

Governance Presentation

Dr Bernd Scheifele

March 2024





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Overview & review 2023



Heidelberg Materials is one of the world's largest building materials companies



51,000

employees
on 5 continents



3,000

locations
worldwide

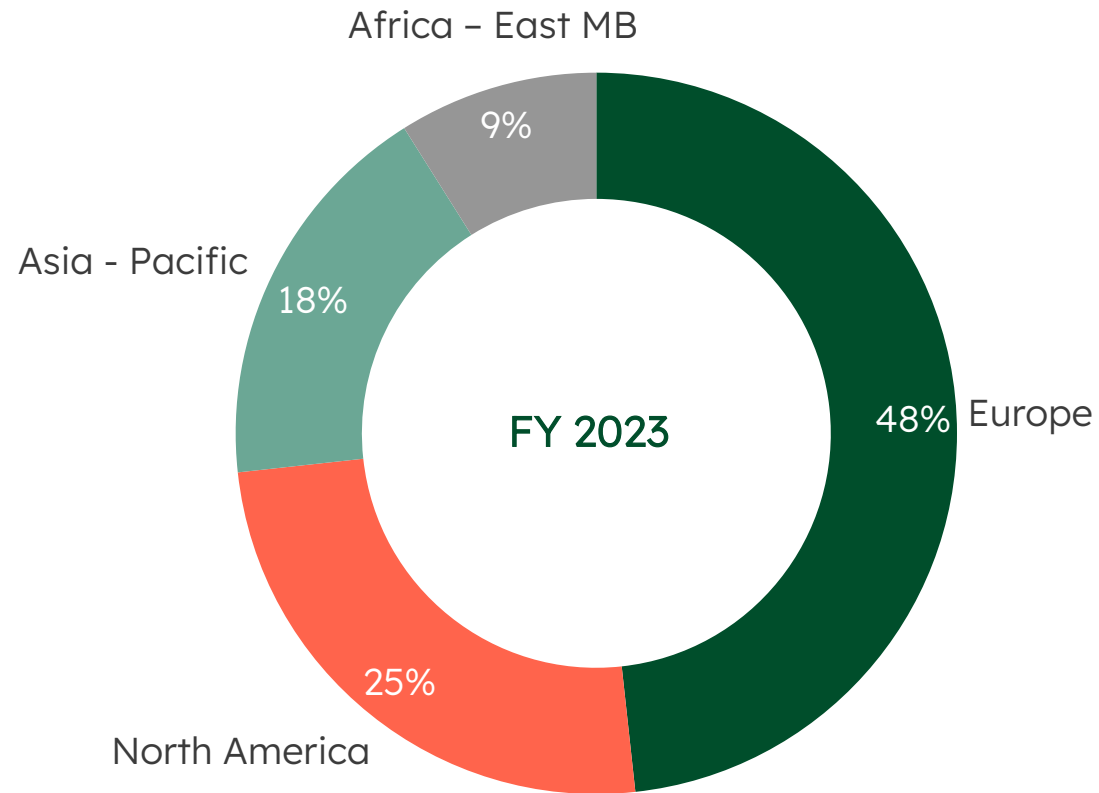


Leading positions in cement,
aggregates, and ready-mixed
concrete

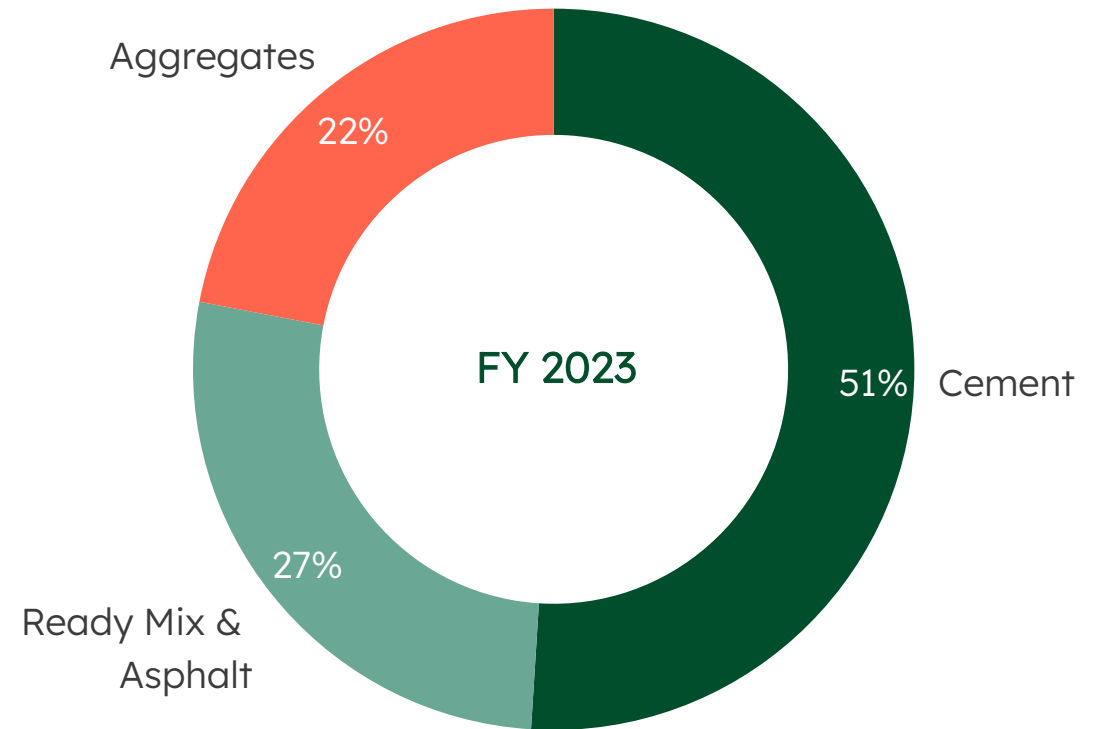


A balanced geographic footprint with strong focus on Heavy Building Materials

Revenue by Group areas



Revenue by business lines



Difference of totals to 100% is due to intercompany eliminations and trading business.



