FX supply to the market was short, leading to a significant devaluation of the Naira, the local currency. Together, all these variables made 2016 a challenging year for Lafarge Africa with revenue and profit after taxation down on 2015 by approximately 18% and 38% respectively.

From Q2 2017, the Nigerian economy began to emerge from a period of recession, which now gives a positive outlook for 2017.

Financial summary

Year / % Change	2016	2015
Denomination	N'million	N'million
Revenue	219,714	267,234
Profit before taxation	(22,819)	29,287
Tax credit/(charge)	39,717	(2,124)
Profit after taxation	16,898	27,163

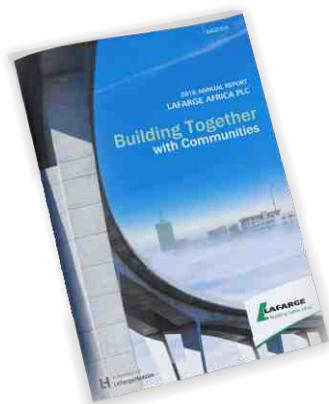


Table 1: Financial summary of 2016

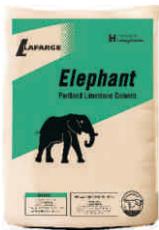


Chairman, Mobolaji Balogun; CCEO, Michel Pucheros and stakeholders during the launch of the company's first Sustainability Report in November 2016

PRODUCT INNOVATION & SOLUTIONS

GENERAL USE

Elephant Cement



AshakaCem



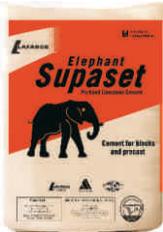
Unicem



These general use cement have been preferred for generations. Great for solid and sustainable constructions. They are the number one cement for sustainable construction.

BLOCKS & PRECAST

Elephant Supaset



- Superior quality, fastsetting solution brand of Elephant Cement
- Strength that block makers desire.

TECHNICAL

PowerMax



- Preferred premium technical cement for large projects
- Excellent strength and performance at all ages
- Versatile with enhanced durability benefits
- Available in bulk and jumbo bags.

CONCRETE

ReadyMix



- Lafarge Africa's commitment to innovation
- Mixed to project specifications and concrete delivered to site
- Services all sectors of the local industry.

Lafarge Africa is home to a number of formidable brands with impeccable standard and quality that have served the Nigerian market for decades with power, maturity, resilience, durability and reliability. Designed using the best technology, our products are for projects that have and will continue to stand the test of time.

Some notable landmarks built with Lafarge cement include:

- The National Assembly Complex, Abuja
- Federal Secretariat, Abuja
- Third Mainland Bridge, Lagos
- MKO Abiola Gardens, Lagos
- The Pan Atlantic University, Lagos

- Cocoa House, Ibadan
- Premier Hotel, Ibadan
- Zaranda Hotel, Bauchi
- 8.6km Jimeta Bridge, Yola
- APTI American University, Yola
- 23 storey building Bank of North Headquarters, Kano
- Emir's Palace, Gombe
- Tinapa Business and Leisure Resort, Calabar
- Calabar International Conference Center
- Akwa Ibom International Stadium, Uyo
- University of Nigeria Nsukka, Enugu Campus
- Enugu State Government Secretariat
- Enugu State Government House

SUSTAINABILITY PERFORMANCE AT LAFARGE AFRICA

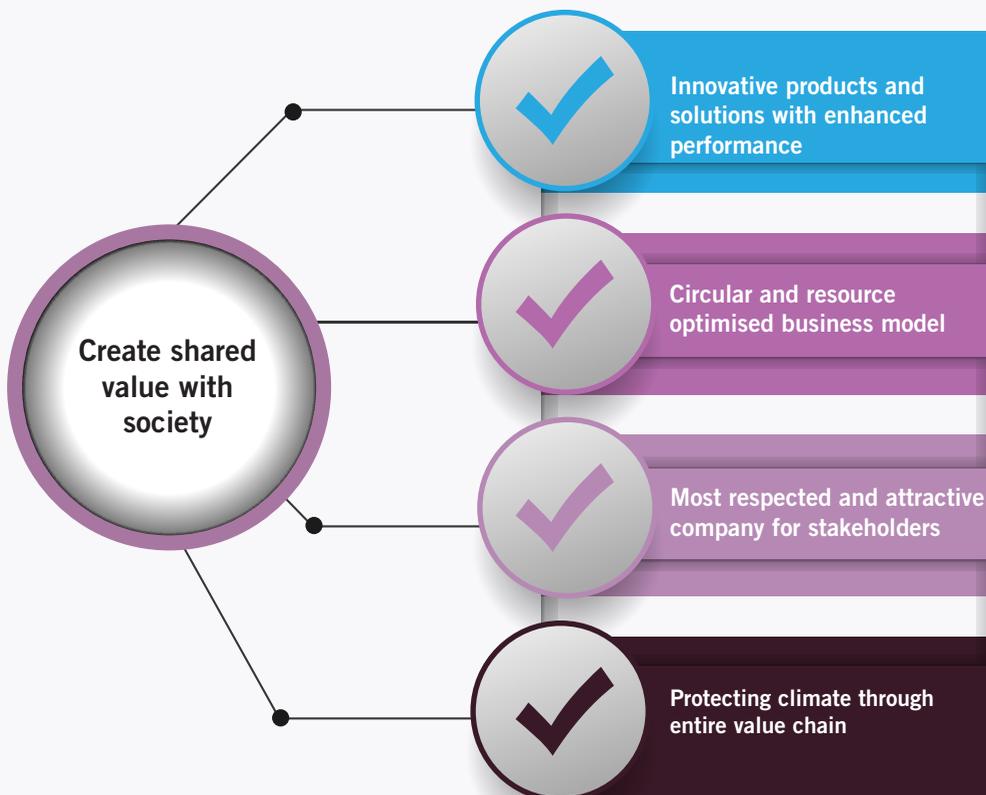
As Lafarge Africa, our vision is to be recognised as an innovative business leader, demonstrating shared value in our operating communities alike, enabling social, economic and environmental sustainable development, to the benefit and in close partnership with all our stakeholders.

Our sustainability approach capitalises on LafargeHolcim's worldwide presence to provide solutions towards meeting social, environmental and stakeholder challenges, with one clear goal: to create shared value with society.

Our strategy for achieving this lies in our 2030 Plan with the aim of Building for Tomorrow: we want to lead in sustainability and set new standards, we want to transform the way our industry works and encourage the entire construction sector to play its part in addressing our planet's biggest issues.

Our 2030 Plan aligns with the United Nations Sustainable Development Goals (UNSDGs). We have commenced local actions on our 2030 Plans, in addition to designing a sustainability manual that serves as a road map in successfully achieving the goals of the four pillars – Climate, Water & Nature, Circular Economy and People & communities.

FOUR PILLARS OF SUSTAINABLE DEVELOPMENT AT LAFARGEHOLCIM





THE 2030 PLAN

BUILDING FOR TOMORROW

	 <p>Climate</p>	 <p>Circular economy</p>	 <p>Water and nature</p>	 <p>People and communities</p>
In house	We will reduce net specific CO ₂ emissions by 40% per tonne of cement (vs. 1990)	We will use 80 million tonnes of waste-derived resources per year	<p>We will reduce specific freshwater withdrawal in cement operations by 30%</p> <p>We will implement The WASH Pledge on all sites</p>	<p>We want zero fatalities</p> <p>We will reduce LTI FR < 0.20. We will reduce TIFR by 50%</p> <p>We will reduce our disease rate < 0.1</p> <p>We will have 30% minimum gender diversity at all management levels</p>
Beyond our fence	We will help our customers avoid 10 million tonnes of CO ₂ being released from buildings each year through our innovative solutions	We will provide end-of-life solutions for our products and will supply 4 times more recycled aggregates from CDW/RAP	<p>We will make a positive impact on water in waterscarce areas</p> <p>We will show a positive change for biodiversity</p>	<p>We will develop initiatives to benefit 75 million people</p> <p>We will engage in collective action to combat bribery & corruption in high risk countries</p>
Innovative solutions	<p>Low-carbon cement & concrete</p> <p>Insulating concrete</p> <p>Thermal-mass solutions</p>	<p>Low-carbon cement & concrete</p> <p>Insulating concrete</p> <p>Thermal-mass solutions</p>	<p>Rainwater harvesting</p> <p>Pervious concrete</p> <p>Stormwater protection</p> <p>Vertical green solutions</p>	<p>Affordable housing materials and solutions</p> <p>Affordable sanitation solutions</p>

Note: All targets are for 2030. Baseline year is 2015 unless stated otherwise.
 CDW: Construction & Demolition Waste, RAP: Reclaimed Asphalt Pavement, WASH Pledge: Water, Sanitation and Hygiene Implementation at the Workplace, LTI FR: Lost Time Injury Frequency Rate, TIFR: Total Injury Frequency Rate.

Our 2030 Plan aligns with the UNSDGs



CORPORATE GOVERNANCE

Our corporate governance policies have been designed to create and promote sustainable and transparent values through outlined responsibilities and management processes, suitable decision-making relating to policy principles and controls. It also includes continuous monitoring of the Board of Directors' performance and efficiency and enhancement of the five core values of the Company: Customer focus, Results, Integrity, Sustainability, People, Openness and Inclusion (CRISP).

Also, we are committed to the LafargeHolcim Code of Business Conduct (CoBC). The CoBC distinguishes us as a sustainable organisation and ensures that our entire work force acts with integrity and respect for one another and the communities within which we operate. These practices continue to shape our future and differentiate our organisation.

At Lafarge Africa, we recognise that there should be no negotiations in adherence to the standards stated in the CoBC. To ensure optimal compliance, we organise classroom and e-learning sessions for the entire workforce.

Additionally, we adhere to and conform with the following: Memorandum of Association, the Companies and Allied Matters Act (Cap C20 Laws of the Federation of Nigeria, 2004), regulations of the Nigerian Stock Exchange, the Security and Exchange Commission Code of Corporate Governance for Public Companies 2011 (SEC) among others.

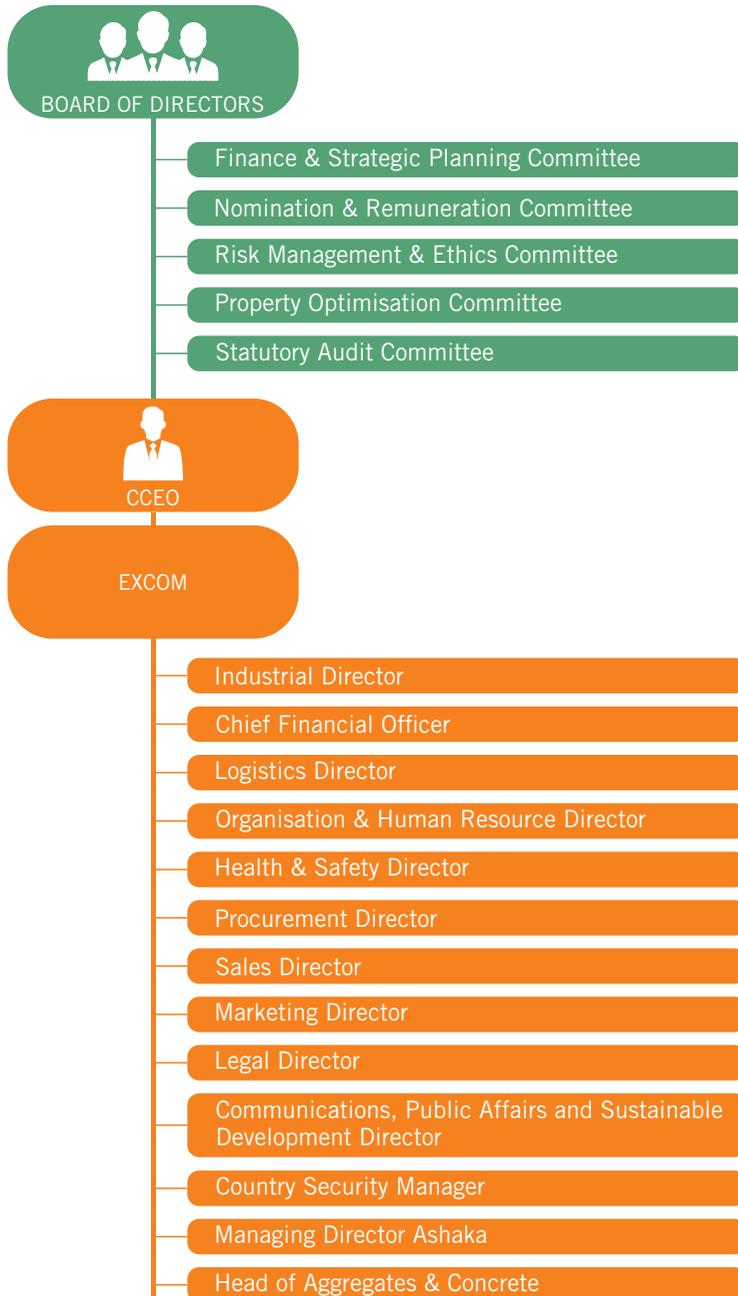


Anti Bribery & Corruption Training with Ana Gonzalez Prada Regional Compliance Officer

GOVERNANCE STRUCTURE

During an internal board evaluation in 2016, we challenged all aspects of the board including the performance of the Chairman, Directors and Board Committees. We are proud to report that the results show that our board continues to function expertly, driven by our values and ambitions as a company, and dedication to the long-term sustainable growth of the business.

