

Report on Payments to Governments

LafargeHolcim Ltd

For the year ended December 31, 2017



LafargeHolcim

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Report on Payments to Governments 2017

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 1. 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 2017.

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, prospection, discovery, development and extraction of minerals or other materials of each of our consolidated subsidiaries at the end of financial year 2017 for the 12-month period ended December 31, 2017.

Payments made to a government as a single payment or as a series of related payments of EUR 100'000 or more in the financial year 2017 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 at December 31, 2017.

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.

Any payments not clearly related to extractive operations (e.g. income taxes) have been broken down by ratio to reflect the portion related to extractive operation only.

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.

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.

For the 12-month reporting period ending December 31, 2017, LafargeHolcim does not have any production entitlements to report.

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 the portion related to extractive operations of income taxes paid in the consolidated statement of cash flows of LafargeHolcim.

Royalties

Represents the 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, 2017, 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, 2017, 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 related to extractive operations per Group region and per payment type. The overview is based on the location of the receiving government.

Receiving country in kCHF	Taxes	Royalties	Fees	Infrastructure improvements	Total 2017
Asia Pacific	20'597	92'028	14'681	5'791	133'096
Europe	65'454	20'520	4'862		90'836
Latin America	13'322	5'542	1'217		20'080
Middle East Africa	28'232	12'401	19'952	1'540	62'124
North America	16'508	4'489	8'448		29'444
Total 2017	144'112	134'980	49'158	7'331	335'581

4 Payments per government

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

Receiving country in kCHF	Taxes	Royalties	Fees	Infrastructure improvements	Total 2017
Asia Pacific	20'597	92'028	14'681	5'791	133'096
Australia	3'588	4'104	1'376		9'068
Queanbeyan City Council		227			227
Australian Taxation Office	1'117		316		1'433
Commissioner of State Revenue, WA	352				352
Department of Agriculture and Fisheries, QLD		2'461			2'461
Office of State Revenue, QLD	617				617
State Revenue Office, VIC	552				552
Department of Mines, Industry Regulation and Safety, WA		349			349
Department of State Development, SA		200			200
Revenue NSW	825				825
RevenueSA	126				126
Roads & Maritime Services, NSW			742		742
WorkCover Queensland			318		318
Department of Economic Development, VIC		303			303
Department of Environment and Heritage Protection, QLD		564			564
China	934		667		1'601
State Administration of Taxation of the PRC	407				407
Chongqing Administration of Land, Resources and Housing			667		667
Jiangyou Local Tax Bureau	126				126
Dujiangyan Local Tax Bureau	401				401
India	13'480	81'277	956	5'791	101'504
Government of Madhya Pradesh		5'301		3'985	9'286
Government of Rajasthan		4'309		588	4'897
Government of Tamilnadu		2'151	956	143	3'250
Government of Chattisgarh		5'438		1'076	6'513
Government of Maharashtra		12'180			12'180
Government of Himachal Pradesh		5'438			5'438
Government of Odisha		1'401			1'401
Government of Jharkhand		1'680			1'680
Government of Karnataka		9'454			9'454
Government of India	13'480				13'480
Government of Chhattisgarh		8'491			8'491
Government of Gujarat		7'209			7'209
Government of Himachal Pradesh		10'388			10'388
Government of Meghalaya		7'839			7'839
Indonesia	2'266	2'925	11'064		16'254
Direktorat Jenderal Pajak	1'848		10'112		11'960
Dinas Pendapatan Daerah, Dispenda	418	2'925	790		4'133
Sekretariat Jenderal Department Kehakiman			161		161

Receiving country in kCHF	Taxes	Royalties	Fees	Infrastructure improvements	Total 2017
Malaysia	328	3'413	619		4'359
Bendahari Negeri Selangor		1'010	314		1'325
Inland Revenue Board of Malaysia	328				328
Koperasi Peneroka Felda Bukit Waha		192			192
Pentadbir Tanah Daerah Kulai (Kulai)		148			148
Bendahari Negeri Perak		1'078	175		1'252
Pentadbir Tanah Langkawi		985			985
Perbadanan Kemajuan Negeria Kedah			129		129
New Zealand		309			309
Wellington City Council		309			309
Europe	65'454	20'520	4'862		90'836
Austria	806				806
Bundesministerium für Finanzen	806				806
Azerbaijan	537				537
Vergilər Nazirliyi yanında Bakı şəhəri Lokal Gəlirlər Departamenti	537				537
Belgium	3'352				3'352
Administration Communale Mons	757				757
Commune De Lessines	334				334
Recette des Contributions Tournai 1	153				153
Team Recettes Précompte Professionnel Mons 2	2'107				2'107
Bulgaria	1'269		1'019		2'289
National Revenue Agency	1'269				1'269
Ministry of Energy			1'019		1'019
Croatia		185			185
Ministarstvo financija		185			185
Czech Republic	2'002				2'002
FU Libochovice	2'002				2'002
France	11'394	245			11'639
Chambre de Commerce et d'Industrie		245			245
Trésor public	757				757
Douane, Service de la TGAP	7'116				7'116
Direction départementale ou régionale des finances publiques	482				482
Direction générale des finances publiques	3'039				3'039
Germany	1'174	1'769	1'379		4'322
Bürgermeisteramt Hohentengen		864			864
Finanzamt Gießen	307				307
Finanzamt Waldshut-Tiengen	221				221
Gemeinde Breitscheid			165		165
Gemeinde Nordstemmen	383				383
Gemeinde Zeithain	127				127
Kreis Steinburg			129		129
Stadt Sehnde	137				137
Stadtverwaltung Friedrichsdorf			459		459
Gemeinde Malsch		411			411
Gemeinde Dotternhausen		494			494

