

**THIRD SUPPLEMENT DATED 7 JANUARY 2022  
TO THE BASE PROSPECTUS DATED 4 AUGUST 2021**



**Holcim Finance (Luxembourg) S.A.**

*(incorporated in Luxembourg as a société anonyme)*

**Holcim US Finance S.à r.l. & Cie S.C.S.**

*(incorporated in Luxembourg as a société en commandite simple)*

**Holcim Finance US LLC**

*(incorporated in Delaware as a limited liability company)*

**Holcim Helvetia Finance Ltd**

*(incorporated in Switzerland with limited liability)*

**Holcim Sterling Finance (Netherlands) B.V.**

*(incorporated in the Netherlands as a private company with limited liability)*

**Holcim Ltd**

*(incorporated in Switzerland with limited liability)*

**€15,000,000,000**

**Euro Medium Term Note Programme  
guaranteed in respect of Notes issued by**

**Holcim Finance (Luxembourg) S.A.,  
Holcim US Finance S.à r.l. & Cie S.C.S.,  
Holcim Finance US LLC, and  
Holcim Sterling Finance (Netherlands) B.V.**

**by**

**Holcim Ltd**

*(incorporated in Switzerland with limited liability)*

This third supplement (“**Supplement**”) is supplemental to, and should be read in conjunction with, the prospectus dated 4 August 2021 (the “**Base Prospectus**”) as supplemented by the first supplement dated 21 September 2021 (the “**First Supplement**”) and the second supplement dated 6 December 2021 (the “**Second Supplement**”), each of which was (i) previously published, approved by, and filed with, the *Commission de Surveillance du Secteur Financier* (the “**CSSF**”) and (ii) approved as a supplement within the meaning of article 45 of the Swiss Financial Services Act dated 15 June 2018 (the “**FinSA**”) and which form part of the Base Prospectus) prepared in relation to the €15,000,000,000 Euro Medium Term Note Programme (the “**Programme**”) of Holcim Finance (Luxembourg) S.A., Holcim US Finance S.à r.l. & Cie S.C.S., Holcim Finance US LLC, Holcim Helvetia Finance Ltd, Holcim Sterling Finance (Netherlands) B.V. and Holcim Ltd (the “**Issuers**”), guaranteed by Holcim Ltd (the “**Guarantor**”) in the case of Notes issued by Holcim Finance (Luxembourg) S.A., Holcim US Finance S.à r.l. & Cie S.C.S., Holcim Finance US LLC, Holcim Helvetia Finance Ltd, or Holcim Sterling Finance (Netherlands) B.V.

On 4 August 2021, the CSSF approved the Base Prospectus as a base prospectus for the purposes of Regulation (EU) 2017/1129 and SIX Exchange Regulation AG, in its capacity as a review body pursuant to article 52 of the FinSA (SIX Exchange Regulation AG in such capacity, the “**Swiss Review Body**”) approved the Base Prospectus as a base prospectus within the meaning of article 45 of the FinSA.

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On 21 September 2021, the CSSF approved the First Supplement as a supplement for the purposes of Regulation (EU) 2017/1129 and the Swiss Review Body, in its capacity as a review body pursuant to article 52 of the FinSA approved the First Supplement as a supplement within the meaning of article 45 of the FinSA.

On 6 December 2021, the CSSF approved the Second Supplement as a supplement for the purposes of Regulation (EU) 2017/1129 and the Swiss Review Body, in its capacity as a review body pursuant to article 52 of the FinSA approved the Second Supplement as a supplement within the meaning of article 45 of the FinSA.

This Supplement constitutes (i) a supplement to the Base Prospectus for the purposes of Article 23 (1) of Regulation (EU) 2017/1129 and (ii) a supplement within the meaning of article 56 of the FinSA. This Supplement is dated, has been approved by the CSSF and has been filed with the Swiss Review Body on, 7 January 2022.

The purpose of this Supplement is to (i) update the section “*General Description of the Programme*” in the Base Prospectus, (ii) update the section “*Risk Factors*” in the Base Prospectus, (iii) update the section “*The Group’s Sustainability Performance Targets*” in the Base Prospectus, (iv) update the section “*Terms and Conditions of the Notes*” in the Base Prospectus, (v) update the section “*Business – Recent Developments and Trends*” in the Base Prospectus, (vi) update the section “*Form of Final Terms*” in the Base Prospectus, and (vii) update the section “*General Information*” in the Base Prospectus.

Unless the context otherwise requires, terms defined in the Base Prospectus shall have the same meaning when used in this Supplement.

To the extent that there is any inconsistency between any statement in this Supplement and any statement in, or incorporated by reference into, the Base Prospectus, the statement in this Supplement will prevail.

The Arranger and the Dealers have not separately verified the information contained in this Supplement.

None of the Dealers or the Arranger makes any representation, express or implied, or accepts any responsibility, with respect to the accuracy or completeness of any of the information in this Supplement.

The amendments included in this Supplement shall only apply to final terms, the date of which falls on or after the approval of this Supplement.