Lafarge Africa Plc Governance Structure



Building with integrity



Our Way

The LafargeHolcim Code of Business Conduct

Integrity is the key to solid and sustainable business in a world of rapid change. LafargeHolcim leads the way with a clear Code of Business Conduct you can rely on in every step you take.





OUR FOCUS AREAS

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ABOUT THIS REPORT

Our Report is written in accordance with the core requirements of the Global Reporting Initiative (GRI) G4 framework. In line with its requirements, we have adopted a shared value approach, focusing our report on what matters to our stakeholders, and on how these matters relate to our organisational goals and aspirations. The report details our performance from January to December 2016 as it relates to our guiding principles under The 2030 Plan.

Our journey began in 2015, and we have strengthened our commitment to fostering sustainable business practices within our Nigerian operations.

We have considered both our local context and international standards in developing a business strategy that fosters transparency, and establishes Lafarge Africa as an industry leader.

While the operations of Lafarge Africa Plc encompass both Nigeria and South Africa, this report only includes Nigeria operations.

In accordance with the rules of transparency and accountability, our report also features an assurance statement written in line with the AA1000 standard. We engaged a licensed assurance provider and GRI certified company - CSR-in-Action Consulting - to conduct the assurance exercise ensuring the highest level of independence is maintained.



STAKEHOLDER ENGAGEMENT

Our stakeholders are an integral part of our business because of the notable impact our business activities have on them, and how their decisions affect us. In our 2015 Sustainability Report, we identified our key stakeholders and how we engaged them. In 2016, we increased our engagement initiatives and conducted

surveys to further enhance feedback and responsiveness there on in.

We recognise the success of today is incumbent on the depth of beneficial relationships we have with our key stakeholders.

Stakeholder Engagement Prioritisation

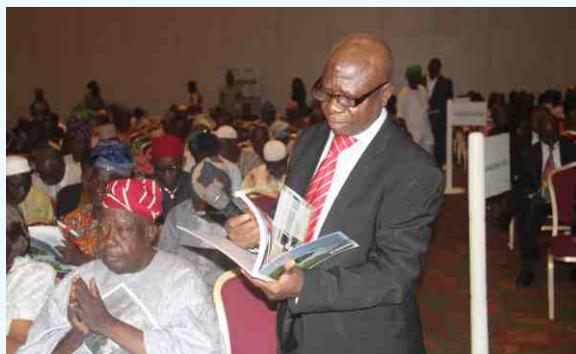


Stakeholder	Basis of Identification	Mode of Engagement	Frequency
Employees	Our employees are the heart of who we are and critical to attain our ambition to be a global construction leader	<ul style="list-style-type: none"> • Team meetings • Conference calls • Emails • Training session • Focus group discussion • Surveys • Intranet • Union representatives meeting • Performance review sessions • Health & Safety induction • NPS (Net Promoter Score) 	<ul style="list-style-type: none"> • Monthly • Adhoc • End of the year
Customers	Our customers are pivotal to our success. We use customer insight to create value	<ul style="list-style-type: none"> • Meetings • Market activations • Conferences • Market visits 	<ul style="list-style-type: none"> • One-on-one daily, weekly and monthly engagements
Shareholders	Delivering exceptional value to our investors and shareholders	<ul style="list-style-type: none"> • Shareholder fora • Annual General Meeting • Annual reports • Website 	<ul style="list-style-type: none"> • Annually • Adhoc
Host Communities	Success due to sustained cordial relationship in our host communities	<ul style="list-style-type: none"> • Monthly meetings • Ad hoc meetings • Courtesy visits • Community day events • Social investments • Scholarship awards • Employment of indigenes 	<ul style="list-style-type: none"> • Monthly • Adhoc • Extraordinary
Business partners	We consider our business partners critical to our business because they serve as a link between our products and final consumer	<ul style="list-style-type: none"> • Meetings • Joint market activations • Joint customer site visits • Zonal meetings 	<ul style="list-style-type: none"> • Daily, weekly and monthly • Fortnightly market activations • Monthly zonal meetings
Government/Regulators	Ethics, risk and compliance adherence is critical to our business operations, revenue, income and standards maintenance	<ul style="list-style-type: none"> • Courtesy visits • Formal meetings • Participation in government functions/events • Plant inspection • Product quality inspection • Tax/Tariffs, excise duties 	<ul style="list-style-type: none"> • Monthly • Adhoc • Regular face to face correspondence
Media	Proactively engage media (traditional/digital) to guarantee positive visibility and tonality at all times	<ul style="list-style-type: none"> • One on one meetings • Visits and roundtable • Facility tours • Site inspections • Corporate participation • Digitally 	<ul style="list-style-type: none"> • Weekly and monthly • Extraordinary

Table 2: Stakeholder engagement



Readymix employees after a town hall meeting in Port Harcourt



Engagement with shareholders

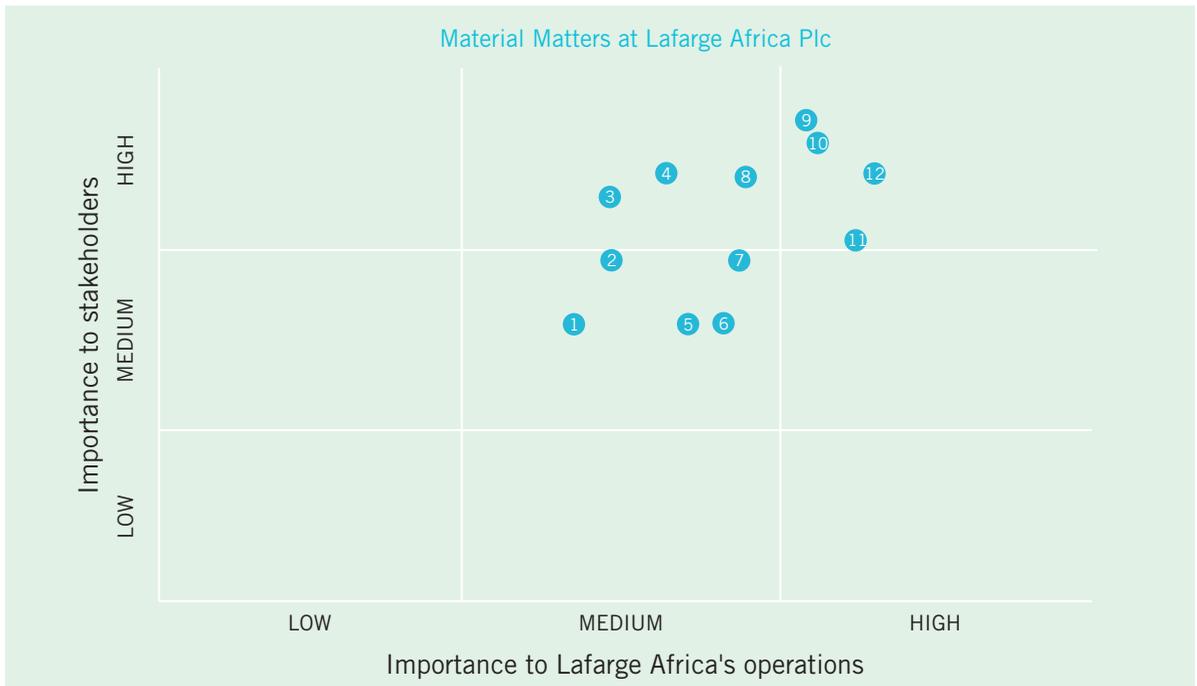
MATERIAL MATTERS

We deploy a holistic approach to determining and identifying material matters at Lafarge Africa. Building on our approach in 2015, we relied on our business strategy, stakeholder engagement, local and global trends and industry-specific guidance frameworks.

In 2016, we focused not only on the guidelines of our reporting framework, the GRI, but also on our 2030 Plan, to ensure alignment with organisational goals. We engaged our different stakeholders with focused questions, and held focused group discussions too.

Throughout 2016, we also held several engagement sessions with our employees. This culminated into our social audit report across our operations in Mfamosing, Ashaka, Sagamu, Ewekoro and our head office. These interactions were instrumental in identifying areas of overarching priority to us in 2016, fully represented below.

The consensus from our external stakeholders is focused and spread around materially improving customer satisfaction, affordable housing and emissions/ dust control.



- 1 Stakeholder engagement
- 2 Meeting environmental targets
- 3 Relocation of communities
- 4 Product application
- 5 Community development
- 6 Environmental compliance
- 7 Water quality
- 8 Product development
- 9 Customer satisfaction
- 10 Affordable housing
- 11 Emissions & dust control
- 12 Brand perception



Caring about the climate

Our industry is critical – construction materials are part of infrastructure, housing, public and commercial buildings all over the world. But our production processes are energy and CO₂ intensive. So we're working hard to reduce our own emissions, innovating to find new solutions and getting our industry on board.



CLIMATE



Following the roll out of The 2030 Plan, our Group targets for climate indicate that by 2030 we will produce 40% less net CO₂ per ton of cement than we did in 1990, and to help our customers avoid 10 million tons of CO₂ being released from buildings each year through our innovative solutions.

CONTROLLING EMISSIONS

To contribute to the achievement of the LafargeHolcim Group's ambition, we have continued to reduce net CO₂ emissions per ton of cement in our country operations. Our efforts resulted in a net CO₂ (Carbon Dioxide) score of 532kg/ton of cement, which represents more than 40% net reduction compared to 1990 results for Lafarge Africa.

In addition to CO₂ performance, we focused on dust control which was a material matter in 2015. In 2016, to minimise dust emissions and operate within the regulatory limits (100mg/Nm³), we optimised our maintenance activities across all facilities. Each plant operates with an internationally compliant mechanical team, skilled with abilities to manage all maintenance tasks to ensure smooth operations. All regulatory measurements are below the limits.

Our newest plants, Ewekoro II and Mfamosing are fully baghouse-compliant (a more environmentally friendly system to electrostatic precipitators) and will target lower limits of emissions leveraging the latest state-of-the-art technologies.

Our efforts resulted in a net CO₂ (carbon dioxide) score of 532kg/tonne of cement. This is 40% reduction compared to 1990 performance



Reduced emission to as low as 30n/mg³ (where government standard is 100n/mg)

Over the years, 2016 inclusive, we sustained Test-House stack emissions monitoring and have continued to report our results to the relevant authorities. To further comply with the Group's Emissions Monitoring and Reporting Standards, a plan to fit all the main stacks with continuous emissions monitoring equipment has also been completed.

ENVIRONMENTAL COMPLIANCE

We focus on how we can improve the sustainability of our operations and as a member of the LafargeHolcim Group, we have both the opportunity and responsibility to make a positive difference in addressing our planet's biggest challenges.

Accordingly, compliance is important to us as a business. We are fully aware that the nature of the industry in which we operate demands that we pay close attention to the potential effects of our most basic operations. In light of this, we take regulatory compliance seriously and ensure that all statutory reports are carefully developed and passed on to regulatory authorities in a timely manner.

As part of our efforts to continue being one of the most carbon-effective cement companies in the world, we conduct regulatory compliance environmental audits. We ensure for instance, our blasting and emissions activities are alleviated as best as possible. Other compliance checks have also been conducted, such as the Impact Mitigation Monitoring by the Federal Environmental agency. The sustained impact assessments are to determine if there is any deterioration in the natural environment when compared with initial findings obtained during the environmental impact assessment studies.



Industrial Director, during a tree planting exercise with officials of Ikoyi-Obalende Local Government Area, Lagos



Tree planting with school children in Ashaka



Engagement with the former Minister for Environment, Amina J. Mohammed



Engagement with the National Environmental Standards & Regulations Enforcement Agency (NESREA)



A quarry inspection exercise



Championing a circular economy

Natural resources are becoming scarce. In waste we see solutions. We're innovating and developing new, sustainable ways to use waste and creating products that live beyond their initial purpose.



CIRCULAR ECONOMY



Our ambition is to reduce dependency on natural resources and fossil fuels by transforming waste into resources for all our production processes.

