HEIDELBERGCEMENT

Agenda

Annual General Meeting 2022

MATERIAL
TO BUILD OUR FUTURE

Invitation to the Annual General Meeting

We hereby invite our shareholders to attend the Annual General Meeting which will be held on Thursday, 12 May 2022, at 10:00 a.m. (CEST) as virtual meeting without the physical presence of shareholders or their proxies (with the exception of the Company's proxies).

Overview of the agenda

1. Submission of the adopted annual financial statements, the approved consolidated financial statements of the Group, the combined management report of HeidelbergCement AG and HeidelbergCement Group, as well as the report of the Supervisory Board for the 2021 financial year

2. Appropriation of the balance sheet profit

3. Discharge of the Managing Board for the 2021 financial year

4. Discharge of the Supervisory Board for the 2021 financial year

5. Appointment of the auditor for the 2022 financial year

6. Election of substitute members of the Supervisory Board

7. Approval of the remuneration report for the 2021 financial year

Agenda

1. Submission of the adopted annual financial statements, the approved consolidated financial statements of the Group, the combined management report of HeidelbergCement AG and HeidelbergCement Group, as well as the report of the Supervisory Board for the 2021 financial year

The above documents also include the remuneration report, the explanatory report on the statements in accordance with sections 289a para. 1 and 315a para. 1 of the German Commercial Code (HGB) as well as the Corporate Governance statement with the Corporate Governance reporting for the 2021 financial year. They form part of the Annual Report 2021, with the exception of the adopted annual financial statements of HeidelbergCement AG. These documents and the Managing Board's proposal for the appropriation of the profit may be viewed on the Internet at **www.heidelbergcement.com/en/annual-general-meeting-2022** before and during the General Meeting. In accordance with the statutory provisions, no resolution will be passed on agenda item 1, since the Supervisory Board has already approved the annual financial statements and consolidated financial statements and the annual financial statements have thus been adopted.

2. Resolution on the appropriation of the balance sheet profit

The balance sheet profit for the 2021 financial year of HeidelbergCement AG amounts to €495,521,123.44. The Managing Board and Supervisory Board propose:

a) that a dividend in the amount of €2.40 be paid out of the balance sheet profit for each share carrying dividend rights. If this proposal is accepted, dividends in the total amount of €461,796,914.40 would be paid for the 192,415,381 no-par value shares carrying dividend rights for the 2021 financial year; and

b) that the remaining balance sheet profit in the amount of €33,724,209.04 be carried forward in full.

The proposal for the appropriation of the balance sheet profit takes into account the 676,519 treasury shares, which are held by the Company at the time of the convening of the Annual General Meeting and which are not entitled to dividends pursuant to section 71b of the German Stock Corporation Act. Should the number of shares entitled to dividends for the 2021 financial year change by the time of the Annual General Meeting, a correspondingly adjusted proposal for resolution will be submitted to the Annual General Meeting, which will continue to propose a dividend of €2.40 per share entitled to dividend as well as correspondingly adjusted amounts for the total dividend and the profit carried forward. Such a change in the number of shares entitled to dividends is to be expected due to the Company's ongoing share buyback programme.

In accordance with section 58 para. 4 sentence 2 of the German Stock Corporation Act, the dividends are due on the third business day following the General Meeting, i.e. on 17 May 2022.

3. Resolution on the discharge of the Managing Board for the 2021 financial year

The Managing Board and the Supervisory Board propose that discharge be granted to the members of the Managing Board for the 2021 financial year.

It is intended that the General Meeting will resolve on the approval of the actions of the members of the Managing Board by way of separate votes.

4. Resolution on the discharge of the Supervisory Board for the 2021 financial year

The Managing Board and the Supervisory Board propose that discharge be granted to the members of the Supervisory Board for the 2021 financial year.

It is intended that the General Meeting will resolve on the approval of the actions of the members of the Supervisory Board by way of separate votes.

5. Resolution on the appointment of the auditor for the 2022 financial year

The Supervisory Board proposes, based on the recommendation of its Audit Committee, that PricewaterhouseCoopers GmbH Wirtschaftsprüfungsgesellschaft, Frankfurt am Main, Germany, be appointed as the auditor of the annual financial statements and consolidated financial statements for the 2022 financial year as well as the auditor to review the abbreviated financial statements and the interim management report of the Group for the first six months of the 2022 financial year, insofar as these are subject to a review by an auditor.

The Audit Committee has stated that its recommendation is free from undue influence by third parties and no clause restricting the choice within the meaning of Art. 16 para. 6 of the EU Audit Regulation (Regulation (EU) No 537/2014 of the European Parliament and of the Council of 16 April 2014 on specific requirements regarding statutory audit of public-interest entities and repealing Commission Decision 2005/909/EC).

6. Election of substitute members of the Supervisory Board

As announced before his election to the Supervisory Board by the Annual General Meeting on 9 May 2019, the Chairman of the Supervisory Board, Mr Fritz-Jürgen Heckmann, has resigned from the Supervisory Board with effect from the end of the Annual General Meeting 2022 and is thus leaving the Supervisory Board. Mr Tobias Merckle has also resigned from his Supervisory Board mandate with effect from the end of the 2022 Annual General Meeting and is thus leaving the Supervisory Board.

Pursuant to section 96 para. 1 of the German Stock Corporation Act and section 101 para. 1 of the German Stock Corporation Act, as well as section 7 para. 1 no. 1 of the German Co-Determination Act in connection with article 8 para. 1 and 2 of the Company's Articles of Association, the Supervisory Board of HeidelbergCement AG is composed of six members to be elected by the Annual General Meeting and six members to be elected by the employees.

With the retirement of Mr Heckmann and Mr Merckle, only four of the incumbent Supervisory Board members are still elected by the Annual General Meeting. Thus, the replacement election of two Supervisory Board members by the Annual General Meeting is necessary.

The Supervisory Board proposes

Dr. Bernd Scheifele,
former chairman of the Managing Board of HeidelbergCement AG, member of various supervisory bodies, Heidelberg, Germany,

and

Dr. Sopna Sury,
Chief Operating Officer Hydrogen and member of the Executive Board of RWE Generation SE, Willich, Germany

to be elected to the Supervisory Board as shareholder representatives with effect from the end of the Annual General Meeting on 12 May 2022. The election of both Dr. Bernd Scheifele as well as Dr. Sopna Sury takes place in accordance with article 8 para. 6 of the Articles of Association for the remainder of the term of office of the respective retired member of the Supervisory Board, i.e. in both cases for the period up to the end of the Annual General Meeting that approves the discharge of the Supervisory Board for the 2023 financial year.

The Annual General Meeting is not bound by the nominations. Pursuant to section 96 para. 2 sentence 1 of the German Stock Corporation Act, the Supervisory Board must be composed of at least 30 % women and at least 30 % men (minimum quota requirement). The minimum proportion of women and men of 30 % each must be met by the Supervisory Board as a whole in accordance with section 96 para. 2 sentence 2 of the German Stock Corporation Act (so-called overall fulfillment), unless the side of the shareholder or employee representatives objects to the overall fulfillment in accordance with section 96 para. 2 sentence 3 of the German Stock Corporation Act based on a resolution passed with a majority. The Supervisory Board of HeidelbergCement AG is currently to be filled with at least four women and at least four men due to the statutory overall fulfillment, in the absence of any objection from either side of the Supervisory Board, in order to meet the minimum quota requirement pursuant to section 96 para. 2 sentence 1 of the German Stock Corporation Act.

There are currently four women and eight men on the Supervisory Board. The minimum share requirement is therefore currently met and will not be affected by the resignations of Mr Heckmann and Mr Merckle. This means that the Annual General Meeting is not bound by the gender of the Supervisory Board members to be elected. The election proposals of the Supervisory Board are based on the recommendation of its Nomination Committee and take into account the objectives for the composition of the Supervisory Board, which are part of the competence profile for the Supervisory Board resolved by the Supervisory Board. The competence profile and the objectives contained therein for the composition of the Supervisory Board were approved by the Supervisory Board on 23 March 2022, is published on the website of the Company at **www.heidelbergcement.com/en/annual-general-meeting-2022** and will be accessible during the Annual General Meeting.

Dr. Bernd Scheifele left the Managing Board of HeidelbergCement AG at the end of 31 January 2020. The statutory waiting period of two years pursuant to section 100 para. 2 no. 4 of the German Stock Corporation Act thus ended on 31 January 2022. It is intended that if Dr. Bernd Scheifele is elected by the Annual General Meeting, he will be proposed to the Supervisory Board as a candidate for the position of Chairman of the Supervisory Board.

CVs and further information on the Supervisory Board candidates proposed for the by-election are printed after the agenda.

It is intended to have the Annual General Meeting decide on the by-election of the shareholders' Supervisory Board members by way of individual votes.

7. Resolution on the approval of the remuneration report for the 2021 financial year

Pursuant to section 120a para. 4 sentence 1 of the German Stock Corporation Act, the general meeting of a listed company must decide on the approval of the remuneration report prepared and audited by the Managing Board and Supervisory Board in accordance with section 162 of the German Stock Corporation Act for the 2021 financial year.

The remuneration report is presented after the agenda. In addition, the remuneration report is available on the Company's website at **www.heidelbergcement.com/en/annual-general-meeting-2022** from the time the Annual General Meeting is convened.

Pursuant to section 162 para. 3 of the German Stock Corporation Act, the remuneration report was checked by the auditor to determine whether the information required by section 162 para. 1 and 2 of the German Stock Corporation Act was provided. In addition to the statutory requirements, the auditors also checked the content. The auditor's report on the audit of the Company's annual and consolidated financial statements also includes the audit of the remuneration report and is also presented following the agenda.

The Managing Board and the Supervisory Board propose that the remuneration report for the 2021 financial year be approved.

Further information and notes

Information on the Supervisory Board candidates proposed under agenda item 6 for the by-election

Dr. Bernd Scheifele
Domicile: Heidelberg
Year of birth: 1958
Nationality: German
Profession: Former Chairman of the Managing Board of HeidelbergCement AG; member of various supervisory bodies

Dr. Scheifele studied law at the Universities of Freiburg and Dijon. Following the first state examination in law, he completed a master's program in the USA on a Fulbright scholarship, which he completed in 1984 with a Masters of Laws (LLM). After the second state examination in law and the doctorate, Dr. Scheifele worked from 1988 to 1994 as a partner in the law firm Gleiss Lutz Hootz Hirsch in Stuttgart in the area of corporate law and M&A. In this role, he oversaw the founding of Phoenix Pharmahandel AG & Co KG (Mannheim), of which he was appointed CEO on 1 October 1994. From 1 February 2005 to 31 January 2020, Dr. Scheifele was Chairman of the Managing Board of HeidelbergCement AG.

Memberships in other statutory supervisory boards as well as in comparable domestic and foreign supervisory bodies of commercial enterprises:
- Chairman of the supervisory board of PHOENIX Pharma SE and PHOENIX Pharmahandel GmbH & Co. KG, Mannheim (not listed)
- Chairman of the supervisory board of Verlagsgruppe Georg von Holtzbrinck GmbH (not listed)
- Member of the supervisory board of Springer Nature AG & Co. KGaA (not listed)

The Supervisory Board is convinced that due to his many years of experience as Chairman of the Managing Board of HeidelbergCement AG, Dr. Scheifele is particularly well suited to accompany and support the Managing Board in the sustainable implementation of the corporate strategy. This also applies to the Group's efforts to make an appropriate contribution to achieving the Paris climate goals and the associated necessary reduction in CO_2 emissions in cement production.

Independence
According to the assessment of the Supervisory Board, there are no personal or business relationships between Dr. Scheifele on the one hand and the companies of the HeidelbergCement Group, the corporate bodies of HeidelbergCement AG and Mr Ludwig Merckle as a shareholder with a significant interest in HeidelbergCement AG on the other hand that an objectively judging shareholder would regard as decisive for his voting decision. In the opinion of the Supervisory Board, Dr. Scheifele is independent within the meaning of recommendation C.6 of the German Corporate Governance Code.

Dr. Scheifele left the Managing Board of HeidelbergCement AG at the end of 31 January 2020. The statutory waiting period of two years according to section 100 para. 2 no. 4 of the German Stock Corporation Act thus ended at the end of 31 January 2022. From the time he joins the Supervisory Board, his former membership in the Managing Board of HeidelbergCement AG is in line with the criteria of the German Corporate Governance Code no longer a reason against the assessment of Dr. Scheifele as an independent member of the Supervisory Board.

The Supervisory Board made sure that Dr. Scheifele can afford the expected expenditure of time in connection with the work on the Supervisory Board of HeidelbergCement AG.

Dr. Sopna Sury
Domicile: Willich
Year of birth: 1974
Nationality: German
Profession: Chief Operating Officer Hydrogen and member of the Executive Board of RWE Generation SE

Career:

2021 – today	**RWE Generation SE, Essen** Chief Operating Officer Hydrogen
2019 – 2021	**RWE Renewables GmbH, Essen** Director Strategy & Regulatory Affairs
2016 – 2019	**Uniper SE, Duesseldorf** COO Energy Services & Infrastructure
2015	**E.ON Global Unit Next Generation, Essen** Director Energy Solutions
2012 – 2014	**E.ON Climate & Renewables GmbH, Essen** Director Business Development & Business Affairs
2011 – 2012	**E.ON Inhouse Consulting GmbH, Essen** Member of the Management Team, area of responsibility: Talent Management, Recruiting, Communication
2001 – 2010	**McKinsey & Company, Inc., Duesseldorf**
2009 – 2010	Manager EMEA (Europe, Middle East, Africa) Organization Practice
2006 – 2008	Manager German Organization Practice
2001 – 2006	Senior Associate

Education

2003 – 2005	Witten/Herdecke University Dr. rer. pol., External Doctorate, Chair of Institutional and Economic Development
1999 – 2000	Darla Moore School of Business, Columbia S.C., USA Master of International Business Program (study visit)
1996 – 2001	Witten/Herdecke University Study of business economics, focus: International Economics and Controlling
1994 – 1996	BHF-Bank Aktiengesellschaft, apprenticeship banker

Memberships in other statutory supervisory boards as well as in comparable domestic and foreign supervisory bodies of commercial enterprises:
None

Dr. Sury has approximately 20 years of international and multidisciplinary experience in the fields of energy solutions (renewables and hydrogen solutions), regulatory affairs, business development, strategy and communications. Since 2012, Dr. Sury has held roles with responsibility for strategy, regulatory affairs, integration management and development of solutions around green energy. The Supervisory Board believes that Dr. Sury will bring particular expertise in the area of sustainability to the Supervisory Board of HeidelbergCement AG due to her extensive professional experience. The Supervisory Board therefore also considers Dr. Sury particularly suited to accompany and support the Managing Board in the sustainable implementation of the corporate strategy. This also applies, in particular, to the Group's efforts to make an appropriate contribution to achieving the Paris climate goals and the associated necessary reduction in CO_2 emissions in cement production.

Independence
According to the assessment of the Supervisory Board, there are no personal or business relationships between Dr. Sury on the one hand and the companies of the HeidelbergCement Group, the corporate bodies of HeidelbergCement AG and Mr Ludwig Merckle as a shareholder with a significant interest in HeidelbergCement AG on the other hand that an objectively judging shareholder would regard as decisive for his voting decision. In the opinion of the Supervisory Board, Dr. Sury is independent within the meaning of recommendation C.6 of the German Corporate Governance Code.

The Supervisory Board made sure that Dr. Sury can afford the expected expenditure of time in connection with the work on the Supervisory Board of HeidelbergCement AG.

Annex to agenda item 7

Remuneration report for the 2021 financial year

Introduction

The remuneration report sets out the principles and structure of the remuneration of the Managing Board and the Supervisory Board of HeidelbergCement AG and reports on the remuneration granted and owed to the current and former members of the Managing Board and the Supervisory Board in the 2021 financial year. The remuneration granted includes the remuneration components whose underlying (single or multi-year) service or performance period was fully completed in the financial year. The remuneration report was jointly prepared by the Managing Board and the Supervisory Board in accordance with the provisions of section 162 of the German Stock Corporation Act (Aktiengesetz, AktG). In addition, it takes into account the recommendations and suggestions of the German Corporate Governance Code (GCGC) in its version of 16 December 2019.

The remuneration report, as part of the combined management report of HeidelbergCement Group and HeidelbergCement AG, was also audited with reasonable assurance by PricewaterhouseCoopers GmbH Wirtschaftsprüfungsgesellschaft beyond the requirements of section 162(3) of the AktG. Please refer to the corresponding auditors' report.

Review of the 2021 financial year

Business development and target achievement in the 2021 financial year
The positive business development of HeidelbergCement in 2021 is also reflected in the target achievement of the variable elements of the remuneration of the Managing Board. Besides the increase in the Group share of profit, the reduction in CO_2 emissions, which formed part of the variable remuneration basis for the first time in the 2021 financial year, contributed to the achievement of the objectives for the annual bonus. In addition, initiatives were implemented that served as a basis of the individual target agreements for the members of the Managing Board within the framework of the "Beyond 2020" strategy.

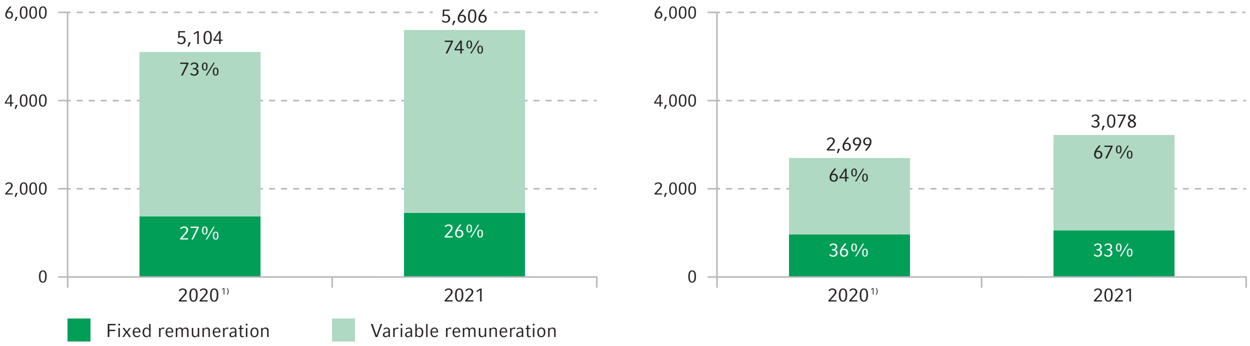
For the management component of the long-term bonus 2019-2021/2022, a further rise in EBIT and ROIC led to a target achievement of 200 %. However, the total shareholder return (TSR) of the HeidelbergCement share after the end of the performance period from 2018 to 2021 was below that of the TSRs of the DAX and the MSCI World Construction Materials Index. Consequently, there is no payment from the capital market component of the long-term bonus 2018-2020/2021.

