

IMPORTANT NOTICE

IMPORTANT: You must read the following before continuing. The following applies to the Prospectus following this page, and you are therefore advised to read this carefully before reading, accessing or making any other use of the Prospectus. In accessing the Prospectus you agree to be bound by the following terms and conditions, including any modifications to them any time you receive any information from us as a result of such access.

NOTHING IN THE FOLLOWING PROSPECTUS CONSTITUTES AN OFFER OF SECURITIES FOR SALE IN THE UNITED STATES OR ANY OTHER JURISDICTION WHERE IT IS UNLAWFUL TO DO SO. ANY SECURITIES TO BE ISSUED WILL NOT BE REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE “**SECURITIES ACT**”), OR THE SECURITIES LAWS OF ANY STATE OF THE U.S. OR OTHER JURISDICTION, AND THE SECURITIES MAY NOT BE OFFERED OR SOLD WITHIN THE U.S. OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, U.S. PERSONS (AS DEFINED IN REGULATION S UNDER THE SECURITIES ACT).

THE FOLLOWING PROSPECTUS MAY NOT BE FORWARDED OR DISTRIBUTED TO ANY OTHER PERSON AND MAY NOT BE REPRODUCED IN ANY MANNER WHATSOEVER. ANY FORWARDING, DISTRIBUTION OR REPRODUCTION OF THIS DOCUMENT IN WHOLE OR IN PART IS UNAUTHORISED. FAILURE TO COMPLY WITH THIS DIRECTIVE MAY RESULT IN A VIOLATION OF THE SECURITIES ACT OR THE APPLICABLE LAWS OF OTHER JURISDICTIONS.

Confirmation of your representation: In order to be eligible to view the Prospectus or make an investment decision with respect to the securities, investors must be non-U.S. persons (as defined in Regulation S under the Securities Act) outside the United States who are not acting for the account or benefit of U.S. persons (as defined in Regulation S under the Securities Act). By accessing the Prospectus, you shall be deemed to have represented to us that you are not a U.S. person (as defined in Regulation S under the Securities Act) and/or are not acting for the account or benefit of a U.S. person (as defined in Regulation S under the Securities Act).

This Prospectus may only be provided to persons in the United Kingdom in circumstances where Section 21(l) of the Financial Services and Markets Act 2000 does not apply to the Issuers.

This Prospectus constitutes an advertisement for the purpose of the Prospectus Regulations (as defined herein). The final copy of the “prospectus”, prepared pursuant to the Prospectus Regulations, will be available for inspection at the registered offices of each of the Issuers, at the specified offices of each of the Paying Agents and on the website of the Luxembourg Stock Exchange.

You are reminded that you are accessing the Prospectus on the basis that you are a person by whom the Prospectus may be lawfully accessed in accordance with the laws of the jurisdiction in which you are located and you may not, nor are you authorised to, deliver the Prospectus to any other person.

The materials relating to the offering do not constitute, and may not be used in connection with, an offer or solicitation in any place where offers or solicitations are not permitted by law. If a jurisdiction requires that the offering be made by a licensed broker or dealer and the underwriters or any affiliate of the underwriters is a licensed broker or dealer in that jurisdiction, the offering shall be deemed to be made by the underwriters or such affiliate on behalf of the Issuers in such jurisdiction.

This Prospectus has been sent to you in an electronic form. You are reminded that documents transmitted via this medium may be altered or changed during the process of electronic transmission and, consequently, neither the Issuers, the Guarantor nor the Dealers, nor any person who controls any of them, nor any director, officer, employee or agent of it or affiliate of any such person accepts any liability or responsibility whatsoever in respect of any difference between the Prospectus distributed to you in electronic format and the hard copy version available to you on request from the Issuers, the Guarantor or any Dealer.

Prospectus dated 19 November 2020



LafargeHolcim

Holcim Finance (Luxembourg) S.A.

(incorporated in Luxembourg as a société anonyme)

€850,000,000 0.500 per cent. Sustainability-Linked Notes due 2031

guaranteed by

LafargeHolcim Ltd

(incorporated in Switzerland with limited liability)

Issue Price: 99.435 per cent.

The €850,000,000 0.500 per cent. Sustainability-Linked Notes due 2031 (the “Notes”) will be issued by Holcim Finance (Luxembourg) S.A., a public limited liability company (*société anonyme*) organised under the laws of the Grand Duchy of Luxembourg, having its registered office at 21, rue de Louvigny L-1946 Luxembourg and registered with the Luxembourg Register of Commerce and Companies under number B 92528 (the “Issuer”) on 23 November 2020 (the “Issue Date”) and guaranteed pursuant to a Guarantee (the “Guarantee”) issued by LafargeHolcim Ltd (the “Guarantor”).

The Notes will bear interest on their principal amount from (and including) the Issue Date to (but excluding) 23 April 2031 (the “Maturity Date”) at a rate of 0.500 per cent. per annum, payable annually in arrear on 23 April in each year, except that the first payment of interest, to be made on 23 April 2021, will be in respect of the period from (and including) the Issue Date to (but excluding) 23 April 2021 and will amount to €2.07 per €1,000 in principal amount of the Notes, all as more particularly described in “Terms and Conditions of the Notes — Interest”. Upon the occurrence of a Trigger Event (as defined in the terms and conditions of the Notes (the “Conditions”)), in respect of the Interest Period (as defined in the Conditions) during which the Target Observation Date (as defined in the Conditions) falls, (a) the rate of interest for the purpose of determining the amount of interest payable on such Interest Payment Date relating to such Interest Period shall increase by 0.750 per cent. per annum to a total of 1.250 per cent. per annum, such that (b) the amount of interest payable per Calculation Amount for the relevant Interest Period shall increase by €7.50 to a total of €12.50, all as more particularly described in “Terms and Conditions of the Notes — Interest”. Investors should have regard to the section “The Group’s Sustainability Performance Targets”, which describes the basis on which the Guarantor and the External Verifier (as defined in the Conditions) will assess whether the Sustainability Performance Target has been met.

The Issuer has the option to redeem the Notes (i) at any time prior to 23 January 2031 at the Make-Whole Amount (as defined in the Conditions), and (ii) at any time on or after 23 January 2031 at the Par Call Amount (as defined in the Conditions). Furthermore, if a Clean-Up Event (as defined in the Conditions) has occurred, the Issuer may, at its option, redeem all but not some only of the Notes either (i) at their principal amount together with interest accrued to (but excluding) the date fixed for redemption, or (ii) where a Clean-Up Event has occurred following or as a result of redemption pursuant to Condition 5(c)(ii), at the Make-Whole Amount, as more particularly described in “Terms and Conditions of the Notes — Redemption and Purchase”. The Notes are subject to redemption in whole at their principal amount at the option of the Issuer at any time in the event of certain changes affecting taxation in Switzerland or Luxembourg.

Following the occurrence of a Change of Control Put Event (as defined in the Conditions), the holder of each Note will have the option to require the Issuer to redeem or, at the Issuer’s option, purchase (or procure the purchase of) that Note at its principal amount together with interest accrued to (but excluding) the Change of Control Put Date (as defined in the Conditions), as more particularly described in “Terms and Conditions of the Notes — Redemption and Purchase”.

Unless previously repaid, redeemed, purchased and cancelled or substituted, the Notes will be redeemed on the Maturity Date at their principal amount.

Subject to certain preconditions which are set out in “Terms and Conditions of the Notes — Meetings of Noteholders, Modification and Substitution”, the Issuer may at any time substitute for itself as the principal debtor under the Notes, any company that is the Guarantor or a subsidiary of the Guarantor. The Notes will be unsecured securities of the Issuer and will constitute unsubordinated obligations of the Issuer, all as more particularly described in “Terms and Conditions of the Notes — Guarantee and Status”. The payment obligations under the Guarantee will constitute unsubordinated obligations of the Guarantor, all as more particularly described in “Form of Guarantee”.

Payments in respect of the Notes and under the Guarantee shall be made free and clear of, and without withholding or deduction for, or on account of, taxes of Luxembourg (in the case of payments under the Notes) and Switzerland (in the case of payments under the Guarantee), unless such withholding or deduction is required by law. In the event that any such withholding or deduction is made, additional amounts may be payable by the Issuer or the Guarantor, subject to certain exceptions as are more fully described in “Terms and Conditions of the Notes — Taxation” and “Form of Guarantee”.

Application has been made to the *Commission de Surveillance du Secteur Financier* (the “CSSF”) in its capacity as competent authority under the Luxembourg Act dated 16 July 2019 relating to prospectuses for securities (as amended, the “Luxembourg Prospectus Act”), for the approval of this Prospectus. Application has also been made to the Luxembourg Stock Exchange for the Notes to be admitted to the official list of the Luxembourg Stock Exchange (the “Official List”) and to be admitted to trading on the Luxembourg Stock Exchange’s regulated market (the “Market”). References in this Prospectus to the Notes being “listed” (and all related references) shall mean that the Notes have been admitted to the Official List and admitted to trading on the Market. The Market is a regulated market for the purposes of Directive 2014/65/EU of the European Parliament and of the Council on markets in financial instruments. By approving this Prospectus, the CSSF gives no undertaking as to the economic and financial soundness of the transaction or the solvency of the Issuer in line with the provisions of Article 6(4) of the Luxembourg Prospectus Act.

This Prospectus has been approved by the CSSF as competent authority under Regulation (EU) 2017/1129 (the “Prospectus Regulation”). The CSSF only approves this Prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by the Prospectus Regulation. Such approval should not be considered as an endorsement of either the Issuer or the quality of the Notes that are the subject of this Prospectus and investors should make their own assessment as to the suitability of investing in the Notes.

The denomination of the Notes shall be €100,000 and integral multiples of €1,000 in excess thereof up to and including €199,000.

The Notes will initially be represented by a temporary global note (the “Temporary Global Note”), without interest coupons, which will be issued in new global note (“NGN”) form as they are intended to be eligible collateral for Eurosystem monetary policy. The Temporary Global Note will be delivered to a common safekeeper (the “Common Safekeeper”) for Euroclear Bank SA/NV (“Euroclear”) and Clearstream Banking S.A. (“Clearstream, Luxembourg”) on the Issue Date. Interests in the Temporary Global Note will be exchangeable for interests in a permanent global note (the “Permanent Global Note”) and, together with the Temporary Global Note, the “Global Notes”), without interest coupons, on or after a date not earlier than 40 days from the Issue Date, upon certification as to non-U.S. beneficial ownership. The Permanent Global Note will be exchangeable for definitive Notes in bearer form in the limited circumstances set out in it. See “Overview of Provisions relating to the Notes while in Global Form”.

The Notes have not been, and will not be, registered under the United States Securities Act 1933, as amended (the “Securities Act”). The Notes are being offered outside the United States by the Joint Bookrunners (as defined in “Subscription and Sale” below) in accordance with Regulation S under the Securities Act (“Regulation S”), and may not be offered, sold or delivered within the United States or to, or for the account or benefit of, U.S. persons except pursuant to an exemption from the registration requirements of the Securities Act. The Notes are subject to U.S. tax law requirements.

The Notes are expected to be rated BBB by S&P Global Ratings Europe Ltd (“Standard & Poor’s”) and Baa2 by Moody’s Deutschland GmbH (“Moody’s”) (each, a “Rating Agency”). Each of Standard & Poor’s and Moody’s is established in the European Union (the “EU”) and is registered under Regulation (EC) No. 1060/2009 (as amended) of the European Parliament and of the Council of 16 September 2009 on credit rating agencies. A credit rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency.

This Prospectus will be valid for 12 months from 19 November 2020, its validity will end on 19 November 2021. The obligation to supplement this Prospectus in the event of significant new factors, material mistakes or material inaccuracies will not apply when this Prospectus is no longer valid. For this purpose, “valid” means valid for making offers to the public or admissions to trading on a regulated market by or with the consent of the Issuer and the obligation to supplement this Prospectus is only required within its period of validity between the time when this Prospectus is approved and the closing of the offer period for the Notes or the time when trading on a regulated market begins, whichever occurs later.

Investing in the Notes involves a high degree of risk. Prospective investors should have regard to the factors described under the section headed “Risk Factors” in this Prospectus.

Sustainability-Linked Structuring Agents to the Guarantor and the Issuer and Global Co-ordinators

ING

Société Générale Corporate & Investment Banking

Active Bookrunners

BNP PARIBAS

HSBC

ING

Santander Corporate & Investment Banking

Société Générale Corporate & Investment Banking

Passive Bookrunners

Banco Bilbao Vizcaya Argentaria, S.A.

Crédit Agricole CIB

UniCredit Bank

This Prospectus comprises a prospectus for the purposes of Article 6 (3) of Regulation (EU) 2017/1129 (the “**Prospectus Regulation**”) and for the purpose of giving information with regard to the Issuer, the Guarantor and its consolidated subsidiaries taken as a whole (together, the “**Group**” or “**LafargeHolcim**”) and the Notes which, according to the particular nature of the Issuer, the Guarantor and the Notes, is necessary to enable investors to make an informed assessment of the assets and liabilities, financial position, profit and losses and prospects of the Issuer and the Guarantor. The Issuer and the Guarantor accept responsibility for the information contained in this Prospectus. To the best of the knowledge of the Issuer and the Guarantor, the information contained in this Prospectus is in accordance with the facts and this Prospectus makes no omission likely to affect the import of such information.

This Prospectus is to be read in conjunction with all the documents which are incorporated herein by reference (see “*Documents Incorporated by Reference*”).

This Prospectus does not constitute an offer of, or an invitation by or on behalf of the Issuer, the Guarantor or the Joint Bookrunners (as defined in “*Subscription and Sale*” below) to subscribe or purchase, any of the Notes. The distribution of this Prospectus and the offering of the Notes in certain jurisdictions may be restricted by law. Persons into whose possession this Prospectus comes are required by the Issuer, the Guarantor and the Joint Bookrunners to inform themselves about and to observe any such restrictions.

For a description of further restrictions on offers and sales of the Notes and distribution of this Prospectus, see “*Subscription and Sale*” below.

No person is authorised to give any information or to make any representation not contained in this Prospectus and any information or representation not so contained must not be relied upon as having been authorised by or on behalf of the Issuer, the Guarantor or the Joint Bookrunners. Neither the delivery of this Prospectus nor any sale made in connection herewith shall, under any circumstances, create any implication that there has been no change in the affairs of either the Issuer or the Guarantor since the date hereof or that there has been no adverse change in the financial position of either the Issuer or the Guarantor since the date hereof or that the information contained in it or any other information supplied in connection with the Notes is correct as of any time subsequent to the date on which it is supplied or, if different, the date indicated in the document containing the same.

None of the Issuer, the Guarantor nor the Joint Bookrunners is responsible for any third party social, environmental and sustainability assessment of the Notes. The Notes may not satisfy an investor’s requirements or any future legal or industry standards for investment in assets with sustainability characteristics. Investors should conduct their own assessment of the Notes from a sustainability perspective. Investors should note that the net proceeds of the issues of the Notes will be used for general corporate purposes.

The Joint Bookrunners accept no responsibility whatsoever for the contents of this Prospectus or for any other statement made or purported to be made by a Joint Bookrunner or on its behalf in connection with the Issuer, the Guarantor or the issue and offering of Notes or any responsibility for any acts or omissions of the Issuer, the Guarantor or any other person (other than the Joint Bookrunners) in connection with this Prospectus or the issue and offering of Notes. Each Joint Bookrunner accordingly disclaims all and any liability whether arising in tort or contract or otherwise (save as referred to above) which it might otherwise have in respect of this Prospectus or any such statement.

The Notes have not been and will not be registered under the Securities Act and the Notes are subject to U.S. tax law requirements. Subject to certain exceptions, the Notes may not be offered, sold or delivered within the United States or to U.S. persons (as defined in Regulation S).

Neither this Prospectus nor any other financial statements are intended to provide the basis of any credit or other evaluation and should not be considered as a recommendation by the Issuer, the Guarantor or the Joint Bookrunners that any recipient of this Prospectus or any other financial statements should purchase the Notes.

The Notes may not be a suitable investment for all investors. Each potential investor in the Notes must determine the suitability of that investment in light of its own circumstances. In particular, each potential investor should:

- (a) have sufficient knowledge and experience to make a meaningful evaluation of the Notes, the merits and risks of investing in the Notes and the information contained or incorporated by reference in this Prospectus or any applicable supplement;
- (b) have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Notes and the impact the Notes will have on its overall investment portfolio;
- (c) have sufficient financial resources and liquidity to bear all of the risks of an investment in the Notes;
- (d) understand thoroughly the terms of the Notes and be familiar with the behaviour of the relevant financial markets and of any financial variable which might have an impact on the return on the Notes; and
- (e) be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

The Notes are complex financial instruments and such instruments may be purchased by potential investors as a way to reduce risk or enhance yield with an understood, measured, appropriate addition of risk to their overall portfolios. A potential investor should not invest in the Notes unless it has the expertise (either alone or with a financial adviser) to evaluate how the Notes will perform under changing conditions, the resulting effects on the value of the Notes and the impact this investment will have on the potential investor's overall investment portfolio.

Before investing in the Notes, each potential investor should have understood the Conditions and be familiar with them and the content of this Prospectus.

Prospective investors should also consult their own tax advisers as to the tax consequences of the purchase, ownership and disposition of the Notes.

The credit ratings assigned to the Notes may not reflect the potential impact of all risks related to structure, market, additional factors discussed above, and other factors that may affect the value of the Notes. A credit rating is not a recommendation to buy, sell or hold Notes and may be revised or withdrawn by the rating agency at any time.

The investment activities of certain investors are subject to legal investment laws and regulations, or review or regulation by certain authorities. Each potential investor should consult its legal advisers to determine whether and to what extent: (1) the Notes are legal investments for it; (2) the Notes can be used as collateral for various types of borrowing; and (3) other restrictions apply to its purchase or pledge of any of the Notes. Financial institutions should consult their legal advisers or the appropriate regulators to determine the appropriate treatment of Notes under any applicable risk-based capital or similar rules.

Certain financial and statistical information in this Prospectus has been subject to rounding adjustments. Accordingly, the sum of certain data may not conform to the total. In addition, all financial information in this

Prospectus is qualified by reference to, and should be read in conjunction with, the documents incorporated by reference into this Prospectus (see “*Documents Incorporated by Reference*” below).

In this Prospectus, unless otherwise specified or the context otherwise requires, references to “€”, “EUR”, “Euro” and “euros” are to the single currency of those member states of the European Union participating in the third stage of the European economic and monetary union from time to time as amended, references to “U.S.\$” or “USD” are to United States dollars, and references to “CHF” are to Swiss francs.

In connection with the issue of the Notes, ING Bank N.V. and Société Générale (in such capacity, the “Stabilising Managers”) (or any person acting on behalf of the Stabilising Managers) may over-allot the Notes or effect transactions with a view to supporting the market price of the Notes at a level higher than that which might otherwise prevail. However, there is no assurance that the Stabilising Managers (or any person acting on behalf of the Stabilising Managers) will undertake stabilisation action. Any stabilisation action may begin on or after the date on which adequate public disclosure of the terms of the offer of the Notes is made and, if begun, may be ended at any time, but it must end no later than the earlier of 30 days after the issue date of the Notes and 60 days after the date of the allotment of the Notes. Any stabilisation action or over-allotment must be conducted by the Stabilising Managers or person acting on behalf of the Stabilising Managers in accordance with all applicable laws and rules.

This Prospectus contains certain forward-looking statements. A forward-looking statement is a statement that does not relate to historical facts and events. They are based on analyses or forecasts of future results and estimates of amounts not yet determinable or foreseeable. These forward-looking statements are identified by the use of terms and phrases such as “*anticipate*”, “*believe*”, “*could*”, “*estimate*”, “*expect*”, “*intend*”, “*may*”, “*plan*”, “*predict*”, “*project*”, “*will*” and similar terms and phrases, including references and assumptions. This applies, in particular, to statements in this Prospectus containing information on future earning capacity, plans and expectations regarding the Group’s business and management, its growth and profitability, and general economic and regulatory conditions and other factors that affect it.

Forward-looking statements in this Prospectus are based on current estimates and assumptions that LafargeHolcim makes to the best of its present knowledge. These forward-looking statements are subject to risks, uncertainties and other factors which could cause actual results, including the Group’s financial condition and results of operations, to differ materially from and be worse than results that have expressly or implicitly been assumed or described in these forward-looking statements. The Group’s business is also subject to a number of risks and uncertainties that could cause a forward-looking statement, estimate or prediction in this Prospectus to become inaccurate. Accordingly, investors are strongly advised to read the following sections of this Prospectus: “*Risk Factors*”, “*Documents Incorporated by Reference*”, “*Overview*” and “*Business*”. These sections include more detailed descriptions of factors that might have an impact on the Group’s business and the markets in which it operates. In light of these risks, uncertainties and assumptions, future events described in this Prospectus may not occur.

In addition, none of the Issuer, the Guarantor or the Joint Bookrunners assume any obligation, except as required by law, to update any forward-looking statement or to conform these forward-looking statements to actual events or developments.

MiFID II product governance / Professional investors and ECPs only target market – Solely for the purposes of each manufacturer’s product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is eligible counterparties and professional clients only, each as defined in Directive 2014/65/EU (as amended, “**MiFID II**”); and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Notes (a “**distributor**”) should take into

consideration the manufacturers' target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturers' target market assessment) and determining appropriate distribution channels.

PRIIPs Regulation / Prohibition of sales to EEA and UK retail investors – The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area (“**EEA**”) or in the United Kingdom (“**UK**”). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, “**MiFID II**”); or (ii) a customer within the meaning of Directive (EU) 2016/97 (the “**Insurance Distribution Directive**”), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II. Consequently no key information document required by Regulation (EU) No 1286/2014 (as amended, the “**PRIIPs Regulation**”) for offering or selling the Notes or otherwise making them available to retail investors in the EEA or in the UK has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA or in the UK may be unlawful under the PRIIPs Regulation.

*Singapore SFA Product Classification: In connection with Section 309B of the Securities and Futures Act (Chapter 289) of Singapore, as modified or amended from time to time (the “**SFA**”) and the Securities and Futures (Capital Markets Products) Regulations 2018 of Singapore (the “**CMP Regulations 2018**”), the Issuer has determined, and hereby notifies all relevant persons (as defined in Section 309A(1) of the SFA), that the Notes are ‘prescribed capital markets products’ (as defined in the CMP Regulations 2018) and Excluded Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).*

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RISK FACTORS

The Issuer and the Guarantor believe that the following factors may adversely affect its operations or financial condition and cause harm to its reputation and thereby affect its ability to fulfil its obligations under the Notes and/or the Guarantee, as the case may be.

Factors which the Issuer and the Guarantor believe are material for the purpose of assessing the market risks associated with the Notes are also described below.

The Issuer and the Guarantor believe that the factors described below represent the principal risks inherent in investing in the Notes. Additional risks and uncertainties relating to the Issuer and/or the Guarantor that are not currently known to the Issuer and/or the Guarantor, or that the Issuer and/or the Guarantor currently deem immaterial, may individually or cumulatively also have a material adverse effect on the business activities, results of operations, financial condition and cash flows of the Issuer and/or the Guarantor and, if any such risk should occur, the price of the Notes may decline and investors could lose all or part of their investment. Prospective investors should also read the detailed information set out elsewhere in this Prospectus (including any documents deemed to be incorporated by reference herein) and reach their own views prior to making any investment decision.

Risks Relating to the Group's Business

Legal and compliance risks

Compliance risks

The Group has implemented a compliance program with respect to applicable anti-corruption, anti-money laundering and sanctions laws. Nonetheless, the Group might be found to have violated laws and regulations covering business conduct such as those that combat bribery, corruption, fraud, breach of competition laws, breach of trade sanctions or export controls, and unauthorised use of personal data leading to investigation costs, financial penalties, debarment, profit disgorgement and reputational damage. The impact is compounded by the fact that local violations can have an effect on the entire Group, and such impact could have a material adverse effect on the business, results of operations and financial condition of the Group.

Competition regulation

In recent years, various competition regulators worldwide have imposed fines on cement, building materials and building materials services companies for involvement in illegal cartel practices or other anticompetitive practices. The Group has in place a code of business conduct including principles of fair competition and has a fair competition compliance programme across the Group.

The competition authorities in various regions have initiated competition law investigations against certain members of the Group regarding alleged involvement in illicit agreements and anti-competitive practices. The investigations and proceedings are at different stages and are ongoing. For further details on the material cases, see note 17.3 to the consolidated financial statements of LafargeHolcim Ltd in the 2019 Annual Report.

The Group cannot predict the outcome of the pending competition proceedings or investigations. A finding of an infringement of competition law could adversely affect the Group in a variety of ways. For example, it could result in: (i) the imposition of significant fines (the amount of any such fine could vary significantly from one jurisdiction to the next, and depends on a variety of factors; it is typically based around the turnover generated by the relevant company from sales of the product subject to the infringement); (ii) third parties (such as customers, and in more limited cases, competitors) initiating civil litigations claiming damages caused by anticompetitive practices; (iii) reputational damage to LafargeHolcim; (iv) restrictions on the

Group's ability to carry out acquisitions (in certain jurisdictions); (v) forced divestments; (vi) significant costs or changes in business practices that may result in reduced revenues and/or margins; and/or (vii) potential debarment from public tenders. These potential consequences could have a material adverse effect on the business, results of operations and financial condition of the Group.

Minority interests, minority participations and joint ventures

The Group does not always have a controlling interest in joint ventures and associates in which it has invested. This may restrict the Group's ability to generate adequate returns and to implement the operating standards and compliance program. These limitations could impair the Group's ability to manage joint ventures and associates effectively and/or realize the strategic goals for these businesses. In addition, this might hamper the ability of LafargeHolcim to implement organisational efficiencies and its controls framework, including its full compliance program. It can also impede the ability to transfer cash and assets between subsidiaries in order to allocate assets in the most effective way. In addition, the Group's presence in certain jurisdictions through joint ventures and associates may expose the Group to litigation as a result of changes in law or enforcement policies, see "Business-Litigation".

