

Governance Presentation

April 2025





Content

- 1. Overview & Review 2024**
- 2. Our path to Net Zero**
- 3. Supervisory Board**
- 4. Remuneration System**



1

Overview & review 2024



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



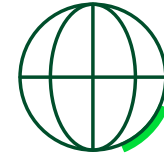
~51,000

employees
on 5 continents



3,000

locations
worldwide



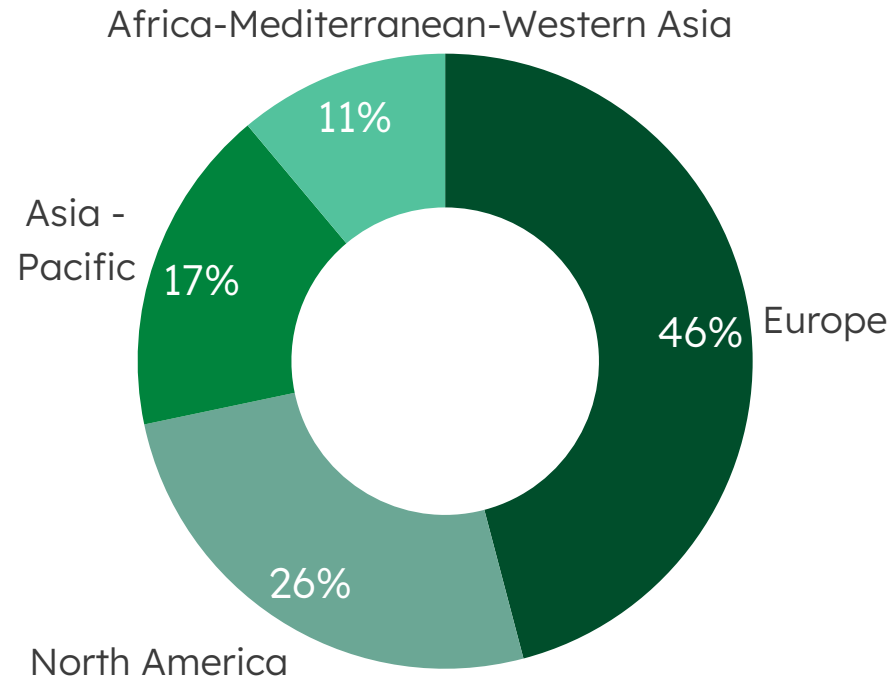
Leading positions in cement,
aggregates, and ready-mixed
concrete



A balanced geographic footprint with strong focus on Heavy Building Materials

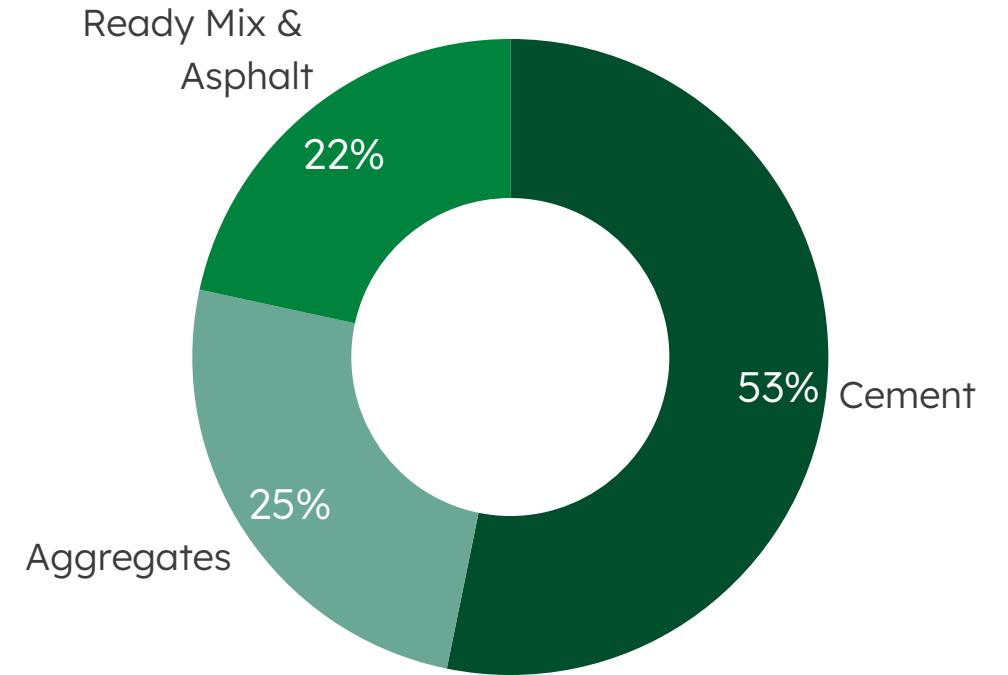
Revenue by Group areas

(FY 2024)