In our anniversary year we hit historically high levels in all KPIs



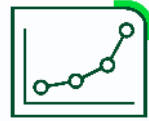
Revenue
21.2 €bn
+4% LfL¹⁾

Strong pricing drives top-line growth



RCO
3.0 €bn
+29% LfL¹⁾

Record high RCO, despite volume pressure



EPS
€10.4
+23%

Solid improvement driven by strong operational performance



ROIC
10.3%
(PY: 9.1%)

Record ROIC, we continue to earn premium on our cost of capital



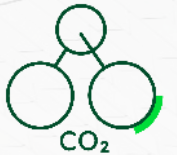
Free cash flow
€2.2 bn

Significant improvement (+0.9 €bn vs. PY) with cash conversion rate above 50%



Shareholder return
~1 €bn

Third year in row with around 1 billion EUR return to shareholders



CO₂
534 kg/tCM
-3% vs. PY

Specific CO₂ emissions reduced further by 17 kg per ton of cem. material²⁾

1) All like-for-like, excluding currency and scope impacts

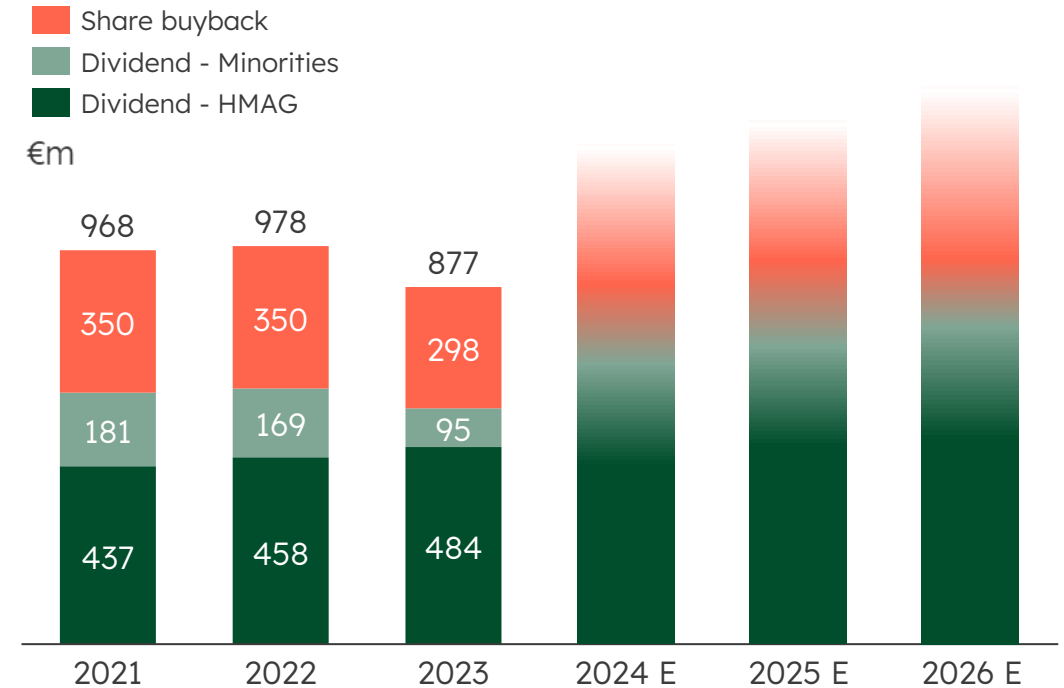
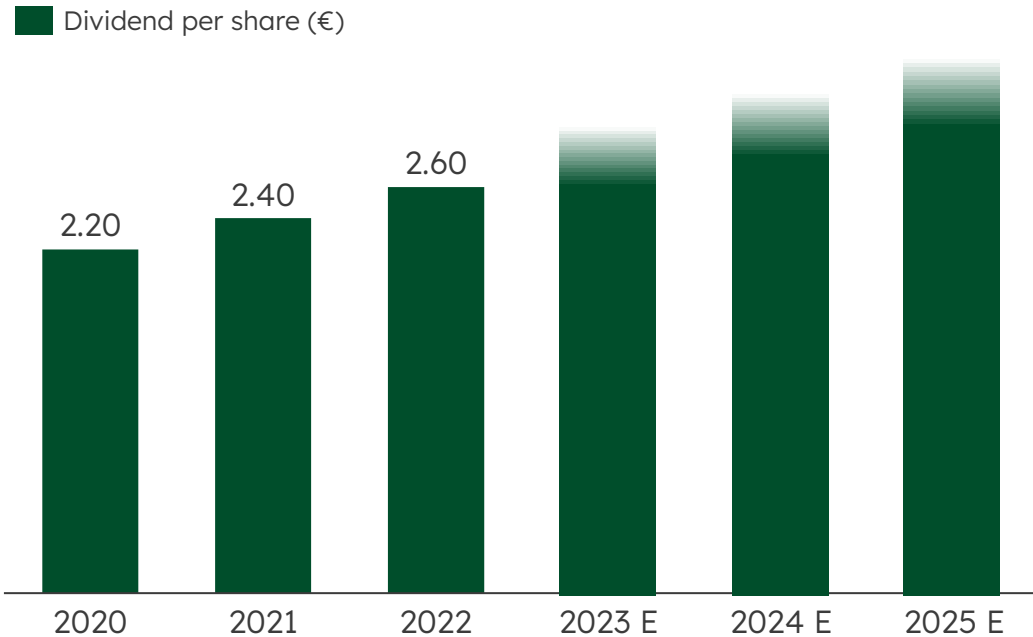
2) Preliminary and unaudited figures; final and audited figures will be published in the combined Annual and Sustainability Report 2023