In certain jurisdictions, members of the Group have entered into shareholders' and/or joint venture agreements with respect to the corresponding participation in such jurisdiction. Such contractual obligations may limit in the future the freedom of action of the Group and/or may result, under certain circumstances, in financial obligations of LafargeHolcim towards joint venture partners. Certain joint venture agreements may contain "deadlock" provisions that may result in put and/or call options becoming exercisable in the event of disagreements, rights of first refusal or the sale of the joint venture. The Group could be required to expend significant sums to perform its obligations under these options. In addition, stable relationships with local joint venture partners may be critical to the success of the operations of the Group in these jurisdictions. There can be no assurance that relationships with joint venture partners will remain stable or that joint venture partners will not be acquired by competitors of LafargeHolcim.

In certain of its operations, the Group has a significant but not always a controlling interest. Under the governing documents for certain of these partnerships and corporations, certain key matters, such as the approval of business plans and decisions as to the timing and amount of cash distributions, may require the consent of the partners of LafargeHolcim or may be approved without the consent of the Group. These limitations could constrain the Group's ability to pursue its corporate objectives in the future.

Litigation risks

In the ordinary course of its business, the Group is and may in the future become involved in lawsuits, claims of various natures, investigations and proceedings, including product liability, ownership, commercial, environmental, health and safety matters. Additionally, in connection with disposals made in past years, the Group provided customary warranties. LafargeHolcim and its subsidiaries may receive claims arising from these warranties. Any of the foregoing could have a material adverse effect on the business, and the results of operations and financial condition of the Group.

Sustainability risks

Carbon dioxide emissions and climate change

The cement industry is associated with high carbon dioxide ("CO₂") intensity and LafargeHolcim is exposed to a variety of regulatory frameworks to reduce emissions, some of which may be under revision. These frameworks can affect the business activities of LafargeHolcim. In addition, a perception of the sector as a high emitter could impact LafargeHolcim's reputation, thus reducing its attractiveness to investors, employees and potential employees.

The potential effects of climate-related risks on the Group are as follows:

- **Policy and legal**: Following the agreement on climate change at Paris COP21, signatory countries are required to communicate reduction commitments and pass implementation regulation. The likely effect of this increasing number of frameworks will be to: (i) increase the cost to the Group of fossil fuels by carbon price mechanisms, (ii) impose more restrictive cap & trade systems on the Group and (iii) increase the cost to the Group of emitting CO₂. In Europe, Phase IV of the European Trading System (ETS) will come into force in 2021, reducing CO₂ allowances. In the absence of efficient border adjustment mechanisms, imports of clinker and cement from outside the EU might bring more competition to the Group.
- **Technology**: The Group is currently engaged in several initiatives which require large investments, especially carbon capture and storage technologies. The risk of the cost of technology being significantly higher than existing carbon pricing mechanisms and the lack of integrated deployment of carbon capture in the supply chain ecosystems (transportation, sequestration, etc.), could prevent LafargeHolcim from its successful implementation.
- **Market**: As the carbon debate intensifies, cement and concrete could be challenged by the Group's customers as the building material of first choice because of perceived high embodied CO₂. In the long term, should regulatory frameworks fail to incentivize consumption of low-carbon products, customers of the Group may be unwilling to pay for additional costs and the cement sector's low-carbon roadmap might be compromised.
- **Reputation**: The risk of being perceived as a large carbon emitter could reduce the Group's attractiveness to stakeholders such as customers, investors, and potential employees.
- **Physical impact of climate change**: The impact of climate change (such as flooding, changes in precipitation patterns or extreme variability in weather patterns) on the Group's operations might lead to higher logistics and transportation costs and reduced production capacities (for example delayed planning approval and supply chain interruptions).

Any of the foregoing could have an adverse effect on the Group's business, financial condition and results of operations.

Environmental regulations

As a building materials supplier, the Group's operations are subject to numerous national and supranational environmental, health and safety laws, regulations, treaties and conventions (together with the other laws and regimes discussed below), including those designed to control greenhouse gas emissions, the discharge of pollutants into the environment and the use, handling and disposal of hazardous materials and substances, requiring removal and clean-up of environmental contamination, establishing certification, licensing, noise, health and safety, taxation, labour and training standards; or otherwise related to the protection of human health and the environment (including in relation to asbestos and crystalline silica dust). Any violations of existing environmental regulations would expose the Group to substantial fines and sanctions and may require technical measures or investments to ensure compliance with mandatory emission limits. In some cases, violations may lead to the Group being unable to produce and/or to market certain products. Environmental regulations currently in force may be amended or modified or new environmental regulations may be adopted, further curtailing or regulating the cement industry and related industries in the various jurisdictions in which the Group operates. LafargeHolcim cannot predict the extent to which its future earnings may be affected by the need to comply with such new environmental regulations.

Health and safety

The Group's cement, aggregates, ready-mix and solutions & products production involves a number of health and safety risks, especially on the road during transportation of material, that could cause harm, injury or fatalities in the Group's operations. The Group continuously monitors the risk through a global Health and Safety Management System designed to improve the Group's performance and actively minimise risks in the course of business as such incidents may impact the reputation or public perception of LafargeHolcim and could result in additional costs and fines, which could have an adverse effect on the Group's business, financial condition and results of operations.

Due to the Coronavirus (or COVID-19) outbreak and as the disease is currently spreading across many locations where the Group operates, health and safety concerns have become more acute. The Group is constantly monitoring and adapting its approach for each country, carefully following developments as well as the instructions of local health authorities to help in every possible way but it is too early to measure the actual impact of the crisis with regards to health and safety.

Waste management and environmental remediation

Many of the Group's current and former properties are or have been used for industrial purposes. LafargeHolcim has arranged for and will continue to arrange for safe and proper disposal of waste on its own premises, and at third-party disposal sites. Under certain environmental laws, liability for activities at contaminated sites, including buildings and other facilities, is strict, and in some cases, joint and several. The Group may in the future be subject to potentially material liabilities relating to the investigation and clean-up of contaminated areas, including groundwater, at properties owned or formerly owned, operated or used by the Group, and to claims alleging personal injury or damage to natural resources. There can be no assurance that the Group's current provisions will be sufficient to cover all potential future liabilities related to environmental contamination. Changes in applicable law or regulation relating to waste management and environmental remediation in jurisdictions in which the Group operates could lead to greater tax liabilities. LafargeHolcim has been increasingly using alternative fuels and raw materials to reduce CO₂ emissions as well as fuel and raw material costs. Some of these alternative fuels are hazardous and require LafargeHolcim to use special procedures to protect workers and the environment. When using hazardous waste for this purpose, the above-mentioned risks of environmental liabilities or the health and safety liabilities as well as reputational risks may arise if such procedures are not executed correctly.

Other regulations affecting mining operations

Access to the raw materials necessary for operations (such as limestone, aggregates and other key raw materials) is essential to the sustainability and profitability of the Group's operations and is a key consideration in the Group's investments. In addition to environmental regulations, the Group's operations are subject to extensive governmental regulations in the majority of countries in which the Group operates on matters such as permitting and licensing requirements as well as reclamation and restoration of mining properties after mining is completed. LafargeHolcim believes that it has obtained all material permits and licenses required to conduct its present mining operations. However, the Group expects that it will need additional permits and renewals of permits for future operations and to renew existing licences and permits. New site approval procedures generally require preparation of geological surveys and environmental and social impact assessment (ESIA) studies including endangered species studies of new sites. Compliance with these regulatory requirements is expensive and requires an investment of substantial funds well before the Group knows whether a site's operation will be economically successful and often significantly lengthens the time needed to develop a new site. Additional legal requirements could be adopted in the future that would render compliance still more challenging.

Furthermore, obtaining or renewing required permits and licenses is sometimes delayed or prevented due to community opposition and other factors beyond the Group's control. LafargeHolcim could be adversely affected if current provisions for reclamation and closure costs were determined to be insufficient at a later stage, or if future costs associated with reclamation were to be significantly greater than its current estimates. The Group cannot be sure that current or future mining regulation, and compliance with such regulation, will not have an adverse effect on its business, or that it will be able to obtain or renew permits and licenses in the future.

Financial risks

The Group may not be able to generate sufficient cash and/or have access to external funding to meet its obligations

A lack of liquidity could impact the Group's ability to meet its operational and/or financial obligations. The Group's ability to borrow from banks or access the capital markets to meet the Group's financial requirements is dependent on market conditions. Financial crises in particular geographic regions, industries or economic sectors have led, in the recent past, and could lead, in the future, to sharp declines in the currencies, stock markets and other asset prices, which in turn threaten the affected financial systems and economies.

Any market slowdown may adversely impact the Group's ability to borrow from banks or access the capital markets and may significantly increase the costs of such borrowing. If sufficient sources of financing are not available in the future for these or other reasons, the Group may be unable to meet its financial requirements, which could materially and adversely affect its business, results of operations and financial condition. In the course of business, LafargeHolcim uses external sources to finance a portion of its capital requirements. The cost and availability of financing are generally dependent on short-term and long-term credit ratings. Factors that are significant in the determination of the Group's credit ratings or that otherwise could affect its ability to raise short-term and long-term financing include (among others): level and volatility of earnings, relative positions in the markets in which LafargeHolcim operates, its global and product diversification, risk management policies and financial ratios such as net debt to Recurring EBITDA and cash flow from operations to net debt. It is expected that credit rating agencies will focus, in particular, on the Group's ability to generate sufficient operating cash flows to cover the repayment of debt. Deterioration in any of the previously stated factors or a combination of these factors may lead rating agencies to downgrade LafargeHolcim credit ratings, thereby increasing the Group's cost of obtaining financing or its access to bank financing and the capital markets.

Tax risks

The Group is subject to multiple tax laws and various regulatory requirements, which affect its commercial, financial and tax situation. Changes in tax laws, regulations, court rulings, related interpretations, and tax accounting standards in countries in which the Group operates may adversely affect its financial results. As the tax laws and regulations in effect in the various countries in which the Group operates do not always provide clear or definitive guidelines for interpretation, the Group cannot guarantee that its tax position or structure will not be questioned or challenged by the tax authorities, or that applicable laws and regulations in certain countries will not change, be interpreted differently or be applied inconsistently. More generally, any violation, misinterpretation or differences in interpretation of tax laws and regulations in the countries where the Group and its subsidiaries are located or do business could lead to assessments of additional taxes as well as the payment of late fees, interest, fines and/or penalties. This could affect the Group's financial results.

The Group's tax filings for various periods will be subject to audit by the tax authorities in most jurisdictions in which the Group operates, as such jurisdictions may have extended focus on issues related to the taxation

of multinational corporations. These audits may result in assessments of additional taxes, as well as interest and/or penalties, and could affect the Group's financial results. Due to the uncertainty associated with tax matters, it is possible that at some future date, liabilities resulting from audits or litigations could vary significantly from the Group's provisions.

Group's pension commitments and multi-employer pension plans

The Group has obligations under defined benefit pension plans, mainly in the United Kingdom, Switzerland and North America. The Group's funding obligations depend upon future asset performance, the level of interest rates used to measure future liabilities, actuarial assumptions and experience, benefit plan changes, and government regulations. Due to the large number of variables that determine pension funding requirements, which are difficult to predict, as well as any legislative action, future cash funding requirements for the Group's pension plans and other post-employment benefit plans could be significantly higher than the amounts estimated as at 31 December 2019. If so, these funding requirements could have a material adverse effect on the Group's financial situation or results.

The Group participates in a number of union-sponsored multi-employer pension plans in the United States. These plans are subject to substantial deficits due to market conditions and business actions, plan trustee decisions, plan failure, as well as actions and decisions of other contributing employers. The Group has essentially no control on how these plans are managed. Therefore, material risk that substantial cash contributions could be required in the future to satisfy any outstanding obligations under these plans exists. Moreover, satisfying the Group's obligations might have a material impact on the Group's reported financial results. The financial condition of these plans is not currently reported in the Group's financial reports.

Insurance risk

The Group's sector is subject to a wide range of risks, not all of which can be adequately insured. The Group obtains insurance cover for a broad range of risks to protect its assets and itself against third party liabilities, commensurate with the risk exposure. The Group could be impacted by losses where recovery from insurance is either not available or non-reflective of the incurred loss.

Currency translation and transactional risks

The Group operates internationally (in around 70 countries) and a very high portion of its products are produced locally, with most sales and costs incurred in the respective local currencies (other than the Swiss franc (its reporting currency)). The Group however faces foreign exchange risks arising mostly from the translation of local financial statements for the consolidated financial statements. For instance, the Group operates countries which are among the ones with the highest inflation rates in the world (such as Argentina and Zimbabwe) or subject to huge pressure on its currency (such as Lebanon). As a result, movements in exchange rates could have an influence on the Group's business, results of operations and financial condition. Such translation into the Group's reporting currency Swiss francs leads to currency translation effects, which the Group does not actively hedge in the financial markets. In addition, the statement of financial position is only partially hedged by debt in foreign currencies and therefore a significant decrease in the aggregate value of such local currencies against the Swiss franc may have a material effect on the Group's shareholders' equity.

Currency fluctuations can also result in the recognition of foreign exchange losses on transactions, which are reflected in the Group's consolidated statement of income. With regard to transaction-based foreign currency exposures, the Group's policy is to hedge material foreign currency exposures through derivative instruments.

Acquisition and disposal of businesses

As part of its strategy, the Group may make selective acquisitions and divestments to strengthen, develop or streamline its existing business portfolio. Divestments can pose substantial challenges to the Group. The divestment and separation process can affect business continuity and employee and business relationships (i.e., lenders and suppliers). In addition, the possibility of regulatory interference in a disposal process, as well as delays, cannot be ruled out.

Disposals may result in the indemnification of unknown past liabilities as well as representation and warranties. Moreover, the consideration received for a specific asset or business may be less than its actual value for the Group, which could result in the recognition of losses in the period in which the sale occurs.

There may be challenges or delays in integrating and generating value from acquired businesses. The costs of integration can be materially higher than budgeted and the Group may fail to realise synergies expected from such acquisitions. The challenges presented by integrating new businesses can be even greater in emerging markets as a result of risks not faced to the same extent in more mature markets, including certain political and legal risks and cultural and linguistic difficulties.

Acquisitions can also result in the assumption of unexpected or greater than expected liabilities relating to the acquired assets or businesses and the possibility that indemnification agreements with the sellers of such assets may be difficult to enforce or insufficient to cover all potential liabilities, the possibility of regulatory interference, the imposition and maintenance of regulatory controls, procedures and policies and the impairment of relationships with employees and counterparties as a result of difficulties arising out of integration. Moreover, the value of any business that the Group acquires or invests in may be less than the consideration the Group will pay.

Investments in certain jurisdictions are regulated by, *inter alia*, foreign investment regulations. There can be no assurance that the Group will be able to obtain or maintain all government approvals required in all jurisdictions in which it makes investments.

Direct creditors of subsidiaries of the Guarantor will generally have superior claims to cash flows from those subsidiaries

As a holding company, the Guarantor will depend upon cash flows received from its subsidiaries to meet its payment obligations under the Notes. Since the creditors of any subsidiary of the Guarantor would generally have a right to receive payment that is superior to the Guarantor's right to receive payment from the assets of that subsidiary, holders of the Notes ("**Holder**s" or "**Noteholder**s") will be effectively subordinated to creditors of those subsidiaries insofar as cash flows from those subsidiaries are relevant to the Notes. The Conditions do not limit the amount of liabilities that Group subsidiaries may incur.

In addition, the Guarantor may not necessarily have access to the full amount of cash flows generated by its operating subsidiaries. A number of its subsidiaries are located in countries that may impose regulations restricting the payment of dividends outside the country through exchange control regulations. Furthermore, the transfer of dividends and other income from Group subsidiaries may be limited by various credit or other contractual arrangements and/or tax constraints, which could make such payments difficult or costly.

Counterparty risk for financial operations

The Group is exposed to credit risk in the event of default by a counterparty (mainly banks and other financial institutions). The exposure to counterparty risks is limited by rigorously selecting the Group's counterparties, by regularly monitoring the ratings assigned to counterparties by credit rating agencies, and by taking into account the nature and maturity of the Group's exposed transactions, according to Group policies.

Counterparty limits are defined and regularly reviewed, however this may not prevent the Group from being significantly impacted in the case of a systemic crisis.

Interest rate risks

The Group is exposed to interest-rate risk through debt and cash. The Group's interest rate exposure can be subdivided among the following risks:

- (i) Price risk for fixed-rate financial assets and liabilities
 - by contracting a fixed-rate liability, for example, the Group is exposed to an opportunity cost in the event of a reduction in interest rates. Changes in interest rates impact the market value of fixed-rate assets and liabilities, leaving the associated financial income or expense unchanged; and
- (ii) Cash flow risk for floating-rate assets and liabilities.
 - changes in interest rates have little impact on the market value of floating-rate assets and liabilities, but directly influence the future income or expense flows of the Group.

Any changes in interest rates could negatively impact the Group's financial results. For the year ended 31 December 2019, a 1 percentage increase in interest rates would have resulted in an increase in the Group's borrowing cost of CHF 24 million (CHF 22 million for the year ended 31 December 2018) before tax on a post hedge basis, subject to certain assumptions. In accordance with its policy, the Group seeks to manage these two types of risks with interest-rate swaps. The treasury department manages the Group's financing and interest rate risk in order to keep a balance between fixed rate and floating rate exposure.

Capital expenditure programme

The Group's business production is capital intensive. The capital expenditure programmes of the Group comprise both maintenance capital expenditure on property, plant and equipment to maintain production capacity, and expansion capital expenditure to implement new growth projects. In response to changing market conditions, LafargeHolcim may also undertake maintenance and expansion capital expenditure projects. There can be no assurance that such projects will be completed on time or to budget. Factors that could result in planned capital expenditure projects being delayed or cancelled include changes in economic conditions, construction difficulties and cost overruns. In developed countries in particular, it can be difficult to obtain permits for new installations and quarries, and extending the duration of existing permits may become more challenging. Difficulties with permits could result in significant delays in future investments and growth or even in the suspension of particular projects. Increased funding costs or greater difficulty in accessing financing to satisfy the capital expenditure programme of the Group may have a material adverse effect on the business, results of operations and financial condition.

Impairment risks

The cement and, to a lesser extent, the aggregates and the other construction materials businesses, of the Group, are very capital intensive. At each statement of financial position date, the Group will assess whether there is any indication that an asset may be impaired. For example, a detailed review of the asset portfolio, and specifically the country risk, led to an impairment of CHF 3,831 million as at 31 December 2017, mainly affecting goodwill and assets re-evaluated in the context of business combinations. The review of the portfolio did not lead to significant impairment in 2019 (see Note 4.5 to the consolidated financial statements of LafargeHolcim for the year ended 31 December 2019, which are incorporated by reference in this Prospectus). Where any indication of an asset impairment exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss, if any. If the recoverable amount of an asset

is established to be less than its carrying amount, the carrying amount of such asset is reduced to its recoverable amount. The assessment of assets may lead to other impairments in the future. Impairment losses are recognised in the statement of income and may therefore have a material effect on the results of operations and financial condition of the Group.

External risks

Pandemics, epidemics, outbreaks of infectious diseases or any other serious public health concerns

Pandemics, epidemics, outbreaks of infectious diseases or any other serious public health concerns (such as Ebola, avian flu, H1N1, SARS and the Coronavirus (or COVID-19) whether on a regional or global scale, together with any resulting restrictions on travel, imposition of quarantines and prolonged closures of workplaces, may have a material adverse effect on the global economy in general, as well as on demand for the Group's products and on commodity prices.

Potential impacts of the COVID-19 pandemic

The emergence of the COVID-19 pandemic has created an unprecedented disruption in the markets where the Group operates and might have a material impact on the business, results of operations and financial condition of the Issuer.

Since the length and the magnitude of the crisis mainly depend on factors that are beyond the Group's control, such as prolonged spread of the pandemic, government measures affecting the Group's operations and customers' behaviours, there is a high degree of uncertainty as regards to future economic conditions and their impact on results of operations.

Competition

The markets for cement, aggregates and other construction materials and services are very competitive. Competition in these markets is largely based on price, but also increasingly on quality and service. On the basis of data contained in the Global Cement Directory (2019), as at January 2019, the top four global cement producers represented approximately 21 percent of global capacity (excluding China). Competition for the Group in the cement industry varies from market to market, but on a global basis LafargeHolcim believes that its major competitors are HeidelbergCement AG, CRH plc and Cemex S.A.B. de C.V. The Group also competes with numerous small or local competitors. Competition, whether from established market participants or new entrants, could cause the Group to lose market shares or reduce pricing, any one of which could have an adverse effect on business, financial condition, results of operations or prospects.

The Group competes in each of its markets with domestic and foreign building materials suppliers, as well as with importers of foreign products and with local and foreign construction service providers. Accordingly, the profitability of the Group is generally dependent on the level of demand for such building materials and services as a whole as well as the Group's ability to maximise efficiencies and control operating costs. Prices in these markets are subject to material changes in response to relatively minor fluctuations in supply and demand, general economic conditions and other market conditions beyond the control of the Group. As a consequence, LafargeHolcim may face price, margin or volume declines in the future, which could (if significant), have an adverse effect on the Group's results of operations. Risk of such declines are particularly acute in markets where overcapacity and/or oversupply exists.

Emerging markets risks

LafargeHolcim's significant presence in emerging markets exposes the Group to risks that it does not face to the same extent in more mature economies such as economic and political risks and risks associated with legal systems being less certain than those in more mature economies. Emerging markets are exposed to

greater volatility in GDP, inflation, exchange rates, interest rates, oil prices and commodity prices than developed markets, which may negatively affect the level of construction activity and the results of operations of the Group in a given emerging market. Instability in an emerging market may also lead to restrictions on currency movements, which may adversely affect the ability of emerging market operating subsidiaries of the Group to pay dividends, and impose restrictions on imports of equipment.

Other potential risks presented by emerging markets include:

- disruption of LafargeHolcim's operations due to civil disturbances and other actual and threatened conflicts and acts of terrorism;
- nationalisation and expropriation of assets;
- price and exchange controls;
- differences between and unexpected changes in regulatory environments, including environmental, health and safety, local planning, zoning and labour laws, rules and regulations;
- less certainty concerning legal rights and their enforcement;
- varying tax regimes, including with respect to the imposition of withholding taxes on remittances and other payments by subsidiaries and joint ventures;
- fluctuations in currency exchange rates and restrictions on the repatriation of capital; and
- difficulties in attracting and retaining qualified management and employees, or reducing the size of the workforce of the Group.

Developments relating to any of the risks described above in an emerging market in which LafargeHolcim has a significant presence could result in lower profits and/or a loss in value of its assets. There can be no assurance that the assets, business, results of operations and financial condition of the Group will not be materially adversely affected through its exposure to emerging markets.

Political risks and risks arising from exceptional external incidents

LafargeHolcim operates in many countries around the globe and is exposed, directly or indirectly, to the effects of economic, political and social instability such as trade protectionism, turmoil, terrorism, civil war and unrest, particularly in developing markets. The Group is exposed in some locations to the immediate impact or subsequent conditions resulting from a natural disaster (earthquake, volcanic eruption, flooding etc.) which may impact people, critical activities, operations or business continuity.

Cyclical nature of the construction industries

LafargeHolcim's products and services are mainly used in the construction sector. Accordingly, in any jurisdiction, demand for the Group's products and services is dependent on the level of activity in the construction sector in that jurisdiction. The construction industry tends to be cyclical, and depends on the level of construction-related expenditures in the residential, commercial and infrastructure sectors. Political instability or changes in government policy can also affect the construction industry. The industry is sensitive to factors such as gross domestic product ("GDP") growth, population growth, interest rates and inflation. An economic downturn could have a negative impact on the level of activity in the construction sector, which in turn could adversely affect LafargeHolcim's business, results of operations, financial condition and prospects.

The Group operates in around 70 countries worldwide, and some markets or regions account for a significant portion of the Group's total sales. Although this broad geographic footprint might minimise exposure to

cyclical declines in an individual market, economic downturns in significant individual markets or on a regional or global scale may have a material adverse effect on LafargeHolcim. Economic growth is not uniform across the geographic regions in which the Group operates, and there can be no assurance that a weakening in economic outlook will not affect the construction market globally or that negative economic conditions in one or more regions will not affect construction markets in other regions. The results of operations and profitability of the Group could be adversely affected by a continued or further downturn in construction activity on a global scale or in a significant market in which it operates.

In response to unfavourable market conditions, LafargeHolcim may decide to close plants or operations and may therefore incur significant exceptional costs in the relevant financial period and subsequent periods, even if such closures are made in order to reduce recurring costs and investments in future years.

Risk relating to the use of substitutes for cement

Materials such as steel, wood, glass, clay bricks and ceramics can be used in construction as a substitute for cement and concrete. Other construction technologies, such as the use of drywalls and composite materials could decrease the demand for cement, ready-mix concrete and mortars. In addition, new construction techniques such as 3D printing and modular construction may become more impactful in the future. The use of substitutes for cement and concrete could cause a relevant reduction in volumes and prices for the products of the Group and may have an adverse effect on its results of operations and financial conditions.

Seasonal nature of construction business

During the winter season in the northern hemisphere and the rainy season in tropical climates in Latin America, southeast Asia or Africa, there is typically lower activity in the construction sector, especially where meteorological conditions make large-scale construction projects difficult, resulting in lower demand for building materials.

The Group expects to continue to experience a decrease in sales during the first and fourth quarters reflecting the effect of the winter season in Europe and North America and an increase in sales in the second and third quarters reflecting the effect of the summer season in these markets. This effect can be especially pronounced during harsh or long winters. In addition, high levels of rainfall in tropical countries during the rainy season can adversely affect operations during those periods.

If these adverse climatic conditions are unusually intense, occur unexpectedly or last longer than usual in major geographic markets, especially during seasonal peak construction periods, this could have a material adverse effect on the results of operations and financial condition of the Group.