Revenue by business lines

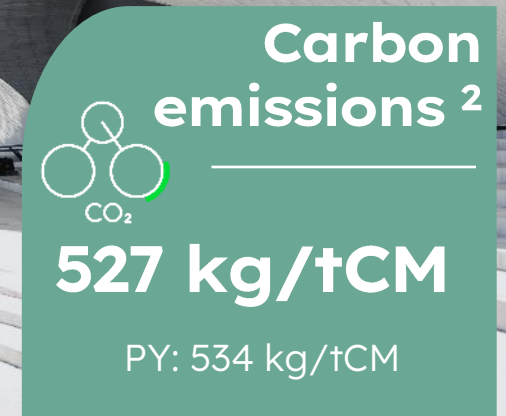
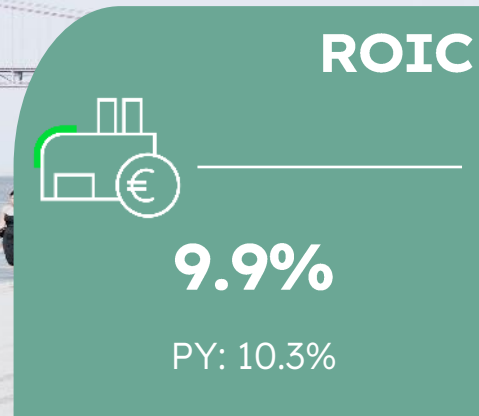
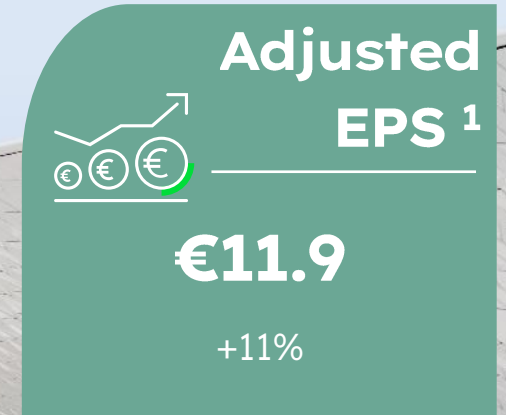
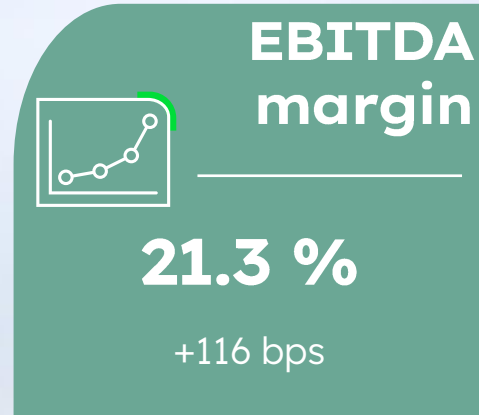
(FY 2024)



Revenue before intercompany eliminations and trading activities.