## **GENERAL DESCRIPTION OF THE PROGRAMME**

- (i) Limb (vii) of the second paragraph of the section entitled “*General Description of the Programme – Risk Factors*” on pages 12 to 13 of the Base Prospectus shall be deleted and replaced with the following:

“(vii) the Notes may have features which contain particular risks for potential investors such as an optional redemption feature, fixed/floating rate Notes, discontinuation of benchmarks on floating rate Notes, Notes issued at a substantial discount or premium and Notes with an interest rate subject to upward adjustment(s) or premium amount(s) payable in the event the Group does not achieve one or more specified Sustainability Performance Target(s);”

- (ii) The section “*General Description of the Programme – Sustainability-Linked Trigger Event*” on page 17 of the Base Prospectus shall be deleted and replaced with the following:

“Sustainability-Linked Trigger Event:

The relevant Final Terms will state whether a Sustainability-Linked Trigger Event will apply to the Notes, in which case, if Sustainability-Linked Trigger Event (Interest) applies, the rate of interest in respect of the Notes may be subject to upward adjustment(s) as specified in the relevant Final Terms or, if Sustainability-Linked Trigger Event (Premium) applies, premium amount(s) may be payable as specified in the

relevant Final Terms. See “*Terms and Conditions of the Notes – Sustainability-Linked Trigger Event*” below.”

## **RISK FACTORS**

In the section entitled “*Risk Factors – Factors which are material for the purpose of assessing the market risks associated with Notes issued under the Programme – Risks related to the structure of a particular issue of Notes*”:

- (i) The second and third paragraphs of the Risk Factor entitled “*Notes issued as Sustainability-Linked Notes may not be suitable investments for all investors seeking exposure to assets with sustainability characteristics*” on page 40 of the Base Prospectus shall be deleted and replaced with the following:

“In addition, any interest rate adjustment or payment of a premium in respect of any Sustainability-Linked Notes as contemplated by Condition 5(1) will depend on the Group achieving, or not achieving, the relevant Sustainability Performance Target(s), which may be inconsistent with or insufficient to satisfy investor requirements or expectations. Prospective investors in any Sustainability-Linked Notes issued under the Programme 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 such Notes, together with any other investigation such investor deems necessary.

The Group’s Sustainability Performance Targets relating to any Sustainability-Linked Notes issued under the Programme will be aimed at reducing Carbon Intensity and/or Specific Freshwater Withdrawal (each as defined in Condition 5(1)). The Group’s Sustainability Performance Targets would therefore be uniquely tailored to the Group’s business, operations and capabilities, and they do not easily lend themselves 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 Relevant Issuer, the Guarantor, the relevant Dealers, any second party opinion providers or any External Verifier (as defined in Condition 5(1)) that any Sustainability-Linked Notes issued under the Programme Notes will meet any or all investor expectations regarding such Notes or any Sustainability Performance Target(s) of the Group 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 any Sustainability Performance Target(s) or the use of the net proceeds from the offering of any Sustainability-Linked Notes issued under the Programme.”

- (ii) The first sentence of the second paragraph of the Risk Factor entitled “*No assurance or representation is given by the Relevant Issuer, the Guarantor, the Dealers, any second party opinion providers or any 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 any Sustainability-Linked Notes or any 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.*” on page 41 of the Base Prospectus shall be deleted and replaced with the following:

“Although in connection with the issuance of any Sustainability-Linked Notes under the Programme the Guarantor may intend to reduce the Group’s Carbon Intensity and/or Specific Freshwater Withdrawal, there can be no assurance of the extent to which it will be successful in doing so, that it will not decide to discontinue the relevant Sustainability Performance Target(s) or that any future investments it makes in furtherance of such Sustainability Performance Target(s) 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.”

- (iii) The first and second paragraphs of the Risk Factor entitled “*Achieving any 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*” on page 42 of the Base Prospectus shall be deleted and replaced with the following:

“Achieving the Sustainability Performance Target(s) in relation to any Sustainability-Linked Notes issued under the Programme would require the Group to reduce its Carbon Intensity by a specified percentage from the Carbon Intensity for the reporting year 2018 and/or to reduce its Specific Freshwater Withdrawal by a specified percentage from the Specific Freshwater Withdrawal for the reporting year 2018 by a specified date. As a result, achieving the Sustainability Performance Target(s) 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, the Group not achieving its Sustainability Performance Target(s) 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.”

- (iv) The first paragraph of the Risk Factor entitled “*The Group’s ability and autonomy to calculate its Key Performance Indicators*” on page 42 of the Base Prospectus shall be deleted and replaced with the following:

“Carbon Intensity, Specific Freshwater Withdrawal and cementitious material are calculated and not measured numbers. The CO<sub>2</sub>, freshwater withdrawal 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 CO<sub>2</sub> and 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). In relation to freshwater withdrawal, the Group currently also follows the water in cement manufacturing reporting guidelines of the GCCA. 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 CO<sub>2</sub> reporting guidelines of the Global Cement and Concrete Association (GCCA) / CEN Standard EN 19694-34 and the water in cement manufacturing reporting guidelines of the GCCA.”

- (v) The following shall be inserted as a new Risk Factor after the Risk Factor entitled “*The Group’s ability and autonomy to calculate its Key Performance Indicators*” on page 42 of the Base Prospectus:

***“The Group may unilaterally change the Sustainability Performance Baseline(s) applicable to any Sustainability-Linked Notes as a consequence of the occurrence of certain events, including a Recalculation Event***

As mentioned in “— *The Group’s ability and autonomy to calculate its Key Performance Indicators*” above, the industry-wide accepted references on which the Group bases its calculation methodology for CO<sub>2</sub>, freshwater withdrawal and cementitious material may evolve over time and may result in a change to the scope of the Group’s Sustainability Performance Baseline(s) (as defined in Condition 5(1)). The occurrence of a significant change to the structure of the Group, or a significant change in methodology in calculation of Carbon Intensity and/or Specific Freshwater Withdrawal that requires a recalculation of Carbon Intensity and/or Specific Freshwater Withdrawal respectively for any reporting year (such event referred to under the Terms and Conditions of the Notes as a “Recalculation Event”) may cause an amendment by the relevant Issuer, on an unilateral basis, of the relevant Sustainability Performance Baseline. If such a Recalculation Event occurs, the relevant Issuer may unilaterally amend the relevant Sustainability Performance Baseline,

and such amended Sustainability Performance Baseline will be taken into account for the purposes of ascertaining whether or not a Sustainability-Linked Trigger Event shall occur in respect of the relevant Sustainability-Linked Notes.