Dividends & Share buyback: A clear priority in capital allocation policy

Progressive dividend increase
will continue in the upcoming years

New share buyback program of 1.2 €bn
(2024-2026)
20% increase vs. previous program



Supervisory Board supports strategic priorities

Strategic priorities remain in focus

2023 achievement



Purpose

We focus on what we do best: heavy building materials.



Confirmed approach

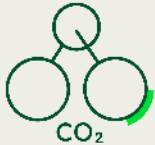


Sustainability

We commit to generate 50% of our revenue from sustainable products by 2030.



35% of sustainable revenue



Carbon reduction

We commit to reduce CO₂ emissions by almost 50% to 400 kg CO₂/t CEM by 2030.



Emissions reduced by 3% to 534 kg CO₂/t



Performance

We will make this transition a successful business case: on growth, margins, cash flow, ROIC, and leverage.



Record levels for major financial KPIs



Value creation

We drive the change for the benefit of our customers, our shareholders, our employees, and the society we live in.



~ 1bn EUR return to shareholders

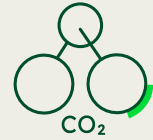


2

Our path to net zero



Industry-leading carbon reduction targets



400kg CO₂/t cementitious material as average across the whole portfolio in 2030¹



47% emission reduction² across the cementitious materials portfolio by 2030



50% of our revenue will be generated from sustainable products by 2030

Corporate carbon footprint reduction in line with SBTi 1.5°C path by 2030

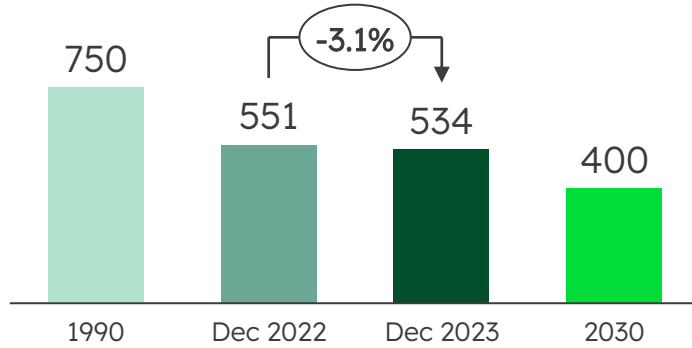
¹ Scope 1, 2 acc. to GCCA; ² Reference year 1990 with an average of 750 kg CO₂/t of cementitious material



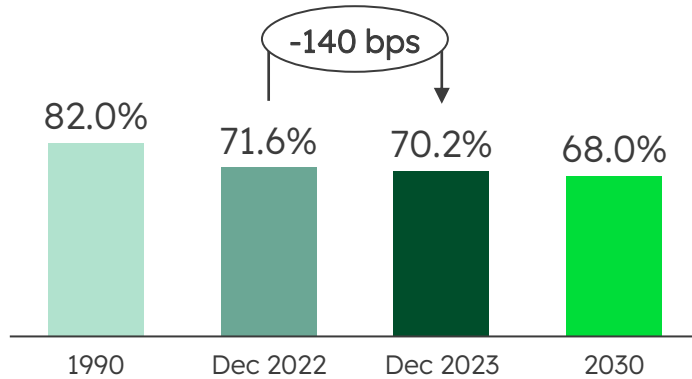
Strong progress in all sustainability KPIs



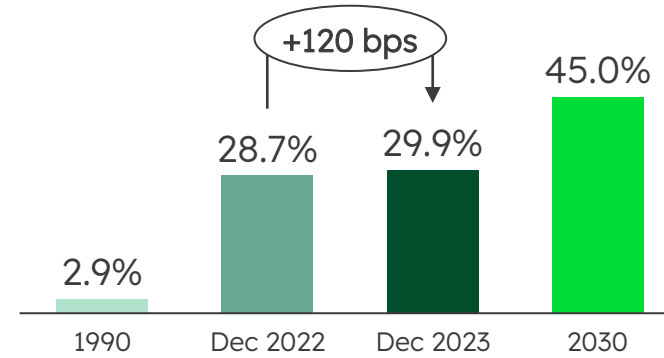
Specific net CO₂ emissions
[kg CO₂/t cementitious material]



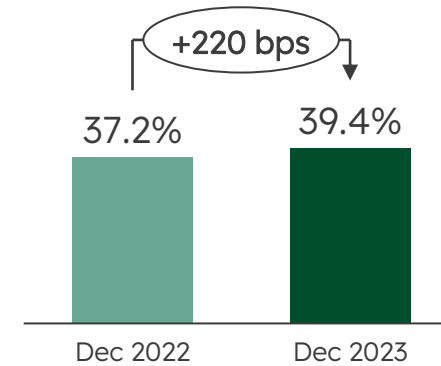
Clinker incorporation factor



Alternative fuel rate



Sustainable revenue CEM



Leading in transparency and reliability, all numbers are audited with reasonable assurance