Solid operational result and strong financial performance



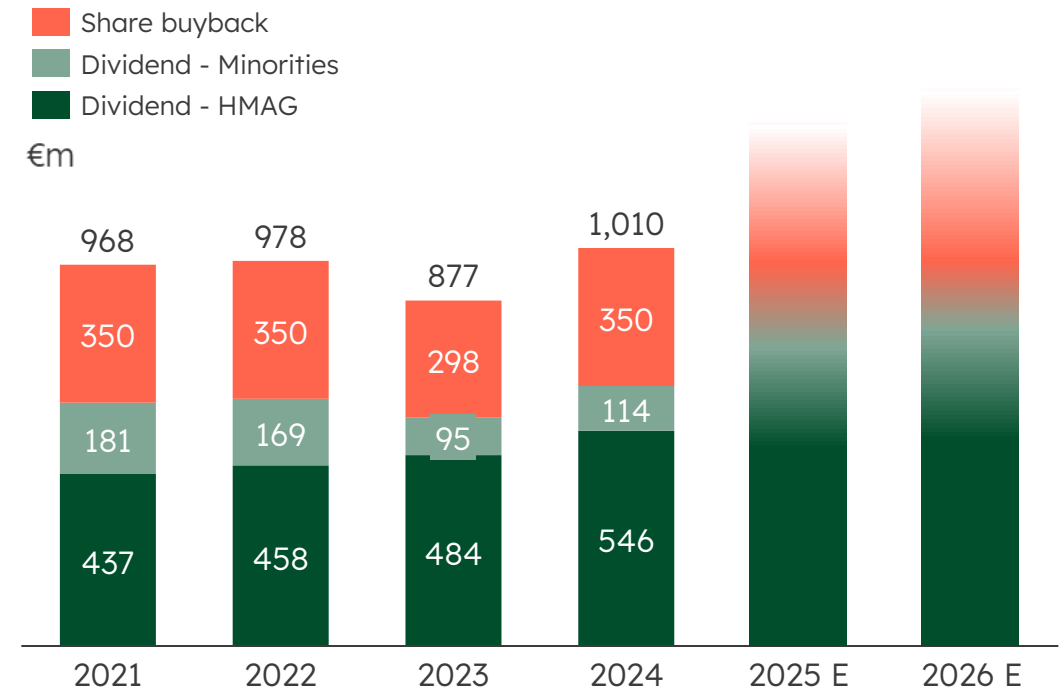
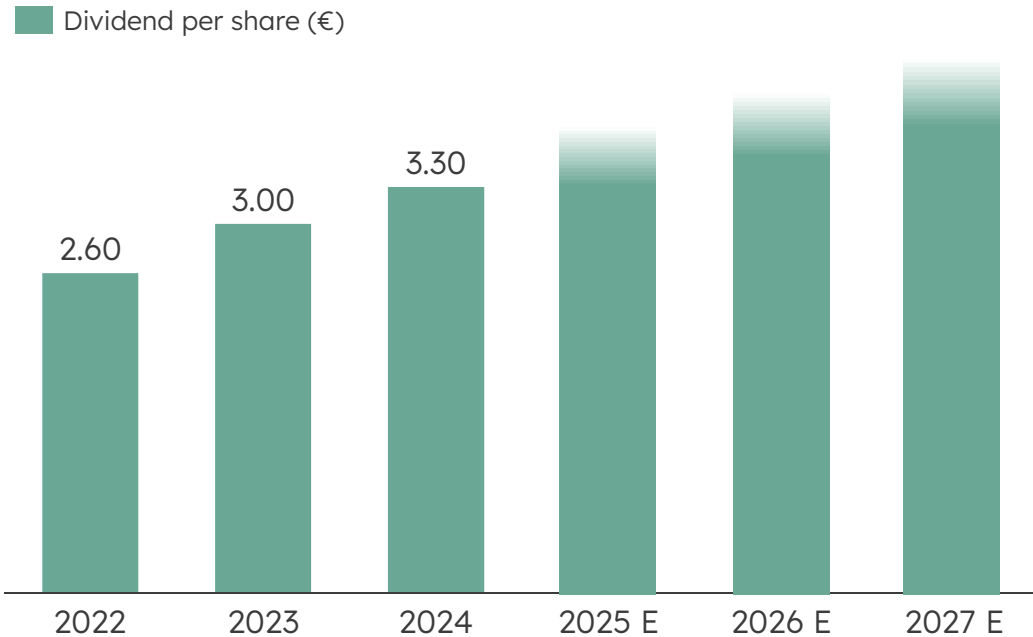
1) EPS adjusted for “additional ordinary result” and “provision for obligations attributable to discontinued businesses of the Hanson Group”
2) Preliminary and unaudited figures; final and audited figures will be published in the combined Annual and Sustainability Report 2024









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

	Original 2024 Target & Achievement	2025 Target
 RCO	3.00 to 3.30 €bn	3.20 €bn 
 ROIC	Around 10%	9.9 % 
 CO₂ emission	Slight reduction: (2023: 534 kg/tCM) ¹⁾	527 kg/tCM ¹⁾ 
 CapEx Net	Around 1.1 €bn	1.1 €bn 
 Leverage	In line with mid-term target: Between 1.5x-2.0x	In line with mid-term target: Between 1.5x-2.0x