The occurrence of any such Recalculation Event may impact, positively or negatively, the ability of the relevant Issuer to achieve the relevant Sustainability Performance Target(s), which could in turn adversely affect the market price of the Notes and/or the reputation of the Group.”

## **THE GROUP’S SUSTAINABILITY PERFORMANCE TARGETS**

The section entitled “*The Group’s Sustainability Performance Targets*” on pages 118 to 121 of the Base Prospectus shall be deleted in its entirety and replaced with the text set out in the Schedule to this Supplement.

## **TERMS AND CONDITIONS OF THE NOTES**

In the section entitled “*Terms and Conditions of the Notes*”:

- (i) Condition 5(l) (*Sustainability-Linked Trigger Event*) on pages 78 to 80 of the Base Prospectus shall be deleted in its entirety and replaced with the following:

### ***“Sustainability-Linked Trigger Event***

This Condition 5(l) applies if Sustainability-Linked Trigger Event (Interest) or Sustainability-Linked Trigger Event (Premium) is specified hereon (“**Sustainability-Linked Notes**”).

- (i) If Sustainability-Linked Trigger Event (Interest) is specified hereon, for any Interest Period commencing on or after the Interest Payment Date immediately following the occurrence of a Sustainability-Linked Trigger Event, the Rate of Interest shall be increased by the relevant Sustainability-Linked Step Up Margin(s).
- (ii) If Sustainability-Linked Trigger Event (Premium) is specified hereon, if a Sustainability-Linked Trigger Event occurs, the Issuer shall pay to the holder of each Note an amount equal to the relevant Sustainability-Linked Premium Amount(s) on the relevant Sustainability-Linked Premium Payment Date.
- (iii) If a Sustainability-Linked Trigger Event has occurred, the Issuer shall give notice of such Sustainability-Linked Trigger Event and (x) if Sustainability-Linked Trigger Event (Interest) is specified hereon, the relevant Sustainability-Linked Step Up Margin(s); or (y) if Sustainability-Linked Trigger Event (Premium) is specified hereon, the relevant Sustainability-Linked Premium Amount(s), to the Noteholders in accordance with Condition 14 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 5(l)(v), 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 10) prior to the relevant Sustainability-Linked Reference Date.

For the avoidance of doubt, (i) an increase in the Rate of Interest may occur no more than once in respect of any Series of Sustainability-Linked Notes as a result of a Sustainability-Linked Trigger Event (or, if more than one Sustainability-Linked Trigger Event is specified hereon, no more than once as a result of each Sustainability-Linked Trigger Event), (ii) no more than one Sustainability-Linked Premium Amount shall be payable as a result of a Sustainability-Linked Trigger Event (or, if more than one Sustainability-Linked Trigger Event is specified hereon, no more than one Sustainability-Linked Premium Amount shall be payable as a result of each Sustainability-Linked Trigger Event) (iii) if Sustainability-Linked Trigger Event (Interest) is specified hereon, no Sustainability-Linked Premium Amount shall be payable as a result of a

Sustainability-Linked Trigger Event, and (iv) if Sustainability-Linked Trigger Event (Premium) is specified hereon, no increase in the Rate of Interest shall occur as a result of a Sustainability-Linked Trigger Event.

- (iv) For each fiscal year ending on 31 December from and including the fiscal year during which the Issue Date of any Sustainability-Linked Notes falls up to and including the fiscal year ending on the Target Observation Date in respect of such Notes, Holcim 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 (i) (a) the Carbon Intensity of the Group (where Sustainability Performance Target (Carbon Intensity) is specified hereon); and/or (b) the Specific Freshwater Withdrawal of the Group (where Sustainability Performance Target (Specific Freshwater Withdrawal) is specified hereon), in each case as of 31 December in each year and as determined by Holcim Ltd in accordance with these Conditions; and (ii) if applicable, the occurrence of any Recalculation Event and the related amended Sustainability Performance Baseline(s) resulting from the occurrence of any such Recalculation Event. 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 Holcim Ltd’s audited consolidated financial statements for the relevant year and the statutory auditor’s report thereon; provided that to the extent Holcim 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.
- (v) For the fiscal year ending on the Target Observation Date, Holcim 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 relevant Sustainability Performance Target(s) on the Target Observation Date and specify whether any amendments or recalculations were made following the occurrence of a Recalculation Event (if any). The SPT Verification Assurance Certificate will be published no later than the date of publication of Holcim 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 Holcim 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 the date falling 5 business days (as defined in Condition 10) prior to the relevant Sustainability-Linked Reference Date.
- (vi) In this Condition:

“**Carbon Intensity**” means the amount of net carbon dioxide emitted (scope 1) by Holcim Ltd and its subsidiaries taken as a whole (the “**Group**”) in kilograms per ton of cementitious material, as determined in good faith by Holcim Ltd and published in a Sustainability Performance Report in accordance with Condition 5(1)(iv);

“**External Verifier**” means any independent accounting or appraisal firm or other independent expert of internationally recognised standing appointed by Holcim 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 Holcim Ltd;

**“Recalculation Event”** means the occurrence of (i) a significant change to the structure of the Group; or (ii) a significant change in methodology in calculation of Carbon Intensity (where Sustainability Performance Target (Carbon Intensity) is specified hereon) and/or Specific Freshwater Withdrawal (where Sustainability Performance Target (Specific Freshwater Withdrawal) is specified hereon)) that requires a recalculation of Carbon Intensity (where Sustainability Performance Target (Carbon Intensity) is specified hereon) and/or Specific Freshwater Withdrawal (where Sustainability Performance Target (Specific Freshwater Withdrawal) is specified hereon) for any reporting year (including, for the avoidance of doubt, any past reporting year), in each case as determined in good faith by Holcim Ltd;

**“Specific Freshwater Withdrawal”** means, for cement sites, the volume of freshwater withdrawn by the Group from:

- A. surface water (being water from rivers, lakes and natural ponds);
- B. groundwater (including, but not limited to, water from wells and boreholes);
- C. quarry water used (being water collected in the quarry and used on-site); and
- D. municipal/potable and third-party water,

used for the production of clinker and cement and expressed in litres per ton of cementitious material, as determined in good faith by Holcim Ltd and published in a Sustainability Performance Report in accordance with Condition 5(l)(iv);

**“Sustainability-Linked Premium Amount”** means the Sustainability-Linked Premium Amount (Carbon Intensity) (where Sustainability Performance Target (Carbon Intensity) is specified hereon) or the Sustainability-Linked Premium Amount (Specific Freshwater Withdrawal) (where Sustainability Performance Target (Specific Freshwater Withdrawal) is specified hereon) as indicated in the applicable Final Terms and, each such premium amount, the **“relevant Sustainability-Linked Premium Amount”**;

**“Sustainability-Linked Premium Amount (Carbon Intensity)”** is the amount specified in the applicable Final Terms as being the Sustainability-Linked Premium Amount (Carbon Intensity);

**“Sustainability-Linked Premium Amount (Specific Freshwater Withdrawal)”** means the amount specified in the applicable Final Terms as being the Sustainability-Linked Premium Amount (Specific Freshwater Withdrawal);

**“Sustainability-Linked Premium Payment Date”** is the date specified in the applicable Final Terms as being the Sustainability-Linked Premium Payment Date;

**“Sustainability-Linked Reference Date”** means the Sustainability-Linked Reference Date (Carbon Intensity) (where Sustainability Performance Target (Carbon Intensity) is specified hereon) or the Sustainability-Linked Reference Date (Specific Freshwater Withdrawal) (where Sustainability Performance Target (Specific Freshwater Withdrawal) is specified hereon), as specified hereon on and, each such date, the **“relevant Sustainability-Linked Reference Date”**;

**“Sustainability-Linked Reference Date (Carbon Intensity)”** is the date specified in the applicable Final Terms as being the Sustainability-Linked Reference Date (Carbon Intensity);

**“Sustainability-Linked Reference Date (Specific Freshwater Withdrawal)”** is the date specified in the applicable Final Terms as being the Sustainability-Linked Reference Date (Specific Freshwater Withdrawal);

**“Sustainability-Linked Step Up Margin”** means the Sustainability-Linked Step Up Margin (Carbon Intensity) (where Sustainability Performance Target (Carbon Intensity) is specified hereon) or the Sustainability-Linked Step Up Margin (Specific Freshwater Withdrawal) (where Sustainability Performance Target (Specified Freshwater Withdrawal) is specified hereon), as specified hereon and, each such margin, the **“relevant Sustainability-Linked Step Up Margin”**;

**“Sustainability-Linked Step Up Margin (Carbon Intensity)”** means the amount specified in the applicable Final Terms as being the Sustainability-Linked Step Up Margin (Carbon Intensity);

**“Sustainability-Linked Step Up Margin (Specific Freshwater Withdrawal)”** means the amount specified in the applicable Final Terms as being the Sustainability-Linked Step Up Margin (Specific Freshwater Withdrawal);

**“Sustainability-Linked Trigger Event”** means the occurrence of (i) a Sustainability-Linked Trigger Event (Carbon Intensity) (where Sustainability Performance Target (Carbon Intensity) is specified hereon) and/or (ii) a Sustainability-Linked Trigger Event (Specific Freshwater Withdrawal) (where Sustainability Performance Target (Specified Freshwater Withdrawal) is specified hereon), and each such event, the **“relevant Sustainability-Linked Trigger Event”**;

**“Sustainability-Linked Trigger Event (Carbon Intensity)”** means either (i) the Group does not achieve the Sustainability Performance Target (Carbon Intensity) on the Target Observation Date as determined by the External Verifier and confirmed in the SPT Verification Assurance Certificate, (ii) Holcim Ltd has not published the SPT Verification Assurance Certificate on or before the date falling 5 business days (as defined in Condition 10) prior to the relevant Sustainability-Linked Reference Date (Carbon Intensity), 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;