A circular economy by definition is a regenerative system in which resource input and waste, emission, and energy leakage are minimised by slowing, closing, and narrowing material and energy loops. This can be achieved through long-lasting design, maintenance and repair, reuse, remanufacturing, refurbishing, and recycling.

Our desire to meet environmental target addresses the Climate initiative of the LafargeHolcim Group and the Nigerian government's signature to the Paris COP 21 agreement. We also support a number of

industries in Nigeria to address their quest to achieve zero waste. For example, we have been able to dispose expired maize, spent earth, medicine packages etc. in a controlled cement kiln environment.

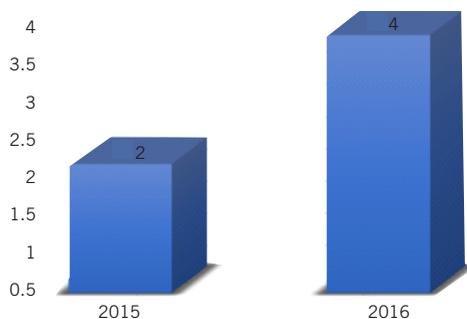
Our activities are driving economic growth in villages and towns with the use of biomass in some of our sites. Hitherto, waste which was being dumped, has now created new industries employing thousands of people directly and indirectly as a result of our interventions.

This growing waste industry is expected to redirect up to 250,000 tons of waste locally to our cement plants by 2020.

MEETING ENVIRONMENTAL TARGETS

We have an energy roadmap to ensure achievement of our targets; designed internally and benchmarked against the Group's practices, taking into full consideration the local environment. Our systems are designed to sustain efficiency, an example is the benefit of the closed system where process heat is used in drying and heating up the raw materials, thereby reducing the need for additional fuel for heating.

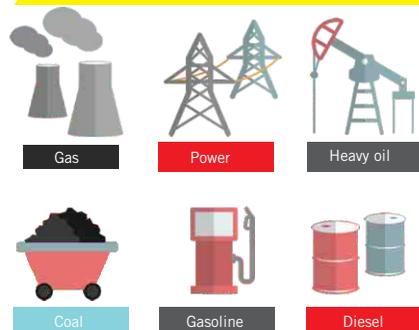
Alternative Fuel Use in 2016



ENERGY CONSUMPTION

In 2016, we increased our use of renewable sources of energy in our Ewekoro plant by introducing palm kernel shells and wood waste. We were able to achieve an energy mix of 45% renewable and 55% non-renewable energy. We plan to improve and report more benefits in 2017.

Non-Renewable Sources of Energy Used



Renewable Sources of Energy Used



CASE STUDY: ALTERNATIVE FUELS

Lafarge Africa has become a leader in the industrial use of biomass, a new development in Nigeria. As part of our efforts to combat climate change issues, this project involves partial substitution of fossil fuels with the use of biomass – a carbon neutral fuel. transportation of biomass waste – the main component of fuel. For instance, over 700 jobs were created in our host communities from biomass sourcing activities in South-West Nigeria and Edo State.

Our use of alternative fuels reduces the emission of greenhouse gases generated by fossil fuels. This contributes to our ambition of reducing CO2 emissions from our operations

In Q1 2016, we faced critical gas supply challenges due to the situation in the Niger Delta. Our ability to use partial alternative fuels to sustain our operations was an important and valuable component in our fuel flexibility strategy.

Over 700 jobs were created in our host communities from biomass sourcing activities in South-West Nigeria and Edo State.

In addition, we recorded a wide range of socio-economic benefits from our value chain through innovation in the collection, treatment and



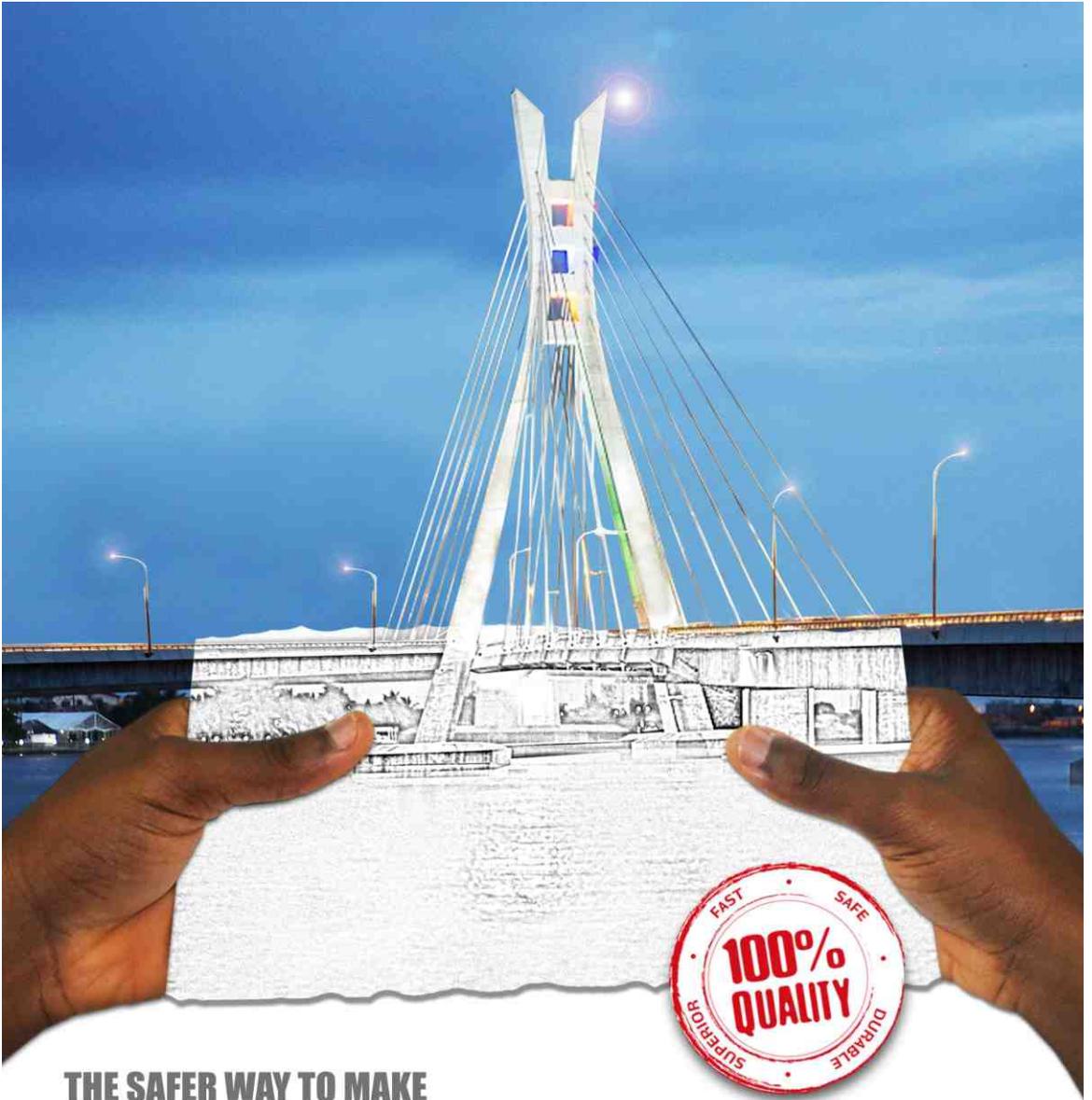
Bagged biomass (PKS) material awaiting delivery to the plant



Biomass (PKS) materials on co-processing conveyor



Job creation through biomass



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PRODUCT APPLICATION

As the construction sector is also operated by the informal sector, there are cases of limited awareness of product knowledge in the sector. To bridge this gap, we have over the years embarked on training programmes for artisans, retailers, individual home owners and professionals across the construction sector. In 2016, we trained over 5,000 people, and continued site visits to ensure better use of our products and monitor additional needs, our product brochures were also used to further enlighten



BRAND PERCEPTION

The reliability of our products and services is important to us because of the impact on our valued customers. In addition to effecting robust growth quality control measures we also significantly made concerted efforts to drive top-of-mind awareness and brand recall with relevant stakeholders.

We measure public perception of our products, and 2016 results showed that we have the strongest performance in south-west, south-south and south-east regions of the country compared to previous years.

Our customers find that we consistently deliver on quality and strength. Our outlook for the future is to increase availability across the nation.

customers on the knowledge and benefits of our products.

We also introduced training and artisan certification programmes through the National Vocational Qualification Framework (NVQS) in partnership with the Nigerian Institute of Building (NIOB). We, plan to continue these professional developments in partnership with local and global professional bodies.



PRODUCT DEVELOPMENT

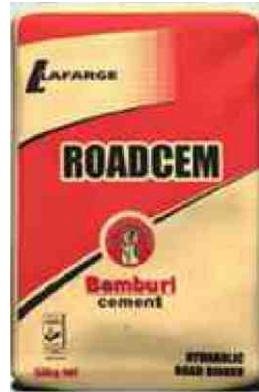
In line with our commitment to be the leader in the construction and cement industry in Nigeria, we understand the need for continuous innovation and product development. In 2016, we repositioned some of our product offerings, including Easy Home, RoadCem, and ReadyMix. In addition, we intend to adopt a more inclusive approach to delivering excellent service by creating a guild of masons, artisans and block makers, who will become brand ambassadors for our products. This will in turn help us reach our most loyal customers directly.

ROADCEM CEMENT

RoadCem is a specialised cementitious binder designed to meet the needs of a wide range of road stabilisation applications. Depending on the specific site conditions, the product is formulated from Portland cements and other additives.

Lafarge soil stabilising cement are designed to provide optimal solutions for improving the engineering properties of soil:

- Strength and bearing capacity are increased.
- Better volume stability by controlling swelling and shrinkage - for better durability
- Modification of clay minerals enhances soil strength and bearing capacity
- The unequalled technical resources of Lafarge provide road contractors with formulations that offer superior all-round performance and better value
- Slow-setting cementitious binders with extended working time in road stabilisation
- Effective in reducing the plasticity index of a wide range of paving materials
- Formulation options to match the challenges of different soil conditions
- Superior long-term strength
- Excellent workability for uniform finished surface
- Quality and reliability of the Lafarge brand
- Lower carbon footprint formulations that aid compliance with environmental specifications.



RoadCem

CUSTOMER ENGAGEMENT ACROSS REGIONS





Protecting water & nature

Water shortage is one of the challenges our planet faces and we need water to make our products. So, it is our mission to reduce the amount of freshwater we withdraw from nature and use it carefully. In dry areas, we give more water to communities and ecosystems than we take. And we take care of biodiversity in all the areas where we operate.



WATER AND NATURE



At LafargeHolcim, we believe responsible water practices and effective biodiversity management cannot only reduce our footprint, but generate positive impacts.

While sustainable conservation of water includes all practices that facilitate the management of the natural resource of fresh water - to protect the hydrosphere, and to meet the current and future human demands, factors such as climate change have increased pressures on natural water resources especially in the manufacturing sector.

Water scarcity is a major challenge in some climates. While we are presently not faced with this challenge, we have a target to reduce specific fresh water withdrawals by 24% in 2020.

We have started the process of redefining our specific consumption volumes with more accurate values. To achieve this, flow meters are currently being procured and installed in our facilities to help with a more accurate measurement of water.

Adequate freshwater availability is a vital social, environmental and economic issue. As a water consuming company and an evident stakeholder in communities, we endeavour to reduce our water impacts and improve our water management approach. We also aim to ensure that all our employees and contractors can access safe water, sanitation and hygiene across all our operational sites.

BIODIVERSITY

In our areas of operations, we act with a strong sense of responsibility, transparency and accountability. We adopt a proactive approach to managing unforeseen incidents.

All our plants have environment management systems with dedicated teams, working with operations to analyse our daily performance and implement preventive actions to limit our impact on our surrounding environment.

We are currently revisiting and working on our quarry rehabilitation plans in order to effectively manage our quarries and operations.

Specifically on Biodiversity, no Lafarge Africa facility is sited in an area known for high biodiversity value. Several studies were carried out including a study by the Wildlife Conservation Society in 2009.

WATER

In line with best practice, when water is released from any of our operations, we check its appearance in terms of physical and chemical components.

Our water withdrawals come solely from natural surface water sources (lakes/rivers) - no municipal sources - around our different plants, which are then replenished by rain water, ingress from ground water and run-offs.