1) kg CO₂/t for cementitious material

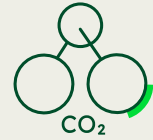


2

Our path to net zero



Our 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



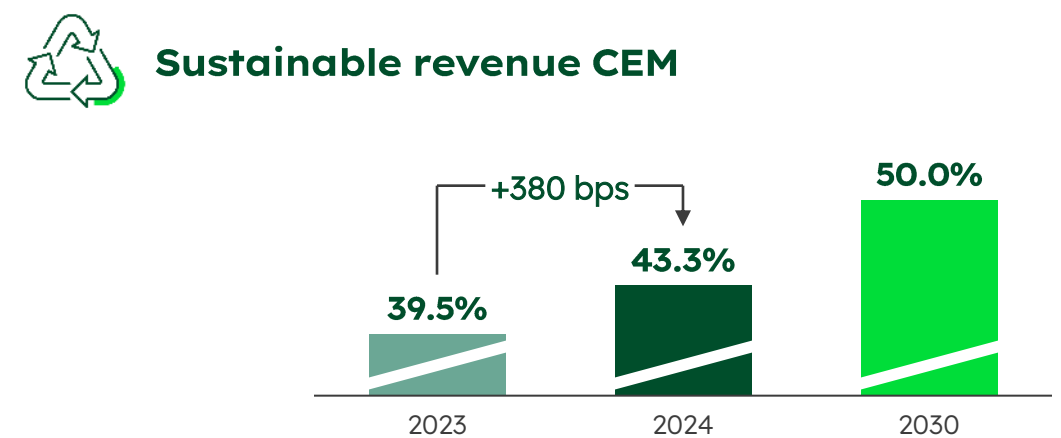
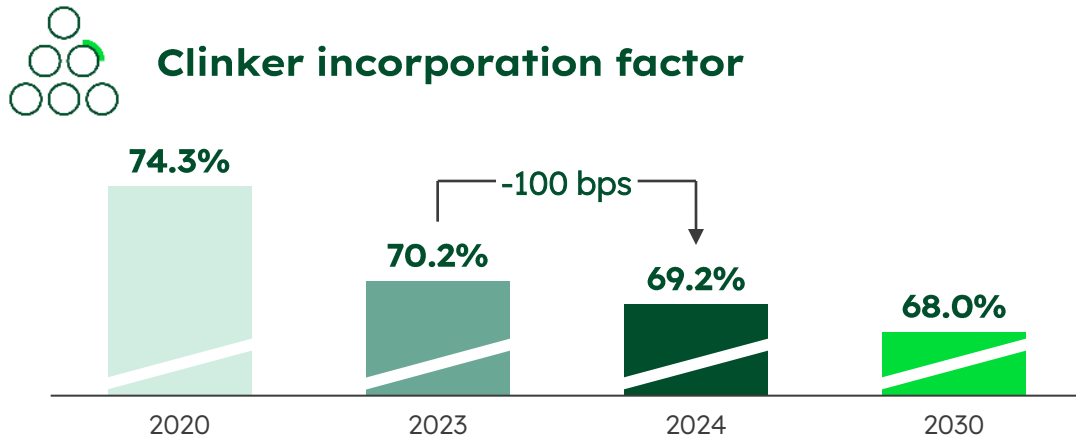
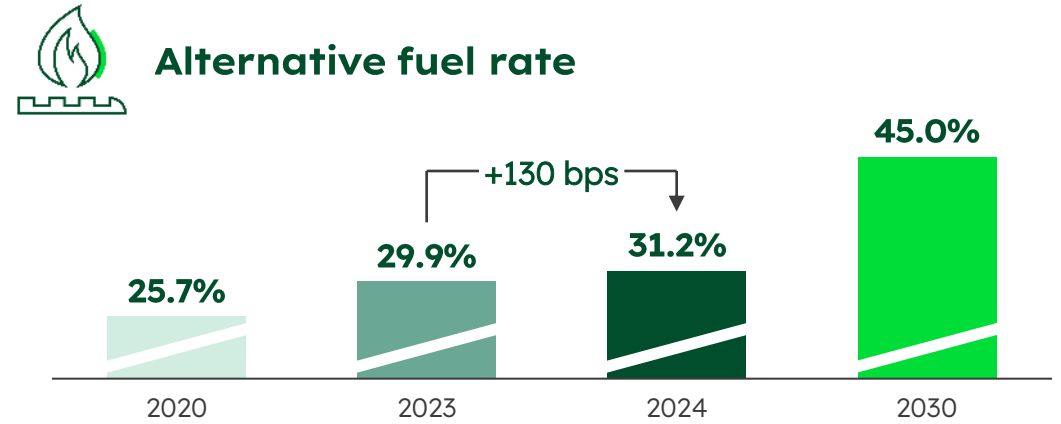
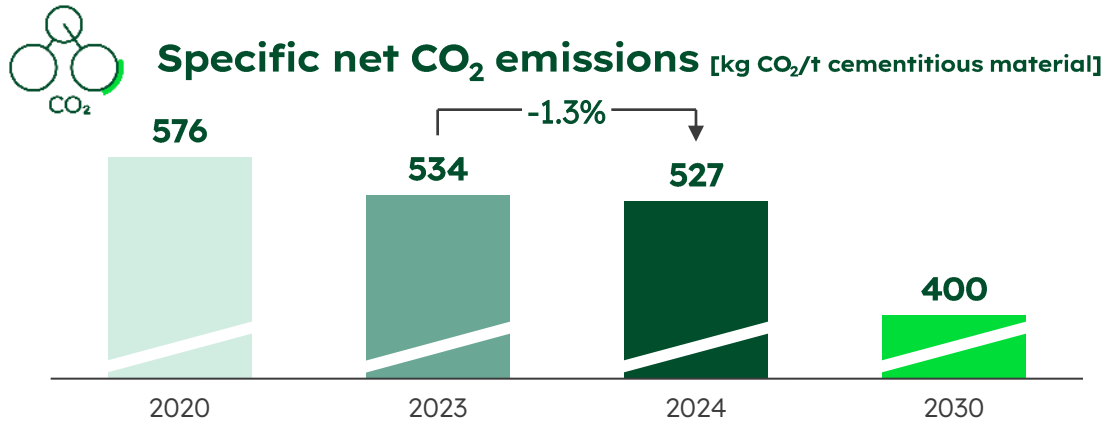
50% of our revenue will be generated from sustainable products by 2030