Target achievement 2021

Granted and owed remuneration in the 2021 financial year

Dr Dominik von Achten[1,2] (€'000s)
(Chairman of the Managing Board since 1 Feb. 2020)

Ø Members of the Executive Board[2,3] (€'000s)
(only active members throughout the year)



1) Due to assuming the chair of the Managing Board during the year, Dr von Achten received remuneration for the chair of the Managing Board for eleven months and remuneration for a member of the Managing Board for one month in 2020.
2) In the months April to June 2020, the Managing Board voluntarily waived 20 % of their fixed salary to deal with the negative impacts of the coronavirus pandemic.
3) Ernest Jelito and Chris Ward received a payment from the long-term bonus for the first time for the year 2021.

Changes in the composition of the Managing Board
On 1 September 2021, two functional Managing Board responsibilities were added with a focus on the transformational topics of sustainability and digitalisation. To this end, Dr Nicola Kimm and Dennis Lentz were appointed to the Managing Board. Furthermore, René Aldach was newly appointed and succeeded the former Chief Financial Officer Dr Lorenz Näger, who entered into early retirement on 31 August 2021.

Approval of the remuneration system of the Managing Board
As a result of the German Act Implementing the Second Shareholder Rights Directive (ARUG II) entering into force on 1 January 2020, the remuneration system of the Managing Board was submitted to the Annual General Meeting for approval in 2021. To emphasise sustainable management as an essential component of the "Beyond 2020" Group strategy, the Supervisory Board has adjusted the previous remuneration system and included a CO_2 component as an additional performance criterion in the annual bonus. At the same time, a strong focus will continue to be placed on the achievement of the financial targets, thereby striking a balance between economic parameters and sustainability targets.

The adjusted remuneration system was presented at the Annual General Meeting in 2021 and approved with an acceptance rate of 92.21 %. It has been applicable to all members of the Managing Board since 1 January 2021 and is available under the following link: **https://www.heidelbergcement.com/en/corporate-governance**.

Approval of the remuneration system of the Supervisory Board
In accordance with the ARUG II, a resolution on the remuneration system of the Supervisory Board was also adopted at the Annual General Meeting in 2021. The remuneration system of the Supervisory Board was approved with an acceptance rate of 99.89 % and took effect retroactively as of 1 January 2021. It was only slightly adjusted in comparison with the previous remuneration system. In order to reflect the increased use of electronic means of communication in conducting the Supervisory Board meetings in the remuneration, the requirement of participating in person for the payment of the attendance fee no longer applies. In future, members of the Supervisory Board will receive an attendance fee for each meeting of the Supervisory Board and its committees they participate in, regardless of the form in which the meeting is held. For multiple meetings that take place on the same day or on subsequent days, the attendance fee continues to be paid only once. Furthermore, with the removal of the corresponding recommendation of the GCGC, the company's obligation contained in the Articles of Association to provide for a deductible for the members of the Supervisory Board in the case of a D&O liability insurance concluded by the company no longer applies. In all other respects, the remuneration system of the Supervisory Board remained unchanged.

Changes in the regulatory framework for remuneration reporting
As a result of the ARUG II entering into force, the remuneration report for the 2021 financial year must be prepared on the basis of the new requirements of section 162 of the AktG.

In accordance with the legal requirements, the remuneration report for 2021 will be submitted to the 2022 Annual General Meeting as part of a consultative vote for approval pursuant to section 120a(4) of the AktG.

Remuneration of the Managing Board in the 2021 financial year

Principles of remuneration of the Managing Board

The remuneration system of the Managing Board is aligned with the "Beyond 2020" Group strategy. By selecting appropriate performance criteria for the variable remuneration, incentives are given to implement the Group strategy and to promote the long-term and sustainable development of HeidelbergCement. Both financial and non-financial performance criteria are used to represent the company's success as a whole. The consideration of ESG objectives in the variable remuneration underlines the desire for excellent economic performance as well as environmentally and socially responsible conduct.

The remuneration of the Managing Board at HeidelbergCement is based on the principle that members of the Managing Board should be remunerated appropriately according to their performance. With the high proportion of variable and thus performance-based remuneration elements, the Supervisory Board pursues a strict pay-for-performance approach.

The following overview summarises the most important principles of remuneration of the Managing Board. Together, they provide incentives to promote the long-term and sustainable development of HeidelbergCement.

Fundamentals of the Managing Board remuneration
Strong pay for performance orientation due to high performance-related share of total remuneration
Alignment of variable remuneration and performance criteria with the long-term "Beyond 2020" Group strategy
Sustainability as essential component of Managing Board remuneration through CO_2 component in variable remuneration
Alignment with shareholder interests through share-based remuneration and obligation for individual investment
Use of relative performance assessment and prevention of adjustments of target values or performance criteria during the year
Capping of total remuneration through contractually fixed payout caps
Malus and clawback rules for the variable remuneration in total

Procedure for determining and implementing the remuneration system and the amount of remuneration of the Managing Board

The remuneration system for the members of the Managing Board is determined by the Supervisory Board pursuant to section 87a of the AktG following a recommendation by the Personnel Committee and is then submitted to the Annual General Meeting for approval.

The current remuneration system was approved by the Annual General Meeting in 2021 following a resolution by the Supervisory Board. As long as no significant changes are made to the remuneration system, it will be submitted to the Annual General Meeting for approval at least every four years in accordance with the legal requirements. In the event of significant changes to the remuneration system, the adjusted remuneration system will be submitted to the Annual General Meeting for approval in the year of its change.

The remuneration of the Managing Board is determined by the Supervisory Board following a recommendation by the Personnel Committee. The Supervisory Board takes into account the responsibility and tasks of the individual members of the Managing Board, their individual performance, the economic situation, as well as the success and future prospects of HeidelbergCement AG.

Review of the appropriate remuneration of the Managing Board

The Supervisory Board regularly reviews the appropriateness of the remuneration of the Managing Board with the support of the Personnel Committee. This includes an external, horizontal comparison with the remuneration of managing boards of comparable companies as well as an internal, vertical comparison of remuneration within HeidelbergCement AG. For the horizontal comparison, the selection of companies is based on the size and international activity of HeidelbergCement, the economic and financial situation, and future prospects.

The companies of the DAX are used for the horizontal comparison. The horizontal comparison serves to verify that the remuneration of the Managing Board is market common.

For the vertical comparison, the remuneration of the Managing Board is compared with the remuneration of top and senior management (upper management) and the remuneration of the total workforce of HeidelbergCement AG, both overall and in terms of development over time.

The following overview shows the development of the target direct compensation (fixed annual salary, target value of the annual bonus and – if the corresponding employee groups are eligible – the target value of the long-term bonus) in the internal comparison in the period from 2017 to 2021. The vertical comparison of the target remuneration is used when reviewing the appropriateness of the remuneration of the Managing Board pursuant to section 87a of the AktG. The comparative statement pursuant to section 162(1)(2) of the AktG can be found in the Comparative presentation of the remuneration and earnings development section.

Development of the average target direct remuneration[1] of the Managing Board and total workforce of HeidelbergCement AG

€'000s	2017	Change 2018/2017	2018	Change 2019/2018	2019	Change 2020/2019	2020	Change 2021/2020	2021
Managing Board[2]	**2,705.5**	12.2 %	**3,036.0**	-5.6 %	**2,866.8**	0.1 %	**2,868.7**	-9.1 %	**2,607.8**
Top and senior management[3]	**197.6**	5.2 %	**207.7**	4.6 %	**217.2**	5.9 %	**230.0**	2.7 %	**236.3**
Total workforce of HeidelbergCement AG[4]	**60.2**	1.9 %	**61.4**	2.0 %	**62.6**	1.2 %	**63.4**	1.4 %	**64.3**

1) Fixed salary (incl. 13th monthly salary, vacation pay), annual bonus (target 100 %) and long-term bonus (target 100 %) on a full-time basis.
2) The increase of 12.2 % in the average target direct remuneration of the Managing Board from 2017 to 2018 is mainly due to contractually agreed salary adjustments for several members of the Managing Board. The decrease of 5.6 % from 2018 to 2019 is due to personnel changes to the Managing Board. The decrease of 9.1 % from 2020 to 2021 is mainly due to the new appointment of three Managing Board members.
3) Top and senior management of HeidelbergCement AG, excluding Managing Board.
4) Including top and senior management, excluding Managing Board.

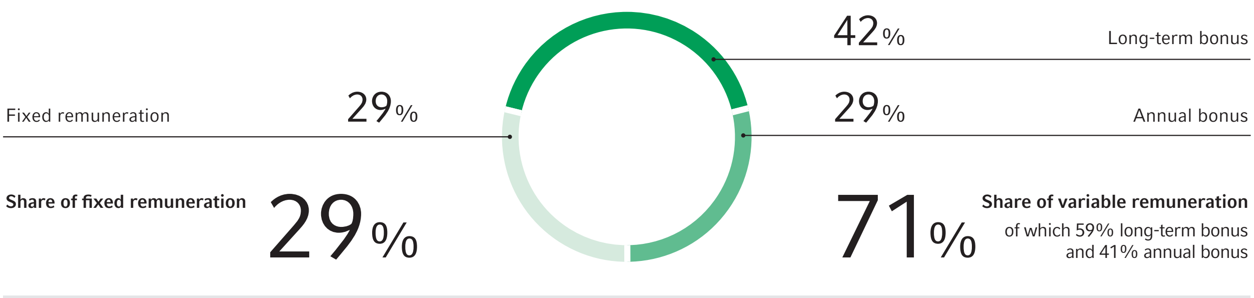
In the 2021 financial year, the ratio of the average remuneration of the Managing Board (including the Chairman of the Managing Board) to the average remuneration of top and senior management was 1:11 (previous year: 1:12), and the ratio to the total workforce of HeidelbergCement AG was 1:41 (previous year: 1:45).

Remuneration structure

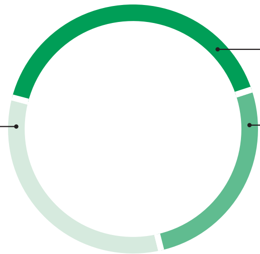
Pay for performance and the focus on the sustainable and long-term development of the company are central principles of the remuneration of the Managing Board of HeidelbergCement. With these principles in mind, 71 % of the target direct remuneration of the Chairman of the Managing Board and around 67 % for the members of the Managing Board consist of variable remuneration elements. The fixed annual salary thus accounts for 29 % of the target direct remuneration for the Chairman of the Managing Board and around 33 % for the members of the Managing Board.

To ensure the long-term focus of the remuneration of the Managing Board, the share of the long-term bonus exceeds that of the annual bonus within the variable remuneration elements (ratio of 59 % to 41 % for the Chairman of the Managing Board and 61 % to 39 % for the members of the Managing Board).

Remuneration components of the Chairman of the Managing Board



Remuneration components of the members of the Managing Board



Fixed remuneration 33%

41% Long-term bonus

26% Annual bonus

Share of fixed remuneration 33%

67% **Share of variable remuneration**
of which 61% long-term bonus and 39% annual bonus

Determining the target remuneration

Each member of the Managing Board is contractually promised a target remuneration that lies within the specified remuneration structure. The amount of the target remuneration depends on the responsibilities as well as the relevant experience and activities of the individual member of the Managing Board.

The target remuneration of the members of the Managing Board that were active in the 2021 financial year is as follows:

Target remuneration	**Dr Dominik von Achten** Chairman of the Managing Board[1] (since 1 February 2020)		**René Aldach** Chief Financial Officer (since 1 September 2021)	
€'000s	2020	**2021**	2020	**2021**
Fixed annual salary	1,348	**1,450**	–	**200**
Fringe benefits	11	**11**	–	**5**
Contribution to private pension (cash allowance)	–	**–**	–	**–**
One-year variable compensation	1,380	**1,450**	–	**160**
Annual bonus 2020	1,380	**–**	–	**–**
Annual bonus 2021	–	**1,450**	–	**160**
Multi-year variable compensation	1,978	**2,175**	–	**604**
Long-term bonus plan 2020-2022/2023	1,978	**–**	–	**–**
Management component tranche 2020-2022	988	**–**	–	**–**
Capital market component tranche 2020-2023	990	**–**	–	**–**
Long-term bonus plan 2021-2023/2024	–	**2,175**	–	**604**
Management component tranche 2021-2023	–	**1,088**	–	**292**
Capital market component tranche 2021-2024	–	**1,088**	–	**313**
Others	–	**–**	–	**–**
Service costs	676	**427**	–	**83**
Total compensation	5,393	**5,513**	–	**1,052**

1) Until 31 January 2020 member of the Managing Board.

Target remuneration	Kevin Gluskie Member of the Managing Board		Hakan Gurdal Member of the Managing Board	
€'000s	2020	2021	2020	2021
Fixed annual salary	803	**913**	665	**764**
Fringe benefits	452	**463**	71	**84**
Contribution to private pension (cash allowance)	–	**–**	–	**–**
One-year variable compensation	676	**730**	560	**611**
Annual bonus 2020	676	**–**	560	**–**
Annual bonus 2021	–	**730**	–	**611**
Multi-year variable compensation	1,096	**1,151**	876	**960**
Long-term bonus plan 2020-2022/2023	1,096	**–**	876	**–**
Management component tranche 2020-2022	548	**–**	438	**–**
Capital market component tranche 2020-2023	548	**–**	438	**–**
Long-term bonus plan 2021-2023/2024	–	**1,151**	–	**960**
Management component tranche 2021-2023	–	**575**	–	**480**
Capital market component tranche 2021-2024	–	**576**	–	**480**
Others	–	**–**	–	**–**
Service costs	840	**843**	648	**664**
Total compensation	3,867	**4,099**	2,820	**3,084**

Target remuneration	Ernest Jelito Member of the Managing Board		Dr Nicola Kimm Member of the Managing Board (since 1 September 2021)	
€'000s	2020	2021	2020	2021
Fixed annual salary	665	**700**	–	**200**
Fringe benefits	24	**27**	–	**72**
Contribution to private pension (cash allowance)	–	**–**	–	**–**
One-year variable compensation	560	**560**	–	**160**
Annual bonus 2020	560	**–**	–	**–**
Annual bonus 2021	–	**560**	–	**160**
Multi-year variable compensation	876	**875**	–	**604**
Long-term bonus plan 2020-2022/2023	876	**–**	–	**–**
Management component tranche 2020-2022	438	**–**	–	**–**
Capital market component tranche 2020-2023	438	**–**	–	**–**
Long-term bonus plan 2021-2023/2024	–	**875**	–	**604**
Management component tranche 2021-2023	–	**438**	–	**292**
Capital market component tranche 2021-2024	–	**438**	–	**313**
Others	–	**–**	–	**–**
Service costs	449	**460**	–	**83**
Total compensation	2,574	**2,622**	–	**1,119**

Target remuneration	Dennis Lentz Member of the Managing Board (since 1 September 2021)		Jon Morrish Member of the Managing Board	
€'000s	2020	**2021**	2020	**2021**
Fixed annual salary	–	**200**	817	**899**
Fringe benefits	–	**25**	174	**79**
Contribution to private pension (cash allowance)	–	**–**	–	**–**
One-year variable compensation	–	**160**	688	**720**
Annual bonus 2020	–	**–**	688	**–**
Annual bonus 2021	–	**160**	–	**720**
Multi-year variable compensation	–	**604**	1,076	**1,127**
Long-term bonus plan 2020-2022/2023	–	**–**	1,076	**–**
Management component tranche 2020-2022	–	**–**	538	**–**
Capital market component tranche 2020-2023	–	**–**	538	**–**
Long-term bonus plan 2021-2023/2024	–	**604**	–	**1,127**
Management component tranche 2021-2023	–	**292**	–	**564**
Capital market component tranche 2021-2024	–	**313**	–	**564**
Others	–	**–**	–	**–**
Service costs	–	**83**	612	**600**
Total compensation	–	**1,072**	3,367	**3,425**

Target remuneration	Dr Lorenz Näger Deputy Chairman of the Managing Board [1] (1 February 2020 until 31 August 2021)		Chris Ward Member of the Managing Board	
€'000s	2020	**2021**	2020	**2021**
Fixed annual salary	1,024	**733**	699	**710**
Fringe benefits	36	**23**	59	**58**
Contribution to private pension (cash allowance)	–	**–**	371	**356**
One-year variable compensation	863	**587**	589	**568**
Annual bonus 2020	863	**–**	589	**–**
Annual bonus 2021	–	**587**	–	**568**
Multi-year variable compensation	1,256	**917**	936	**888**
Long-term bonus plan 2020-2022/2023	1,256	**–**	936	**–**
Management component tranche 2020-2022	627	**–**	468	**–**
Capital market component tranche 2020-2023	628	**–**	468	**–**
Long-term bonus plan 2021-2023/2024	–	**917**	–	**888**
Management component tranche 2021-2023	–	**458**	–	**444**
Capital market component tranche 2021-2024	–	**458**	–	**444**
Others [2]	55	**57**	–	**–**
Service costs	608	**963**	–	**–**
Total compensation	3,842	**3,280**	2,654	**2,580**

1) Until 31 January 2020 member of the Managing Board.

2) In the case of Dr Lorenz Näger, the 2020 value includes a crediting of mandate remuneration of the subsidiary Indocement against the annual bonus in the amount of €55 thousand. In 2021, the mandate remuneration of the subsidiary Indocement will be credited in the amount of €57 thousand.

Compliance with the maximum remuneration

The maximum remuneration (without taking into account fringe benefits and annual service costs of pension commitments) equals the fixed annual salary plus the sum of the individual variable remuneration elements (annual bonus and long-term bonus), which are each limited to twice the target value, plus the discretionary adjustment of a maximum of 15 % respectively 25 % for old contracts. The maximum remuneration for Ernest Jelito, Jon Morrish, and Chris Ward corresponds to up to 177 % of the target direct remuneration, the maximum remuneration for Kevin Gluskie and Hakan Gurdal 184 % of the target direct remuneration. Absolute upper limits (excluding fringe benefits and annual service costs of pension commitments) are defined in the Managing Board agreements concluded since the 2020 financial year. A maximum remuneration of €3,245,000 applies for René Aldach, Dr Nicola Kimm, and Dennis Lentz. For the current Chairman of the Managing Board, the maximum remuneration is limited to €8,000,000 based on individual contractual provisions. This corresponds to 158 % of the target direct remuneration.

