

Dear Shareholders,

On behalf of the Supervisory Board of Heidelberg Materials, I would like to thank you for your continued trust and interest in our company.

Through an ongoing and constructive dialogue with you, our valued shareholders, the Supervisory Board has diligently fulfilled its duties and responsibilities as the body representing your interests. In our role as an advisor to the Managing Board, we contribute our expertise across a range of areas that are critical to shaping the future development and strategic direction of Heidelberg Materials.

In advance of our virtual Annual General Meeting on May 13, 2026, I would like to provide you with an overview of the key matters discussed with the Managing Board, as well as the major strategic initiatives we have launched.



The role of the Supervisory Board

The Supervisory Board closely monitored and supported the Group's development during the past financial year 2025 and discussed it with the Managing Board at meetings of the plenary session and its committees as well as outside the scheduled meetings.

It also received regular, timely, and comprehensive reports, both in writing and verbally, about all matters of relevance to the Group, particularly in relation to business policy, strategy and planning, the progress of businesses, the financial situation, the risk situation and risk management, compliance, innovations, and sustainability. The Supervisory Board reviewed, discussed, and analysed the Managing Board's reports in detail. The Managing Board agreed on the Group's strategy with the Supervisory Board. Deviations of the actual business development from the plans were explained in detail by the Managing Board. The Managing Board and Supervisory Board worked together in a spirit of mutual trust for the benefit of the Group and maintained an open and intensive dialogue.

The Supervisory Board was directly involved at an early stage in all decisions of fundamental importance to the Group. A catalogue drawn up by the Supervisory Board, which is reviewed regularly and adjusted as necessary, outlines transactions and measures of fundamental importance that require the consent of the Supervisory Board. In the reporting year, the Supervisory Board took decisions on the transactions and measures submitted by the Managing Board that required its approval, having first reviewed them and discussed them with the Managing Board.

In addition, the Supervisory Board has satisfied itself that the Managing Board has installed an internal control and risk management system appropriate to the business activities and risk profile of the Group, as well as a functioning monitoring system that is effective and capable of recognising at an early stage any developments that could jeopardise the company as a going concern. The effectiveness of the accounting-related internal control and early risk detection system was additionally confirmed by the auditor. Furthermore, it has assured itself of the effectiveness of the compliance management system, which guarantees Group-wide compliance with the law, legality, and internal guidelines.

As every two years, the Supervisory Board carries out a self-assessment of the effectiveness of its work and its committees, as recommended by the German Corporate Governance Code. The self-assessment took place in the second half of 2025 and was performed by means of a detailed questionnaire, which the members of the Supervisory Board completed anonymously, and a subsequent discussion within the Supervisory Board. This self-assessment focused on the internal arrangements and organisation, the preparation, conduct, and recording of meetings, the culture of discussions and work, the content and topics of meetings, the composition of the Supervisory Board as well as the cooperation between the Supervisory Board and the Managing Board.

In summary, it can be said that the Supervisory Board has again duly and diligently fulfilled the duties incumbent upon it under the law, the Articles of Association, the Rules of Procedure, and the German Corporate Governance Code (with the exception of any declared deviations) in the 2025 financial year.

Shareholder return

At Heidelberg Materials, we firmly believe that a balanced approach to capital allocation creates value for all shareholders. Our combination of a progressive dividend policy, share buyback programmes, and disciplined M&A activity ensures that you can participate directly in the success of our business operations and long-term strategic direction. This approach is designed to secure sustainable returns and support the generation of future cash flows. This balanced capital allocation framework reflects our clear commitment to sustainable value creation.

In line with our progressive dividend policy, the Managing Board and Supervisory Board will propose a dividend of €3.60 per share for the 2025 financial year at the Annual General Meeting. Subject to your approval as shareholders, this represents an increase of €0.30 per share, or 9%, compared with the previous year's dividend of €3.30. The dividend proposal underlines our confidence in the Group's financial strength and strategic direction.

In May 2024, Heidelberg Materials launched its second share buyback programme with a total volume of up to €1.2 billion – an increase of 20% compared to the first programme – and a term extending until the end of 2026. The buyback is structured in three tranches. Under the first tranche, approximately 3.64 million shares were repurchased on the stock exchange between 23 May and 25 November 2024 at a total value of about €350 million. The second tranche resulted in the repurchase of around 2.07 million shares between 5 June and 1 December 2025, amounting to approximately €400 million. All shares acquired in the first and second tranches have been cancelled. The third tranche is scheduled to commence in the second quarter of 2026 following the Annual General Meeting.

