



**Invitation  
to the Annual General Meeting  
of Heidelberg Materials AG  
on 16 May 2024**

**Heidelberg Materials AG**  
**Heidelberg**

ISIN DE0006047004 / WKN 604700

# Invitation to the Annual General Meeting of Heidelberg Materials AG on 16 May 2024

We hereby invite our shareholders to attend the Annual General Meeting of Heidelberg Materials AG which will be held on Thursday, 16 May 2024, at 10:00 a.m. (Central European Summer Time – CEST) as virtual meeting without attendance in person of the 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 Heidelberg Materials AG and Heidelberg Materials Group, as well as the report of the Supervisory Board for the 2023 financial year
2. Resolution on the appropriation of the balance sheet profit for the 2023 financial year
3. Resolution on the discharge of the Managing Board for the 2023 financial year
4. Resolution on the discharge of the Supervisory Board for the 2023 financial year
5. Resolution on the appointment of the auditor for the 2024 financial year
6. Resolution on the approval of the remuneration report for the 2023 financial year
7. Resolution on the approval of the remuneration system for the Managing Board
8. Election of Supervisory Board members
9. Resolution on the amendment of article 16 para. 1 sentence 1 of the Articles of Association (record date for the Annual General Meeting)

## Agenda

### 1. Submission of the adopted annual financial statements, the approved consolidated financial statements of the Group, the combined management report of Heidelberg Materials AG and Heidelberg Materials Group, as well as the report of the Supervisory Board for the 2023 financial year

The aforementioned documents also include the explanatory report on the statements in accordance with sections 289a para. 1 and 315a para. 1 of the German Commercial Code as well as the Corporate Governance statement with the Corporate Governance reporting for the 2023 financial year. They form part of the Annual and Sustainability Report 2023, with the exception of the adopted annual financial statements of Heidelberg Materials AG. These documents and the Managing Board's proposal for the appropriation of the balance sheet profit and the remuneration report may be viewed on the internet at [www.heidelbergmaterials.com/en/annual-general-meeting-2024](http://www.heidelbergmaterials.com/en/annual-general-meeting-2024) before and during the Annual General Meeting. The documents will also be explained in greater detail at the Annual 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 for the 2023 financial year

The balance sheet profit for the 2023 financial year of Heidelberg Materials AG amounts to €566,372,706.58. The Managing Board and the Supervisory Board propose

- a) that a dividend in the amount of €3.00 be paid out of the balance sheet profit per share entitled to dividend. If this proposal is accepted, dividends in the total amount of €546,204,360.00 would be paid for the 182,068,120 no-par value shares entitled to dividends for the 2023 financial year; and
- b) that the remaining balance sheet profit in the amount of €20,168,346.58 be carried forward in full.

Should the number of shares entitled to dividends for the 2023 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 €3.00 per share entitled to dividend as well as correspondingly adjusted amounts for the total dividend and the profit carried forward.

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 Annual General Meeting, i.e. on 22 May 2024.

### 3. Resolution on the discharge of the Managing Board for the 2023 financial year

The Managing Board and the Supervisory Board propose that discharge be granted to the members of the Managing Board in office in the 2023 financial year for this period and listed below in nos. 3.1 to 3.9:

- 3.1 Dr Dominik von Achten
- 3.2 René Aldach
- 3.3 Kevin Gluskie
- 3.4 Hakan Gurdal
- 3.5 Ernest Jelito
- 3.6 Dr Nicola Kimm
- 3.7 Dennis Lentz
- 3.8 Jon Morrish
- 3.9 Chris Ward

It is intended that the Annual 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 2023 financial year

The Managing Board and the Supervisory Board propose that discharge be granted to the members of the Supervisory Board in office in the 2023 financial year for this period and listed below in nos. 4.1 to 4.12:

- 4.1 Dr Bernd Scheifele
- 4.2 Heinz Schmitt
- 4.3 Barbara Breuninger
- 4.4 Birgit Jochens
- 4.5 Ludwig Merckle
- 4.6 Luka Mucic
- 4.7 Dr Ines Ploss
- 4.8 Peter Riedel
- 4.9 Werner Schraeder
- 4.10 Margret Suckale
- 4.11 Dr Sopna Sury
- 4.12 Univ.-Prof. Dr Marion Weissenberger-Eibl

It is intended that the Annual 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 2024 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 2024 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 2024 financial year, insofar as these are subjected 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 article 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. Resolution on the approval of the remuneration report for the 2023 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 and audited by the auditor for the previous financial year.

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 remuneration report for the 2023 financial year, including the auditor's report on the audit of the remuneration report, is set out after the agenda and available on the Company's website [www.heidelbergmaterials.com/en/annual-general-meeting-2024](http://www.heidelbergmaterials.com/en/annual-general-meeting-2024) from the time the Annual General Meeting is convened.

The Managing Board and the Supervisory Board propose that the remuneration report for the 2023 financial year be approved.

#### 7. Resolution on the approval of the remuneration system for the Managing Board

Section 120a para. 1 of the German Stock Corporation Act provides that the general meeting of listed companies must resolve on the approval of the remuneration system for the managing board members, prepared by the supervisory board, after any significant changes to the system, but at least every four years.

The Annual General Meeting last resolved on the remuneration system for Managing Board members of Heidelberg Materials AG on 6 May 2021. Based on the preliminary work of its Personnel Committee, the Supervisory Board on 13 November 2023 resolved on a revised remuneration system for the Managing Board members of the Company ("2024+ Remuneration System") with effect as of 1 January 2024. A detailed description of the 2024+ Remuneration System is set out after the agenda and available on the Company's website

[www.heidelbergmaterials.com/en/annual-general-meeting-2024](http://www.heidelbergmaterials.com/en/annual-general-meeting-2024) from the time the Annual General Meeting is convened. The significant changes made in comparison to the previous remuneration system are also shown there.

Based on the recommendation of its Personnel Committee, the Supervisory Board proposes that the revised remuneration system for the Managing Board members, as set out in more detail after this agenda, resolved by the Supervisory Board with effect as of 1 January 2024 be approved.

## 8. Election of Supervisory Board members

The term of office of all members of the Supervisory Board will expire upon the end of the Annual General Meeting on 16 May 2024, which is why new elections are required for all shareholder representatives.

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 paras. 1 and 2 of the Company's Articles of Association, the Supervisory Board of Heidelberg Materials AG is composed of six members to be elected by the Annual General Meeting and six members to be elected by the employees.

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 as a whole by the Supervisory Board in accordance with section 96 para. 2 sentence 2 of the German Stock Corporation Act (so-called overall fulfilment), if not the side of the shareholder or employee representatives object to the overall fulfilment in accordance with section 96 para. 2 sentence 3 of the German Stock Corporation Act based on a resolution passed with a majority. The overall fulfilment of this minimum quota requirement by the shareholder and employee representatives was objected to. The Supervisory Board must therefore be filled, in respect of both the shareholder representatives and the employee representatives, with at least two women and at least two men in each case in order to comply with the minimum quota requirement pursuant to section 96 para. 2

sentence 1 of the German Stock Corporation Act. The election of the candidates proposed by the Supervisory Board would fulfil the minimum quota requirement with regard to the shareholder representatives.

The election proposals for the shareholder representatives 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, are available on the website of the Company at [www.heidelbergmaterials.com/en/annual-general-meeting-2024](http://www.heidelbergmaterials.com/en/annual-general-meeting-2024) and will be accessible during the Annual General Meeting.

The Supervisory Board proposes that the persons listed below under 8.1 to 8.6 be elected to the Supervisory Board as shareholder representatives with effect as of the end of this Annual General Meeting. The person shall in each case be elected until the end of the Annual General Meeting that resolves on the discharge of the Supervisory Board for the 2027 financial year.

The following are proposed for re-election:

- 8.1 Dr Bernd Scheifele**, resident in Heidelberg  
Member of various supervisory bodies
- 8.2 Ludwig Merckle**, resident in Ulm  
Managing Director of Merckle Service GmbH
- 8.3 Luka Mucic**, resident in London  
Chief Financial Officer of Vodafone Group Plc
- 8.4 Margret Suckale**, resident in Tegernsee  
Member of various supervisory boards
- 8.5 Dr Sopna Sury**, resident in Willich  
Chief Operating Officer Hydrogen and member of the Executive Board of RWE Generation SE

The following person is proposed for new election:

**8.6 Gunnar Groebler**, resident in Hamburg  
Chief Executive Officer of Salzgitter AG

Mr Gunnar Groebler is to succeed Univ.-Prof. Dr Marion Weissenberger-Eibl, who is no longer available for re-election to the Supervisory Board of Heidelberg Materials AG.

For its election proposals, the Supervisory Board has made sure, with respect to the six proposed candidates, that these candidates can devote the expected amount of time required to fulfil their duties on the Supervisory Board of Heidelberg Materials AG.

It is intended that if Dr Bernd Scheifele is re-elected by the Annual General Meeting, he will be proposed to the Supervisory Board of Heidelberg Materials AG as a candidate for the position of Chairman of the Supervisory Board.

It is also intended that the Supervisory Board committees will have a majority of independent shareholder representatives.

CVs and further information on the Supervisory Board candidates proposed for the election (including the information in accordance with section 125 para. 1 sentence 5 of the German Stock Corporation Act) are set out after the agenda.

It is intended to have the Annual General Meeting decide on the elections of the shareholder representatives by way of individual votes.

**9. Resolution on the amendment of article 16 para. 1 sentence 1 of the Articles of Association (record date for the Annual General Meeting)**

The requirements for attending the Annual General Meeting and exercising voting rights contained in section 123 para. 4 sentence 2 of the German Stock Corporation Act were amended by the Future Financing Act, which entered into force in December 2023. According to the amended section 123 para. 4 sentence 2 of the German Stock Corporation Act, where bearer shares of listed companies are concerned, evidence of the shareholding pursuant to section 67c para. 3 of the

German Stock Corporation Act must no longer relate to the beginning of the 21st day prior to the general meeting, as has been the case thus far, but instead to the close of business on the 22nd day prior to the general meeting.

Article 16 para. 1 of the Articles of Association currently reads as follows:

“To attend and exercise their voting rights at the General Meeting, shareholders must have registered for the General Meeting and have provided the Company with proof of their shareholding as of the start of the 21st day before the General Meeting.”

The Articles of Association thus still reflect the requirements of section 123 para. 4 sentence 2 of the German Stock Corporation Act (old version). In order to have standardised wording in the Articles of Association and the law, article 16 para. 1 sentence 1 of the Articles of Association is to be adapted to the new section 123 para. 4 sentence 2 of the German Stock Corporation Act.

The Managing Board and the Supervisory Board propose that article 16 para. 1 sentence 1 of the Articles of Association be revised as follows:

“To attend and exercise their voting rights at the General Meeting, shareholders must have registered for the General Meeting and have provided the Company with proof of their shareholding as of the close of business on the 22nd day before the General Meeting.”

Article 16 para. 1 of the Articles of Association will otherwise remain unchanged.



Annex to agenda item 6

# Remuneration report for the 2023 financial year

## Introduction

The remuneration report sets out the principles and structure of the remuneration of the Managing Board and the Supervisory Board of Heidelberg Materials AG. The remuneration report contains the remuneration granted and owed in the 2023 financial year to the members of the Managing Board and Supervisory Board in office in the 2023 financial year and to former members. 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 28 April 2022.

The remuneration report was also audited with reasonable assurance by PricewaterhouseCoopers GmbH Wirtschaftsprüfungsgesellschaft beyond the requirements of section 162(3) of the AktG. The report on the audit of the remuneration report can be found at the end of the remuneration report.