The maximum remuneration of the Chairman of the Managing Board or the upper limits of the Managing Board agreements concluded since the 2020 financial year limit all payments resulting from the commitment for a financial year, regardless of when they are received. A final compliance report on the maximum remuneration for the 2021 financial year can therefore only be made after the tranche of the long-term bonus promised in 2021 has been paid out. Compliance with the maximum remuneration will be reported in the remuneration report for the 2024 financial year after the end of the performance period of the capital market component of the 2021 tranche. Should the payout from the long-term bonus result in exceeding the maximum remuneration, the payment amount will be reduced accordingly to ensure compliance with the maximum remuneration.

Application of the remuneration system in the 2021 financial year

The remuneration system of the Managing Board consists of fixed and variable remuneration elements. The fixed elements consist of the fixed annual salary, the fringe benefits, as well as – if contractually agreed – a cash allowance for private pensions contributions. The performance-related components include the annual bonus and the long-term bonus.

The following is an overview of the arrangement of the remuneration elements and their time horizon:

Remuneration components and time frame, application 2021

Fixed remuneration components	
Fixed annual salary **2021** 2022 2023 2024	Designed as: Fixed cash payment relating to the financial year, paid on a monthly basis, cash allowance (only Chris Ward) **Share of target direct remuneration:** Chairman of the Managing Board 29 %, members of the Managing Board 33 %
Fringe benefits **2021** 2022 2023 2024	**Arrangement:** Especially company cars, driving services, mobile phone and communication resources, flight costs, tax consultancy costs, insurance benefits, individually agreed membership fees and secondment-related non-cash benefits
Variable remuneration components	
Annual bonus **2021** 2022 2023 2024	**Designed as:** Target bonus **Performance criteria:** 2/3 Group share of profit and CO_2 component, 1/3 individual targets **Target achievement:** 0 - 200 % target achievement **Limit:** 200 % of target value **Share of target direct remuneration:** Chairman of the Managing Board 29 %, members of the Managing Board 26 %
Long-term bonus **2021 2022 2023** 2024 **2021 2022 2023 2024**	**Designed as:** 50 % performance cash plan (management component), 50 % performance share plan (capital market component) **Performance period:** Three-year management component, four-year capital market component **Performance criteria:** Management component: 50 % EBIT, 50 % ROIC, capital market component: 50 % relative TSR vs. DAX, 50 % relative TSR vs. MSCI World Construction Materials Index **Target achievement:** 0 - 200 % target achievement **Limit:** 200 % of target value **Share of target direct remuneration:** Chairman of the Managing Board 42 %, members of the Managing Board 41 %

In addition to the remuneration elements shown, pension commitments are in place for the members of the Managing Board within the framework of the company pension scheme. Another central element of the remuneration system for the Managing Board is the mandatory share ownership, which obliges the members of the Managing Board to hold shares of Heidelberg-Cement AG for the duration of their appointment.

Fixed remuneration elements

Fixed annual salary

The fixed annual salary is a set cash payment relating to the financial year, which is based on each Managing Board member's area of responsibility and is paid on a monthly basis over the year.

Fringe benefits

In the 2021 financial year, the taxable fringe benefits of the members of the Managing Board consisted of the provision of company cars and driving services, mobile phone and communication resources, costs for home flights, tax consulting costs, housing and school benefits, as well as insurance benefits, individually agreed membership fees, and secondment-related benefits. The secondment-related benefits included a foreign health insurance as well as relocation and living costs. No further fringe benefits were granted to the members of the Managing Board in the 2021 financial year.

The members of the Managing Board are covered in the company's existing D&O liability insurance. The agreed deductible corresponds to the minimum deductible pursuant to section 93(2)(3) of the AktG in the respective version.

Variable remuneration elements

The variable remuneration elements include the annual bonus and the long-term bonus. While the annual bonus relates to a financial year, the long-term bonus has a performance period of three years (management component) or four years (capital market component). For the overall consideration of the company's success, different performance criteria are used within the variable remuneration elements to measure the target achievement. The performance criteria are derived from the "Beyond 2020" Group strategy and are both financial and non-financial. The following table shows the link between performance criteria and Group strategy:

Performance criteria and Group strategy

Performance criterion/ aspect	Business Excellence	Portfolio management	Employees and organisation	Sustainability	Digital transformation	Capital allocation
Annual bonus						
Group share of profit	■	□	□	□	□	■
CO_2 component	□	■	□	■	□	■
Individual targets	■	■	■	■	■	■
Long-term bonus						■
EBIT	■	□	□	□	□	■
ROIC	■	□	□	□	□	■
Relative total shareholder return (TSR)	■	□	□	□	□	■

For the variable remuneration, the Supervisory Board generally has the option of discretionary adjustment of the annual and the long-term bonus in order to account for exceptional circumstances (administrative discretion). For new appointments and reappointments as of 2019, this discretionary range has been reduced to +/- 15 % of the target value of the variable remuneration elements. For Managing Board agreements concluded before 2019, it is +/- 25 % of the respective target value. As in previous years, the Supervisory Board did not make use of the option of discretionary adjustment to the remuneration of the Managing Board in the 2021 financial year.

Annual bonus

Fundamentals of the annual bonus

The annual bonus is a variable remuneration element that provides incentives to implement the operational objectives in the financial year. At a target achievement rate of 100 %, the annual bonus amounts to 100 % of the fixed annual salary for the Chairman of the Managing Board and 80 % for the members of the Managing Board. The share of the annual bonus in the target direct remuneration amounts to around 29 % for the Chairman of the Managing Board and 26 % for the members of the Managing Board. The payout amount depends on the overall target achievement, which can range between 0 % and 200 %.

The annual bonus is paid in cash after the Annual General Meeting of the following year.

Annual bonus

Target value in €

x

Overall target achievement (0 - 200 %)

Company targets (0 - 200 %) + Individual targets (0 - 200 %)

Share of Group profit x CO_2 component (0.7 - 1.3) | Individual targets (including ESG targets)

2/3 weighting | 1/3 weighting

=

Payout in €

Cap: 200 % of the target value

If the term of office of the Managing Board member begins during the year, the target value will be reduced pro rata temporis.

Performance criteria of the annual bonus

Two thirds of the overall target achievement for the annual bonus is measured by company targets (Group share of profit and CO_2 component) and one third by individual targets. The achievement of the company targets results from the multiplication of the target achievement of the performance criterion Group share of profit with the achieved multiplier of the CO_2 component.

At the beginning of the financial year, the Supervisory Board sets the target and threshold values for the individual performance criteria or, in the case of individual targets, the specific targets for the financial year. The Supervisory Board makes sure that these targets are challenging and ambitious. At the end of the financial year, the Supervisory Board determines the extent to which the individual performance criteria have been reached.

Group share of profit

The Group share of profit, adjusted for special items, is the basis for the first performance criterion. Special items (such as restructuring expenses or gains/losses from unplanned disposal of assets) are only taken into account above a threshold of €20 million.

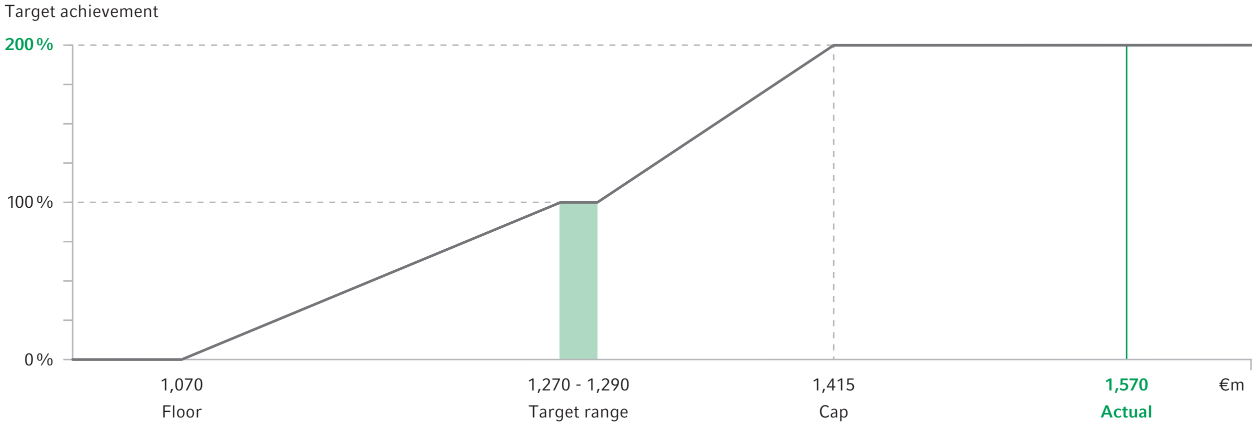
The Group share of profit reflects HeidelbergCement's profitability as a basic parameter. The increase in the value of the Group through sustainable and result-oriented growth guarantees a lasting entrepreneurial capacity to act. In line with its financial strategy, HeidelbergCement strives to offer an attractive investment opportunity for its shareholders and to pursue a progressive dividend policy. The Group share of profit provides the basis for dividend payments and is of particular interest to shareholders. As part of the annual bonus, this key figure therefore provides incentives for profitable management.

For the target achievement calculation of the performance criterion Group share of profit, the Supervisory Board determines a target corridor and the thresholds (lower and upper limit) at the beginning of the respective financial year. Target achievement ranges from 0 % to 200 %. For the 2021 financial year, the Supervisory Board set a target corridor of €1,270 million to €1,290 million. The target achievement rate is 100 % if the actual value of the Group share of profit is within the target corridor. The lower limit was set at €1,070 million and the upper limit at €1,415 million.

In the financial year 2021, the actual value of the Group share of profit, including adjustments for special effects, amounted to €1,570 million. This results in a target achievement of 200 %. The adjustments mainly include the adjusted profit from the sale of the business of the West region in the USA (€465.8 million), expenses from changes in corporate tax rates as well as provisions for environmental damage from discontinued operations (€84.0 million) and other effects (income), in particular changes in the scope of consolidation (€90.6 million). These adjustments do not take into account the respective tax effects.

The following graph presents the target achievement of the performance criterion Group share of profit:

Group share of profit



CO_2 component

The topic of sustainability is a central component of HeidelbergCement's company strategy. The CO_2 component in the annual bonus takes up these strategic priorities and provides a significant incentive to achieve the defined CO_2 reduction targets. At the same time, the CO_2 component is intended to promote the long-term and sustainable development of HeidelbergCement by supporting the alignment of the business model to a resource-efficient production. It is one of the key performance indicators of HeidelbergCement.

The CO_2 component is set up as a multiplier, which can range between 0.7 and 1.3 (CO_2 multiplier). To determine the CO_2 multiplier, the Supervisory Board defines a target for the specific CO_2 emissions at the beginning of the respective financial year, which is aligned to the CO_2 roadmap of HeidelbergCement AG and the current CO_2 performance. Overachievement or underachievement of the target value by up to -2 % or +2 % leads to a linear increase or decrease of the target achievement. This results in a CO_2 multiplier between 1.3 (at -2 %: upper limit) and 0.7 (at +2 %: lower limit).

In comparison with the previous year, specific CO_2 emissions were further reduced in the 2021 financial year. The reduction target set for the remuneration-relevant CO_2 emissions by the Supervisory Board was even exceeded, leading to a CO_2 multiplier of 1,18.

Individual targets

The individual targets have a weighting of one third within the annual bonus and may be both financial and non-financial. At the beginning of the financial year, the Supervisory Board defines the targets for each member of the Managing Board. Target achievement ranges from 0 % to 200 %.

Individual targets were agreed for each member of the Managing Board in 2021 depending on their respective area of responsibility. These targets were based on the objectives of the "Beyond 2020" strategy: business excellence, portfolio management, sustainability, people and organisation as well as digital transformation. Regarding business excellence, revenue growth targets as well as targets for optimising processes and structures in sales, production, and administration were implemented. In terms of portfolio management, the focus was put on simplifying the country portfolio and prioritising the strongest market positions. The agreed targets provided incentives to accelerate divestments if the expected margins could not be achieved in the medium term and only to pursue acquisitions if the expected margins are high. As for the digital transformation, targets were set to expand the digital customer base (HConnect) as well as to enable efficiency gains and cost reductions in production and administration (HProduce and HService). In order to reach the company's ambitious sustainability targets, targets for the increased use of alternative fuels and for research into carbon capture and storage initiatives were agreed. Furthermore, the members of the Managing Board were given targets to increase occupational safety.

For 2021, the achievement rate of individual targets for Managing Board members was between 135 % and 173 %. In many areas, the Managing Board not only achieved the targets, but even exceeded them. With regard to digital transformation, the expansion of digital interfaces to the customers was advanced successfully. Moreover, planning and maintenance software solutions developed as part of HProduce were rolled out in additional plants to reduce production and administrative costs. In the area of sustainability, the use of alternative fuels was increased, among other things, and other sustainable products (e.g. EcoCrete) were established. The optimisation of the country portfolio was accelerated through the disposal of assets. In terms of business excellence, margins were raised in many markets and market shares were maintained or even increased.

The following table provides an overview of the targets and their achievement per Managing Board member for the year 2021.

Individual target achievement of Managing Board members

In %	Individual target	2021
Dr Dominik von Achten	– Strategic plans for key countries – Focusing portfolio according to Beyond 2020 – Occupational health and safety across the Group, development of green product line – Strengthening digital customer base – Support of Managing Board restructuring	**173 %**
René Aldach [1]	– Onboarding and development of a 100-day plan on the focus topics within the Group strategy – Optimisation of processes – Focusing portfolio according to Beyond 2020 – Data management – Reduction of tax uncertainties – Free cash flow	**156 %**
Kevin Gluskie	– Growth and operational targets for Asia-Pacific (APAC) – Focusing portfolio in APAC according to Beyond 2020 – Occupational health and safety and use of alternative fuels in APAC – Implementation of digital initiatives in APAC	**140 %**
Hakan Gurdal	– Growth targets for Africa-Eastern Mediterranean Basin (AEM) and HC Trading – Focus portfolio in AEM according to Beyond 2020 – Occupational health and safety and use of alternative fuels in AEM – Implementation of digital initiatives in AEM	**156 %**
Ernest Jelito	– Growth and R&D targets for Northern and Eastern Europe-Central Asia (NEECA) – Focusing portfolio in NEECA according to Beyond 2020 – Occupational health and safety and sustainability technologies in NEECA – Strengthening digital customer base and process optimisation in NEECA	**160 %**
Dr Nicola Kimm [1]	– Onboarding and development as well as initial implementation of a 100-day plan focusing on the strategic orientation and organisational structure of the newly created department	**150 %**
Dennis Lentz [1]	– Onboarding and development of a 100-day plan for the integration of Command Alkon into HeidelbergCement’s digitalisation strategy – Digital resource management – Process optimisation through digital transformation – Strengthening the digital customer base – IT security – Further development of IT organisation	**169 %**
Jon Morrish	– Growth targets for Western and Southern Europe (WSE) and aggregates – Focusing portfolio in WSE according to Beyond 2020 – Occupational health and safety and sustainability targets in WSE – Strengthening digital customer base and process optimisation in WSE	**168 %**
Dr Lorenz Näger [2]	– Optimisation of processes – Focusing portfolio according to Beyond 2020 – Data management – Reduction of tax uncertainties – Free cash flow	**153 %**
Chris Ward	– Growth and operational targets for North America (NAM) – Focusing portfolio in NAM according to Beyond 2020 – Occupational health and safety and sustainability targets NAM – Strengthening digital customer base and process optimisation NAM	**135 %**

1) Targets valid for the period from 1 September 2021 to 31 December 2021; weighting of the “onboarding” target within the individual targets: 50 % for René Aldach, 100 % for Dr Nicola Kimm, 20 % for Dennis Lentz.

2) Targets valid for the period from 1 January 2021 to 31 August 2021.

Annual bonus 2021 – overall target achievement and payouts

The following table shows the overall target achievement and the resulting payout amount per member of the Managing Board for the annual bonus 2021:

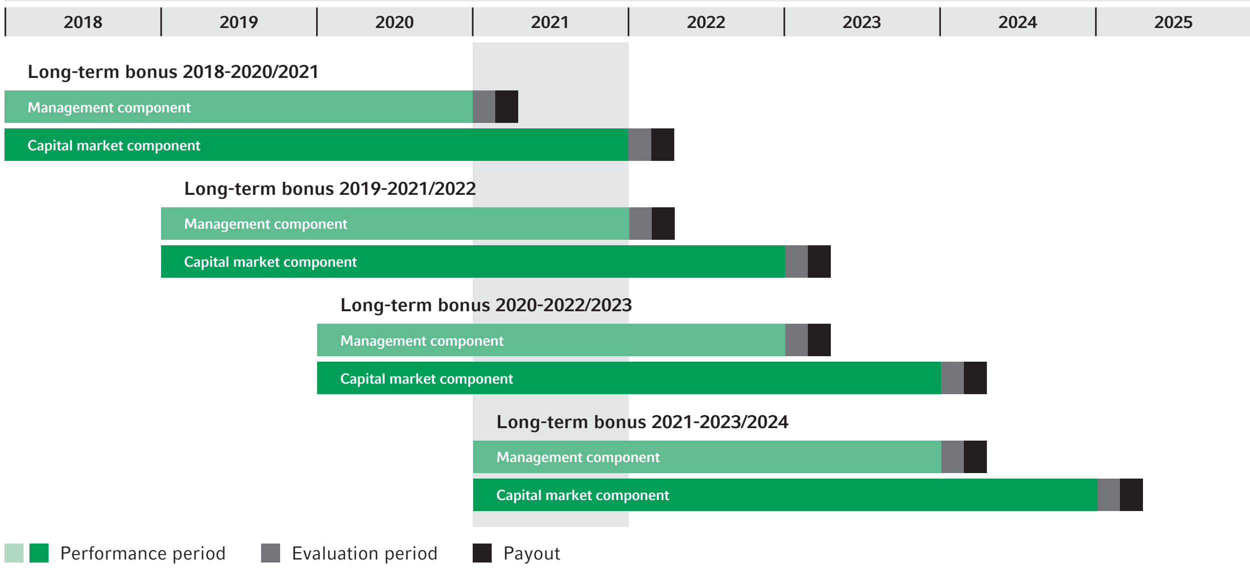
Overall target achievement Annual bonus 2021		Target achievement					
		Company targets (2/3)			Individual targets (1/3)		
€'000s	Target value	Group share of profits	CO_2 multiplier	Total		**Total**	**Payout**
Dr Dominik von Achten	1,450	200 %	1.18	200 %	173 %	**191 %**	**2,770**
René Aldach	160				156 %	**185 %**	**297**
Kevin Gluskie	730				140 %	**180 %**	**1,314**
Hakan Gurdal	611				156 %	**185 %**	**1,133**
Ernest Jelito	560				160 %	**187 %**	**1,045**
Dr Nicola Kimm	160				150 %	**183 %**	**293**
Dennis Lentz	160				169 %	**190 %**	**303**
Jon Morrish	720				168 %	**189 %**	**1,362**
Dr Lorenz Näger	587				153 %	**184 %**	**1,081**
Chris Ward	568				135 %	**178 %**	**1,013**
Total	5,706						**10,612**

In case of a start or termination of the Managing Board membership during the year, the target achievement is applied to the target amount reduced pro rata temporis in order to calculate the payout amount. The annual bonus 2021 is paid after the Annual General Meeting in 2022.

