



CDC and LafargeHolcim launch '14Trees' - Joint venture to bring low-carbon, affordable housing materials to developing countries -

June 29, 2016 - LafargeHolcim and CDC Group plc ('CDC'), the UK's development finance institution, have today announced the creation of 14Trees, a joint-venture that aims to accelerate the production and commercialization of Durabric - an environmentally-friendly, affordable alternative to traditional clay burnt bricks.

14Trees will benefit from the expertise of LafargeHolcim's R&D centre, the world's leading building materials research centre, to help address the growing demand for affordable housing for some of the nearly 3 billion people around the world living in earth-based houses.



Many African countries face the effects of climate change as a result of widespread deforestation that is driven by the demand for wood used in the production of clay burnt bricks. An expanding construction sector boosted by population growth and urbanisation also puts pressure on resources and increasingly fragile ecosystems.

Durabric offers a solution to address these challenges, as the bricks are produced from a mixture of earth and cement, compressed in a mould, and left naturally to cure without firing, in the process saving up to 14 trees per house. By avoiding this firing phase, Durabric reduces greenhouse gas emissions tenfold compared to traditional fired bricks.

In addition, 14Trees will market a comprehensive range of innovative building solutions, including for screeds and roofing, reducing total construction costs by nearly 25 percent compared to traditional solutions.

Already used in Malawi, Rwanda, Tanzania and Zambia, 14Trees will enable Durabric to be commercialized in other countries, particularly in sub-Saharan Africa. More than 3 million of these bricks have already been produced in Malawi since 2013, and have been used in around 500 buildings. A new Durabric production plant is being built in Malawi and will open in the third quarter of 2016.

"Facilitating the construction of affordable housing in a sustainable way is an important goal for LafargeHolcim and forms part of our 2030 sustainability plan. By combining CDC's investment expertise with our technical skills and local knowledge, we will be able to scale-up the roll-out of Durabric more rapidly and in more countries", explains Gérard Kuperfarb, Member of LafargeHolcim's Executive Committee, in charge of Growth and Innovation.



Daudi Lelijveld, CDC's Investment Director said: "CDC's support and investment will help 14Trees bring simple, reliable, affordable and environmentally-friendly building materials to countries across sub-Saharan Africa. As well as contributing to lower greenhouse gas emissions and reduced deforestation, 14Trees will create hundreds of new jobs. I'm delighted that CDC is able to work with LafargeHolcim to produce building materials that we hope will be as commonplace as clay burnt village bricks are today."

The initial joint investment size is CHF10m (from CDC and LafargeHolcim) with the intention to further finance the company's future growth.

All information on Durabric are now available on a dedicated website: www.durabric.com

About LafargeHolcim

With a well-balanced presence in 90 countries and a focus on [cement](#), [aggregates](#) and [concrete](#), LafargeHolcim (SIX Swiss Exchange, Euronext Paris: LHN) is the world leader in the building materials industry. The Group has 100,000 employees around the world and combined net sales of CHF 29.5 billion in 2015. LafargeHolcim is the industry benchmark in R&D and serves from the individual homebuilder to the largest and most complex project with the widest range of value-adding products, innovative services and comprehensive [building solutions](#). With a commitment to drive [sustainable solutions](#) for better building and infrastructure and to contribute to a higher quality of life, the Group is best positioned to meet the challenges of increasing urbanization.

More information is available on www.lafargeholcim.com

About LafargeHolcim affordable housing solutions

Affordable housing solutions are LafargeHolcim response to the enormous challenge of providing the world's population with decent and sustainable housing at an affordable cost. In 2015, affordable housing projects were in place or under assessment in 24 LafargeHolcim operating countries and benefited an estimated 440,000 people. LafargeHolcim is focusing on innovation to offer a range of affordable housing solutions to populations and governments, including microfinance, earth-cement building solutions, slum renovation, and collective social housing. This program is implemented by a dedicated corporate team and a local team in each country. In 2015, the program was profitable for the third year running and generated an additional Ebitda of CHF 15 million.

About CDC Group plc

CDC is the UK's development finance institution. CDC's mission is to support the building of businesses throughout Africa and South Asia, to create jobs and making a lasting difference to people's lives in some of the world's poorest places. cdcgroupp.com

CDC aims to invest in this joint venture through the DfID Impact Acceleration Facility ("DIAF"). DIAF is a ring-fenced £40 million facility managed by CDC, which is part of DfID's Impact Programme. DIAF aims to invest directly in opportunities with potential for significant social & development impact in difficult geographies. It works to increase the chance of investment success and achieving commercial sustainability through various avenues, e.g. through the provision of patient, long-term capital and leveraging the "know-how" from CDC Group and its existing portfolio companies. More information on DIAF is available at www.cdcgroupp.com

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