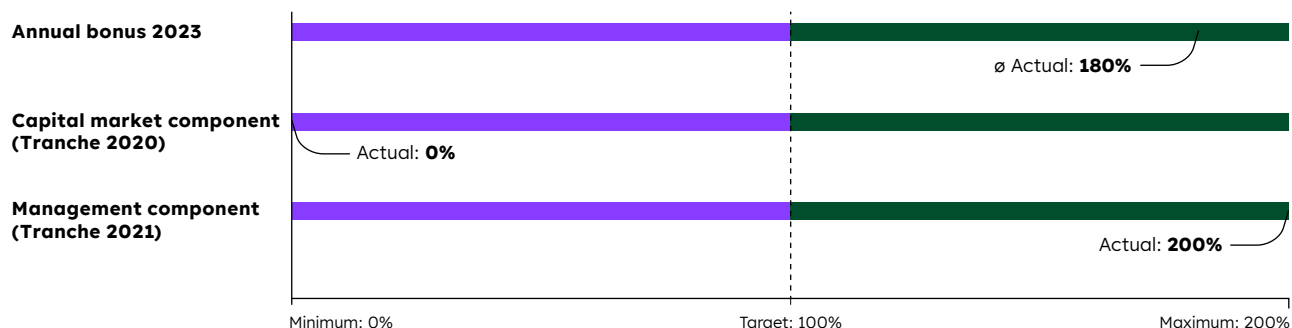
## Review of the 2023 financial year

### Business development and target achievement in the 2023 financial year

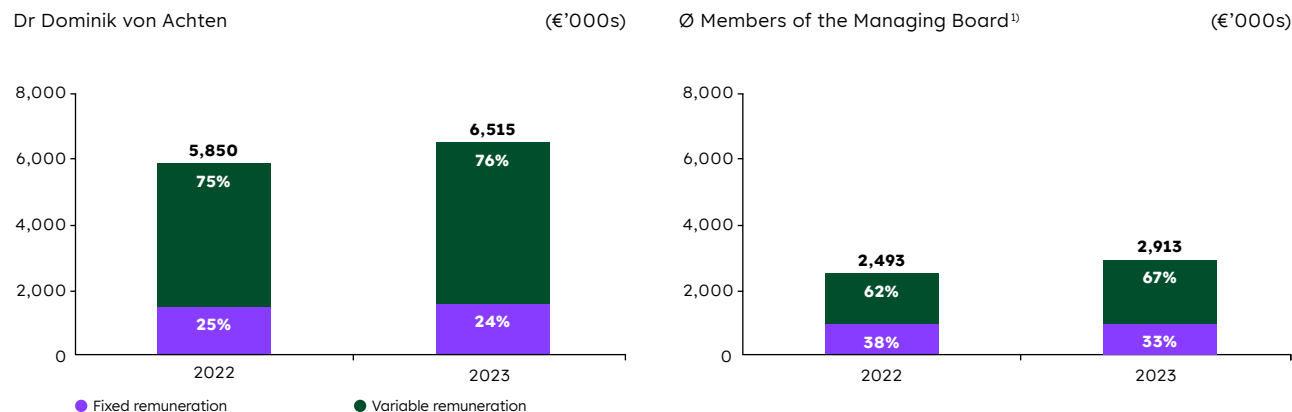
The excellent business development of Heidelberg Materials in the financial year 2023 is also reflected in the target achievement of the variable elements of the remuneration of the Managing Board. The record result in the profit for the financial year attributable to the shareholders of Heidelberg Materials AG adjusted for special effects and the reduction in CO<sub>2</sub> emissions 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 company strategy.

For the management component of the long-term bonus 2021-2023/2024, a strong performance of EBIT and ROIC, adjusted for special effects, led to a target achievement of 200 %. However, the total shareholder return (TSR) of the Heidelberg Materials share after the end of the performance period from 2020 to 2023 was below that of the TSRs of the DAX and the MSCI World Construction Materials Index. Consequently, and despite the positive development of the Heidelberg Materials share in 2023, there is no payment from the capital market component of the long-term bonus. This result can be explained, among other things, by the fact that the target achievement is measured by the change in TSR based on a four-year reference period prior to the start of the plan (degressive smoothing).

### Target achievement 2023



### Granted and owed remuneration in the 2023 financial year



1) Excluding the Chairman of the Managing Board

### Changes in the composition of the Managing Board

Long-standing member of the Managing Board Ernest Jelito retired with effect from 31 December 2023. Following the termination of his Managing Board mandate, it was agreed with Mr Jelito that he will remain available to Heidelberg Materials as an advisor until 31 December 2024. The fee to be paid to Mr Jelito for this activity will be calculated on the basis of the number of hours of consultancy provided. In addition, long-standing member of the Managing Board Kevin Gluskie stepped down from the Managing Board at the end of his term with effect from 31 January 2024.

On 1 January 2024, Roberto Callieri was appointed to the Managing Board and assumed responsibility for the Asia Group area. Chief Financial Officer René Aldach assumed additional responsibility for Australia with effect from January 2024. Axel Conrads was appointed to the Managing Board and made Chief Technical Officer as of 1 February 2024. In addition, as of 1 January 2024, the Western and Southern Europe Group areas and the majority of Northern and Eastern Europe-Central Asia were combined to form the new Europe Group area under the responsibility of Jon Morrish. Since January 2024, Hakan Gurdal has taken on responsibility for Kazakhstan and Russia in addition to his existing responsibility for the Africa-Eastern Mediterranean Basin Group area. Since then, the Group area has been called Africa and Mediterranean-Western Asia .

### 2022 remuneration report

In accordance with the requirements of the German Act Implementing the Second Shareholder Rights Directive (Gesetz zur Umsetzung der zweiten Aktionärs-rechterrichtlinie, ARUG II), the 2022 remuneration report was submitted to the 2023 Annual General Meeting as part of a consultative vote for approval pursuant to section 120a(4) of the AktG and approved with an acceptance rate of 91.06%. In view of the consistently high acceptance rates for our remuneration report at the Annual General Meeting in recent years, we have retained the basic structure and transparency and have only made selective adjustments to further improve the report. The 2022 remuneration report is available via the following link: <https://www.heidelbergmaterials.com/en/corporate-governance>.

### Further development of the remuneration system

The Supervisory Board is committed to continuously improving the remuneration system for the members of the Managing Board in the interests of the shareholders of Heidelberg Materials AG.

In the 2023 financial year, the Supervisory Board carried out a comprehensive review of the remuneration system, taking into account investor expectations and Heidelberg Materials' strategic objectives. The remuneration system further developed on the basis of the review (2024+ Remuneration System) will be submitted to the 2024 Annual General Meeting for approval and will then apply retroactively from 1 January 2024. The main features of the revised remuneration system are described in more detail at the end of this remuneration report.



## Remuneration of the Managing Board in the 2023 financial year

### Principles of the remuneration of the Managing Board

The remuneration system of the Managing Board is aligned with the 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 Heidelberg Materials. Both financial and non-financial performance criteria are used to represent the company's success as a whole. The consideration of ESG targets in the variable remuneration underlines the desire for excellent business performance as well as environmentally and socially responsible conduct.

The remuneration of the company's Managing Board 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 components, 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 Heidelberg Materials.

### Principles of the remuneration of the Managing Board

- Strong **pay for performance orientation** due to large performance-related share of total remuneration
- Alignment of performance-related remuneration and performance criteria with the long-term **Group strategy**
- **Sustainability** as an important component of the performance criteria for the variable remuneration
- **Alignment with shareholder interests** through share-based remuneration and share ownership obligation
- Use of **relative performance assessment** and **avoidance of retroactive adjustments** to target values or performance criteria during the year
- **Capping of total remuneration** through contractually **fixed payouts**
- **Malus and clawback rules** for the overall variable remuneration

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

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.

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 in 2021 after a resolution by the Supervisory Board and was approved by the Annual General Meeting 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 via the following link: <https://www.heidelbergmaterials.com/en/corporate-governance>.

Following a recommendation by the Personnel Committee, the Supervisory Board resolved to submit a revised remuneration system for members of the Managing Board to the Annual General Meeting in 2024 for approval. Following approval by the shareholders of Heidelberg Materials AG, the revised remuneration system shall apply retroactively to all members of the Managing Board with effect from 1 January 2024 and is available via the following link: <https://www.heidelbergmaterials.com/en/corporate-governance>.

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 Heidelberg Materials.

### 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 Heidelberg Materials. For the horizontal comparison, the selection of companies is based on the size and international activity of Heidelberg Materials, 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 Heidelberg Materials AG, both overall and in terms of development over time.

The following overview shows the development of the target direct remuneration (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 2019 to 2023. 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 development in remuneration and earnings section](#).

In the 2023 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 1:10 (previous year: 1:11), and the ratio to the total workforce of Heidelberg Materials AG was 1:39 (previous year: 1:41).

### Development of the average target direct remuneration<sup>1)</sup> of the Managing Board and total workforce of Heidelberg Materials AG

€'000s	2019	Change 2020/2019	2020	Change 2021/2020	2021	Change 2022/2021	2022	Change 2023/2022	2023
Managing Board <sup>2)</sup>	2,866.8	0.1%	2,868.7	-9.1%	2,607.8	-0.7%	2,590.5	0.8%	2,610.6
Top and senior management <sup>3)</sup>	217.2	5.9%	230.0	2.7%	236.3	-1.0%	233.9	8.0%	252.6
Total workforce of Heidelberg Materials AG <sup>4)</sup>	62.6	1.2%	63.4	1.4%	64.3	-2.2%	62.9	6.0%	66.6

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 decrease of 9.1% in the average target direct remuneration of the Managing Board from 2020 to 2021 is mainly due to the new appointment of three Managing Board members, whose target direct remuneration was lower than the average remuneration of the other Managing Board members.

3) Top- and Senior-Management of Heidelberg Materials AG excluding the Managing Board. Top Management comprises positions with management responsibility for global and area functions as well as for large- and medium-sized countries. Senior management comprises mostly positions with management responsibility that are not included in Top Management.

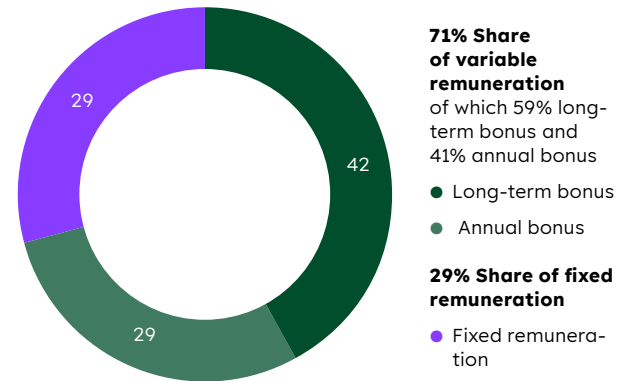
4) Including top and senior management, excluding Managing Board.

### Remuneration structure

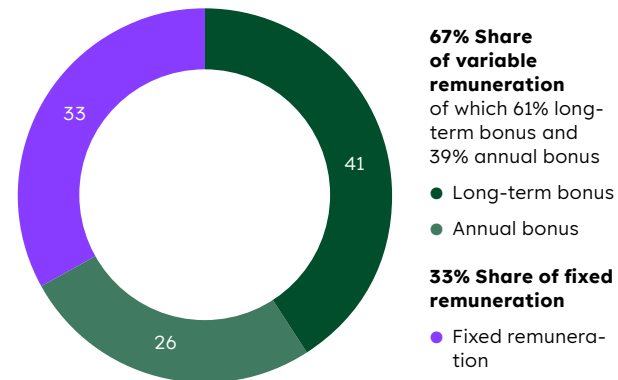
Pay for performance and the focus on the sustainable and long-term development of the company are central principles of the remuneration of its Managing Board. With these principles in mind, 71% of the target direct remuneration for the Chairman of the Managing Board and around 67% for the members of the Managing Board consists of variable remuneration components. 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 components.