Long-term bonus

The long-term bonus is a variable remuneration element based on the long term and is allocated in annual tranches. If 100 % of the target is achieved, it amounts to 150 % of the fixed annual salary for the Chairman of the Managing Board and 125 % of the fixed annual salary for the other members of the Managing Board. At the beginning of the 2021 financial year, the long-term bonus 2021–2023/2024 was allocated. The first allocation was made in the 2011 financial year. The following illustration gives an overview of the payout scheme of the long-term bonus tranches in relation to the 2021 financial year and the still outstanding tranches:

Payment system for the long-term bonus



The long-term bonus consists of two components.

Management component

The management component is structured as a performance cash plan. It has a three-year performance period and considers internal added value as measured by the equally weighted performance criteria earnings before interest and taxes (EBIT) and return on invested capital (ROIC). The target value for the management component is 50 % of the total target value for the long-term bonus. At the end of the performance period, the Supervisory Board determines the target achievement for the management component. The overall target achievement can range between 0 % and 200 %.

Capital market component

The capital market component is structured as a performance share plan. It is based on virtual shares, so-called performance share units (PSUs), and establishes a direct link to HeidelbergCement's share price development and thereby strengthens the alignment between the interests of the Managing Board and the shareholders. The capital market component has a four-year performance period and considers the external added value as measured by the performance criterion TSR compared with the relevant capital market indices. For the capital market component, the first step is to determine the number of PSUs to be provisionally allocated. The number of PSUs is calculated on the basis of 50 % of the overall target value for the long-term bonus divided by the reference price of the HeidelbergCement share at the start of the performance period (allocation price). The allocation price is the average of the daily closing prices of the HeidelbergCement share on the Frankfurt Stock Exchange Xetra trading system in the three months prior to the start of the performance period.

The allocation price for the long-term bonus 2021–2023/2024 and the tranche 2021 of the capital market component is €57.00. After the four-year performance period, the target achievement is determined for the performance criterion of the capital market component. The target achievement can range between 0 % and 200 %. The final number of PSUs is calculated by multiplying the provisionally allocated number of PSUs with the target achievement. The resulting number of PSUs is then multiplied with the current reference price of the HeidelbergCement share at the end of the performance period (closing price), adjusted for the notionally reinvested dividend payments and for changes in capital. The closing price represents the average of the daily closing prices of the HeidelbergCement share on the Frankfurt Stock Exchange Xetra trading system in the three months prior to the start of the performance period. The increase in value per PSU is limited to 250 % of the allocation price.

The following table summarises the individual target values per Managing Board member, the allocation price, the number of provisionally allocated PSUs, and the maximum possible number of PSUs at the end of the performance period for the long-term bonus 2021-2023/2024:

Allocation long-term bonus 2021-2023/2024	Management component	Capital market component				
€'000s	Target value	Target value	Allocation price in €	Number of provisionally allocated PSUs	Maximum possible number of PSUs [1]	**Overall target value**
Dr Dominik von Achten	1,088	1,088		19,079	**38,158**	**2,175**
René Aldach [1]	292	313		5,485	**10,969**	**604**
Kevin Gluskie	575	576		10,104	**20,208**	**1,151**
Hakan Gurdal	480	480		8,427	**16,853**	**960**
Ernest Jelito	438	438	57.00	7,675	**15,350**	**875**
Dr Nicola Kimm [1]	292	313		5,485	**10,969**	**604**
Dennis Lentz [1]	292	313		5,485	**10,969**	**604**
Jon Morrish	564	564		9,891	**19,783**	**1,127**
Dr Lorenz Näger [2]	458	458		8,041	**16,082**	**917**
Chris Ward	444	444		7,786	**15,571**	**888**
Gesamt	4,921	4,985		87,457	**174,913**	**9,906**

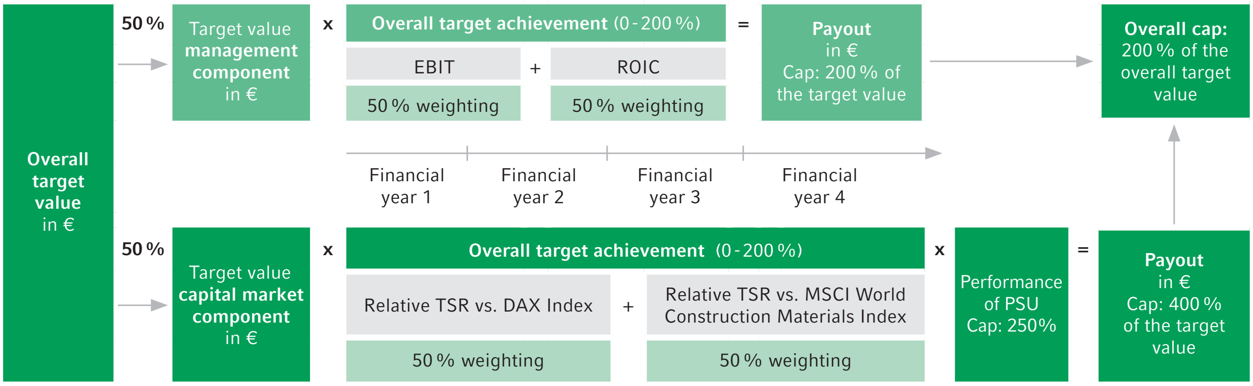
1) Calculation basis: pro-rata calculation to the day as of 1 September 2021 over the term of three and four years, respectively.
2) Calculation basis: pro-rata calculation to the day until 31 August 2021 over the term of three and four years, respectively.

If the term of office of the Managing Board member begins or ends during the year, the target value for both the management component and the capital market component will be calculated daily pro rata temporis based on the period from the date of appointment to the end of the respective performance period or from the beginning of the performance period to the respective exit date in relation to the total duration of the performance period.

The management component is paid in cash after the Annual General Meeting of the year following the three-year performance period and is limited to 200 % of the target value. The capital market component is paid in cash after the Annual General Meeting of the year after the four-year performance period and is limited to 400 % of the target value.

Payouts from the overall long-term bonus are limited to a maximum of 200 % of the contractually agreed target value, where the achievement of the capital market component can offset the achievement of the management component.

Long-term bonus



Performance criteria of the management component

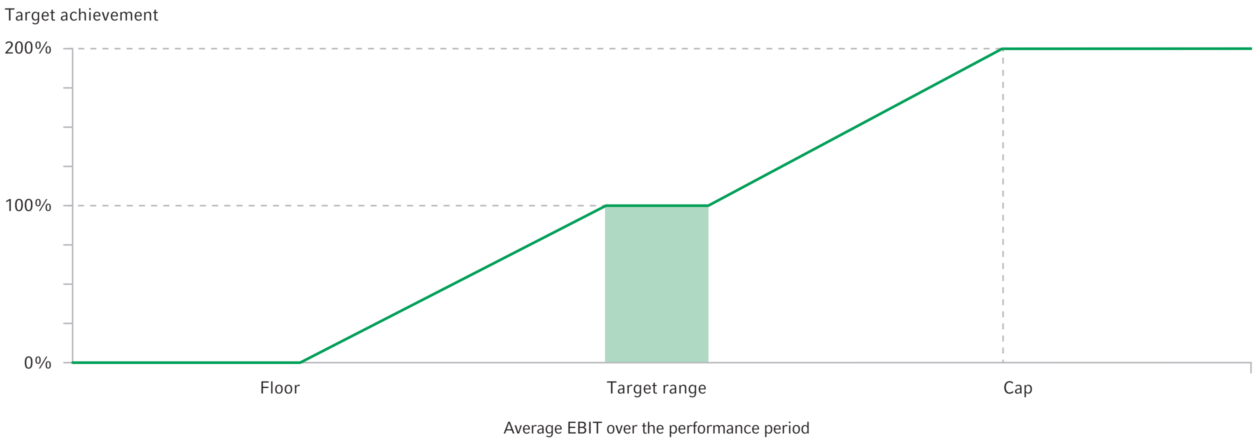
The overall target achievement for the management component is on the basis of the equally weighted performance criteria EBIT and ROIC.

EBIT

The basis for the performance criterion is EBIT, which is adjusted for one-time special effects that could not be foreseen when planning and defining the targets. As for the calculation of the Group share of profit, only special effects above a threshold of €20 million are taken into account.

EBIT is a measure of profitability and reflects the economic strength of HeidelbergCement. Combined with the consideration of the Group share of profit in the annual bonus, incentives for profitable growth are thus provided in both the short-term and long-term variable remuneration elements. At the beginning of each tranche, the Supervisory Board determines a target corridor, which is derived from the Group's three-year operational plan, as well as the thresholds (upper and lower limit). The calculation of the target achievement at the end of the performance period is based on the comparison of the average EBIT over the three-year performance period with the specified target corridor. Target achievement ranges from 0 % to 200 %.

Performance criterion EBIT



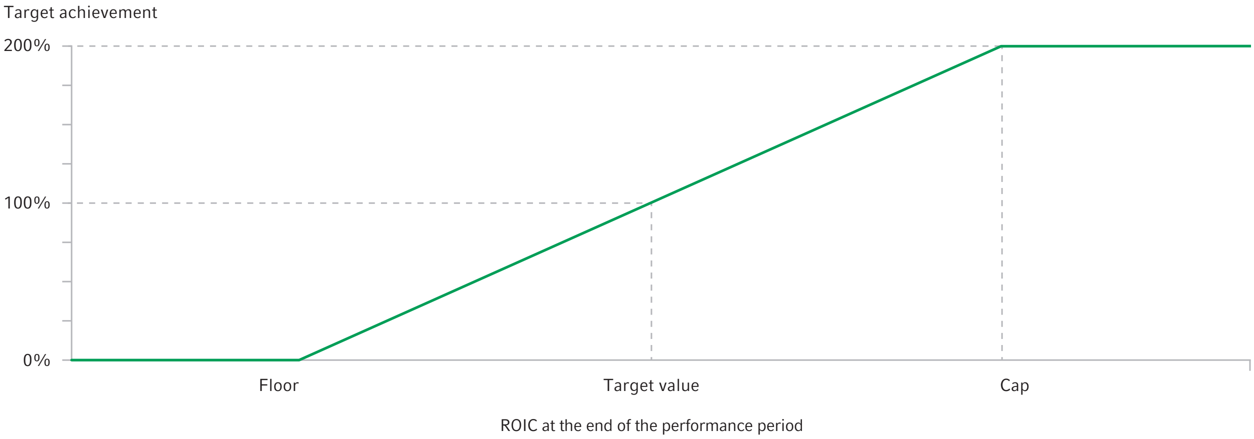
For the performance criterion EBIT, the defined target corridor, the thresholds (upper and lower limit), as well as the resulting target achievement and the adjustments made for the calculation of target achievement are disclosed in the remuneration report after the performance period has lapsed.

ROIC

The performance criterion is based on ROIC, which similar to Group share of profit and EBIT is adjusted for special effects above a threshold of €20 million. ROIC is the ratio between the result from current operations minus current tax expense (adjusted for impairment effects) and the average invested capital (average of the opening and closing balance of the respective financial year). It is one of the key performance indicators of HeidelbergCement. HeidelbergCement aims to achieve a ROIC of clearly above 8 % by 2025. The inclusion of ROIC as a performance criterion in the long-term bonus therefore provides further incentive to increase capital efficiency in line with the Group strategy.

The ROIC target achievement is measured by comparing the target value set at the beginning of the respective tranche with the actual value at the end of the performance period. The lower and upper limits of the target achievement curve are defined. The target value determined by the Supervisory Board is significantly derived from the three-year operational plan. Target achievement ranges from 0 % to 200 %.

Performance criterion ROIC



For the performance criterion ROIC, the defined target value, the thresholds (upper and lower limit), as well as the resulting target achievement and the adjustments made for the calculation of target achievement are disclosed in the remuneration report after the respective the performance period has lapsed.

Performance criterion of the capital market component

For the capital market component, the target achievement is measured using the performance criterion relative TSR.

Relative TSR

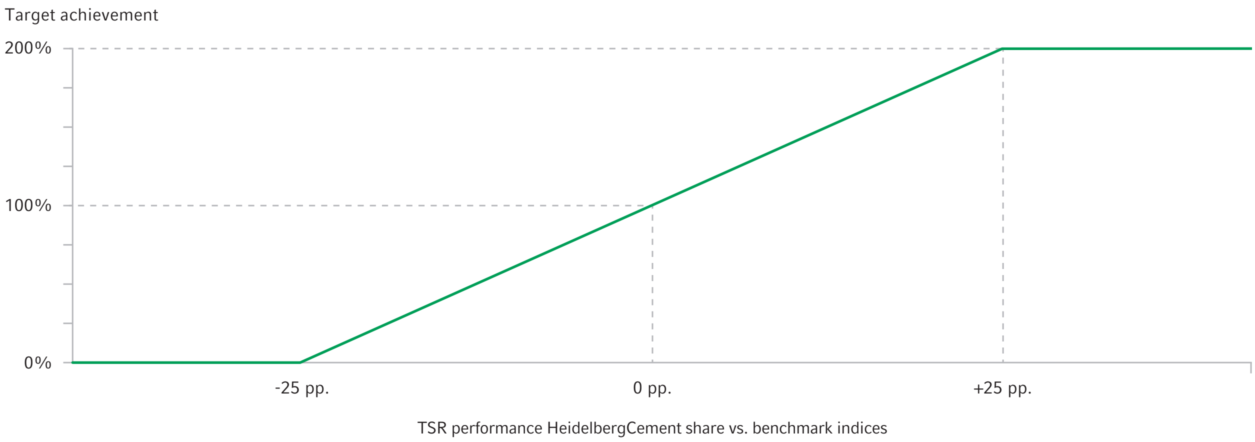
The TSR performance is determined by comparing the performance of the HeidelbergCement share (calculated as increase in share value while taking into account reinvested dividend payments and adjustment for changes in capital) with the performance of the two capital market indices DAX and MSCI World Construction Materials Index.

Relative TSR represents a capital market-oriented performance criterion is used that provides an incentive for the sustainable and long-term outperformance of the benchmark groups and is thus in line with HeidelbergCement's target of offering shareholders an attractive investment opportunity. Furthermore, the relative TSR adds a relative performance metric to the long-term bonus.

The range of target achievement for determining the final number of PSUs at the end of the performance period is 0 % to 200 %. Target achievement is measured by the change in TSR based on a four-year reference period prior to the allocation date. The development in TSR of HeidelbergCement is determined and compared with the respective development of the benchmark indices. Target achievement is then calculated on the basis of the average relative TSR.

The target achievement curve for the relative TSR is as follows:

Relative TSR



Completed tranches at the end of the 2021 financial year

At the end of the 2021 financial year, the 2019 tranche of the management component (long-term bonus 2019–2021/2022) and the 2018 tranche of the capital market component (long-term bonus 2018–2020/2021) were completed.

2019 tranche of the management component

The target achievement for the 2019 tranche of the management component was determined on the basis of the equally weighted performance criteria EBIT and ROIC. The structure of the two completed tranches largely corresponds to the tranches of the long-term bonus allocated in the 2021 financial year. ROIC is measured for the 2019 tranche on the basis of EBIT less taxes paid divided by invested capital in the last year of the performance period. Taxes paid correspond to taxes paid as reported in the cash flow statement, adjusted for the special effect from the disposal of the West region in the USA (net €441 million). Invested capital is comprised of equity and net debt at the end of the performance period. The change in currency differences since the third quarter of 2018 in equity (€928.7 million) and the special effects from impairments recognised in 2020 (€3,304.3 million) were corrected.

Before the start of the tranche, a target corridor of €2,176 million to €2,276 million was set for EBIT. The actual EBIT value, which is calculated as the average of the EBIT over the three years of the performance period, was €2,398 million (2019: €2,307 million, 2020: €2,319 million, 2021: €2,568 million). The individual annual figures are adjusted for the special effects that were also taken into account when determining the Group share of profit for the purposes of the annual bonus, insofar as they have an impact on EBIT. In previous years, these were primarily restructuring expenses, impairments and gains on disposals. For 2021, the special effects from gains on disposals explained above, in particular the West region in the USA, the effects from the change in the fair value of a financial investment and the income from the reconsolidation of discontinued operations in the USA were corrected. This results in a target achievement for EBIT of 200 %.

Before the start of the tranche, a target value of 7.30 % was set for ROIC for which a target achievement of 120 % could be reached. The actual ROIC value according to the definition of the long-term bonus 2019-2021/22 was 9.05 % and corresponds to a target achievement of 200 %.

Based on the target achievement for the two performance criteria, the overall target achievement for the 2019 tranche of the management component is 200 %. The following table summarises the target values, thresholds (upper and lower limit), as well as actual values and target achievements per performance criterion:

Target achievement in management component of long-term bonus 2019-2021/2022	Target achievement curve				
€'000s	Floor	Target corridor / value	Cap	Actual value	Target achievement
EBIT (50 %)	2,076	2,176 - 2,276	2,376	2,398	**200 %**
ROIC[1] (50 %)	6.10 %	7.30 %	8.10 %	9.05 %	**200 %**
Total (100 %)					**200 %**

1) For the 2019 tranche of the management component, a target achievement of 120 % was set for the ROIC if the target corridor is reached.

