

HEIDELBERGCEMENT

HeidelbergCement
at a glance
2021



MATERIAL
TO BUILD OUR FUTURE



Who we are

In more than 50 countries around the world, the name HeidelbergCement stands for competence and quality.

Since the company was founded in 1873, HeidelbergCement has grown from a regional cement manufacturer with a single plant in Heidelberg into one of the world's leading building materials groups, with roughly 53,000 employees working at 3,000 locations in more than 50 countries on five continents.

Our core activities encompass the production and distribution of cement and aggregates, the two essential raw materials for the production of concrete and asphalt. Our Group Services business unit focuses on global sea trade in building materials such as cement and clinker. HeidelbergCement is divided into five geographical Group areas: Western and Southern Europe, Northern and Eastern Europe-Central Asia, North America, Asia-Pacific and Africa-Eastern Mediterranean Basin.



Cover: HeidelbergCement headquarters, Heidelberg, Germany:
Facade made with TioCem®, which reduces the level of pollutants in the air.
Left: Schelkingen cement plant, Germany

What we stand for

For nearly 150 years, HeidelbergCement's building materials and construction solutions have contributed to progress worldwide.

Now, the foundation for the future of the company has been laid, as expressed in our statement of purpose newly defined in 2020: "Material to build our future".

This statement stands both for our intention to develop and produce innovative (building) materials for the future and to play a material role in the future. Responsibility for the environment is at the heart of all we do at HeidelbergCement. The company aims to be the industry leader on the road to carbon neutrality. HeidelbergCement stands for long-term profitability through operational excellence, engagement and openness for change as well as close partnerships with our customers and stakeholders.

Four culture principles form the basis for achieving these goals:

- Be stronger together !
- Get the customer excited !
- Unleash innovation !
- Think and act long term !



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Right: Innovative 3D printing of a residential building with the building material i.tech® 3D from HeidelbergCement



Concrete – a building material with a future

From skyscrapers to subway tunnels: Concrete will continue to be the predominant building material for construction of urban infrastructures. Other building materials, such as wood or metals, can be a useful addition. But a complete replacement of concrete is hardly conceivable, especially considering the quantities required. Let's look at the properties of concrete that support sustainable construction: Its high heat absorption capacity makes it possible, for example, to use ceilings and walls as cold or heat accumulators, significantly reducing energy consumption for cooling and heating. Concrete is also an extremely durable building material. It was already used by

the Romans 2000 years ago, where it was known as “Opus Caementitium”, to build famous structures like the Colosseum or the Pantheon in Rome.

Concrete is a kind of artificial stone, composed mainly of sand and gravel, water and – of course – cement, which serves as a binder that gives the concrete its strength. The most important raw material in cement production is limestone, which is quarried in many places around the world and in the immediate vicinity of cement plants. These plants first use the limestone to produce clinker, from which the final product, cement, is made.