#### Remuneration components of the Chairman of the Managing Board in %



#### Remuneration components of the members of the Managing Board<sup>1)</sup> in %



1) Excluding the Chairman of the Managing Board

## 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 of and tasks carried out by the individual member of the Managing Board.

The target remuneration of the members of the Managing Board who were active in the 2023 financial year is as follows for the 2023 financial year:

### Target remuneration

€'000s	Dr Dominik von Achten Chairman of the Managing Board		René Aldach Chief Financial Officer	
	2022	2023	2022	2023
<b>Fixed annual salary</b>	<b>1,469</b>	<b>1,525</b>	<b>600</b>	<b>600</b>
Fringe benefits	11	9	13	15
Contribution to private pension (cash allowance)	-	-	-	-
<b>One-year variable compensation</b>	<b>1,469</b>	<b>1,525</b>	<b>480</b>	<b>480</b>
Annual bonus 2022	1,469	-	480	-
Annual bonus 2023	-	1,525	-	480
<b>Multi-year variable compensation</b>	<b>2,263</b>	<b>2,288</b>	<b>750</b>	<b>750</b>
Long-term bonus plan 2022-2024/2025	2,263	-	750	-
Management component tranche 2022-2024	1,130	-	375	-
Capital market component tranche 2022-2025	1,133	-	375	-
Long-term bonus plan 2023-2025/2026	-	2,288	-	750
Management component tranche 2023-2025	-	1,144	-	375
Capital market component tranche 2023-2026	-	1,144	-	375
Others	-	-	-	-
Service costs	414	359	254	164
<b>Total compensation</b>	<b>5,626</b>	<b>5,706</b>	<b>2,097</b>	<b>2,010</b>

**Target remuneration**

	Kevin Gluskie Member of the Managing Board <sup>1)</sup>		Hakan Gurdal Member of the Managing Board		Ernest Jelito Member of the Managing Board		Dr Nicola Kimm Member of the Managing Board	
	2022	2023	2022	2023	2022	2023	2022	2023
€'000s								
<b>Fixed annual salary</b>	<b>960</b>	<b>894</b>	<b>770</b>	<b>770</b>	<b>719</b>	<b>728</b>	<b>600</b>	<b>600</b>
Fringe benefits	502	536	79	87	80	40	83	52
Contribution to private pension (cash allowance)	-	-	-	-	-	-	-	-
<b>One-year variable compensation</b>	<b>768</b>	<b>715</b>	<b>616</b>	<b>616</b>	<b>575</b>	<b>582</b>	<b>480</b>	<b>480</b>
Annual bonus 2022	768	-	616	-	575	-	480	-
Annual bonus 2023	-	715	-	616	-	582	-	480
<b>Multi-year variable compensation</b>	<b>1,164</b>	<b>1,158</b>	<b>963</b>	<b>963</b>	<b>907</b>		<b>750</b>	<b>750</b>
Long-term bonus plan 2022–2024/2025	1,164	-	963	-	907	-	750	-
Management component tranche 2022–2024	582	-	481	-	453	-	375	-
Capital market component tranche 2022–2025	582	-	481	-	454	-	375	-
Long-term bonus plan 2023–2025/2026	-	1,158	-	963	-	910	-	750
Management component tranche 2023–2025	-	579	-	481	-	455	-	375
Capital market component tranche 2023–2026	-	579	-	481	-	455	-	375
Others	-	-	-	-	-	-	-	-
Service costs	821	525	638	383	462	454	272	214
<b>Total compensation</b>	<b>4,215</b>	<b>3,828</b>	<b>3,065</b>	<b>2,818</b>	<b>2,742</b>	<b>2,715</b>	<b>2,185</b>	<b>2,096</b>

1) 90% of Kevin Gluskie's fixed annual salary, annual bonus and long-term bonus are paid by Heidelberg Materials Asia Pte. Ltd. The remaining 10% are paid by Heidelberg Materials AG. Kevin Gluskie receives his remuneration in Australian dollars in accordance with his employment contract. The average exchange rates for 2022 (1.5169 AUD/EUR) and 2023 (1.6290 AUD/EUR) were used for conversion into euros. The closing rates before the start of the performance period (31 December, 2021: 1.5647 AUD/EUR, 31 December, 2022: 1.5717 AUD/EUR) were used to convert the long-term bonus into euros.

**Target remuneration**

	Dennis Lentz Member of the Managing Board <sup>2)</sup>		Jon Morrish Member of the Managing Board		Chris Ward Member of the Managing Board <sup>3)</sup>	
	2022	2023	2022	2023	2022	2023
€'000s						
<b>Fixed annual salary</b>	<b>600</b>	<b>600</b>	<b>903</b>	<b>903</b>	<b>819</b>	<b>829</b>
Fringe benefits	326	412	97	82	60	58
Contribution to private pension (cash allowance)	-	-	-	-	401	392
<b>One-year variable compensation</b>	<b>480</b>	<b>480</b>	<b>722</b>	<b>722</b>	<b>655</b>	<b>663</b>
Annual bonus 2022	480	-	722	-	655	-
Annual bonus 2023	-	480	-	722	-	663
<b>Multi-year variable compensation</b>	<b>750</b>	<b>750</b>	<b>1,129</b>	<b>1,129</b>	<b>957</b>	<b>1,086</b>
Long-term bonus plan 2022–2024/2025	750	-	1,129	-	957	-
Management component tranche 2022–2024	375	-	564	-	478	-
Capital market component tranche 2022–2025	375	-	564	-	479	-
Long-term bonus plan 2023–2025/2026	-	750	-	1,129	-	1,086
Management component tranche 2023–2025	-	375	-	564	-	542
Capital market component tranche 2023–2026	-	375	-	564	-	544
Others	-	-	-	-	-	-
Service costs	237	145	572	324	-	18
<b>Total compensation</b>	<b>2,393</b>	<b>2,388</b>	<b>2,701</b>	<b>3,160</b>	<b>2,892</b>	<b>3,047</b>

2) 70% of Mr. Dennis Lentz's fixed annual salary, annual bonus, and long-term bonus are borne by Heidelberg Materials US, Inc. (Lehigh Hanson until 1 January 2023). The remaining 30% is borne by Heidelberg Materials AG.

3) 90% of Chris Ward's fixed annual salary, annual bonus, and long-term bonus are paid by Heidelberg Materials US, Inc. The remaining 10% are paid by Heidelberg Materials AG. Chris Ward receives his remuneration in US dollars in accordance with his employment contract. The average exchange rates for 2022 (1.0536 USD/EUR) and 2023 (1.0816 USD/EUR) were used for conversion into euros. The closing rates before the start of the performance period (31 December, 2021: 1.1370 USD/EUR, 31 December, 2022: 1.0705 USD/EUR) were used to convert the long-term bonus into euros.



### Compliance with the maximum remuneration under the previous remuneration system

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 components (annual bonus and long-term bonus), which are each limited to twice the target value, plus the discretionary adjustment of a maximum of 15% or, for old contracts of two members of the Managing Board, a maximum of 25%. 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 €8,400,000 based on individual contractual provisions. This corresponds to 157% of the target direct remuneration for the Chairman of the Managing Board and 177% of the target direct remuneration for René Aldach, Dr Nicola Kimm, and Dennis Lentz.

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 payouts resulting from the commitment for a financial year, regardless of when they are received. A compliance report on the maximum remuneration for

the 2023 financial year will therefore be prepared after the tranche of the long-term bonus promised in 2023 has been paid out. Compliance with the maximum remuneration will be reported in the remuneration report for the 2026 financial year after the end of the performance period of the capital market component of the 2023 tranche. If the payout from the long-term bonus results in the maximum remuneration being exceeded, the payout amount will be reduced accordingly to ensure compliance with the maximum remuneration.

At the end of the 2023 financial year, all remuneration components allocated in the 2020 financial year have been granted and are owed. The following table shows compliance with the maximum remuneration on an individualised basis for the members of the Managing Board in office in the 2020 financial year with the maximum remuneration levels applicable for the 2020 financial year:

### Remuneration paid for the 2020 financial year

	<b>Dr Bernd Scheifele</b> Chairman of the Managing Board (until 31 Jan. 2020)	<b>Dr Dominik von Achten</b> Chairman of the Managing Board (since 1 Feb. 2020)	<b>Dr Lorenz Näger</b> Member of the Managing Board	<b>Kevin Gluskie</b> Member of the Managing Board	<b>Hakan Gurdal</b> Member of the Managing Board	<b>Ernest Jelito</b> Member of the Managing Board	<b>Jon Morrish</b> Member of the Managing Board	<b>Chris Ward</b> Member of the Managing Board
€'000s/share in %	2020-2023	2020-2023	2020-2023	2020-2023	2020-2023	2020-2023	2020-2023	2020-2023
<b>Fixed annual salary 2020<sup>1)</sup></b>	<b>135</b>	<b>1,348</b>	<b>1,024</b>	<b>803</b>	<b>665</b>	<b>665</b>	<b>817</b>	<b>699</b>
One-year variable compensation	271	2,655	1,646	1,188	1,008	1,047	1,287	1,022
Annual bonus 2020	271	2,655	1,646	1,188	1,008	1,047	1,287	1,022
Multi-year variable compensation	203	1,976	1,255	1,096	875	875	1,075	936
Long-term bonus 2020-2022/2023								
Management component tranche 2020-2022	203	1,976	1,255	1,096	875	875	1,075	936
Capital market component tranche 2020-2023	0	0	0	0	0	0	0	0
<b>Total payments for the 2020 financial year</b>	<b>609</b>	<b>5,980</b>	<b>3,925</b>	<b>3,087</b>	<b>2,548</b>	<b>2,587</b>	<b>3,179</b>	<b>2,658</b>
Target direct remuneration 2020	473	4,783	3,143	2,575	2,100	2,100	2,580	2,224
Total payments for 2020 as % of target remuneration	129%	125%	125%	120%	121%	123%	123%	120%
Maximum remuneration as % of target remuneration	184%	158%	184%	184%	184%	184%	184%	184%
<b>Fixed maximum remuneration for 2020</b>	<b>871</b>	<b>7,556</b>	<b>5,783</b>	<b>4,738</b>	<b>3,864</b>	<b>3,864</b>	<b>4,747</b>	<b>4,092</b>
<b>Maximum remuneration complied with</b>	<b>yes</b>	<b>yes</b>	<b>yes</b>	<b>yes</b>	<b>yes</b>	<b>yes</b>	<b>yes</b>	<b>yes</b>

1) Including a pay-cut of 20% of the monthly base salary in Q2 2020 of the active Managing Board Members

### Application of the remuneration system in the 2023 financial year

The remuneration system of the Managing Board consists of fixed and variable remuneration components.