Risks relating to energy

Risks associated with energy costs

Cement production requires a high level of energy consumption, especially for the clinker and grinding processes. The principal elements of these energy costs are fuel expenses and electricity expenses (which include amongst others, costs for coal, petroleum coke, natural gas and alternative fuels such as biomass).

Any increase in prices for fuels or electricity or the inability to accomplish planned savings from alternative fuels will impact our production costs. Energy prices may vary significantly in the future, largely due to market forces and other factors beyond the control of the Group, including, for example, changes in the regulatory regime applicable to energy prices in some countries where LafargeHolcim operates. Moreover, in certain emerging markets, there is a risk that the Group may see increases in electricity prices due to a lack of generation capacity and the effects of privatisation.

The Group may also, particularly in the case of coal, experience time lags between movements in the energy prices and movements in production costs since the supply of a substantial proportion of energy resources is secured pursuant to long-term purchase agreements or as some of the exposure is hedged. Similarly, the Group's production facilities could experience interruption in the supply of energy or fuels.

Increase in energy prices could adversely impact financial performance, since the increase may not be passed on (fully or partially) in the sales price of products.

Optimizing fuel mix and energy efficiency, as well as the use of alternative fuels, is a key area of focus at all of the Group's plants. At Group level, derivative instruments are used to hedge part of exposure and avoid volatility. Derivative instruments are generally limited to swaps and standard options. The Group also develops long-term power purchase agreements/on-site power generation projects to reduce volatility and increase consumption of renewable energy at competitive prices.

Despite these measures, if high energy prices prevail over time or if the Group encounters increases or significant fluctuations in energy costs, insufficient availability of cost-efficient alternative fuels or the violation of supply agreements, this could have a material adverse effect on the results of operations and profitability of the Group.

Operational risks

Business interruption, production curtailment or loss of assets

Due to the high fixed-cost nature of the building material industry, interruptions in production capabilities at any of the Group's facilities may cause a significant decrease in productivity and results of operations during the affected period. The manufacturing processes of producers of building materials and related services are dependent upon critical pieces of equipment such as cement kilns, crushers and grinders. On occasion, this equipment may be out of service during periodic maintenance periods, strikes, unanticipated failures, accidents or force majeure events. In addition, there is a risk that equipment or production facilities may be damaged or destroyed by such events, any of which could have an adverse effect on LafargeHolcim's results of operations and financial condition.

Availability of raw materials

The operations of the Group are dependent on the availability of certain raw materials at a suitable quality and reasonable cost, in particular sand and limestone, as well as mineral additives such as slag and fly ash, which are used in the manufacture of its products. Accordingly, failure to secure long-term reserves or licences and permits as well as to obtain raw materials (including mineral components) from third parties at the expected cost and/or quality, lack of suppliers and scarcity of certain raw materials may adversely impact variable costs and financial performance and impair our long-term growth outlook. In addition, LafargeHolcim may be unable to increase selling prices in response to increases in raw material costs, which may result in a material adverse effect on its results of operations.

Information technology and cyber risk

The Group is dependent on information technology and therefore is exposed to risks that arise from the unavailability of critical IT systems and the loss or manipulation of data resulting from computer malware, cyber attacks, network outages, natural disasters or human mistakes. An information or cybersecurity event could lead to financial loss, reputational damage, safety or environmental impact.

Third parties' performance of logistical services

The Group relies upon third party service providers for certain aspects of its business, particularly the transport of its products to its customers. The Group's ability to service its customers at a reasonable cost depends in many cases upon its ability to negotiate reasonable terms with carriers including railroad, trucking and barge companies. Due to the heavy weight of its products, the Group expects to incur substantial transportation costs.

To the extent that the Group's third-party carriers increase their rates, including to reflect higher labour, maintenance, fuel or other costs they may incur, the Group may be forced to pay such increased rates sooner than it is able to pass on such increases to customers, if at all. Any material increases in the transportation costs of LafargeHolcim that it is unable to fully pass on to customers could adversely affect its business, results of operations and financial condition.

In addition, the costs of the Group relating to shipments by barges may be increased as a result of a shortage of barges and logistical problems resulting from high demand. Any such occurrences could adversely affect the business, results of operations and financial condition of the Group.

Risks related to the Notes generally

The Notes may not be a suitable investment for all investors seeking exposure to assets with sustainability characteristics

Although the Notes will be issued as sustainability-linked notes, with the interest rate relating to the Notes being subject to an upward adjustment in the event the Guarantor and its consolidated subsidiaries fail to achieve the Sustainability Performance Target (as defined in Condition 4(b)), the Notes may not satisfy an investor's requirements or any future legal, quasi legal or other standards for investment in assets with sustainability characteristics. In particular, the Notes are not being marketed as "green bonds", "social bonds" or "sustainability bonds" as the net proceeds of the issue of the Notes will be used for the Group's general corporate purposes, which may include the refinancing of existing indebtedness. Neither the Issuer nor the Guarantor commits to (i) allocate the net proceeds specifically to projects or business activities meeting sustainability criteria or (ii) be subject to any other limitations or requirements that may be associated with green bonds, social bonds or sustainability bonds in any particular market.

In addition, any interest rate adjustment in respect of the Notes as contemplated by Condition 4(b) will depend on the Group achieving, or not achieving, the Sustainability Performance Target, which may be inconsistent with or insufficient to satisfy investor requirements or expectations. Prospective investors in the Notes should have regard to the information set out herein and must determine for themselves the relevance of such information for the purpose of any investment in the Notes, together with any other investigation such investor deems necessary.

The Group's Sustainability Performance Target is aimed at reducing Carbon Intensity (as defined in Condition 4(b)). The Group's Sustainability Performance Target is therefore uniquely tailored to the Group's business, operations and capabilities, and it does not easily lend itself to benchmarking against similar sustainability performance targets, and the related performance, of other issuers. No assurance is or can be given to investors by the Issuer, the Guarantor, any other member of the Group, the Joint Bookrunners, any second party opinion providers or the External Verifier (as defined in Condition 4(b)) that the Notes will meet any or all investor expectations regarding the Notes or the Group's Sustainability Performance Target qualifying as "green", "social", "sustainable" or "sustainability-linked" or that any adverse environmental, social and/or other impacts will not occur in connection with the Group striving to achieve the Sustainability Performance Target or the use of the net proceeds from the offering of Notes.

No assurance or representation is given by the Issuer, the Guarantor, any other member of the Group, the Joint Bookrunners, the second party opinion providers or the External Verifier as to the suitability or reliability for any purpose whatsoever of any opinion, report, certification or validation of any third party in connection with the offering of the Notes or the Sustainability Performance Target to fulfil any green, social, sustainability, sustainability-linked and/or other criteria. Any such opinion, report or certification is not, nor shall it be deemed to be, incorporated in and/or form part of this Prospectus.

The second party opinion providers and providers of similar opinions, certifications and validations are not currently subject to any specific regulatory or other regime or oversight. Any such opinion or certification is not, nor should be deemed to be, a recommendation by the Issuer, the Guarantor, any member of the Group, the Joint Bookrunners, any second party opinion providers, the External Verifier or any other person to buy, sell or hold Notes. Noteholders have no recourse against the Issuer, the Guarantor, any of the Joint Bookrunners or the provider of any such opinion or certification for the contents of any such opinion or certification, which is only current as at the date it was initially issued. Prospective investors must determine for themselves the relevance of any such opinion, certification or validation and/or the information contained therein and/or the provider of such opinion, certification or validation for the purpose of any investment in the Notes. Any withdrawal of any such opinion or certification or any such opinion, certification attesting that the Group is not complying in whole or in part with any matters for which such opinion, certification or validation is opining on or certifying on may have a material adverse effect on the value of the Notes and/or result in adverse consequences for certain investors with portfolio mandates to invest in securities to be used for a particular purpose.

Although the Guarantor intends to reduce the Group's Carbon Intensity, there can be no assurance of the extent to which it will be successful in doing so, that it may decide not to continue with the Sustainability Performance Target or that any future investments it makes in furtherance of the Sustainability Performance Target will meet investor expectations or any binding or non-binding legal standards regarding sustainability performance, whether by any present or future applicable law or regulations or by its own by-laws or other governing rules or investment portfolio mandates, in particular with regard to any direct or indirect environmental, sustainability or social impact. Although if the Sustainability Performance Target is not met it will give rise to an upward adjustment of the interest rate relating to the Notes as described in Condition 4(b), it will not be an Event of Default under the Notes nor will the Issuer be required to repurchase or redeem any Notes in such circumstances.

The Group's efforts in achieving the Sustainability Performance Target may further become controversial or be criticised by activist groups or other stakeholders.

Achieving the Sustainability Performance Target or any similar sustainability performance targets will require the Group to expend significant resources, while not meeting any such targets would result in increased interest payments and could expose the Group to reputational risks

As described in the section entitled "*The Group's Sustainability Performance Targets*" on page 52 of this Prospectus, achieving the Sustainability Performance Target will require the Group to reduce its Carbon Intensity to 475 kilograms net carbon dioxide per ton of cementitious material by 31 December 2030. As a result, achieving the Sustainability Performance Target or any similar sustainability performance targets the Group may choose to include in future financings or other arrangements will require the Group to expend significant resources.

In addition, if the Group does not achieve its Sustainability Performance Target or any such similar sustainability performance targets the Group may choose to include in any future financings would not only

result in increased interest payments under the Notes or other relevant financing arrangements, but could also harm the Group's reputation, the consequences of which could, in each case, have a material adverse effect on the Group, its business prospects, its financial condition or its results of operations.

The Group's ability and autonomy to calculate its Key Performance Indicators

Carbon Intensity and cementitious material are calculated and not measured numbers. The CO₂ and cementitious material calculations are carried out internally, i.e. by the Group itself, based on broadly accepted standards and reported externally. The Group currently follows the CO₂ reporting guidelines of the Global Cement and Concrete Association (“GCCA”), an industry body. These guidelines are based on the European Standards CEN Standard EN 19694-34 (Determination of greenhouse gas (“GHG”) emissions in energy intensive industries – Part 3: Cement industry). Such industry wide accepted standards may evolve over time. Those standards are discussed by expert groups and include contributions from industry bodies, in which the Group is an active member. As a full member of the GCCA, the Group has committed to attaining full compliance with the GCCA Sustainability Charter which refers to the CO₂ reporting guidelines of the Global Cement and Concrete Association (GCCA) / CEN Standard EN 19694-34.

As part of the GCCA Sustainability Charter, environmental performance indicators must be externally verified using recognised, independent third party assurance practitioners. The respective assurance statement is considered as part of the normal annual sustainability performance reporting cycle. The GCCA Sustainability Charter is expected to be reviewed every three years. An external audit of Charter implementation is expected to be commissioned by the GCCA every four years.

The Group currently defines “cementitious material” as clinker production volumes, mineral components consumed in cement production and mineral components processed and sold externally.

The standards and guidelines mentioned above may change over time and investors should be aware that the way in which the Group calculates its Key Performance Indicators may also change over time.

The Notes may be subject to optional redemption by the Issuer

An optional redemption feature is likely to limit the market value of the Notes. During any period when the Issuer may elect to redeem or is perceived to be able to redeem the Notes, the market value of the Notes generally will not rise substantially above the price at which they can be redeemed. This also may be true prior to any redemption period.

The Issuer may redeem the Notes when its cost of borrowing is lower than the interest payable on them. At those times, an investor generally would not be able to reinvest the redemption proceeds at an effective interest rate as high as the interest payable on the Notes being redeemed and may only be able to do so at a significantly lower rate. Potential investors should consider reinvestment risk in light of other investments available at that time.

Potential investors should also note that the Issuer in certain circumstances has the ability to exercise a “clean up” call in relation to the Notes. If the Issuer, the Guarantor and/or any of their subsidiaries has/have in the aggregate purchased or redeemed Notes in aggregate principal amount equal to or in excess of 80 per cent. in the principal amount of the Notes initially issued (which shall for this purpose include any further Notes issued pursuant to Condition 12), the Issuer may then redeem or purchase (or procure the purchase of), at its option, all but not some only of the remaining outstanding Notes either (i) at their principal amount together with interest accrued to (but excluding) the date fixed for redemption, or (ii) where a Clean-Up Event has occurred following or as a result of redemption pursuant to Condition 5(c)(ii), at the Make-Whole Amount.

Integral multiples of less than the specified denomination

The denominations of the Notes will be €100,000 and integral multiples of €1,000 in excess thereof. Therefore, it is possible that the Notes may be traded in amounts in excess of €100,000 that are not integral multiples of €100,000. In such a case, a Noteholder who, as a result of trading such amounts, holds a principal amount of less than €100,000 in its account with the relevant clearing system, will not receive definitive Notes in respect of such holding (should definitive Notes be printed) and would need to purchase a principal amount of Notes such that it holds an amount equal to one or more denominations. If definitive Notes are issued, Noteholders should be aware that definitive Notes representing Notes which have a denomination that is not an integral multiple of €100,000 may be illiquid and difficult to trade.

Modification, waivers and substitution

The Conditions will contain provisions for calling meetings of Noteholders to consider matters affecting their interests generally. These provisions will permit defined majorities of holders of the Notes to bind all Noteholders, including those Noteholders who did not attend and vote at the relevant meetings and Noteholders who voted in a manner contrary to the majority.

The Conditions and the Fiscal Agency Agreement will also provide that the Fiscal Agent and the Issuer may agree, without the consent of Noteholders, to (i) any modification of the Notes or the Fiscal Agency Agreement which is of a formal, minor or technical nature or which is made to correct a manifest error; (ii) any other modification, or any waiver or authorisation of any breach or proposed breach of or any failure to comply with, the Fiscal Agency Agreement that could not reasonably be expected to be prejudicial to the interests of the Noteholders; or (iii) the substitution of another company that is the Guarantor or subsidiary of the Guarantor as principal debtor under the Notes in place of an Issuer, in the circumstances described in Condition 11.

Change of law

The Notes will be governed by English law and the Guarantee will be governed by Swiss substantive law, both in effect as at the date of issue of the Notes. No assurance can be given as to the impact of any possible judicial decision or change to English law, Luxembourg law or Swiss law or any administrative practice thereof or any change in law (including taxation law) relating to the jurisdiction of the Noteholders after the Issue Date. The provisions of Articles 470-1 to 470-19 of the Luxembourg law on commercial companies of 10 August 1915, as amended, are excluded.

The Global Note will be held by or on behalf of Euroclear and Clearstream, Luxembourg and investors will have to rely on their procedures for transfer, payment and communication with the Issuer

The Notes will be represented by the Global Notes except in certain limited circumstances described therein. The Global Notes will be deposited with a common safekeeper for Euroclear and Clearstream, Luxembourg. Except in the circumstances described in the Temporary Global Note or Permanent Global Note, as applicable, investors will not be entitled to receive definitive Notes. Euroclear and Clearstream, Luxembourg will maintain records of the interests in the Global Notes. While the Notes are represented by the Global Notes, investors will be able to trade their interests only through Euroclear or Clearstream, Luxembourg and their respective participants.

While Notes are represented by the Global Notes, the Issuer will discharge its payment obligations under such Notes by making payments to (or for the order of) the common safekeeper for Euroclear and Clearstream, Luxembourg for distribution to their account holders. A holder of an interest in a Global Note must rely on the procedures of Euroclear and Clearstream, Luxembourg to receive payments under the Notes. The Issuer has

no responsibility or liability for the records relating to, or payments made in respect of, interests in the Global Notes.

Noteholders of interests in the Global Notes will not have a direct right to vote in respect of the Notes. Instead, Noteholders will be permitted to act only to the extent that they are enabled to do so by Euroclear or Clearstream, Luxembourg to appoint appropriate proxies.

Credit ratings may not reflect all risks

The Notes have been assigned a rating by Standard & Poor's and Moody's. The rating granted by each of Standard & Poor's and Moody's or any other rating assigned to the Notes may not reflect the potential impact of all risks related to structure, market and other factors that may affect the value of the Notes. If the status of the credit rating agency rating the Notes changes, European regulated investors may no longer be able to use the rating for regulatory purposes and the Notes may have a different regulatory treatment. This may result in European regulated investors selling the Notes which may impact the value of the Notes and any secondary market. A credit rating is not a recommendation to buy, sell or hold securities and may be revised, suspended or withdrawn by the rating agency at any time. In addition, each of Standard & Poor's and Moody's or any other rating agency may change its methodologies for rating securities with features similar to the Notes in the future.

Risks related to the market generally

Set out below is a brief description of certain market risks, including liquidity risk, exchange rate risk, interest rate risk and credit risk:

The secondary market generally

Although application has been made to admit the Notes to trading on the Luxembourg Stock Exchange, the Notes may have no established trading market when issued, and one may never develop. If a market does develop, it may not be liquid. Therefore, investors may not be able to sell their Notes easily or at prices that will provide them with a yield comparable to similar investments that have a developed secondary market. This is particularly the case for securities that are especially sensitive to interest rate, currency or market risks, are designed for specific investment objectives or strategies or have been prepared to meet the investment requirements of limited categories of investors. These types of securities generally would have a more limited secondary market and more price volatility than conventional debt securities. Illiquidity may have a severely adverse effect on the market value of the Notes.

Exchange rate risks and exchange controls

The Issuer will repay principal of and pay interest on the Notes in euro. This presents certain risks relating to currency or currency unit conversions if an investor's financial activities are denominated principally in a currency or a currency unit (the "**Investor's Currency**") other than euro. These include the risk that exchange rates may significantly change (including changes due to devaluation of euro, or revaluation of the Investor's Currency) and the risk that authorities with jurisdiction over the Investor's Currency may impose or modify exchange controls. An appreciation in the value of the Investor's Currency relative to euro, would decrease: (1) the Investor's Currency equivalent yield on the Notes; (2) the Investor's Currency equivalent value of the principal payable on the Notes; and (3) the Investor's Currency equivalent market value of the Notes.

Government and monetary authorities may impose (as some have done in the past) exchange controls that could adversely affect an applicable exchange rate. As a result, investors may receive less interest or principal than expected, or no interest or principal.

Interest rate risks

Investment in the Notes involves the risk that subsequent changes in market interest rates may adversely affect the value of the Notes. Fluctuations in interest rates can affect the market values of, and corresponding levels of capital gains or losses on, fixed rate securities. During periods of rising interest rates, the prices of fixed rate securities, such as the Notes, tend to fall and gains are reduced or losses incurred upon their sale. Therefore, investment in the Notes involves the risk that changes in market interest rates may adversely affect the value of the Notes.

Legal investment considerations may restrict certain investments

The investment activities of certain investors are subject to legal investment laws and regulations, or review or regulation by certain authorities. Each potential investor should consult its legal advisers to determine whether and to what extent (1) the Notes are legal investments for it; (2) the Notes can be used as collateral for various types of borrowing; and (3) other restrictions apply to its purchase or pledge of any Notes. Financial institutions should consult their legal advisers or the appropriate regulators to determine the appropriate treatment of Notes under any applicable risk-based capital or similar rules.

OVERVIEW

The following overview refers to certain provisions of the Conditions, and the Guarantee, and is qualified by the more detailed information contained elsewhere in this Prospectus. Capitalised terms used herein have the meaning given to them in the Conditions.

Issuer	Holcim Finance (Luxembourg) S.A., a public limited liability company (<i>société anonyme</i>) organised under the laws of the Grand Duchy of Luxembourg, having its registered office at 21, rue de Louvigny L-1946 Luxembourg and registered with the Luxembourg Register of Commerce and Companies under number B 92528.
Legal Entity Identifier of the Issuer	529900XU3Z9D2HLBR716
Guarantor	LafargeHolcim Ltd, a limited liability company incorporated under the laws of Switzerland, having its registered office at Zürcherstrasse 156, 8645 Jona, Switzerland and registered with the Commercial Register of the Canton of Saint Gall under number CHE-100.136.893.
Legal Entity Identifier of the Guarantor	529900EHPFPYHV6IQO98
Website	The website of the Issuer and the Guarantor is www.lafargeholcim.com .
Aggregate Principal Amount	€850,000,000
Issue Date	23 November 2020
Issue Price	99.435 per cent.
Interest	0.500 per cent. per annum Upon the occurrence of a Trigger Event, in respect of the Interest Period during which the Target Observation Date falls, the rate of interest for the purpose of determining the amount of interest payable on the Interest Payment Date relating to such Interest Period(s) shall increase by 0.750 per cent. per annum to a total of 1.250 per cent. per annum, as further described under “ <i>Terms and Conditions of the Notes — Interest</i> ”.
Interest Payment Dates	Interest in respect of the Notes will, save for in respect of the short first Interest Period, be payable annually in arrear on 23 April in each year (each an “ Interest Payment Date ”) commencing on 23 April 2021 (the “ First Interest Payment Date ”) and ending on the Maturity Date (unless the Notes are previously redeemed or purchased and cancelled). The first Interest Period shall be a short first Interest Period from (and including) the Issue Date to (but excluding) the First Interest Payment Date.
Status of the Notes	The Notes constitute direct, senior, unconditional and

	unsecured obligations of the Issuer.
Status of the Guarantee	The Guarantee constitutes a direct, unconditional, unsecured and unsubordinated obligation of the Guarantor.
Maturity Date	23 April 2031
Redemption	Unless previously redeemed, or purchased and cancelled, the Notes will be redeemed at their principal amount on the Maturity Date.
Issuer Call Option for Taxation Reasons	The Issuer may, at its option, redeem all, but not some only, of the Notes at any time at their principal amount, together with accrued interest, in the event of certain tax changes, as further described under “ <i>Terms and Conditions of the Notes — Redemption and Purchase</i> ”.
Issuer Par Call Option	The Issuer may, at its option, redeem all or some of the Notes at any time on or after 23 January 2031 at the Par Call Amount, as further described under “ <i>Terms and Conditions of the Notes — Redemption and Purchase</i> ”.
Issuer Make-Whole Call Option	The Issuer may, at its option, redeem all or some of the Notes at any time prior to 23 January 2031 at the Make-Whole Amount, as further described under “ <i>Terms and Conditions of the Notes — Redemption and Purchase</i> ”.
Issuer Clean-Up Event Call Option	Upon the occurrence of a Clean-Up Event, the Issuer may, at its option, redeem all but not some only of the Notes at any time either (i) at their principal amount together with accrued interest, or (ii) where a Clean-Up Event has occurred following or as a result of redemption pursuant to Condition 5(c)(ii), at the Make-Whole Amount, as further described under “ <i>Terms and Conditions of the Notes — Redemption and Purchase</i> ”.
Change of Control	If a Change of Control Put Event occurs, a holder of a Note will have the option to require the Issuer to redeem or, at the Issuer’s option, purchase (or procure the purchase of) that Note at its principal amount together with interest accrued to (but excluding) the Change of Control Put Date, as further described under “ <i>Terms and Conditions of the Notes – Redemption and Purchase</i> ”.
Substitution of Issuer	Subject to the provisions set out in “ <i>Terms and Conditions of the Notes — Meetings of Noteholders, Modification and Substitution</i> ”, the Issuer, or any previous substituted company, may at any time, without the consent of the Noteholders or the holders of Coupons, substitute for itself as principal debtor under the Notes and the Coupons any company (the “ Substitute ”) that is the Guarantor, or a subsidiary of the Guarantor, provided that no payment in respect of the Notes or the Coupons is at the relevant time overdue. The substitution shall be made by a deed poll (the “ Deed Poll ”), to be

substantially in the form scheduled to the Fiscal Agency Agreement. See “*Terms and Conditions of the Notes – Meetings of Noteholders, Modification and Substitution*” for further details.

Events of Default

The Notes will be subject to certain events of default including (among others) non-payment of principal or interest for a period of 14 business days, failure to observe or perform any of the other obligations in respect of the Notes, cross-acceleration and certain events relating to bankruptcy and insolvency of the Issuer or the Guarantor, as further described under “*Terms and Conditions of the Notes – Events of Default*”.

Withholding Tax

Payments in respect of the Notes and the Coupons shall be made free and clear of, and without withholding or deduction for, any taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or within or on behalf of (in the case of the Issuer) Luxembourg or (in the case of the Guarantee) Switzerland or any authority thereof or therein having power to tax, unless such withholding or deduction is required by law. In the event that any such withholding or deduction is made, additional amounts may be payable by the Issuer or the Guarantor, as the case may be, subject to certain exceptions as are more fully described under “*Terms and Conditions of the Notes – Taxation*” and “*Form of Guarantee*”.

Form

The Notes will be in bearer form and represented on issue by a Temporary Global Note. Interests in the Temporary Global Note will be exchangeable for interests in a Permanent Global Note, as more fully described under “*Overview of Provisions relating to the Notes while in Global Form*”. Save in limited circumstances, definitive Notes will not be issued in exchange for interests in the Global Note.

Listing and Admission to Trading

Application has been made to list the Notes on the Official List and to be admitted to trading on the regulated market of the Luxembourg Stock Exchange.

Denominations

The Notes will be issued in denominations of €100,000 and integral multiples of €1,000 in excess thereof up to and including €199,000. No Notes will be issued with a denomination below €100,000. See further “*Overview of Provisions Relating to the Notes while in Global Form*”.

Governing Law

English law. The provisions of Articles 470-1 to 470-19 of the Luxembourg law on commercial companies of 10 August 1915, as amended, are excluded. The Guarantee is governed by and shall be construed in accordance with Swiss substantive law.

Ratings

The Notes are expected to be rated BBB by Standard & Poor’s

and Baa2 by Moody's.

In accordance with Standard & Poor's rating definitions, an obligation rated 'BBB' exhibits adequate protection parameters. However, adverse economic conditions or changing circumstances are more likely to weaken the obligor's capacity to meet its financial commitments on the obligation.

In accordance with Moody's rating definitions, an obligation rated 'Baa' is judged to be medium-grade and subject to moderate credit risk and as such may possess certain speculative characteristics. The modifier '2' indicates a mid-range ranking.

A credit rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency. As of the date of this Prospectus, each Rating Agency is a credit rating agency established in the European Union and is registered under Regulation (EC) No 1060/2009 (as amended). As such each Rating Agency is included in the list of credit rating agencies published by the European Securities and Markets Authority on its website in accordance with such Regulation.