Our new global evoBuild® and evoZero® product range is setting new standards

evoBUILD

Applies to all business lines: cement, concrete, aggregates, asphalt

- Sustainability brand for low-carbon and circular products
- One global brand with one global, unified definition applicable for all products

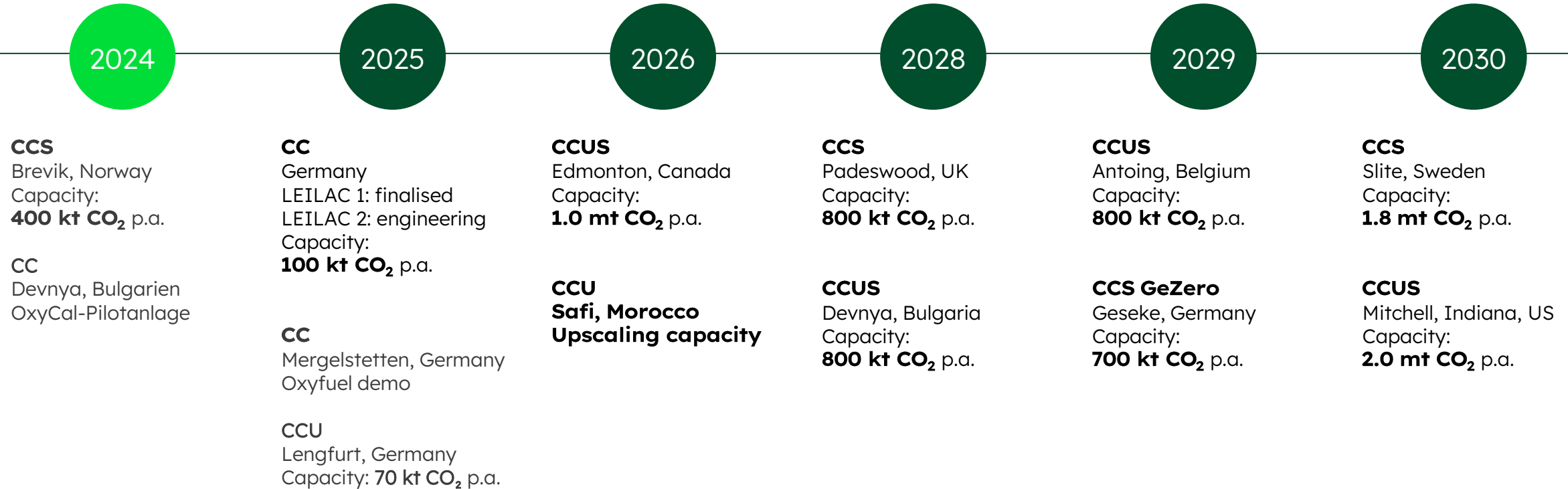
evozero

Applies to cement and concrete products

- Globally unique product: CCS technology, applied for the first time at a large scale in Brevik, enables net-zero carbon footprint of evoZero®.
- Broadest product application combined with lowest CO₂ footprint: customers benefit from trusted product performance.
- High transparency: every tonne of captured CO₂ only accounted for once, independently reviewed by third-party verifier and secured by blockchain technology.



Significant carbon reduction through sector's first CCS project already in 2025



We are confident to deliver on our target of reducing CO₂ emissions by 10 mt through CCUS by 2030

All dates estimated start of operations, timing dependent on various factors, incl. funding decision



An aerial photograph showing a large-scale construction project. A massive green tower crane is lifting a large, dark cylindrical component, likely a piece of industrial machinery or a reactor vessel, from a flatbed trailer. The site is surrounded by residential buildings, greenery, and a body of water. A yellow crane is also visible on the ground near the component. The background shows a suburban neighborhood with houses and a park area.

Heidelberg Materials will be the first worldwide to offer carbon captured net-zero cement and concrete at scale.



High recognition for transparency and performance on climate change

CDP™
DISCLOSURE INSIGHT ACTION
Top grade A in CDP Climate Score
Stable A- water score

SUSTAINALYTICS
a Morningstar company
27.4
(0 to 40+)

Corporate ESG Performance
RATED BY **ISS ESG**
C+ Prime

S&P Global
77/100

MSCI
AA

For Validation: 2050 targets submitted to Science Based Targets initiative (SBTi)



3

Supervisory Board



Strict criteria in the composition and work of the Supervisory Board

Framework



- Individual election for 4-year term (max. 12 years in total)
- Age limit 70 years at the time of election
- Transparent and individual disclosure of meeting participation
- Sufficient capacity and profile of skills
- Align structure with Corporate Governance frameworks
- Constructive communication with stakeholders

Independence & diversity



- Several aspects of the business model to be considered in the composition
- Apply sufficient mechanisms to prevent any kind of material conflict of interest
- Minimum of 30% women/men (currently 3 male and 3 female out of 6 shareholder representatives)
- At least 50% overall independence of shareholder representatives, also within committees (currently 4 out of 6)

Skills set



- Ensure qualified and constructive oversight of and advice to Managing Board
- Members of Supervisory Board require:
- Adequate knowledge & expertise along with professional experience
- Sector exposure and/or specific fields of knowledge (e.g., finance, sustainability)
- High level of professional commitment and integrity