The fixed components consist of the fixed annual salary, the fringe benefits, and – if contractually agreed – a so-called cash allowance for private pension 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 components and their time horizon:

### Remuneration components and time frame, application 2023

Fixed remuneration components	
<b>Fixed annual salary</b> 2023 2024 2025 2026	<b>Designed as:</b> Fixed cash payment relating to the financial year, paid on a monthly basis, cash allowance (only Chris Ward) <b>Share of target direct remuneration:</b> Chairman of the Managing Board 29%, members of the Managing Board 33%
<b>Fringe benefits</b> 2023 2024 2025 2026	<b>Arrangement:</b> Especially company cars, driving services, school fees, flight costs, tax consultancy costs, insurance benefits, individually agreed membership fees and secondment-related non-cash benefits
Variable remuneration components	
<b>Annual bonus</b> 2023 2024 2025 2026	<b>Designed as:</b> Target bonus <b>Performance criteria:</b> 2/3 Profit/loss for the financial year attributable to Heidelberg Materials AG shareholders and CO <sub>2</sub> component, 1/3 individual targets <b>Target achievement:</b> 0–200% target achievement <b>Cap:</b> 200% of target value <b>Share of target direct remuneration:</b> Chairman of the Managing Board 29%, members of the Managing Board 26%
<b>Long-term bonus</b>	<b>Cap of long-term bonus:</b> (sum of management component and capital market component) 200% <b>Share of target direct remuneration:</b> Chairman of the Managing Board 42%, members of the Managing Board 41%
<b>Management component</b> 2023 2024 2025 2026	<b>Designed as:</b> 50% performance cash plan <b>Performance period:</b> Three years <b>Performance criteria:</b> 50% EBIT, 50% ROIC <b>Target achievement:</b> 0–200% target achievement <b>Cap:</b> 200% of target value
<b>Capital market component</b> 2023 2024 2025 2026	<b>Designed as:</b> 50% performance cash plan <b>Performance period:</b> Four years <b>Performance criteria:</b> 50% relative TSR vs. DAX, 50% relative TSR vs. MSCI World Construction Materials Index <b>Target achievement:</b> 0–200% target achievement <b>Cap:</b> 400% of target value

In addition to the remuneration components 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 Managing Board remuneration system is the mandatory share ownership, which obliges the members of the Managing Board to build up a contractually defined portfolio of Heidelberg Materials AG shares during their appointment and to hold them until the end of their appointment.

### Fixed remuneration components

#### 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 paid in 12 monthly instalments.

The employment contracts of the members of the Heidelberg Materials Managing Board provide for periodic reviews of the fixed annual salary. In the past financial year, the fixed annual salary of Chris Ward was reviewed and adjusted. In connection with his re-appointment, Chris Ward's fixed annual salary was in-

creased by 8% with effect from 1 September 2023. Taking into account the most recent adjustment to the fixed annual salary in May 2022, this corresponds to an annual rate of increase of 2.9% since his appointment to the Managing Board in the year 2019. In comparison, the average annual rate of increase for the total workforce of Heidelberg Materials AG over the years 2020 to 2023 was over 2.9% as well. In line with the procedure described in section 1.3, the appropriateness of the remuneration of the Managing Board members concerned was also reviewed in the course of these adjustments.

#### Fringe benefits

In the 2023 financial year, the taxable fringe benefits of the members of the Managing Board consisted of the provision of company cars and driving services, costs for flights home, 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 foreign health insurance as well as relocation and cost-of-living expenses.

No further fringe benefits were granted to the members of the Managing Board in the 2023 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 components

The variable remuneration components include the annual bonus and the long-term bonus. While the annual bonus relates to a financial year, the long-term bonus has a duration (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 components to measure the target achievement. The performance criteria are derived from the 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**

	Growth and transformation	Sustainability	Digitalisation	People and organisation	Corporate portfolio	Capital allocation	Value creation
<b>Annual bonus</b>							
Profit for the financial year attributable to Heidelberg Materials AG shareholders	●					●	●
CO <sub>2</sub> component	●	●		●	●	●	●
Individual targets	●	●	●	●	●	●	●
<b>Long-term bonus</b>							
EBIT	●					●	●
ROIC	●					●	●
Relative 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 margin of discretion has been reduced to ±15% of the target value of the variable remuneration components. For Managing Board agreements con-

cluded before 2019, it is ±25% of the respective target value. In the 2023 reporting year, this still applies to Managing Board members Kevin Gluskie and Hakan Gurdal. 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 2023 financial year.

**Annual bonus**

**Fundamentals of the annual bonus**

The annual bonus is a variable remuneration component that provides incentives to implement the operational targets 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.

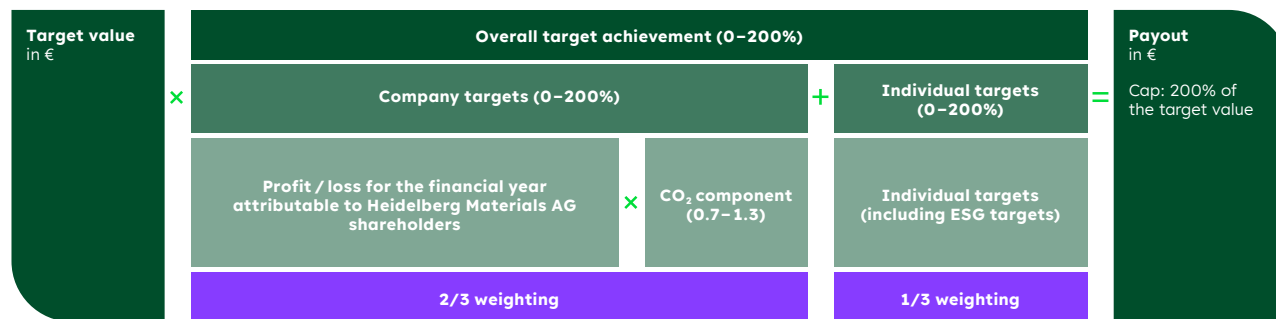
terion. Special items are only taken into account above a value of €20 million.

The profit for the financial year attributable to the shareholders of Heidelberg Materials AG reflects Heidelberg Materials' profitability as a basic parameter. Increasing the value of the Group through sustainable and result-oriented growth is intended to guarantee a lasting entrepreneurial capacity to act. In line with its financial strategy, Heidelberg Materials strives to offer an attractive investment opportunity for its shareholders and to pursue a progressive dividend policy. The profit for the financial year attributable to the shareholders of Heidelberg Materials AG provides the basis for dividend payments. As a component of the annual bonus, this key figure is therefore intended to provide incentives for profitable management.

In order to calculate the target achievement of the performance criterion profit for the financial year attributable to the shareholders of Heidelberg Materials AG, the Supervisory Board determines a target corridor and the thresholds (floor and cap) at the beginning of the respective financial year. The target achievement can range from 0% to 200%. For the 2023 financial year, the Supervisory Board set a target corridor of €1,268 million to €1,288 million. The target achievement rate is 100% if the actual value of the profit for the financial year attributable to the shareholders of Heidelberg Materials AG is within the target corridor. The floor was set at €1,068 million and the cap at €1,413 million.

In the 2023 financial year, the actual value of the profit for the financial year attributable to the shareholders of Heidelberg Materials AG, including adjustments for special items relevant to remuneration, amounted to €1,865 million. This results in a target achievement of 200%.

**Annual bonus**



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 corporate targets (profit for the financial year attributable to the shareholders of Heidelberg Materials AG and CO<sub>2</sub> component) and one third by individual targets. The achievement of the corporate targets is calculated by multiplying the target achievement of the performance criterion profit for the financial year attributable to the shareholders of Heidelberg Materials AG by the multiplier of the CO<sub>2</sub> 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.

**Profit/loss for the financial year attributable to Heidelberg Materials AG shareholders**

The profit for the financial year attributable to the shareholders of Heidelberg Materials AG, adjusted for special items, is the basis for the first performance cri-

The following adjustments were made:

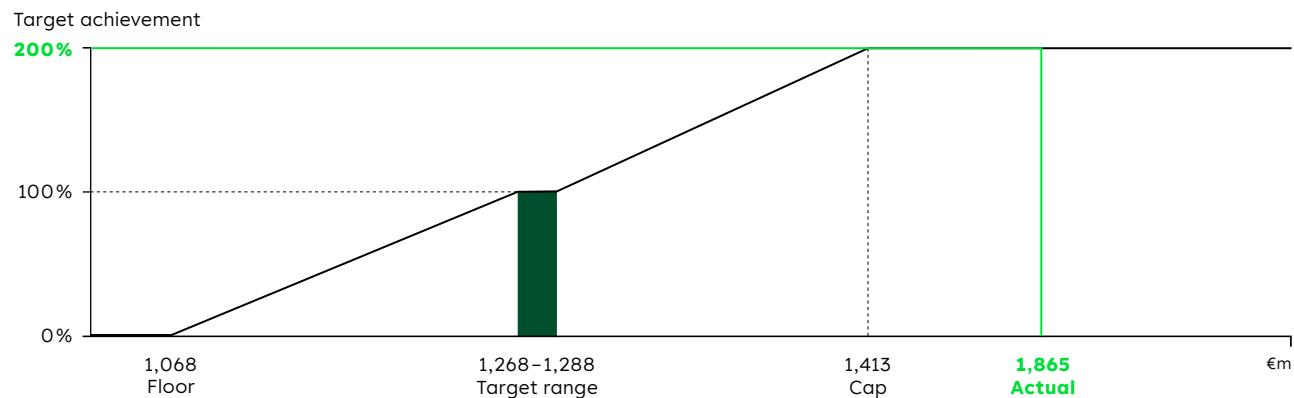
- Profits in the amount of €33 million from the sale of the Chaney group in North America were subtracted
- Impairment of the participation in the joint venture Duna Dráva Kft. in Hungary in the amount of €23 million due to the introduction of new taxes was added
- Reversal of impairment of the participation in the joint venture Akçansa Çimento Sanayi ve Ticaret A.Ş. in the amount of €57 million as a result of an increased stock market value and improved business plan was subtracted
- €29 million positive effect related to deferred taxes and tax provision were subtracted

- Expenses of €61 million recognised in connection with a claim for damages were added
- €50 million related to planned restructuring were subtracted

For the calculation of the profit for the financial year attributable to the shareholders of Heidelberg Materials AG, the mentioned adjustments are corrected for the respective tax effects.

The following graph presents the target achievement of the performance criterion profit for the financial year attributable to the shareholders of Heidelberg Materials AG:

**Profit/loss for the financial year attributable to Heidelberg Materials AG shareholders**





**CO<sub>2</sub> component**

The CO<sub>2</sub> component in the annual bonus is intended to provide a significant incentive to achieve the CO<sub>2</sub> reduction targets set as part of the Group strategy. At the same time, the aim is to promote the long-term and sustainable development of Heidelberg Materials by orienting the business model towards resource-efficient production.

The methodology for calculating the CO<sub>2</sub> component is based on an internal definition for the specific CO<sub>2</sub> emissions per tonne of cement. The internal definition takes into account the CO<sub>2</sub> emissions of the main process steps in cement manufacture. These include the consumption of raw materials and fuel, clinker production, and clinker grinding. The CO<sub>2</sub> emissions of purchased clinker are also factored in. In line with the EU ETS accounting methodology, the biomass content of the alternative fuels used is considered carbon-neutral.