Use of Proceeds

The net proceeds of the issue of the Notes will be used for general corporate purposes of the Group and will be applied by the Issuer outside of Switzerland unless and to the extent application in Switzerland is permitted under the Swiss taxation laws in force from time to time without payments in respect of the Notes becoming subject to withholding or deduction for Swiss withholding tax as a consequence of such application of proceeds in Switzerland.

Selling Restrictions

The United States, EEA, the United Kingdom, France, Japan, the Republic of Italy, Switzerland and Singapore. See "*Subscription and Sale*".

Category 2 offering restrictions have been implemented for the purposes of Regulation S under the Securities Act.

Risk Factors

Prospective investors should carefully consider the information set out in "*Risk Factors*" in conjunction with the other information contained or incorporated by reference in this Prospectus.

ISIN

XS2261215011

Common Code

226121501

Fiscal Agent and Paying Agent

Citibank N.A., London Branch

DOCUMENTS INCORPORATED BY REFERENCE

The following documents which have previously been published or are published simultaneously with this Prospectus and have been filed with the CSSF and the relevant sections set out below of those documents shall be incorporated by reference in, and form part of, this Prospectus.

The tables below set out the relevant page references for the information incorporated herein by reference. The information incorporated by reference that is not included in the cross-reference list is considered as additional information and is not required by the relevant schedules of the Commission Delegated Regulation (EU) 2019/980.

This Prospectus should be read and construed in conjunction with:

Information incorporated by reference from LafargeHolcim Ltd’s media release entitled “Resilient demand and strong profit increase in Q3” published on 30 October 2020 (the “Q3 2020 Results Media Release”) (available at www.lafargeholcim.com/sites/lafargeholcim.com/files/atoms/files/30102020-press_finance-lafargeholcim_q3_2020_results-en_764511627.pdf)

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Information incorporated by reference from LafargeHolcim Ltd’s analyst presentation entitled “Q3 2020 Trading update” on 30 October 2020 (the “Q3 2020 Analyst Presentation”) (available at www.lafargeholcim.com/sites/lafargeholcim.com/files/atoms/files/30102020-finance-lafargeholcim_q3_2020_analyst_presentation-en_227782287.pdf)

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Information incorporated by reference from LafargeHolcim Ltd’s media release entitled “LafargeHolcim Signs Net Zero Pledge with Science-Based Targets” published on 21 September 2020 (available at https://www.lafargeholcim.com/sites/lafargeholcim.com/files/atoms/files/210920_press_sustainability_lafargeholcim-sbti-net-zero-pledge_en.pdf)

Net Zero Pledge Media Release Pages 1-2

Information incorporated by reference from LafargeHolcim Ltd’s presentation entitled “Net zero pledge with science-based targets” on 21 September 2020 (the “Net Zero Pledge Presentation”) (available at www.lafargeholcim.com/sites/lafargeholcim.com/files/atoms/files/210920_sustainability_lafargeholcim-sbti-net-zero-pledge_en.pdf)

Net Zero Pledge Presentation Pages 1-9

Information incorporated by reference from LafargeHolcim Ltd’s unaudited condensed consolidated 2020 half-year financial statements for the half-year period ended 30 June 2020, including the notes thereto (the “2020 Half-Year Report”) (available at www.lafargeholcim.com/sites/lafargeholcim.com/files/atoms/files/30072020-finance-lafargeholcim_hy_2020_report-en-805659021.pdf)

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Reconciliation on Non-GAAP Measures Pages 34-35

Information incorporated by reference from LafargeHolcim Ltd’s analyst presentation entitled “H1 2020 Results” published on 30 July 2020 (the “2020 Half-Year Analyst Presentation”) (available at www.lafargeholcim.com/sites/lafargeholcim.com/files/atoms/files/30072020-finance-lafargeholcim_hy_2020_analyst_presentation-en-633097633.pdf)

Highlights and Key Developments Pages 2-7

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Information incorporated by reference from LafargeHolcim Ltd’s annual report and accounts for the year ended 31 December 2019 (the “Annual Report 2019”) (available at www.lafargeholcim.com/sites/lafargeholcim.com/files/atoms/files/02272020-finance-lafargeholcim_fy_2019_report_backend-en_457273729.pdf)

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 <i>Information incorporated by reference from LafargeHolcim Ltd’s analyst presentation entitled “Full-year 2019 Results” on 27 February 2020 (the “2019 Analyst Presentation”) (available at www.lafargeholcim.com/sites/lafargeholcim.com/files/atoms/files/02272020-finance-lafargeholcim_fy_2019_analyst_presentation-en_162544938.pdf)</i>		
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 <i>Information incorporated by reference from LafargeHolcim Ltd’s annual report and accounts for the year ended 31 December 2018 (the “Annual Report 2018”) (available at www.lafargeholcim.com/sites/lafargeholcim.com/files/atoms/files/04172019-finance-lafargeholcim_fy_annual_report-en.pdf)</i>		
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Information incorporated by reference from Holcim Finance (Luxembourg) S.A.'s financial statements for the year ended 31 December 2019 (available at www.lafargeholcim.com/sites/lafargeholcim.com/files/atoms/files/2019_holcim_finance_luxembourg_s.a._financial_statements.pdf)

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Information incorporated by reference from Holcim Finance (Luxembourg) S.A.'s financial statements for the year ended 31 December 2018 (available at https://www.lafargeholcim.com/sites/lafargeholcim.com/files/atoms/files/2018_holcim_finance_luxembourg_sa_financial_statements.pdf)

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Such documents shall be incorporated by reference in, and form part of, this Prospectus, save that any statement contained in a document which is incorporated by reference herein shall be modified or superseded for the purpose of this Prospectus to the extent that a statement contained herein modifies or supersedes such earlier statement (whether expressly, by implication or otherwise). Any statement so modified or superseded shall not, except as so modified or superseded, constitute a part of this Prospectus. Any information contained in any of the documents specified above which is not incorporated by reference in this Prospectus is either not relevant to investors or is covered elsewhere in this Prospectus. Such documents shall be made available, free of charge, at the specified offices of the Fiscal Agent and each of the Paying Agents for the time being in Luxembourg during usual business hours on any weekday (Saturdays, Sundays and public holidays excepted), as described in “*General Information*” below and will also be available to view on the website of the Issuer and the Guarantor (<https://www.lafargeholcim.com/sustainability-linked-bonds>) and the Luxembourg Stock Exchange (www.bourse.lu). In addition, copies of such documents may be obtained from the Issuer free of charge upon request by contacting its registered office or e-mailing investor.relations@lafargeholcim.com.

TERMS AND CONDITIONS OF THE NOTES

The following, except for paragraphs in italics, are the terms and conditions of the Notes which will be endorsed on each Note in definitive form (if issued).

The issue of the €850,000,000 0.500 per cent. Sustainability-Linked Notes due 2031 (the “**Notes**”, which expression shall, unless the context otherwise requires, include any further notes issued pursuant to Condition 12 and forming a single series with the Notes) of Holcim Finance (Luxembourg) S.A., a public limited liability company (*société anonyme*) organised under the laws of the Grand Duchy of Luxembourg, having its registered office at 21, rue de Louvigny L-1946 Luxembourg and registered with the Luxembourg Register of Commerce and Companies under number B 92528 (the “**Issuer**”) was authorised by a resolution of the board of directors of the Issuer passed on 11 November 2020 and the Guarantee (as defined below) was authorised by a resolution of the board of directors of LafargeHolcim Ltd (the “**Guarantor**”) dated 26 February 2020. A fiscal agency agreement dated 23 November 2020 (the “**Fiscal Agency Agreement**”) has been entered into in relation to the Notes between the Issuer, the Guarantor, Citibank N.A., London Branch as fiscal agent and paying agent and the paying agents named in it. The fiscal agent and the paying agents for the time being are referred to below respectively as the “**Fiscal Agent**” and the “**Paying Agents**” (which expression shall include the Fiscal Agent). The Fiscal Agency Agreement includes the form of the Notes and the coupons relating to them (the “**Coupons**”). Copies of the Fiscal Agency Agreement are available for inspection during normal business hours at the specified offices of the Paying Agents. The holders of the Notes (the “**Noteholders**”) and the holders of the Coupons (whether or not attached to the relevant Notes) (the “**Couponholders**”) are deemed to have notice of all the provisions of the Fiscal Agency Agreement applicable to them.

1 Form, Denomination and Title

- (a) **Form and denomination:** The Notes are serially numbered and in bearer form in the denominations of €100,000 and integral multiples of €1,000 in excess thereof up to and including €199,000, each with Coupons attached on issue. No definitive Notes will be issued with a denomination above €199,000. Notes of one denomination may not be exchanged for Notes of any other denomination.
- (b) **Title:** Title to the Notes and Coupons passes by delivery. The holder of any Note or Coupon will (except as otherwise required by law) be treated as its absolute owner for all purposes (whether or not it is overdue and regardless of any notice of ownership, trust or any interest in it, any writing on it, or its theft or loss) and no person will be liable for so treating the holder.

2 Guarantee and Status

- (a) **Guarantee:** The Guarantor has unconditionally and irrevocably guaranteed, in accordance with the terms of Article 111 of the Swiss Code of Obligations, the due and punctual payment of principal, interest and all other amounts payable by the Issuer under the Notes and the Coupons as and when the same become due under these terms and conditions (the “**Conditions**”). Its obligations in that respect are contained in, and are subject to the limitations provided in, a guarantee dated 23 November 2020 (the “**Guarantee**”).
- (b) **Status of Notes:** The Notes and Coupons constitute direct, senior, unconditional and (subject to Condition 3) unsecured obligations of the Issuer and rank *pari passu* without any preference among themselves and with all other present or future unsecured and unsubordinated obligations

of the Issuer (other than obligations which are preferred by bankruptcy, liquidation or other similar laws of general application).

- (c) **Status of Guarantee:** The Guarantee constitutes a direct, unconditional, (subject to Condition 3) unsecured and unsubordinated obligation of the Guarantor ranking *pari passu* with all other present and future (subject as aforesaid) unsecured and unsubordinated obligations of the Guarantor (other than obligations which are preferred by bankruptcy, liquidation or other similar laws of general application).

3 Negative Pledge

- (a) So long as any Note remains outstanding (as defined in the Fiscal Agency Agreement), neither the Issuer nor the Guarantor will create or have outstanding any mortgage, pledge, lien or other charge (“**Security**”) upon the whole or any part of its undertaking or assets, present or future, to secure any Relevant Indebtedness or any guarantee for or indemnity in respect of any Relevant Indebtedness unless in any such case at the same time the Issuer’s obligations under the Notes or the Guarantor’s obligations under the Guarantee are secured by the same Security as is created or is outstanding in respect of such Relevant Indebtedness, guarantee or indemnity or as shall be approved by an Extraordinary Resolution (as defined in the Fiscal Agency Agreement) of the Noteholders.
- (b) For the purposes of this Condition, “**Relevant Indebtedness**” means any indebtedness in the form of, or represented by, bonds, notes, debentures or other similar securities which are capable of being quoted, listed or traded on any stock exchange or over-the-counter or other securities market and which has an original maturity of at least one year from its date of issue.

4 Interest

- (a) **Interest:** The Notes bear interest on their outstanding principal amount from and including 23 November 2020 at the rate of 0.500 per cent. per annum, subject as provided below, payable annually in arrear on 23 April in each year (each an “**Interest Payment Date**”), except that the first payment of interest, to be made on 23 April 2021, will be in respect of the period from and including 23 November 2020 to but excluding 23 April 2021 and will amount to €2.07 per Calculation Amount (as defined below).
- (b) **Interest Rate Adjustment Upon Occurrence of Trigger Event:** Upon the occurrence of a Trigger Event, in respect of the Interest Period during which the Target Observation Date falls, (a) the rate of interest for the purpose of determining the amount of interest payable on the Interest Payment Date relating to such Interest Period(s) shall increase by 0.750 per cent. per annum to a total of 1.250 per cent. per annum, such that (b) the amount of interest payable per Calculation Amount for the relevant Interest Period shall increase by €7.50 to a total of €12.50. If a Trigger Event has occurred, the Issuer shall give notice of such Trigger Event and the related increase in the rate of interest to the Noteholders in accordance with Condition 13 as soon as reasonably practicable following the publication of the SPT Verification Assurance Certificate for the year ending on the Target Observation Date in accordance with Condition 4(d), if applicable, and in any event such notice shall be given to Noteholders not later than the date falling 5 business days (as defined in Condition 8) prior to the Maturity Date.

For the purposes of these Conditions:

“**Carbon Intensity**” means the amount of net carbon dioxide emitted (scope 1) by LafargeHolcim Ltd and its subsidiaries taken as a whole (the “**Group**”) in kilograms per ton of cementitious material, as determined in good faith by LafargeHolcim Ltd and published in a Sustainability Performance Report in accordance with Condition 4(c);

“**External Verifier**” means any independent accounting or appraisal firm or other independent expert of internationally recognised standing appointed by LafargeHolcim Ltd, in each case with the expertise necessary to perform the functions required to be performed by the External Verifier under these Conditions, as determined by LafargeHolcim Ltd;

“**Sustainability Performance Target**” means a Carbon Intensity equal to or lower than 475 kilograms of net carbon dioxide per ton of cementitious material per reporting year;

“**Target Observation Date**” means 31 December 2030; and

“**Trigger Event**” means either (i) the Group does not achieve the Sustainability Performance Target on the Target Observation Date as determined by the External Verifier and confirmed in the SPT Verification Assurance Certificate, (ii) LafargeHolcim Ltd has not published the SPT Verification Assurance Certificate on or before the date falling 5 business days prior to the Maturity Date or (iii) the SPT Verification Assurance Certificate contains a reservation about whether or not the Sustainability Performance Target has been achieved on the Target Observation Date.

- (c) **Reporting of Carbon Intensity:** For each fiscal year ending on 31 December from and including 2020 up to and including 2030, LafargeHolcim Ltd will publish on its website a Sustainability Performance Report or other document (each such report or other document, a “**Sustainability Performance Report**”), which shall disclose the Carbon Intensity of the Group as of 31 December in each year as determined by LafargeHolcim Ltd in accordance with these Conditions. Each such Sustainability Performance Report shall include or be accompanied by a limited assurance report issued by the External Verifier (a “**Limited Assurance Report**”). Each Sustainability Performance Report and related Limited Assurance Report will be published no later than the date of publication of LafargeHolcim Ltd’s audited consolidated financial statements for the relevant year and the statutory auditor’s report thereon; provided that to the extent LafargeHolcim Ltd determines that additional time will be required to complete the relevant Sustainability Performance Report and/or related Limited Assurance Report, then such Sustainability Performance Report and related Limited Assurance Report shall be published as soon as reasonably practicable, but in no event later than 60 days after the date of publication of the relevant statutory auditor’s report.
- (d) **Reporting of Sustainability Performance Target:** For the fiscal year ending on the Target Observation Date, LafargeHolcim Ltd will publish on its website a verification assurance certificate by the External Verifier (such report, the “**SPT Verification Assurance Certificate**”), which shall confirm whether the Group has achieved the Sustainability Performance Target on the Target Observation Date. The SPT Verification Assurance Certificate will be published no later than the date of publication of LafargeHolcim Ltd’s audited consolidated financial statements for the fiscal year ending on the Target Observation Date and the statutory auditor’s report thereon; provided that to the extent LafargeHolcim Ltd determines that additional time will be required for the External Verifier to complete the relevant SPT Verification Assurance Certificate then the SPT

Verification Assurance Certificate shall be published as soon as reasonably practicable, but in no event later than 5 business days prior to the Maturity Date.

- (e) **Interest Ceasing to Accrue:** Interest shall cease to accrue on each Note on the due date for redemption unless, upon due presentation, payment is improperly withheld or refused, in which event interest shall continue to accrue (as well after as before judgment) at the rate of interest in the manner provided in this Condition 4 to the Relevant Date (as defined in Condition 7).
- (f) **Calculations:** The day-count fraction will be calculated on the following basis:
 - (a) if the Accrual Period is equal to or shorter than the Determination Period during which it falls, the day-count fraction will be the number of days in the Accrual Period divided by the product of (1) the number of days in such Determination Period and (2) the number of Determination Periods normally ending in any year; and
 - (b) if the Accrual Period is longer than one Determination Period, the day-count fraction will be the sum of:
 - (i) the number of days in such Accrual Period falling in the Determination Period in which it begins divided by the product of (1) the number of days in such Determination Period and (2) the number of Determination Periods normally ending in any year; and
 - (ii) the number of days in such Accrual Period falling in the next Determination Period divided by the product of (1) the number of days in such Determination Period and (2) the number of Determination Periods normally ending in any year,

where:

“**Accrual Period**” means the relevant period for which interest is to be calculated (from and including the first such day to but excluding the last); and

“**Determination Period**” means the period from and including 23 April in any year to but excluding the next 23 April.

In these Conditions, the period beginning on and including 23 November 2020 and ending on but excluding the first Interest Payment Date and each successive period beginning on and including an Interest Payment Date and ending on but excluding the next succeeding Interest Payment Date is called an “**Interest Period**”.

- (g) Interest in respect of any Note shall be calculated per €1,000 in principal amount of the Notes (the “**Calculation Amount**”). The amount of interest payable per Calculation Amount for any period shall be equal to the product of 0.500 per cent. (subject to adjustment as provided in Condition 4(b)), the Calculation Amount and the day-count fraction for the relevant period, rounding the resulting figure to the nearest cent (half a cent being rounded upwards).

5 Redemption and Purchase

- (a) **Final redemption:** Unless previously redeemed, or purchased and cancelled, the Notes will be redeemed at their principal amount on 23 April 2031 (the “**Maturity Date**”). The Notes may not be redeemed at the option of the Issuer other than in accordance with this Condition 5.

- (b) **Redemption for taxation reasons:** The Notes may be redeemed at the option of the Issuer in whole, but not in part, at any time, on giving not less than 30 nor more than 60 days' notice to the Noteholders (which notice shall be irrevocable), at their principal amount, (together with interest accrued to (but excluding) the date fixed for redemption), if (i) the Issuer (or, if the Guarantee were called, the Guarantor) has or will become obliged to pay additional amounts as provided or referred to in Condition 7 or the Guarantee, as the case may be, as a result of any change in, or amendment to, the laws or regulations of Luxembourg (in the case of a payment by the Issuer) or Switzerland (in the case of a payment by the Guarantor) or, in each case, any political subdivision or any authority thereof or therein having power to tax, or any change in the application or official interpretation of such laws or regulations, which change or amendment becomes effective on or after 19 November 2020, and (ii) such obligation cannot be avoided by the Issuer (or the Guarantor, as the case may be) taking reasonable measures available to it, provided that no such notice of redemption shall be given earlier than 90 days prior to the earliest date on which the Issuer (or the Guarantor, as the case may be) would be obliged to pay such additional amounts were a payment in respect of the Notes (or the Guarantee, as the case may be) then due. Before the publication of any notice of redemption pursuant to this paragraph, the Issuer shall deliver to the Fiscal Agent a certificate signed by two directors of the Issuer (or the Guarantor, as the case may be) stating that the Issuer is entitled to effect such redemption and setting forth a statement of facts showing that the conditions precedent to the right of the Issuer so to redeem have occurred, and an opinion of independent legal advisers of recognised standing (which may be addressed to the Issuer or the Guarantor) to the effect that the Issuer (or the Guarantor, as the case may be) has or will become obliged to pay such additional amounts as a result of such change or amendment. Upon the expiry of any such notice as is referred to in this Condition 5(b), the Issuer shall redeem the Notes in accordance with this Condition 5(b).
- (c) Redemption at the option of the Issuer:
- (i) Par Call Option:
- The Issuer may, at any time on or after 23 January 2031 on giving not less than 30 nor more than 60 days' irrevocable notice (the "**Par Call Notice**") to the Noteholders, redeem all or some of the Notes, at the Par Call Amount.
- (ii) Make-Whole Call Option:
- The Issuer may, on any one or more occasion at any time prior to 23 January 2031 on giving not less than 30 nor more than 60 days' irrevocable notice (the "**Make-Whole Call Notice**") to the Noteholders (which notice shall specify the date fixed for redemption (the "**Optional Redemption Date**")), redeem all or some of the Notes at the Make-Whole Amount.
- (iii) Clean-Up Event Call Option:
- If immediately prior to the giving of the notice referred to below, a Clean-Up Event has occurred, then the Issuer may, subject to having given not less than 30 nor more than 60 days' notice to the Fiscal Agent and the Noteholders (which notice shall be irrevocable), redeem all, but not some only, of the Notes at any time either (i) at their principal amount together with interest accrued to (but excluding) the date fixed for redemption, or (ii) where a Clean-Up Event has occurred following or as a result of redemption pursuant to Condition 5(c)(ii), at the Make-Whole Amount.

Upon the expiry of such notice, the Issuer shall redeem the Notes.

In the case of a partial redemption, the notice to Noteholders shall also contain the certificate numbers of the Notes to be redeemed, which shall have been drawn in such place and in such manner as may be fair and reasonable in the circumstances, taking account of prevailing market practices, subject to compliance with any applicable laws and stock exchange or other relevant authority requirements.

In this Condition:

A **“Clean-Up Event”** shall be deemed to occur if the Issuer, the Guarantor and/or any of their subsidiaries has/have in the aggregate purchased or redeemed Notes in aggregate principal amount equal to or in excess of 80 per cent. in the principal amount of the Notes initially issued (which shall for this purpose include any further Notes issued pursuant to Condition 12);

“Determination Agent” means a financial adviser or bank which is independent of the Issuer appointed by the Issuer for the purpose of determining the Make-Whole Amount;

“Make-Whole Amount” means, in respect of each Note, (a) the principal amount of such Note or, if this is higher, (b) the sum of the then present values of the remaining scheduled payments of principal and interest (calculated at a rate of 0.500 per cent. per annum (the **“Original Interest Rate”**)) until the Interest Period during which the Target Observation Date falls and, for the Interest Period during which the Target Observation Date falls, at a rate of 1.250 per cent. per annum unless the Sustainability Performance Target for the most recent fiscal year ending on 31 December prior to the date of the Make-Whole Call Notice for which a Limited Assurance Report is available has been achieved (as set out in such Limited Assurance Report and as confirmed by a written confirmation from the External Verifier that the Sustainability Performance Target has been met for such fiscal year) (in which case the Original Interest Rate shall be deemed to continue to apply)) discounted to the Optional Redemption Date on an annual basis (based on the actual number of days elapsed divided by 365 or (in the case of a leap year) by 366) at the Reference Dealer Rate plus 0.200 per cent., in each case as determined by the Determination Agent, together with interest accrued to (but excluding) the date fixed for redemption;

“Par Call Amount” means, in respect of each Note, the principal amount thereof, together with interest accrued to (but excluding) the date fixed for redemption (calculated at a rate of either (i) 1.250 per cent. per annum or (ii) (if the Sustainability Performance Target has been achieved on the Target Observation Date (as set out in the SPT Verification Assurance Certificate) or, if the SPT Verification Assurance Certificate is not available, if the Sustainability Performance Target for the most recent fiscal year ending on 31 December prior to the date of the Par Call Notice for which a Limited Assurance Report is available has been achieved (as set out in such Limited Assurance Report and as confirmed by a written confirmation from the External Verifier that the Sustainability Performance Target has been met for such fiscal year)) the Original Interest Rate);

“Reference Bond” means (a) the German government bond bearing interest at 0 per cent. per annum and maturing in August 2030 with ISIN DE0001102507 or (b) if, at 11.00 a.m. Central European Time on the third business day in Zurich preceding the Optional Redemption Date, the Reference Bond is no longer outstanding, such other central bank or government security that, in the majority opinion of four Reference Dealers (one of whom may be the Determination Agent) (i) has a maturity comparable to the remaining term of the Notes and (ii) would be utilised, at the time of selection and in accordance with customary financial practice, in pricing new issues of

corporate debt securities of comparable maturity to the remaining term of the Notes. In the event that each such Reference Dealer selects a different central bank or government security, the Determination Agent after consultation with the Issuer shall approach a fifth Reference Dealer and, from the four different central bank or government securities selected by the other Reference Dealers, such fifth Reference Dealer shall select as the Reference Bond the central bank or government security which, in its opinion (A) has a maturity comparable to the remaining term of the Notes and (B) would be utilised, at the time of selection and in accordance with customary financial practice, in pricing new issues of corporate debt securities of comparable maturity to the remaining term of the Notes. The central bank or government security so selected by the fifth Reference Dealer shall then be the Reference Bond;

“**Reference Dealers**” means four (or, in the circumstances set out in the definition of “Reference Bond” above, five) credit institutions or financial services institutions that regularly deal in bonds and other debt securities as selected by the Determination Agent; and

“**Reference Dealer Rate**” means with respect to the Reference Dealers and the Optional Redemption Date, the average of the four quotations of the mid-market annual yield to maturity of the Reference Bond at 11.00 a.m. Central European Time on the third business day in Zurich preceding the Optional Redemption Date quoted in writing to the Determination Agent by the Reference Dealers.

- (d) **Redemption following change of control:** If a Change of Control Put Event occurs, the holder of each Note will have the option (a “**Change of Control Put Option**”) (unless prior to the giving of the relevant Change of Control Put Event Notice (as defined below) the Issuer has given notice of redemption under Condition 5(b) or Condition 5(c)) to require the Issuer to redeem or, at the Issuer’s option, purchase (or procure the purchase of) that Note on the Change of Control Put Date (as defined below) at its principal amount together with interest accrued to (but excluding) the Change of Control Put Date.