Troja bridge in Prague, Czech Republic



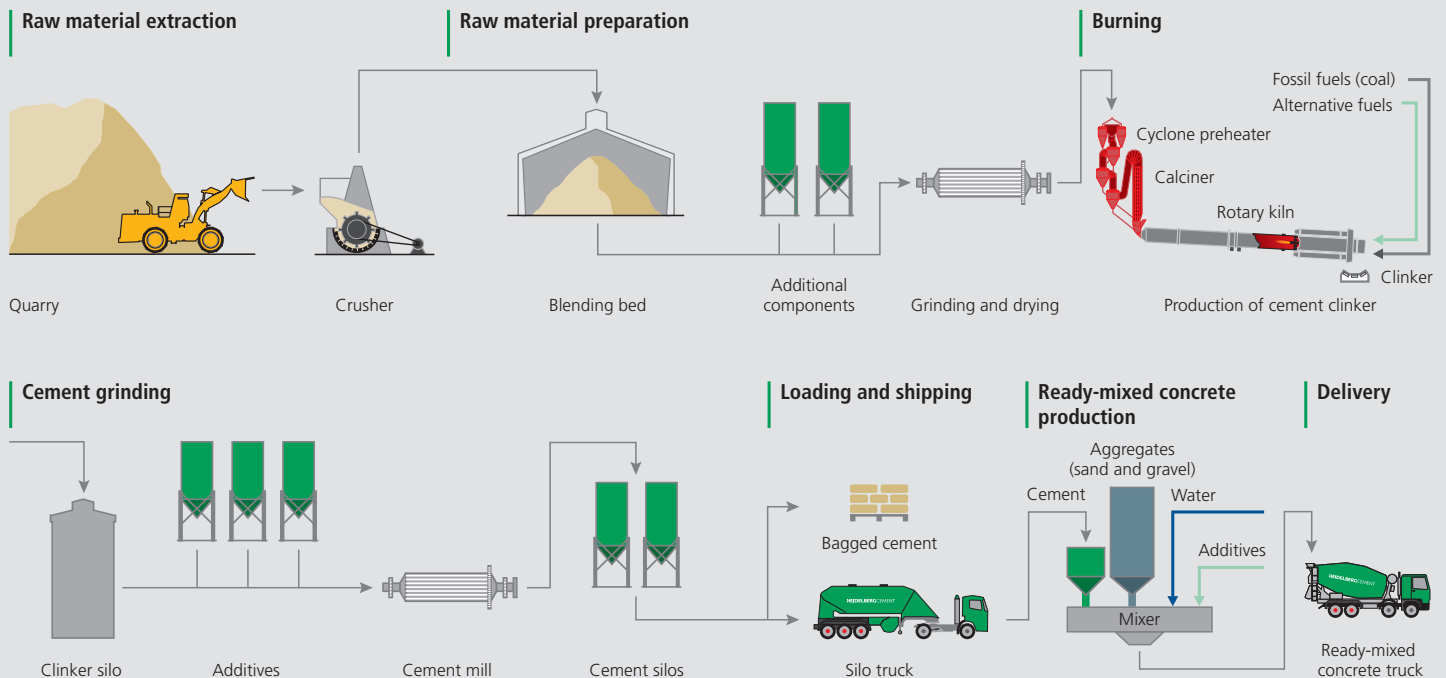
From limestone to concrete

The raw materials for cement production (limestone, clay and marl) are regionally extracted in quarries. Crushed to the size of road gravel, the material is then mixed and homogenised at the cement plant. After addition of further components (silica sand and iron ore), the raw crushed stone is ground to a fine meal and dried.

This raw meal is then burned in a rotary kiln at 1,450°C, setting off the chemical transformation that produces cement clinker. Fossil fuels and alternative fuels such as used tyres, plastic waste or biomass are being used for the combustion process in the kiln. The cooled clinker is temporarily stored in silos and then

ground into cement, together with additives such as gypsum and anhydrite, granulated blast furnace slag or fly ash.

The finished cement is loaded in bulk into silo trucks, trains or onto ships. A small portion is filled into bags. The majority is transported directly to construction sites or to ready-mixed concrete plants, where the cement is mixed with aggregates (sand and gravel) in a ratio of 1:4 and water to form ready-mixed concrete. Special additives ensure that the concrete has certain properties, for example that it hardens particularly quickly or slowly. The finished concrete mix is delivered in ready-mixed concrete trucks.



Sustainability



Building on sustainability

For HeidelbergCement, business success means more than outstanding economic performance. We don't forget the importance of ecological and social responsibility.

We have defined the six most important areas of action in our Sustainability Commitments 2030. They are the cornerstones of our sustainability strategy and define key focal points and goals for the period until 2030. These are:

- Driving economic strength and innovation
- Achieving excellence in occupational health and safety
- Reducing our ecological footprint
- Enabling the circular economy
- Being a good neighbour
- Ensuring compliance and creating transparency

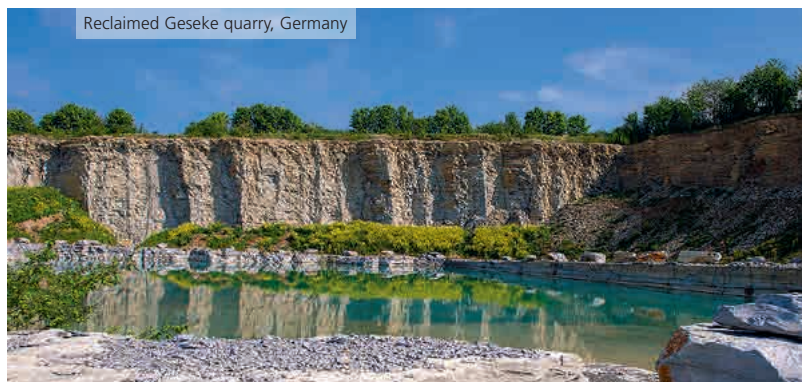
The Sustainability Commitments 2030 will help us to grow sustainably – not only finding innovative solutions to societal challenges, but also seizing opportunities for our business. In 2020, we revised some of the targets and the associated deadlines to bring them in line with current environmental and social developments.