Self-Assessment



- Every two years, effectiveness of the work of the Supervisory Board and its committees
- Compliance with German Corporate Governance Code
- Focus of self-evaluation fall 2023:
 - Internal structure/organization
 - Preparation, conduct and recording of meetings
 - Discussion and working culture
 - Content and topics of meetings
 - Composition of SB and cooperation with MB
 - Provision of information
 - Sustainability and committee-specific aspects
- No significant need for change
- Potential for further optimization were identified and initiated



Well-balanced profile of shareholder representatives

Dr Bernd Scheifele - Chairman



Born: 1958
Nationality: German
Member since 2022

Ext. mandates¹ as member of the Supervisory Board of

- PHOENIX Pharma SE and PHOENIX Pharmahandel GmbH & Co KG (chairman)
- Verlagsgruppe Georg von Holtzbrinck GmbH (chairman)
- Springer Nature AG & Co. KGaA

until April 2024

Luka Mucic



Born: 1971
Nationality: German
Member since 2019

Chief Financial Officer of Vodafone Group

- Ext. mandates¹:
- None

Margret Suckale



Born: 1956
Nationality: German
Member since 2017

Ext. mandates¹ as member of the Supervisory Board of

- Deutsche Telekom AG
- DWS Group GmbH & Co. KGaA
- Greiner AG
- Infineon Technologies AG

Ludwig Merckle



Born: 1965
Nationality: German
Member since 1999

CEO of Merckle Service GmbH

Ext. mandates¹ as member of the Supervisory Board of

- Kässbohrer Geländefahrzeug AG (chairman)
- PHOENIX Pharma SE and PHOENIX Pharmahandel GmbH & Co KG (deputy chairman)

Dr Sopna Sury

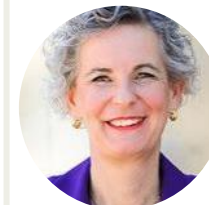


Born: 1974
Nationality: German
Member since 2022

Chief Operating Officer Hydrogen at RWE Generation SE, Essen

- Ext. mandates¹:
- None

Prof Dr Marion Weissenberger-Eibl²



Born: 1966
Nationality: German
Member since 2012

Chair of Innovation and Technology Management at Institute for Entrepreneurship, Technology Management and Innovation at the Karlsruhe Institute of Technology

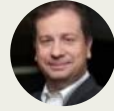
Ext. mandates¹ as member of the Supervisory Board of

- MTU Aero Engines AG
- ExxonMobil Central Europe
- Semperit Aktiengesellschaft

¹ Including mandates in listed and non-listed companies; ² Not for re-election in 2024



Diversified and highly qualified profile of skills



Scheifele

Merckle

Mucic

Suckale

Sury

Weissenberger-Eibl

	Scheifele	Merckle	Mucic	Suckale	Sury	Weissenberger-Eibl
Gender	M	M	M	W	W	W
Age	65	58	52	67	49	57
Committee membership	3	4	2	3	1	3

Skills & competencies

Industry knowledge	✓	✓	-	-	-	✓
International Leadership	✓	-	✓	✓	✓	✓
Personnel competence	✓	✓	✓	✓	✓	✓
Governance, Legal & Compliance	✓	✓	✓	✓	✓	✓
Accounting, Auditing & Controlling	✓	✓	✓	✓	-	-
Strategy & Capital Market	✓	✓	✓	✓	✓	✓
Sustainability	✓	-	✓	✓	✓	✓
Digitalisation	-	✓	✓	✓	-	✓



New committee structure reflects importance of sustainability

Personnel Committee



Ludwig Merckle
(chairman)



Luka Mucic



Dr Bernd Scheifele



Margret Suckale

- Preparation of decisions by the Supervisory Board regarding appointment of the Managing Board and their remuneration
- Composed of equal number of shareholder and employee representatives

Audit Committee



Luka Mucic
(chairman)



Ludwig Merckle
(deputy chairman)



Dr Bernd Scheifele



Margret Suckale

- Pre-auditing of (consolidated) financial statements, supervision of accounting, internal control/risk/compliance management, etc.
- Composed of equal number of shareholder and employee representatives

Sustainability & Innovation Committee



Univ. Prof Dr Weissenberger-Eibl
(chairwoman)



Ludwig Merckle



Dr Sopna Sury

- Advising the Managing Board on digital transformation and key ESG aspects: carbon capture, biodiversity, employee safety
- Review and monitor company specific commitments and targets that relate to ESG

Nomination Committee



Ludwig Merckle
(chairman)



Margret Suckale



Univ. Prof Dr Weissenberger-Eibl

- Recommended by the German Corporate Governance Code and composed of shareholder representatives only
- Recommendations on proposals for candidates for the Supervisory Board to be elected by shareholders

Mediation Committee



Univ. Prof Dr Weissenberger-Eibl
(chairwoman)



Dr Bernd Scheifele

- Proposals for appointment/dismissal of Managing Board members in case that required majority is not achieved
- To be equally represented by shareholder representatives and by employee representatives



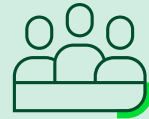
Topics of Supervisory Board meetings & committees

Supervisory Board meetings

- Annual Financial Statements, including non-financial reporting
- Financing matters, portfolio optimisation
- Share buyback
- Discussion and approval of Operating Plan 2024
- Further development and implementation of the sustainability and digitalisation strategy - including the role of recycling and alternative fuels for the decarbonisation roadmap
- Health & Safety
- Artificial intelligence in the company and related investments
- Management Board matters (new appointments, extensions, remuneration)



