

Report on Payments to Governments

LafargeHolcim Ltd

For the year ended December 31, 2015



LafargeHolcim

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Report on Payments to Governments 2015

1 About this Report

This report has been prepared in line with Chapter 10 of the EU Accounting Directive (2013/34/EU) and Article 6 of the EU Transparency Directive (2004/109/EC), as amended, which have been transposed in French legislation. Its publication aims to provide for enhanced transparency of payments made to governments in the context of extractive activities.

Article 42 of the Directive 2013/34/EU states that “*Member States shall require large undertakings and all public-interest entities active in the extractive industry or the logging of primary forests to prepare and make public a report on payments made to governments on an annual basis...*”.

The provisions of this Directive are integrated in Article L.225-102-3 of the French Commercial Code.

Due to the listing of its shares on Euronext Paris, France, and the resulting requirement to comply with the General Regulations of the *Autorité des marchés financiers* (AMF), LafargeHolcim is required to disclose a consolidated report on payments to governments for the year 2015.

2 Basis of Preparation and Scope

LafargeHolcim Ltd as parent of the Group has prepared the report on a consolidated basis and reports the activity of any of its subsidiary undertakings that perform extractive operations. Taxes, royalties, license fees, production entitlements and infrastructure improvements to governments are presented on a cash paid basis during the reporting period. In-kind payments are converted into monetary value at the date of settlement.

The report includes all payments to governments for activities which relate to exploration, discovery, development and extraction of minerals and other materials resulting from extracting operations of each of our consolidated subsidiaries. It includes all payments made by the combined LafargeHolcim Group during the 12-month period ended December 31, 2015.

Payments made to a government as a single payment or as a series of related payments of EUR 100,000 or more in financial year 2015 form part of this report. Amounts in currencies other than Swiss Franc (presentation currency for this report) have been converted based on the average annual foreign exchange rates prevailing as at December 31, 2015.

This report excludes payments by non-consolidated entities (such as those that are accounted for using the equity method) regardless of the amounts paid and also excludes payments to governments related to the processing, marketing and trading of any of our products. Equally, any donations made, for example in respect of social or community programs, are excluded.

Due to rounding, numbers presented throughout this report may not add up precisely to the totals provided.

Unless noted otherwise in the report, the following terms have the meanings noted below:

Government

Any national, regional or local authority of a EU Member State or of a third country. It includes a department, agency or other undertakings controlled by that authority.

Project

A project means the operational activities that are governed by a single contract, license, lease, concession or similar legal agreements and form the basis for payment liabilities with a government. Where multiple such agreements are substantially interconnected, these are considered a single project.

For the 12-month reporting period ending December 31, 2015, LafargeHolcim does not have material projects for which payments to governments were made. As a result, these are not disclosed separately. The aggregated government payments in connection to those projects amount to CHF 4.8 million and are included in the payments per government shown within this report.

Production entitlements

Represents host government's share of production. This payment is generally made in kind. It does not include the working interest production share of government-owned companies where said companies are acting as partners in a joint venture.

Taxes

Represents taxes levied on the income, production or profits of a consolidated subsidiary, excluding taxes levied on consumption such as value added taxes, personal income taxes or sales taxes. These taxes are generally represented as income taxes paid in the consolidated statement of cash flows of LafargeHolcim. Where practical, we have reported the amounts associated with the extractive operations only. Tax payments are made in accordance with current local regulations, which may include instalments.

Royalties

Represents percentage of production payable to the owner of mineral rights.

Dividends

Represents dividends paid to a host government holding an interest in a consolidated entity. Dividends paid to a host government as an ordinary shareholder of our Group company are excluded as long as the dividends are paid to the government under the same terms and conditions as applicable to other shareholders.

For the 12-month reporting period ending December 31, 2015, LafargeHolcim does not have any dividends to report.

Bonuses

Represents bonuses paid for and in consideration of signature, discovery, production, awards, grants and transfers of extraction rights. This also includes bonuses related to achievement or failure to achieve certain production levels or certain targets, and discovery of additional mineral reserves/ deposits.

For the 12-month reporting period ending December 31, 2015, LafargeHolcim does not have any bonuses to report.

Fees

Represents license fees, surface or rental fees, and other consideration for licenses and/ or concessions paid for access to the area where extractive operations are conducted.

Infrastructure improvements

Represents payments for local development, including the improvement of infrastructure, not directly necessary for the conduct of extractive operations but mandatory pursuant to the terms of a production sharing contract or to the terms of a law relating to LafargeHolcim's activities.

3 Consolidated overview

The consolidated overview discloses the sum of LafargeHolcim's payments to governments in each Group region and per payment type. The overview is based on the location of the receiving government.