Nesting boxes in the Monte Giglio quarry, Italy



Restored Haines Branch Stream, USA



Reclaimed Geseke quarry, Germany

We aim to be the industry leader on the road to climate neutrality

HeidelbergCement plays a leading role in the reduction of CO₂ emissions.

During production of the intermediate product clinker, high process emissions of carbon dioxide (CO₂) are released. We are committed to our global responsibility to help limit global temperature rise to well below 2° C. HeidelbergCement aims to offer carbon neutral concrete by 2050 at the latest. But the technologies and measures applied so far are not enough, which is why we are researching and testing several new technologies for the capture, utilisation and storage of CO₂. We are also intensifying circular economy, for example through concrete recycling, in order to reduce total CO₂ emissions.

An important part of our corporate strategy is to significantly advance our ambitious climate targets. We intend to achieve our original 2030 target of reducing specific net CO₂ emissions by 30 % compared to 1990 as early as 2025.

Algae cultivation with CO₂ at the Safi cement plant, Morocco



Right: Carbon capture with LEILAC technology at the Lixhe cement plant, Belgium





Clean beaches campaign in Morocco

Being a good neighbour

As a global Group with a strong regional presence, we are active in many local communities where we fulfil our social responsibilities.

Good relationships and partnering with the communities around our production sites is essential to the success of our business. We are deeply committed to involving our neighbours in our business activities through various forms of dialogue, such as newsletters or open days. Partnerships with local non-governmental organisations (NGOs) also play an important role.

Through voluntary social engagement, we strengthen contact with and create long-term socio-economic value for our local communities. We support projects, initiatives and organisations that are active near our locations or which have a direct connection to our operations. In line with the maxim, "Think globally – act locally", we are also committed to protecting the environment and promoting social progress.



Upscaling – from cement bag to fashionable shopping bag in Sierra Leone



Lehigh Hanson Cares programme: donation for a hospital in Canada

We aim to become the first technology group in the building materials industry

HeidelbergCement is making good progress with the digital transformation in production, customer relations and administration, including:

Concrete delivery in real time: With a special app, customers can track their concrete order down to the exact delivery time, enabling them to organise their construction site workflow in the best possible way.

Digital cement plant: Data-driven control enables optimal and environmentally attuned operation of all production facilities,

accurate sales planning, prevention and resolution of technical problems, and minimisation of manual effort and costs.

Remote maintenance using "smart glasses": With smart glasses, technicians can share what they are seeing with colleagues and other professionals, allowing them to carry out complex maintenance tasks without the need for several people on site. This saves time and money and has proved to be an ideal solution in the case of pandemic-related travel restrictions.

A bird's eye view with drones: Drones allow visual access to areas that cannot be entered, monitoring of production facilities and detection of technical problems, as well as surveying of stored sand and gravel stocks. Aerial photographs and topographical data help with quarry planning.

The customer can track the exact delivery time of each concrete order via mobile app.



Remote maintenance with GoPro Camera and wireless headset



Use of a drone in a sand and gravel plant



Where we are



Western and Southern Europe

Belgium, France, Germany, Italy, Netherlands, Spain, United Kingdom

The Western and Southern Europe Group area includes seven countries. In these mature markets, HeidelbergCement, as a fully integrated building materials company, produces cement, aggregates and ready-mixed concrete, as well as asphalt in the United Kingdom and precast concrete/concrete products in Germany.

We are among the market leaders in the cement business in almost all of these countries. We also maintain a dense network of aggregate extraction sites and ready-mixed concrete production facilities. The UK, Germany and France are the countries generating the highest revenue in this Group area.