**“Sustainability-Linked Trigger Event (Specific Freshwater Withdrawal)”** means either (i) the Group does not achieve the Sustainability Performance Target (Specific Freshwater Withdrawal) on the Target Observation Date as determined by the External Verifier and confirmed in the SPT Verification Assurance Certificate, (ii) Holcim Ltd has not published the SPT Verification Assurance Certificate on or before the date falling 5 business days (as defined in Condition 10) prior to the relevant Sustainability-Linked Reference Date (Specific Freshwater Withdrawal), or (iii) the SPT Verification Assurance Certificate contains a reservation about whether or not the Sustainability Performance Target (Specific Freshwater Withdrawal) has been achieved on the Target Observation Date;

**“Sustainability Performance Baseline”** means the Sustainability Performance Baseline (Carbon Intensity) (where Sustainability Performance Target (Carbon Intensity) is specified hereon) and/or the Sustainability Performance Baseline (Specific Freshwater Withdrawal) (where Sustainability Performance Target (Specific Freshwater Withdrawal) is specified hereon), as specified hereon and each such target, the **“relevant Sustainability Performance Baseline”**;

**“Sustainability Performance Baseline (Carbon Intensity)”** means the Carbon Intensity expressed in kilograms of net carbon dioxide per ton of cementitious material for the reporting year 2018, being 576 kilograms of net carbon dioxide per ton of cementitious material, as initially reported in the Sustainability Performance Report for the year ended 31 December 2020 and as may be amended from time to time following the occurrence of a Recalculation Event



and, if so amended, published in a Sustainability Performance Report in accordance with Condition 5(l)(iv);

**“Sustainability Performance Baseline (Specific Freshwater Withdrawal)”** means the Specific Freshwater Withdrawal expressed in litres of freshwater per ton of cementitious material for the reporting year 2018 (based on the scope of consolidation of the Group as at 31 December 2020), being 317 litres of freshwater per ton of cementitious material, as initially reported in the Sustainability Performance Report for the year ended 31 December 2020 and as may be amended from time to time following the occurrence of a Recalculation Event and, if so amended, published in a Sustainability Performance Report in accordance with Condition 5(l)(iv);

**“Sustainability Performance Target”** means the Sustainability Performance Target (Carbon Intensity) and/or the Sustainability Performance Target (Specific Freshwater Withdrawal), as specified hereon and each such target, the **“relevant Sustainability Performance Target”**;

**“Sustainability Performance Target (Carbon Intensity)”** means a reduction of Carbon Intensity from the Sustainability Performance Baseline (Carbon Intensity) equal to or higher than the percentage specified in the applicable Final Terms as being the Sustainability Performance Target (Carbon Intensity);

**“Sustainability Performance Target (Specific Freshwater Withdrawal)”** means a reduction of Specific Freshwater Withdrawal from the Sustainability Performance Baseline (Specific Freshwater Withdrawal) equal to or higher than the percentage specified in the applicable Final Terms as being the Sustainability Performance Target (Specific Freshwater Withdrawal); and

**“Target Observation Date”** means the date specified in the applicable Final Terms as being the Target Observation Date.

- (ii) The definition of “Gross Redemption Yield” in Condition 6(d) (*Redemption at the Option of the Issuer*) on page 92 of the Base Prospectus shall be deleted and replaced with the following:

**“Gross Redemption Yield”** means a yield calculated in accordance with generally accepted market practice at such time, as advised to the Issuer by the Financial Adviser, provided that (i) in the case of Sustainability-Linked Notes in relation to which Sustainability-Linked Notes (Interest) is specified hereon only, the Financial Adviser shall in calculating such yield have regard to the Rate of Interest applicable on the Determination Date in relation to all Interest Periods other than any Interest Period commencing on or after the relevant Sustainability-Linked Reference Date, and for any Interest Period commencing on or after the relevant Sustainability-Linked Reference Date shall have regard to the Rate of Interest applicable on the Determination Date as increased by the relevant Sustainability-Linked Step Up Margin(s) unless the relevant Sustainability Performance Target(s) has/have already been achieved for the most recent fiscal year ending prior to the date of the Call Option Notice for which a Limited Assurance Report is available (as set out in such Limited Assurance Report and as confirmed by a written confirmation from the External Verifier that the relevant Sustainability Performance Target(s) has/have been met for such fiscal year) in which case the Financial Adviser shall have regard to the Rate of Interest applicable on the Determination Date for all remaining Interest Periods, (ii) in the case of Sustainability-Linked Notes in relation to which Sustainability-Linked Notes (Premium) is specified hereon only, the Financial Adviser shall in calculating such yield deem the relevant Sustainability-Linked Premium Amount(s) to be payable unless the relevant Sustainability Performance Target(s) has/have already been achieved for the most recent fiscal year ending prior to the date of the Call Option Notice for which a Limited Assurance Report is available (as set out in such Limited Assurance Report and as confirmed by a written confirmation from the External Verifier that the relevant Sustainability Performance Target(s) has/have been met for such fiscal year), and (iii) in the case of any Note in relation to which Issuer Maturity Par Call is specified to be applicable hereon, the Financial Adviser shall

in calculating such yield deem the Maturity Date of such Note to be the day that is 90 days prior to the Maturity Date;”

## **BUSINESS**

The section entitled “*Business – Recent Developments and Trends*” on pages 132 to 133 of the Base Prospectus shall be deleted in its entirety and replaced with the following:

### **“Recent Developments and Trends**

In the Q3 2021 Results Media Release and the Q3 2021 Analyst Presentation, Holcim Ltd stated that it expects the growth momentum to continue in all regions, with double-digit net sales growth of Firestone Building Products in 2021. Holcim will pursue further bolt-on acquisitions while accelerating progress towards its 2030 sustainability targets.