2030 CO₂ reduction and 2050 net-zero targets in line with SBTi 1.5 °C path and SBTi Corporate Net Zero Standard

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



Significant progress in all sustainability KPIs



Progress in CO₂ reduction mitigated by unfavorable product mix and volume effect



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



evoBuild TernoCem: Turning an existing asset into an ultra low-carbon plant

Combining profitability, growth and carbon reduction:

TernoCem, a new cement type, with a significantly reduced carbon footprint - **up to 50% less CO₂**

Addressing **both levers** to **reduce CO₂ emissions**

Significant **cost and CO₂ reduction** with **stable or better properties** and **consistent quality**

Switching from research to market launch - successfully completed test phase with pilot customers

Building authority permission applied for and expected soon

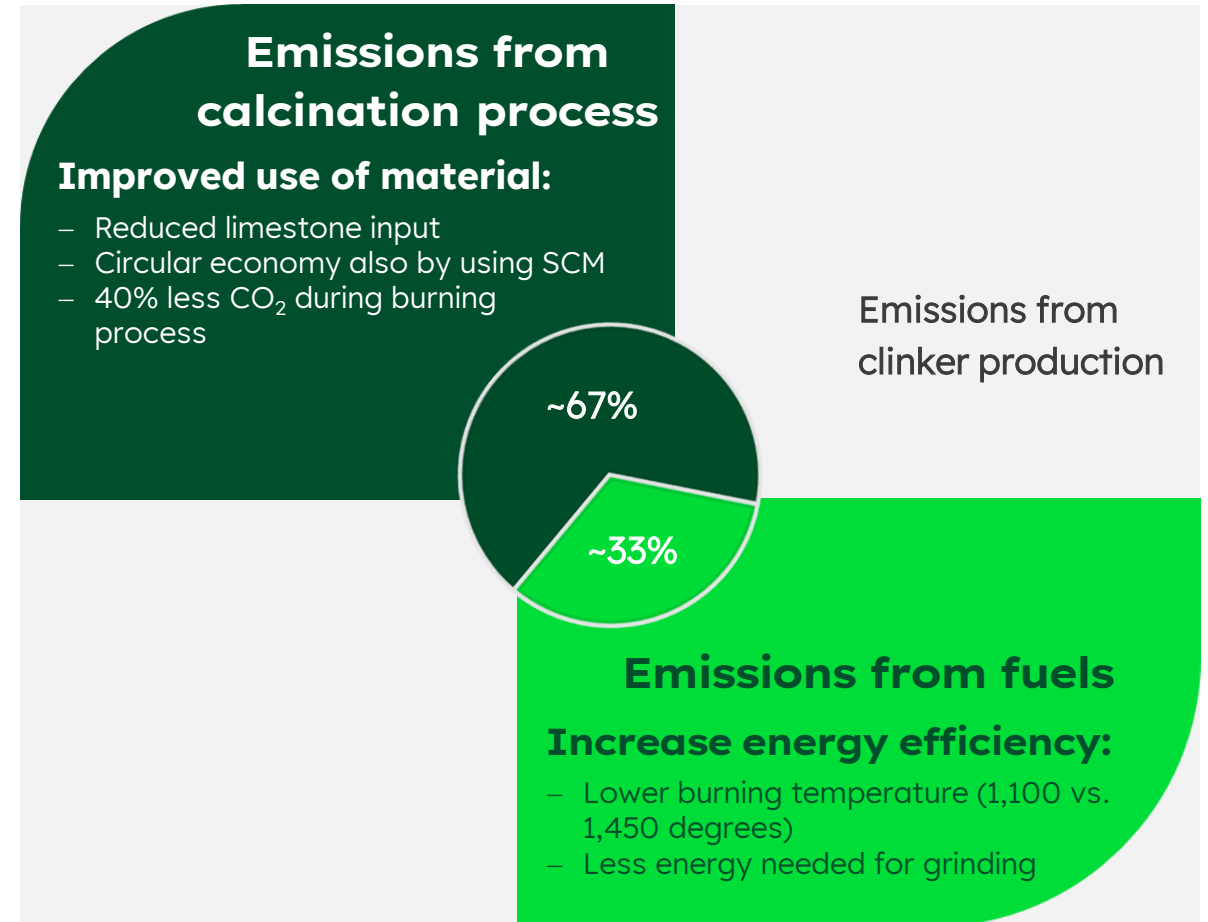
evoBUILD



CO₂ reduction:
30%
less CO₂ vs. CEM I¹⁾



Circular products:
30%
more recycled material



1) evoBuild requires a CO₂ reduction of at least 30% compared to the global reference values of the Global Cement and Concrete Association (GCCA) for CEM I from 2020. This translates to threshold values of ≤ 552 kg CO₂/t for cementitious material and ≤ 5.5 kg CO₂/m³/MPa for ready-mixed concrete.



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 carbon capture unit, from a flatbed trailer. The site is surrounded by residential buildings, a forested area, and a body of water. A yellow crane is also visible on the ground near the component. The scene is set in a coastal town with a mix of residential and industrial buildings.

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 B in CDP Climate Score
Stable A-water score

26.2
(0 to 40+)

B-

80/100

AA

Sustainable Fitch
a FitchSolutions Company

67
(top 3 of 25 firms)

77

2030 and 2050 targets validated by 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 4 male and 2 female out of 6 shareholder representatives)