Together, the substantial dividend increase and the ongoing share buyback programme underscore the company's clear commitment to delivering attractive returns to shareholders, supported by our robust financial foundation.

Topics of discussion

Key areas of focus in the Supervisory Board's deliberations included the Group's strategic positioning, the advancement of its decarbonisation roadmap, major investment decisions, risk and opportunity assessments across global markets, and the further strengthening of corporate governance. The Supervisory Board recommissioned the auditor to perform an unqualified audit opinion of the 2025 remuneration report.

The positioning and commercialisation of the company's decarbonised products was particularly in the focus of the Supervisory Board. Furthermore, it discussed Heidelberg Materials' global business activities and the associated risks and opportunities. In this context, the Supervisory Board also examined the implications of geopolitical developments for the Group's markets, supply chains, and long-term strategic options.

In addition, the Supervisory Board supported the Managing Board in the implementation of the digitalisation strategy and discussed related milestones. It also addressed the issue of enhancing efficiency in operating activities through digitalisation and the use of artificial intelligence.

Throughout the 2025 reporting year, the Supervisory Board devoted considerable attention to the further development and implementation of the sustainability strategy. The focus was on the updated CO₂ roadmap and the decarbonisation of cement production with carbon capture and storage (CCS). In this context, the Supervisory Board's discussions centred in particular on the opening of Brevik CCS in Norway in June 2025, the final investment decision for the construction of the carbon capture facility at the Padeswood cement plant in the United Kingdom, and the planned CCS project in Edmonton, Canada. The Supervisory Board also considered further measures to improve the carbon footprint of emission-intensive plants, new technologies for low-carbon products, the EU Emissions Trading System, and the EU's Carbon Border Adjustment Mechanism (CBAM). The expected implementation of the EU's Corporate Sustainability Reporting Directive (CSRD) and the associated double materiality analysis were once again on the Supervisory Board's agenda. Sustainability and digitalisation thus remain key areas of focus for the Supervisory Board's monitoring and advisory activities.

The Supervisory Board also examined the process of securing raw materials in the cement and aggregates business lines and the results achieved as well as several discussions on major investments, divestments, and portfolio optimisations, and the Group's underlying M&A strategy. The main focus of these meetings was on measures that could affect Heidelberg Materials' strategic targets and lead to an improvement of its balance sheet structure.

The Managing Board and Supervisory Board of Heidelberg Materials are characterised by continuity, as there were no personnel changes in either body during the reporting year. In January 2026, the Supervisory Board extended Roberto Callieri's appointment as a member of the Managing Board until December 31, 2029. In March 2026, it also extended Axel Conrads' appointment as a member of the Managing Board until January 31, 2032.

Further topics addressed included the adjustment of the Supervisory Board's Rules of Procedure, in particular with regard to its obligation since the 2025 financial year to audit the income tax information report, the simplification of the Group structure, the corporate governance rankings, the further development of the company's corporate governance, and the Managing Board's regular reports on business development.

In addition, the Supervisory Board and the Managing Board continued to place particular emphasis on diversity in leadership positions and on the implementation of the diversity concept and skills profile for the Supervisory Board. The Sustainability and Innovation Committee and the Audit Committee jointly oversaw the audit of sustainability reporting and the assessment of risks and opportunities related to ESG topics.

Active dialogue with our shareholders

During the reporting year, the Chairman of the Supervisory Board always remained open to dialogue with investors and willing to receive suggestions from investors on topics specific to the Supervisory Board. As part of a governance roadshow in March and April 2026, the Chairman of the Supervisory Board engaged with large international shareholders from Germany, the United Kingdom, and the USA on governance-specific topics, in particular the tasks, work, and composition of the Supervisory Board as well as environmental, social, and governance (ESG) issues.

Like the Managing Board, the Supervisory Board places great importance on engaging with shareholders of Heidelberg Materials. As for the Annual General Meeting, both bodies consider the virtual format to have proven effective in recent years, as it enables direct interaction with shareholders via video and electronic communication, similar to an in-person meeting. The Supervisory Board will continue to evaluate which option best serves shareholders' interests.

I would like to express my sincere appreciation for the trust you have placed in the Supervisory Board. With strong performance in 2025 and a clear strategic course, Heidelberg Materials is well positioned for the future. The Supervisory Board is confident that the company will continue to build on its strengths in the years ahead. With an experienced management team and the exceptional dedication of our employees worldwide, we are well positioned to continue shaping the future of Heidelberg Materials.

I very much look forward to welcoming you to this year's virtual Annual General Meeting on 13 May 2026.

Yours sincerely,



Dr Bernd Scheifele

Chairman of the Supervisory Board
Heidelberg Materials AG