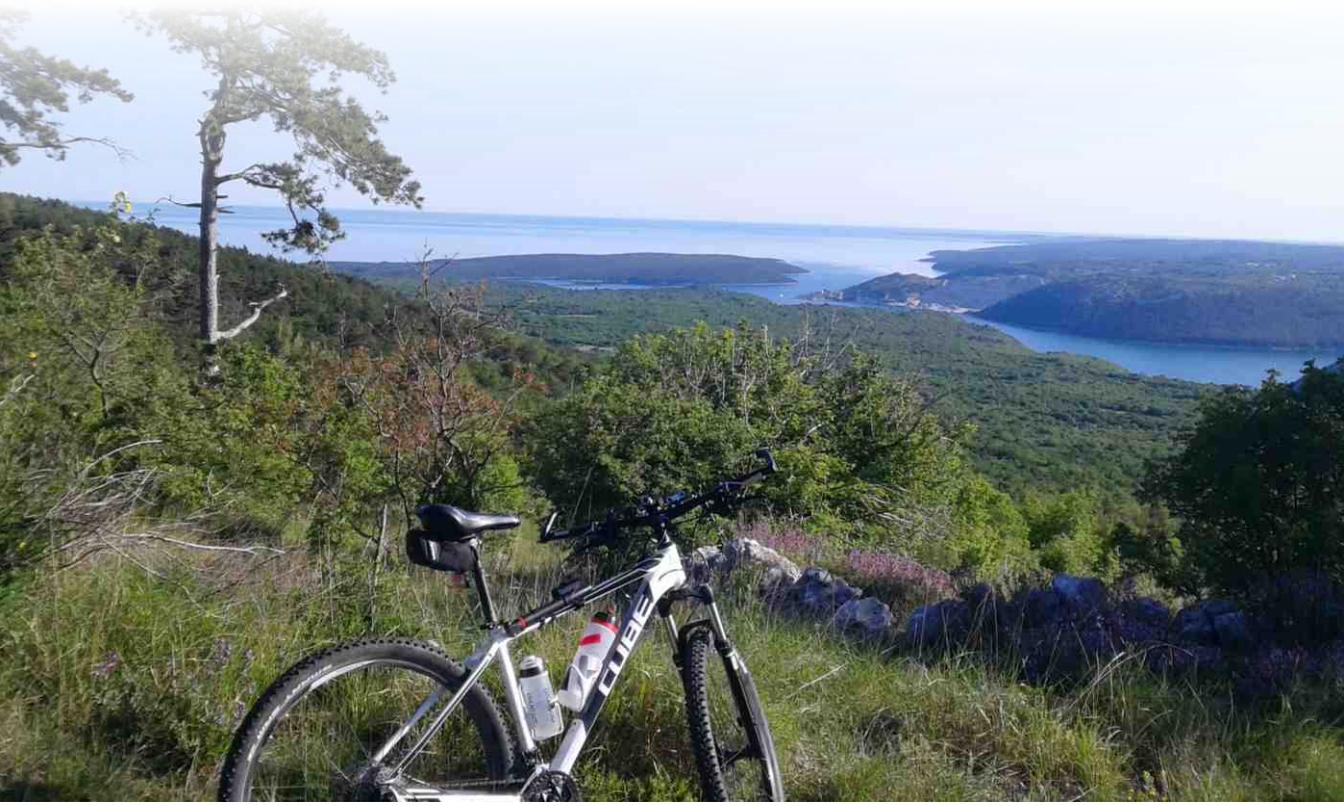
An incidence of the turbidity reported is the result of agitation from rain or water discharge. We allow water to collect in pools and then pump out into settlement ponds because we do landscaping at our quarry sites. In Sagamu, the water goes to artificial lakes, where we again withdraw for use.

To effectively manage our quarries and operations, we took a step to revisit our quarry and biodiversity plans

There are plans in place to install water flow meters at all our sites for specific measurement of water used.

This will help us keep track of our performance and progress in reaching the group's regional water target of 24% reduction in specific fresh water consumption per ton of cement produced.

Also in our host communities, we are particular about the availability of clean and safe water. Mbobui and Mafamosing in Cross River State, usually experience water shortages during the dry season. To address this, we rehabilitated four boreholes with solar power within these communities. This resulted in the supply of cleaner water to the community with over 700 people benefitting.



CASE STUDY: OVER A HUNDRED BOREHOLES IN A DECADE (SAGAMU COMMUNITY)

We have positively impacted our local communities, we have built and maintained over 120 boreholes in the last decade for our Sagamu Community.

This is in fulfilment of the health pillar of our CSR for host communities. The provision of boreholes arose following a Needs Assessment which identified lack of access to potable water as a primary need in the community. Over the years, several villages have benefitted from the boreholes, helping to improve the standard of living and providing access to potable water.

In the last 10 years, the following impacts have been recorded:

- Many community members have benefited from access to potable water resulting in reduced outbreak of water-borne diseases within and around the communities
- Stronger partnership and collaboration with local communities.
- Improvement of the standard of living of people in our host communities



One of the boreholes installed in Sagamu, Ogun State



Commissioning of the Aruba Community Water Project



People from the community enjoying the water facilities



Supporting people & communities

Rising populations and urbanisation are changing the way we live and work. We're continuing to put health and safety at the heart of everything we do. We're also making a difference by giving communities safe, clean shelter through affordable housing. And we're fighting for fairness by taking a stand against bribery and workplace inequality.



PEOPLE & COMMUNITIES



OUR PEOPLE

At Lafarge Africa, we are convinced that achieving success in our business begins by ensuring the growth and well-being of our people as well as supporting diversity in our teams, which is vital for achieving our strategic goals. Thus, we are committed to enhancing diversity and inclusion, as well as skills development.



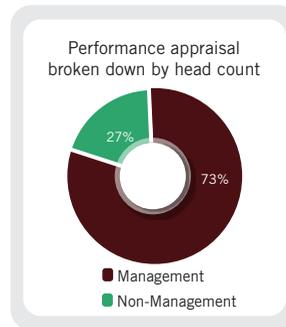
Work-life balance: Lafarge Africa staff during a football game



Celebrating the commissioning of 2016 CSR projects

PERFORMANCE

We believe in building an empowered workforce. Our employees are very important to us, we nurture and we do our best to ensure that they not only give us excellent service, but that we provide a conducive and viable environment for professional growth and development. We conducted our annual performance appraisal for all our staff in 2016.



Focus group discussion during a town hall session



Promoting workplace culture, values, oneness, and performance. Regional Head for Middle East & Africa, Saad Sebbar during a visit to Ewekoro Plant.

PROMOTING DIVERSITY

We strongly believe that team cohesion and diversity are crucial factors in achieving high levels of performance and innovation. That is why we continually endeavour to promote a workplace that fosters respect for all employees, and create equal opportunities in recruitment, employment, promotion, development, compensation, and retention.

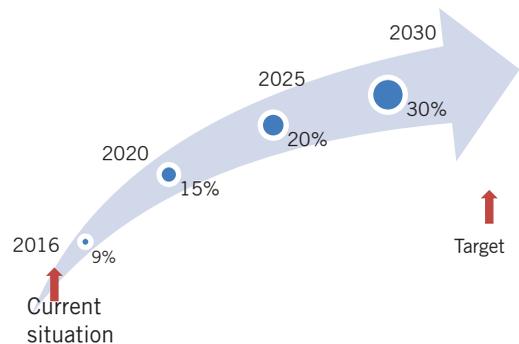
We treat employees with dignity and respect – including direct and outsourced employees. We are

committed to growing and recording our progress in female participation over time. We remain open to sharing and collaboration as well as enabling and empowering individuals to reach their full potential and thrive.

We are committed to improving gender balance in Lafarge Africa through various best practices hence our 2030 vision to have 30% women, drawn from LafargeHolcim's diversity and inclusion agenda.



International Women's Day in Ashaka, Gombe State



Participants at the International Women's Day

ETHICS & COMPLIANCE

Lafarge Africa's Code of Business Conduct (CoBC) is our business guide which contains principles guiding corruption, compliance, harassment, abuse of labour practices and financial irregularity, amongst others. In 2016, the compliance department worked assiduously to guide employees on the provisions within the code.

We communicated the whistleblowing/integrity line covering abuse of authority and harassment; and we also conducted a company-wide conflict of interest declaration which had an 85% response rate.



Integrity Line

01-4607779

<https://integrity.lafargeholcim.com/>

Awareness on the provisions of the code is constantly communicated directly from the desk of the CEO, through the intranet, trainings, desk cards, and other platforms. In June and November 2016, two major trainings were conducted for all management staff, who were then tasked with the dissemination of the information to their various departments. These trainings were in addition to several online trainings.

Furthermore, in August 2016, we communicated the whistleblowing/integrity line covering abuse of authority and harassment; and we also conducted a company-wide conflict of interest declaration which had an 85% response rate. This was done to ensure that employees understand the various policies guiding ethical behaviour, and are aware of channels available to report cases. In the event of an incidence, such issues are promptly handled by our investigation unit consisting of certified fraud examiners.

CODE OF BUSINESS CONDUCT

Our Code of Business Conduct, which was adopted from the LafargeHolcim Group, reinforces our desire to conduct business with integrity and respect for local laws. Our Code of Business Conduct expressly states our non-tolerance for violations of applicable laws and anti-corruption regulations, as well as the strict action against violators.

Likewise we also have a Supplier Code of Conduct, which states the values and principles which suppliers and other third party contractors are to adhere to, particularly in the area of human rights, labour related issues, the environment and anti-bribery and corruption.



Code of conduct awareness sessions



Employee engagement session

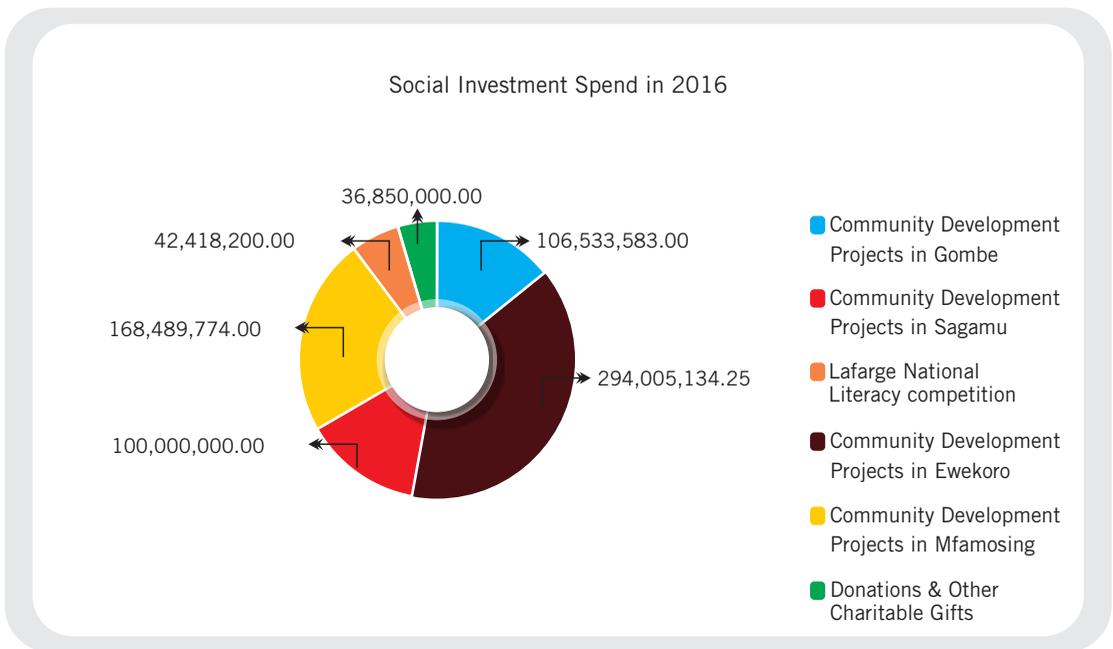
OUR COMMUNITY

COMMUNITY DEVELOPMENT

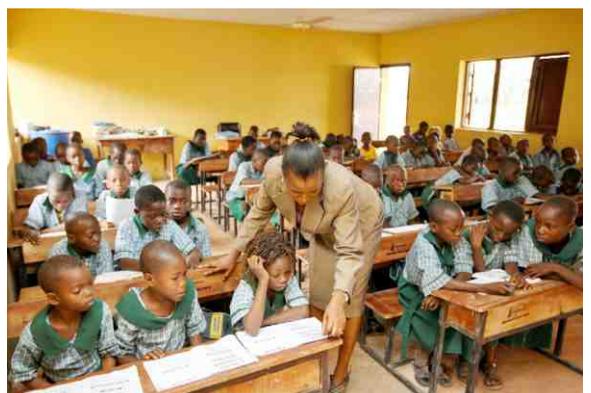
We understand that our operations have a huge impact on the communities in which we are situated. Therefore, we uphold the tenets of responsible citizenship by making invaluable investments in line with community needs proposed by the Community Relations Committee and verified by Lafarge Africa.