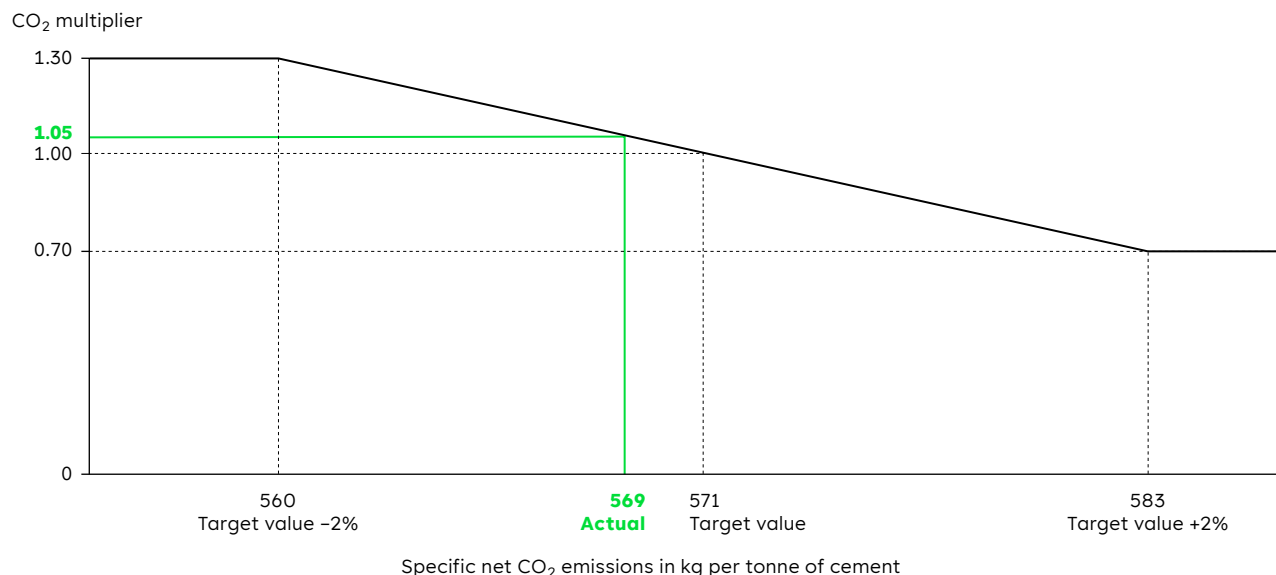
To ensure comparability with relevant competitors, Heidelberg Materials reports on CO<sub>2</sub> emissions in accordance with the GCCA standard (specific net CO<sub>2</sub> emissions per tonne of cementitious material) in the **Non-financial statement chapter**. Compared with the internal definition, the net CO<sub>2</sub> emissions calculation considers alternative fuels in their entirety as carbon-neutral rather than just their biogenic content. As a result, the CO<sub>2</sub> emissions according to the internal definition are higher than those calculated in line with the GCCA standard.

The CO<sub>2</sub> component is set up as a multiplier, which can range between 0.7 and 1.3 (CO<sub>2</sub> multiplier). To determine the CO<sub>2</sub> multiplier, the Supervisory Board defines a target for the specific CO<sub>2</sub> emissions per tonne of cement at the beginning of the respective financial year. That target is derived from Heidelberg Materials' long-term CO<sub>2</sub> roadmap and the Group's current CO<sub>2</sub> performance. For the 2023 financial year, the Supervisory Board set a target value of 571 kg of CO<sub>2</sub> per tonne of cement. 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<sub>2</sub> multiplier between 1.3 (at -2%: cap) and 0.7 (at +2%: floor).

In the 2023 financial year, the actual value of CO<sub>2</sub> emissions was 569 kg of CO<sub>2</sub> per tonne of cement. This results in a CO<sub>2</sub> multiplier of 1.05. The following graph shows the target achievement of the CO<sub>2</sub> component:

**CO<sub>2</sub> component**



### 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. The target achievement can range from 0% to 200%.

Individual targets were agreed for each member of the Managing Board in 2023 depending on their respective area of responsibility. These targets are based on the objectives of the Group strategy: growth and transformation, sustainability, digital transformation, people and organisation, corporate portfolio, capital allocation, and added value. Strategic growth targets were implemented in the areas of growth and transformation as well as corporate portfolio, particularly for recycling and digital partnerships. In order to achieve Heidelberg Materials' sustainability goals, targets were agreed to increase revenue from sustainable products, reduce the global carbon footprint, further improve sustainability reporting, and increase occupational safety. As for digital transformation, targets were set to commercialise digital products, enable efficiency gains in production and administration (HProduce), and further strengthen the digital customer base (HConnect). In order to improve capital allocation and added value, targets were set to increase free cash flow, cash conversion rate, and RCOBD margin as well as to reduce fixed costs.

For 2023, the achievement rate of individual targets for Managing Board members was between 128% and 152%. In many areas, the Managing Board not only achieved the targets, but even exceeded them. In the area of sustainability, we increased revenue of sustainable products and launched initiatives to further reduce our carbon footprint. In the area of digitalization, the digital customer base was increased (HConnect), the growth of investments (e.g. Giatec) was accelerated and measures to further improve cyber security were implemented. The acquisition of various companies and targeted disposals further expanded our presence in strategically important markets and advanced the optimization of our company portfolio. In terms of capital allocation and value creation, our excellent performance was reflected in the increase in free cash flow and the cash conversion rate (ratio of free cash flow to EBITDA) as well as the significant recovery in our profit margins (RCOBD margin). At the same time, fixed cost reduction targets were missed due to the persistently high inflation rates worldwide.

The following table provides an overview of the targets and their achievement per Managing Board member for 2023.

**Individual target achievement of Managing Board members**

	Individual target	2023
Dr Dominik von Achten	<ul style="list-style-type: none"> <li>- Growth targets and portfolio optimisation for Heidelberg Materials</li> <li>- Acceleration of sustainability transformation (focus on sustainable products, improvement of ratings, and occupational safety)</li> <li>- Growth in digital partnerships and IT security</li> <li>- Improvement of free cash flow and cash conversion rate</li> <li>- Transformation of the Managing Board</li> </ul>	152%
René Aldach	<ul style="list-style-type: none"> <li>- Improvement of free cash flow and cash conversion rate</li> <li>- Optimisation of finance structure</li> <li>- Audit of sustainable revenues with reasonable assurance</li> <li>- Increased efficiency through centralisation of internal services and reduction of fixed costs</li> </ul>	152%
Kevin Gluskie	<ul style="list-style-type: none"> <li>- Alignment of Asia-Pacific (APAC) portfolio focus with Group strategy</li> <li>- APAC financial targets (free cash flow, cash conversion rate, fixed costs, RCOBD margin)</li> <li>- Increase of sustainable revenues, occupational safety, and reduction of the carbon footprint in APAC</li> <li>- Strengthening the digital customer and partner base in APAC</li> <li>- Operational targets for ready-mixed concrete</li> </ul>	138%
Hakan Gurdal	<ul style="list-style-type: none"> <li>- Alignment of Africa-Eastern Mediterranean Basin (AEM) portfolio focus with Group strategy</li> <li>- Financial targets for AEM and Heidelberg Materials Trading (free cash flow, cash conversion rate, fixed costs, RCOBD margin)</li> <li>- Increase of sustainable revenues, occupational safety, and reduction of the carbon footprint in AEM</li> <li>- Digital transformation in AEM</li> <li>- Increased use of alternative fuels</li> </ul>	140%
Ernest Jelito	<ul style="list-style-type: none"> <li>- Alignment of Northern and Eastern Europe-Central Asia (NEECA) portfolio focus with Group strategy</li> <li>- NEECA financial targets (free cash flow, cash conversion rate, fixed costs)</li> <li>- Increase of sustainable revenues, occupational safety, and reduction of the carbon footprint in NEECA</li> <li>- CCU/S project goals</li> <li>- Strengthening the digital customer and partner base and process optimisation through digital transformation in NEECA</li> </ul>	142%
Dr Nicola Kimm	<ul style="list-style-type: none"> <li>- Reduction of the carbon footprint through increase of sustainable revenues, development of new products, and update of the CO<sub>2</sub> roadmap</li> <li>- Volume scale-up of innovative products (3D printing, ultra-high-performance concrete, low-carbon concrete)</li> <li>- Sustainability reporting and improvement of ratings</li> </ul>	140%
Dennis Lentz	<ul style="list-style-type: none"> <li>- Strengthening the digital customer base</li> <li>- IT security and optimisation of digitised administrative processes</li> <li>- Process optimisation through digital transformation</li> <li>- Growth targets for Command Alkon, Giatec, C60</li> </ul>	135%

**Individual target achievement of Managing Board members**

	Individual target	2023
Jon Morrish	<ul style="list-style-type: none"> <li>- Growth of the recycling platform</li> <li>- Western Europe (WSE) financial targets (free cash flow, cash conversion rate, fixed costs, RCOBD margin)</li> <li>- Increase of sustainable revenues, occupational safety, and reduction of the carbon footprint in WSE</li> <li>- Strengthening the digital customer base and commercialisation of digital products in WSE</li> <li>- Global roll-out of the new Heidelberg Materials brand</li> </ul>	147%
Chris Ward	<ul style="list-style-type: none"> <li>- Strategic growth and sustainability targets for North America (NAM)</li> <li>- NAM financial targets (free cash flow, cash conversion rate, fixed costs, RCOBD margin)</li> <li>- Increase of sustainable revenues, occupational safety, and reduction of the carbon footprint in NAM</li> <li>- Strengthening the digital customer and partner base and commercialisation of digital products in NAM</li> <li>- Reduction of aggregates inventories</li> </ul>	128%

### Annual bonus 2023 – 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 2023:

#### Overall target achievement Annual bonus 2023

€'000s	Target value	Target achievement			Total	Total	Payout
		Profit/loss for the financial year attributable to Heidelberg Materials AG shareholders	CO <sub>2</sub> multiplier	Individual targets (1/3)			
Dr Dominik von Achten	1,525				152%	184%	2,806
René Aldach	480				152%	184%	883
Kevin Gluskie	715				138%	179%	1,282
Hakan Gurdal	616				140%	180%	1,109
Ernest Jelito	582	200%	1.05	200%	142%	181%	1,052
Dr Nicola Kimm	480				140%	180%	864
Dennis Lentz	480				135%	178%	856
Jon Morrish	722				147%	182%	1,317
Chris Ward	663				128%	176%	1,168
<b>Total</b>	<b>6,264</b>						<b>11,337</b>

In the event that a Managing Board membership begins or terminates during the year, the target achievement is applied to the target value reduced pro rata temporis in order to calculate the payout amount (this does not apply to any Managing Board member for the 2023 financial year). The 2023 annual bonus will be paid after the Annual General Meeting in 2024.

### Long-term bonus

The long-term bonus is a variable remuneration component based on the company's long-term performance 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 members of the Managing Board.

At the beginning of the 2023 financial year, the long-term bonus 2023–2025/2026 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 2023 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), thus establishing a direct link to the development of the Heidelberg Materials share price and strengthening 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 Heidelberg Materials share at the start of the performance period (allocation price). The allocation price is the average of the daily closing prices of the Heidelberg Materials 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 2023–2025/2026 and the 2023 tranche of the capital market component is €48.74.

At the end of 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 by the current reference price of the Heidelberg Materials 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 is the average of the daily closing prices of the Heidelberg Materials 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 2023–2025/2026:

#### Allocation long-term bonus 2023–2025/2026

€'000s	Management component		Allocation price in €	Number of provisionally allocated PSUs	Maximum possible number of PSUs	Overall target value
	Target value	Target value				
Dr Dominik von Achten	1,144	1,144	48.74	23,466	46,933	2,288
René Aldach	375	375		7,694	15,388	750
Kevin Gluskie	579	579		11,879	23,758	1,158
Hakan Gurdal	481	481		9,874	19,748	963
Ernest Jelito	455	455		9,335	18,670	910
Dr Nicola Kimm	375	375		7,694	15,388	750
Dennis Lentz	375	375		7,694	15,388	750
Jon Morrish	564	564		11,579	23,159	1,129
Chris Ward <sup>1)</sup>	542	544		11,162	22,324	1,086
<b>Total</b>	<b>4,890</b>	<b>4,892</b>			<b>100,377</b>	<b>200,755</b>

1) Calculation basis: daily pro rata calculation from 1 January 2023 to 31 August 2023 and from 1 September 2023 due to a salary change over the term of 3 and 4 years, respectively.

