

Dear shareholders,

They say a company's true colors stand out in a crisis. In 2020, LafargeHolcim showed its colors brilliantly.

On behalf of the Board of Directors, I would like to say how proud we are of our 70,000 colleagues, particularly our frontline workers who went above and beyond to keep our people safe and our business strong. They stood by their communities to keep them healthy and served our customers tirelessly so that they, too, could keep operating.

They built emergency field hospitals from Wuhan to Boston, sanitized public spaces from Ecuador to India, promoted public health from Kenya to the Philippines, and donated essential goods wherever they were needed – from masks and gloves to food and water.

So before we look ahead to 2021, let me acknowledge the unprecedented solidarity shown by our people to our communities worldwide. This is all the more exceptional in these very challenging times when we are all concerned for the immediate safety of our families and loved ones.

We would also like to thank our CEO, Jan Jenisch, and his Executive Committee for their leadership and rapid response to the COVID-19 crisis. Jan and his team acted with great agility and foresight to look after their teams and the company while always making sure that safety came first. The 2020 financial results they delivered are remarkable given the circumstances. In my ten years at LafargeHolcim, I have never felt as proud as I do when I look back on a tumultuous 2020.

This year, we opened a new chapter on our sustainability journey, as we announced our net zero commitment at New York Climate week, determined to be part of the solution to today's climate crisis. Taking a rigorous science-driven approach, we are partnering with the Science-Based Target initiative (SBTi) on this journey. They validated our 2030 climate objectives, setting a new standard for our industry, and we are working together on the first net zero cement roadmap.

I am proud that we were recognized as a global climate leader this year, entering CDP's 'Climate A List' alongside the world's leading companies in this area. With our people and communities at the heart of our success, I am pleased that we ranked first in our industry in the Corporate Human Rights Benchmark (CHRB), among the world's top 15% of companies.

These achievements are a great acknowledgement of our teams' relentless work around the world, making sustainability part of everything we do, and an encouragement to keep raising the bar for ourselves and our industry.

This year, I personally engaged in an open dialogue with a number of stakeholders who questioned our commitment to building a greener and healthier world. We believe in working together and learning from each other, as we pursue the common goal of solving the systemic challenges facing our world. We find better solutions when businesses, governments, civil society and other key stakeholders partner to reverse climate change and nature loss, protect human rights and contribute to a circular economy. We hope the record of this year speaks for itself. If any doubt remains, I encourage people to keep an eye on our progress as we continue to create value for all stakeholders while, most importantly, also delivering value to you, our shareholders.

We thank you for your trust.



Beat Hess
CHAIRMAN

Chairman's statement

"I've never been as proud of LafargeHolcim as I am today."

CHF

2.00

Proposed dividend
for 2020



“LafargeHolcim is determined to be part of the solution to today’s climate challenge.”

Focus on Governance: Progress in 2020

The Board of Directors’ work continued uninterrupted and even accelerated in this trying year, notably by welcoming two new members, Kim Fausing and Philippe Block. Their perspectives and unique experiences have already proven invaluable in the development of the company’s strategy.

Diversity counts

Directors represent a broad variety of backgrounds relevant to the governance of the world’s leader in building materials, from finance to energy to sustainability.

Broad international experience

The Board’s twelve Directors represent nine nationalities; one-fourth of whom are women.

Transparent reporting

The Board regularly receives and requests updates from the Executive Committee. The relationship between Board and management is open, constructive and aligned for long-term value creation. This relationship is underpinned by a robust and integrated risk management process (see page 96 of our complete 2020 Integrated Annual Report on <https://annual-report.lafargeholcim.com/>).

Stable governance

The Board balances experience with a steady influx of new perspectives. Six Directors have been on the Board for five years or less, counterbalanced by four who have served for over ten years.

Stakeholder engagement

Throughout the year the Chairman and other Directors met with shareholders, proxy advisors and other stakeholders to ensure an open dialogue.