For 2021 the Group expects to deliver the following, with upgraded guidance on Recurring EBIT growth:

- over-proportional growth in Recurring EBIT of at least 22 per cent. like-for-like (from at least 18 per cent. like-for-like announced in the half-year 2021 results);
- capital expenditure of less than CHF 1.4 billion; and
- return on invested capital above 8 per cent, cash conversion above 40 per cent.

Moreover, Holcim expects to achieve all Strategy 2022 targets one year in advance.

On 18 November 2021, Holcim announced its Strategy 2025 “Accelerating Green Growth”. This strategy relies on 4 value drivers: (i) accelerating growth, (ii) expanding Solutions & Products with the ambition to reach 30 per cent. of the Group’s net sales in Solutions and Products by the end of 2025, (iii) leading in sustainability and innovation, and (iv) delivering superior performance. In view of delivering superior performance, Holcim has announced the following financial targets:

- 3 per cent. to 5 per cent. net sales growth like-for-like;
- over-proportional increase in Recurring EBIT like-for-like; and
- 45 per cent. cash conversion in 2025.

The principal assumptions for the above guidance are based on an internal analysis performed at Group level of the operating segments’ contributions, which are validated by the Holcim Executive Committee.

To the extent that such a statement constitutes a profit forecast within the meaning of Commission Delegated Regulation (EU) 2019/980, Holcim confirms (i) that the profit forecast has been prepared on a basis comparable with its historical financial information and (ii) that the accounting policies used for the purposes of such forecast are consistent with the accounting policies of Holcim.

On 23 December 2021, Holcim announced the signature of an agreement to acquire Malarkey Roofing Products, a company in the US residential roofing market. Malarkey is fully complementary to Firestone Building Products’ place in the commercial segment, positioning Holcim as a full roofing provider. Malarkey’s strong brand recognition is driven by innovation and sustainability with a highly circular business model.

This transaction is valued at USD 1.35 billion, to be financed with 100 per cent. cash. Malarkey Roofing Products was founded by Herbert Malarkey in 1956 and is headquartered in Portland, Oregon. It provides complete solutions for residential roofing needs from roofing shingles to ice and water barriers. With production facilities in Oregon, California and Oklahoma, Malarkey Roofing Products has a strong presence from the West to the South of the US that is highly complementary with Firestone Building Products’ footprint.

The acquisition advances Holcim’s “Strategy 2025 – Accelerating Green Growth” with the goal to expand its Solutions & Products business to 30 per cent. of Group Net Sales by 2025, entering the most attractive construction segments, from roofing and insulation to repair and refurbishment. The transaction is in line with Holcim’s commitment to strict financial discipline and is subject to customary conditions and regulatory clearance in the United States. It is expected to close in the first quarter of 2022.”

## FORM OF FINAL TERMS

Part A, item 8(iii) (*Sustainability-Linked Trigger Event*) on page 160 of the Base Prospectus shall be deleted and replaced with the following:

- |  |  |
|--|--|
| “(iii) Sustainability-Linked Trigger Event:                                | [Applicable – Sustainability-Linked Trigger Event (Interest)/Applicable – Sustainability-Linked Trigger Event (Premium)/Not Applicable]<br><i>(If not applicable, delete the remaining sub-paragraphs of this paragraph)</i>   |
| [(a) Sustainability Performance Target:                                    | [Sustainability Performance Target (Carbon Intensity)] [and] [Sustainability Performance Target (Specific Freshwater Withdrawal)]  |
| (b) Sustainability Performance Target (Carbon Intensity):                  | [[●] per cent./Not Applicable]   |
| (c) Sustainability Performance Target (Specific Freshwater Withdrawal):    | [[●] per cent./Not Applicable]   |
| (d) Target Observation Date:   | [31 December [●]/[●]]  |
| (e) Sustainability-Linked Reference Date (Carbon Intensity):               | [The first day of the Interest Period following the Interest Period in which the Target Observation Date falls/[●]]  |
| (f) Sustainability-Linked Reference Date (Specific Freshwater Withdrawal): | [The first day of the Interest Period following the Interest Period in which the Target Observation Date falls/[●]]  |
| (g) Sustainability-Linked Step Up Margin (Carbon Intensity):               | [[●] per cent. per annum/Not Applicable]<br><i>(Only applicable if paragraph 8(iii) is applicable and specifies Sustainability-Linked Trigger Event (Interest) and if paragraph 8(a) specifies Sustainability Performance Target (Carbon Intensity))</i>               |
| (h) Sustainability-Linked Step Up Margin (Specific Freshwater Withdrawal): | [[●] per cent. per annum/Not Applicable]<br><i>(Only applicable if paragraph 8(iii) is applicable and specifies Sustainability-Linked Trigger Event (Interest) and if paragraph 8(a) specifies Sustainability Performance Target (Specific Freshwater Withdrawal))</i> |
| (i) Sustainability-Linked Premium Amount (Carbon Intensity):               | [[●] per Calculation Amount/Not Applicable]<br><i>(Only applicable if paragraph 8(iii) is applicable and specifies Sustainability-Linked Trigger Event (Premium) and if paragraph 8(a) specifies Sustainability Performance Target (Carbon Intensity))</i>             |