A “**Change of Control Put Event**” will be deemed to occur if:

- (i) any person or any persons acting in concert (as defined below) directly or indirectly acquire (A) more than 50 per cent. of the issued share capital of LafargeHolcim Ltd or (B) shares in the capital of LafargeHolcim Ltd carrying more than 50 per cent. of the total voting rights attributable to the entire issued share capital of LafargeHolcim Ltd and which may be exercised at a general meeting of LafargeHolcim Ltd (each such event being a “**Change of Control**”); and
- (ii) on the date (the “**Relevant Announcement Date**”) of the first public announcement of the relevant Change of Control the Notes carry:
 - (A) an Investment Grade Rating from any Rating Agency and such Rating is, within the Change of Control Period, either downgraded to a non-investment grade rating (Ba1/BB+, or equivalent, or worse) (a “**Non-Investment Grade Rating**”) or withdrawn and is not, within the Change of Control Period, subsequently (in the case of a downgrade) upgraded to an Investment Grade Rating by such Rating Agency; or
 - (B) a Non-Investment Grade Rating from any Rating Agency and such Rating is, within the Change of Control Period, either downgraded by one or more rating categories (by way of example, BB+ to BB being one rating category) or

withdrawn and is not, within the Change of Control Period, subsequently (in the case of a downgrade) upgraded to its earlier Rating or better by such Rating Agency; or

- (C) no Rating and a Negative Rating Event also occurs within the Change of Control Period,

provided that (X) if at the time of the occurrence of the Change of Control the Notes carry a Rating from more than one Rating Agency, at least one of which is Investment Grade, then sub paragraph (A) above will apply and (Y) no Change of Control Put Event will be deemed to occur if at the time of the occurrence of the Change of Control the Notes carry a Rating from more than one Rating Agency and less than all of such Rating Agencies downgrade or withdraw such Rating as described in sub paragraphs (A) and (B) above; and

- (iii) in making any decision to downgrade or withdraw a Rating pursuant to sub paragraphs (A) and (B) above or not to award a Rating of at least Investment Grade as described in paragraph (ii) of the definition of Negative Rating Event, the relevant Rating Agency announces publicly or confirms in writing to the Issuer or the Guarantor that such decision(s) resulted, in whole or predominantly, from the occurrence of the Change of Control.

Promptly upon the Issuer becoming aware that a Change of Control Put Event has occurred, the Issuer shall give notice (a “**Change of Control Put Event Notice**”) to the Noteholders in accordance with Condition 13 specifying the nature of the Change of Control Put Event and the procedure for exercising the Change of Control Put Option.

To exercise the Change of Control Put Option, the holder of the Note must deliver such Note at the specified office of any Paying Agent at any time during normal business hours of such Paying Agent falling within the period (the “**Change of Control Put Period**”) of 30 days after a Change of Control Put Event Notice is given, accompanied by a duly signed and completed notice of exercise in the form (for the time being current) obtainable from the specified office of any Paying Agent (a “**Change of Control Put Notice**”). The Paying Agent to which such Note and Change of Control Put Notice are delivered will issue to the Noteholder concerned a non-transferable receipt in respect of the Note so delivered. Payment in respect of any Note so delivered will be made, if the holder duly specified a bank account in the Change of Control Put Notice to which payment is to be made, on the Change of Control Put Date by transfer to that bank account and, in every other case, on or after the Change of Control Put Date against presentation and surrender or (as the case may be) endorsement of such receipt at the specified office of any Paying Agent. A Change of Control Put Notice, once given, shall be irrevocable. For the purposes of these Conditions, receipts issued pursuant to this Condition shall be treated as if they were Notes. The Issuer shall redeem or purchase (or procure the purchase of) the relevant Notes on the Change of Control Put Date unless previously redeemed (or purchased) and cancelled.

If two-thirds or more in principal amount of the Notes then outstanding have been redeemed or purchased pursuant to this Condition, the Issuer may, on giving not less than 30 nor more than 60 days’ notice to the Noteholders (such notice being given within 30 days after the Change of Control Put Date), redeem or purchase (or procure the purchase of), at its option, all but not some

only of the remaining outstanding Notes at their principal amount, together with interest accrued to (but excluding) the date fixed for such redemption or purchase.

If the rating designations employed by any Rating Agency are changed from those which are described in the definition of “Investment Grade” below or in paragraph (ii) of the definition of “Change of Control Put Event” above, or if a Rating is procured from a Substitute Rating Agency, the Issuer shall determine the rating designations of the relevant Rating Agency or such Substitute Rating Agency (as appropriate) as are most equivalent to the prior rating designations of such Rating Agency and this Condition shall be construed accordingly.

In this Condition:

“**acting in concert**” means acting together pursuant to an agreement or understanding (whether formal or informal);

“**Change of Control Period**” means the period commencing on the Relevant Announcement Date and ending 90 days after the Relevant Announcement Date;

“**Change of Control Put Date**” shall be the date which is 14 days after the expiration of the Change of Control Put Period;

“**Investment Grade**” means Baa3 (in the case of Moody’s Deutschland GmbH) or BBB- (in the case of S&P Global Ratings Europe Ltd) or the equivalent rating level of any other Substitute Rating Agency or higher;

a “**Negative Rating Event**” shall be deemed to have occurred if at such time as there is no Rating assigned to the Notes by a Rating Agency, (i) LafargeHolcim Ltd does not, either prior to, or not later than 21 days after, the occurrence of the Change of Control seek, and thereafter throughout the Change of Control Period use all reasonable endeavours to obtain, a Rating or a rating of any other unsecured and unsubordinated debt of, or guaranteed by, LafargeHolcim Ltd or (ii) if LafargeHolcim Ltd does so seek and use such endeavours, it is unable to obtain such a Rating or rating of at least Investment Grade by the end of the Change of Control Period;

“**Rating**” means a rating of the Notes; and

“**Rating Agency**” means Moody’s Deutschland GmbH or S&P Global Ratings Europe Ltd or any of their respective successors or any rating agency (a “**Substitute Rating Agency**”) substituted for, or added to, any of them by the Issuer from time to time.

- (e) **Notice of redemption and drawings:** All Notes in respect of which any notice of redemption is given under this Condition shall be redeemed on the date specified in such notice in accordance with this Condition. In the case of a partial redemption the notice shall also contain the serial numbers of the Notes to be redeemed, which shall have been drawn in such place and in such manner as may be fair and reasonable in the circumstances, taking account of prevailing market practices, subject to compliance with any applicable laws and stock exchange or other relevant authority requirements.

Any notice of redemption given under Condition 5(b) will override any notice of redemption given (whether previously, on the same day or subsequently) under Condition 5(c)(ii).

- (f) **Purchase:** Each of the Issuer, the Guarantor and any of their respective Subsidiaries (as defined in the Fiscal Agency Agreement) may at any time purchase Notes (provided that all unmatured

Coupons relating thereto are attached thereto or surrendered therewith) in the open market or otherwise at any price.

- (g) **Cancellation:** All Notes purchased by on behalf of the Issuer, the Guarantor or any of their respective subsidiaries may be surrendered for cancellation by surrendering each such Note together with all unmatured Coupons to the Fiscal Agent and if so surrendered, shall, together with all Notes redeemed by the Issuer, be cancelled forthwith (together with all unmatured Coupons attached thereto or surrendered therewith). Any Notes so surrendered for cancellation may not be reissued or resold and the obligations of the Issuer and the Guarantor in respect of any such Notes shall be discharged.

6 Payments

- (a) **Method of Payment:** Payments of principal and interest will be made against presentation and surrender (or, in the case of a partial payment, endorsement) of Notes or the appropriate Coupons (as the case may be) at the specified office of any Paying Agent outside the United States of America, by transfer to an account denominated in Euro with a bank in a city in which banks have access to the TARGET System. Payments of interest due in respect of any Note other than on presentation and surrender of matured Coupons shall be made only against presentation and either surrender or endorsement (as appropriate) of the relevant Note.
- (b) **Payments subject to fiscal laws:** All payments are subject in all cases to any applicable fiscal or other laws and regulations in the place of payment and neither the Issuer nor the Guarantor will be liable for any taxes or duties of whatever nature imposed or levied by such laws, regulations or agreements, but without prejudice to the provisions of Condition 7. No commissions or expenses shall be charged to the Noteholders or Couponholders in respect of such payments.
- (c) **Surrender of unmatured Coupons:** Each Note should be surrendered for payment together with all unmatured Coupons (if any) relating thereto, failing which, subject as provided below, an amount equal to the face value of each missing unmatured Coupon (or, in the case of payment not being made in full, that proportion of the amount of such missing unmatured Coupon which the sum of principal so paid bears to the total principal amount due) shall be deducted from the sum due for payment. Each amount so deducted shall be paid in the manner mentioned above against surrender of such missing Coupon within a period of 10 years from the Relevant Date (as defined in Condition 7) for the payment of principal (whether or not such Coupon has become void pursuant to Condition 9). Coupons relating to the Interest Period during which the Target Observation Date falls and any subsequent Interest Period shall become void and no payment shall be made in respect of them.
- (d) **Payments on business days:** If any date for payment in respect of any Note or Coupon is not a business day, the holder shall not be entitled to payment until the next following business day nor to any interest or other sum in respect of such postponed payment. In this paragraph, “**business day**” means a day (other than a Saturday or a Sunday) on which banks and foreign exchange markets are open for business in the place in which the specified office of the Paying Agent is located, and in London, Luxembourg and Zurich, and a day on which the TARGET System is open.
- (e) **Paying Agents:** The initial Paying Agents and their initial specified offices are listed below. The Issuer and the Guarantor reserve the right at any time to vary or terminate the appointment of any Paying Agent and appoint additional or other Paying Agents, provided that they will maintain (i)

a Fiscal Agent and (ii) Paying Agents having specified offices in at least two major European cities. Notice of any change in the Paying Agents or their specified offices will promptly be given to the Noteholders.

7 Taxation

All payments of principal and interest by or on behalf of the Issuer shall be made free and clear of, and without withholding or deduction for, any taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or within or on behalf of Luxembourg or any authority therein or thereof having power to tax, unless such withholding or deduction is required by law. In that event the Issuer shall pay such additional amounts as shall result in receipt by the Noteholders and the Couponholders of such amounts as would have been received by them had no such withholding or deduction been required, except that no such additional amounts shall be payable with respect to any Note or Coupon:

- (a) **Other connection:** to, or to a third party on behalf of, a holder who is liable to such taxes, duties, assessments or governmental charges in respect of such Note or Coupon by reason of its having some connection with Luxembourg other than the mere holding of the Note or Coupon; or
- (b) **Lawful avoidance of withholding:** to, or to a third party on behalf of, a holder who could lawfully avoid (but has not so avoided) such deduction or withholding by complying or procuring that any third party complies with any statutory requirements or by making or procuring that any third party makes a declaration of non-residence or other similar claim for exemption to any tax authority in the place where the relevant Note or Coupon is presented for payment; or
- (c) **Presentation more than 30 days after the Relevant Date:** presented for payment more than 30 days after the Relevant Date except to the extent that the holder of it would have been entitled to such additional amounts on presenting it for payment on the 30th such day; or
- (d) **Payment to Luxembourg individuals:** where such withholding or deduction is imposed on a payment to a Luxembourg resident individual and is required to be made pursuant to the Luxembourg law of 23 December 2005, as amended; or
- (e) **Combination:** for or on account of any combination of taxes, duties, assessments or governmental charges referred to in the proceeding clauses (a), (b), (c) and (d).

Notwithstanding any other provision in these Conditions, any amounts to be paid by or on behalf of the Issuer or the Guarantor on the Notes will be paid net of any deduction or withholding imposed or required pursuant to Sections 1471 through 1474 of the U.S. Internal Revenue Code (the “**Code**”), as amended, any current or future regulations or official interpretations thereof, any agreement entered into pursuant to Section 1471(b) of the Code, or any fiscal or regulatory legislation, rules or practices adopted pursuant to any intergovernmental agreement entered into in connection with the implementation of such Sections of the Code (or any law implementing such an intergovernmental agreement) (a “**FATCA Withholding Tax**”), and neither the Issuer nor any other person will be required to pay additional amounts on account of any FATCA Withholding Tax.

As used in these Conditions, “**Relevant Date**” in respect of any Note or Coupon means the date on which payment in respect of it first becomes due or (if any amount of the money payable is improperly withheld or refused) the date on which payment in full of the amount outstanding is made or (if earlier) the date seven days after that on which notice is duly given to the Noteholders that, upon further

presentation of the Note or Coupon being made in accordance with these Conditions, such payment will be made, provided that payment is in fact made upon such presentation.

Any reference in these Conditions to principal or interest in respect of the Notes shall be deemed to include any additional amounts which may be payable under this Condition 7.

8 Events of Default

If any of the following events (“**Events of Default**”) occurs and is continuing, the holder of any Note may give written notice to the Fiscal Agent at its specified office that such Note is immediately repayable, whereupon the principal amount of such Note together (if applicable) with accrued interest to (but excluding) the date of payment shall become immediately due and payable, unless such Event of Default shall have been remedied prior to the receipt of such notice by the Fiscal Agent:

- (a) default is made in the payment of any principal or interest on any of the Notes when due and such default continues for a period of 14 business days (as defined below); or
- (b) the Issuer or the Guarantor fails duly to observe or perform any other obligation in the Notes for a period of 50 days after notice of such default shall have been given to the Fiscal Agent at its specified office by the holders of at least 25 per cent. in aggregate principal amount of the Notes then outstanding; or
- (c) (i) any other present or future indebtedness of the Issuer or the Guarantor for or in respect of moneys borrowed or raised becomes due and payable prior to its stated maturity otherwise than at the option of the Issuer or, as the case may be, the Guarantor or (ii) any such indebtedness is not paid when due or (iii) the Issuer or the Guarantor fails to pay when due any amount payable by it under any present or future guarantee for, or indemnity in respect of, any moneys borrowed or raised, in each of (i), (ii) and (iii) above, within any applicable grace period, provided that the aggregate amount of such relevant indebtedness, guarantees and indemnities in respect of which one or more of the events mentioned above in this paragraph (c) have occurred equals or exceeds the higher of (x) 0.6 per cent. of the Guarantor’s consolidated total shareholders’ equity as determined by reference to the most recent published audited consolidated annual financial statements of the Guarantor and (y) CHF 125 million, or their equivalents (on the basis of the middle spot rate for the relevant currency against the Swiss franc as quoted by any leading bank on the day on which this paragraph operates); or
- (d) the Issuer or the Guarantor declares itself or becomes insolvent or is unable to pay its debts as they mature or is declared in suspension of payments, and/or proceedings are initiated against the Issuer or the Guarantor under any applicable liquidation, insolvency, bankruptcy, composition, reorganisation, moratorium, controlled management (*gestion contrôlée*), suspension of payment (*sursis de paiement*) or other similar laws, or applies for or consents to or suffers the appointment of an administrator, liquidator or receiver or any other similar official of the Issuer or the Guarantor or over the whole or any material part of its respective undertaking, property or assets or enters into a general assignment or composition with or for the benefit of its creditors, or an order is made or effective resolution is passed for the winding up or dissolution (save, in the case of the Guarantor, following a reorganisation involving the assumption by any corporation of all the Guarantor’s liabilities under the Notes) of the Issuer or the Guarantor; or

- (e) unless the Guarantor has been substituted for the Issuer as principal debtor under the Notes pursuant to Condition 11(c) or the Issuer and the Guarantor have merged, the Guarantee is not (or is claimed by the Guarantor not to be) in full force and effect.

In this Condition 8, “**business day**” means a day (other than a Saturday or Sunday) on which banks are open for business generally in Zurich.

9 Prescription

Claims against the Issuer for payment in respect of the Notes and Coupons shall be prescribed and become void unless made within a period of 10 years (in the case of principal) or five years (in the case of interest) from the appropriate Relevant Date in respect of them.

10 Replacement of Notes and Coupons

If any Note or Coupon is lost, stolen, mutilated, defaced or destroyed it may be replaced, subject to applicable laws, regulations and stock exchange or other relevant authority regulations, at the specified office of the Paying Agent as may from time to time be designated by the Issuer for that purpose and notice of whose designation is given to Noteholders, upon payment by the claimant of the fees and costs incurred in connection therewith and on such terms as to evidence, security and indemnity (which may provide, *inter alia*, that if the allegedly lost, stolen or destroyed Note or Coupon is subsequently presented for payment or, as the case may be, for exchange for further Coupons, there shall be paid to the Issuer on demand the amount payable by the Issuer in respect of such Notes, Coupons or further Coupons) and otherwise as the Issuer or Guarantor may require. Mutilated or defaced Notes or Coupons must be surrendered before replacements will be issued.

11 Meetings of Noteholders, Modification and Substitution

- (a) **Meetings of Noteholders:** The Fiscal Agency Agreement contains provisions for convening meetings of Noteholders to consider any matter affecting their interests, including the sanctioning by Extraordinary Resolution of a modification of any of these Conditions. Such a meeting may be convened by Noteholders holding or representing not less than 25 per cent. in nominal amount of the Notes for the time being outstanding. The quorum for any meeting convened to consider an Extraordinary Resolution shall be two or more persons holding or representing a clear majority in nominal amount of the Notes for the time being outstanding, or at any adjourned meeting two or more persons being or representing Noteholders whatever the nominal amount of the Notes held or represented, unless the business of such meeting includes consideration of proposals, *inter alia*, (i) to amend the dates of maturity or redemption of the Notes or any date for payment of interest on the Notes, (ii) to reduce or cancel the nominal amount of, or any premium payable on redemption of, the Notes, (iii) to reduce the rate or rates of interest in respect of the Notes or to vary the method or basis of calculating the rate or rates or amount of interest in respect of the Notes, (iv) to vary the currency or currencies of payment or denomination of the Notes or (v) to modify the provisions concerning the quorum required at any meeting of Noteholders or the majority required to pass the Extraordinary Resolution, in which case the necessary quorum shall be two or more persons holding or representing not less than 75 per cent., or at any adjourned meeting not less than 25 per cent., in nominal amount of the Notes for the time being outstanding. Any Extraordinary Resolution duly passed shall be binding on Noteholders (whether or not they were present at the meeting at which such resolution was passed) and on all Couponholders.

The Fiscal Agency Agreement provides that a resolution in writing signed by or on behalf of not less than 75 per cent. in nominal amount of the Notes outstanding shall for all purposes be as valid and effective as an Extraordinary Resolution passed at a meeting of Noteholders duly convened and held. Such a resolution in writing may be contained in one document or several documents in like form, each signed by or on behalf of one or more Noteholders.

- (b) **Modification of Fiscal Agency Agreement:** The Issuer and Guarantor shall only permit (i) any modification of the Fiscal Agency Agreement that is of a formal, minor or technical nature or which is made to correct a manifest error or (ii) any other modification, or any waiver or authorisation of any breach or proposed breach of or any failure to comply with, the Fiscal Agency Agreement that could not reasonably be expected to be prejudicial to the interests of the Noteholders.
- (c) **Substitution of Issuer:** The Issuer, or any previous substituted company, may at any time, without the consent of the Noteholders or the Couponholders, substitute for itself as principal debtor under the Notes and the Coupons any company (the “**Substitute**”) that is the Guarantor, or a subsidiary of the Guarantor, provided that no payment in respect of the Notes or the Coupons is at the relevant time overdue. The substitution shall be made by a deed poll (the “**Deed Poll**”), to be substantially in the form scheduled to the Fiscal Agency Agreement as Schedule 5, and may take place only if (i) the Substitute shall, by means of the Deed Poll, agree to indemnify each Noteholder and Couponholder against any tax, duty, assessment or governmental charge that is imposed on it by (or by any authority in or of) the jurisdiction of the country of the Substitute’s residence for tax purposes and, if different, of its incorporation with respect to any Note or Coupon and that would not have been so imposed had the substitution not been made, as well as against any tax, duty, assessment or governmental charge, and any cost or expense, relating to the substitution, (ii) where the Substitute is not the Guarantor, the Guarantor shall acknowledge in the Deed Poll that the Substitute’s payment obligations under the Notes and Coupons are unconditionally guaranteed by the Guarantor under the Guarantee and shall enter into a guarantee of the Substitute’s indemnification obligations described in (i) above, substantially in the form scheduled to the Fiscal Agency Agreement (the “**Supplemental Guarantee**”), (iii) all action, conditions and things required to be taken, fulfilled and done (including the obtaining of any necessary consents) to ensure that the Deed Poll, the Notes, Coupons and (where the Substitute is not the Guarantor) the Guarantee and the Supplemental Guarantee represent valid, legally binding and enforceable obligations of the Substitute and/or the Guarantor, as applicable, have been taken, fulfilled and done and are in full force and effect, (iv) the Substitute shall have become party to the Fiscal Agency Agreement, with any appropriate consequential amendments, as if it had been an original party to it, (v) the Substitute (if incorporated in a jurisdiction other than England) shall have appointed an agent to receive, for and on its behalf, service of process in any Proceedings (as defined in Condition 15(c)) in England, (vi) legal opinions addressed to the Noteholders shall have been delivered to them (care of the Fiscal Agent) from a lawyer or firm of lawyers with a leading securities practice in each jurisdiction referred to in (i) above and in England as to the fulfilment of the preceding conditions of this paragraph and the other matters specified in the Deed Poll, (vii) each listing authority or stock exchange (if any) on which the Notes are then listed shall have confirmed that, following the proposed substitution of the Substitute, the Notes will continue to be admitted to listing by such listing authority or stock exchange and (viii) the Issuer shall have given at least 14 days’ prior notice of such substitution to the Noteholders, stating that copies, or pending execution the agreed text, of all documents in relation to the substitution that are referred to above, or that might otherwise reasonably be

regarded as material to Noteholders, shall be available for inspection at the specified office of each of the Paying Agents. Immediately following such substitution, references in these Conditions to the Issuer shall mean the Substitute except where the context otherwise requires, and, if the Substitute is the Guarantor, all references to the “Guarantor” and the “Guarantee” in these Conditions shall cease to apply, except that the references to the “Guarantor” and the “Guarantee”, as the case may be, in this Condition 11(c) will remain applicable and such references to the “Guarantee” will be deemed to mean the Guarantee in effect immediately prior to such substitution. References in Condition 8 to obligations under the Notes shall be deemed to include obligations under the Deed Poll.

12 Further Issues

The Issuer may from time to time, without the consent of the Noteholders or Couponholders, create and issue further notes having the same terms and conditions as the Notes (so that, for the avoidance of doubt, references in these Conditions to “Issue Date” shall be to the first issue date of the Notes) and so that the same shall be consolidated and form a single series with such Notes, and references in these Conditions to “Notes” shall be construed accordingly.

13 Notices

Notices required to be given to the Noteholders pursuant to the Conditions shall be given by publication in a daily newspaper with general circulation in Europe provided that, so long as the Notes are admitted to the Official List and admitted to trading on the regulated market of the Luxembourg Stock Exchange, such notices shall be published in electronic form on the website of the Luxembourg Stock Exchange (www.bourse.lu) or in a daily newspaper with general circulation in Luxembourg (which is expected to be the *Luxemburger Wort*). Any such notice shall be deemed to have been given on the date of such publication or, if published more than once or on different dates, on the date of the first publication as provided above.

Couponholders shall be deemed for all purposes to have notice of the contents of any notice given to the Noteholders in accordance with this Condition.

14 Contracts (Rights of Third Parties) Act 1999

No person shall have any right to enforce any term or condition of the Notes under the Contracts (Rights of Third Parties) Act 1999.

15 Governing Law

- (a) **Governing Law:** The Notes and the Coupons are governed by, and shall be construed in accordance with, English law. The provisions of Articles 470-1 to 470-19 of the Luxembourg law on commercial companies of 10 August 1915, as amended, are excluded. For the avoidance of doubt, as specified therein, the Guarantee is governed by and shall be construed in accordance with Swiss substantive law.
- (b) **Jurisdiction:** The Courts of England are to have jurisdiction to settle any disputes that may arise out of or in connection with any Notes or Coupons and accordingly any legal action or proceedings arising out of or in connection with any Notes or Coupons (“**Proceedings**”) may be brought in such courts. The Issuer irrevocably submits to the jurisdiction of the courts of England

and waives any objection to Proceedings in such courts on the ground of venue or on the ground that the Proceedings have been brought in an inconvenient forum. This submission is made for the benefit of each of the holders of the Notes and Coupons and shall not affect the right of any of them to take Proceedings in any other court of competent jurisdiction nor shall the taking of Proceedings in one or more jurisdictions preclude the taking of Proceedings in any other jurisdiction (whether concurrently or not).

For the avoidance of doubt, as specified therein, any dispute in respect of the Guarantee shall be settled in accordance with Swiss substantive law. The place of jurisdiction for any dispute in respect of the Guarantee shall be the city of Zurich. The competent courts at the place of jurisdiction (which shall be, where applicable law so permits, the Commercial Court of the Canton of Zurich) shall have exclusive jurisdiction.

- (c) **Service of Process:** The Issuer irrevocably appoints Holcim Participations (UK) Limited of Bardon Hall, Copt Oak Road, Markfield, Leicestershire LE67 9PJ as its agent in England to receive, for it and on its behalf, service of process in any Proceedings in England. Such service shall be deemed completed on delivery to such process agent (whether or not it is forwarded to and received by the Issuer). If for any reason such process agent ceases to be able to act as such or no longer has an address in England, the Issuer agrees to appoint a substitute process agent in England and to notify Noteholders of such appointment in accordance with Condition 13. Nothing shall affect the right of any Noteholder to serve process in any manner permitted by law.

OVERVIEW OF PROVISIONS RELATING TO THE NOTES WHILE IN GLOBAL FORM

Initial Issue of Notes

The Global Notes are issued in NGN form. The Global Notes will be delivered on or prior to the Issue Date to a Common Safekeeper. Depositing the Global Notes with the Common Safekeeper does not necessarily mean that the Notes will be recognised as eligible collateral for Eurosystem monetary policy and intra-day credit operations by the Eurosystem either upon issue, or at any or all times during their life. Such recognition will depend upon satisfaction of the Eurosystem eligibility criteria.

The nominal amount of the Notes shall be the aggregate amount from time to time entered in the records of Euroclear or Clearstream, Luxembourg. The records of such clearing system shall be conclusive evidence of the nominal amount of Notes represented by the Global Note and a statement issued by such clearing system at any time shall be conclusive evidence of the records of the relevant clearing system at that time.

