The HS Role & Activities of Executive Leadership within Lafarge
Tim Walter, VP OHS
Atlantic Alliance Meeting - Germany
April 20th, 2007
The world leader in building materials

- Leadership positions in all our Businesses
  - The world leader in Cement
  - The world leader in Aggregates & N° 2 worldwide in Concrete
  - The world leader in Roofing
  - N° 3 worldwide in Gypsum

- Operates in 76 countries
- Employs 80,000 people
- 3,000 industrial sites worldwide
- €16 billion in sales, €1.1 billion in net income (2005)
Western Europe
Workforce: 24,600
Sales: 6,280 M€

Central and Eastern Europe
Workforce: 9,800
Sales: 905 M€

Asia Pacific
Workforce: 13,300
Sales: 1,476 M€

South America
Workforce: 4,450
Sales: 707 M€

Africa
Workforce: 7,400
Sales: 1,414 M€

Mediterranean Basin
Workforce: 3,450
Sales: 671 M€

North America
Workforce: 17,100
Sales: 4,516 M€

Lafarge 2005 figures
Lafarge Health & Safety Challenges

- Our size and geographical diversification
  - Number of sites (27 languages)
  - Local H&S culture
  - Major growth in emerging markets

- The nature of our business
  - Many activities take place outside our sites
  - Contractor management
  - Logistics & Transport
The Health & Safety roadmap engages actions in five dimensions

**Building World Class Foundations**

1. Revised H&S Policy
2. H&S Safety Principles
3. Mandatory Group Standards in updated HSMS
   - Governance Standards
   - Operations Standards
4. H&S in Management Cycle & Investment
5. H&S in HR: progressive discipline policy
6. H&S Competency Centre

**Living Safety**

1. Effective Communication
2. Incident Investigation process
3. Job Hazard Assessment
4. H&S Steering Committees
5. Safety Dialog Tours
6. Auditing process
7. Team-based safety

**Leadership**

- Sponsorship
- Visible Felt Leadership
- Clear Line Accountability

**Learning and Sharing**

1. Adequate Safety and Change Mgmt Skills
   - 1.1) Leaders & managers training
   - 1.2) Supervisors training
   - 1.3) Operators training
2. Capable & Recognized H&S Staff
3. Best Practices extraction process

**Sustaining Local Improvement**

1. Sponsorship from the Top
2. Visible Felt leadership
3. Clear Line Accountability for Implementation, Communication and Compliance

- Multi-year H&S Plan per unit
- Consistent roadmap implementation at unit level
- Annually revised in Management Cycle
- Focused group Initiative on Logistics
- Focused group Initiative on Contractors
- Safety Measurement System, including leading indicators
Executive and Sr. Leadership Involvement

- Launched Global Safety Assessment
- CEO Sponsorship for HS
- Issued Group HS Policy and Rules
- Approval of Group HS Roadmap and Priority Projects
  - HS Standards—Contractor Safety—Leadership Training
- Monthly Management Meetings
  - Serious Event Review—KPIs—Roadmap Update,
- Created HS Competency Centre
  - Appointed of Group SVP HS
- Established HS Advisory Board
- Annual Performance Management Objectives
  - Safety SMART Objectives
- Leadership Safety Workshops (BST)
  - 360—Workshop—Coaching—PSP
VFL Examples

Accessible – During site visit, I will engage hourly employees and encourage candid discussions about safety. I will ask specific questions to site managers regarding WAH and LOTOTO.

Connect – During a site visit, I will ask an hourly employee if I may do a “ride along” in his haul truck or RMX truck. I will express an interest in vehicle inspections, training, and driving rules.

Inspire – During a site visit, I will meet privately with a small group of front line supervisors. I will share with them my passion and ask them to work as a team to support each other with safety.

Approaching Others – I will conduct one safety engagement per week that involves the observation and feedback of an employee regarding their personal behaviors.

Test – I will conduct a fire drill or sponsor an office safety meeting (i.e. tool box style). I will measure responsiveness and provide immediate feedback in terms of response time or attendance.

Contract – I will establish a safety performance contract with a poor performing BU Manager.

Mentor – I will identify one Ex-high or Jr-high potential to personally mentor and coach in safety leadership.