Beyond this, we also promote local content by employing indigenes of our communities and ensuring that third-party vendors recruit from the communities.

In 2016, we undertook CSR initiatives and made investments amounting to N748,346,711.25 in Nigeria.



Elated members of Wesley Primary School, Sotubo community Sagamu during Lafarge Africa's donation of educational materials to the school



Students in a classroom built and equipped by Lafarge Africa in Ewekoro

INCREASED ENGAGEMENT



Country CEO, Lafarge Africa Plc, Michel Pucheros, during his visit to Bajoga community in Gombe State

Quality engagement has always been one of the identified needs of stakeholders, and each year, we make efforts to improve on our performance. Communities in particular were excited to receive the CEO, Lafarge Africa Plc, Michel Pucheros, during his visits to operations within the group. That direct touch made our host communities feel even more attuned to the business, and we in turn demonstrated how committed we are to meet their needs.

As a basic requirement, each Lafarge Africa plant has a functional Community Relations Committee (CRC) made up of community leaders and representatives, youth leaders, other influencers as well as members of staff from Lafarge Africa who are mostly the Plant, Community Relations and Public Affairs Managers. Engagement processes are carefully outlined and mutually accepted by these parties before any activity commences. Also, formal community grievance procedures are available in most of the communities and grievances are mostly channelled through the CRC. However, when grievances are

channelled directly to Lafarge Africa, we inform the CRC for action and further engagement.



Kasuk clan committee in Kasuk community, Cross River State



Engagement session with Onipapa of Papalanto, Ogun State

Community Development Projects in Ewekoro

S/N	Intended Impact	Number of Beneficiaries	Nature of the Initiative
1	Improve sanitation, disease control and education	500 persons	Construction of toilets at United Anglican School, Papalanto
2	Road access	1,000 men, women & children	Construction of 100m long reinforced concrete road
3	Promote sustainable environment and flood control	3,000 men, women & children	Construction of 500m concrete drainage
4	Promote healthy living	2,000 men, women & children	Construction of Health Centre Laboratory and Staff Quarters
5	Improve teaching and learning conditions	120 school children	Renovation of 2 blocks of 4 classroom at All Saints Anglican Nursery/Primary School
6	Improve sanitation	5,000 men & women	Construction of public toilet
7	Improve teaching and learning conditions	800 school children	Construction of 2 blocks of 3 classrooms each (Phase 1)
8	Improve education	204 students	Bursary award
9	Provide sustainable support to indigenes whose primary occupation is farming	115 persons	Farmer support
10	Ensure sustainable economic well being of youths in the community	119 persons	Youth empowerment
11	Improve learning conditions and performance of students	1,000 students	Provision of educational materials (exercise books)
12	Improve the health and living conditions of the elderly	160 persons	Elderly care

Table 3: Breakdown of community development projects in Ewekoro, Ogun State



Contributing to national discourse during the Nigerian Economic Summit Group



Engagement with shareholders



Drivers engagement on logistics safety

Community Development Projects in Sagamu

S/N	Intended Impact	Number of Beneficiaries	Nature of Initiative
1	Improve learning and teaching conditions of school children	Over 240 pupils	Renovation of a block of 4 classrooms at Wesley Primary School, Sotubo, Sagamu
2	Improve learning and teaching conditions of school children with special needs	Over 300 pupils with special needs	Renovation of facility at School for children with special needs, Sagamu
3	Improve learning and teaching conditions of school children	400 pupils	Construction of a block of 4 classrooms at Catholic primary school, Igboosoro
4	Improve health care accessibility	Over 2500	Construction of Ijoku Health centre, Sabo
5	Improve health care accessibility	Over 1,500 men, women, and children	Renovation and supply of medical items at Ijagba Health clinic
6	Improve health care accessibility and quality	Over 1000 men, women, and children	Renovation and supply of medical items to Idado Health clinic
7	Access to potable water	Over 700 men, women, and children	Provision of borehole at Atoyo
8	Access to potable water	Over 500 men, women, and children	Provision of borehole at Ladejobi Owarodo
9	Access to potable water	Over 500 men, women, and children	Provision of borehole at Itun Alado
10	Access to potable water and improve sanitation	Over 2000 persons	Provision of borehole and construction of toilet at Ariye Kara
11	Access to potable water and improve sanitation	Over 1000 men, women, and children	Provision of borehole and construction of toilet LA school 3, Sabo
12	Access to potable water and improve sanitation	Over 1000 men, women, and children	Provision of borehole and construction of toilet St. Collumcilles, Batoro
13	Access to potable water and improve sanitation	Over 1000 men, women, and children	Provision of borehole and construction of toilet at Catholic school, Igboosoro
14	Improve health care accessibility and provision of potable water	Over 1,500 men, women, and children	Provision of borehole and renovation of Idado Health centre
15	Improve learning and teaching conditions of school children	1200 pupils	Construction of 600 pcs of school dual lockers supplied to 17 public schools

Table 4: Breakdown of community development projects in Sagamu, Ogun State



Alaguntan Road Construction



Elebute community town hall



Elebute community health care centre

TESTIMONIALS



“Lafarge is doing the best for us, even beyond what we had before. There is easy two-way conversation between us and Lafarge, and we easily manage issues without conflict. Lafarge is really meeting our needs.”

Baale Ogunsola,

Baale of Oke-Oko Sekoni and Chairman of the Host Communities Committee

”

“

Lafarge Africa is very accessible, and their door is always open. We have friendly interactions and they have a listening ear to our needs. They are already doing a lot for us, and we hope they will continue to do more.”

Engr Ogunbayo,

Ekerin of Elebute Community



“Lafarge is the best company in Nigeria. They have paid so much attention to us and they always do what we ask. We hope they will continue to prove dependable

Dauda Sekoni,

Community Youth Leader, Oke-Oko Sekoni

”

Community Development Projects in Mfamosing

S/N	Intended Impact	Number of Beneficiaries	Nature of Initiative
1	Cataract prevention and treatment in men, women & children by establishing 11 free eye screening camps	1,765 persons screened; 788 persons given glasses; 808 persons received eye drops & other medication; 229 surgeries undertaken	Community Health Vision Programme- Free Eye Screening for 2,000 eye; Cataract Surgery for 200 Patients; Medicines & Eye Glasses distribution for 1,500 patients.
2	Provide potable water	Over 800 men, women & children	Rehabilitation of 3 boreholes
3	Access to potable water especially during dry season as the stream was the only source of water	Over 200 men, women & children	Rehabilitation of borehole to solar powered borehole
4	Cushion the effect of heavy traffic activities on market days and provide security for goods left behind in the market	Over 1,000 men & women	Fencing of market
5	Provide security to National Youth Service Corps members posted as teaching support to community school and abate theft and assault incidents	Youth corps members posted to the school	Fencing of Corpers' Lodge
6	Increase in the total number of school enrollment both at secondary and tertiary level, as well as improved academic performance	125 persons	Educational support scheme comprising tuition fees and books to 100 secondary school students and 25 tertiary Institution students
7	Improve teaching and learning conditions	Over 1,000 school children	Classroom block renovation in 3 schools
8	Stimulate and facilitate development of small and medium enterprise (SMEs) and sustainable means of livelihood	52 persons	Skill acquisition, capacity Enhancement & business development training
9	Contribute to the socio-economic growth of communities while promoting agricultural businesses	Over 50 persons – small holding cassava farmers cooperatives	Cassava Cluster Scheme - planting, harvesting & processing
10	Ensure sustainable economic wellbeing of the indigenes whose primary occupation is farming	Over 200 persons	Rehabilitation of oil palm, cassava & corn processing mill at Ekong Anaku community

S/N	Intended Impact	Number of Beneficiaries	Nature of Initiative
11	To promote meaningful engagement and good governance development	Over 3,000 men & women	Town hall construction at Kasuk, Diamond and Mfamosing communities
12	Road access	Over 1,000 men, women & children	Road rehabilitation – construction of drainage at Abiati
13	Road access	Over 1,000 men, women & children	Road rehabilitation – grading & compacting at Mbobui
14	Electricity access	Over 500 men, women & children	Provide 500KVA Substation (Transformer) at Essien Town
15	Provide income generating option and conducive environment for community forums & engagement	Over 500 men & women	Provide 80KVA Generator, 3 ton standing AC and 500 plastic chairs at Obutong

Table 5: Breakdown of community development projects in Cross River State



Safety reflective vests were distributed to school children in Mfamosing for their trips to school through our road safety awareness initiative



Government primary school, Mfamosing



Electrification project, Essien community

TESTIMONIALS



“When you compare our community now and before the advent of Lafarge, you will see a great difference in terms of development and social impact. Now people who work for the company or their contractors are building houses here.

Honourable Augustine Bassey,
Community Representative, Mfamosing

”

“

The fencing of the Akansoko community market, has brought security and safety. We have not recorded cases of stealing and criminal activities since the construction of this fence. Also accidents and fatalities among traders have reduced to the lowest minimum with the fencing of the market, traders no longer bring their goods to the road to sell and that has reduced accident and also at the close of the market each day the gates are locked. I want to thank them and tell them not to relent. We are happy with what they have done so far.”



Orokita Ekpenyong Orok,
Akansoko clan Council Secretary and CRC Community Representative



“I would like to say Lafarge is doing well. It is not easy to come by companies who actually go down to the grassroots to try to distribute resources to communities that are hosting them. I would like to say Lafarge Africa has done well and they deserve to be applauded. More grease to their elbows.

Felix Essien,
Beneficiary of Scholarship Programme

”



Past and present recipients of the educational support scheme in Mfamosing

“I started receiving this benefit in 200 Level. The initiative has been really helpful financially, paying my fees and getting materials for my studies. It has also been a motivation to do better in my studies.

Ediem Offiong,
Beneficiary of Scholarship Programme

”

“

In my community there are those who find it hard going to primary and secondary school, not to talk of university, I am thankful to my parents for also assisting to getting me to secondary school. I also thank Lafarge for the support and the grant given to me to help me pay my fees and in getting most of my text books.”

Charity Origeu,
Beneficiary of Scholarship Programme

Community Development Projects in Ashaka

S/N	Intended Impact	Number of Beneficiaries	Nature of Initiative
1	Improve power supply and support economic empowerment	350 men, women & children	Electrification of a village. Connection to national grid
2	Improve power supply and support economic empowerment	500 men, women & children	Electrification of a village. Connection to national grid
3	Access to potable water and improve sanitation	2,000 men, women & children	Provision and distribution of potable water
4	Access to potable water and improved sanitation	100 persons	Provision and distribution of potable water
5	Access to potable water and improved sanitation	100 persons	Provision and distribution of potable water
6	Access to potable water and improved sanitation	2,000 men, women & children	Provision and distribution of potable water
7	Access to potable water and improved sanitation	2,000 men, women & children	Provision and distribution of potable water
8	Access to potable water and improved sanitation	500 persons	Provision and distribution of potable water
9	Access to potable water and improved sanitation	300 persons	Provision and distribution of potable water
10	Access to potable water and improved sanitation	200 persons	Provision and distribution of potable water
11	Access to potable water and improved sanitation	400 persons	Provision and distribution of potable water
12	Access to potable water and improved sanitation	150 persons	Provision and distribution of potable water
13	Access to potable water and improved sanitation	150 persons	Provision and distribution of potable water
14	Improve health of community members	600 persons	Delivery of healthcare
15	Improve learning and teaching conditions of school children	300 school children	Repair class rooms and made learning conducive
16	Ensure sustainable economic well being of youths in the community	400 youths	Training youth on artisanal skills and provision of starter tools
17	Improve health of community members	2,600,000 men, women & children	Delivery of healthcare – consultation and dispensing of drugs



Leadership team creating awareness during the World Cancer Day

S/N	Intended Impact	Number of Beneficiaries	Nature of Initiative
18	Improve learning and teaching conditions of school children	1,000 students	Support of educational learning
19	Ensure sustainable economic well being of youths in the community	400 youths	Training of youth in artisanal skills
20	Public relations	1,000 persons	Public relations
21	Support and improve well being and health of internally displaced persons (IDPs)	1,000 persons	Support of vulnerable persons
22	Support environmental protection	250 persons	Protection of environment through prevention of desertification
23	Promote environmental protection/health care and sanitation	5,000 men, women & children	Launch of health/environment sanitation day
24	Support well being and economic condition of community members	1,200 men, women & children	Provision of food security and economic empowerment

Table 6: Breakdown of projects in Gombe State



Community members celebrating the Sabon Gari electrification project

TESTIMONIALS



“I thank Lafarge for the water supply they have given to us as it has really helped in impacting my business.

