Key facts

• Linking the new CP Programme to our Sustainability-Linked Financing Framework

• Design of an innovative financial donation mechanism if SPT is missed

• Receiver of any penalty payment is BirdLife Europe, a renowned charity organisation, not the investor

• Monitoring through an external Sustainability Target Agent
What is Heidelberg Materials (HM) Sustainability-Linked Financing Framework?

HM’s Sustainability-Linked Financing Framework includes certain sustainability performance targets (SPTs) for CO2 intensity, amongst others the reduction of Scope 1 specific net CO2 emission ≤ 500kg/t of cementitious material for the financial year 2026 (“2026 Intermediate Target” or “SPT 1(a) Intermediate Target” in the framework).

How does the penalty mechanism for CPs work?

While with traditional Sustainability-Linked Bonds (SLBs) the investors receive an additional payment when SPTs are missed, HM has introduced a new and innovative concept where the penalty mechanism of SLBs is replaced by a Donation Mechanism to a charity. The Donation Mechanism is considered a significant improvement compared to the current market standard which was to date limited to not being able to issue sustainability-linked CPs following failure to satisfy SPTs. In case of missing the SPT, a donation payment to BirdLife Europe is triggered instead of a coupon step-up to the investors due to the fact, that a payment to the original CP investors is no longer possible as the notes will be redeemed before the SPT is assessed.

All notes issued up until and including 31 December 2026 will be linked to the 2026 Intermediate Target.

How will the Donation Amount be calculated?

In case HM misses its 2026 Intermediate Target (SPT), an additional interest rate of 0.075% p.a. will be applied to all Notes issued between 15/12/2022 – 31/12/2026. This increase in interest cost will be paid to BirdLife Europe, but not less than EUR 250,000 (see next slides).

Why was BirdLife Europe chosen as donation recipient?

There is a long-standing relationship for over 10 years between HM and BirdLife Europe with the goal to implement effective and innovative conservation measures to halt and reverse biodiversity loss. HM has already completed over 40 projects successfully together with BirdLife and therefore HM is convinced that BirdLife will use the funds in a responsible manner.

What is the role of the Sustainability Target Agent?

As the CPs will be repaid to the investors before the SPT will be assessed, there is no legal ground for the investor to demand the Donation Amount. Therefore, HM and ING Bank N.V. have developed the innovative concept of the "Sustainability Target Agent": This concept will irrevocably ensure that the Sustainability Target Agent will monitor the reporting of the SPT by HM and ensure payment of the donation to BirdLife by HeidelbergCement AG if the 2026 Intermediate Target is missed.
Heidelberg Materials' Sustainability Strategy

Sustainability-Linked Financing Framework

1. Selection of Key Performance Indicators
   - KPIs:
     - KPI 1: Specific net CO₂ emissions per ton of cementitious material
     - KPI 2: CO₂ emissions captured via CCUS
   - Methodology:
     - KPI 1: Global Cement and Concrete Association (GCCA) Sustainability Guidelines
     - KPI 2:
       - For CCS projects: EU Innovation Fund calculation tool
       - For CCU technologies: 50% CO₂ emissions captured assumption
   - EU Environmental Objective: Climate Change Mitigation
   - Contribution to SDGs:

2. Calibration of Sustainability Performance Targets
   - SPTs:
     - KPI 1:
       - Intermediate target – SPT 1(a): KPI 1 ≤ 500 kg net CO₂ / t. cem. by 2026 (2020 baseline)
     - Long term target – SPT 1(b): KPI 1 ≤ 400 kg net CO₂ / t. cem. by 2030 (2020 baseline)
     - KPI 2:
       - Long Term target – SPT 2: KPI 2 ≥ 10mt (cumulative) by 2030 (2020 baseline)
   - External validation:
     - KPI 1: SBTi validated (consistent with a 2°C scenario)*
     - KPI 2: External assurance as per GCCA member obligations

3. Bond Characteristics
   - If the SPT(s) has/have not been reached at the target observation date, as per the annual reporting published following the target observation date, a financial penalty will be payable by Heidelberg Materials
   - Penalty: coupon step-up(s) and/or a higher repayment amount
   - If, for any reason, the KPI(s) performance against each SPT cannot be calculated or observed, or not in a satisfactory manner, the financial penalty will be applicable

4. Reporting and Verification
   - Heidelberg Materials will communicate annually on the relevant KPIs and SPTs, making up-to-date information and reporting available
   - Heidelberg Materials' performance of each selected KPI will be verified by the External Verifier on an annual basis
   - The Framework has been reviewed by DNV and a SPO was issued

HeidelbergCement Sustainability-Linked Financing Framework is aligned with

Decarbonization targets were externally validated by

Second Party Opinion provided by

EU Taxonomy Alignment

*) Heidelberg Materials committed also to the UN Global Compact’s Business Ambition 1.5°C. Official verification with SBTi is scheduled for September 2022.
Heidelberg Materials’ Sustainability Strategy

The donation mechanism explained

Any commercial paper issued until 31/12/2026 will be subject to the donation mechanism.