- At least 50% overall independence of shareholder representatives, also within committees (currently more than 50% within all committees)

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)

Luka Mucic



Born: 1971
Nationality:
German
Member since
2019

Chief Financial Officer of Vodafone Group

Ext. mandates¹ as member of the Supervisory Board of

- Vodafone Shared Operations Ltd.
- Oak Holdings 1 GmbH

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 as member of the Supervisory Board of

- None

Dr Gunnar Groebler



Born: 1972
Nationality:
German
Member since
2024

Chief Executive Officer of Salzgitter AG

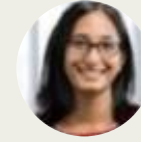
Ext. mandates¹ as member of the Supervisory Board of

- Aurubis AG
- Several additional mandates in Salzgitter group companies that are not listed

¹ Including mandates in listed and non-listed companies



Diversified and highly qualified profile of skills



Scheifele

Groebler

Merckle

Mucic

Suckale

Sury

Gender	M	M	M	M	W	W
Age	67	53	60	54	69	51
Committee membership	2	1	4	2	4	3

Skills & competencies

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



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 2025
- 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



- Discussed and provided input on Managing Board remuneration
- Dealt with appointments and reappointments of Managing Board members
- Verified that all Managing Board members made the required personal investment in Heidelberg Materials shares as part of the remuneration system

Audit Committee



- Financial and non-financial reporting
- Compliance Management System
- Risk management and internal control systems
- Audit and financing matters
- Cyber Security

Sustainability & Innovation Committee



- Intensive focus on the CO₂ roadmap and measures to reduce emissions at high-emission plants
- Discussion of new technologies for carbon-reduced products
- Market launch of evoZero, the world's first CCS cement
- Review of trends in absolute CO₂ emissions, covering Scope 1, 2 and 3