Ready-mixed concrete plant, Netherlands



Maintenance work, Italy



Lengfurt cement plant, Germany



Sales volumes	2020
Cement and clinker	28 mt
Aggregates	78 mt
Ready-mixed concrete	17 m m ³
Asphalt	4 mt

Revenue in the Group area (€bn)	2020
Total revenue	5.0

Number of plants ¹⁾	2020
Cement	52
Aggregates	212
Ready-mixed concrete	722
Asphalt	35
Concrete products	24

1) Incl. joint ventures

Employee in a ready-mixed concrete plant, UK



Northern and Eastern Europe-Central Asia

Denmark, Estonia, Iceland, Latvia, Lithuania, Norway, Sweden; Albania, Bosnia-Herzegovina, Bulgaria, Croatia, Czech Republic, Georgia, Greece, Hungary, Kazakhstan, Poland, Romania, Russia, Slovakia

HeidelbergCement operates in 20 countries in the Northern and Eastern Europe-Central Asia Group area. In many of these countries, we produce cement, aggregates and ready-mixed concrete as a fully integrated building materials company. We also produce precast concrete elements in some countries.

In the countries where we produce cement, we are market leaders or occupy leading positions. Sweden, Norway, Poland, Romania and the Czech Republic are the highest revenue generating countries in this Group area.

Sales volumes	2020
Cement and clinker	24 mt
Aggregates	49 mt
Ready-mixed concrete	6 m m ³

Revenue in the Group area (€bn)	2020
Total revenue	2.9

Number of plants ¹⁾	2020
Cement	27
Aggregates	96
Ready-mixed concrete	327
Concrete products	20

1) Incl. joint ventures

Kjøpsvik cement plant, Norway



Ready-mixed concrete delivery, Iceland



Employees in Kazakhstan



Fieni cement plant, Romania



North America

Canada, USA

The USA and Canada form the North America Group area. In this market area with the second highest revenue generation in the Group, we are one of the leading manufacturers of cement, aggregates and ready-mixed concrete. We also produce asphalt in both countries and concrete pipes in Canada.

HeidelbergCement has production sites across the North American continent, with a focus on the eastern half of the US, Texas, the Gulf of Mexico, western Canada and Ontario.

Ready-mixed concrete plant, Canada



Aggregates quarry, USA



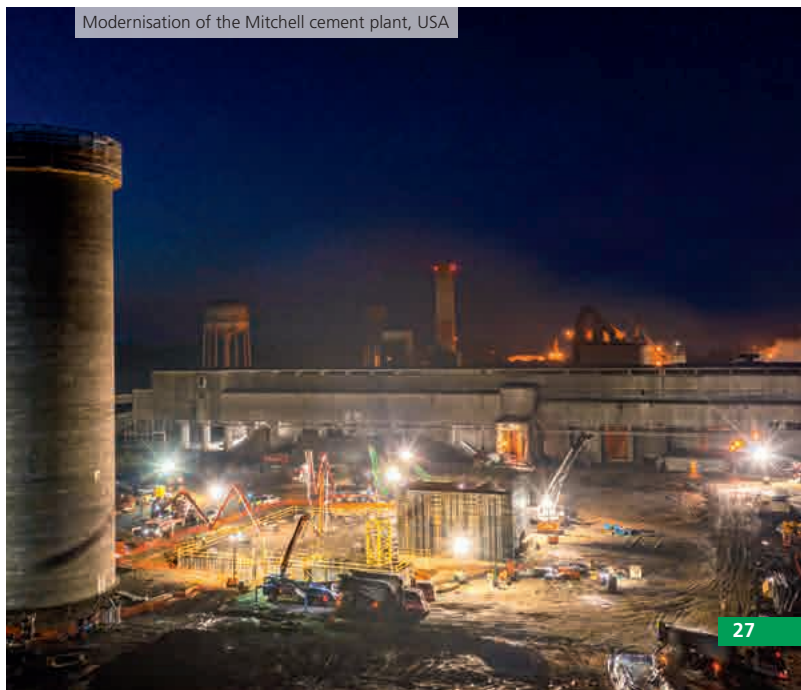
Sales volumes	2020
Cement and clinker	16 mt
Aggregates	126 mt
Ready-mixed concrete	8 m m ³
Asphalt	5 mt

Revenue in the Group area (€bn)	2020
Total revenue	4.6

Number of plants ¹⁾	2020
Cement	22
Aggregates	205
Ready-mixed concrete	193
Asphalt	48
Concrete products	3

1) Incl. joint ventures

Modernisation of the Mitchell cement plant, USA



Asia-Pacific

Bangladesh, Brunei, China, India, Indonesia, Malaysia, Singapore, Thailand; Australia

The Asia-Pacific Group area comprises nine countries. The focus of our business in Indonesia, India, Thailand, Bangladesh and Brunei is on cement production. In Australia, Malaysia and Indonesia, we are also active in ready-mixed concrete and aggregates, and we produce ready-mixed concrete in Thailand as well as asphalt in Malaysia and Australia. Australia and Indonesia generate the highest revenue in this Group area.

