

SECOND PARTY OPINION (SPO)

Sustainability Quality of the Issuer and Sustainability-Linked Financing as of 12.11.2020

LAFARGEHOLCIM'S SUSTAINABILITY-LINKED FINANCING

SUSTAINABILITY CREDIBILITY OF KPI AND SPT

KPI selection

The KPI is core, relevant and material to the issuer's business model and consistent with its sustainability strategy. It is appropriately measurable, quantifiable, externally verifiable and benchmarkable. It covers a material scope of the operations and activities of the issuer.

SPT calibration

The SPT is ambitious against the company's past performance, compared to Construction Material sector practices in terms of defining a GHG emissions reduction target and in line with the Paris Agreement and well below a 2° Celsius warming scenario. The target is set in a clear timeline, benchmarkable and supported by a credible strategy and action plan.

CREDIBLE



KPI & SUSTAINABILITY PERFORMANCE TARGET (SPT)

SUSTAINABILITY-LINKED BOND PRINCIPLES ALIGNMENT

- | | |
|---|-------------------------------------|
| 1. Selection of KPI | <input checked="" type="checkbox"/> |
| 2. Calibration of Sustainability Performance Target | <input checked="" type="checkbox"/> |
| 3. Sustainability-Linked Securities Characteristics | <input checked="" type="checkbox"/> |
| 4. Reporting | <input checked="" type="checkbox"/> |
| 5. Verification | <input checked="" type="checkbox"/> |

ALIGNED



PRINCIPLES ALIGNMENT

SUSTAINABILITY PERFORMANCE ASSESSMENT

The issuer shows a high relative ESG performance, being rated 4th out of 95 companies within the Construction Materials sector as of 12.11.2020. It ranks in the first Decile Rank relative to the industry group.

According to the ISS ESG rating, published on 27.04.2020, the company has been given a rating of 'C+', which classifies it as 'Prime' by the methodology of the ISS ESG Corporate Rating.

Status:
PRIME
Rating: **C+**
Decile
Ranking: **1**



ISSUER SUSTAINABILITY PERFORMANCE

ISS ESG's SPOs provide Sustainability, Green and Social bond issuers with a credible and independent assessment of the sustainability quality of their bonds.

Those that meet ISS ESG's rigorous global standards give sustainability-oriented investors security that the projects they fund are suitably green or social.

ISS ESG's evaluation is based on the engagement conducted in October and November 2020, on LafargeHolcim's Sustainability-Linked Securities Framework (11.2020 version) and on the ISS ESG Corporate Rating applicable at the SPO delivery date (updated on the 27.04.2020).