Personnel Committee



- New remuneration system for the Management Board (Remuneration System 2024+)
- Preparation of new structure of the Management Board

Audit Committee



- Financial and non-financial reporting
- Compliance Management System
- Risk management and internal control systems
- Audit and financing matters
- Cyber Security
- Global roll-out of new ERP system

Sustainability & Innovation Committee









- Sustainability Commitments 2030
- CO₂ Roadmap
- Strengthening of circularity and recycling as well as technologies for the capture, utilization and storage of CO₂
- Technical background and possible fields of application as well as projects in 3D printing

Continuous exchange between CEO and Chairman of the Supervisory Board



High level of dedication of Supervisory Board members

	Plenary session	Personnel Committee	Audit Committee	Sustainability and Innovation Committee	Nomination Committee	Mediation Committee	Total
Number of Supervisory Board committee meetings	8	5	6	2	2	0	23
 Scheifele	7/8	5/5	6/6	-	-	0/0	18/19
 Merckle	8/8	5/5	6/6	2/2	2/2	-	23/23
 Mucic	7/8	5/5	6/6	-	-	-	18/19
 Suckale	8/8	-	6/6	-	2/2	-	21/21
 Sury	8/8	-	-	2/2	-	-	10/10
 Weissenberger-Eibl	8/8	-	-	2/2	2/2	0/0	12/12



Annual General Meeting on 16 May 2024

Preliminary overview of the agenda

1. Presentation of the adopted annual financial statements, the approved consolidated financial statements and the combined management report of Heidelberg Materials AG and the Group as well as the report of the Supervisory Board for the 2023 financial year
2. Appropriation of the balance sheet profit for the 2023 financial year
3. Individual discharge of the Managing Board for the 2023 financial year
4. Individual discharge of the Supervisory Board for the 2023 financial year
5. Appointment of the auditor for the 2024 financial year
6. Approval of the remuneration report for the 2023 financial year
7. Approval of the remuneration system for the Managing Board
8. Individual election of the shareholder representatives of the Supervisory Board
9. Amendment of Section 16 para. 1 sentence 1 of the Articles of Association (record date for the Annual General Meeting)



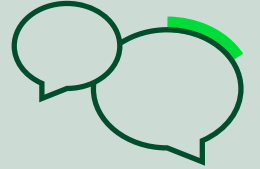
Supervisory Board has key aspects on its agenda

Achievements



- Supervisory Board majority independence and Committees with at least 50% independence
- Standard limit for the length of membership in the Supervisory Board is 12 years
- Steady enhancement of Supervisory Board know-how to improve competence and impact
- Focus on sustainability and digitalisation (including related business models) as areas of responsibility
- Appointed Chief Sustainability Officer on Board level and established Sustainability and Innovation Committee on Supervisory Board level
- Improved competence & profile of skills

Considerations & Actions



- Reduction in the number of mandates for the Chairman of the Supervisory Board
- Succession planning for Supervisory Board
- Election proposal for a reduced membership term of 4 years in line with market practice
- Propose amended remuneration system reflecting best market practice and strategic goals:
 - Simplify the structure of management remuneration
 - Installing an ESG component in LTI
 - Further modifications (e.g., clawback, share ownership)



4

Remuneration system



Amended remuneration system reflects change in different frameworks

Executive Summary

New Management remuneration system will become **effective retroactively as of 1 January 2024**, if approved by the annual general meeting.

Amendments include:

- **Long-term Incentive Plan (LTI)** – Reduction of complexity through standardized and market common plan design, an increase to 100% share price orientation and anchoring ESG targets to support the achievement of ambitious sustainability goals
- **Annual bonus plan (STI)** – Reducing complexity by reducing the number and harmonization of performance criteria, increasing the transparency and comparability of Managing Board targets and ensuring an even closer link to the strategic principles of Heidelberg Materials
- **Maximum remuneration** – specification of the maximum remuneration amounts
- **Share Ownership Guidelines** – change from absolute number to relative ownership
- **Clawback** – strengthening the Supervisory Board's scope for action by implementation of performance clawback
- **Transitional allowances** – deleted