Relationship of Accountholders with Clearing Systems

Each of the persons shown in the records of Euroclear, Clearstream, Luxembourg or any other clearing system (an “**Alternative Clearing System**”) as the holder of a Note represented by a Global Note must look solely to Euroclear, Clearstream, Luxembourg or such clearing system (as the case may be) for his or her share of each payment made by the Issuer or the Guarantor, as the case may be, to the bearer of such Global Note and in relation to all other rights arising under the Global Note or the Guarantee, subject to and in accordance with the respective rules and procedures of Euroclear, Clearstream, Luxembourg, or such clearing system (as the case may be). Such persons shall have no claim directly against the Issuer or the Guarantor, as the case may be, in respect of payments due on the Notes and/or under the Guarantee, respectively, for so long as the Notes are represented by the Global Note and such obligations of the Issuer or the Guarantor, as the case may be, will be discharged by payment to the bearer of such Global Note in respect of each amount so paid.

Exchange

Temporary Global Notes

The Temporary Global Note will be exchangeable, free of charge to the holder, on or after its Exchange Date in whole or in part upon certification as to non-U.S. beneficial ownership in the form set out in the Fiscal Agency Agreement for interests in a Permanent Global Note.

Permanent Global Notes

The Permanent Global Note will be exchangeable, free of charge to the holder, on or after its Exchange Date in whole but not, except as provided under “*Partial Exchange of Permanent Global Notes*”, in part for definitive Notes only:

- (i) if the Permanent Global Note is held on behalf of Euroclear or Clearstream, Luxembourg, or an Alternative Clearing System and any such clearing system is closed for business for a continuous period of 14 days (other than by reason of holidays, statutory or otherwise) or announces an intention permanently to cease business or in fact does so; or
- (ii) if the Issuer or the Guarantor would suffer a material disadvantage in respect of a change in the laws or regulations (taxation or otherwise) of any jurisdiction referred to in Condition 7 or as a result of any change to the practice of the relevant Clearing System which would not be suffered were the

Notes in definitive form and a certificate to such effect signed by two Directors of the Issuer or, as the case may be, the Guarantor is delivered to the Fiscal Agent; or

- (iii) if principal in respect of any Notes is not paid when due, by the holder giving notice to the Fiscal Agent of its election for such exchange.

In the event that a Global Note is exchanged for definitive Notes, such definitive Notes shall be issued in denominations of €100,000 and integral multiples of €1,000 in excess thereof up to and including €199,000 only. A Noteholder who holds a principal amount of less than €100,000 will not receive a definitive Note in respect of such holding and would need to purchase a principal amount of Notes such that it holds an amount equal to €100,000 and integral multiples of €1,000 in excess thereof up to and including €199,000 only.

Delivery of Notes

In exchange for any Global Note, or the part thereof to be exchanged, the Issuer will procure that details of such exchange be entered pro rata in the records of the relevant clearing system. In this Prospectus, “**definitive Notes**” means, in relation to any Global Note, the definitive Bearer Notes for which such Global Note may be exchanged (if appropriate, having attached to them all Coupons in respect of interest that has not already been paid on the Global Note). Definitive Notes will be security printed in accordance with any applicable legal and stock exchange requirements in or substantially in the form set out in the Schedules to the Fiscal Agency Agreement. On exchange in full of each Permanent Global Note, the Issuer will, if the holder so requests, procure that it is cancelled and returned to the holder together with the relevant definitive Notes.

Pursuant to the Belgian Law of 14 December 2005 abolishing bearer securities, securities in bearer form may no longer be physically delivered in Belgium. Accordingly, the Notes may not be physically delivered to Noteholders in Belgium.

Exchange Date

“**Exchange Date**” means, in relation to a Temporary Global Note, the day falling on or after the expiry of 40 days after its issue date and, in relation to a Permanent Global Note, a day falling not less than 60 days, or in the case of failure to pay principal in respect of any Notes when due 30 days, after that on which the notice requiring exchange is given and on which banks are open for business in the city in which the specified office of the Fiscal Agent is located and, except in the case of exchange pursuant to (i) under “*Permanent Global Notes*” above, in the city in which the relevant clearing system is located.

Amendment to Conditions

The Temporary Global Notes and the Permanent Global Notes contain provisions that apply to the Notes that they represent, some of which modify the effect of the terms and conditions of the Notes set out in this Prospectus. The following is an overview of certain of those provisions:

Payments

No payment falling due on or after the Exchange Date will be made on any Global Note unless exchange for an interest in a Permanent Global Note or for definitive Notes is improperly withheld or refused. Payments on the Temporary Global Note before the Exchange Date will only be made against presentation of certification as to non-U.S. beneficial ownership in the form set out in the Fiscal Agency Agreement. Condition 6(e) will apply to the definitive Notes only. The Issuer shall procure that details of each such payment shall be entered pro rata in the records of the relevant clearing system and, in the case of payments of principal, the nominal

amount of the Notes recorded in the records of the relevant clearing system and represented by the Global Note will be reduced accordingly. Payments under the Global Note will be made to its holder. Each payment so made will discharge the Issuer's obligations in respect thereof. Any failure to make the entries in the records of the relevant clearing system shall not affect such discharge.

Meetings

The holder of the Global Note shall (unless such Global Note represents only one Note) be treated as being two persons for the purposes of any quorum requirements of a meeting of Holders and as being entitled to one vote in respect of each integral currency unit of the Notes.

Cancellation

Cancellation of any Note represented by a Global Note that is required by the Conditions to be cancelled (other than upon its redemption) will be effected by reduction in the nominal amount of the relevant Global Note.

Purchase

Notes represented by a Global Note may only be purchased by the Issuer, the Guarantor or any of their respective subsidiaries if they are purchased together with the rights to receive all future payments of interest thereon.

Issuer's Option

Any option of the Issuer provided for in the Conditions while such Notes are represented by a Global Note shall be exercised by the Issuer giving notice to the Holders within the time limits set out in and containing the information required by the Conditions, except that the notice shall not be required to contain the serial numbers of Notes drawn in the case of a partial exercise of an option and accordingly no drawing of Notes shall be required. In the event that any option of the Issuer is exercised in respect of some but not all of the Notes, the rights of accountholders with a clearing system in respect of the Notes will be governed by the standard procedures of Euroclear, Clearstream, Luxembourg (to be reflected in the records of Euroclear and Clearstream, Luxembourg as either a pool factor or a reduction in nominal amount, at their discretion) or any other clearing system (as the case may be).

NGN Nominal Amount

The Issuer shall procure that any exchange, payment, cancellation, exercise of any option or any right under the Notes, as the case may be, in addition to the circumstances set out above shall be entered in the records of the relevant clearing systems and upon any such entry being made, in respect of payments of principal, the nominal amount of the Notes represented by such Global Note shall be adjusted accordingly.

Events of Default

The Global Note provides that the holder may cause such Global Note, or a portion of it, to become due and repayable in the circumstances described in Condition 8 by stating in the notice to the Fiscal Agent the nominal amount of such Global Note that is becoming due and repayable. If principal in respect of any Note is not paid when due, the holder of a Global Note may elect for direct enforcement rights against the Issuer and the Guarantor. Following any such acquisition of direct rights, the Global Note will become void as to the specified portion.

Notices

So long as the Notes are represented by a Global Note and such Global Note is held on behalf of a clearing system, notices to the holders of Notes may be given by delivery of the relevant notice to that clearing system

for communication by it to entitled accountholders in substitution for publication as required by the Conditions or by delivery of the relevant notice to the holder of the Global Note, except that so long as the Notes are admitted to the Official List and admitted to trading on the regulated market of the Luxembourg Stock Exchange, notices shall also be published in electronic form on the website of the Luxembourg Stock Exchange (www.bourse.lu) or in a leading newspaper having general circulation in Luxembourg (which is expected to be the *Luxemburger Wort*). Any such notice shall be deemed to have been given on the date of such publication or, if published more than once or on different dates, on the date of the first publication as provided above, provided that, in the case of notices delivered to a clearing system, such notices shall be deemed to be received on the date such notices are delivered to such clearing system. Holders of Coupons shall be deemed for all purposes to have notice of the contents of any notice given to the holders of Notes.

Electronic Consent and Written Resolution

While any Global Note is held on behalf of a clearing system, then:

- (a) approval of a resolution proposed by the Issuer given by way of electronic consents communicated through the electronic communications systems of the relevant clearing system(s) in accordance with their operating rules and procedures by or on behalf of the holders of not less than 75 per cent. in nominal amount of the Notes outstanding (an “**Electronic Consent**” as defined in the Fiscal Agency Agreement) shall, for all purposes (including matters that would otherwise require an Extraordinary Resolution to be passed at a meeting for which the Special Quorum was satisfied), take effect as an Extraordinary Resolution passed at a meeting of Holders duly convened and held, and shall be binding on all Holders and holders of Coupons whether or not they participated in such Electronic Consent; and
- (b) where Electronic Consent is not being sought, for the purpose of determining whether a Written Resolution (as defined in the Fiscal Agency Agreement) has been validly passed, the Issuer shall be entitled to rely: (i) on consent or instructions given in writing directly to the Issuer by accountholders in the clearing system with entitlements to such Global Note; and/or (ii) where the accountholders hold any such entitlement on behalf of another person, on written consent from or written instruction by the person identified by that accountholder as the person for whom such entitlement is held. For the purposes of establishing the entitlement to give any such consent or instruction, the Issuer shall be entitled to rely on any certificates or other documents issued by, in the case of (i) above, Euroclear, Clearstream, Luxembourg or any other relevant alternative clearing system (the “**relevant clearing system**”) and, in the case of (ii) above, the relevant clearing system and the accountholder identified by the relevant clearing system for the purposes of (ii) above. Any resolution passed in such manner shall be binding on all Holders and holders of Coupons, even if the relevant consent or instruction proves to be defective. Any such certificate or other document may comprise any form of statement or print out of electronic records provided by the relevant clearing system (including Euroclear's EUCLID or Clearstream, Luxembourg's CreationOnline system) in accordance with its usual procedures and in which the accountholder of a particular principal or nominal amount of the Notes is clearly identified together with the amount of such holding. The Issuer shall not be liable to any person by reason of having accepted as valid or not having rejected any certificate or other document to such effect purporting to be issued by any such person and subsequently found to be forged or not authentic.

FORM OF GUARANTEE

23 November 2020

by

LafargeHolcim Ltd
(the “**Guarantor**”)

in respect of

€850,000,000 0.500 PER CENT. SUSTAINABILITY-LINKED NOTES DUE 2031
ISSUED BY HOLCIM FINANCE (LUXEMBOURG) S.A. (THE “NOTES”)

WHEREAS,

In accordance with the provisions of the subscription agreement entered into on 19 November 2020 (the “**Subscription Agreement**”), among Holcim Finance (Luxembourg) S.A. (the “**Issuer**”), the Guarantor, ING Bank N.V., Société Générale, Banco Santander, S.A., BNP Paribas, HSBC France, Banco Bilbao Vizcaya Argentaria, S.A., Crédit Agricole Corporate and Investment Bank and UniCredit Bank AG (the “**Managers**”), the Issuer has agreed to sell to each of the Managers and each of the Managers has jointly and severally agreed to purchase the Notes in accordance with the Subscription Agreement. The Issuer and the Guarantor have entered into a fiscal agency agreement on 23 November 2020 (as amended from time to time, the “**Fiscal Agency Agreement**”), in relation to the Notes with Citibank N.A., London Branch as fiscal agent and paying agent (the “**Fiscal Agent**”) and the other agents referred to therein.

The Guarantor has agreed to guarantee the payment of principal, interest and all other amounts payable by the Issuer to holders of the Notes (the “**Noteholders**”) and to the holders of Coupons (if any) relating thereto (together with the Noteholders, the “**Holders**”). The Notes and the Coupons (if any) are, together, referred to herein as the “**Securities**”.

NOW THEREFORE, the Guarantor undertakes as follows:

1. The Guarantor hereby irrevocably and unconditionally guarantees, in accordance with the terms of Article 111 of the Swiss Code of Obligations, to the Holders the due and punctual payment of principal, interest and all other amounts payable by the Issuer under the Securities as and when the same become due according to the terms and conditions of the Notes (as amended from time to time) (the “**Conditions**”).
2. The Guarantor irrevocably undertakes to pay on first demand to the Holders, in accordance with the terms of the Fiscal Agency Agreement, irrespective of the validity and the legal effects of the Securities and waiving all rights of objection and defence arising from the Securities, any amount up to 110 per cent. of the aggregate principal amount of the Notes outstanding from time to time (such total amount of this Guarantee as may be reduced from time to time pursuant to clause 4 of this Guarantee, the “**Guarantee Amount**”), covering principal, interest and all other amounts payable in relation to the Securities, upon receipt of the written request to the Fiscal Agent by any Holder for payment in relation to the Securities held by such Holder and its confirmation in writing that the Issuer has not met its obligations arising from the Securities on the due date in the amount called under this Guarantee.

3. This Guarantee constitutes a direct, unconditional, (subject to Condition 3(a)) unsecured and unsubordinated obligation of the Guarantor ranking *pari passu* with all other present and future (subject as aforesaid) unsecured and unsubordinated obligations of the Guarantor (other than obligations that are preferred by bankruptcy, liquidation or other similar laws of general application).
4. This Guarantee will remain in full force and effect regardless of any amendment to the Conditions or any of the Issuer's obligations thereunder; *provided, however*, that if the Guarantor is substituted for the Issuer as principal debtor under the Notes pursuant to Condition 11(c), this Guarantee will cease to exist. This Guarantee will remain valid until all amounts of principal, interest and other amounts payable in relation to the Securities are paid in full, subject to the provisions set out in clause 2 of this Guarantee. The Guarantee Amount will, however, be reduced (a) automatically in accordance with clause 2 of this Guarantee upon reduction of the aggregate principal amount of the Notes outstanding from time to time, (b) by any payment of interest and other amounts made to Holders hereunder, and (c) by any payment of any amounts made to the Holders under any Supplemental Guarantee entered into by the Guarantor in accordance with subclause (ii) of Condition 11(c).
5. All payments under this Guarantee shall be made free and clear of, and without withholding or deduction for, taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or within or on behalf of Switzerland or any authority therein or thereof having power to tax, unless such withholding or deduction is required by law. In that event, the Guarantor shall pay such additional amounts as shall result in receipt by the relevant Holder of such amounts as would have been received by it had no such withholding or deduction been required, except that no such additional amounts shall be payable with respect to this Guarantee:
 - (a) to, or to a third party on behalf of, a Holder who is liable to such taxes, duties, assessments or governmental charges in respect of such payment under this Guarantee by reason of its having some connection with Switzerland other than the holding of the mere benefit under this Guarantee; or
 - (b) to, or to a third party on behalf of, a Holder who could lawfully avoid (but has not so avoided) such deduction or withholding by complying or procuring that any third party complies with any statutory requirements or by making or procuring that any third party makes a declaration of non-residence or other similar claim for exemption to any tax authority in the place where payment under this Guarantee is requested; or
 - (c) as a result of the relevant Note having been presented for payment more than 30 days after the Relevant Date except to the extent that the Holder of such Note would have been entitled to such additional amounts on presentation for payment on the last day of such period of 30 days; or
 - (d) where such withholding or deduction is required to be made pursuant to laws enacted by Switzerland changing the Swiss withholding tax system from an issuer-based system to a paying agent-based system pursuant to which a person in Switzerland other than the issuer is required to withhold tax on any interest payments; or
 - (e) for or on account of any combination of taxes, duties, assessments or governmental charges referred to in the preceding subclauses (a), (b), (c) and (d).

As used herein, "**Relevant Date**" in respect of any payment under this Guarantee means (i) the date on which such payment first becomes due or (ii) if the full amount payable has not been received by the Fiscal Agent on or prior to such due date, the date that is seven days after the

date on which the Fiscal Agent gives notice to the Holders that it has received the full amount payable.

Notwithstanding any other provision of this Guarantee, any amounts to be paid hereunder will be paid net of any deduction or withholding imposed or required pursuant to Sections 1471 through 1474 of the Code, any current or future regulations or official interpretations thereof, any agreement entered into pursuant to Section 1471(b) of the Code, or any fiscal or regulatory legislation, rules or practices adopted pursuant to any intergovernmental agreement entered into in connection with the implementation of such Sections of the Code (or any law implementing such an intergovernmental agreement) (a “**FATCA Withholding Tax**”), and neither the Guarantor nor any other person will be required to pay additional amounts on account of any FATCA Withholding Tax.

6. This Guarantee is governed by Swiss substantive law. Any dispute in respect of this Guarantee shall be settled in accordance with Swiss law. The place of jurisdiction for any such dispute shall be the City of Zurich. The competent courts at the place of jurisdiction (which shall be, where applicable law so permits, the Commercial Court of the Canton of Zurich) shall have exclusive jurisdiction.
7. Terms and expressions not otherwise defined in this Guarantee shall have the same meaning as in the Conditions. As used herein, (a) the term “Issuer” includes any Substitute (other than the Guarantor) pursuant to Condition 11(c), and (b) the term “Notes” includes any further notes issued by the Issuer that are consolidated and form a single series with the Notes pursuant to Condition 12 (in which case the term “Coupons” will include any coupons relating to such further notes).

Dated 23 November 2020

LAFARGEHOLCIM LTD

By: _____

By: _____

Name: _____

Name: _____

USE OF PROCEEDS

The net proceeds of the issue of the Notes, expected to amount to €842,222,500 after deduction of the total fees and other costs and expenses incurred in connection with the issue of the Notes, will be used for general corporate purposes of the Group and will be applied by the Issuer outside of Switzerland unless and to the extent application in Switzerland is permitted under the Swiss taxation laws in force from time to time without payments in respect of the Notes becoming subject to withholding or deduction for Swiss withholding tax as a consequence of such application of proceeds in Switzerland.

THE GROUP'S SUSTAINABILITY PERFORMANCE TARGETS

The Group's Sustainability Strategy

As a global leader in building solutions, the Group is reinventing how the world builds to make it greener, smarter and healthier for all and the Group is accelerating green construction.

Climate and energy

In particular, the Group became the first global building materials group by joining the “**Business Ambition for 1.5°C**” with intermediate targets for 2030, validated by the Science-Based Targets initiative (the “**SBTi**”). This commitment builds on the Group's leadership in green construction with cutting-edge solutions such as ECOPact, its green concrete, and Susteno, its circular cement.

The SBTi has approved the Group's commitment to reduce scope 1¹ and scope 2² GHG emissions by 21% per ton of cementitious materials by 2030 from a 2018 base year. With this target, the Group has committed to reduce scope 1 GHG emissions by 17.5% per ton of cementitious material and scope 2 GHG emissions by 65% per ton of cementitious materials within the same timeframe.

Rationale for the Sustainability-Linked Financing Framework

Recognising the role of sustainable finance in supporting the transition to a low-carbon and more resource-efficient economy, the Group has decided to put in place the Sustainability-Linked Financing Framework to link its funding with its sustainability objectives, with the intention of achieving sustainability performance that is relevant, core and material to its business.

The Sustainability-Linked Financing Framework is aligned with the following five core components of the Sustainability-Linked Bond Principles published by the International Capital Markets Association (“**ICMA**”) in June 2020 (the “**Sustainability-Linked Bond Principles**”):

1. Selection of Key Performance Indicators
2. Calibration of Sustainability Performance Target
3. Specific Characteristics of the Notes
4. Reporting
5. Verification

Selection of Key Performance Indicators

The Group has selected Carbon Intensity, calculated as the amount of net carbon dioxide emissions emitted (scope 1) by the Group in kilograms per ton of cementitious material, as the key performance indicator for its sustainability-linked notes. The Group recognises decarbonisation as the industry's main challenge and challenges itself to continuously reduce the carbon intensity of cement.

The selection of this key performance indicator by the Guarantor is consistent with the comprehensive review of its material issues conducted in 2019 in view of setting the priorities of the Group, which involved external and internal stakeholders' views on which topics were most relevant for future value creation.

¹ Direct emissions from Group operations such as decarbonation of raw materials and fuel consumption for cement production.

² Indirect emissions from electricity purchased and used by the Group.

Definition and methodology for key performance indicator measurement

The Group uses the GCCA Sustainability Guidelines³ for the monitoring and reporting of CO₂ emissions from cement manufacturing (Previously WBCSD-CSI Cement CO₂ and Energy Protocol version 3.1) to calculate CO₂ emissions.

The GCCA Sustainability Guidelines for the monitoring and reporting of CO₂ emissions from cement manufacturing are part of a package of guidelines developed to support compliance with the GCCA Sustainability Charter. The GCCA Sustainability Framework Guidelines provides guidance to GCCA full members to fulfil the requirements of the GCCA Sustainability Charter relating to Climate Change and Energy. It is based on the CEN Standard EN 19694-34.

“Cementitious material” is defined following the Cement Sustainability Initiative (CSI) / Global Cement and Concrete Association (GCCA) definition as total clinker produced plus mineral components consumed for blending and production of cement substitutes, including clinker sold, excluding clinker bought.

The key performance indicator, Carbon Intensity, is audited and verified annually on a limited assurance basis by an independent external party.

Rationale

The cement industry contributes approximately 7%⁴ to global industrial carbon emissions. As a global leader in building solutions, the Group has a key role to play to address today’s climate crisis. Carbon Intensity from cement production is thus core, relevant and material to its business. Given the high materiality of scope 1 emissions to its business (82% of scope 1 emissions versus 5% of scope 2 and 13% of scope 3 emissions), the Group has selected Carbon Intensity as the key performance indicator for its sustainability-linked notes.

Calibration of Sustainability Performance Target

Sustainability Performance Target

The Group has set the Sustainability Performance Target as a Carbon Intensity equal to or lower than 475 kilograms of net carbon dioxide per ton of cementitious material per reporting year compared to 2018.

2018 has been defined as the baseline since the most recent available data is from such year given that the Group initiated the validation of its GHG reduction targets by the SBTi in 2019. The Target Observation Date for the Sustainability Performance Target is 31 December 2030 and the Sustainability Performance Target will not be adjusted in case of future changes of scope of the corporate perimeter of the Group.

Historic values⁵

Performance data on net CO₂ emitted per ton of cementitious material (scope 1) as published in the reporting years 2017, 2018 and 2019:

	Unit	2017	2018	2019
Specific CO ₂ emissions – net (scope 1) as published in	Kilograms net CO ₂ per ton of cementitious	581	576	561

³ Available at <https://gccassociation.org/sustainability-innovation/sustainability-charter-and-guidelines/>

⁴ See: <https://www.iea.org/news/cement-technology-roadmap-plots-path-to-cutting-co2-emissions-24-by-2050>

⁵ Source: Annual Report 2019

<i>reporting year</i>	material			
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External Validation of the Sustainability Performance Target by the SBTi

In September 2020, the SBTi validated the Group’s reduction targets for scope 1 and scope 2 GHG emissions as consistent with a well below 2°C scenario. The Sustainability Performance Target represents the Group’s 2030 target of reaching a Carbon Intensity equal to or lower than 475 kilograms of net carbon dioxide per ton of cementitious material per reporting year compared to 2018.

Specific Characteristics of the Notes

If:

- (a) the Group does not achieve the Sustainability Performance Target on the Target Observation Date as determined by an independent auditor and confirmed in such independent auditor’s verification assurance certificate;
- (b) LafargeHolcim Ltd has not published an independent auditor’s verification assurance certificate on whether the Group has achieved the Sustainability Performance Target or before the date falling 5 business days prior to the final maturity date of the Notes; or
- (c) the independent auditor’s verification assurance certificate contains a reservation about whether or not the Sustainability Performance Target has been achieved on the Target Observation Date,

a coupon step-up of 0.750 per cent. per annum will be payable by the Issuer under the Notes.

Reporting

LafargeHolcim Ltd will communicate annually on the relevant key performance indicators and Sustainability Performance Target, making up-to-date information and reporting available on its website:

- (a) LafargeHolcim Ltd’s integrated annual report and Sustainability Performance Report will include the performance of the selected key performance indicator(s), including baselines where relevant, covered by an assurance statement of an independent auditor;
- (b) following a target observation date, a verification assurance certificate confirming whether the performance of the key performance indicator meets the relevant Sustainability Performance Target;
- (c) any information enabling investors to monitor the level of ambition of the Sustainability Performance Target (for example any update in the Group’s sustainability strategy or on the related key performance indicator or environmental, social and governance factor, and more generally any information relevant to the analysis of the key performance indicators and the Sustainability Performance Target); and
- (d) its environmental and climate related data through the CDP Climate Disclosure questionnaire on a yearly basis.

Verification

The Sustainability-Linked Financing Framework and the associated annual reporting will benefit from three layers of external verification:

- (a) a second party opinion by a recognised environmental, social and governance agency on the alignment of the Sustainability-Linked Financing Framework and the associated documentation with the Sustainability-Linked Bond Principles, including an assessment of the relevance, robustness and reliability of selected key performance indicators, the rationale and level of ambition of the proposed Sustainability Performance Target,

the relevance and reliability of selected benchmarks and baselines, and the credibility of the strategy outlined to achieve them, based on scenario analyses, where relevant.;

- (b) an assurance statement by an external auditor on the key performance indicator information included in the Group's integrated annual report and Sustainability Performance Report annually; and
- (c) a verification assurance certificate confirming whether the performance of the key performance indicator meets the relevant Sustainability Performance Target, published on the Guarantor's website following a target observation date.

DESCRIPTION OF THE ISSUER

Holcim Finance (Luxembourg) S.A. was incorporated for an unlimited duration on 27 March 2003 in Luxembourg as a public limited liability company (*société anonyme*) under Luxembourg law and operates under Luxembourg law. Its Articles of Incorporation were published in the Mémorial C, Journal Officiel du Grand-Duché de Luxembourg, Recueil des Sociétés et Associations on 19 April 2003 on pages 20.663 — 20.667 and were last amended on 4 September 2008. The Issuer was registered with the Register of Commerce and Companies of Luxembourg under number B 92528 on 9 April 2003. The Legal Entity Identifier of the Issuer is 529900XU3Z9D2HLBR716. The object of the Issuer as set out in Article 4 of its Articles of Incorporation is to act as a financing company. The registered office and the business address of the Issuer is at 21, rue Louvigny, L-1946 Luxembourg, Luxembourg and its telephone number is +35 22 673 8840. The share capital of the Issuer is EUR 1,900,000 divided into 190,000 shares of EUR 10 each, 99.99 per cent. of which is directly held by LafargeHolcim Ltd and 0.01 per cent. of which is directly held by Holderfin B.V., of which LafargeHolcim Ltd is the ultimate parent company, registered in Switzerland. The shares are all fully paid. The following table sets out details of the members of the Board of Directors.