The following table shows the payout amount per member of the Managing Board resulting from the overall target achievement for the 2019 tranche of the management component:

Management component of long-term bonus 2019-2021/2022		Target achievement			
€'000s	Target value	EBIT	ROIC	Total	Payout
Dr Dominik von Achten	688				1,375
Kevin Gluskie	538				1,076
Hakan Gurdal	438				875
Ernest Jelito	365	200 %	200 %	200 %	730
Jon Morrish	538				1,075
Dr Lorenz Näger	531				1,063
Chris Ward	356				713
Total	3,453				**6,906**

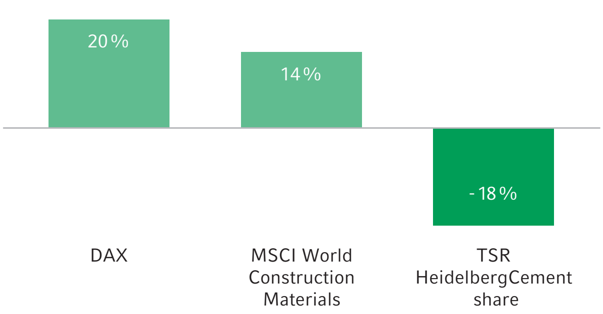
The payment from the 2019 tranche of the management component will be made following the Annual General Meeting in 2022.

2018 tranche of the capital market component

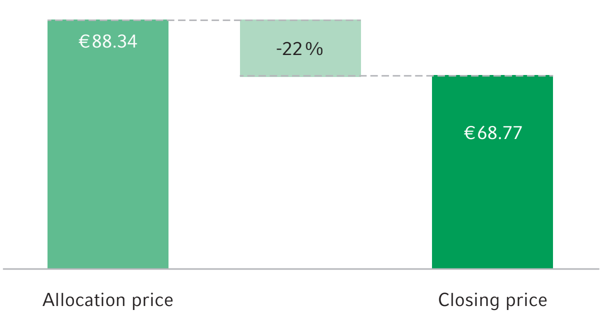
The target achievement for the 2018 tranche of the capital market component was measured analogously to the tranche allocated in the 2021 financial year on the basis of the performance criterion relative TSR.

While the DAX recorded an increase of 20.2 % over the four-year performance period compared with the reference period and the MSCI World Construction Materials Index an increase of 13.9 %, the TSR of the HeidelbergCement share was -17.5 % at the end of the performance period. This results in a difference of -37.7 percentage points compared with the DAX and a difference of -31.4 percentage points compared with the MSCI World Construction Materials Index. The average difference amounts to -34.6 percentage points. The overall target achievement rate for the relative TSR is therefore 0 % for the 2018 tranche of the capital market component. The allocation price for determining the number of provisionally allocated PSUs at the start of the tranche was €88.34. The closing price, including notionally reinvested dividends and adjusted for changes in capital, was €68.77 at the end of the performance period. This corresponds to a development of -22.15 % over the performance period.

Performance of the benchmark indices and the TSR of the HeidelbergCement share



Development of the HeidelbergCement share



The following table describes the main elements of the 2018 tranche of the capital market component per member of the Managing Board:

Summary of the capital market component of the long-term bonus 2018-2020/2021							
€'000s	Target value	Allocation price in €	Number of provisionally allocated PSUs	Target achievement relative TSR	Final number of PSUs	Closing price in €	Payout
Dr Dominik von Achten	688		7,782		0		0
Kevin Gluskie	567		6,420		0		0
Hakan Gurdal	436	88.34	4,937	0.00 %	0	68.77	0
Jon Morrish	534		6,045		0		0
Dr Lorenz Näger	531		6,014		0		0
Total	2,756		31,198		0		**0**

The payment from the 2018 tranche of the capital market component will be made following the Annual General Meeting in 2022.

Pension commitment

Defined contribution pension commitment

Members of the Managing Board who have been newly appointed or reappointed since 2019 will receive a defined contribution pension commitment, based on which the company will pay the member an annual pension contribution. The amount of this contribution is checked periodically. In the framework of a capital market-oriented model, the contributions are used to acquire fund shares that are credited to a pension account. The Managing Board member is entitled to a one-off capital payment in the amount of the value of the pension account at the time of benefit commencement. Alternatively, the Managing Board member can choose an annuity based on the accumulated pension capital. The pension contributions accumulated over the duration of the commitment are guaranteed. If the member of the Managing Board dies, the pension entitlement shall pass to the widow or widower or to the children of the Managing Board member. Dr Dominik von Achten, René Aldach, Ernest Jelito, Dr Nicola Kimm, and Dennis Lentz are currently receiving a defined contribution pension commitment. As part of the defined contribution pension commitment, an annual cash allowance is made available to Chris Ward, which can be used to finance a private pension plan.

Defined benefit pension commitment before 2019 (old commitment)

The retirement agreements of the members of the Managing Board appointed prior to 2016 contain the commitment of an annual retirement pension in the form of an absolute amount. This applies to Dr Lorenz Näger, who received a value-based benefit commitment up to the time of his departure. In addition to his defined contribution pension commitment, Dr Dominik von Achten received a value-based benefit commitment for the defined benefit obligations earned until his reappointment in 2020.

The retirement agreements of the members of the Managing Board appointed between 2016 and 2018 contain the commitment of an annual retirement pension in the form of a percentage of the pensionable income. Kevin Gluskie, Hakan Gurdal, and Jon Morrish are currently receiving this defined benefit pension commitment. The percentage is a maximum of 4 % per commenced year of service; the maximum sum is 40 % of the pensionable income. The pensionable income was agreed upon individually with each member of the Managing Board and is regularly reviewed for appropriateness and market conformity as part of the Managing Board remuneration.

Upon reappointment, existing defined benefit pension commitments are continued with the value of the pension benefit at the reappointment date. If the Supervisory Board agrees additional retirement benefit commitments, these will be covered by the defined contribution pension commitment. The Supervisory Board reserves the right to agree an adjustment of the retirement benefit, including within the existing system, in the event of a contract extension when an employee is close to retirement age. In addition to the defined benefit and contribution pension commitments, a transitional allowance in the amount of the monthly salary instalments on the basis of the fixed annual salary will be paid for a period of six months upon termination of the contract and benefit commencement.

Pension payments

The payment of the pension commitment is made monthly either:

- after leaving the company upon reaching retirement age (pension benefit paid on individual basis between the 62nd and 63rd year of age), or
- in the event of premature termination of contract for reasons for which the Managing Board member is not responsible, provided that he or she has reached the age of 60 at the time of termination of contract, or
- due to permanent disability owing to illness.

Survivor pension benefit

The retirement agreements include a survivor pension benefit. If a member of the Managing Board dies during the term of his or her employment contract or after benefit commencement, the widow or widower and the dependent children receive a widow's or orphan's pension. In the case of defined benefit pension commitments, the widow's pension is 60 % and the orphan's pension 10 % of the deceased's pension benefit as long as a widow's pension is being paid at the same time. If a widow's pension is not being paid at the same time, the orphan's pension is 20 % of the deceased's pension benefit. In the case of defined contribution pension commitments, the full entitlement to the pension credit shall pass to the widow or widower and the surviving children.

The service costs and the present values of the existing pension obligations as at 31 December 2021 are presented in the following table in consolidated form per member of the Managing Board:

Pension commitments (IAS 19)	Service costs		Present value of the pension obligations	
€'000s	2020	2021	2020	2021
Dr Dominik von Achten [1]	676	427	13,612	13,859
René Aldach	–	83	–	88
Kevin Gluskie	840	843	4,411	5,171
Hakan Gurdal	648	664	3,477	4,019
Ernest Jelito	449	460	704	1,175
Dr Nicola Kimm	–	83	–	93
Dennis Lentz	–	83	–	86
Jon Morrish	612	600	3,145	3,606
Dr Lorenz Näger [2]	608	963	11,464	12,556
Total	3,833	4,205	36,813	40,653

1) Due to the fixing of Dr von Achten's defined benefit commitment in 2020, the service costs for 2021 only include the defined contribution commitment.
2) The increased service costs for Dr Näger for 2021 compared to 2020 are due to his early retirement in 2021 and the associated early benefit commencement.

Share ownership

To further harmonise the interests of the Managing Board and the shareholders, the Supervisory Board has adopted guidelines for share ownership. The members of the Managing Board are obliged to acquire a significant number of shares of Heidelberg-Cement AG and to hold them for the duration of their appointment as a member of the Managing Board.

The share ownership is a key element in creating a strong link between the interests of the Managing Board and the shareholders and at the same time aligning the remuneration of the Managing Board even further with the long-term success of HeidelbergCement. The number of HeidelbergCement shares to be held is 30,000 for the Chairman of the Managing Board and 15,000 for the members of the Managing Board. Before 2019, the obligation for members of the Managing Board was 10,000 HeidelbergCement shares, which is why contracts concluded prior to this date stipulate an obligation in this amount. In the event of a reappointment, the required number of 15,000 shares also applies to these members of the Managing Board. In order to fulfil the share ownership, in case that the investment target has not yet been achieved at the relevant payout date, half of the payment amounts from the long-term bonus must be used to acquire shares of the company until the complete share ownership requirement has been met. The accumulation of the share ownership can therefore take several years. HeidelbergCement shares that are already held by members of the Managing Board are taken into account for the share ownership. The members of the Managing Board have confirmed to the Supervisory Board that sufficient shares were acquired in accordance with the respective obligation.

The following table provides an overview of the share ownership status per member of the Managing Board:

Share ownership as at 31 December 2021 of current members of the Managing Board		
€'000s	Target	Status
Dr Dominik von Achten	30,000	Investment target fully achieved
René Aldach [1]	15,000	In accumulation phase
Kevin Gluskie	10,000	Investment target fully achieved
Hakan Gurdal	10,000	Investment target fully achieved
Ernest Jelito [1]	15,000	In accumulation phase
Dr Nicola Kimm [1]	15,000	In accumulation phase
Dennis Lentz [1]	15,000	In accumulation phase
Jon Morrish	15,000	Investment target fully achieved
Chris Ward [1]	15,000	In accumulation phase

1) Currently, no payments have been made from a long-term bonus granted during Managing Board membership. According to the Managing Board contract, there has therefore been no obligation to purchase shares to date.

Malus and clawback rules

The variable remuneration elements include malus and clawback rules. These give the Supervisory Board the option to reduce part or all of the variable remuneration elements that have not yet been paid out (malus) or to reclaim variable remuneration elements that have already been paid out (clawback) in case of breaches of essential duties of diligence. The malus and clawback rules apply to both the annual bonus and the long-term bonus. In the 2021 financial year, the Supervisory Board did not see any reason to apply malus and clawback rules, which is why the Supervisory Board did not reduce or reclaim variable remuneration.

Disclosure of benefits in case of departure

Leaver rules

In the event of the early termination of a Managing Board membership without serious cause, the payout from the annual bonus and the long-term bonus shall be made in accordance with the contractually stipulated due dates and conditions. There is no early settlement or payout. The annual bonus and long-term bonus shall be reduced pro rata temporis in case of a departure during the financial year in which the annual bonus or long-term bonus is allocated. In the event of the early termination of a Managing Board membership for serious causes before the end of the performance period, the claims to the annual bonus and long-term bonus shall lapse.

Severance pay cap

In the event of the early termination of a Managing Board membership without serious cause, care is taken in accordance with the recommendations of the GCGC when concluding new Managing Board contracts or extending existing Managing Board contracts to ensure that payments to a Managing Board member, including fringe benefits, do not exceed the value of two annual remunerations and do not compensate more than the remaining term of the employment contract (severance pay cap). The severance pay cap is calculated based on the amount of the total remuneration for the past financial year and, if applicable, also based on the amount of the expected total remuneration for the current financial year. A severance pay cap has been agreed with all current members of the Managing Board.

Change of control clause

Managing Board contracts concluded before the publication of the version of the GCGC of 16 December 2019 are governed by the version of 7 February 2017, according to which a commitment to benefits in the event of the early termination of the Managing Board's membership as a result of a change of control shall not exceed 150 % of the severance pay cap. Managing Board contracts concluded since the 2020 financial year are governed by the proposal of the version of the GCGC of 16 December 2019, according to which change of control clauses are no longer to be part of Managing Board contracts. The contracts of René Aldach, Dr Nicola Kimm, and Dennis Lentz therefore do not contain change of control clauses.

Post-contractual non-compete clause

A post-contractual non-compete clause applies to the members of the Managing Board, according to which they are prohibited for a period of two years after the termination of the employment contract from working for a company that is in direct or indirect competition with HeidelbergCement AG or another company of the HeidelbergCement Group, either independently or in an employed or in any other way. Moreover, the members of the Managing Board are prohibited from establishing, acquiring, or directly or indirectly participating in such a competing company for the duration of the post-contractual non-compete clause. For the duration of the post-contractual non-compete clause, the member of the Managing Board receives the last fixed annual salary in equal monthly instalments (waiting allowance). The waiting allowance shall be reduced to the extent that the member of the Managing Board receives benefits from the pension agreement after leaving the company. HeidelbergCement may waive the post-contractual non-compete clause before the termination of the employment contract.

In 2021, a compensation of €725 thousand was paid to Dr Bernd Scheifele. To settle all claims for the period between his early departure and the regular termination of his employment and pension contract, Dr Lorenz Näger received a severance payment of €2,991 thousand.

Disclosure of benefits from third parties

For the 2021 financial year, the members of the Managing Board have not received any benefits from third parties in connection with their Managing Board activities.

Remuneration granted and owed in the 2021 financial year

Remuneration of active Managing Board members in the 2021 financial year

The remuneration granted and owed to the individual members of the Managing Board in the 2021 financial year pursuant to section 162 of the AktG is presented in the following.

The remuneration granted includes the remuneration components whose underlying (single or multi-year) service or performance period was fully completed in the financial year, even if payment does not occur until the following financial year. With the exception of the lack of inclusion of the service costs of the pension commitments, this reporting logic corresponds to the previous remuneration reporting of HeidelbergCement AG, in the table Allocations according to GCGC in the version of the GCGC of 7 February 2017.

The remuneration granted and owed in the 2021 financial year pursuant to section 162 of the AktG consists of the following remuneration elements:
- The fixed annual salary paid in the 2021 financial year
- The fringe benefits accrued in the 2021 financial year
- The cash allowance paid for the 2021 financial year in the case of Chris Ward
- The annual bonus determined for the 2021 financial year (annual bonus 2021), which is paid in the 2022 financial year
- The 2019 tranche of the management component, which was completed at the end of the 2021 financial year and is paid in the 2022 financial year
- The 2018 tranche of the capital market component, which was completed at the end of the 2021 financial year and is paid in the 2022 financial year

Furthermore, the service costs of the pension commitments in accordance with IAS 19 for the 2021 financial year is shown in the tables as part of the Managing Board remuneration. In addition to the absolute remuneration amounts, the tables also contain the relative proportion of the individual remuneration elements in the total remuneration granted and owed.

Granted and owed remuneration pursuant to section 162 of the AktG	**Dr Dominik von Achten** Chairman of the Managing Board[1] (since 1 February 2020)			**René Aldach** Chief Financial Officer (since 1 September 2021)		
€'000s / share of total remuneration in %	2020	2021		2020	2021	
Fixed annual salary	1,348	**1,450**	**26 %**	–	**200**	**40 %**
Fringe benefits	11	**11**	**0 %**	–	**5**	**1 %**
Contribution to private pension (cash allowance)	–	**–**		–	**–**	
One-year variable compensation	2,655	**2,770**	**49 %**	–	**297**	**59 %**
Annual bonus 2020	2,655	**–**		–	**–**	
Annual bonus 2021	–	**2,770**		–	**297**	
Multi-year variable compensation	1,089	**1,375**	**25 %**	–	**–**	**0 %**
Long-term bonus 2017-2019/2020						
Capital market component tranche 2017-2020	58	**–**		–	**–**	
Long-term bonus 2018-2020/2021						
Management component tranche 2018-2020	1,031	**–**		–	**–**	
Capital market component tranche 2018-2021	–	**–**		–	**–**	
Long-term bonus 2019-2021/2022						
Management component tranche 2019-2021	–	**1,375**		–	**–**	
Others	–	**–**	**0 %**	–	**–**	**0 %**
Granted and owed remuneration pursuant to section 162 of the AktG	5,104	**5,606**	**100 %**	–	**502**	**100 %**
Service costs	676	**427**	**–**	–	**83**	**–**
Total compensation	5,780	**6,033**	**–**	–	**585**	**–**

1) Until 31 January 2020 member of the Managing Board.

Granted and owed remuneration pursuant to section 162 of the AktG	Kevin Gluskie[1] Member of the Managing Board			Hakan Gurdal Member of the Managing Board		
€'000s / share of total remuneration in %	2020	2021		2020	2021	
Fixed annual salary	803	**913**	**24 %**	665	**764**	**27 %**
Fringe benefits	452	**463**	**12 %**	71	**84**	**3 %**
Contribution to private pension (cash allowance)	–	**–**		–	**–**	
One-year variable compensation	1,188	**1,314**	**35 %**	1,008	**1,133**	**40 %**
Annual bonus 2020	1,188	**–**		1,008	**–**	
Annual bonus 2021	–	**1,314**		–	**1,133**	
Multi-year variable compensation	833	**1,076**	**29 %**	686	**875**	**31 %**
Long-term bonus 2017-2019/2020						
Capital market component tranche 2017-2020	43	**–**		32	**–**	
Long-term bonus 2018-2020/2021						
Management component tranche 2018-2020	790	**–**		654	**–**	
Capital market component tranche 2018-2021	–	**–**		–	**–**	
Long-term bonus 2019-2021/2022						
Management component tranche 2019-2021	–	**1,076**		–	**875**	
Others	–	**–**	**0 %**	–	**–**	**0 %**
Granted and owed remuneration pursuant to section 162 of the AktG	3,277	**3,766**	**100 %**	2,430	**2,856**	**100 %**
Service costs	840	**843**	**–**	648	**664**	**–**
Total compensation	4,117	**4,608**	**–**	3,078	**3,520**	**–**

1) 90 % of the fixed annual salary, the annual bonus and the long-term bonus of Kevin Gluskie are paid by HeidelbergCement Asia. The remaining 10 % was paid by HeidelbergCement AG. The fringe benefits of Kevin Gluskie include, in addition to the assumption of costs for a company car, group accident insurance and flights home, as well as a travel allowance and the assumption of costs for a company flat.