Continuous exchange between CEO and Chairman of the Supervisory Board



Committee structure reflects importance of sustainability

Personnel Committee



Ludwig Merckle
(chairman)



Luka Mucic



Dr Bernd Scheifele



Margret Suckale



Dr Sopna Sury

- 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)



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



Dr Sopna Sury
(chairwoman)



Dr Gunnar
Groebler



Ludwig Merckle

- 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



Dr Sopna Sury

- 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



Margret Suckale
(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



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	9	3	6	2	1	0	21
 Scheifele	9/9	3/3	3/3	-	-	0/0	15/15
 Groebler (from 16. May 2024)	5/6	-	-	-	1/1	-	6/7
 Merckle	9/9	3/3	6/6	2/2	1/1	-	21/21
 Mucic	7/9	3/3	6/6	-	-	-	16/18
 Suckale	9/9	3/3	6/6	-	1/1	0/0	19/19
 Sury	8/9	1/1	-	2/2	-	-	11/12
 Weissenberger-Eibl (until 16. May 2024)	3/3	-	-	1/1	0/1	-	4/5



Supervisory Board delivers consistent high level of achievements

Achievements



- 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
- Appointment of a new Chief Sustainability & New Technologies Officer at Board level to strengthen strategic impact and enhance diversity
- 2024+ Remuneration System was successfully implemented
- Improved competence & profile of skills

Considerations & Actions



- Constructive and intensive collaboration with the Managing Board to guide company strategy maintained
- Continuing close monitoring and support of the Group's strategic and operational development through regular meetings
- Discussing of new carbon-reduction technologies and enhancement of AI applications to improve efficiency
- Proposing a 10% increase in dividend to €3.30 per share for 2024



4

Remuneration system



Adjusted remuneration system reflects change in different frameworks

Executive Summary

New Management remuneration system has become **effective as of 1 January 2024**.

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 adjusted to better reflect ESG and regulatory requirements

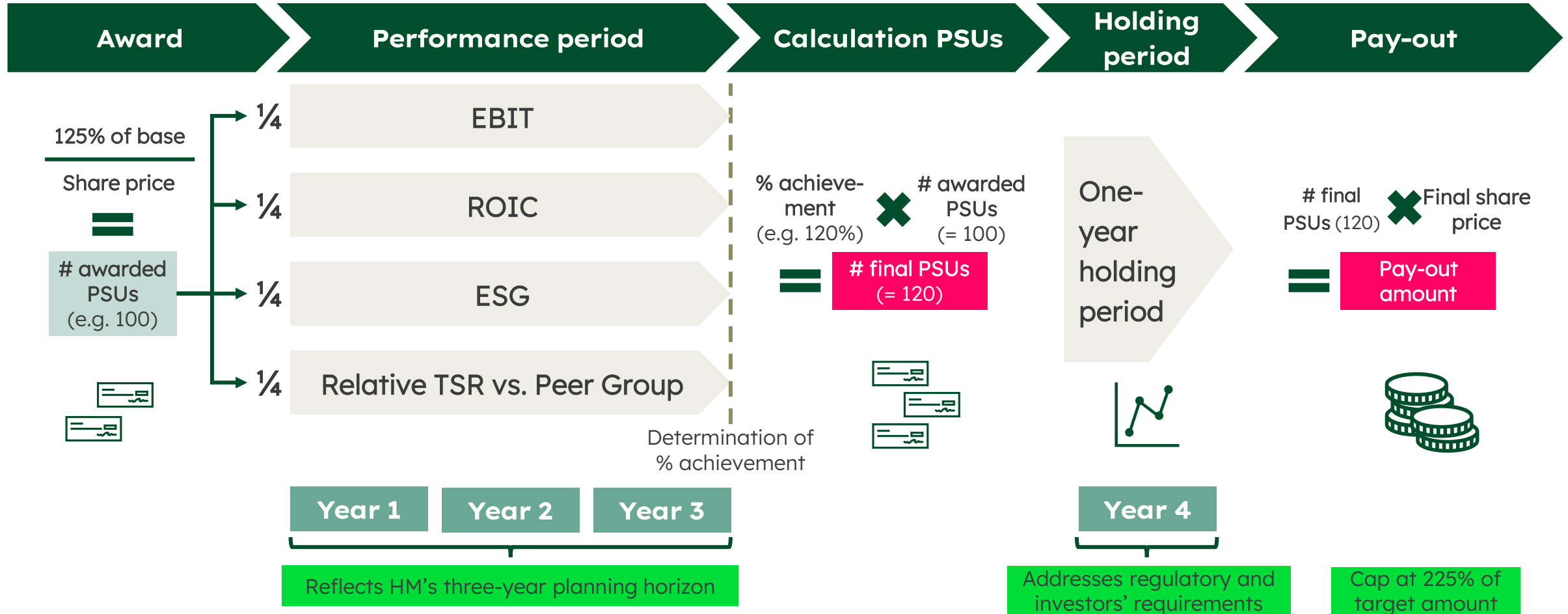
Parameter	Previous LTI	Amended LTI
Performance Metrics	<div style="display: flex; justify-content: space-around;"> <div style="border: 1px solid black; padding: 5px;">EBIT 25%</div> <div style="border: 1px solid black; padding: 5px;">ROIC 25%</div> </div> <div style="border: 1px solid black; padding: 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;">50%: 3 years (MC) </div> <div>50%: 4 years (CMC) </div>	<div style="margin-bottom: 10px;">100%: 4 years </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 consists of ca. 15 construction materials companies