- (j) Sustainability-Linked Premium Amount (Specific Freshwater Withdrawal): [[●] per Calculation Amount/Not Applicable] *(Only applicable if paragraph 8(iii) is applicable and specifies Sustainability-Linked Trigger Event (Premium) and if paragraph 8(a) specifies Sustainability Performance Target (Specific Freshwater Withdrawal))*
- (k) Sustainability-Linked Premium Payment Date (Carbon Intensity): [[●]/Not Applicable] *(Only applicable if paragraph 8(iii) is applicable and specifies Sustainability-Linked Trigger Event (Premium) and if paragraph 8(a) specifies Sustainability Performance Target (Carbon Intensity))*
- (l) Sustainability-Linked Premium Payment Date (Specific Freshwater Withdrawal): [[●]/Not Applicable] *(Only applicable if paragraph 8(iii) is applicable and specifies Sustainability-Linked Trigger Event (Premium) and if paragraph 8(a) specifies Sustainability Performance Target (Specific Freshwater Withdrawal))”*

## GENERAL INFORMATION

- (i) Paragraph 3 of the section entitled “*General Information*” on page 172 of the Base Prospectus shall be deleted and replaced with the following:
- “(3) Except as disclosed in “*Business – Recent Developments and Trends*” on pages 132 to 133, and note 18 to the consolidated financial statements of Holcim Ltd for the six-month period ended 30 June 2021, the Half-Year 2021 Results Media Release, the Half-Year 2021 Analyst Presentation, the Brazil Media Release, the Q3 2021 Results Media Release and the Q3 2021 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 2021. Except as disclosed in “*Business – Recent Developments and Trends*” on pages 132 to 133, and notes 17 and 18 to the consolidated financial statements of Holcim Ltd for the six-month period ended 30 June 2021, the Half-Year 2021 Results Media Release, the Half-Year 2021 Analyst Presentation, the Brazil Media Release, the Q3 2021 Results Media Release and the Q3 2021 Analyst Presentation, which are incorporated by reference in this Prospectus, there has been no material adverse change in the prospects of HFL, SCSL, HFUS, HSFN or Holcim Ltd since 31 December 2020.”
- (ii) The penultimate sub-paragraph of paragraph 21 of the section “*General Information*” on pages 176 to 177 of the Base Prospectus shall be deleted and replaced with the following:
- ““*Business – Recent Developments and Trends*” on pages 132 to 133, and the sections of the Q3 2021 Results Media Release, the Q3 2021 Analyst Presentation, the Half-Year Report 2021, the Half-Year 2021 Results Media Release and the Half-Year 2021 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 Half-Year Report 2021 and the Half-Year 2021 Results Media Release, as provided in the section entitled “*Documents Incorporated by Reference*”.”

## RESPONSIBILITY STATEMENT

Each of the Issuers and the Guarantor accepts responsibility for the information contained in this Supplement. Each of the Issuers and the Guarantor declares that, having taken all reasonable care to ensure that such is the case, the information contained in this Supplement is, to the best of its knowledge, in accordance with the facts and does not omit anything likely to affect the import of such information.

Save as disclosed in this Supplement, there has been no significant new factor, material mistake or material inaccuracy relating to information included in the Base Prospectus which may affect the assessment of the Notes since the publication of the Base Prospectus.

## **THE SCHEDULE TO THE SUPPLEMENT 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 joined the “**Business Ambition for 1.5°C**” with intermediate targets for 2030, validated by the Science-Based Targets initiative (the “**SBTi**”). Further, in October 2021, the Group became one of the first groups worldwide with a 2050 roadmap validated by the SBTi in line with their new net-zero standard.

In September 2020, the SBTi validated the Group's commitment to reduce scope 1<sup>1</sup> and scope 2<sup>2</sup> 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.

In October 2021, the SBTi also validated the Group's commitment to (i) reduce scope 1 and scope 2 GHG emissions by 95% per ton of cementitious materials by 2050 from a 2018 base year<sup>3</sup>, and (ii) reduce scope 3 GHG emissions by 90% per ton of cementitious materials by 2050 from a 2020 base year.

### **Nature**

The Group also aims to replenish freshwater in water-risk areas while lowering water intensity across its product lines, and to accelerate and optimise its impacts by working with relevant stakeholders including communities, businesses and non-government organisations to increase water use efficiency, ensure enough clean water exists for all, and protect and restore biodiversity.

The Group considers its total impact on water resources in the communities where it operates, particularly in water-risk areas. The Group aims to optimise and prevent the use of freshwater as well as reduce the risk of depletion or pollution by measuring its operational water footprint, reducing freshwater withdrawal, assessing water risks, engaging with stakeholders on sharing water and providing more water to communities.

### **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 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**”):

- (i) Selection of Key Performance Indicators
- (ii) Calibration of Sustainability Performance Targets
- (iii) Characteristics of the Sustainability-Linked Notes
- (iv) Reporting

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

<sup>2</sup> Indirect emissions from electricity purchased and used by the Group.

<sup>3</sup> The target boundary includes land related emissions and removals from bioenergy feedstocks.

(v) Verification

### **Selection of Key Performance Indicators**

The Group recognises decarbonisation as the industry's main challenge and challenges itself to continuously reduce the carbon intensity of cement, and also recognises that water management has become a global imperative.