Adamu Alafiya,
Tailor & Drycleaner, Unguwar Kara Community

”

“

We thank them for the recently donated computer system and all they have done with regards to making education better. We can only thank them and wish they do more things for us.”



Abdullahi Idris,
Computer Teacher, Jibwis Islamic Science Secondary School



“Since our resettlement in this community, Lafarge has provided us with water, schools, Hospital and now electricity. Where we were before we never had water, electricity, or schools. But since our relocation to this community we now have these.

Alh. Jaurobuba,
Sabon Gari Community Head

”

“

They have done very well for us, our students now attend classes conveniently. They provided 2 blocks of classrooms; that is 2 class rooms per block, with classroom seats.”



Mohammed Saheed,
Principal, Musa'b Umair Comprehensive Cay Secondary School, Bajoga

AFFORDABLE HOUSING



A 17 million housing deficit in Nigeria requires public private partnership to bridge the gap



A beneficiary (middle) of the EasyHome initiative



Lafarge Africa affordable housing models in Makun city - a project by Ogun State Government

Lafarge Africa is committed to delivering value across its entire construction chain. For us, that includes going beyond producing goods and services that bring in revenue, to providing building solutions to alleviate the pressing needs of the larger Nigerian community. As such, we introduced the Lafarge Easy Home, in 2013 to bridge the housing deficit prevalent across the country, by providing safe, efficient and innovative housing solutions to meet the needs of our customers. The initiative which premised on the three pillars of housing microfinance, mass housing and providing soil stabilised bricks, is the first of its kind in Nigeria.

In 2016, beneficiaries of the scheme grew to 25,000 across 10 states in the country, 93% of whom expressed satisfaction with the scheme, while the remaining 7% look forward to shorter processing times and greater loans. 95% of beneficiaries expressed that they would likely participate in the scheme again. Furthermore, we are happy to report that our employees were also given the opportunity to benefit from the scheme, with 2% of beneficiaries being Lafarge Africa staff.

In keeping to our promise in 2015, we also expanded our partnership base to include Accion Microfinance Bank and Fortis Microfinance Bank, in addition to LAPO Microfinance Bank.

Satisfaction rate of beneficiaries of the affordable housing scheme



A school project under the Easy Home Scheme



EasyHome employees with a beneficiary

“I heard of Easy Home from a family friend, my house was uncompleted when I met Easy home. They gave me money from their own bank to complete the house, they supervised the house up till the conclusion of the project. I recommend Easy Home for those that want to build but lack the capacity to start.

Sulaiman Mukaila
Building Material Supplier

“I got to know about Easy Home through the parents in this school. The situation of this building before Easy Home was that we had just 5 class rooms but after the intervention of Easy Home, we now have 13 class rooms, also the engineer for the project educated me on the appropriate materials to use. I will recommend Easy home for all our parents, they can also go to Lafarge Africa and get assistance.

Teacher, Irene School

”

HEALTH AND SAFETY



HEALTH AND SAFETY IS OUR CORE VALUE

At Lafarge Africa, health and safety is our core value, and is at the center of everything we do. Our aspiration is to conduct our business with zero harm to people and to create a healthy and safe environment for all our stakeholders.

We believe that “if we're good in safety, then we are good in business.” Health and safety is a critical success factor for our operational performance. We believe in visible leadership and accountability for Health and Safety at all levels of the organization. To realize this aspiration, we are committed to:

- Conduct a business with the goal of zero harm.
- Provide safe, healthy and secure work conditions for all stakeholders (employees, contractors, communities, and customers) based on a true safety culture.
- Maintaining a global Health & Safety Management System designed to continuously improve our performance and actively manage risk in our business.
- Comply with applicable legal, regulatory, industrial and corporate requirements.
- Targeting operational discipline by instilling a mindset of safe execution and follow-up.
- Communicating openly with all stakeholders on relevant health and safety issues.

In 2016 Lafarge Africa embarked on a new health and safety journey with a clearly defined strategy to move to an incident and injury free business. Actions to address behavior, gain engagement and technical skill mastery were implemented to enable us to become incident and injury free across our business, both on site and off site inclusive of our road transportation and distribution operations.

The starting point was to achieve a shared mindset of values and principles as regards health and safety, a conviction that all accidents can be avoided and in turn the ability to be “incident and injury free”. This mindset enabled the empowerment of our internal teams, suppliers, and transporters to collaborate and focus on what line management saw as high risk.

Also in 2016, cross-functional teams actions have reduced the risk exposures and in turn reduce health and safety-related incidents.

With the strong leadership commitment on health and safety throughout the organization, the Lafarge Africa business has started the transformation towards being at zero harm to people and to create a healthy and safe environment for all our stakeholders.



Work at height training to prevent falls and injuries



Truck drivers signing safety commitment



Blood pressure check for the elderly



A resident of Gombe receiving an eye test at the Ashaka clinic



Malaria Day Health Talk - A cross section of teachers & students of Technical College, Agidingbi, with Lafarge facilitators



Focus on health and safety during work



Health and safety get together for families of Lafarge Africa staff

CASE STUDY: SUPPORTING HEALTH AND WELL BEING OF EMPLOYEES AND COMMUNITIES

In 2016, we extended the services of Ashaka Clinic, a health care facility that is fully owned and managed by Ashaka Cement Company. It is located on the plant site and has been rendering health care services for the 38 years the company has existed.

This clinic was set up to provide health care services to members of staff of Ashaka Cement Company along with their families. However, we recognised a need to extend these health care services to members of the community to further fulfil our mandate as a responsible corporate citizen. Accordingly, community members now enjoy free health care services from the various units, including:

- Records
- Consulting
- Nursing
- Pharmacy
- Radiography
- Laboratory
- Accident & Emergency/Ambulance service

The clinic is fully equipped to run within the hours of 7:30 am to 4:30 am, with nurses and emergency response service available 24 hours, as well as a medical doctor on standby, should there be urgent need for specialist attention.



Chief nursing officer examining a pregnant woman during antenatal

We are confident about our decision to extend our health care services - covering free consultation and free medication - to the community, because we consider our communities as important stakeholders. 70% of the 1,500 patients who visit the clinic weekly are from the community. These individuals would have either settled for substandard medical care or no help at all. In the radiography unit, an average of 45 patients are attended to weekly for X-ray and ultrasound scans. 85 patients visit the laboratory to test for malaria, widal, blood sugar, pregnancy, HIV, kidney function, and more. Also, an average of 80 hypertensive patients are managed for blood pressure, while others are attended to for wound dressing, injections or admission, as may be required.

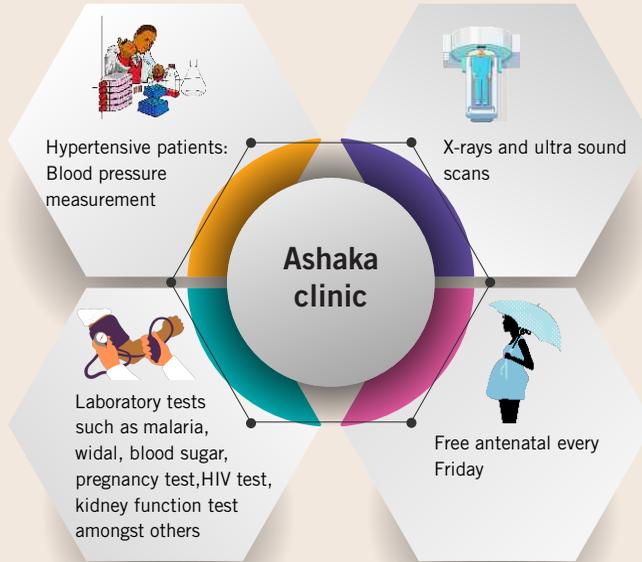
The Ashaka Clinic also offers free antenatal care to pregnant women every Friday, with an average weekly attendance of 35 women from the community. Health talks are given to pregnant women during these visits, especially on personal hygiene, benefits of breast feeding and immunisation. Approximately 10 children from the community are also vaccinated against child killer diseases every week.

In HIV/AIDS care and tuberculosis treatment, we are supported by Centre for Integrated Health Programmes (CIHP) – a US-based non-governmental organisation. We offer free and comprehensive HIV/AIDS care and treatment services to patients. These services include counselling and testing, initiation of antiretroviral drugs, laboratory evaluation, follow up visits, prevention of HIV transmission from mother to child, nutritional and psychosocial support and referrals and linkages to support groups, among other interventions. Presently, we have 1,268 clients under HIV care and treatment.

On prevention of transmission of HIV to children, over 200 children delivered to HIV positive mothers have been screened for HIV at no cost. We have 21 patients on tuberculosis treatment and two on multi-drug resistant tuberculosis.

Other corporate interactions include:

- drug donations to NYSC and community schools
- health talks on malaria, Ebola, Lassa fever in communities
- donation of insecticides and Insecticide Treated Nets (ITNs) to communities.



Head of MEA region during a visit to the Ashaka clinic



Women from community waiting for family planning and immunisation



Patients from community waiting to receive free drugs after consultation



Ashaka clinic employees and Head of HR, MEA Region

CASE STUDY: RELOCATION OF COMMUNITIES

We understand the impact of our work on our host communities, and we understand the significance of their support and cooperation to the work that we do. We maintain open lines of communication with our communities at every point, ensuring that their needs are prioritised, and that we help them build better lives and societies through better infrastructure.

In 2016, we fulfilled our promise to relocate communities that come within proximity of our quarry where mining and blasting operations occur. We relocated two villages, **Oke Oko Sekoni and Oke Oko Egbado**, in Ewekoro Local Government Area of Ogun State, situating them far away from Lafarge Africa's operations in Ewekoro, providing them with better facilities and improved housing units.

Another significant achievement of this project is the additional expanse of land that both communities were able to acquire to boost economic activities in the new sites such as farming and trading. In addition to the relocation of physical infrastructure, compensation for crops was also paid to owners of farmlands in the old sites as they moved to the new site.

We relocated two villages, Oke Oko Sekoni and Oke Oko Egbado, in Ewekoro Local Government Area of Ogun State, situating them far away from Lafarge Africa's operations in Ewekoro, providing them with better facilities and improved housing units. .

Prior to Lafarge Africa's intervention: Indigenes suffered from low standards of living due to inadequate economic activities and inability to farm. They lived in huts that lacked basic amenities and had limited access to social services. The project was, therefore, not limited to the recreation and relocation of those communities, but the improvement of what was available in their old sites. Standard bungalows were built to replace mud houses. Lafarge Africa also provided social amenities and infrastructure such as potable water, electricity, generating sets, and a town hall among others.

Economic and social activities have kicked off at the new sites, and they are growing into semi-urban centres.



Providing shelter: Economic and social activities kicked off at the new sites, as they have new settlers and are growing into semi-urban centres



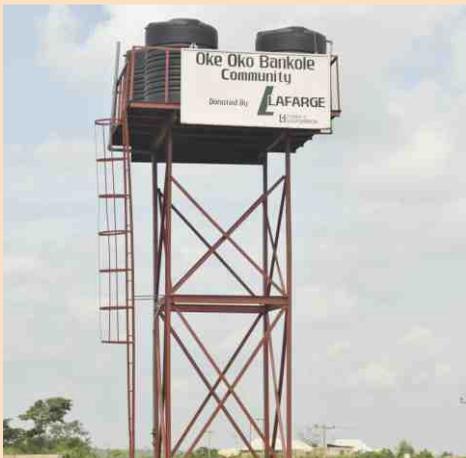
Former Group CEO, Eric Olsen during the tour of the newly relocated Oke-oko communities



Baale's quarters



Standby generator set



Provision of borehole at Ewekoro Community, Ogun State



The Ogun State Commissioner for Community Development & Cooperatives, Gbenga Ademosun and former MD. Geocycle, Adepeju Adebajo during the unveiling ceremony

CROSS-SECTION OF OUR SOCIO-ECONOMIC INTERVENTIONS



Volunteering employees after a reading session with pupils of Archbishop Taylor memorial primary school, Lagos



Promoting sustainable construction through Artisans training



Motorcyclist safety team in Akansoko community, Cross River State, championed by Lafarge Africa



Electrication project of Sabon Gari, Gombe State



Students learning at the Ewekoro IT learning centre, Ogun State



Bursary awards presentation to 204 undergraduates of Ewekoro Community



Presentation of bursary awards to final year undergraduate students of Sagamu Community



Town Hall Built for Olujobi Community.



Police Station built for Itori Community, Ewekoro



Presentation of tricycle to youth under the economic empowerment scheme



Health and Safety day opening walk at Mfamosing Plant, Cross River State, Nigeria



Employability Program in Mfamosing

PROMOTING SUSTAINABLE CONSTRUCTION

In Nigeria, the building and construction industry has a significant role in supporting the development of the environment and society. As an organisation concerned with improving standards in Nigeria and to bring global attention to buildings being constructed in the country, the company organised workshops and media campaigns to sensitise and mobilise stakeholders in the construction chain to participate in the LafargeHolcim awards.