LTI to be adjusted to better reflect ESG and regulatory requirements

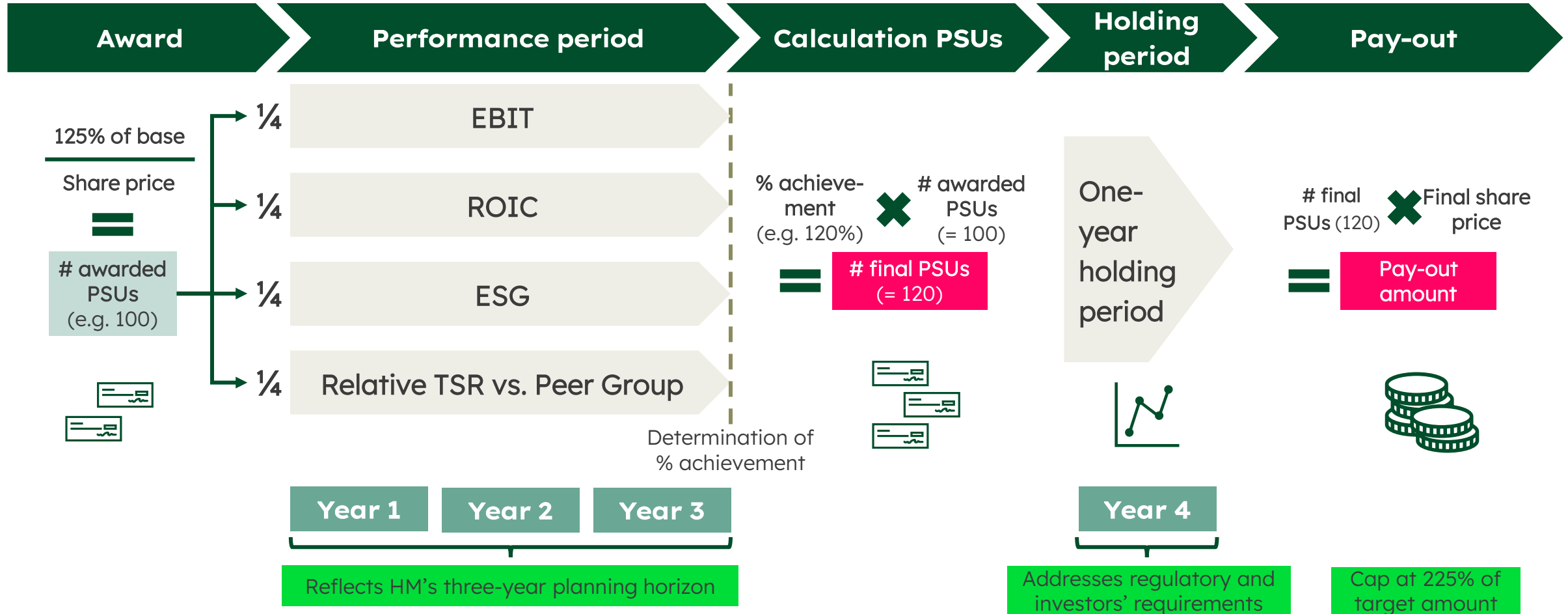
Parameter	Status Quo	Amended LTI
Performance Metrics	<div style="display: flex; justify-content: space-around;"> <div style="border: 1px solid black; padding: 5px;">EBIT 25%</div> <div style="border: 1px solid black; padding: 5px;">ROIC 25%</div> </div> <div style="border: 1px solid black; padding: 5px; margin-top: 5px;">Relative TSR (vs. DAX and MSCI) 50%</div>	<div style="display: flex; justify-content: space-around;"> <div style="border: 1px solid black; padding: 5px;">EBIT 25%</div> <div style="border: 1px solid black; padding: 5px;">ROIC 25%</div> </div> <div style="display: flex; justify-content: space-around; margin-top: 5px;"> <div style="border: 1px solid black; padding: 5px;">ESG 25%</div> <div style="border: 1px solid black; padding: 5px;">Relative TSR (vs. Peer Group) 25%</div> </div>
Plan type	<div style="display: flex; align-items: center; justify-content: center;"> <div style="border: 1px solid black; padding: 5px; margin-right: 10px;">50%: Cash-based (MC¹)</div> <div style="font-size: 2em; margin: 0 10px;">+</div> <div style="border: 1px solid black; padding: 5px;">50%: Share-based (CMC¹)</div> </div>	<div style="border: 1px solid black; padding: 5px; margin-bottom: 10px;"> Bundling of the 2 components into one plan: 100% via Performance Share Units (PSU) </div> <div style="border: 2px solid #008000; padding: 5px; display: inline-block;"> Payout 100% based on share price </div>
Duration	<div style="margin-bottom: 10px;"> <div style="background-color: #c8e6c9; padding: 5px; display: inline-block;">50%: 3 years (MC)</div> </div> <div> <div style="background-color: #c8e6c9; padding: 5px; display: inline-block;">50%: 4 years (CMC)</div> </div>	<div style="margin-bottom: 10px;"> <div style="background-color: #c8e6c9; padding: 5px; display: inline-block;">100%: 4 years</div> </div> <ul style="list-style-type: none"> 3 years performance period + 1 year holding period (payout amount determined after 4 years)

- Described changes ensure full alignment with regulatory and investors' most important demands
- TSR peer group will consist of ca. 15 construction materials companies

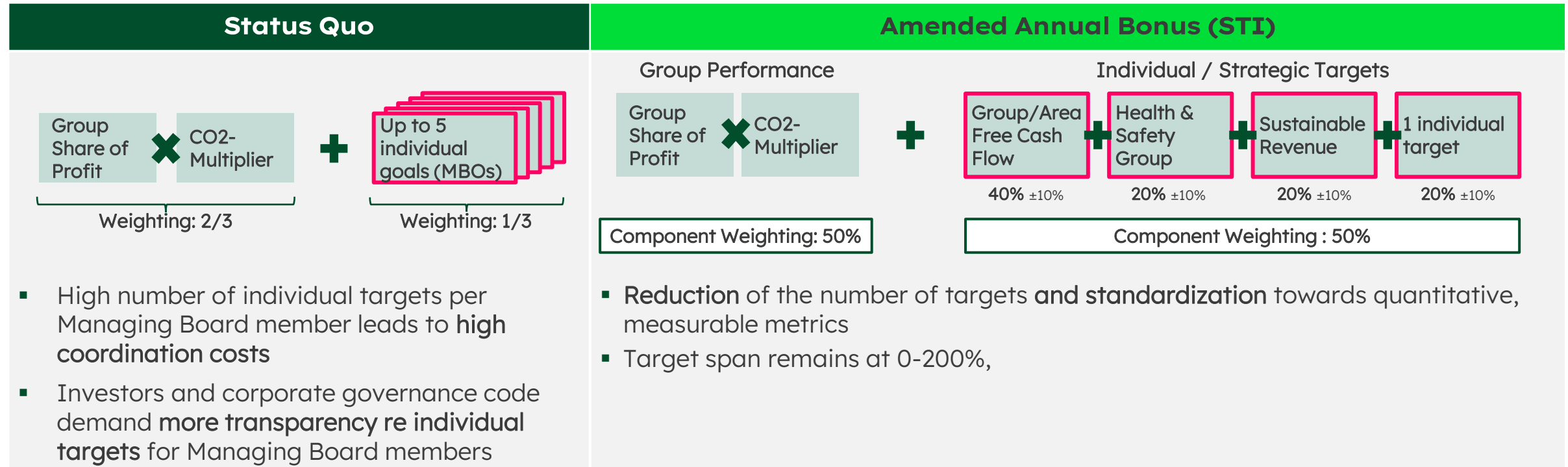
¹ MC = Management Component; ² CMC = Capital Market Component