The Group has selected two key performance indicators for Sustainability-Linked Notes issued under the Programme: (a) Carbon Intensity, calculated as the amount of net carbon dioxide emissions emitted (scope 1) by the Group in kilograms per ton of cementitious material, and (b) Specific Freshwater Withdrawal, calculated as, for cement sites, the volume of freshwater withdrawn by the Group from (i) surface water (being water from rivers, lakes and natural ponds); (ii) groundwater (including but not limited to water from wells and boreholes); (iii) quarry water used (being water collected in the quarry and used on-site); and (iv) municipal/potable and third-party water, used for the production of clinker and cement and expressed in litres per ton of cementitious material.

#### ***Definition and methodology for key performance indicator measurement***

The Group uses the GCCA Sustainability Guidelines<sup>4</sup> for the monitoring and reporting of CO<sub>2</sub> emissions from cement manufacturing (previously WBCSD-CSI Cement CO<sub>2</sub> and Energy Protocol version 3.1) to calculate CO<sub>2</sub> emissions. The Group also uses the GCCA guidelines as a reference to measure water withdrawal.

The GCCA Sustainability Guidelines for the monitoring and reporting of CO<sub>2</sub> emissions (based on the CEN Standard EN 19694-34) from cement manufacturing and the GCCA Sustainability Guidelines for the monitoring and reporting of water in cement manufacturing are part of a package of guidelines developed to support compliance with the GCCA Sustainability Charter. The GCCA Sustainability Framework Guidelines provide guidance to GCCA members to fulfil the requirements of the GCCA Sustainability Charter relating to Climate Change and Energy, and Environment and Nature. .

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

Each of the key performance indicators, being Carbon Intensity and Specific Freshwater Withdrawal, is audited and verified annually on a limited assurance basis by an independent external party.

#### ***Rationale***

The cement industry contributes approximately 7%<sup>5</sup> 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 (75% of scope 1 emissions versus 5% of scope 2 and 20% of scope 3 emissions), the Group has selected Carbon Intensity as one of two key performance indicators for Sustainability-Linked Notes issued under the Programme.

In addition, water is essential for cement production and 51% of the Group's cement sites are in the medium to high water-risk areas. In comparison, 12% of the Group's aggregates and 21% of the Group's ready-mix concrete businesses are located in water-risk areas. Therefore, the Group has selected Specific Freshwater Withdrawal as the other key performance indicator for Sustainability-Linked Notes issued under the Programme.

### **Calibration of Sustainability Performance Targets**

#### ***Sustainability Performance Targets***

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<sup>4</sup> Available at <https://gccassociation.org/sustainability-innovation/sustainability-charter-and-guidelines/>

<sup>5</sup> See: <https://www.iea.org/news/cement-technology-roadmap-plots-path-to-cutting-co2-emissions-24-by-2050>

The Group will set one or more Sustainability Performance Targets aimed at reducing Carbon Intensity and/or Specific Freshwater Withdrawal for each Series of Sustainability-Linked Notes issued under the Programme. 2018 has been defined as the baseline year. The baseline may be recalculated in good faith to reflect any significant change to the Group structure or to the key performance indicator calculation methodology in the previous financial year.

**Historic values<sup>6</sup>**

Performance data on net CO<sub>2</sub> emitted per ton of cementitious material (scope 1), and Specific Freshwater Withdrawal in litres per ton of cementitious material, as published in the reporting years 2018, 2019 and 2020:

	Unit	2018	2019	2020
Specific CO <sub>2</sub> emissions – net (scope 1) as published in reporting year	Kilograms net CO <sub>2</sub> per ton of cementitious material	576	561	555
Specific freshwater withdrawal at constant 2020 scope	Litres freshwater per ton of cementitious material	317	299	273

**External Validation of the Sustainability Performance Targets by the SBTi**

In September 2020, the SBTi validated the Group’s 2030 reduction targets for scope 1 and scope 2 GHG emissions as consistent with a well below 2°C scenario. In November 2021, the SBTi validated the Group’s 2050 targets for scope 1, scope 2 and scope 3 GHG emissions, as well as the Group’s 2030 targets for scope 1, scope 2 and scope 3 GHG emissions.

**Specific Characteristics of Sustainability-Linked Notes issued under the Programme**

In relation to any Sustainability-Linked Notes issued under the Programme, if:

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

a coupon step-up or a premium amount will be payable by the Relevant Issuer under such Sustainability-Linked Notes.

**Reporting**

In relation to any Sustainability-Linked Notes issued under the Programme, Holcim Ltd will communicate annually on the relevant key performance indicator(s) and relevant Sustainability Performance Target(s), making up-to-date information and reporting available on its website:

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<sup>6</sup> Source: Annual Report 2020



- (a) Holcim Ltd's integrated annual report and Sustainability Performance Report will include the performance of the selected key performance indicator(s), including baselines and recalculation where relevant, covered by an assurance statement of an independent auditor or external verifier;
- (b) following a Target Observation Date, a verification assurance certificate confirming whether the performance of the relevant key performance indicator(s) meets the relevant Sustainability Performance Target(s);
- (c) any information enabling investors to monitor the level of ambition of the relevant Sustainability Performance Target(s) (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 relevant Sustainability Performance Target(s)); and
- (d) its environmental and climate related data through the CDP Climate and Water Disclosure questionnaires on a yearly basis.

### **Verification**

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

- (a) pre-issuance verification: 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(s), 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) post-issuance verification: an assurance statement by an external auditor or external verifier on the key performance indicator(s) 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 relevant key performance indicator meets the relevant Sustainability Performance Target relating to any Sustainability-Linked Notes issued under the Programme, published on the Guarantor's website following a Target Observation Date.