Lafarge Africa mobilised Professionals and students in Nigeria's built sector were encouraged to participate in the 5th International LafargeHolcim Awards. The USD 2 million awards, which is the most significant global competition in sustainable design, seek smart solutions for cities and the built environment.

Organised by the LafargeHolcim Foundation for Sustainable Construction, the competition identifies ideas with the highest potential to tackle today's challenges to increasing urbanisation and to improve quality of life. Projects and concepts from the fields of architecture, urban design, planning, technology, and civil and materials engineering were submitted for participation.



Kunlé Adeyemi of NLÉ Works, Nigeria received the 2014 Acknowledgement prize for Chicoco Radio, a floating media platform that will be built to strengthen local communities for the residents of the waterfront slums of Port Harcourt

During the awareness sessions, Country CEO, Michel Puchercos said, “we are pleased to showcase Nigeria's professionals and students in this competition for the first time after our global merger as a demonstration of our belief in their competence and ability to compete favorably with their counterparts across the globe” He enjoined eligible engineers, architects, builders, planners, construction firms, project owners, students and NGOs to avail themselves of the opportunity to make a mark in the global construction space.

There are plans to continue sectoral engagements with stakeholders ahead of the next cycle of awards in 2020.



Stakeholders awareness session

Total number of 5,085 entries from 131 countries recorded.

Nigeria listed as one of the top 20 countries in the global awards



74 participants:
35 professionals
39 students



Nigeria ranked 4th out of the 22 participating countries in the Middle East Africa region.



Since LafargeHolcim foundation creation in 2003, the foundation has enriched it's network of experts and partner universities at regional and global levels. The foundation has established itself as a significant global hub for sustainable construction.

A FOCUS ON THE 5PS OF SUSTAINABLE CONSTRUCTION

To make the criteria of sustainable construction concise and transparent, the LafargeHolcim Foundation and its partner universities have defined five "target issues". They consider sustainable construction from a holistic perspective and serve as the basis for the adjudication process of the Awards competitions:

Progress

Innovation and transferability

Projects must demonstrate innovative approaches to sustainable development, pushing the envelope of practice and exploring new disciplinary frontiers. Break-throughs and trend-setting discoveries must be transferable to a range of other applications.

People

Ethical standards and social inclusion

Projects must adhere to the highest ethical standards and promote social inclusion at all stages of construction, from planning and building to use and servicing; to ensure an enduring positive impact on communities. Proposals must demonstrate how they enhance the collective realm.

Planet

Resource and environmental performance

Projects must exhibit a sensible use and management of natural resources throughout their entire life cycle. Long-term environmental concerns,

especially pertaining to stocks and flows of material and energy, should be an integral part of the design philosophy.

Prosperity

Economic viability and compatibility

Projects must be economically feasible and able to secure financing – whether from public, commercial, or concessional sources – while having a positive impact on society and the environment. Avoiding the wasteful consumption of material resources, an economy of means in construction is to be promoted.

Place

Contextual and aesthetic impact

Projects must convey a high standard of architectural quality as a prevalent form of cultural expression. With space, form and aesthetic impact of utmost significance, the material manifestation of the design must make a positive and lasting contribution to the physical, human and cultural environment.

ACTING FOR RESPONSIBLE SOURCING IN OUR SUPPLY CHAIN

We seek to engage in long-term relationships with suppliers that are committed to sustainable development. Our goal is to partner with suppliers to deliver value-for-cost procurement and to demonstrate responsible supply chain management by complying with local and national laws and the following standards: H& Safety and Security, Forced Labor, Child Labor, Bribery and Corruption, Non-Discrimination, Working conditions, Competition Laws and Management of Environmental Impact, amongst others.

To achieve this, we conduct pre-qualification of our suppliers so as to meet required standards. Being our

partners and in pursuit of mutual goals, we support their development through meetings, workshops, and trainings on H&S management across our plants. We plan to create more awareness and education in 2017 for our suppliers on the new LafargeHolcim Code of Business Conduct for Suppliers.



Suppliers training session

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LAFARGE AFRICA:
SO THE WORLD BUILDS BETTER

WHAT WE REPORT ON

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STAKEHOLDERS' PERCEPTION

APPENDIX

OUR IMPACT OVER THE YEARS

The perception of our stakeholders is very important to us. We understand that the cycle of engagement is not complete until we ascertain that the needs of our stakeholders have actually been met, post-engagement.

With the merger of the various companies that today make up Lafarge Africa, it has been challenging to harmonise the social investments carried out by the companies, and measure the impact created over the years. It therefore, became pivotal to conduct an audit across all locations. The audit determined the impact created, to build upon the achieved successes, and to plan for scalability.

Consequently, in 2016, we embarked on a 10-year audit (2005 - 2015) of the social investments of Lafarge Africa across all our locations: Ewekoro, Sagamu, Mfamosing, Ashaka, and Lagos (see table 8-11). Our external consultants evaluated the impacts of our social investment projects through the lens of the physical, mental, social, and economic health of the host communities and environs. They also weighed our remediation approaches vis-a-vis the actual needs of the host communities.

The ten-year audit revealed that Lafarge Africa spent N5.3 billion on different socio economic developmental programmes across its operations in Nigeria.

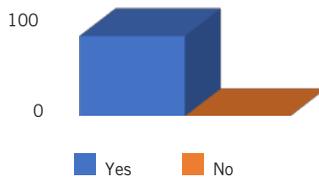


While our primary target for the assessment exercise were the community and youth leaders, participants of the survey also included community members, Lafarge Africa employees and local government officers, that were selected independently and across beneficiaries of all project types – health, education, economic empowerment, and community

development. We randomly selected the respondents within communities. We were able to gain insights into how we may have affected the lives of people within the communities, through open-ended questions and focus group discussions with stakeholders, and we were quite proud of the results.

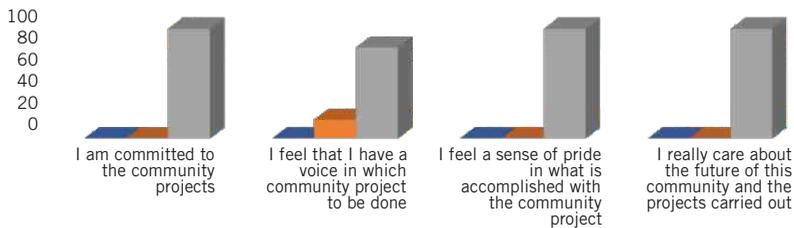
Responses from stakeholders showed the following:

Consultation of Community Groups



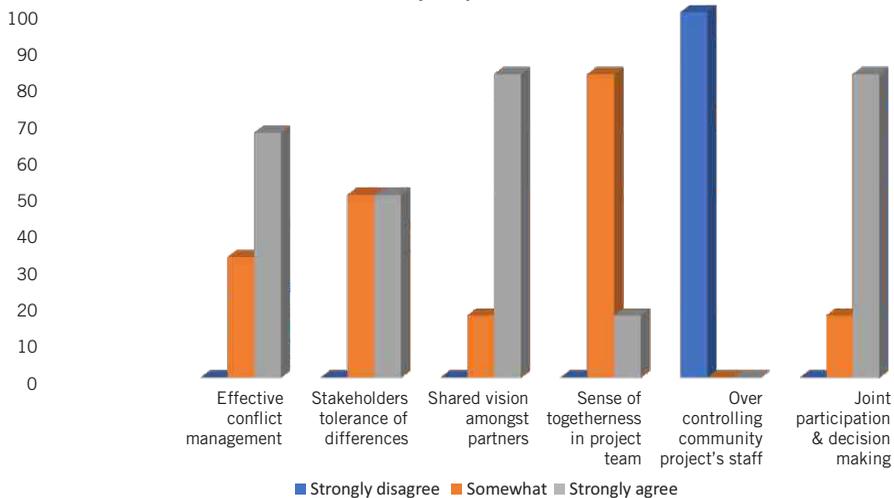
In line with the Free, Prior and Informed Consent concept, Lafarge Africa duly consults with its host communities before carrying out any community project.

Project Ownership



With the social licence to operate given freely to Lafarge Africa by the community, the community members have a very strong sense of ownership of community projects.

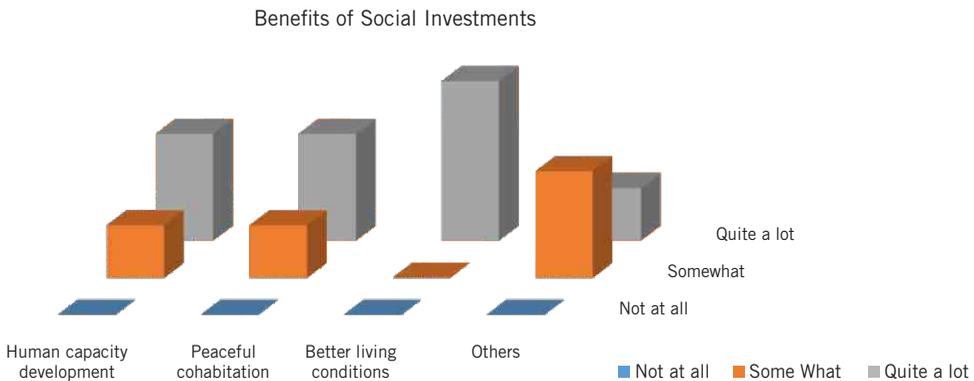
Community Project Interaction



Interaction among project stakeholders are very cordial as structured processes have been put in place for matters relating to conflict management, decision making and team work.



While Lafarge Africa provides funds needed to carry out various projects, other key project decisions such as programme design, local contractor selection and project plan are carried out in collaboration with community representatives.



Results from the audit showed that Lafarge Africa's social investments has resulted in better living conditions, peaceful cohabitation and human capacity development.

Although there is overall satisfactory response from community members, a small percentage of the community would like Lafarge Africa to allocate more resources to the communities.

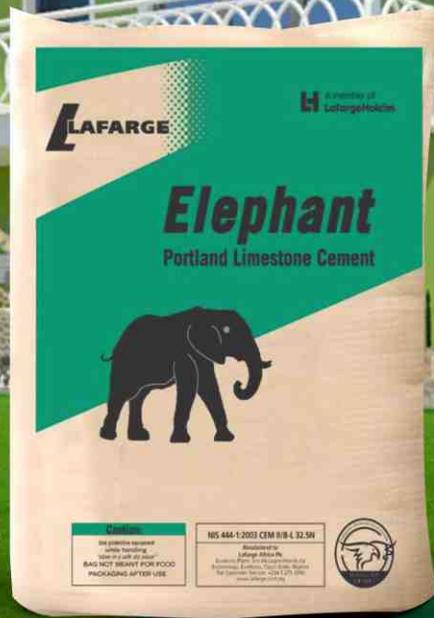
Community members were genuinely pleased with Lafarge Africa's efforts at improving their health, social and economic wellbeing.

Our consultants were able to ascertain that the relationship between the host communities and Lafarge Africa is a progressive partnership, which inspires confidence and trust, expels resentment, and allows for mutual gain. At the end of the exercise, it was obvious that host communities were very pleased, appreciative of our efforts and are happy to be associated with Lafarge Africa.

Feedback received from the various interviews and focus group discussions on Lafarge Africa's social investment projects was primarily positive. Community members were genuinely pleased with Lafarge Africa's efforts at improving their health, social and economic wellbeing. All communities visited and the people therein had positive testimonials about Lafarge Africa's business conduct within their communities.



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CASE STUDY: BRIDGING THE LITERACY GAP IN NIGERIA

Within the national context of a 43% illiteracy rate (according to UNESCO: United Nations Educational, Scientific and Cultural Organisation), among other national poor education indicators. The Lafarge Africa National Literacy Competition, initiated over 4 years ago, has been helping to bridge literacy gaps. The project brings together primary school pupils between the ages of 9 to 13 from public schools across the country. Using predetermined activities aimed at increasing their literacy skills through healthy competition.

The competition was launched in 2014 and has held consistently for three years, with preparations geared up for the 4th edition. The competition is organised on three levels: a run-off competition at state level, a

regional competition which brings together representatives from the states within each geo-political zone in the country, and a national event. The winners of the regional competition represent their region at the national grand finale.