Granted and owed remuneration pursuant to section 162 of the AktG	Ernest Jelito Member of the Managing Board			Dr Nicola Kimm Member of the Managing Board (since 1 September 2021)		
€'000s / share of total remuneration in %	2020	2021		2020	2021	
Fixed annual salary	665	**700**	**28 %**	–	**200**	**35 %**
Fringe benefits	24	**27**	**1 %**	–	**72**	**13 %**
Contribution to private pension (cash allowance)	–	**–**		–	**–**	
One-year variable compensation	1,047	**1,045**	**42 %**	–	**293**	**52 %**
Annual bonus 2020	1,047	**–**		–	**–**	
Annual bonus 2021	–	**1,045**		–	**293**	
Multi-year variable compensation	–	**730**	**29 %**	–	**–**	**0 %**
Long-term bonus 2017-2019/2020						
Capital market component tranche 2017-2020	–	**–**		–	**–**	
Long-term bonus 2018-2020/2021						
Management component tranche 2018-2020	–	**–**		–	**–**	
Capital market component tranche 2018-2021	–	**–**		–	**–**	
Long-term bonus 2019-2021/2022						
Management component tranche 2019-2021	–	**730**		–	**–**	
Others	–	**–**	**0 %**	–	**–**	**0 %**
Granted and owed remuneration pursuant to section 162 of the AktG	1,736	**2,502**	**100 %**	–	**565**	**100 %**
Service costs	449	**460**	**–**	–	**83**	**–**
Total compensation	2,185	**2,962**	**–**	–	**648**	**–**

Granted and owed remuneration pursuant to section 162 of the AktG	Dennis Lentz[1] Member of the Managing Board (since 1 September 2021)			Jon Morrish Member of the Managing Board		
€'000s / share of total remuneration in %	2020	2021		2020	2021	
Fixed annual salary	–	**200**	**38 %**	817	**899**	**26 %**
Fringe benefits	–	**25**	**5 %**	174	**79**	**2 %**
Contribution to private pension (cash allowance)	–	**–**		–	**–**	
One-year variable compensation	–	**303**	**57 %**	1,287	**1,362**	**40 %**
Annual bonus 2020	–	**–**		1,287	**–**	
Annual bonus 2021	–	**303**		–	**1,362**	
Multi-year variable compensation	–	**–**	**0 %**	831	**1,075**	**31 %**
Long-term bonus 2017-2019/2020						
Capital market component tranche 2017-2020	–	**–**		32	**–**	
Long-term bonus 2018-2020/2021						
Management component tranche 2018-2020	–	**–**		799	**–**	
Capital market component tranche 2018-2021	–	**–**		–	**–**	
Long-term bonus 2019-2021/2022						
Management component tranche 2019-2021	–	**–**		–	**1,075**	
Others	–	**–**	**0 %**	–	**–**	**0 %**
Granted and owed remuneration pursuant to section 162 of the AktG	–	**528**	**100 %**	3,109	**3,415**	**100 %**
Service costs	–	**83**	**–**	612	**600**	**–**
Total compensation	–	**611**	**–**	3,721	**4,015**	**–**

1) As of 1 December 2021, 70 % of Dennis Lentz's fixed annual salary, the annual bonus and the long-term bonus were paid by Lehigh Hanson. The remaining 30 % are paid by HeidelbergCement AG. Until 30 November 2021, 100 % of the remuneration of Dennis Lentz was paid by HeidelbergCement AG.

Granted and owed remuneration pursuant to section 162 of the AktG	Dr Lorenz Näger Dep. Chairman of the Managing Board[1] (1 Feb. 2020 until 31 Aug. 2021)			Chris Ward[2] Member of the Managing Board		
€'000s / share of total remuneration in %	2020	2021		2020	2021	
Fixed annual salary	1,024	**733**	**11 %**	699	**710**	**25 %**
Fringe benefits	36	**23**	**0 %**	59	**58**	**2 %**
Contribution to private pension (cash allowance)	–	**–**		371	**356**	**12 %**
One-year variable compensation	1,591	**1,081**	**17 %**	1,022	**1,013**	**36 %**
Annual bonus 2020	1,591	**–**		1,022	**–**	
Annual bonus 2021	–	**1,081**		–	**1,013**	
Multi-year variable compensation	839	**1,063**	**17 %**	–	**713**	**25 %**
Long-term bonus 2017-2019/2020						
Capital market component tranche 2017-2020	42	**–**		–	**–**	
Long-term bonus 2018-2020/2021						
Management component tranche 2018-2020	797	**–**		–	**–**	
Capital market component tranche 2018-2021	–	**–**		–	**–**	
Long-term bonus 2019-2021/2022						
Management component tranche 2019-2021	–	**1,063**		–	**713**	
Others[3]	55	**3,507**	**55 %**	–	**–**	**0 %**
Granted and owed remuneration pursuant to section 162 of the AktG	3,545	**6,407**	**100 %**	2,152	**2,850**	**100 %**
Service costs	608	**963**	**–**	–	**–**	**–**
Total compensation	4,153	**7,370**	**–**	2,152	**2,850**	**–**

1) Until 31 January 2020 member of the Managing Board.

2) 90 % of Chris Ward's fixed annual salary, the annual bonus and the long-term bonus are paid by Lehigh Hanson. The remaining 10 % is paid by HeidelbergCement AG.

3) In the case of Dr Lorenz Näger, the 2020 value includes a crediting of mandate remuneration of the subsidiary Indocement against the annual bonus of €55 thousand. In 2021, the mandate remuneration of the subsidiary Indocement will be credited in the amount of €57 thousand. In addition, a severance payment of €2,991 thousand is taken into account in 2021, as well as a prepayment of the long-term bonus plan 2021-2023/2024 of €458 thousand.

Remuneration of former members of the Managing Board

The remuneration granted and owed pursuant to section 162 of the AktG to former members of the Managing Board consists in particular of payouts of the long-term bonus and of retirement and transitional payments. Former members of the Managing Board are entitled to payouts from the 2019 tranche of the management component, which was completed at the end of the 2021 financial year, and from the 2018 tranche of the capital market component, which was also completed at the end of the 2021 financial year.

The following tables summarise the main elements of the tranches:

Summary of management component of long-term bonus 2019-2021/2022 for former members of the Managing Board		Target achievement			
€'000s	Target value	EBIT	ROIC	Total	Payout
Dr Bernd Scheifele	1,219	200 %	200 %	200 %	**2,438**
Dr Albert Scheuer	313				**625**

Summary of capital market component of long-term bonus 2019-2021/2022 for former members of the Managing Board							
€'000s	Target value	Allocation price in €	Number of provisionally allocated PSUs	Target achievement relative TSR	Final number of PSUs	Closing price in €	Payout
Dr Bernd Scheifele	1,219	88.34	13,796	0.00 %	0	68.77	**0**
Dr Albert Scheuer	469		5,306		0		**0**

The payment of the tranches will be made following the Annual General Meeting in 2022. Further information on the 2019 tranche of the management component and the 2018 tranche of the capital market component can be found in the section Tranches completed at the end of the 2021 financial year.

The following tables list the remuneration granted and owed to the former members of the Managing Board in the 2021 financial year pursuant to section 162 of the AktG:

Granted and owed remuneration pursuant to section 162 of the AktG for former members of the Managing Board	**Dr Bernd Scheifele** Chairman of the Managing Board (until 31 Jan. 2020)		**Dr Albert Scheuer** Member of the Managing Board (until 5 Aug. 2019)	
€'000s / share of total remuneration in %		2021		2021
Multi-year variable compensation	**2,438**	**60 %**	**312**	**36 %**
Long-term bonus 2018-2020/2021				
Capital market component tranche 2018-2021	–		–	
Long-term bonus 2019-2021/2022				
Management component tranche 2019-2021 [1]	**2,438**		**312**	
Others [2]	**725**	**18 %**	**281**	**32 %**
Total	**3,163**	**–**	**593**	**–**
Retirement and transitional payments	**900**	**22 %**	**280**	**32 %**
Granted and owed remuneration pursuant to section 162 of the AktG	**4,063**	**100 %**	**873**	**100 %**

1) In the case of Dr Albert Scheuer, the value for 2021 includes a crediting of a prepayment for the long-term bonus 2019 - 2021/2022 in the amount of € 313 thousand.
2) Includes the payment of a waiting allowance to Dr Scheifele and Dr Scheuer as well as the assumption of tax consultancy costs for Dr Scheuer.

Remuneration of the Supervisory Board in the 2021 financial year

Principles of remuneration of the Supervisory Board

The remuneration system of the Supervisory Board of HeidelbergCement AG was approved by the Annual General Meeting in 2021 and came into force retroactively as of 1 January 2021. The remuneration of the Supervisory Board is set out in section 12 of the Articles of Association of HeidelbergCement AG. It consists of fixed amounts and attendance fees. Each member receives a fixed remuneration of €80,000, the chairman receives two and a half times and his deputy one and a half times the amount. The members of the Audit Committee additionally receive a fixed remuneration of €25,000 and the members of the Personnel Committee €20,000. The chairperson of the committees receives twice these respective amounts. In addition, an attendance fee of €2,000 is paid for each personal participation in a meeting of the Supervisory Board and its committees, irrespective of the form in which it is carried out. For multiple meetings that take place on the same day or on subsequent days, the attendance fee is paid only once.

Remuneration granted and owed to the members of the Supervisory Board

The following table lists the remuneration granted and owed to the members of the Supervisory Board in the 2021 financial year pursuant to section 162 of the AktG:

Remuneration granted and owed to the members of the Supervisory Board	Fixed remuneration			Remuneration for committee membership			Attendance fees			Total remuneration	
€'000s / share of total remuneration in %	2020	2021		2020	2021		2020	2021		2020	2021
Fritz-Jürgen Heckmann (Chairman)	190	**200**	73 %	45	**45**	16 %	16	**28**	10 %	251	**273**
Heinz Schmitt (Deputy Chairman)	114	**120**	63 %	45	**45**	24 %	16	**26**	14 %	175	**191**
Barbara Breuninger	76	**80**	63 %	25	**25**	20 %	16	**22**	17 %	117	**127**
Birgit Jochens	76	**80**	66 %	20	**20**	16 %	16	**22**	18 %	112	**122**
Ludwig Merckle	76	**80**	46 %	65	**65**	38 %	16	**28**	16 %	157	**173**
Tobias Merckle	76	**80**	82 %	–	**–**		14	**18**	18 %	90	**98**
Luka Mucic	76	**80**	45 %	70	**70**	40 %	14	**26**	15 %	160	**176**
Dr Ines Ploss	76	**80**	66 %	20	**20**	16 %	16	**22**	18 %	112	**122**
Peter Riedel	76	**80**	63 %	25	**25**	20 %	16	**22**	17 %	117	**127**
Werner Schraeder	76	**80**	53 %	45	**45**	30 %	16	**26**	17 %	137	**151**
Margret Suckale	76	**80**	52 %	45	**45**	29 %	14	**28**	18 %	135	**153**
Prof. Dr Marion Weissenberger-Eibl	76	**80**	80 %	–	**–**		12	**20**	20 %	88	**100**
Total	1,064	**1,120**	62 %	405	**405**	22 %	182	**288**	16 %	1,651	**1,813**

Comparative presentation of the remuneration and earnings development

In accordance with the provisions of section 162(1)(2)(2) of the AktG, the following table shows the remuneration development of the members of the Managing Board who were active in the 2021 financial year as well as former members of the Managing Board on the basis of the remuneration granted and owed pursuant to section 162 of the AktG, the members of the Supervisory Board, and the employees in comparison with the earnings development of the company. For the employees, the total workforce of HeidelbergCement AG excluding the Managing Board was taken into account.

Development of the average target direct remuneration of the Managing Board and workforce of HeidelbergCement AG

€'000s	2017	Change	2018	Change	2019	Change	2020	Change	2021
Development of earnings									
Result from current operations before depreciation and amortisation in €m	3,297	-6 %	3,100	15 %	3,580	4 %	3,707	5 %	3,875
Group share of profit/loss in €m	918	25 %	1,143	-5 %	1,091	(-296 %) [1]	-2,139	(-182 %) [1]	1,759
Net profit/net loss of HeidelbergCement AG pursuant to the HGB in €m	-82	-149 %	-204	(-177 %) [1]	35	(-346 %) [1]	-86	(-556 %) [1]	392
Employees [2]									
Average									
	69	4 %	71	1 %	72	-1 %	71	4 %	74
Active members of the Managing Board in the financial year									
Dr Dominik von Achten (Chairman) [3]									
René Aldach [4]	4,816	-13 %	4,210	-14 %	3,611	41 %	5,104	10 %	5,606
Kevin Gluskie	–		–		–		–	–	502
Hakan Gurdal	2,208	28 %	2,830	16 %	3,287	0 %	3,277	15 %	3,766
Ernest Jelito	1,617	21 %	1,963	16 %	2,286	6 %	2,430	18 %	2,856
Dr Nicola Kimm [4]	–		–		809	115 %	1,736	44 %	2,502
Dennis Lentz [4]	–		–		–		–	–	565
Jon Morrish	–		–		–		–	–	528
Dr Lorenz Näger [5]	1,762	38 %	2,425	16 %	2,806	11 %	3,109	10 %	3,415
Chris Ward	3,823	-10 %	3,457	-17 %	2,878	23 %	3,544	81 %	6,407
	–		–		780	176 %	2,152	32 %	2,850
Former members of the Managing Board									
Dr Bernd Scheifele [6]	8,493	-7 %	7,933	-19 %	6,433	-62 %	2,439	67 %	4,063
Dr Albert Scheuer [7]	3,540	-15 %	3,003	-27 %	2,179	-66 %	743	17 %	873
Members of the Supervisory Board [8]									
Fritz-Jürgen Heckmann (Chairman)	232	0 %	232	11 %	257	-2 %	251	9 %	273
Heinz Schmitt (Deputy Chairman)	162	0 %	162	9 %	177	-1 %	175	9 %	191
Barbara Breuninger	–		58	83 %	106	10 %	117	9 %	127
Birgit Jochens	–		–		71	58 %	112	9 %	122
Ludwig Merckle	172	0 %	172	-3 %	166	-5 %	157	10 %	173
Tobias Merckle	80	-3 %	78	15 %	90	0 %	90	9 %	98
Luka Mucic	–		–		101	58 %	160	10 %	176
Dr Ines Ploss	–		–		71	58 %	112	9 %	122
Peter Riedel	–		–		74	58 %	117	9 %	127
Werner Schraeder	107	0 %	107	21 %	130	5 %	137	10 %	151
Margret Suckale	35	191 %	102	25 %	128	5 %	135	13 %	153
Prof. Dr Marion Weissenberger-Eibl	80	0 %	80	13 %	90	-2 %	88	14 %	100

1) Mathematically determined change; limited interpretability due to change of algebraic sign within the reference values.
2) Total workforce of HeidelbergCement AG incl. top and senior management, excluding Managing Board (full-time equivalents)
3) Since 1 February 2020
4) Since 1 September 2021
5) Deputy Chairman of the Managing Board until 31 August 2021
6) Chairman of the Managing Board until 31 January 2020
7) Member of the Managing Board until 5 August 2019
8) Individual amounts may fluctuate due to entries and exits during the year as well as changing committee activities.

Independent auditor's report

To HeidelbergCement AG, Heidelberg

Report on the audit of the consolidated financial statements and of the group management report

Audit Opinions
We have audited the consolidated financial statements of HeidelbergCement AG, Heidelberg, and its subsidiaries (the Group), which comprise the consolidated balance sheet as at 31 December 2021, and the consolidated income statement, consolidated statement of comprehensive income, consolidated statement of cash flows and consolidated statement of changes in equity for the financial year from 1 January to 31 December 2021, and notes to the consolidated financial statements, including a summary of significant accounting policies. In addition, we have audited the group management report of HeidelbergCement AG, which is combined with the Company's management report, – which comprise the content included to comply with the German legal requirements as well as the remuneration report pursuant to § [Article] 162 AktG [Aktiengesetz: German Stock Corporation Act], including the related disclosures, included in section "Remuneration report" of the group management report – for the financial year from 1 January to 31 December 2021. In accordance with the German legal requirements, we have not audited the content of those parts of the group management report listed in the "Other Information" section of our auditor's report.

In our opinion, on the basis of the knowledge obtained in the audit,
- the accompanying consolidated financial statements comply, in all material respects, with the IFRSs as adopted by the EU, and the additional requirements of German commercial law pursuant to § 315e Abs. [paragraph] 1 HGB [Handelsgesetzbuch: German Commercial Code] and, in compliance with these requirements, give a true and fair view of the assets, liabilities, and financial position of the Group as at 31 December 2021, and of its financial performance for the financial year from 1 January to 31 December 2021, and
- the accompanying group management report as a whole provides an appropriate view of the Group's position. In all material respects, this group management report is consistent with the consolidated financial statements, complies with German legal requirements and appropriately presents the opportunities and risks of future development. Our audit opinion on the group management report does not cover the content of those parts of the group management report listed in the "Other Information" section of our auditor's report.

Pursuant to § 322 Abs. 3 Satz [sentence] 1 HGB, we declare that our audit has not led to any reservations relating to the legal compliance of the consolidated financial statements and of the group management report.

Basis for the Audit Opinions
We conducted our audit of the consolidated financial statements and of the group management report in accordance with § 317 HGB and the EU Audit Regulation (No. 537/2014, referred to subsequently as "EU Audit Regulation") in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer [Institute of Public Auditors in Germany] (IDW). Our responsibilities under those requirements and principles are further described in the "Auditor's Responsibilities for the Audit of the Consolidated Financial Statements and of the Group Management Report" section of our auditor's report. We are independent of the group entities in accordance with the requirements of European law and German commercial and professional law, and we have fulfilled our other German professional responsibilities in accordance with these requirements. In addition, in accordance with Article 10 (2) point (f) of the EU Audit Regulation, we declare that we have not provided non-audit services prohibited under Article 5 (1) of the EU Audit Regulation. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions on the consolidated financial statements and on the group management report.

Key Audit Matters in the Audit of the Consolidated Financial Statements
Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the financial year from 1 January to 31 December 2021. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our audit opinion thereon; we do not provide a separate audit opinion on these matters.