Basics – I will personally demonstrate safe work practices such as: no cell phone use while driving, wearing my seat belt when driving or as a passenger, and using hand rails when I ascend or descend stairways.
<table>
<thead>
<tr>
<th>HS Objective</th>
<th>What others will observe, perceive and learn from me</th>
<th>Examples of Animation</th>
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<tbody>
<tr>
<td>Commitment</td>
<td>Bruno is personally committed to shaping and driving the evolution of the Lafarge HS Culture. We can learn from his example.</td>
<td><em>Be Prepared:</em> I will commit to memory in spirit and word the new HS policy I personally endorsed as well as the five (5) elements of the Group HS Roadmap.</td>
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<td><em>VFL 1:</em> I will contact (targeted) individual BU Managers, Industrial Managers or Plant Managers to engage them in a candid and focused conversation about their personal role in leading the safety culture within their operations. I will request their personal commitment to me regarding safety performance improvement within their operations.</td>
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<td><em>VFL 2:</em> I will ensure a venue-specific safety plan is prepared and implemented for major meetings that I sponsor or attend (e.g. Evian, etc.).</td>
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<td><em>VFL 3:</em> Refer to cover for additional VFL suggestions.</td>
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<td><em>Personal Reflection:</em> Safety is a way of life. I will evaluate my personal situation and discuss safety with my family (fire safety, holiday safety, driving safety, etc.).</td>
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<td>Focus</td>
<td>Bruno has a robust and ambitious plan to achieve safe operations and it is clear to us that safety is a component of Excellence 2008.</td>
<td><em>HS Roadmap:</em> I will keep the Executive Committee focused on the Group Roadmap:</td>
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<td>- HS Sponsorship Chain (CEO to BU Manager)</td>
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<td>- HS Policy / Rules (Group-wide rollout)</td>
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<td>- Four Priority Tasks (Standards, Leadership Training, Gap Analysis, Reporting)</td>
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<td>- Two HS Initiatives (Contractor, Logistics)</td>
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<td>- HS Competency Centre (Structure / Function and HS Advisory Committee)</td>
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<td>Alignment</td>
<td>Bruno expects consistency and streamlining of HS processes across Divisions.</td>
<td><em>Convergence:</em> I will reinforce the importance to converge on common HS processes:</td>
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<td></td>
<td>- One Lafarge HS Policy</td>
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<td>- One Lafarge HS Management System (HSMS)</td>
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<td>- One Lafarge HS Reporting System</td>
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<td>- One Lafarge HS Standard (i.e. WAH, LOTOTO, PPE)</td>
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<td><em>Integrate:</em> I will integrate safety into our daily business practices by expecting functional leaders (e.g. Purchasing, HR, Communications, etc.) to define methods for incorporate safety into their business processes.</td>
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<td>Accountability For Results</td>
<td>Bruno creates a sense of urgency to maintain safety as a business priority, he has low tolerance for mediocre performance, and he has created a link between my behavior and my rewards.</td>
<td><em>Performance Management System:</em> I will ensure that my direct reports have personal safety action plans and I will provide safety-specific comments during my N+2 reviews as part of the Lafarge annual performance review process.</td>
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<td><em>Review Progress:</em> Require quarterly updates to COMEX regarding the progress of the BU HS Improvement Plans.</td>
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<td><em>Timelines:</em> I will hold my team accountable for achieving HS Roadmap commitments in accordance with established timelines (i.e. HS Policy, HS Standards, HS Initiatives).</td>
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Top 25 Management Meeting

✓ **Passion** - *Prepare your elevator speech*
  ✓ Why is safety important to you?
  ✓ Develop a personalized statement to answer this question
  ✓ **Don’t**: Compromise on safety

✓ **Prepare** - *Plan your site visit*
  ✓ Wear required PPE (preferably your own)
  ✓ Understand the local issues prior to your visit
  ✓ **Don’t**: Look the other way

✓ **Engage** - *Demonstrate your safety leadership at least daily*
  ✓ Dialog with your BU GM’s about their personal safety plan
  ✓ Check for robust Standard(s) implementation (WAH, PPE)
  ✓ Follow-up on SER communications and corrective actions
  ✓ Recognize success stories
  ✓ Ask about KPIs and LTIs
  ✓ Ask about HS Resourcing
  ✓ **Don’t**: Underestimate your influence (good or bad)
Leadership Behavior Chain

The Executive’s #1 Priority is to ... **Influence Safety Culture**

The BU Leader’s #1 Priority is to ... **Lead Safe Operations**

The Manager’s #1 Priority is to ... **Enable Safe Work**

The Employee’s #1 Priority is to ... **Perform Work Safely**
Questions & Answers

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