

LafargeHolcim informed of Lafarge SA being placed under investigation in France

Today, the examining magistrates in Paris, France, presiding over the case relating to the operation of the Jalabiya cement plant in Syria by Lafarge Cement Syria between 2011 and 2014 have decided to put the company Lafarge SA under investigation.

The legal charges put forward against individual wrongdoings which occurred in the former Syria operations of Lafarge Cement Syria, a subsidiary of Lafarge SA have been received. Bar the qualification of the charges, the placement of Lafarge SA under judicial investigation was expected given that several of its former managers have previously been placed under judicial investigation.

Whilst admitting that the system of supervision of its Syrian subsidiary did not allow the company to identify wrongdoings at the level of this subsidiary, which were the result of an unprecedented violation of internal regulations and compliance rules by a small group of individuals who have left the group, Lafarge SA will appeal against those charges which do not fairly represent the responsibilities of Lafarge SA.

The Chairman of the Board of LafargeHolcim, parent company of Lafarge SA, Mr. Beat Hess, said: "We truly regret what has happened in the Syria subsidiary and after learning about it took immediate and firm actions. None of the individuals put under investigation is today with the company.

Beat Hess: "LafargeHolcim was formed in 2015 out of two proud champions, each with a tradition reaching back over 100 years. Prior to the merger the Lafarge Group had a comprehensive compliance program which was breached. We have further strengthened the compliance program and culture since the merger, to make sure that similar mistakes will not happen again. I believe our compliance culture is strong through our entire Group and with our dedicated employees we will overcome individual wrongdoings."

As soon as LafargeHolcim became aware of the irregularities that occurred in Syria, the Board of Directors in 2016 commissioned an investigation which was undertaken by independent external legal advisers experienced in complex international investigations. The main findings of this investigation were made public in April 2017 and revealed that the local company provided funds to third parties to work out arrangements with a number of armed groups, which included sanctioned parties.

This report and more than 260,000 documents collected for the investigation were handed over to the French authorities and are essential to the case. On several occasions, including today before the examining magistrates, the Company confirmed that unacceptable individual errors

were made in Syria until the site was evacuated in September 2014, which it firmly regrets. The company will continue to fully cooperate with the legal authorities in this case.

About LafargeHolcim

LafargeHolcim is the leading global building materials and solutions company serving masons, builders, architects and engineers all over the world. Group operations produce cement, aggregates and ready-mix concrete which are used in building projects ranging from affordable housing and small, local projects to the biggest, most technically and architecturally challenging infrastructure projects. As urbanization increasingly impacts people and the planet, the Group provides innovative products and building solutions with a clear commitment to social and environmental sustainability. With leading positions in all regions, LafargeHolcim employs approximately 80,000 employees in around 80 countries and has a portfolio that is equally balanced between developing and mature markets.

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