In our view, the matters of most significance in our audit were as follows:

1 Recoverability of goodwill

2 Accounting treatment of deferred taxes

3 Obligations arising from tax matters

Our presentation of these key audit matters has been structured in each case as follows:
a) Matter and issue
b) Audit approach and findings
c) Reference to further information

Hereinafter we present the key audit matters:

1 Recoverability of goodwill

a) In the Company's consolidated financial statements goodwill amounting in total to EUR 8,164.7 million (24.2% of total assets or 49.0% of equity) is reported under the "Intangible assets" balance sheet item. Goodwill is tested for impairment by the Company once a year or when there are indications of impairment to determine any possible need for write-downs. The impairment test is carried out at the level of the groups of cash-generating units to which the relevant goodwill is allocated. The carrying amount of the relevant cash-generating units, including goodwill, is compared with the corresponding recoverable amount in the context of the impairment test. The recoverable amount is generally determined using the value in use. The present value of the future cash flows from the respective group of cash-generating units normally serves as the basis of valuation. Present values are calculated using discounted cash flow models. For this purpose, the adopted medium-term business plan of the Group forms the starting point which is extrapolated based on assumptions about long-term rates of growth. Expectations relating to future market developments and assumptions about the development of macroeconomic factors are also taken into account. The discount rate used is the weighted average cost of capital for the respective group of cash-generating units. The impairment test did not result in any need for impairment.

   The outcome of this valuation is dependent to a large extent on the estimates made by the executive directors with respect to the future cash flows from the respective group of cash-generating units, the discount rate used, the rate of growth and other assumptions, and is therefore subject to considerable uncertainty. Against this background and due to the complex nature of the valuation, this matter was of particular significance in the context of our audit.

b) As part of our audit, we assessed the methodology used for the purposes of performing the impairment test, among other things. After matching the future cash flows used for the calculation against the adopted medium-term business plan of the Group, we assessed the appropriateness of the calculation, in particular by reconciling it with general and sector-specific market expectations. In the knowledge that even relatively small changes in the discount rate applied can have a material impact on the value of the entity calculated in this way, we also evaluated the parameters used to determine the discount rate applied, and assessed the calculation model. In order to reflect the uncertainty inherent in the projections, we evaluated the sensitivity analyses performed by the Company and carried out our own sensitivity analyses for those groups of cash-generating units with low headroom (recoverable amount compared to carrying amount) in order to estimate any potential impairment risk related to key assumptions of the measurement. We verified that the necessary disclosures were made in the notes to the consolidated financial statements relating to groups of cash-generating units for which a reasonably possible change in an assumption would result in the recoverable amount falling below the carrying amount of the cash-generating units including the allocated goodwill.

Overall, the valuation parameters and assumptions used by the executive directors are in line with our expectations and are also within the ranges considered by us to be reasonable.

c) The Company's disclosures relating to the "Goodwill" balance sheet item are contained in section "9.1 Intangible Assets" of the notes to the consolidated financial statements.

2 Accounting treatment of deferred taxes

a) In the consolidated financial statements of the Company deferred tax assets amounting to EUR 262.9 million after netting are reported. Deferred tax assets amounting to EUR 1.119,9 million are recognized before netting with matching deferred tax liabilities. The deferred tax assets were recognized to the extent that the executive directors consider it probable that taxable profit will be available in the foreseeable future which will enable the deductible temporary differences and unused tax losses as well as interest carryforwards to be utilized. For this purpose, insofar as sufficient deferred tax liabilities are not available, future taxable profits are projected on the basis of the adopted business plan. No deferred tax assets were recognized in respect of deductible temporary differences (EUR 109.6 million), tax loss carryforwards (EUR 2,646.3 million), as well as interest carryforwards (EUR 508.8 million) since it is not probable that they will be utilized for tax purposes by means of offset against taxable profits.

   From our point of view, the accounting treatment of deferred taxes was of particular significance in the context of our audit, as it depends to a large extent on the estimates and assumptions made by the executive directors and is therefore subject to uncertainties.

b) As part of our audit, we assessed, among other things, the internal processes and controls for recording tax matters as well as the methodology used for the determination, accounting treatment and measurement of deferred taxes. We also assessed the recoverability of the deferred tax assets relating to deductible temporary differences and unused tax losses and interest carryforwards on the basis of the Company's internal forecasts of its future earnings situation, and the appropriateness of the underlying estimates and assumptions.

   Based on our audit procedures, we were able to satisfy ourselves that the estimates and assumptions made by the executive directors are substantiated and sufficiently documented.

c) The Company's disclosures relating to deferred taxes are contained in section "7.11 Income taxes" of the notes to the consolidated financial statements.

3 Obligations arising from tax matters

a) As an international building materials group, HeidelbergCement AG is subject to various local tax regulations and the requirements of the competent tax authorities in the respective countries in which it operates due to its extensive portfolio of equity investments and cross-border service relationships with affiliated companies. The recognition and measurement of current and non-current income tax obligations as well as the determination and disclosure of contingent liabilities are based to a large extent on estimates and assumptions made by the executive directors. Against this background and due to the amounts of these items, these matters were of particular significance in the context of our audit.

b) As part of our audit, we assessed, among other things, the internal processes and controls for recording and evaluating tax matters and the accounting presentation of obligations arising from tax matters. In the knowledge that estimated values result in an increased risk of accounting misstatements and that the estimates and assumptions made by the executive directors have a direct and significant impact on consolidated net profit/loss for the year, we evaluated the appropriateness of the determination of the obligations and the accounting presentation of tax matters in the financial statements. We also involved our internal specialists from the Tax department in the audit team. With regard to the recognition and measurement of obligations, we in particular inspected the Company's correspondence with the respective tax authorities, critically examined the Company's risk assessments of ongoing tax audits and individual tax matters, and assessed expert opinions obtained from third parties. Furthermore, we also held meetings with the Company's tax department in order to receive updates on current developments with regard to the material tax matters and the reasons for the corresponding estimates. As at balance sheet date, we also obtained confirmations from external tax advisors that support the executive directors' estimates. Based on our audit procedures, we were able to satisfy ourselves that the estimates and assumptions made by the executive directors are substantiated and sufficiently documented.

c) The Company's disclosures relating to the current and non-current income tax liabilities are contained in section "7.11 Income taxes" of the notes to the consolidated financial statements and the disclosures on contingent liabilities in section 11.2 of the notes to the consolidated financial statements and additionally in the paragraph on "Tax risks" in the "Risk and opportunity report" section of the group management report.

Other Information

The executive directors are responsible for the other information. The other information comprises the following non-audited parts of the group management report:

- the statement on corporate governance pursuant to § 289f HGB and § 315d HGB included in section "Corporate Governance statement" of the group management report
- the non-financial statement pursuant to § 289b Abs. 1 HGB and § 315b Abs. 1 HGB, included in section "Non-financial statement" of the group management report

The other information comprises further all remaining parts of the annual report – excluding cross-references to external information – with the exception of the audited consolidated financial statements, the audited group management report and our auditor's report.

Our audit opinions on the consolidated financial statements and on the group management report do not cover the other information, and consequently we do not express an audit opinion or any other form of assurance conclusion thereon.

In connection with our audit, our responsibility is to read the other information mentioned above and, in so doing, to consider whether the other information

- is materially inconsistent with the consolidated financial statements, with the group management report disclosures audited in terms of content or with our knowledge obtained in the audit, or
- otherwise appears to be materially misstated.

Responsibilities of the Executive Directors and the Supervisory Board for the Consolidated Financial Statements and the Group Management Report

The executive directors are responsible for the preparation of the consolidated financial statements that comply, in all material respects, with IFRSs as adopted by the EU and the additional requirements of German commercial law pursuant to § 315e Abs. 1 HGB and that the consolidated financial statements, in compliance with these requirements, give a true and fair view of the assets, liabilities, financial position, and financial performance of the Group. In addition, the executive directors are responsible for such internal control as they have determined necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the executive directors are responsible for assessing the Group's ability to continue as a going concern. They also have the responsibility for disclosing, as applicable, matters related to going concern. In addition, they are responsible for financial reporting based on the going concern basis of accounting unless there is an intention to liquidate the Group or to cease operations, or there is no realistic alternative but to do so.

Furthermore, the executive directors are responsible for the preparation of the group management report that, as a whole, provides an appropriate view of the Group's position and is, in all material respects, consistent with the consolidated financial statements, complies with German legal requirements, and appropriately presents the opportunities and risks of future development. In addition, the executive directors are responsible for such arrangements and measures (systems) as they have considered necessary to enable the preparation of a group management report that is in accordance with the applicable German legal requirements, and to be able to provide sufficient appropriate evidence for the assertions in the group management report.

The supervisory board is responsible for overseeing the Group's financial reporting process for the preparation of the consolidated financial statements and of the group management report.

The executive directors and the supervisory board are further responsible for the preparation of the remuneration report, including the related disclosures, which is included in a separate section of the group management report and complies with the requirements of § 162 AktG. They are also responsible for such internal control as they determine is necessary to enable the preparation of a remuneration report, including the related disclosures, that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements and of the Group Management Report
Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and whether the group management report as a whole provides an appropriate view of the Group's position and, in all material respects, is consistent with the consolidated financial statements and the knowledge obtained in the audit, complies with the German legal requirements and appropriately presents the opportunities and risks of future development, as well as to issue an auditor's report that includes our audit opinions on the consolidated financial statements and on the group management report.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with § 317 HGB and the EU Audit Regulation and in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer (IDW) will always detect a material misstatement. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements and this group management report.

We exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements and of the group management report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our audit opinions. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.

- Obtain an understanding of internal control relevant to the audit of the consolidated financial statements and of arrangements and measures (systems) relevant to the audit of the group management report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an audit opinion on the effectiveness of these systems.

– Evaluate the appropriateness of accounting policies used by the executive directors and the reasonableness of estimates made by the executive directors and related disclosures.

– Conclude on the appropriateness of the executive directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in the auditor's report to the related disclosures in the consolidated financial statements and in the group management report or, if such disclosures are inadequate, to modify our respective audit opinions. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to be able to continue as a going concern.

– Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements present the underlying transactions and events in a manner that the consolidated financial statements give a true and fair view of the assets, liabilities, financial position and financial performance of the Group in compliance with IFRSs as adopted by the EU and the additional requirements of German commercial law pursuant to § 315e Abs. 1 HGB.

– Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express audit opinions on the consolidated financial statements and on the group management report. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinions.

– Evaluate the consistency of the group management report with the consolidated financial statements, its conformity with German law, and the view of the Group's position it provides.

– Perform audit procedures on the prospective information presented by the executive directors in the group management report. On the basis of sufficient appropriate audit evidence we evaluate, in particular, the significant assumptions used by the executive directors as a basis for the prospective information and evaluate the proper derivation of the prospective information from these assumptions. We do not express a separate audit opinion on the prospective information and on the assumptions used as a basis. There is a substantial unavoidable risk that future events will differ materially from the prospective information.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with the relevant independence requirements, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, the related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter.

Other legal and regulatory requirements

Report on the Assurance on the Electronic Rendering of the Consolidated Financial Statements and the Group Management Report Prepared for Publication Purposes in Accordance with § 317 Abs. 3a HGB

Assurance Opinion
We have performed assurance work in accordance with § 317 Abs. 3a HGB to obtain reasonable assurance as to whether the rendering of the consolidated financial statements and the group management report (hereinafter the "ESEF documents") contained in the electronic file HeidelbergCement_AG_KA_ZLB_ESEF-2021-12-31.zip and prepared for publication purposes complies in all material respects with the requirements of § 328 Abs. 1 HGB for the electronic reporting format ("ESEF format"). In accordance with German legal requirements, this assurance work extends only to the conversion of the information contained in the consolidated financial statements and the group management report into the ESEF format and therefore relates neither to the information contained within these renderings nor to any other information contained in the electronic file identified above.

In our opinion, the rendering of the consolidated financial statements and the group management report contained in the electronic file identified above and prepared for publication purposes complies in all material respects with the requirements of § 328 Abs. 1 HGB for the electronic reporting format. Beyond this assurance opinion and our audit opinion on the accompanying consolidated financial statements and the accompanying group management report for the financial year from 1 January to 31 December 2021 contained in the "Report on the Audit of the Consolidated Financial Statements and on the Group Management Report" above, we do not express any assurance opinion on the information contained within these renderings or on the other information contained in the electronic file identified above.

Basis for the Assurance Opinion
We conducted our assurance work on the rendering of the consolidated financial statements and the group management report contained in the electronic file identified above in accordance with § 317 Abs. 3a HGB and the IDW Assurance Standard: Assurance Work on the Electronic Rendering of Financial Statements and Management Reports, Prepared for Publication Purposes in Accordance with § 317 Abs. 3a HGB (IDW AsS 410 (10.2021)) and the International Standard on Assurance Engagements 3000 (Revised). Our responsibility in accordance therewith is further described in the "Group Auditor's Responsibilities for the Assurance Work on the ESEF Documents" section. Our audit firm applies the IDW Standard on Quality Management 1: Requirements for Quality Management in the Audit Firm (IDW QS 1).

Responsibilities of the Executive Directors and the Supervisory Board for the ESEF Documents
The executive directors of the Company are responsible for the preparation of the ESEF documents including the electronic renderings of the consolidated financial statements and the group management report in accordance with § 328 Abs. 1 Satz 4 Nr. [number] 1 HGB and for the tagging of the consolidated financial statements in accordance with § 328 Abs. 1 Satz 4 Nr. 2 HGB.

In addition, the executive directors of the Company are responsible for such internal control as they have considered necessary to enable the preparation of ESEF documents that are free from material non-compliance with the requirements of § 328 Abs. 1 HGB for the electronic reporting format, whether due to fraud or error.

The supervisory board is responsible for overseeing the process for preparing the ESEF documents as part of the financial reporting process.

Group Auditor's Responsibilities for the Assurance Work on the ESEF Documents
Our objective is to obtain reasonable assurance about whether the ESEF documents are free from material non-compliance with the requirements of § 328 Abs. 1 HGB, whether due to fraud or error. We exercise professional judgment and maintain professional skepticism throughout the assurance work. We also:

– Identify and assess the risks of material non-compliance with the requirements of § 328 Abs. 1 HGB, whether due to fraud or error, design and perform assurance procedures responsive to those risks, and obtain assurance evidence that is sufficient and appropriate to provide a basis for our assurance opinion.

– Obtain an understanding of internal control relevant to the assurance work on the ESEF documents in order to design assurance procedures that are appropriate in the circumstances, but not for the purpose of expressing an assurance opinion on the effectiveness of these controls.

- Evaluate the technical validity of the ESEF documents, i.e., whether the electronic file containing the ESEF documents meets the requirements of the Delegated Regulation (EU) 2019/815 in the version applicable as at the balance sheet date on the technical specification for this electronic file.

- Evaluate whether the ESEF documents provide an XHTML rendering with content equivalent to the audited consolidated financial statements and to the audited group management report.

- Evaluate whether the tagging of the ESEF documents with Inline XBRL technology (iXBRL) in accordance with the requirements of Articles 4 and 6 of the Delegated Regulation (EU) 2019/815, in the version in force at the date of the consolidated financial statements, enables an appropriate and complete machine-readable XBRL copy of the XHTML rendering.

Further Information pursuant to Article 10 of the EU Audit Regulation
We were elected as group auditor by the annual general meeting on 6 May 2021. We were engaged by the supervisory board on 7 June 2021. We have been the group auditor of HeidelbergCement AG, Heidelberg, without interruption since the financial year 2020.

We declare that the audit opinions expressed in this auditor's report are consistent with the additional report to the audit committee pursuant to Article 11 of the EU Audit Regulation (long-form audit report).

Reference to an other Matter – Use of the Auditor's Report
Our auditor's report must always be read together with the audited consolidated financial statements and the audited group management report as well as the assured ESEF documents. The consolidated financial statements and the group management report converted to the ESEF format – including the versions to be published in the Federal Gazette – are merely electronic renderings of the audited consolidated financial statements and the audited group management report and do not take their place. In particular, the "Report on the Assurance on the Electronic Rendering of the Consolidated Financial Statements and the Group Management Report Prepared for Publication Purposes in Accordance with § 317 Abs. 3a HGB" and our assurance opinion contained therein are to be used solely together with the assured ESEF documents made available in electronic form.

German Public Auditor responsible for the Engagement

The German Public Auditor responsible for the engagement is Thomas Tilgner.

Frankfurt am Main, 23 March 2022

PricewaterhouseCoopers GmbH
Wirtschaftsprüfungsgesellschaft

(sgd. Dr Ulrich Störk)
Wirtschaftsprüfer
(German Public Auditor)

(sgd. Thomas Tilgner)
Wirtschaftsprüfer
(German Public Auditor)

Annual General Meeting without physical presence of shareholders
Against the background of the ongoing coronavirus pandemic and the resulting uncertainties regarding the possibilities and requirements for holding large events and for reasons of health protection for our employees, service providers and shareholders, the Managing Board, with the approval of the Supervisory Board, pursuant to section 1 para. 2 of the German Act on Measures in Corporate, Cooperative, Association, Foundation and Condominium Law to Combat the Effects of the coronavirus pandemic of 27 March 2020 (BGBl I 2020, p. 570), amended by the Amending Acts of 22 December 2020 (BGBl I 2020, p. 3332), of 7 July 2021 (BGBl I 2021, p. 2437) and of 10 September 2021 (BGBl. I 2021, p. 4153) (hereinafter "COVID-19 Act"), has decided that the Annual General Meeting will be held as a virtual general meeting without the physical presence of the shareholders or their proxies (with the exception of the Company's proxies). The Annual General Meeting shall be held in the presence of the Chairman of the Supervisory Board and the Chairman of the Managing Board and other members of the Supervisory Board and the Managing Board, the proxies of the Company and a notary public commissioned to record the minutes of the Annual General Meeting at the Company's offices in Heidelberg, Berliner Strasse 6.

The holding of the Ordinary General Meeting 2022 as a virtual General Meeting in accordance with the COVID-19 Act will lead to modifications in the procedures of the General Meeting and in the rights of the shareholders.

Requirements for following the virtual Annual General Meeting on the Internet and exercising voting rights (with record date and its meaning)
For the shareholders, the entire Annual General Meeting will be transmitted in sound and vision on the Internet via the Investor Portal explained below, which will be accessible at **www.heidelbergcement.com/en/annual-general-meeting-2022**.