Receiving country in kCHF	Taxes	Royalties	Fees	Infrastructure improvements	Total 2017
Germany - continued					
Regierungspräsidium Tübingen			153		153
Landesamt für Natur, Umwelt und Verbraucherschutz Nordrhein-Westfalen			333		333
Verbandsgemeinde Jockgrim			140		140
Greece	1'486	2'935			4'420
Decentralized Administration of Thessaly		935			935
Municipality of Aliveri		234			234
Municipality of Almyros		132			132
Municipality of Nisyros		1'449			1'449
Municipality of West Achaea		185			185
FAE Athinon	1'486				1'486
Hungary	640				640
Municipality of Királyegyháza, Bükkösd	640				640
Italy	266		628		894
Comune di Ternate, VA	266		170		436
Comune di Pioltello, MI			189		189
Comune di Travedona Monate, VA			269		269
Poland	2'080	4'154	571		6'805
National Fund for Environmental Protection and Water Management		1'772			1'772
Urząd Gminy Biały Bór		308			308
Urząd Gminy Sulików	198	194			392
Urząd Gminy Legnickie Pole		158			158
Urząd Gminy Sitkówka-Nowiny	145	328			473
Urząd Gminy Lipnica	111	171			282
Urząd Gminy Barcin	1'071	801			1'872
Urząd Gminy Małogoszcz		239			239
Urząd Marszałkowski Województwa Kujawsko-Pomorskiego			217		217
Regionalnej Dyrekcji Lasów Państwowych			354		354
Urząd Gminy Wierzbica	354				354
Urząd Gminy Krzeszowice		184			184
Urząd Gminy Morawica	201				201
Romania	2'360	2'286			4'646
Bugetul de Stat	452	2'286			2'738
Primaria Tetchea	234				234
Administratia Fondului pentru Mediu	1'039				1'039
Primaria Astileu	165				165
Primaria Valea Mare Pravat	471				471
Russia	1'106		774		1'879
Federal Tax Authority Moscow	431				431
Federal Tax Authority of Karelia republic	170				170
Federal Tax Authority of Moscow region	242				242
Federal Tax Authority of Saratov region	262				262
Federal Treasury of Saratov region			227		227
Federal Treasury of Moscow region			547		547

Receiving country in kCHF	Taxes	Royalties	Fees	Infrastructure improvements	Total 2017
Serbia	508	334	490		1'332
Municipality of Beočin	126	204	331		661
Municipality of Sremska Mitrovica		130			130
Ministry of Finance, Treasury Administration	382		160		541
Spain	5'046				5'046
Ayuntamiento de Carboneras	1'675				1'675
Ayuntamiento de Sagunto	794				794
Ayuntamiento de San Martín de la Vega	129				129
Ayuntamiento de Ciruelos	123				123
Ayuntamiento de Montcada	706				706
Ayuntamiento de Salt del Llop	454				454
Ayuntamiento de Villaluenga	256				256
Ayuntamiento de Jerez	733				733
Junta de Andalucía	177				177
Switzerland	4'819	8'472			13'291
Commune de Bière		268			268
Commune d'Eclépens		467			467
Gemeinde Büsingen		220			220
Gemeinde Kirchberg		341			341
Gemeinde Untersiggenthal		205			205
Gemeinde Villigen		720			720
Gemeinde Würenlingen		660			660
Gemeindeverwaltung Untervaz		3'413			3'413
Kantonales Steueramt St.Gallen	241				241
Stadt Schaffhausen	428				428
Steueramt der Stadt Zürich	263				263
Steueramt des Kantons Aargau	1'386				1'386
Steuerverwaltung des Kantons Basel	389				389
Steuerverwaltung Graubünden	132				132
Ville de la Sarraz		311			311
Departement Bau, Verkehr & Umwelt, Aargau		578			578
Administration fiscale cantonale de Genève	804				804
Service immeubles, patrimoine et logistique, Vaud		337			337
Kantonales Steueramt Zürich	1'176				1'176
Service des routes, transports et cours d'eau, Valais		952			952
United Kingdom	26'611	140			26'750
Environment Agency - EU ETS	965				965
Central Bedfordshire Unitary Authority	289				289
East Lindsey District Council	110				110
Durham Unitary Authority	123				123
Blaby District Council	331				331
Environment Agency - CRC	359				359
East Devon District Council	231				231
North Lanarkshire Unitary Authority	208				208
Sedgemoor District Council	235				235