Receiving Group region in kCHF	Production entitlements	Taxes	Royalties	Fees	Infrastructure improvements	Total
Asia Pacific	-	312'487	96'479	24'884	1'825	435'675
Europe	2'654	120'104	11'708	14'844	-	149'310
Latin America	-	88'646	6'892	1'667	-	97'205
Middle East Africa	32'078	238'346	11'865	29'250	1'039	312'578
North America	-	83'398	3'742	4'871	248	92'259
Total	34'732	842'981	130'686	75'516	3'112	1'087'027

4 Payments per government

This overview discloses the sum of LafargeHolcim's payments to governments in each country and per payment type. The overview is based on the location of the receiving government.

Receiving country in kCHF	Production entitlements	Taxes	Royalties	Fees	Infrastructure improvements	Total
Asia Pacific	-	312'487	96'479	24'884	1'825	435'675
Australia	-	22'986	3'491	11'946	-	38'423
National government	-	12'038	3'491	2'620	-	18'149
Regional/ local government	-	10'948	-	9'326	-	20'274
Bangladesh	-	5'373	-	298	-	5'671
National government	-	5'373	-	298	-	5'671
China	-	-	14'778	-	831	15'609
National government	-	-	14'778	-	831	15'609
India	-	176'829	68'286	-	702	245'817
National government	-	176'829	15'914	-	-	192'743
Regional/ local government	-	-	52'372	-	702	53'074
Indonesia	-	9'802	2'617	12'081	-	24'500
National government	-	8'879	-	9'016	-	17'895
Regional/ local government	-	923	2'617	3'065	-	6'605
Malaysia	-	20'644	4'944	360	-	25'948
National government	-	20'644	-	-	-	20'644
Regional/ local government	-	-	4'944	360	-	5'304
New Zealand	-	746	459	-	292	1'497
National government	-	746	459	-	292	1'497

Receiving country in kCHF	Production entitlements	Taxes	Royalties	Fees	Infrastructure improvements	Total
Philippines	-	66'327	-	-	-	66'327
National government	-	63'693	-	-	-	63'693
Regional/ local government	-	2'634	-	-	-	2'634
Sri Lanka	-	-	651	199	-	850
National government	-	-	-	199	-	199
Regional/ local government	-	-	651	-	-	651
Vietnam	-	9'780	1'253	-	-	11'033
National government	-	9'780	1'253	-	-	11'033
Europe	2'654	120'104	11'708	14'844	-	149'310
Azerbaijan	-	11'320	-	220	-	11'540
National government	-	11'320	-	220	-	11'540
Belgium	2'411	3'342	-	-	-	5'753
Regional/ local government	2'411	3'342	-	-	-	5'753
Bulgaria	-	679	-	1'310	-	1'989
National government	-	679	-	1'310	-	1'989
Croatia	-	241	119	151	-	511
National government	-	241	119	151	-	511
Czech Republic	-	2'311	-	-	-	2'311
National government	-	2'311	-	-	-	2'311
France	-	13'306	-	119	-	13'425
National government	-	12'324	-	-	-	12'324
Regional/ local government	-	982	-	119	-	1'101

Receiving country in kCHF	Production entitlements	Taxes	Royalties	Fees	Infrastructure improvements	Total
Germany	-	2'771	594	1'578	-	4'943
National government	-	2'422	-	413	-	2'835
Regional/ local government	-	349	594	1'165	-	2'108
Greece	-	565	2'391	1'810	-	4'766
National government	-	565	-	-	-	565
Regional/ local government	-	-	2'391	1'810	-	4'201
Hungary	-	687	-	-	-	687
National government	-	297	-	-	-	297
Regional/ local government	-	390	-	-	-	390
Italy	-	881	-	594	-	1'475
Regional/ local government	-	881	-	594	-	1'475
Moldova	-	2'163	-	-	-	2'163
National government	-	2'163	-	-	-	2'163
Poland	-	8'523	4'064	7'717	-	20'304
Regional/ local government	-	8'523	4'064	7'717	-	20'304
Romania	-	9'744	2'248	119	-	12'111
National government	-	8'444	2'248	-	-	10'692
Regional/ local government	-	1'300	-	119	-	1'419
Russia	-	314	1'861	1'021	-	3'196
Regional/ local government	-	314	1'861	1'021	-	3'196