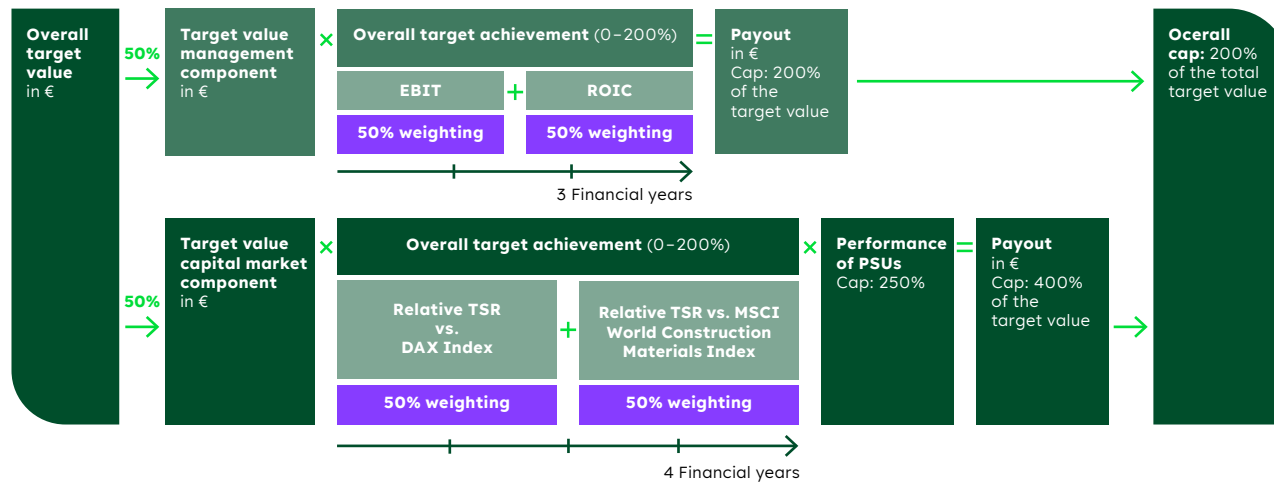
If the term of office of a Managing Board member begins or ends during the year, the target value for both the management component and the capital market component will be calculated to the day pro rata temporis based on the period from the date of appointment to the end of the respective performance 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 capped at a maximum of 200% of the contractually agreed target value, where the amount of the capital market component can offset the amount of the management component payout.

**Long-term bonus**



### Performance criteria of the management component

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

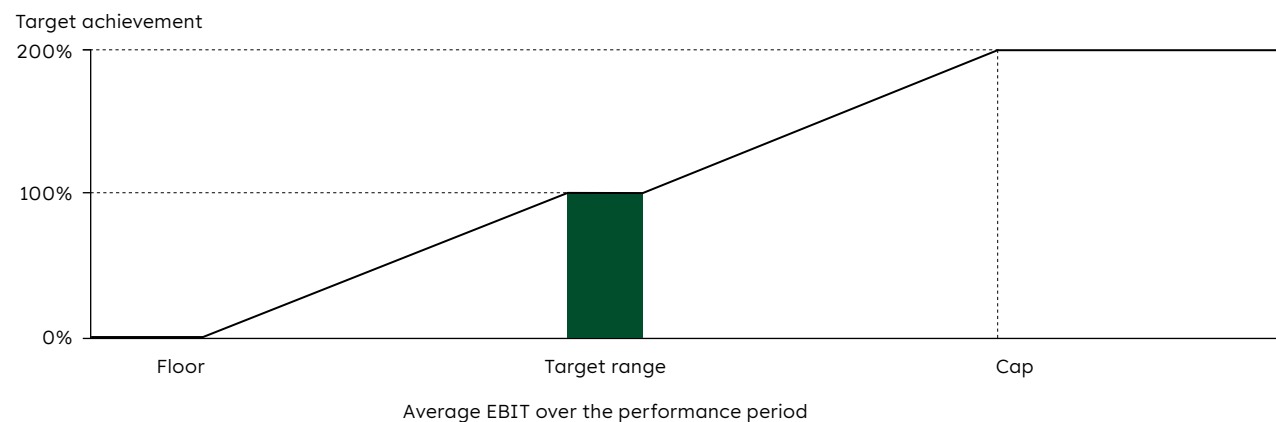
#### EBIT

The basis for the performance criterion is the EBIT, which is adjusted for one-time special effects that could not be foreseen at the time when the operating plan and the targets were set. As for the calculation of the profit for the financial year attributable to the shareholders of Heidelberg Materials AG, only special items above a threshold of €20 million are taken into account.

EBIT is a measure of profitability and reflects the economic strength of Heidelberg Materials. Combined with the consideration of the profit for the financial year attributable to the shareholders of Heidelberg Materials AG in the annual bonus, incentives for profitable growth are thus provided in both the short-term and long-term variable remuneration components.

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 (floor and cap). 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. The target achievement can range from 0% to 200%.

### Performance criterion EBIT



For the performance criterion EBIT, the defined target corridor, the thresholds (cap and floor), 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 ended.

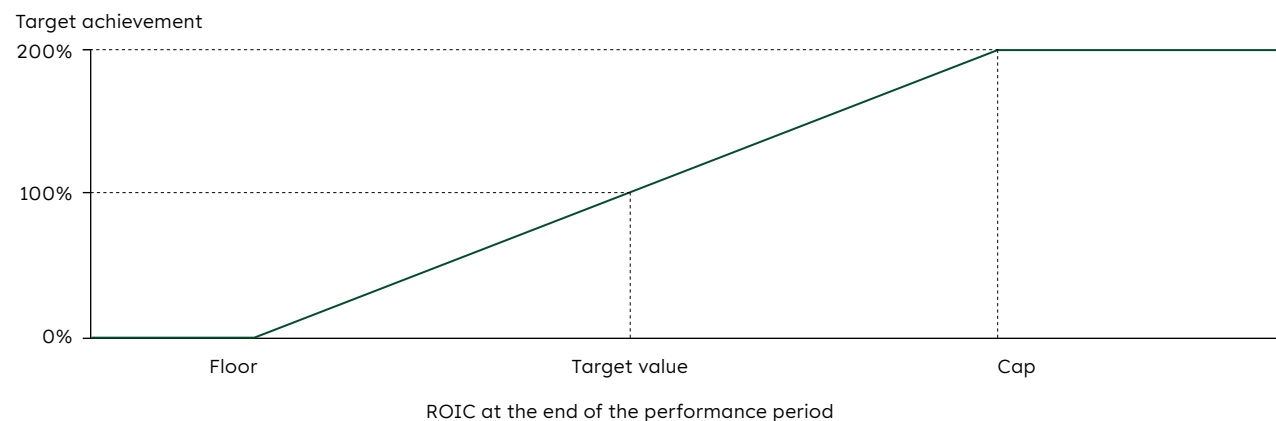
**ROIC**

The performance criterion is based on ROIC. Starting with the 2023 tranche of the long-term bonus, adjusted ROIC is calculated as EBIT adjusted for exchange rate effects less standard taxes and divided by invested capital. EBIT is adjusted solely for exchange rate differences compared with the assumptions made in the operational plan in the first year of the performance period. The standard tax rate is calculated by dividing the current tax expense (non-deferred) for the current year by the profit before tax adjusted for impairments. For tranches of the long-term bonus that were awarded before 2023, a different calculation methodology applies, which is described in the **Completed tranches at the end of the 2023 financial year section**. ROIC is

one of Heidelberg Materials’ most important financial performance indicators. The inclusion of ROIC as a performance criterion in the long-term bonus therefore provides further incentives 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 depending on the target value. The target value set by the Supervisory Board is derived from the company’s relevant three-year operational plan. The target achievement can range from 0% to 200%.

**Performance criterion ROIC**



For the performance criterion ROIC, the defined target value, the thresholds (cap and floor), 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 ended.

### 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 Heidelberg Materials share (calculated as percentage increase in share value taking into account reinvested dividend payments and adjustments for capital measures) with the performance of the two capital market indices DAX and MSCI World Construction Materials Index.

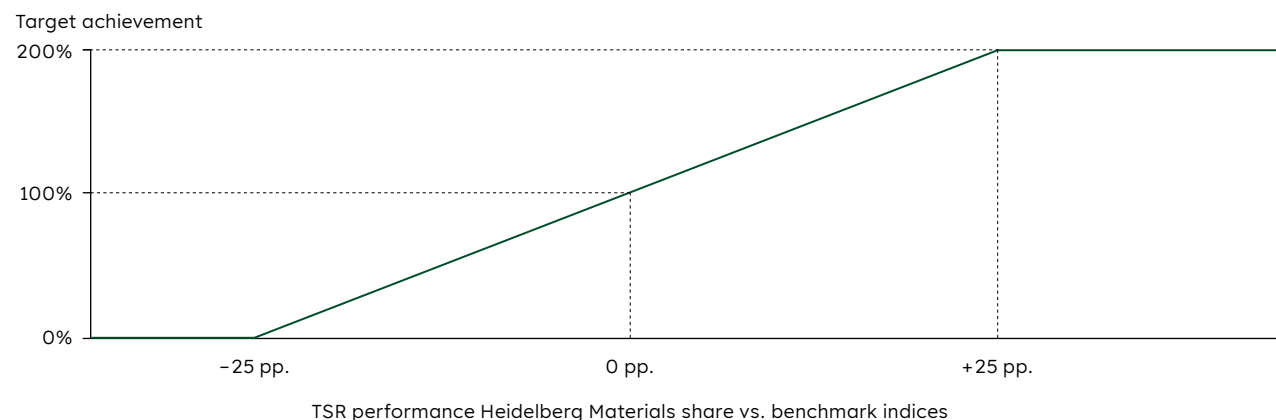
Relative TSR represents a capital market-oriented performance criterion that provides an incentive for the sustainable and long-term outperformance of the peer

groups and is thus in line with Heidelberg Materials' target of offering shareholders an attractive investment opportunity. Furthermore, the relative TSR adds a relative performance metric to the long-term bonus.

The target achievement range 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 start of the plan (degressive smoothing). The development of the TSR of the Heidelberg Materials share 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 2023 financial year

At the end of the 2023 financial year, the 2021 tranche of the management component (long-term bonus 2021–2023/2024) and the 2020 tranche of the capital market component (long-term bonus 2020/2022/2023) were completed. The structure of the two completed tranches largely corresponds to the tranches of the long-term bonus allocated in the 2023 financial year.

### 2021 tranche of the management component

The target achievement for the 2021 tranche of the management component was determined on the basis of the equally weighted performance criteria EBIT and ROIC. Deviating from the calculation methodology applied since the 2023 tranche and described in the previous section, ROIC is calculated as the ratio between the adjusted EBIT minus standard taxes and invested capital.

Invested capital is calculated as equity plus net financial liabilities less “loans,” “financial investments,” and current “interest-bearing receivables” at the end of the performance period. Invested capital is calculated as the average of the opening balance sheet and the closing balance sheet of the last year of the management component performance period.

Before the start of the tranche, a target corridor of €2,295 million to €2,395 million corresponding to a target achievement of 100% 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 €2,647 million (2021: €2,565 million, 2022: €2,419 million, 2023: €2,957 million). The individual annual figures are adjusted for the special items relevant to remuneration that were also taken into account when determining the profit for the financial year attributable to the shareholders of Heidelberg Materials AG 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 2023 these are listed in the **Annual bonus section** and include the gains from the sale of the Chaney group in North America, impairments of the participation in the joint venture Duna Dráva Kft. in Hungary, reversal of impairment of the participation in the joint venture Akçansa Çimento Şanayi ve Ticaret A.S. This results in a target achievement for EBIT of 200%.

Before the start of the tranche, a target value of 8.70% was set for ROIC, for which a target achievement of 100% could be reached. The lower threshold (floor) for ROIC, where the target achievement is 0%, is 8.00%, while the upper threshold (cap) for ROIC, which must be reached for a target achievement of 200%, is 9.40%. The actual ROIC value at the end of the performance period was 10.1%, corresponding to a target achievement of 200%.

Based on the target achievements in the two performance criteria, the overall target achievement for the 2021 tranche of the management component is 200%.