Detailed illustration of the new LTI logic



STI targets to be simplified focusing on harmonized and quantitative metrics



Further changes include various aspects towards market best practice

Parameter	Status Quo	Amended Structure
Maximum remuneration	<ul style="list-style-type: none"> Percentage of total remuneration 	New maximum remuneration: <ul style="list-style-type: none"> Managing Board member: 6m € / 6.5m \$¹
Share Ownership	<ul style="list-style-type: none"> CEO: 30.000 shares Managing Board member: 15.000 shares 	Defined as a percentage of base salary ² <ul style="list-style-type: none"> CEO: 180% of base salary Managing Board member: 100% of base salary As before, 50% of the LTI payout must be used to purchase HM shares until the guideline is met
Transitional allowance	<ul style="list-style-type: none"> Transitional allowance equal to the last base salary paid for 6 months after termination 	<ul style="list-style-type: none"> Deletion of transitional allowance
Clawback clause	<ul style="list-style-type: none"> Currently, variable compensation can be withheld /clawed back in case of compliance violations 	<ul style="list-style-type: none"> Performance Clawback to cover for cases of (material) restatements of HM's financials

¹ New maximum remuneration for CEO: 11m €, ² The value of the self-investment will be determined by the respective share price at the date of purchase to avoid the need for catch-up purchases in case the share price drops.



IR Contacts & Financial Calendar

IR contacts



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Upcoming events:

- 7 May 2024: First quarter trading update
- 16 May 2024: Annual General Meeting
- 30 July 2024: Half year results
- 7 Nov 2024: Third quarter trading update



Disclaimer

Unless otherwise indicated, the financial information provided herein has been prepared under International Financial Reporting Standards (IFRS).

This presentation contains forward-looking statements and information. Forward-looking statements and information are statements that are not historical facts, related to future, not past, events. They include statements about our beliefs and expectations and the assumptions underlying them. These statements and information are based on plans, estimates, projections as they are currently available to the management of Heidelberg Materials. Forward-looking statements and information therefore speak only as of the date they are made, and we undertake no obligation to update publicly any of them in light of new information or future events.

By their very nature, forward-looking statements and information are subject to certain risks and uncertainties. A variety of factors, many of which are beyond Heidelberg Materials' control, could cause actual results to differ materially from those that may be expressed or implied by such forward-looking statement or information. For Heidelberg Materials particular uncertainties arise, among others, from changes in general economic and business conditions in Germany, in Europe, in the United States and elsewhere from which we derive a substantial portion of our revenues and in which we hold a substantial portion of our assets; the possibility that prices will decline as result of continued adverse market conditions to a greater extent than currently anticipated by Heidelberg Materials' management; developments in the financial markets, including fluctuations in interest and exchange rates, commodity and equity prices, debt prices (credit spreads) and financial assets generally; continued volatility and a further deterioration of capital markets; a worsening in the conditions of the credit business and, in particular, additional uncertainties arising out of the subprime, financial market and liquidity crises; the outcome of pending investigations and legal proceedings and actions resulting from the findings

of these investigations; events of force majeure including natural disasters, pandemics, acts of terrorism, political unrest, armed conflicts, industrial accidents and their effects on our sales, purchasing, production or service activities as well as various other factors. More detailed information about certain of the risk factors affecting Heidelberg Materials is contained throughout this presentation and in Heidelberg Materials' financial reports, which are available on the Heidelberg Materials website, www.heidelbergmaterials.com. Should one or more of these risks or uncertainties materialize, or should underlying assumptions prove incorrect, actual results may vary materially from those described in the relevant forward-looking statement or information as expected, anticipated, intended, planned, believed, sought, estimated or projected.

In addition to figures prepared in accordance with IFRS, Heidelberg Materials also presents alternative performance measures, including, among others Operating EBITDA, EBITDA margin, Adjusted EPS, free cash flow and net debt. These alternative performance measures should be considered in addition to, but not as a substitute for, the information prepared in accordance with IFRS. Alternative performance measures are not subject to IFRS or any other generally accepted accounting principles. Other companies may define these terms in different ways.

“Operating EBITDA” definition included in this presentation represents “Result from current operations before depreciation and amortization (RCOBD)” and “Operating Income” represents “Result from current operations (RCO)” lines in the annual and interim reports.





Heidelberg
Materials