In accordance with article 16 para. 1 of the Company's Articles of Association, shareholders must have registered for the Annual General Meeting and have provided the Company with proof of their shareholding as of the start of the 21st day before the Annual General Meeting, i.e. as of 21 April 2022, 0000 hrs (CEST) (so-called record date), in order to follow the Annual General Meeting and exercise their voting rights. For this purpose, a certificate of shareholding issued in text form by the depositary institution or a proof pursuant to section 67c para. 3 of the German Stock Corporation Act (in each case „proof of entitlement") shall be sufficient.

The registration and the proof of entitlement must be received by the Company at the latest six days prior to the Annual General Meeting, i.e. by 5 May 2022, 2400 hrs (CEST) at the following address:

HeidelbergCement AG
c/o Deutsche Bank AG
Securities Production
General Meetings
PO Box 20 01 07
60605 Frankfurt am Main, Germany

E-mail: wp.hv@db-is.com

The Company shall be entitled to request appropriate further proof in the event of any doubt concerning the accuracy or authenticity of the proof of entitlement.

In relation to the Company, only those persons who have furnished such proof of entitlement shall be considered shareholders for the purpose of attending the Annual General Meeting or exercising the voting rights. The right to attend and the extent of the voting rights shall be determined exclusively by the shareholding of the shareholder contained in the proof of entitlement as at the record date. A registration for the Annual General Meeting will not block the shares from trading; for this reason shareholders can continue to freely dispose of their shares, also starting from the record date and even after having registered for the Annual General Meeting. Also in the case of the full or partial sale of the shareholding after the record date, only the shareholding of the shareholder as at the record date shall be decisive for the attendance and the extent of the voting rights; i.e. sales of shares after the record date do not have any effect on the right to attend or on the extent of the voting rights. The same shall apply to purchases and additional purchases of shares after the record date. Persons who do not own any shares as at the record date and only become shareholders afterward, shall not be entitled to attend and vote. The record date shall not have any relevance for the entitlement to dividends.

Following receipt of the registration and proof of shareholding by the Company at the above address, admission tickets for the virtual Annual General Meeting will be sent to the shareholders, containing the access data for the Internet-based InvestorPortal system (hereinafter **„InvestorPortal"**) as well as an integrated form for the granting of the power of attorney, instructions to proxies and absentee votes, together with further explanations.

The InvestorPortal can be accessed via the following website of the Company:

www.heidelbergcement.com/en/annual-general-meeting-2022

In order to ensure that the admission ticket is received on time, we kindly ask the shareholders to send the registration and proof of their shareholding to the Company sufficiently in advance. No further action is required of shareholders who have requested, in a timely manner, the admission ticket for attending the Annual General Meeting from their depositary institution. In such cases, the depositary institution will handle the registration and proof of shareholding. Please note that the admission ticket is only used for organisational purposes and does not constitute an additional condition of attendance.

Further information on the registration procedure can be found on the website **www.heidelbergcement.com/en/annual-general-meeting-2022**.

Voting by proxies
Shareholders who do not wish to follow the Annual General Meeting in person and/or do not wish to exercise their voting rights in person by means of absentee voting can also be represented by a proxy, for example a credit institution or another intermediary or a shareholders' association, when exercising their rights. They will then use the absentee voting or the proxy of the Company. Also in this case shareholders, proxies, credit institutions or shareholders' associations must register in due time for the Annual General Meeting and provide proof of shareholding. If the shareholder authorises more than one person, the Company can reject one or several of these persons.

If the proxy authorisation is not granted to intermediaries (such as a credit institution), shareholders' associations insofar as they are equivalent to them pursuant to section 135 para. 8 of the German Stock Corporation Act, proxy advisors or persons, that offer proxy voting services to shareholders as part of their regular business activities, the granting of the power of attorney, its amendment, its revocation and the proof of authorisation vis-à-vis the Company must be in writing in order to be valid. For granting power of attorney, shareholders may use the power-of-attorney form which is printed on the admission ticket and which is available on the Internet at **www.heidelbergcement.com/en/annual-general-meeting-2022**. However, it is also possible to issue a separate power of attorney in writing.

The granting of the power of attorney, its amendment, its revocation and the proof of authorisation must be submitted by mail or by e-mail by 11 May 2022, 2400 hrs (CEST), to the following address:

HeidelbergCement AG
c/o Computershare Operations Center
80249 München, Germany
E-mail: HCAG-HV2022@computershare.de

Via the InvestorPortal, the granting of the power of attorney, its amendment, its revocation and the proof of authorisation are possible until the end of the Annual General Meeting.

In all cases, the date of receipt by the Company shall be decisive.

Intermediaries (such as a credit institution) and – insofar as they are equivalent to them pursuant to section 135 para. 8 of the German Stock Corporation Act – shareholders' associations, proxy advisors and persons, that offer proxy voting services to shareholders as part of their regular business activities, may set forth deviating conditions with respect to the process of their own authorisation. Shareholders are asked to agree with these persons or institutions on the form of such authorisation in advance.

Voting by proxies of the Company
The Company also offers its shareholders and their proxies the possibility to have their voting rights exercised at the Annual General Meeting in accordance with their instructions by proxies nominated by the Company. A power-of-attorney and instruction form to authorise an employee of the Company as a proxy is enclosed with the admission ticket and is available on the Internet at **www.heidelbergcement.com/en/annual-general-meeting-2022**. If employees of the Company are granted authorisation to act as proxies, instructions for exercising the voting right must be issued in each case. The employees of the Company are obliged to vote in accordance with the instructions. Please note that proxies of the Company will not accept instructions to object to Annual General Meeting resolutions and to ask questions or make requests and that the proxies are available only for voting on proposed resolutions presented together with the invitation or later-announced proposals by the Managing Board and/or Supervisory Board pursuant to section 124 para. 3 of the German Stock Corporation Act or by shareholders pursuant to sections 124 para. 1, 122 para. 2 of the German Stock Corporation Act or which are made accessible in accordance with sections 126, 127 of the German Stock Corporation Act.

Powers of attorney for the proxies giving explicit instructions, their amendment and their revocation and preferably using the forms designated for this purpose, must be received by the Company by mail or by e-mail, at the latest, on 11 May 2022, 2400 hrs (CEST) at the following address:

HeidelbergCement AG
c/o Computershare Operations Center
80249 München, Germany
E-mail: HCAG-HV2022@computershare.de

Via the InvestorPortal, the granting of the power of attorney and instructions to the proxies of the Company, their amendment and their revocation are possible until the beginning of the voting at the Annual General Meeting.

In all cases, the date of receipt by the Company shall be decisive.

Authorised intermediaries (such as a credit institution) and – insofar as they are equivalent to them pursuant to section 135 para. 8 of the German Stock Corporation Act – shareholders' associations, proxy advisors and persons, that offer proxy voting services to shareholders as part of their regular business activities, may also make use of the proxies of the company in compliance with the given deadlines.

Absentee voting process
Shareholders and their proxies not wanting to appoint the proxies of the Company to vote on their behalf shall be entitled to cast their votes in writing, by e-mail or electronically via the InvestorPortal by way of absentee voting, provided they have registered in time; personal voting in the Annual General Meeting is not possible. This can be done using the form printed on the admission ticket or a corresponding form which is available online at **www.heidelbergcement.com/en/annual-general-meeting-2022**.

We kindly ask our shareholders to note that absentee voting is only possible for proposed resolutions and election proposals presented together with the invitation or later-announced proposals by the Managing Board and/or Supervisory Board pursuant to section 124 para. 3 of the German Stock Corporation Act or by shareholders pursuant to sections 124 para. 1, 122 para. 2 of the German Stock Corporation Act or which are made accessible in accordance with sections 126, 127 of the German Stock Corporation Act.

The votes cast by way of absentee voting, their amendment and their revocation preferably have to use the forms designated for this purpose and must be received by the Company by mail or by e-mail, at the latest, on 11 May 2022, 2400 hrs (CEST) at the following address:

HeidelbergCement AG
c/o Computershare Operations Center
80249 München, Germany
E-mail: HCAG-HV2022@computershare.de

Via the InvestorPortal, the votes cast by way of absentee voting, their amendment and their revocation are possible until the beginning of the voting at the Annual General Meeting. In all cases, the date of receipt by the Company shall be decisive.

If declarations on casting or changing absentee votes or on granting or changing powers of attorney and instructions to the proxies of the company are received in due time by several of the permissible transmission channels (i) post, (ii) e-mail and (iii) InvestorPortal and not revoked, the declarations will be considered in the following order of transmission, regardless of the time of receipt: (i) InvestorPortal, (ii) e-mail, (iii) post. If both absentee votes and powers of attorney and instructions to the proxies, which are not revoked, are received in due time via the same transmission channel, the absentee votes will be given priority. If several absentee ballots or several powers of attorney and instructions to the proxies that are not revoked are received on the same transmission channel within the deadline, the declaration that was last received is binding.

A revocation of absentee votes or powers of attorney and instructions to the proxies can be declared in the above-mentioned ways within the deadlines specified there. The order of the transmission channels according to the previous paragraph does not apply to the declaration of revocation. Subsequent voting as such does not constitute a revocation of an earlier voting.

Absentee votes or powers of attorney and instructions regarding agenda item 2 (appropriation of the balance sheet profit) remain valid even if the proposal for the appropriation of retained earnings is adjusted as a result of a change in the number of shares entitled to dividends.

If an individual vote is taken instead of a collective vote on an item on the agenda, the absentee vote or instruction given for this item on the agenda applies accordingly to each item of the individual vote.

Authorised intermediaries (such as a credit institution) and – insofar as they are equivalent to them pursuant to section 135 para. 8 of the German Stock Corporation Act – shareholders' associations, proxy advisors and persons, that offer proxy voting services to shareholders as part of their regular business activities, may also make use of absentee voting in compliance with the given deadlines.

Rights of the shareholders pursuant to sections 122 para. 2, 126 para. 1, 127, 131 para. 1 of the German Stock Corporation Act in conjunction with section 1 para. 2 of the COVID-19 Act

Amendment to the agenda pursuant to section 122 para. 2 of the German Stock Corporation Act
In accordance with section 122 para. 2 of the German Stock Corporation Act shareholders with shares corresponding to a part of the share capital equal to €500,000 – i.e. 166,667 shares – can request that items be added to the agenda and announced. Each new item must be accompanied by a statement of reason or a proposal. The request is to be sent in writing to the Managing Board of the Company and must reach the Company no later than 30 days before the meeting, not counting the date of delivery. The last possible date for delivery is therefore 11 April 2022, 2400 hrs (CEST). Please send any such requests to the following address: HeidelbergCement AG, Vorstand, Berliner Strasse 6, 69120 Heidelberg, Germany. Further details as to the requirements for exercise of said right and its limits may be viewed at **www.heidelbergcement.com/en/annual-general-meeting-2022** under the heading "Information pursuant to section 121 para. 3 sentence 3 no. 3 of the German Stock Corporation Act regarding shareholders' rights".

Motions and election proposals of shareholders pursuant to sections 126 para. 1, 127 of the German Stock Corporation Act
In accordance with section 126 of the German Stock Corporation Act, all motions by shareholders regarding agenda items, including the reasons in support thereof, or proposals by shareholders for the election of auditors in accordance with section 127 of the German Stock Corporation Act, received by us at our address: HeidelbergCement AG, Abt. GLC, Berliner Strasse 6, 69120 Heidelberg, Germany, or by e-mail to: antrag-hv@heidelbergcement.com at least 14 days before the Annual General Meeting, whereby the day of receipt shall not be counted, i.e. by 2400 hrs (CEST) on 27 April 2022, and required to be disclosed will be published without undue delay after receipt at **www.heidelbergcement.com/en/annual-general-meeting-2022**. Any responses from the management will likewise be published at the aforementioned Internet address. Further details as to the requirements for exercise of the rights and their limits are to be found there under the heading "Information pursuant to section 121 para. 3 sentence 3 no. 3 of the German Stock Corporation Act regarding shareholders' rights".

Since the Annual General Meeting is held as a virtual Annual General Meeting without the physical presence of the shareholders and their proxies (with the exception of the proxies of the Company), no motions can be made in the virtual Annual General Meeting. Motions and election proposals by shareholders to be made available pursuant to section 126 of the German Stock Corporation Act or section 127 of the German Stock Corporation Act are considered to be made at the Annual General Meeting if the shareholder making the motion or submitting the election proposal is duly authorised and registered for the General Meeting. The right of the chairman of the meeting to vote first on the proposals of the administration shall remain unaffected thereby.

It is pointed out that questions are to be submitted exclusively by the method described below in the section „Right to ask questions".

Right to ask questions
Pursuant to section 1 para. 2 no. 3 of the COVID-19 Act, shareholders have a right to ask questions by electronic means. The Managing Board has stipulated that any questions must be submitted by electronic means by 10 May 2022, 2400 hrs (CEST), at the latest. The Managing Board shall decide at its discretion, after due consideration, how it answers the questions.

Shareholders registered for the Annual General Meeting or their proxies may submit their questions to the Company in German via the InvestorPortal by 10 May 2022, 2400 hrs (CEST). The required access data are part of the admission ticket that will be sent to you after registration.

Submission of statements for publication via the InvestorPortal
Since speeches in the virtual format of this year's Annual General Meeting are not possible, we are giving registered shareholders who have registered for the Annual General Meeting in due time and form, or their proxies, the opportunity to submit statements relating to the Annual General Meeting in German with a total length of no more than 10,000 characters by May 10, 2022, 24:00 (CEST). Statements are to be sent exclusively by e-mail to our e-mail address antrag-hv@heidelbergcement.com with the keyword "Statement on the AGM 2022" stating your name and admission ticket number. The contributions will be made available to all registered shareholders or their representatives in electronic form on the InvestorPortal, stating the name

of the submitting shareholder. They can be viewed after submission until the end of the Annual General Meeting. There is no legal entitlement to the submission of a statement. In particular, the Company reserves the right not to make statements unrelated to the agenda of the Annual General Meeting and statements whose content and presentation do not correspond to a permissible speech at the Annual General Meeting not to be made accessible. The same applies to statements with offensive, criminally relevant, obviously false or misleading content. Please note that motions, election proposals, questions and objections to resolutions of the Annual General Meeting contained in the statements will not be considered. These are to be submitted exclusively in the ways described separately in the invitation or in this InvestorPortal. Any questions submitted as statement will not be answered by the Company. By submitting the statement, the shareholder or their proxies agree that the statement may be made available on the InvestorPortal, stating his/her name.

Further details on the technical and legal requirements for submitting statements can be found on the InvestorPortal.

Possibility to object to resolutions of the Annual General Meeting
Shareholders or their proxies who exercise the voting right have pursuant to section 1 para. 2 no. 4 of the COVID-19 Act the right to object to a resolution of the Annual General Meeting via the InvestorPortal during the Annual General Meeting, i.e. from the opening of the Annual General Meeting until its closure, for the notary's minutes, without appearing physically at the Annual General Meeting.

Publications on the Company's website
The publications and explanations specified in section 124a of the German Stock Corporation Act are to be found at **www.heidelbergcement.com/en/annual-general-meeting-2022**.

Notice of the aggregate number of shares and voting rights
At the time of the convening of the Annual General Meeting, 192,415,381 no-par value shares out of the total of 193,091,900 no-par value shares issued are entitled to attend and vote. The Company holds 676,519 treasury shares. Each share entitled to attend shall carry one vote at the Annual General Meeting. There are no different classes of shares.

Information on data protection for shareholders of HeidelbergCement AG
In the EU General Data Protection Regulation, transparency regarding data processing plays a key role. The security of your personal data and protection of your privacy are also our top priority. You can find information on the processing of your personal data by HeidelbergCement AG and your rights granted by the data protection law on the Internet at **www.heidelbergcement.com/en/annual-general-meeting-2022**.

Heidelberg, March 2022

HeidelbergCement AG

The Managing Board

Information pursuant to the Implementing Regulation (EU) 2018/1212 for the notification pursuant to section 125 of the German Stock Corporation Act by HeidelbergCement AG

a) Specification of the message	
1. Unique identifier of the event	Virtual Annual General Meeting 2022 of HeidelbergCement AG
2. Type of message	NEWM
b) Specification of the message	
1. ISIN	DE0006047004
2. Name of issuer	HeidelbergCement AG
c) Specification of the meeting	
1. Date of the General Meeting	12 May 2022 (20220512)
2. Time of the General Meeting	10:00 a.m. CEST (8:00 a.m. UTC)
3. Type of General Meeting	GMET
4. Location of the General Meeting	**www.heidelbergcement.com/en/annual-general-meeting-2022** Location of the General Meeting in the sense of the German Stock Corporation Act: Berliner Strasse 6, 69120 Heidelberg, Germany
5. Record Date	20 April 2022 (20220420)
6. Uniform Resource Locator (URL)	**www.heidelbergcement.com/en/annual-general-meeting-2022**

Further information on convening the general meeting (blocks D to F of Table 3 of the Annex to the Implementing Regulation (EU) 2018 / 1212: attending the General Meeting (block D), agenda (block E) and indication of deadlines for exercising other shareholder rights (block F) can be found on the following website:

www.heidelbergcement.com/en/annual-general-meeting-2022

This is a convenience translation of the German invitation to the Annual General Meeting. Only the German version of this document is legally binding.

Managing Board
Dr. Dominik von Achten, Chairman
René Aldach
Kevin Gluskie
Hakan Gurdal
Ernest Jelito
Dr. Nicola Kimm
Dennis Lentz
Jon Morrish
Chris Ward

Chairman of the Supervisory Board
Fritz-Jürgen Heckmann

Contact:

Group Communication
Phone: +49 6221 481-13227
Fax: +49 6221 481-13217
E-mail: info@heidelbergcement.com

Investor Relations
Phone:
Institutional investors: +49 6221 481-13925, +49 6221 481-41016 and +49 6221 481-39670
Private investors: +49 6221 481-13256
Fax: +49 6221 481-13217
E-mail: ir-info@heidelbergcement.com

The Company has its registered office in Heidelberg, Germany.
It is registered with the Commercial Register at the Local Court of Mannheim (Amtsgericht Mannheim) under HRB 330082.

MATERIAL
TO BUILD OUR FUTURE

HeidelbergCement AG
Berliner Strasse 6
69120 Heidelberg, Germany
www.heidelbergcement.com