We are active in the cement business through joint ventures in Australia and China, and we have joint ready-mixed concrete operations in China.

Sales volumes	2020
Cement and clinker	33 mt
Aggregates	36 mt
Ready-mixed concrete	11 m m ³
Asphalt	2 mt

Revenue in the Group area (€bn)	2020
Total revenue	3.0

Number of plants ¹⁾	2020
Cement	25
Aggregates	91
Ready-mixed concrete	367
Asphalt	21

1) Incl. joint ventures

Tarjun cement plant, Indonesia



Employees in India



Ready-mixed concrete plant, Australia



Africa-Eastern Mediterranean Basin

Benin, Burkina Faso, DR Congo, Egypt, Gambia, Ghana, Liberia, Morocco, Mozambique, Sierra Leone, South Africa, Tanzania, Togo; Israel, Palestine, Turkey

The Africa-Eastern Mediterranean Basin Group area comprises 16 countries. While we mainly produce cement in the countries south of the Sahara, where we are among the four largest cement producers, in North Africa – Morocco and Egypt – we are active in both cement and ready-mixed concrete. In Morocco, we also produce aggregates. The top revenue generators in this Group area are Morocco, Ghana, Egypt and Togo.

In the Eastern Mediterranean, our activities extend primarily to Israel and Turkey. In Israel, we produce mainly aggregates and ready-mixed concrete – but also asphalt. Our joint venture Akçansa in Turkey is one of the largest cement producers in the country and is active in the ready-mixed concrete and aggregates business as well.

Sales volumes	2020
Cement and clinker	21 mt
Aggregates	7 mt
Ready-mixed concrete	5 m m ³
Asphalt	0.3 mt

Revenue in the Group area (€bn)	2020
Total revenue	1.8

Number of plants ¹⁾	2020
Cement	27
Aggregates	11
Ready-mixed concrete	88
Asphalt	1