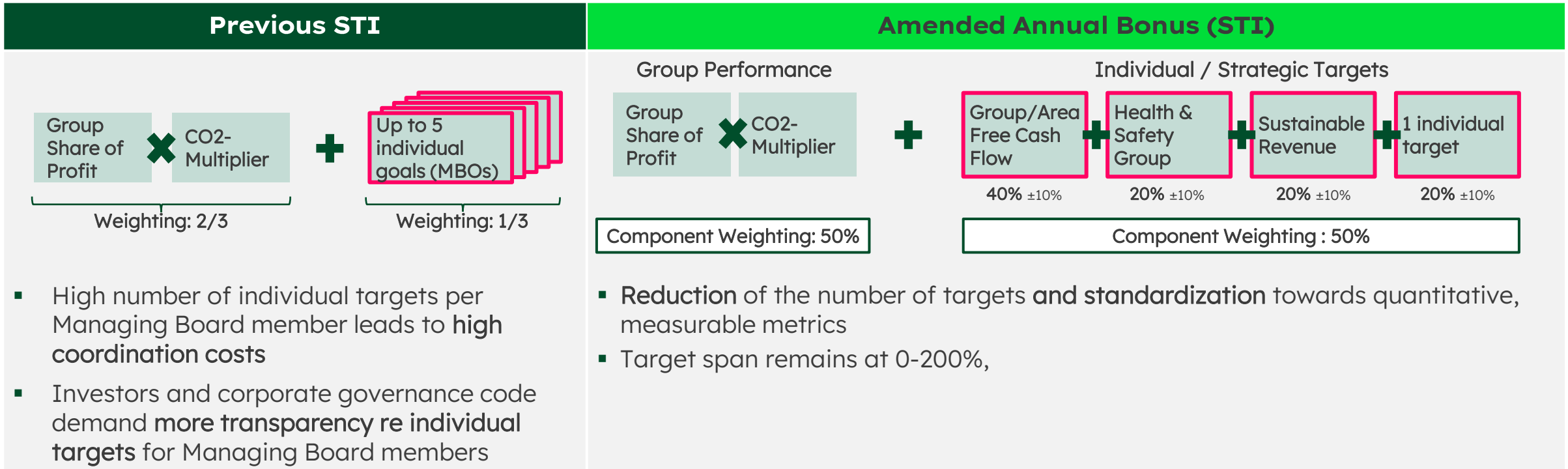
¹ MC = Management Component; ² CMC = Capital Market Component



Detailed illustration of the new LTI logic



Simplified STI targets focusing on harmonized and quantitative metrics



Further changes include various aspects towards market best practice

Parameter	Previous Structure	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



Christoph Beumelburg

Group Director COM & IR

T +49 6221-48113249

M +49 162-2747613

christoph.beumelburg@
heidelbergmaterials.com



Robert Adolph

Head of Investor Relations

T +49 6221-48141326

M +49 151 160 320 39

robert.adolph@
heidelbergmaterials.com



Katharina Forster

Senior Manager Investor
Relations

T +49 6221 481 41016

M +49 151 5251 3320

katharina.forster@
heidelbergmaterials.com

Upcoming events:

- 08 May 2025: First quarter trading update
- 15 May 2025: Annual General Meeting
- 27 May 2025: Capital Markets Day
- 31 July 2025: Half year results
- 06 Nov 2025: 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