Name	Function	Other principal activities
Christoph Kossmann	Director	Merck Finance sàrl. Merck Finanz SA Cipio Partners Sàrl Seneca Pool sàrl Various other board positions in the context of the professional activity with IQEQ (Luxembourg) SA
Laurent Jaques	Director	None outside the Group
Mireille Gehlen	Director	None outside the Group

The business address for each member of the Board of Directors are as follows:

Christoph Kossmann: 42 Chemin des Vignes, 5576 Remich, Luxembourg,

Laurent Jaques: Im Schachen, 5113 Holderbank (AG), Switzerland, and

Mireille Gehlen: 53, rue de Merl, L-2146 Luxembourg, Luxembourg.

The General Manager (“*Gestionnaire Délégué*”) of the Issuer is Michaël Bouchat. The General Manager does not have any other principal activities outside the Group and his business address is 21, rue Louvigny, L-1946 Luxembourg, Luxembourg.

The Issuer is not aware of any potential conflicts of interest between the persons named above and their private interests or duties.

None of the members of the Board of Directors, officers and staff of the Issuer has any beneficial interest in the debentures or shares of the Issuer, nor are there any schemes for involving them in the capital thereof.

The Issuer’s principal purpose and activity is to act as a financing company for the Group and it has no independent operating business of its own.

The financial year of the Issuer ends on 31 December in each year.

The financial statements for the year ended 31 December 2019 were audited by Mazars Luxembourg S.A., 5 rue Guillaume Kroll, L-1882 Luxembourg, Luxembourg (member of the Institute of Auditors (*L'Institut des Réviseurs d'Entreprises*) and approved by the CSSF in the context of the law dated 23 July 2016 relating to the audit profession). Mazars Luxembourg S.A. was re-elected on 25 February 2020 for the financial year commencing 1 January 2020.

The financial statements for the year ended 31 December 2018 were audited by Deloitte Audit, 560 rue de Neudorf, 2220 Luxembourg, Luxembourg (registered as a corporate body with the official table of company auditors drawn up by the Luxembourg Ministry of Justice and member of the Institute of Auditors (*L'Institut des Réviseurs d'Entreprises*) and approved by the CSSF in the context of the law dated 23 July 2016 relating to the audit profession).

THE LAFARGEHOLCIM GROUP

LafargeHolcim Ltd is the holding company of the Group and was registered as a corporation under Swiss law under the name “Holderbank Financière Glaris Ltd.” in the Commercial Register of the Canton of Glarus, Switzerland, on 4 August 1930 under number 160.3.003.050-5 with unlimited duration and operates under Swiss law. As of 18 May 2001, the company changed its name to “Holcim Ltd” and moved its registered office to Rapperswil-Jona and was registered with the Commercial Register of the Canton of St. Gall, Switzerland. Due to a change in the filing system of the Commercial Register effective in December 2013, LafargeHolcim Ltd is now registered under the number CHE-100.136.893. As of 10 July 2015, Holcim Ltd completed its merger with Lafarge S.A. and changed its name to “LafargeHolcim Ltd”. The most recent Articles of Incorporation of LafargeHolcim Ltd are dated 24 July 2019 (the “**Articles of Incorporation**”). The registered office of LafargeHolcim Ltd is at Zürcherstrasse 156, 8645 Jona, Switzerland and its telephone number is +41 58 858 5858. The Legal Entity Identifier of LafargeHolcim Ltd is 529900EHPFPYHV6IQO98.

Share Capital

As at the date of this Prospectus, LafargeHolcim Ltd has a share capital of CHF 1,231,858,118, which is divided into 615,929,059 registered shares with a nominal value of CHF 2.00 each.

The information in this section is qualified by reference to, and should be read in conjunction with, the section Corporate Governance of the 2019 Annual Report, incorporated by reference into this Prospectus (see “*Documents incorporated by reference*”).

Major Shareholders

According to the share register and disclosed through notifications filed with LafargeHolcim Ltd and the SIX Swiss Exchange, shareholders owning 3 per cent. of LafargeHolcim Ltd's share capital or more are as follows:

- Thomas Schmidheiny directly and indirectly held 45,804,388 shares or 7.4 per cent., and 6,178,080 options or 1.0 per cent., for a total of 8.4 per cent. as at 31 December 2019¹ (31 December 2018: 69,074,277 shares or 11.4 per cent.);
- Groupe Bruxelles Lambert held 7.57 per cent. as at 30 June 2020 (31 December 2018: 57,238,551 shares or 9.4 per cent.);
- Harris Associates L.P. declared holdings of 17,972,238 shares or 2.96 per cent. as at 20 June 2019 (10 December 2018: 30,342,087 or 4.99 per cent.);
- Harris Associates Investment Trust declared holdings of 18,085,045 shares or 2.98 per cent. as at 29 January 2019 (31 December 2018: 18,332,272 shares or 3.0 per cent.);
- Norges Bank (the Central Bank of Norway) declared holdings of 18,433,933 shares or 2.99 per cent. as at 24 March 2020;
- BlackRock Inc. declared holdings of 29,494,217 shares or 4.79 per cent. as at 5 November May 2020.

¹ Excluding the shares of family members

Purpose

According to Article 2 of the Articles of Incorporation of LafargeHolcim Ltd, the purpose of LafargeHolcim Ltd is to participate in manufacturing, trade and financing companies in Switzerland and abroad, in particular in the hydraulic binders industry and other industries related thereto and LafargeHolcim Ltd may pursue any form of business directly or indirectly related to its purpose or which is likely to promote it.

BUSINESS

The selected historical financial information included in this section has been extracted or derived from the consolidated financial statements, which were prepared and presented in accordance with International Financial Reporting Standards (“IFRS”). This information should be read in conjunction with the consolidated financial statements and the notes related thereto incorporated by reference in this Prospectus.

General

The Group’s business activities are organised into five geographical regions (Asia Pacific, Latin America, Europe, North America and Middle East Africa) and are divided into four product lines:

- cement, which includes all activities focusing on the manufacture and distribution of cement and other cementitious materials;
- aggregates, which comprises the production, processing and distribution of aggregates such as crushed stone, gravel and sand;
- ready-mix concrete; and
- solutions & products, which comprises precast, concrete products, asphalts, mortars and contracting and services.

The Group operates in around 70 countries and has a diversified customer base. The Group serves a variety of customers ranging from individual homebuilders to organisations undertaking large and complex infrastructure projects. The Group also provides a wide range of value-added products, innovative services and comprehensive building solutions.

For the year ended 31 December 2019, the Group reported a Recurring EBITDA of CHF 6,153⁶ million on net sales of CHF 26,722 million compared to a Recurring EBITDA of CHF 6,016 million on net sales of CHF 27,466 million in 2018. The Group reported a Free Cash Flow of CHF 3,047⁶ million for the year ended 31 December 2019 and CHF 1,703 million for the year ended 31 December 2018.

Products

Cement

LafargeHolcim is one of the largest global producers of cement and clinker in the world in terms of consolidated volume sold. The cement business segment accounted for combined net sales of CHF 17,498 million (including inter-segment sales) for the year ended 31 December 2019.

Cement is manufactured through a large-scale, complex, and capital and energy-intensive process. At the core of the production process is a rotary kiln, in which limestone and clay are heated to approximately 1,450 degrees celsius. The semi-finished product, called clinker, is created by sintering. In the cement mill, gypsum is added to the clinker and the mixture is ground to a fine powder – traditional portland cement. Other high-grade materials such as granulated blast furnace slag, fly ash, pozzolan, and limestone are added in order to modify the properties of the cement. LafargeHolcim offers customers a very wide range of cements. The Group also generates added value for its partners through the advice it gives and the customised solutions it delivers for specific construction projects.

⁶ Pre-IFRS 16.

Aggregates

The Group is a producer of aggregates. The aggregates business segment accounted for total net sales of CHF 4,125 million (including inter-segment sales) for the year ended 31 December 2019.

Aggregates include crushed stone, gravel and sand. The production process centres around quarrying, preparing and sorting the raw material, as well as quality testing. Aggregates are mainly used in the manufacturing of ready-mix concrete, concrete products and asphalt as well as for road building and railway track beds. The recycling of aggregates from concrete material is an alternative that is gaining importance at the Group.

Ready-Mix Concrete

The ready-mix concrete business segment accounted for sales (including inter-segment sales) of CHF 5,289 million for the year ended 31 December 2019.

Solutions & Products

The Solutions & Products business segment accounted for sales (including inter-segment sales) of CHF 2,248 million for the year ended 31 December 2019.

Competition

Many of the markets for cement, aggregates and other construction materials and services are highly competitive. Competition in these segments is based largely on price and, to a lesser extent (but still substantially), quality and service, due to the relatively low degree of product differentiation and the predominantly commodity nature of building material products and construction services.

The Group estimates (on the basis of data contained in the Global Cement Directory 2019) that as at January 2019 the top four global cement producers represented approximately 21 per cent. of global capacity (excluding China). Competition for the Group in the cement industry varies from market to market, but on a global basis the Group believes its major competitors to be HeidelbergCement AG, CRH plc and Cemex S.A.B. de C.V.

The Group competes in each of its markets with domestic and foreign suppliers as well as with importers of foreign products and with local and foreign construction service providers. Accordingly, the Group's profitability is generally dependent on the level of demand for such building materials and services as a whole, and on its ability to control its efficiency and operating costs. Prices in these markets are subject to material changes in response to relatively minor fluctuations in supply and demand, general economic conditions, and other market conditions beyond the Group's control. As a consequence, the Group may face price, margin or volume declines in the future. Any significant volume, margin or price declines could have an adverse effect on the Group's results of operations.

Recent Developments

In the Q3 2020 Results Media Release and the Q3 2020 Analyst Presentation, LafargeHolcim Ltd stated that as a result of the ongoing uncertainties in relation to the COVID-19 pandemic and the lack of visibility, it remains very difficult to provide an outlook. Due to the Coronavirus pandemic, the local markets may be impacted by various factors outside of the Group's control, including a prolonged spread of the Coronavirus, or governmental measures continuously affecting the Group's operations.

However LafargeHolcim is confident about the future, based on the resilience of its strategy, the agility of its decentralized business model, the rigorous execution of its action plan "HEALTH, COST & CASH" and its strong financial position; therefore it expects the following:

- resilient demand for the fourth quarter of 2020⁷;
- execution of action plan “HEALTH, COST & CASH” to continue ahead of targets;
- 2020 Free Cash Flow guidance increased to above CHF 2.75 billion based on strong Q3 performance; and
- strong balance sheet, debt leverage below 1.8x.

The principal assumptions on which these ambitions are based come from an internal analysis performed at Group level of the individual countries’ contributions, which are reviewed by the relevant regional management and validated by the LafargeHolcim Executive Committee.

To the extent that such a statement constitutes a profit forecast within the meaning of Commission Delegated Regulation (EU) 2019/980, LafargeHolcim confirms that the profit forecast has been properly prepared on the basis stated and that the accounting policies used for the purposes of such forecast are consistent with the accounting policies of LafargeHolcim.

Recent trends, uncertainties and demands

Given the ongoing uncertainties in relation to the COVID-19 pandemic and the lack of visibility, it remains very difficult to provide an outlook. Nevertheless, the Group expects resilient demand for the fourth quarter of 2020⁸.

Litigation

As previously reported in the 2019 Annual Report, a Group subsidiary has an investment in a joint venture which owns a cement plant in Cuba. The Trump Administration allowed the waiver of Title III of the Helms-Burton Act (formally known as Cuban Liberty and Democratic Solidarity Act of 1996) to lapse as of 2 May 2019. Previously, Title III had been waived by every Administration since President Clinton waived it shortly after the Act became effective. Title III allows certain persons to file lawsuits in U.S. courts relating to property allegedly confiscated by the Cuban government since 1959. On 11 September 2020, the Group received notice of a claim purporting to be made under Title III of the Helms-Burton Act, although the claim has not yet been formally served on the Group. The plaintiffs allege that they hold an interest in the land on which the cement plant is located, which would have been expropriated by the Cuban government. The plaintiffs seek all available statutory remedies, including the value of the expropriated property, plus interest, treble damages, attorneys’ fees and costs. The Group believes that it has meritorious defences to the claims and intends to vigorously defend itself against these claims, once and if the lawsuit is formally served on it. The Group further believes that it is unlikely that the results of this litigation will be material to its business, financial condition or results of operations. However, litigation is inherently uncertain and there is little judicial history or interpretation of the relevant claims and defences under the Helms-Burton Act, in particular as applied to businesses like LafargeHolcim’s. As a result, there can be no assurance that the final outcome of this case will not be material.

⁷ Subject to pandemic-related uncertainties

⁸ Subject to pandemic-related uncertainties

Board of Directors and Executive Committee

Board of Directors

The Board of Directors consists of 12 members, all of whom are independent, were not previously members of the LafargeHolcim management, and have no important business connections with LafargeHolcim.

As at the date of this Prospectus, the following persons belong to the Board of Directors:

Members of the Board of Directors	Functions
Beat Hess	Chairman
Oscar Fanjul	Vice-Chairman
Philippe Block	Member
Kim Fausing	Member
Colin Hall	Member
Naina Lal Kidwai	Member
Patrick Kron	Member
Adrian Loader	Member
Jürg Oleas	Member
Claudia Sender Ramirez	Member
Hanne Birgitte Breinbjerg Sørensen	Member
Dieter Spälti	Member

The Group is not aware of any potential conflicts of interest between the duties to LafargeHolcim Ltd of the persons listed above and their private interests or duties.

The business address for each member of the Board of Directors is LafargeHolcim Ltd, Zürcherstrasse 156, 8645 Jona, Switzerland.

Audit Committee

The composition of the Audit Committee as at the date of this Prospectus is as follows:

Patrick Kron	Chairman
Kim Fausing	Member
Jürg Oleas	Member
Hanne Birgitte Breinbjerg Sørensen	Member
Dieter Spälti	Member

Group Executive Committee

The following are the members of the Executive Committee of the Group and their area of responsibility as at the date of this Prospectus:

Jan Jenisch	Chief Executive Officer
Géraldine Picaud	Chief Financial Officer

Marcel Cobuz	Member (Region Head Europe)
Miljan Gutovic	Member (Region Head Middle East Africa)
Martin Kriegner	Member (Region Head Asia Pacific)
Oliver Osswald	Member (Region Head Latin America)
René Thibault	Member (Region Head North America)
Feliciano González Muñoz	Member (Head Human Resources)
Keith Carr	Member (Head Legal and Compliance)
Magali Anderson	Chief Sustainability Officer

As at the date of this Prospectus, save for (i) Jan Jenisch who is a non-executive Director of the privately held Glas Troesch and (ii) Géraldine Picaud who is non-executive Director of the stock-listed Infineon Technologies AG, the Group is not aware of any potential conflicts of interest between the duties to LafargeHolcim Ltd of the persons listed above and their private interests and duties.

The business address of each of the above is LafargeHolcim Ltd, Zürcherstrasse 156, 8645 Jona, Switzerland.

Auditors

Deloitte AG, General-Guisan-Quai 38, 8022 Zurich, Switzerland (registered with the Federal Audit Oversight Authority) audited the Group's consolidated financial statements for the fiscal years ended 31 December 2019 and 31 December 2018. Deloitte AG were re-appointed on 12 May 2020.

TAXATION

The following is a general description of the Issuer's and the Guarantor's understanding of certain Luxembourg and Swiss tax considerations relating to the Notes. It does not purport to be a complete analysis of all tax considerations relating to the Notes, whether in those countries or elsewhere. Prospective purchasers of the Notes should consult their own tax advisers as to which countries' tax laws could be relevant to acquiring, holding and disposing of the Notes and receiving payments of interest, principal and/or other amounts under the Notes and the consequences of such actions under the tax laws of those countries. This overview is based upon the law as in effect on the date of this Prospectus and is subject to any change in law that may take effect after such date, even with retroactive effect.

Luxembourg

The comments below are intended as a basic overview of certain tax consequences in relation to the purchase, ownership and disposition of the Notes under Luxembourg law. Persons who are in any doubt as to their tax position should consult a professional tax adviser.

Withholding Tax

Under Luxembourg tax law currently in effect and subject to the exception below, no Luxembourg withholding tax is due on payments of interest (including accrued but unpaid interest) or repayments of principal.

In accordance with the law of 23 December 2005, as amended, interest payments made by Luxembourg paying agents to Luxembourg individual residents and to certain residual entities are subject to a 20 per cent. withholding tax (the “**20 per cent. Luxembourg Withholding Tax**”). Responsibility for withholding such tax will be assumed by the Luxembourg paying agent.

Income Taxation on Principal, Interest, Gains on Sales or Redemption

Luxembourg tax residence of the Noteholders

Noteholders will not be deemed to be resident, domiciled or carrying on business in Luxembourg solely by reason of holding, execution, performance, delivery, exchange and/or enforcement of the Notes.

Taxation of Luxembourg non-residents

Noteholders who are non-residents of Luxembourg and who do not have a permanent establishment, a permanent representative, or a fixed place of business in Luxembourg with which the holding of the Notes is connected, are not liable to any Luxembourg income tax, whether they receive payments of principal, payments of interest (including accrued but unpaid interest), payments received upon redemption or repurchase of the Notes, or realise capital gains on the sale of any Notes.

Taxation of Luxembourg residents

Noteholders who are residents of Luxembourg, or non-resident Noteholders who have a permanent establishment, a permanent representative or a fixed base of business in Luxembourg with which the holding of the Notes is connected, will not be liable to any Luxembourg income tax on repayment of principal.

Interest received by an individual resident in Luxembourg is, in principle, reportable and taxable at the progressive rate unless the interest has been subject to withholding tax (see “*Withholding Tax*” above) or to the 20 per cent. Tax (as defined hereafter), if applicable. Indeed, pursuant to the Luxembourg law of 23 December 2005, as amended, Luxembourg resident individuals, acting in the framework of their private

wealth, can opt to self-declare and pay a 20 per cent. tax (the “**20 per cent. Tax**”) on interest payments made by paying agents located in an EU member state other than Luxembourg or in a member state of the European Economic Area. The 20 per cent. Luxembourg Withholding Tax or the 20 per cent. Tax represent the final tax liability on interest received for the Luxembourg resident individuals receiving the interest payment in the framework of their private wealth and can be reduced in consideration of foreign withholding tax, based on double tax treaties concluded by Luxembourg. Luxembourg resident individual Noteholders receiving the interest as business income must include interest income in their taxable basis; the 20 per cent. Luxembourg Withholding Tax levied, if applicable, will be credited against their final income tax liability.

Luxembourg resident individual Noteholders are not subject to taxation on capital gains upon the disposal of the Notes, unless the disposal of the Notes precedes the acquisition of the Notes or the Notes are disposed of within six months of the date of acquisition of these Notes. Upon redemption, sale or exchange of the Notes, accrued but unpaid interest will, however, be subject to the 20 per cent. Luxembourg Withholding Tax or upon option by the Luxembourg resident individual Holder, the 20 per cent. Tax. Individual Luxembourg resident Noteholders receiving the interest as business income must also include the portion of the redemption price corresponding to this interest in their taxable income; the 20 per cent. Luxembourg Withholding Tax levied will be credited against their final income tax liability, if applicable.

Noteholders who are Luxembourg resident companies (*société de capitaux*) or foreign entities which have a permanent establishment or a permanent representative in Luxembourg with which the holding of the Notes is connected, must include in their taxable income any interest (including accrued but unpaid interest) and the difference between the sale or redemption price (including accrued but unpaid interest) and the lower of the cost or book value of the Notes sold or redeemed.

Luxembourg resident corporate Noteholders who are family wealth management companies subject to the law of 11 May 2007, undertakings for collective investment subject to the law of 17 December 2010, to the law of 13 February 2007, or to the law of 23 July 2016 on reserved alternative investment funds (provided it is not foreseen in the incorporation documents that (i) the exclusive object is the investment in risk capital and that (ii) article 48 of the aforementioned law of 23 July 2016 applies) are tax exempt entities in Luxembourg, and are thus not subject to any Luxembourg tax (i.e. corporate income tax, municipal business tax and net wealth tax), other than the annual subscription tax calculated on their (paid up) share capital (and share premium) or net asset value.

Net Wealth Tax

Luxembourg net wealth tax will not be levied on the Notes held by a corporate Holder, unless: (a) such Noteholder is a Luxembourg resident other than a Noteholder governed by: (i) the laws of 17 December 2010 and 13 February 2007 on undertakings for collective investment; (ii) the law of 22 March 2004 on securitisation; (iii) the law of 15 June 2004 on the investment company in risk capital; (iv) the law of 11 May 2007 on family estate management companies; or (v) the law of 23 July 2016 on reserved alternative investment funds or (b) such Notes are attributable to an enterprise or part thereof which is carried on by a non-resident company in Luxembourg through a permanent establishment.

Luxembourg net wealth tax is levied at a 0.5 per cent. rate up to EUR 500 million taxable base and at a 0.05 per cent. rate on the taxable base in excess of EUR 500 million. Securitisation vehicles, investment companies in risk capital (*Société d'investissement en capital à risque (SICAR)*), a regulated structure designed for private equity and venture capital investments (organised as tax opaque companies), and reserved alternative investment funds subject to the law of 23 July 2016 (provided it is foreseen in the incorporation documents that (i) the exclusive object is the investment in risk capital and that (ii) article 48 of the aforementioned law of 23 July 2016 applies), are subject to net wealth tax up to the amount of the minimum net wealth tax.

The minimum net wealth tax is levied on companies having their statutory seat or central administration in Luxembourg. For entities for which the sum of fixed financial assets, receivables against related companies, transferable securities and cash at bank exceeds 90 per cent. of their total gross assets and EUR 350,000, the minimum net wealth tax is currently set at EUR 4,815. For all other companies having their statutory seat or central administration in Luxembourg which do not fall within the scope of the EUR 4,815 minimum net wealth tax, the minimum net wealth tax ranges from EUR 535 to EUR 32,100, depending on the company's total gross assets.

Other Taxes

No stamp, value, issue, registration, transfer or similar taxes or duties will be payable in Luxembourg by Noteholders in connection with the issue of the Notes, nor will any of these taxes be payable as a consequence of a subsequent transfer, exchange or redemption of the Notes, unless the documents relating to the Notes are (i) voluntarily registered in Luxembourg, (ii) appended to a document that requires obligatory registration in Luxembourg (*annexés à un acte*), or (iii) if the Notes are deposited in the minutes of a notary (*déposés au rang des minutes d'un notaire*). There is no Luxembourg value added tax payable in respect of payments in consideration for the issuance of the Notes or in respect of the payment of interest or principal under the Notes or the transfer of the Notes. Luxembourg value added tax may, however, be payable in respect of fees charged for certain services rendered to the Issuer if, for Luxembourg value added tax purposes, such services are rendered or are deemed to be rendered in Luxembourg and an exemption from Luxembourg value added tax does not apply with respect to such services.

No Luxembourg inheritance tax is levied on the transfer of the Notes upon the death of a Noteholder in cases where the deceased was not a resident of Luxembourg for inheritance tax purposes. Where a Noteholder is a resident of Luxembourg for tax purposes at the time of his death, the Notes are included in his taxable estate for inheritance tax assessment purposes. No Luxembourg gift tax will be levied on the transfer of the Notes by way of gift unless the gift is registered in Luxembourg.

Switzerland

The following discussion is an overview of certain material Swiss tax considerations based on the legislation as of the date of this Prospectus. It does not aim to be a comprehensive description of all the Swiss tax considerations that may be relevant for a decision to invest in the Notes. The tax treatment for each investor depends on the particular situation. All investors are advised to consult with their professional tax advisors as to the respective Swiss tax consequences of the purchase, ownership, disposition, lapse, exercise or redemption of the Notes in light of their particular circumstances.

Withholding tax

Neither payments of interest on, nor repayment of principal of, the Notes by the Issuer, or by LafargeHolcim Ltd as Guarantor, will be subject to Swiss federal withholding tax, even though the Notes are guaranteed by LafargeHolcim Ltd, provided that the Issuer will receive, and will use, the proceeds from the offering and sale of the Notes, at all times while any Notes are outstanding, outside Switzerland and that the Issuer is at all times resident and managed outside Switzerland for Swiss tax purposes.

On 3 April 2020, the Swiss Federal Council published a consultation draft on the reform of the Swiss withholding tax system applicable to interest on bonds. This consultation draft provides for, among other things and subject to certain exceptions, the replacement of the current debtor-based regime applicable to interest payments with a paying agent-based regime for Swiss withholding tax. Under this paying agent-based regime, subject to certain exceptions, (i) all interest payments made by paying agents acting out of

Switzerland to individuals resident in Switzerland will be subject to Swiss withholding tax, including on bonds issued by issuers outside Switzerland, and (ii) interest payments to all other persons will be exempt from Swiss withholding tax, including to foreign investors (except indirect interest payments through foreign and Swiss domestic collective investments vehicles) and Swiss domiciled legal entities. However, the results of the consultation, which ended on 10 July 2020, were controversial. Consequently, on 11 September 2020, the Swiss Federal Council decided to prepare a new draft on the reform of the Swiss withholding tax system providing for the abolition of Swiss withholding tax on interest payments on bonds for submission to the Swiss Federal Parliament. If nevertheless a new paying agent-based regime were to be enacted as contemplated by the consultation draft published on 3 April 2020 and were to result in the deduction or withholding of Swiss withholding tax on any payments under the Guarantee relating to interest in respect of a Note, the holder of such Note would not be entitled to receive any additional amounts as a result of such deduction or withholding under the terms of the Guarantee.