1) Incl. joint ventures



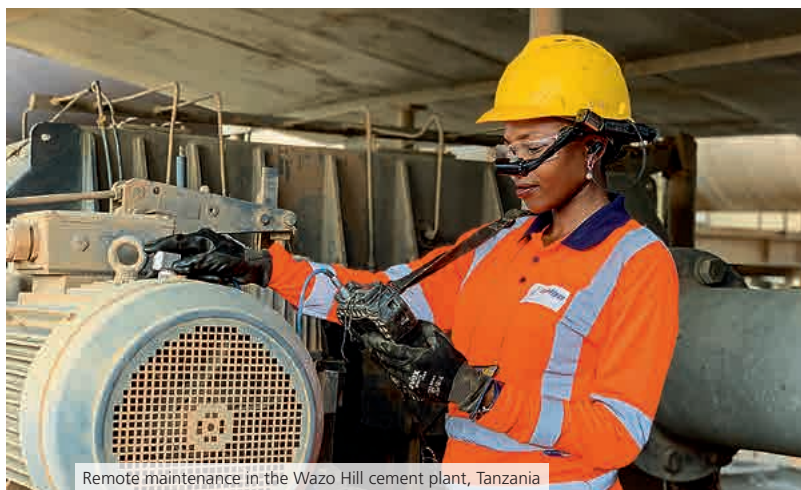
Marrakesh cement plant, Morocco



Employees in Egypt



Employees in ready-mixed concrete plant, Turkey



Remote maintenance in the Wazo Hill cement plant, Tanzania

Group Services

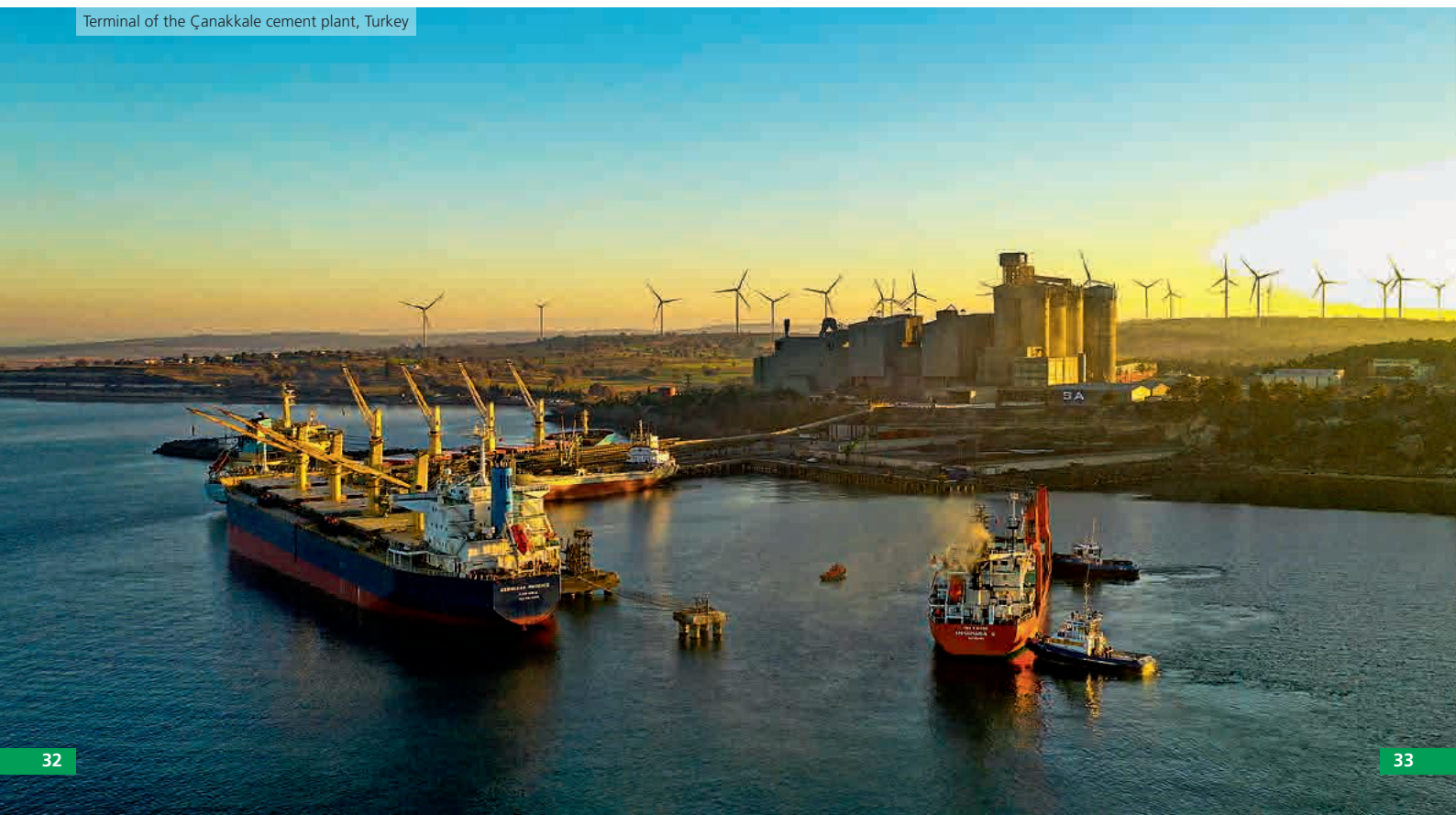
Group Services mainly comprises the activities of the HC Trading Group (HCT), one of the world's largest trading companies, primarily for cement, clinker and cementitious secondary materials. HCT also trades in solid and alternative fuels as well as other construction materials and additives.

The business unit's primary task is the international purchasing, transport and sale of bulk goods for HeidelbergCement Group by sea.

HCT's 2020 trade volume was 23 million tonnes, transported in more than 1,200 ship deliveries to its customers in around 80 countries.



Terminal of the Çanakkale cement plant, Turkey



HeidelbergCement in figures

€bn	2019	2020
Group revenue	18.9	17.6
Result from current operations before depreciation and amortisation	3.6	3.7
Result from current operations	2.2	2.4
Group share of adjusted profit ¹⁾	1.3	1.4
Cement and clinker sales volumes (mt)	126	122
Aggregates sales volume (mt)	308	296
Ready-mixed concrete sales volume (m m ³)	51	47
Asphalt sales volume (mt)	11	11
Number of employees	55,047	53,122

1) Adjusted for the additional ordinary result and a non-recurring deferred tax income in 2020.



Entrance hall of the HeidelbergCement headquarters, Heidelberg, Germany

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