The table summarises the target values, thresholds (cap and floor), as well as actual values and target achievements per performance criterion:

### Target achievement in management component of long-term bonus 2021–2023/2024

	Target achievement curve				Actual value	Target achievement
	Weighting	Floor	Target corridor	Cap		
EBIT	50%	€m 2,195	€m 2,295–2,395	€m 2,495	€m 2,647	200%
ROIC	50%	8.00%	8.70%	9.40%	10.09%	200%
<b>Total</b>	<b>100%</b>					<b>200%</b>

The following table shows the payout amount per member of the Managing Board resulting from the overall target achievement for the 2021 tranche of the management component:

**Summary of the management component of long-term bonus 2021–2023/2024**

€ '000s	Target value	Target achievement			Payout
		EBIT	ROIC	Total	
Dr Dominik von Achten	1,088				2,175
René Aldach	292				584
Kevin Gluskie	571				1,142
Hakan Gurdal	480				960
Ernest Jelito	438	200%	200%	200%	875
Dr Nicola Kimm	292				584
Dennis Lentz	292				584
Jon Morrish	564				1,127
Chris Ward	430				860
<b>Total</b>	<b>4,447</b>				<b>8,891</b>

The payout from the 2021 tranche of the management component will be made following the Annual General Meeting in 2024.

**2020 tranche of the capital market component**

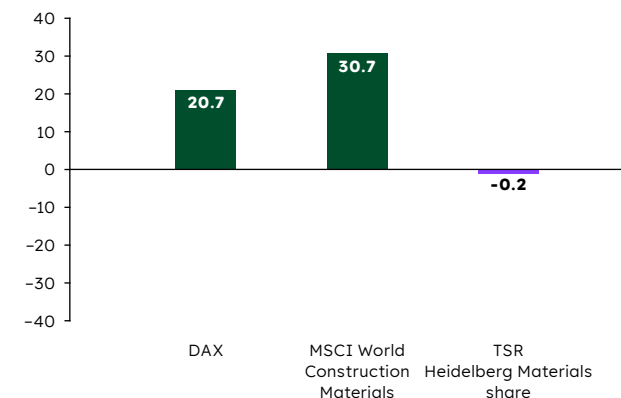
The target achievement for the 2020 tranche of the capital market component was measured analogously to the tranche allocated in the 2023 financial year on the basis of the performance criterion relative TSR.

While the DAX recorded an increase of 20.7% over the four-year performance period compared with the reference period and the MSCI World Construction Materials Index an increase of 30.7%, the TSR of the Heidelberg Materials share was -0.2% at the end of the

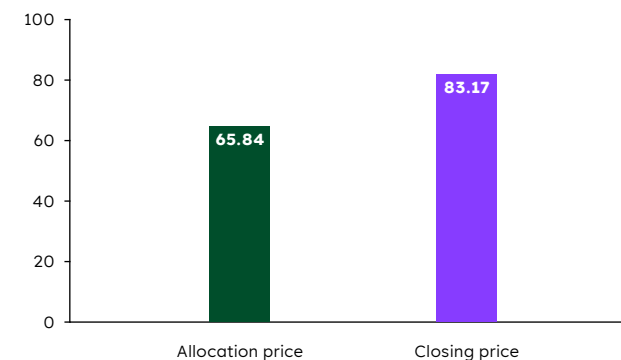
performance period. This results in a difference of -20.9 percentage points compared with the DAX and a difference of -31.0 percentage points compared with the MSCI World Construction Materials Index. The average difference amounts to -26.0 percentage points. The overall target achievement rate for the relative TSR is therefore 0% for the 2020 tranche of the capital market component.

The allocation price for determining the number of provisionally allocated PSUs at the start of the tranche was €65.84. The closing price, including notionally reinvested dividends and adjusted for changes in capital, was €83.17 at the end of the performance period. This corresponds to a development of 26.3% over the performance period.

**Performance of the benchmark indices and the TSR of the Heidelberg Materials share** in %



**Development of the Heidelberg Materials share** in €



The following table describes the main elements of the 2020 tranche of the capital market component per member of the Managing Board:

**Summary of the capital market component of the long-term bonus 2020–2022/2023**

€'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	990		15,041		0		0
Kevin Gluskie	548		8,321		0		0
Hakan Gurdal	438	65.84	6,645	0.00%	0	83.17	0
Ernest Jelito	438		6,645		0		0
Jon Morrish	538		8,164		0		0
Chris Ward	468		7,111		0		0
<b>Total</b>	<b>3,420</b>		<b>51,927</b>		<b>0</b>		<b>0</b>

**Pension commitment**

**Defined contribution commitment**

Members of the Managing Board who have been newly appointed or reappointed since 2019 are granted a defined contribution commitment, based on which the company will pay the member an annual pension contribution. The amount of this contribution is reviewed on a regular basis. In the framework of a capital market-oriented model, these 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 to receive an annuity based on the accumulated pension capital. The pension contributions accumu-

lated 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 each had a defined contribution commitment in the 2023 financial year.

In lieu of a pension commitment, an annual cash allowance is made available to Chris Ward, which can be used to finance a private pension plan.

**Defined benefit commitment prior to 2019 (old commitment)**

In addition to his defined contribution commitment, Dr Dominik von Achten has a defined benefit commitment in the form of an annual retirement pension for the defined benefit entitlements earned until his reappointment in 2020.

The retirement agreements of the members of the Managing Board appointed between 2016 and 2018 contain the commitment to an annual retirement pension in the form of a percentage of the pensionable income. Kevin Gluskie, Hakan Gurdal, and Jon Morrish still had such a defined benefit commitment in the 2023 financial year. The percentage can equal up to 4% per commenced year of service; the maximum percentage accumulated is 40% of the pensionable income. The pensionable income is agreed individually for each member of the Managing Board.

Upon reappointment, existing defined benefit 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 a defined contribution 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 commitment and defined contribution commitment, a transitional allowance equal to a monthly 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 an 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 they have 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, their widow or widower and their dependent children receive

a widow's, widower's, or orphan's pension. In the case of defined benefit commitments, the widow/widower's pension is 60% and the orphan's pension 10% of the deceased's pension benefit as long as a widow/widower's pension is being paid at the same time. If a widow/widower'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 commitments, the full entitlement to the value of the pension account shall pass to the widow or widower and the surviving children.

### Service costs and present values of defined benefit entitlements

The service costs and present values of the existing defined benefit entitlements as at 31 December 2023 are presented in the following table in consolidated form per member of the Managing Board:

#### Pension commitments (IAS 19)

€'000s	Service costs		Present value of the pension obligations	
	2022	2023	2022	2023
Dr Dominik von Achten	414	359	9,357	11,464
René Aldach	254	164	306	613
Kevin Gluskie	821	525	3,709	4,623
Hakan Gurdal	638	383	2,697	2,818
Ernest Jelito	462	454	1,609	2,155
Dr Nicola Kimm	272	214	313	605
Dennis Lentz	237	145	306	613
Jon Morrish	572	324	2,280	3,134
Chris Ward <sup>1)</sup>		18	59	88
<b>Total</b>	<b>3,668</b>	<b>2,587</b>	<b>20,635</b>	<b>26,114</b>

1) Service cost for Chris Ward's pension commitment was incurred for the first time in 2023.

In addition to the amount of the agreed benefit and the agreed contribution, both the service costs and the present values of the defined benefit entitlements depend in a substantial way on various actuarial param-

eters, such as the age of the individual member of the Managing Board and the currently prevailing interest rate level. The sharp rise in interest rates over the past year led to a smaller increase in the present values of

defined benefit entitlements than in previous years and, as can be seen in the table, even to a decrease in individual cases. The increase in the present value of pension obligations between 2022 and 2023 is due to expense booked in the 2023 financial year as well as a lower interest rate.

The amount of the service cost is determined at the beginning of the respective financial year in accordance with IFRS. Accordingly, the comparison of the service cost between 2023 and 2022 still shows the effects of the increased interest rate level spike at that time. However, the amount of contributions under the defined contribution plans granted remained constant in the reporting year.

### 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 contractually defined number of Heidelberg Materials AG shares 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 Heidelberg Materials. The number of Heidelberg Materials shares to be held equals 30,000 for the Chairman of the Managing Board and 15,000 for each of the members of the Managing Board. Before 2019, the obligation for members of the Managing Board equalled 10,000 Heidelberg Materials shares, which is why agreements 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, provided that the investment target has not yet been achieved at the relevant payout date, half of the payout amounts from the long-term bonus must be used to acquire shares of the company until the complete share ownership requirement has been met. Accumulating the share ownership can therefore take several years. Company shares that are already

held by members of the Managing Board are taken into account when calculating 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 2023 of current members of the Managing Board**

Piece	Target	Status	Shares held as of 31 December 2023	in % of target
Dr Dominik von Achten	30,000	Investment target fully achieved	35,300	118%
René Aldach <sup>1)</sup>	15,000	In accumulation phase	5,000	33%
Kevin Gluskie	10,000	Investment target fully achieved	15,000	150%
Hakan Gurdal	10,000	Investment target fully achieved	10,000	100%
Ernest Jelito	15,000	Investment target fully achieved	15,000	100%
Dr Nicola Kimm <sup>1)</sup>	15,000	In accumulation phase	722	5%
Dennis Lentz <sup>1)</sup>	15,000	In accumulation phase	3,200	21%
Jon Morrish	15,000	Investment target fully achieved	15,004	100%
Chris Ward	15,000	Investment target fully achieved	15,000	100%

<sup>1)</sup> 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 components include malus and clawback rules. These give the Supervisory Board the option to reduce part or all of the variable remuneration components that have not yet been paid out (malus) or to reclaim variable remuneration compo-

nents that have already been paid out (clawback) in the event 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 2023 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 the event of departure**

**Exit conditions**

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 shall be no accelerated 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 good cause before the end of the performance period, entitlements to the annual bonus and long-term bonus shall be forfeited.

**Severance pay cap**

In the event of an 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 agreements or extending existing Managing Board agreements 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, where applicable, on the amount of the expected total remuneration for the current financial year. A severance pay cap has been agreed with all members of the Managing Board in office in the 2023 financial year.

### Change of control clause

Managing Board employment 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 membership as a result of a change of control should not exceed 150% of the severance pay cap.

Managing Board agreements concluded since the 2020 financial year are governed by the proposal of the GCGC in force since 2019, according to which change of control clauses are no longer to be part of Managing Board agreements. The agreements 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 their employment contract from working for a company that is in direct or indirect competition with Heidelberg Materials or another Heidelberg Materials company, either independently or in an employed capacity 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 their 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 their pension agreement after leaving the company. Heidelberg Materials AG may waive the post-contractual non-compete clause before the termination of the employment contract.

In 2023, a waiting allowance of €450,000 was paid to Dr Lorenz Näger. Dr Lorenz Näger received the last payment from his waiting allowance in August 2023.

### Disclosure of benefits from third parties

For the 2023 financial year, the members of the Managing Board have not received any benefits from third parties in connection with their Managing Board activities. For the avoidance of doubt, the costs of the remuneration of Dennis Lentz in the context of his secondment to the USA and of Chris Ward due to his role as CEO of Heidelberg Materials US, Inc., were shared between Heidelberg Materials AG and Heidelberg Materials US, Inc., by way of a cost split. The cost of Mr Gluskie's remuneration was split between Heidelberg Materials AG and Heidelberg Materials Asia Pte. Ltd. due to his role as CEO of Heidelberg Materials Asia Pte. Ltd.