Latest determination if CO2/t of cementitious material ≤ SPT 1(a) (i.e. 500kg).

In case target is missed, HeidelbergCement AG will donate (but minimum 250,000 EUR).

Penalty Rate = 7.5bp
Start Date = 15/12/2022
End Date = the latest maturity date of all CPs issued before 01/01/2027.
The Notes issued under this Programme are not considered to be “Sustainability-Linked Notes” that align to the ICMA Sustainability-Linked Bond Principles or any other market standard. Heidelberg Materials does not have any contractual liability towards holders of the Notes if it does not meet the SPT described above and no additional amounts of coupon, premium or principal will be paid to holders in any event.

None of the Arranger or the Dealers accepts any responsibility for any social, environmental and sustainability assessment of any Notes or makes any representation or warranty or assurance whether such Notes will meet any investor expectations or requirements regarding “ESG” “green”, “sustainable”, “social” or similar labels. None of the Arrangers or the Dealers shall monitor the Issuer’s SPT performance, and no representation or assurance is given by the Dealers as to the suitability or reliability of any Determination Report or Verification Assurance Certificate.

The Sustainability Target Notes may not satisfy an investor’s requirements or any future legal or industry standards for investment in assets with ESG characteristics. Investors should conduct their own assessment of the Sustainability Target Notes from an ESG perspective. Investors should note that the net proceeds of the issues of any Sustainability Target Notes will be used for general corporate purposes.

Prospective investors must determine for themselves the relevance of the Sustainability Target feature when making an investment decision. Furthermore, the Sustainability Target feature shall not be deemed to be a recommendation by the Issuer, the Sustainability Target Agent, the Arranger, the Dealers or any other person to buy, sell or hold any Notes.
Appendix
### Description of the Programme

<table>
<thead>
<tr>
<th>Name of the Programme</th>
<th>HeidelbergCement AG Multi-Currency Sustainability Target Commercial Paper Programme</th>
</tr>
</thead>
<tbody>
<tr>
<td>Type of Programme</td>
<td>Multi-Currency Sustainability Target Commercial Paper Programme</td>
</tr>
<tr>
<td>Name of the issuer</td>
<td>HeidelbergCement AG (the “Issuer”)</td>
</tr>
<tr>
<td>Type of issuer</td>
<td>Non-financial corporation</td>
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<tr>
<td>Programme size (ceiling)</td>
<td>EUR 2,000,000,000</td>
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<td>Governing law that applies to the Notes</td>
<td>German law. Non-exclusive place of jurisdiction shall be Frankfurt am Main.</td>
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<td>Listing</td>
<td>No application will be made to list the Notes on any stock exchange.</td>
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<td>Settlement system</td>
<td>Clearstream Banking AG, Frankfurt am Main; Clearstream Banking S.A.; Euroclear Bank SA/NV.</td>
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<td>Rating(s) of the Programme</td>
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<td>Guarantor(s)</td>
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<td>Issuing and paying agent(s)</td>
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<td>Arranger(s)</td>
<td>ING Bank N.V.</td>
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<td>Dealer(s)</td>
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<td>STEP-Label</td>
<td>Yes (STEP Market</td>
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### Calculation example for the donation amount

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<th>Note 1 Outstanding</th>
<th>Note 2 Outstanding</th>
<th>Daily Outstanding Amount</th>
<th>Penalty Rate / 360</th>
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<tr>
<td>Date</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>18.02.2023</td>
<td>100,000,000 €</td>
<td>100,000,000 €</td>
<td>100,000,000 €</td>
<td>0.0002083%</td>
<td>208.33 €</td>
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<td>312.50 €</td>
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**Total:** 3,645.83 €

→ Result of EUR 3,645.83 is obviously less than the floor amount of EUR 250,000 given the example is only based on two short-dated notes.

→ If there was an average outstanding amount of EUR 500 million over a period of four years, the Donation Amount would be approximately EUR 1.5 million (EUR 500 million x 0.075% x 4)
Insight BirdLife

- Six offices around the world (HM is cooperating with Europe and Central Asia)
- Global partnership of 117 non-governmental organizations → Collecting and analyzing data from around the world
- Main goal:
  - Conservation of biodiversity
  - Through implementation of effective and innovative conversation measures
- Partnership BirdLife – Heidelberg Materials:
  - Partner for over 10 years
  - Over 40 successfully implemented projects
  - Development of joint policy statements
  - Analysis of the geographical proximity of HMs' sites to areas of recognized high biodiversity value on a regular basis
  - Joint communication on the ecological value of active quarries and the potential of nature restoration of expired sites
- Link to BirdLife’s website: BirdLife International - BirdLife is the world leader in Bird Conservation

Together we share a common vision of achieving environmentally sustainable development. We strongly believe that there is a business case for integrating biodiversity conversation into private sector operations.
Heidelberg Materials

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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 crisis; the outcome of pending investigations and legal proceedings and actions resulting from the findings of these investigations; 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.heidelbergcement.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.

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“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)” line in the annual and interim reports.