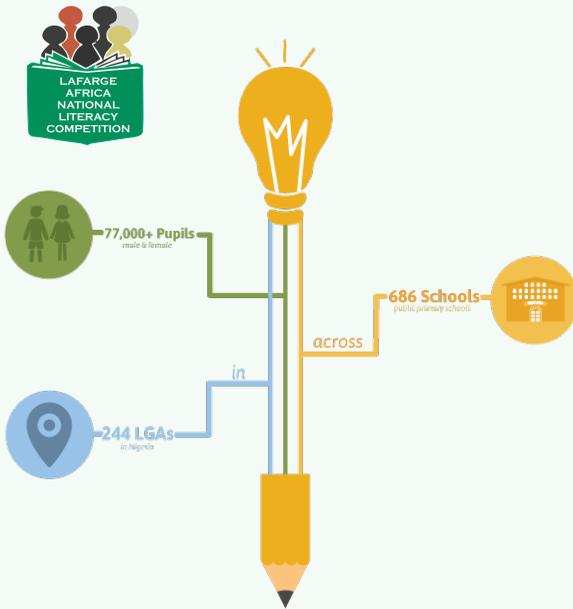
Presentation of prizes to the winners of the 2016 competition

Right from the run-off competition, where two candidates, a male and female emerge to represent the state at the regional competition, there is a deliberate focus on the girl-child in line with Lafarge's ambition on gender diversity, and the Nigerian government's initiative to promote girl-child education. Furthermore, the National Literacy Competition allows underprivileged children to

explore and study the English Language using customised Spelling Bee guides and audio CDs provided by Lafarge Africa. Candidates are tested in essay writing, summary writing and spelling.

We have adopted an inclusive approach in running this programme, ensuring Lafarge Africa employees - under the Lafarge Africa volunteering initiative

called Lafarge Africa Friends of Communities (FOC) - contribute immensely to enhancing literacy in Nigerian pupils. The FOC also conducts the Lafarge Africa reading session project: a mobile reading session with pupils in public primary schools in our host communities.



The volunteers go into schools and spend time reading with children to enhance their literacy capabilities in the areas of spelling, diction, comprehension and reading.

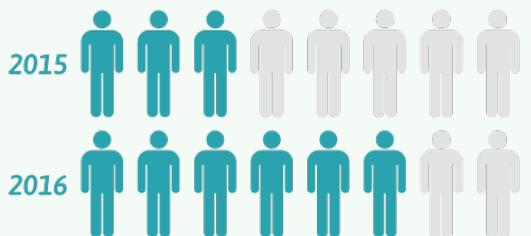
In 2016, the competition attracted over 77,000 public primary school pupils across 686 schools in 244 Local Government Areas (LGA) of Nigeria. As a direct result of the Lafarge Africa National Literacy Competition, some states have introduced Spelling Bee to their school curriculum, a good example is at Eleme LGA, Rivers State, where the Lafarge Africa Spelling Bee Guide is widely accessible across all the schools in the LGA and a spelling period has since been included on the time-table of primary schools across the LGA since 2014/2015 academic session. Surrounding communities are also adopting best practice, with an average of 10 words given to pupils as take-home assignments weekly, to learn and properly enunciate.

To ensure that we are fulfilling the mandate of the initiative, we conducted an impact assessment exercise during the 2016 competition, and results showed remarkable progress in literacy skills among primary school pupils when compared with 2015, with over 50% of the pupils showing improvement in literacy levels. Specifically, in the North-East region where the pupils could not clearly write their names in 2015.

Over 200,000 pupils have been positively impacted by the competition in the past 3 years.

The project is contributing immensely to the literacy development of underprivileged children in Nigerian communities, and Lafarge Africa is proud to headline the agenda on a national scale in Nigeria.

Literacy Improvement



50% of pupils improved their literacy skills in 2016 compared with 2015



In 2016, 98% of pupils in the North-East region demonstrated outstanding performance as they could legibly write their names and participate in the literacy enhancement tests with little or no assistance



Volunteers' presentation of books to children after a reading session



CEO Michel Pucheros reading with pupils in his volunteering moment at a public school in Lagos, Nigeria



An engagement with school management



A book reading session

TESTIMONIALS

“This competition established free and fair interaction among pupils and teachers. It was interesting, motivating and worthwhile.

Hajia Fatima,
Ag DSM, Taraba SUBEB

”

“Please Lafarge, keep it up. The children are looking forward to a time when they will also represent the state and win exciting prizes.”

Solomon Dagorok,
Teacher, Plateau State

“This is one of the best programmes I've attended in my life. This is real value for the pupils and teachers.

Alhaji Hassan,
Kaduna SUBEB

”

“My spelling, reading and communication have improved.”

Hameda Amos,
Contestant Representing Lagos

A solid foundation



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- **Durability**
- **Good Finish**

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AWARDS & RECOGNITIONS

In 2016, we recorded outstanding achievements and successes across our operations. This is evident in the series of awards and recognitions we received from credible bodies and platforms.



BEST COMPANY IN STAKEHOLDER ENGAGEMENT AND MOST OUTSTANDING COMPANY OF THE DECADE

Lafarge Africa emerged Best Company in Stakeholder Engagement in Nigeria at the 10th event of the Sustainability Enterprise Responsibility Awards (SERAS), in recognition of our unflinching commitment to corporate social responsibility (CSR), stakeholder engagement and consistent contribution to sustainable development. We were also one of three companies that got an award as the Most Outstanding Company of the Decade-10th Anniversary Honorary Award at the event.



BUSINESSDAY MOST INNOVATIVE IN MANUFACTURING AWARD

In recognition of our development of alternative fuel supply and utilisation processes to substitute the use of fossil fuels, Lafarge Africa was the recipient of the Most Innovative in Manufacturing Award at the BusinessDay Top 25 Most Innovative Companies and Institutions Award, 2017.



Best Training, Learning & Development 2016, in Nigeria - HR People Magazine Awards



Property Developers Special Recognition Awards - 2016 City People Awards



Best Environmental Friendly Company - Brand Journalists Association of Nigeria



Affordable Housing Promoter of the Year 2016 - Abuja Housing Show



Lafarge Africa delegation at the MEA LafargeHolcim awards for sustainable construction in Kenya

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CSR-in-Action Consulting **Independent Limited Assurance Statement to Lafarge Africa**

Introduction

Lafarge engaged CSR-in-Action Consulting to provide independent assurance of its 2016 Sustainability Report, Promoting Sustainable Construction for a Better Society, written in line with the G4 framework of the Global Reporting Initiative (GRI). Our responsibilities for this engagement include to:

- Provide assurance on the inclusivity, materiality and responsiveness of Lafarge Africa based on information reported
- Form an independent conclusion on the adherence to the principles set out in the AA1000 AccountAbility Principles Standard (2008)
- Provide recommendations through a management report to Lafarge Africa.

Scope of Work

Our work was limited to assuring Lafarge Africa's performance, based on information recorded in the Report from January 1 to December 31, 2016. Our engagement is Type 1 assurance as defined by the AA1000 Accountability Standard (AS). We evaluated the extent of adherence to the AA1000AS principles of inclusivity, materiality and responsiveness, and provided assurance to ascertain the adherence to those principles. We investigated performance data; the approach to identifying, prioritising and responding to material issues; and the alignment of statements within the Report to the chosen GRI framework.

Our conclusions are derived from a moderate level assurance, implying that we believe there is sufficient evidence to support the statement, such that the risk of our conclusion being in error is reduced but not zero. Our liabilities are to the extent of this assurance statement.

Limitations & Exclusions

In assuring Lafarge Africa's 2016 Sustainability Report, the following were excluded:

- Interviews with external stakeholders except members of selected host communities
- Supporting evidence for information sourced from the annual report
- Review of information against any local or international regulatory standards.

Methodology and Summary of Work

CSR-in-Action carried out Type 1 assurance on Lafarge Africa's 2016 Sustainability Report in accordance with the AS1000AS requirements, which expects us to report on the nature and extent of adherence to AA1000AS. To form our conclusions, our engagement with Lafarge Africa involved but was not limited to the following procedures:

- Interviews with relevant personnel within Lafarge Africa's plant sites and departments within the corporate offices, as follows: Human Resources, Community Relations, Environmental Management, Sales/Marketing, Procurement, Health and Safety, and Communications, Public Affairs and Sustainable development
- Review of company documents and publications, including newsletters, minutes of community meetings, environmental management reports and stakeholder engagement questionnaires
- Review of materiality determination process against the recommendations of the GRI
- Review of information in relation to organisational and group targets encapsulated in the Ambitions 2030 Plan.

Conclusion Relating to AA1000

In reviewing Lafarge Africa's 2016 Sustainability Report and underlying processes, it is our opinion that the principles of inclusivity, materiality and responsiveness as set out in the AA1000 Accountability Principles Standard (2008) have been adhered to. Our findings suggest that:

- the Report was developed through some stakeholder engagement
- the materiality assessment is a true reflection of issues raised by critical stakeholders in the reporting year
- Lafarge Africa have in place systems to respond to issues raised by stakeholders.

Observations and Recommendations

Inclusivity

Observations

- Lafarge Africa has adopted a more detailed and proactive approach to Stakeholder Engagement in 2016 and it has resulted in proper categorisation of stakeholder groups and prioritisation of opinions relating to the organisation's performance
- Employees and communities have featured more prominently and benefitted increasingly from the organisation's projects, including more active engagement with the highest level of management.

Recommendations

- To further improve the engagement process, there is a need for a synchronised organisation wide system of engaging stakeholders, with clearly identified means of engagement and expected outcomes. This will help to give a bird's eye view of the various issues raised by different stakeholders, and provide a more holistic perspective to prioritising and responding to same
- Lafarge Africa should increase the number of stakeholders engaged per year from each stakeholder group.

Materiality

Observations

- The process for determining materiality is consistent with the standard introduced in 2015, and is representative of industry issues
- Employees have showed a clearer understanding - since the 2015 Sustainability Report - of the importance of material matters, and have engaged in more focused engagement with stakeholders to identify these matters.

Recommendations

- After material matters are identified post engagement sessions, stakeholders should be given the opportunity to rate matters in order of importance to ensure that matters are objectively prioritised
- A uniform, preferably automated, methodology for collecting and documenting milestone stakeholder feedback should be incorporated
- A clear process for analysing material issues in light of organisational goals and targets should be identified, documented and communicated, as needed.

Responsiveness

Observations

- Lafarge Africa has introduced new products, policies and mechanisms in response to stakeholders' issues, especially with the Sustainable Procurement Policy, relocation of communities affected by its operations and increased community engagement
- There has been increased internal communication within the organisation on the need for responsible business practices and standardised operations across board
- A major achievement is the Impact Assessment exercise conducted in all of Lafarge Africa's host communities. This is a strong feedback mechanism for recording stakeholders' reception of the organisation's responses to matters raised
- Product responsibility and brand perception boosted by 2016 customer survey response.

Recommendations

- External communications revolving around Lafarge Africa's responses to material matters raised should be more frequently propagated
- Measurement tools should be introduced within Lafarge Africa's plants and departments, such as Industrial, Logistics, and Human Resources, to ensure that progress-and at what pace-can be measured and increased
- An organisation-wide awareness programme is necessary to drive home lessons in sustainable business practices and to ensure ownership of the process from identifying, prioritising and engaging stakeholders, to properly eliciting material matters, and providing the appropriate responses.

Statement of Independence

CSR-in-Action Consulting is licensed by the Global Reporting Initiative to train on sustainability reporting, giving us the expertise to draft sustainability reports, and by AccountAbility to issue assurance statements. While we have supported Lafarge Africa in scripting its 2016 Sustainability Report, we have maintained our independence by conducting a thorough and transparent assessment of available data. We can therefore assert that we have provided objective commentary on the non-financial performance of Lafarge Africa as agreed between Lafarge Africa and CSR-in-Action. Our responsibility for the conclusions formed within the statement is to Lafarge Africa, only.



Bekeme Masade
 Chief Executive
 CSR-in-Action Consulting
 July 2017



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GLOSSARY OF TERMS

AF	Alternative Fuels
CRC	Community Relations Committee
CO ₂	Carbon Dioxide
CoBC	Code of Business Conduct
CRISP	Customers, Results, Integrity, Sustainability and People
GRI	Global Reporting Initiative
IDPs	Internally Displaced Persons
LTI FR	Lost Time Injury Frequency Rate
NGOs	Non-Governmental Organisations
NIOB	Nigerian Institute of Building
NSE	The Nigerian Stock Exchange
NVQS	National Vocational Qualification Framework
PKS	Palm Kernel Shell
Q1	First Quarter
Q3	Third Quarter
TIFR	Total Injury Frequency Rate
SDGs	Sustainable Development Goals
SEC	Security and Exchange Commission Code of Corporate Governance for Public Companies
TRACE	Traffic Compliance and Enforcement Corps
UNESCO	United Nations Educational, Scientific and Cultural Organisation
WASH	Water, Sanitation and Hygiene

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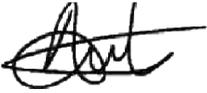
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