Receiving country in kCHF	Taxes	Royalties	Fees	Infrastructure improvements	Total 2017
United Kingdom - continued					
Lancaster County Council	194				194
North West Leicestershire District Council	837				837
East Staffordshire District Council	211				211
Staffordshire Moorlands District Council	1'221				1'221
Mendip District Council	729				729
Peterborough Unitary Authority	175				175
Fenland District Council	129				129
Mid-Devon District Council	159				159
Plymouth Unitary Authority	184				184
Highland Unitary Authority	468				468
The Crown Estate		140			140
HM Revenue and Customs - National Insurance	5'885				5'885
HM Revenue and Customs	13'567				13'567
Latin America	13'322	5'542	1'217		20'080
Brazil	717				717
Departamento Nacional de Produção Mineral	717				717
Colombia	2'771	372			3'143
Agencia Nacional de Minería		372			372
Dirección de Impuestos y Aduanas Nacionales	717				717
Secretaría de Hacienda del Municipio de Nobsa	2'055				2'055
Ecuador	910	5'170	283		6'364
Servicio de Rentas Internas	910	5'170	283		6'364
El Salvador	278		933		1'211
Ministerio de Hacienda	278				278
Alcaldía Municipal de Metapán			933		933
Mexico	8'646				8'646
Gobierno de Coahuila	854				854
Servicio de Administración Tributaria	7'501				7'501
Tesorería de la Federación	147				147
Gobierno del Estado de México	143				143
Middle East Africa	28'232	12'401	19'952	1'540	62'124
Algeria	11'729	7'227		1'540	20'495
Agence Nationale des activités minières		7'227			7'227
Direction des grandes entreprises	11'729				11'729
Trésor Public				1'540	1'540
Egypt	5'535		13'510		19'045
Government of Suez			206		206
Egyptian Tax Authority	5'535				5'535
National Service of the Egyptian Army			13'304		13'304
Iraq			4'059		4'059
Federal Government of Iraq			1'186		1'186
Kurdistan Regional Government			2'873		2'873
Jordan	1'678				1'678
Energy & Minerals Regulatory Commission	1'678				1'678

Receiving country in kCHF	Taxes	Royalties	Fees	Infrastructure improvements	Total 2017
Kenya	2'900		986		3'887
Ministry of Mining	2'543				2'543
Kenya Revenue Authority	357				357
Kilifi County Government			352		352
Mombasa County Government			635		635
Lebanon	2'133				2'133
Ministry of Finance	773				773
Municipality of Kfarhazir	583				583
Municipality of Kefraya	453				453
Municipality of Hery	325				325
Nigeria		576			576
Ministry of Mines and Steel Development		576			576
South Africa	370	1'718	1'048		3'136
eThekweni Municipality		957			957
Pietersburg Town Council		199			199
Eskom			1'048		1'048
South African Revenue Services	370	562			932
Tanzania	367				367
Commissioner for Large Taxpayers	367				367
Uganda	1'643	2'522			4'165
Uganda Revenue Authority	1'643	2'522			4'165
Zambia	190	359	348		898
Ndola District Council			166		166
Zambia Revenue Authority	190	359			550
Chilanga District Council			182		182
Zimbabwe	1'686				1'686
Zimbabwe Revenue Authority	1'686				1'686
North America	16'508	4'489	8'448		29'444
Canada	11'467	4'489	8'448		24'404
City of Belleville	124				124
City of London	125				125
City of Mississauga	175				175
City of Toronto	319				319
County of Colchester	244				244
Hamilton Port Authority			2'151		2'151
Montreal Port Authority			157		157
Municipalite de St-Gabriel			148		148
Ports Toronto			706		706
Revenu Quebec	301				301
Town of Caledon	409				409
Township of Uxbridge	226				226
Township of Zorra	281				281
Ville de Gatineau	133		305		438
Ville de Montreal Est	1'088		836		1'925
Ville de St-Constant	264		343		607

Receiving country in kCHF	Taxes	Royalties	Fees	Infrastructure improvements	Total 2017
Canada - continued					
Ville de Ste-Adele			145		145
Windsor Port Authority			247		247
Athabasca Minerals Inc.		1'654			1'654
City of Abbotsford			538		538
District of Pitt Meadow			604		604
Canada Revenue Agency	4'997				4'997
Town of Richmond Hill	129				129
City of Ottawa	228				228
Loyalist Township	573				573
Ontario Aggregate Resources Corporation			2'144		2'144
Ville de Montreal	565				565
City of Hamilton	889				889
Tax & Revenue Administration, Alberta	396				396
Treasury Board and Finance, Alberta		2'441			2'441
Ministry of Finance, British Colombia		393	124		518
USA	5'041				5'041
State of Texas	521				521
Internal Revenue Service, US Federal Government	886				886
State of Massachusetts	326				326
State of Michigan	433				433
State of North Dakota	118				118
State of Ohio	638				638
State of Kansas	207				207
State of Minnesota	373				373
City of New York, NY	326				326
State of Louisiana	1'108				1'108
State of Mississippi	105				105
Total 2017	144'112	134'980	49'158	7'331	335'581

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