Receiving country in kCHF	Production entitlements	Taxes	Royalties	Fees	Infrastructure improvements	Total
Serbia	-	1'828	285	-	-	2'113
National government	-	1'428	-	-	-	1'428
Regional/ local government	-	400	285	-	-	685
Spain	243	6'345	-	-	-	6'588
Regional/ local government	243	6'345	-	-	-	6'588
Switzerland	-	24'174	-	-	-	24'174
Regional/ local government	-	24'174	-	-	-	24'174
Ukraine	-	185	-	205	-	390
National government	-	185	-	205	-	390
United Kingdom	-	30'725	146	-	-	30'871
National government	-	23'742	146	-	-	23'888
Regional/ local government	-	6'983	-	-	-	6'983
Latin America	-	88'646	6'892	1'667	-	97'205
Brazil	-	1'044	-	-	-	1'044
National government	-	1'044	-	-	-	1'044
Chile	-	-	120	232	-	352
National government	-	-	-	232	-	232
Regional/ local government	-	-	120	-	-	120
Colombia	-	31'624	517	-	-	32'141
National government	-	28'509	517	-	-	29'026
Regional/ local government	-	3'115	-	-	-	3'115

Receiving country in kCHF	Production entitlements	Taxes	Royalties	Fees	Infrastructure improvements	Total
Costa Rica	-	434	-	161	-	595
National government	-	434	-	-	-	434
Regional/ local government	-	-	-	161	-	161
Ecuador	-	1'479	6'129	-	-	7'608
National government	-	1'479	-	-	-	1'479
Regional/ local government	-	-	6'129	-	-	6'129
El Salvador	-	17'950	-	872	-	18'822
National government	-	17'747	-	-	-	17'747
Regional/ local government	-	203	-	872	-	1'075
Mexico	-	32'011	-	227	-	32'238
National government	-	-	-	227	-	227
Regional/ local government	-	32'011	-	-	-	32'011
Nicaragua	-	4'104	126	175	-	4'405
National government	-	4'104	126	175	-	4'405
Middle East Africa	32'078	238'346	11'865	29'250	1'039	312'578
Algeria	-	86'402	2'959	1'252	201	90'814
National government	-	86'402	2'959	1'252	201	90'814
Cameroon	217	18'449	-	307	-	18'973
National government	217	18'449	-	307	-	18'973
Egypt	-	15'511	-	15'184	-	30'695
National government	-	15'511	-	15'032	-	30'543
Regional/ local government	-	-	-	152	-	152

Receiving country in kCHF	Production entitlements	Taxes	Royalties	Fees	Infrastructure improvements	Total
Iraq	30'829	2'951	1'762	10'671	-	46'213
National government	30'829	2'951	1'762	10'671	-	46'213
Jordan	290	1'381	-	-	-	1'671
National government	290	1'381	-	-	-	1'671
Kenya	742	15'785	2'988	-	838	20'353
National government	-	15'785	2'988	-	838	19'611
Regional/ local government	742	-	-	-	-	742
Lebanon	-	10'761	-	-	-	10'761
National government	-	10'098	-	-	-	10'098
Regional/ local government	-	663	-	-	-	663
Madagascar	-	1'217	-	442	-	1'659
National government	-	1'217	-	-	-	1'217
Regional/ local government	-	-	-	442	-	442
Malawi	-	1'641	-	-	-	1'641
National government	-	1'641	-	-	-	1'641
Mauritius	-	301	-	399	-	700
National government	-	301	-	399	-	700
Morocco	-	34'366	-	-	-	34'366
Regional/ local government	-	34'366	-	-	-	34'366
Nigeria	-	3'155	948	-	-	4'103
National government	-	3'155	948	-	-	4'103

Receiving country in kCHF	Production entitlements	Taxes	Royalties	Fees	Infrastructure improvements	Total
South Africa	-	-	1'279	-	-	1'279
Regional/ local government	-	-	1'279	-	-	1'279
Tanzania	-	7'070	144	-	-	7'214
National government	-	7'070	144	-	-	7'214
Uganda	-	14'213	1'479	410	-	16'102
National government	-	14'213	1'479	-	-	15'692
Regional/ local government	-	-	-	410	-	410
Zambia	-	24'773	306	378	-	25'457
National government	-	24'773	306	-	-	25'079
Regional/ local government	-	-	-	378	-	378
Zimbabwe	-	370	-	207	-	577
National government	-	370	-	207	-	577
North America	-	83'398	3'742	4'871	248	92'259
Canada	-	57'505	3'241	4'433	248	65'427
National government	-	47'945	2'339	-	-	50'284
Regional/ local government	-	9'560	902	4'433	248	15'143
United States	-	25'893	501	438	-	26'832
National government	-	9'653	-	-	-	9'653
Regional/ local government	-	16'240	501	438	-	17'179
Total	34'732	842'981	130'686	75'516	3'112	1'087'027

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