Swiss federal stamp duty

Secondary market dealings in the Notes where a Swiss domestic bank or a Swiss domestic securities dealer (as defined in the Swiss Federal Stamp Duty Act) acts as a party or as an intermediary to the transaction may be subject to Swiss federal stamp duty on dealing in securities at a rate of up to 0.3 per cent. of the purchase price of Notes.

Income taxation on principal or interest

(i) Notes held by non-Swiss holders

Payments of interest on, and repayment of principal of, the Notes by the Issuer, or by LafargeHolcim Ltd as Guarantor, to, and gain realised on the sale or redemption of Notes by, a holder of Notes who (x) is not a resident of Switzerland and (y) during the relevant taxation year has not engaged in a trade or business through a permanent establishment or a fixed place of business in Switzerland to which the Notes are attributable, will not be subject to any Swiss federal, cantonal or communal income tax.

(ii) Notes held by Swiss resident holders as private assets

An individual who resides in Switzerland and privately holds a Note is required to include all payments of interest received on such Note (and any payment under the Guarantee in relation thereto) as well as an original issue discount or a repayment premium in his or her personal income tax return for the relevant tax period and is taxable on the net taxable income (including the payment of interest on the Note) for such tax period at the then prevailing tax rates.

Swiss resident individuals who sell or otherwise dispose of privately held Notes realise either a tax-free private capital gain or a non-tax-deductible capital loss. See “*Notes held as Swiss business assets*” below for an overview on the tax treatment of individuals classified as “**professional securities dealers**”.

(iii) Notes held as Swiss business assets

Individuals who hold Notes as part of a business in Switzerland, Swiss-resident corporate taxpayers holding Notes, and corporate taxpayers residing abroad holding Notes as part of a Swiss permanent establishment or fixed place of business in Switzerland, are required to recognise payments of interest on, and any capital gain or loss realised on the sale or other disposal of, such Notes, in their income statement for the respective tax period and will be taxable on any net taxable earnings for such period at the prevailing tax rates. The same taxation treatment also applies to Swiss-resident individuals who,

for Swiss income tax purposes, are classified as “professional securities dealers” for reasons of, *inter alia*, frequent dealings, or leveraged transactions, in securities.

Automatic Exchange of Information in Tax Matters

On 19 November 2014, Switzerland signed the Multilateral Competent Authority Agreement (the “MCAA”). The MCAA is based on Article 6 of the OECD/Council of Europe administrative assistance convention and is intended to ensure the uniform implementation of Automatic Exchange of Information (the “AEOI”). The Federal Act on the International Automatic Exchange of Information in Tax Matters (the “AEOI Act”) entered into force on 1 January 2017. The AEOI Act is the legal basis for the implementation of the AEOI standard in Switzerland.

The AEOI is being introduced in Switzerland through bilateral agreements or multilateral agreements. The agreements have, and will be, concluded on the basis of guaranteed reciprocity, compliance with the principle of speciality (i.e. the information exchanged may only be used to assess and levy taxes (and for criminal tax proceedings)) and adequate data protection.

Switzerland has concluded a multilateral AEOI agreement with the EU (replacing the EU savings tax agreement) and has concluded bilateral AEOI agreements with several non-EU countries.

Based on such multilateral agreements and bilateral agreements and the implementing laws of Switzerland, Switzerland collects and exchanges data in respect of financial assets, including, as the case may be, Notes, held in, and income derived thereon and credited to, accounts or deposits with a paying agent in Switzerland for the benefit of individuals resident in a EU member state or in a treaty state.

The proposed financial transactions tax (“FTT”)

The European Commission has published a proposal for a Directive for a common FTT in Belgium, Germany, Estonia, Greece, Spain, France, Italy, Austria, Portugal, Slovenia and Slovakia (the “**participating Member States**”). However, Estonia has since stated that it will not participate.

The FTT that was initially proposed had a very broad scope and could, if introduced in that form, apply to certain dealings in the Notes (including secondary market transactions) in certain circumstances. Primary market transactions referred to in Article 5(c) of Regulation (EC) No 1287/2006 were intended to be exempt.

In its initial version, the FTT could apply in certain circumstances to persons both within and outside of the participating Member States. Generally, it would apply to certain dealings in the Notes where at least one party is a financial institution, and at least one party is established in a participating Member State. A financial institution could be, or be deemed to be, “established” in a participating Member State in a broad range of circumstances, including (a) by transacting with a person established in a participating Member State or (b) where the financial instrument which is subject to the dealings is issued in a participating Member State.

The FTT proposal remains subject to negotiation between participating Member States. It may therefore be altered prior to any implementation, the timing of which remains unclear. Additional EU Member States may decide to participate. Following the meeting of the Council of the EU of 14 June 2019, the FTT currently being considered by FTT Participating Member States would be levied on the acquisition of shares of listed companies which have their head office in a member state of the EU and market capitalisation in excess of €1 billion on 1 December of the preceding year, rather than on any type of financial instrument. In order to reach a final agreement among the member states participating in the enhanced cooperation, further work in the Council and its preparatory bodies will be required in order to ensure that the competences, rights and obligations of nonparticipating EU member states are respected.

If the proposed directive or any similar tax was adopted and depending on the final terms and scope of the FTT, transactions on the Notes could be subject to higher costs, and the liquidity of the market for the Notes may be diminished.

Prospective holders of the Notes are advised to seek their own professional advice in relation to the FTT.

FATCA Withholding

Pursuant to certain provisions of the U.S. Internal Revenue Code of 1986, commonly known as FATCA, a “foreign financial institution” may be required to withhold on certain payments it makes (“**foreign passthru payments**”) to persons that fail to meet certain certification, reporting, or related requirements. A number of jurisdictions (including Luxembourg and Switzerland) have entered into, or have agreed in substance to, intergovernmental agreements with the United States to implement FATCA (“**IGAs**”), which modify the way in which FATCA applies in their jurisdictions. Certain aspects of the application of the FATCA provisions and IGAs to instruments such as the Notes, including whether withholding would ever be required pursuant to FATCA or an IGA with respect to payments on instruments such as the Notes, are uncertain and may be subject to change. Even if withholding would be required pursuant to FATCA or an IGA with respect to payments on instruments such as the Notes, such withholding would not apply prior to the date that is two years after the date on which final regulations defining foreign passthru payments are published in the U.S. Federal Register. Holders should consult their own tax advisors regarding how these rules may apply to their investment in the Notes. In the event any withholding would be required pursuant to FATCA or an IGA with respect to payments on the Notes, no person will be required to pay additional amounts as a result of the withholding.

SUBSCRIPTION AND SALE

ING Bank N.V., Société Générale, Banco Santander, S.A., BNP Paribas, HSBC France, Banco Bilbao Vizcaya Argentaria, S.A., Crédit Agricole Corporate and Investment Bank and UniCredit Bank AG (the “**Joint Bookrunners**”) have, pursuant to a Subscription Agreement dated 19 November 2020 (the “**Subscription Agreement**”), jointly and severally agreed with the Issuer, subject to the satisfaction of certain conditions, to subscribe the Notes at 99.435 per cent. of their principal amount. The Issuer has agreed to pay to the Joint Bookrunners a combined management and underwriting commission. In addition, the Issuer has agreed to reimburse the Joint Bookrunners for certain of their expenses in connection with the issue of the Notes. The Subscription Agreement entitles the Joint Bookrunners to terminate it in certain circumstances prior to payment in respect of the Securities being made to the Issuer.

Selling Restrictions

United States of America

The Notes and the Guarantee have not been and will not be registered under the Securities Act, and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except in certain transactions exempt from the registration requirements of the Securities Act. Terms used in this paragraph have the meanings given to them by Regulation S under the Securities Act (“**Regulation S**”).

The Notes are subject to U.S. tax law requirements and may not be offered, sold or delivered within the United States or its possessions or to a United States person, except in certain transactions permitted by U.S. tax regulations. Terms used in this paragraph have the meanings given to them by the U.S. Internal Revenue Code of 1986 and regulations thereunder.

Each Joint Bookrunner has agreed that, except as permitted by the Subscription Agreement, it will not offer, sell or deliver the Notes and the Guarantee (i) as part of their distribution at any time or (ii) otherwise until 40 days after the later of the commencement of the offering and the Issue Date, within the United States or to, or for the account or benefit of, U.S. persons, and it will have sent to each dealer to which it sells Notes and the Guarantee during the distribution compliance period a confirmation or other notice setting forth the restrictions on offers and sales of the Notes and the Guarantee within the United States or to, or for the account or benefit of, U.S. persons. Terms used in this paragraph have the meanings given to them by Regulation S.

In addition, until 40 days after the commencement of the offering of the Notes and the Guarantee, an offer or sale of Notes or the Guarantee within the United States by a dealer that is not participating in the offering may violate the registration requirements of the Securities Act.

United Kingdom

Each Joint Bookrunner has represented, warranted and agreed that:

- (a) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the Financial Services and Markets Act 2000 (the “**FSMA**”)) received by it in connection with the issue or sale of the Notes in circumstances in which Section 21(1) of the FSMA does not apply to the Issuer or the Guarantor; and

- (b) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to the Notes in, from or otherwise involving the United Kingdom.

Prohibition of Sales to EEA and UK Retail Investors

Each Joint Bookrunner has represented and agreed that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Notes to any retail investor in the European Economic Area or in the United Kingdom. For the purposes of this provision, the expression “**retail investor**” means a person who is one (or more) of the following:

- (a) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, “**MiFID II**”); or
- (b) a customer within the meaning of Directive (EU) 2016/97 (as amended or superseded, the “**Insurance Distribution Directive**”), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II.

Republic of Italy

The offering of the Notes has not been registered with the Commissione Nazionale per le Società e la Borsa (“**CONSOB**”) pursuant to Italian securities legislation and, accordingly, each Joint Bookrunner has represented and agreed that, save as set out below, it has not offered or sold, and will not offer or sell, any Notes in the Republic of Italy (“**Italy**”) in an offer to the public and that sales of the Notes in Italy shall be effected in accordance with all Italian securities, tax and exchange control and other applicable laws and regulations.

Accordingly, each of the Joint Bookrunners has represented and agreed that it will not offer, sell or deliver any Notes or distribute copies of this Prospectus or of any other document relating to the Notes in Italy, except:

- (a) to qualified investors (*investitori qualificati*), as defined pursuant to Article 2 of the Prospectus Regulation and any applicable provision of Legislative Decree No. 58 of 24 February 1998, as amended (the “**Italian Financial Services Act**”) and Italian CONSOB regulations; or
- (b) in any other circumstances which are exempted from the rules on offers to the public pursuant to Article 1 of the Prospectus Regulation, Article 34-ter of CONSOB Regulation No. 11971 of 14 May 1999, as amended (“**CONSOB Regulation No. 11971**”) and the applicable Italian laws.

Any offer, sale or delivery of the Notes or distribution of copies of this Prospectus or any other document relating to the Notes in Italy under (a) or (b) above must be made:

- (i) by an investment firm, bank or financial intermediary permitted to conduct such activities in Italy in accordance with the Financial Services Act, Legislative Decree No. 385 of 1 September 1993, as amended (the “**Italian Banking Act**”) and CONSOB Regulation No. 20307 of 15 February 2018, as amended (“**CONSOB Regulation No. 20307**”) and any other applicable laws and regulations;
- (ii) in compliance with Article 129 of the Italian Banking Act, pursuant to which the Bank of Italy may request information on the issue or the offer of securities in Italy and the relevant implementing guidelines of the Bank of Italy issued on 25 August 2015 (as amended on 10 August 2016); and
- (iii) in compliance with any other applicable laws and regulations, as well as with any regulations or requirements imposed by CONSOB, the Bank of Italy or other Italian authority.

In accordance with the Italian Financial Services Act and the Prospectus Regulation, concerning the circulation of financial products, where no exemption from the rules on offers of securities to the public applies under (a) and (b) above, the subsequent distribution of the Notes on the secondary market in Italy must be made in compliance with the offer to the public and the prospectus requirement rules provided under the Italian Financial Services Act and CONSOB Regulation No. 11971. Furthermore, Article 100-bis of the Italian Financial Services Act affects the transferability of the Notes in Italy to the extent that any placing of the Notes is made solely with qualified investors and the Notes are then systematically resold to non-qualified investors on the secondary market at any time in the 12 months following such placing. Where this occurs, if a prospectus has not been published, purchasers of the Notes who are acting outside of the course of their business or profession may be entitled to declare such purchase null and void and to claim damages from any authorised intermediary at whose premises the Notes were purchased, unless an exemption provided for under the Prospectus Regulation or the Italian Financial Services Act applies.

Japan

The Notes have not been and will not be registered under the Financial Instruments and Exchange Act of Japan (Act No. 25 of 1948, as amended, the “**Financial Instruments and Exchange Act**”). Accordingly, each Joint Bookrunner has represented and agreed that it has not, directly or indirectly, offered or sold and will not, directly or indirectly, offer or sell any Notes in Japan or to, or for the benefit of, any resident of Japan or to others for re-offering or re-sale, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan, except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the Financial Instruments and Exchange Act and other relevant laws and regulations of Japan. As used in this paragraph, “*resident of Japan*” means any person resident in Japan, including any corporation or other entity organised under the laws of Japan

Switzerland

Each Joint Bookrunner has acknowledged, represented and agreed that:

- (i) the Notes may not be publicly offered, directly or indirectly, in Switzerland within the meaning of the Swiss Financial Services Act dated 15 June 2018 (“**FinSA**”), and no application has been or will be made to admit the Notes to trading on any trading venue (exchange or multilateral trading facility) in Switzerland;
- (ii) neither this Prospectus nor any other offering or marketing material relating to the Notes (x) constitutes a prospectus as such term is understood pursuant to the FinSA or (y) has been or will be filed with or approved by a Swiss review body pursuant to article 52 of the FinSA; and
- (iii) neither this Prospectus nor any other offering or marketing material relating to the Notes may be publicly distributed or otherwise made publicly available in Switzerland.

France

Each of the Joint Bookrunners has represented and agreed that it has only offered or sold and will only offer or sell, directly or indirectly, any Notes in France to, and it has only distributed or caused to be distributed and will only distribute or cause to be distributed in France, the Prospectus or any other offering material relating to the Notes to qualified investors as defined in Article 2(e) of the Prospectus Regulation.

Singapore

Each of the Joint Bookrunners has acknowledged that this Prospectus has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, each Joint Bookrunner has represented and agreed that it has not offered or sold any Notes or caused the Notes to be made the subject of an invitation for subscription or purchase and will not offer or sell any Notes or cause the Notes to be made the subject of an invitation for subscription or purchase, and has not circulated or distributed, nor will it circulate or distribute, this Prospectus or any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the Notes, whether directly or indirectly, to any person in Singapore other than (i) to an institutional investor (as defined in Section 4A of the SFA) pursuant to Section 274 of the SFA, (ii) to a relevant person (as defined in Section 275(2) of the SFA) pursuant to Section 275(1) of the SFA, or any person pursuant to Section 275(1A) of the SFA, and in accordance with the conditions specified in Section 275 of the SFA, or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Where the Notes are subscribed or purchased under Section 275 of the SFA by a relevant person which is:

- (a) a corporation (which is not an accredited investor (as defined in Section 4A of the SFA)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or
- (b) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary of the trust is an individual who is an accredited investor,

securities or securities-based derivative contracts (each term as defined in Section 2(1) of the SFA) of that corporation or the beneficiaries' rights and interest (howsoever described) in that trust shall not be transferred within six months after that corporation or that trust has acquired the Notes pursuant to an offer made under Section 275 of the SFA except:

- (a) to an institutional investor or to a relevant person or to any person arising from an offer referred to in Section 275(1A) or Section 276(4)(i)(B) of the SFA;
- (b) where no consideration is or will be given for the transfer;
- (c) where the transfer is by operation of law;
- (d) as specified in Section 276(7) of the SFA; or
- (e) as specified in Regulation 37A of the Securities and Futures (Offers of Investments) (Securities and Securities-based Derivatives Contracts) Regulations 2018.

Singapore SFA Product Classification: In connection with Section 309B of the SFA and the CMP Regulations 2018, the Issuer has determined, and hereby notifies all relevant persons (as defined in Section 309A(1) of the SFA), that the Notes are prescribed capital markets products (as defined in the CMP Regulations 2018) and Excluded Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).

General

No action has been taken in any jurisdiction that would permit a public offering of any of the Notes, or possession or distribution of the Prospectus, in any country or jurisdiction where action for that purpose is required.

Each Joint Bookrunner has agreed that it will, to the best of its knowledge and belief, comply with all relevant laws, regulations and directives in each jurisdiction in which it purchases, offers, sells or delivers Notes or has in its possession or distributes the Prospectus, any other offering material, and neither the Issuer or the Guarantor nor any Joint Bookrunner shall have responsibility therefor.

GENERAL INFORMATION

It is expected that listing of the Notes on the Official List and admission of the Notes to trading on the Luxembourg Stock Exchange will be granted on or about 23 November 2020, subject only the issue of the Temporary Global Note. The fees estimated in connection with the listing and admission to trading of the Notes on the Luxembourg Stock Exchange are estimated to amount to approximately €13,700.

1. The Issuer may decide, pursuant to the provisions of Fiscal Agency Agreement and Subscription Agreement, to delist the Notes from the Luxembourg Stock Exchange and seek an alternative listing for the Notes on another stock exchange.
2. The Issuer and the Guarantor have obtained all necessary consents, approvals and authorisations in Luxembourg and Switzerland, respectively in connection with the issue of the Notes and the Guarantee. The issue of the Notes was authorised by a resolution of the Board of Directors of the Issuer passed on 11 November 2020. The giving of the guarantee in respect of the Notes was authorised and approved by a resolution of the Board of Directors of the Guarantor dated 26 February 2020.
3. Save as disclosed in the Q3 2020 Results Media Release and the Q3 2020 Analyst Presentation, which are incorporated by reference in this Prospectus, there has been no significant change in the financial performance or position of the Group since 30 June 2020, and save as disclosed in (i) note 16 to the unaudited consolidated half-year financial statements of LafargeHolcim Ltd for the half-year period ended 30 June 2020, (ii) the Q3 2020 Results Media Release and the Q3 2020 Analyst Presentation, which are incorporated by reference in this Prospectus, there has been no material adverse change in the prospects of the Issuer or the Guarantor since 31 December 2019.
4. Except as disclosed in “Risk Factors — Risks Relating to the Group’s Business – Legal and compliance risks – Competition regulation” on page 1, “— Litigation risks” on page 2, “Business – Litigation” on page 62, in note 17.3 to the consolidated financial statements of LafargeHolcim Ltd for the year ended 31 December 2019 and in note 15 to the unaudited consolidated half-year financial statements of LafargeHolcim Ltd for the half-year period ended 30 June 2020, which are incorporated by reference in this Prospectus, neither the Issuer nor any member of the Group has been involved in any governmental, legal or arbitration proceedings (including any proceedings which are pending or threatened of which the Issuer or the Guarantor is aware) during the 12 months preceding the date of this Prospectus which may have or have had in the recent past significant effects, in the context of the issue of the Notes, on the financial position or profitability of the Issuer or the Guarantor.
5. Each Note and Coupon will bear the following legend: “*Any United States person who holds this obligation will be subject to limitations under the United States income tax laws, including the limitations provided in Sections 165(j) and 1287(a) of the Internal Revenue Code*”.
6. Where information in this Prospectus has been sourced from third parties, this information has been accurately reproduced, and, as far as the Issuer and the Guarantor are aware and are able to ascertain from the information published by such third parties, no facts have been omitted which would render the reproduced information inaccurate or misleading. The source of third party information is identified where used.
7. The Notes have been accepted for clearance through the Euroclear and Clearstream, Luxembourg systems. The International Securities Identification Number (“**ISIN**”) is XS2261215011 and the Common Code is 226121501.

8. The address of Euroclear is 1 Boulevard du Roi Albert II, B-1210 Brussels, Belgium. The address of Clearstream, Luxembourg is 42 Avenue John F. Kennedy L-1855 Luxembourg, Luxembourg.
9. Legal Entity Identifier of the Issuer is: 529900XU3Z9D2HLBR716. Legal Entity Identifier of the Guarantor is: 529900EHPFPYHV6IQO98.
10. The website of the Issuer and the Guarantor is www.lafargeholcim.com. The information on www.lafargeholcim.com does not form part of this Prospectus, except where that information has been incorporated by reference into this Prospectus.
11. The yield on the Notes will be 0.556 per cent. per annum. Such yield is calculated at the Issue Date on the basis of the Issue Price. It is not an indication of future yield or any increase in the rate of interest (including, without limitation, due to the Guarantor not achieving the Sustainability Performance Target).
12. For the life of this Prospectus, copies of the following documents will be available on the Issuer's and the Guarantor's website at <https://www.lafargeholcim.com/sustainability-linked-bonds>:
 - (a) the Fiscal Agency Agreement;
 - (b) the Guarantee;
 - (c) the Articles of Incorporation of the Issuer and the Guarantor;
 - (d) the published annual report and audited financial statements of the Issuer and the Guarantor for the two most recent financial years ended prior to the date of this Prospectus;
 - (e) all documents incorporated by reference into this Prospectus; and
 - (f) a copy of this Prospectus together with any prospectus supplement or further prospectus.

In addition, this Prospectus and the documents incorporated by reference into this Prospectus will also be available for viewing on the website of the Luxembourg Stock Exchange at (www.bourse.lu/home).

13. Copies of the most recently published annual audited non-consolidated financial statements of the Issuer and the most recently published annual audited consolidated and non-consolidated financial statements and unaudited half-yearly consolidated statement of financial position and statement of income of the Guarantor will be available for inspection at <https://www.lafargeholcim.com/bond-documents-emt> (and obtainable free of charge upon request) at the specified offices of the Fiscal Agent during usual business hours on any weekday (Saturdays and public holidays excepted).

The Issuer does not currently publish interim financial statements or consolidated financial statements. The Guarantor does not currently publish non-consolidated interim financial statements but does currently publish unaudited half-yearly consolidated statements of financial position and statements of income.

14. Copies of the documents described in paragraphs 12 and 13 above are obtainable from the Issuer (in the case of sub-paragraphs (c) to (f) of paragraph 12 free of charge) upon request by contacting its registered officer or e-mailing investor.relations@lafargeholcim.com.
15. Except where such information has been incorporated by reference into this Prospectus, the contents of any websites included in this Prospectus or any website directly or indirectly linked to these websites have not been verified and are for information purposes only and do not form part of this Prospectus.

16. Mazars Luxembourg S.A. (member of the *Luxembourg Institut des Réviseurs d'Entreprises*) have audited the accounts of the Issuer for the financial year ended 31 December 2019 and Deloitte Audit (member of the *Luxembourg Institut des Réviseurs d'Entreprises*) have audited the accounts of the Issuer for the financial year ended 31 December 2018. Deloitte AG (registered with the Federal Audit Oversight Authority) have audited the accounts of LafargeHolcim Ltd for the financial years ended 31 December 2019 and 31 December 2018.
17. Certain of the Joint Bookrunners and their affiliates have engaged, and may in the future engage, in investment banking, corporate finance advisory and/or commercial banking transactions with, and may perform services for, the Issuer, the Guarantor and/or any of their respective affiliates, in the ordinary course of business, for which they have received or may receive customary fees, commissions or reimbursement of expenses (including acting as managers and/or lenders in connection with issuances of securities and/or debt facilities of the Issuer or the Guarantor).
18. Save for the fees payable to the Joint Bookrunners and the Agents, so far as the Issuer is aware, no person, natural or legal, involved in the issue of any Notes has an interest that is material to the issue of the Notes.
19. Alternative performance measures as described in the European Securities and Markets Authority (ESMA) Guidelines on Alternative Performance Measures dated 5 October 2015 (“**APMs**”) are included in this Prospectus. The financial data incorporated by reference in this Prospectus, in addition to the conventional financial performance measures established by IFRS, also contains certain APMs.

The relevant metrics are identified as APMs and accompanied by an explanation of each such metric’s components and calculation method in the sections entitled “Definition of Non-GAAP Measures” on page 32 to 33 of the 2020 Half-Year Report, pages 271 to 273 of the Annual Report 2019 and pages 282 to 283 of the Annual Report 2018, which are incorporated by reference in this Prospectus.

The sections of the Annual Report 2018, which are incorporated by reference into this Prospectus shall be read in conjunction with the Definition of Non-GAAP Measures included in the Annual Report 2018, as provided in the section entitled “*Documents Incorporated by Reference*”.

The sections of the Annual Report 2019 and the 2019 Analyst Presentation which are incorporated by reference into this Prospectus shall be read in conjunction with the Definition of Non-GAAP Measures included in the Annual Report 2019, as provided in the section entitled “*Documents Incorporated by Reference*”, and with the following definitions:

Metric	Definition
Fixed costs	Fixed costs refer to all recurring costs not directly related to volumes.
Liquidity	Liquidity refers to cash and cash equivalents and unused committed credit lines.
Change in Net Working Capital	Change in net working capital refers to change in inventories, change in trade accounts receivable, change in trade accounts payable and change in other receivables & liabilities.

The sections of the 2020 Half-Year Report, the 2020 Half-Year Analyst Presentation, the Q3 2020 Results Media Release and the Q3 2020 Analyst Presentation which are incorporated by reference into this Prospectus shall be read in conjunction with the Definition of Non-GAAP Measures included in

the 2020 Half-Year Report, as provided in the section entitled “*Documents Incorporated by Reference*”, and with the following definitions:

Metric	Definition
Fixed costs	Fixed costs refer to all recurring costs not directly related to volumes.
Liquidity	Liquidity refers to cash and cash equivalents and unused committed credit lines.
Change in Net Working Capital	Change in net working capital refers to change in inventories, change in trade accounts receivable, change in trade accounts payable and change in other receivables & liabilities.

The APMs are presented for the purposes of a better understanding of the Group’s financial performance, cash flows and financial position, as these are used by the Group when making operational or strategic decisions for the Group.

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