### Remuneration granted and owed in the 2023 financial year

#### Remuneration of active members of the Managing Board in the 2023 financial year

The remuneration granted and owed to the individual members of the Managing Board in the 2023 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 payout does not take place until the following financial year. With the exception of the lack of including the service costs of the pension commitments, this reporting logic corresponds to the previous remuneration reporting of Heidelberg Materials 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 2023 financial year pursuant to section 162 of the AktG consists of the following remuneration components:

- The fixed annual salary paid in the 2023 financial year
- The fringe benefits accrued in the 2023 financial year
- The cash allowance paid for the 2023 financial year in the case of Chris Ward
- The annual bonus determined for the 2023 financial year (annual bonus 2023), which is paid in the 2024 financial year
- The 2021 tranche of the management component, which was completed at the end of the 2023 financial year and is paid in the 2024 financial year
- The 2020 tranche of the capital market component, which was completed at the end of the 2023 financial year and is paid in the 2024 financial year

Furthermore, the service costs of the pension commitments in accordance with IAS 19 for the 2023 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 components within 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			René Aldach Member of the Board		
	2022	2023		2022	2023	
€'000s/share of granted and owed remuneration pursuant to section 162 of the AktG in %						
<b>Fixed annual salary</b>	<b>1,469</b>	<b>1,525</b>	<b>23%</b>	<b>600</b>	<b>600</b>	<b>29%</b>
Fringe benefits	11	9	1%	13	15	1%
Contribution to private pension (cash allowance)	-	-		-	-	
<b>One-year variable compensation</b>	<b>2,394</b>	<b>2,806</b>	<b>43%</b>	<b>782</b>	<b>883</b>	<b>42%</b>
Annual bonus 2022	2,394	-		782	-	
Annual bonus 2023	-	2,806		-	883	
<b>Multi-year variable compensation</b>	<b>1,976</b>	<b>2,175</b>	<b>33%</b>		<b>584</b>	<b>28%</b>
Long-term bonus 2019-2021/2022						
Capital market component tranche 2019-2022	0	-		-	-	
Long-term bonus 2020-2022/2023						
Management component tranche 2020-2022	1,976	-		-	-	
Capital market component tranche 2020-2023	-	0		-	-	
Long-term bonus 2021-2023/2024						
Management component tranche 2021-2023	-	2,175		-	584	
Others	-	-	0%	-	-	0%
<b>Granted and owed remuneration pursuant to section 162 of the AktG</b>	<b>5,850</b>	<b>6,515</b>	<b>100%</b>	<b>1,395</b>	<b>2,083</b>	<b>100%</b>
Service costs	414	359	-	254	164	-
<b>Total compensation</b>	<b>6,264</b>	<b>6,874</b>	<b>-</b>	<b>1,649</b>	<b>2,247</b>	<b>-</b>

**Granted and owed remuneration pursuant to section 162 of the AktG**

	Kevin Gluskie Member of the Managing Board <sup>1)</sup>			Hakan Gurdal Member of the Managing Board			Ernest Jelito Member of the Managing Board <sup>2)</sup>			Dr Nicola Kimm Member of the Managing Board		
	2022	2023		2022	2023		2022	2023		2022	2023	
€'000s/share of granted and owed remuneration pursuant to section 162 of the AktG in %												
<b>Fixed annual salary</b>	<b>960</b>	<b>894</b>	<b>23%</b>	<b>770</b>	<b>770</b>	<b>26%</b>	<b>719</b>	<b>728</b>	<b>23%</b>	<b>600</b>	<b>600</b>	<b>29%</b>
Fringe benefits	502	536	14%	79	87	3%	80	40	1%	83	52	2%
Contribution to private pension (cash allowance)	-	-		-	-		-	-		-	-	
<b>One-year variable compensation</b>	<b>1,170</b>	<b>1,282</b>	<b>33%</b>	<b>973</b>	<b>1,109</b>	<b>38%</b>	<b>901</b>	<b>1,052</b>	<b>34%</b>	<b>749</b>	<b>864</b>	<b>41%</b>
Annual bonus 2022	1,170	-		973	-		901	-		749	-	
Annual bonus 2023	-	1,282		-	1,109		-	1,052		-	864	
<b>Multi-year variable compensation</b>	<b>1,096</b>	<b>1,142</b>	<b>30%</b>	<b>875</b>	<b>960</b>	<b>33%</b>	<b>875</b>	<b>875</b>	<b>28%</b>		<b>584</b>	<b>28%</b>
Long-term bonus 2019-2021/2022												
Capital market component tranche 2019-2022	0	-		0	-		-	-		-	-	
Long-term bonus 2020-2022/2023												
Management component tranche 2020-2022	1,096	-		875	-		875	-		-	-	
Capital market component tranche 2020-2023	-	0		-	0		-	0		-	0	
Long-term bonus 2021-2023/2024												
Management component tranche 2021-2023	-	1,142		-	960		-	875		-	584	
Others	-	-	0%	-	-	0%	-	455	14%	-	-	0%
<b>Granted and owed remuneration pursuant to section 162 of the AktG</b>	<b>3,728</b>	<b>3,854</b>	<b>100%</b>	<b>2,697</b>	<b>2,925</b>	<b>100%</b>	<b>2,575</b>	<b>3,150</b>	<b>100%</b>	<b>1,432</b>	<b>2,100</b>	<b>100%</b>
Service costs	821	525	-	638	383	-	462	454	-	272	214	-
<b>Total compensation</b>	<b>4,549</b>	<b>4,379</b>	<b>-</b>	<b>3,335</b>	<b>3,308</b>	<b>-</b>	<b>3,037</b>	<b>3,604</b>	<b>-</b>	<b>1,704</b>	<b>2,314</b>	<b>-</b>

1) 90% of the fixed annual salary, the annual bonus and the long-term bonus of Kevin Gluskie are paid by Heidelberg Materials Asia Pte. Ltd. The remaining 10% was paid by Heidelberg Materials 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. Under the terms of his employment contract, Kevin Gluskie receives his remuneration in Australian dollars. The average exchange rates for 2021 (AUD/EUR 1.5751) and 2022 (AUD/EUR 1.5169) were used for translation into euros. The closing rates prior to the start of the performance period (31 December, 2018: AUD/EUR 1.62681, 31 December, 2019: AUD/EUR 1.5971) were used to convert its long-term bonus into euros.

2) With his departure from the Managing Board on December 31, 2023, Mr. Jelito received a contractual advance payment in the amount of the target value of the management component of the long-term bonus 2023-2025/26. The advance payment does not represent a guaranteed payment and will be offset against the final target achievement at the end of the performance period.

**Granted and owed remuneration pursuant to section 162 of the AktG**

	Dennis Lentz Member of the Managing Board <sup>1)</sup>			Jon Morrish Member of the Managing Board			Chris Ward Member of the Managing Board <sup>2)</sup>		
€'000s/share of granted and owed remuneration pursuant to section 162 of the AktG in %	2022	2023		2022	2023		2022	2023	
<b>Fixed annual salary</b>	<b>600</b>	<b>600</b>	<b>24%</b>	<b>903</b>	<b>903</b>	<b>26%</b>	<b>819</b>	<b>829</b>	<b>25%</b>
Fringe benefits	326	412	17%	97	82	2%	60	58	2%
Contribution to private pension (cash allowance)	-	-	-	-	-	-	401	392	12%
<b>One-year variable compensation</b>	<b>765</b>	<b>856</b>	<b>35%</b>	<b>1,134</b>	<b>1,317</b>	<b>38%</b>	<b>1,000</b>	<b>1,168</b>	<b>35%</b>
Annual bonus 2022	765	-	-	1,134	-	-	1,000	-	-
Annual bonus 2023	-	856	-	-	1,317	-	-	1,168	-
<b>Multi-year variable compensation</b>		<b>584</b>	<b>24%</b>	<b>1,075</b>	<b>1,127</b>	<b>34%</b>	<b>936</b>	<b>860</b>	<b>26%</b>
Long-term bonus 2019-2021/2022									
Capital market component tranche 2019-2022	-	-	-	0	-	-	0	-	-
Long-term bonus 2020-2022/2023									
Management component tranche 2020-2022	-	-	-	1,075	-	-	936	-	-
Capital market component tranche 2020-2023	-	-	-	-	0	-	-	0	-
Long-term bonus 2021-2023/2024									
Management component tranche 2021-2023	-	584	-	-	1,127	-	-	860	-
Others	-	-	0%	-	-	0%	-	-	0%
<b>Granted and owed remuneration pursuant to section 162 of the AktG</b>	<b>1,691</b>	<b>2,452</b>	<b>100%</b>	<b>3,209</b>	<b>3,429</b>	<b>100%</b>	<b>3,216</b>	<b>3,307</b>	<b>100%</b>
Service costs	237	145	-	572	324	-	-	18	-
<b>Total compensation</b>	<b>1,928</b>	<b>2,598</b>	<b>-</b>	<b>3,781</b>	<b>3,753</b>	<b>-</b>	<b>3,216</b>	<b>3,325</b>	<b>-</b>

1) 70% of Dennis Lentz's fixed annual salary, the annual bonus and the long-term bonus were paid by Heidelberg Materials US, Inc. (Lehigh Hanson until 1 January 2023). The remaining 30% are paid by Heidelberg Materials AG. The fringe benefits of Dennis Lentz include, in addition to the assumption of costs for a company car, group accident insurance and flights home, especially secondment-related benefits such as foreign health insurance, relocation, housing, school and living costs.

2) 90% of the fixed annual salary, the annual bonus, and the long-term bonus of Chris Ward are borne by Heidelberg Materials US, Inc. (Lehigh Hanson until 1 January 2023). The remaining 10% is borne by Heidelberg Materials AG. Chris Ward receives his remuneration in US dollars in accordance with his employment contract. The average exchange rates for the years 2021 (1.1830 USD/EUR) and 2022 (1.0536 USD/EUR) were used for conversion into euros. The closing rates before the start of the performance period (31 December, 2018: 1.1467 USD/EUR, 31 December, 2019: 1.1213 USD/EUR) were used to convert his long-term bonus into euros.

### 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 2021 tranche of the management component, which was completed at the end of the 2023 financial year, and from the 2020 tranche of the capital market component, which was also completed at the end of the 2023 financial year.

The following table summarises the main elements of the tranches:

#### Summary of management component of long-term bonus 2021–2023/2024 for former members of the Managing Board

€'000s	Target value	Target achievement			Payout
		EBIT	ROIC	Total	
Dr Lorenz Näger <sup>1)</sup>	458	200%	200%	200%	916

1) For Dr Lorenz Näger, the value for 2023 includes a crediting of a prepayment for the long-term bonus 2021–2023/2024 in the amount of €458 thousand.

#### Summary of capital market component of long-term bonus 2020–2022/2023 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 Lorenz Näger	628	65.84	9,540	0.00%	0	83.17	0
Dr Bernd Scheifele	102		1,543		0		0

The payout of the tranches will be made following the Annual General Meeting in 2024.

Further information on the 2021 tranche of the management component and the 2020 tranche of the capital market component can be found in the **Completed tranches at the end of the 2023 financial year section**.

The following tables show the remuneration granted and owed to the former members of the Managing Board in the 2023 financial year pursuant to section 162 of the AktG:

**Granted and owed remuneration pursuant to section 162 of the AktG**

	Dr Lorenz Näger Deputy Chairman of the Managing Board (until 31 Aug. 2021) <sup>1)</sup>		Dr Bernd Scheifele Chairman of the Managing Board (until 31 Jan. 2020)		Andreas Kern Member of the Managing Board (until 30 June 2016)	
	2023	2023	2023	2023	2023	2023
€'000s/share of granted and owed remuneration pursuant to section 162 of the AktG in %						
<b>Multi-year variable compensation</b>	<b>917</b>	<b>51%</b>	<b>0</b>	<b>0%</b>	<b>0</b>	<b>0%</b>
Long-term bonus 2020–2022/2023						
Capital market component tranche 2020–2023	0		0		-	0%
Long-term bonus 2021–2023/2024						
Management component tranche 2021–2023	917		-		-	
Others <sup>2)</sup>	450	25%		0%		0%
<b>Total</b>	<b>1,367</b>		<b>0</b>			
Retirement and transitional payments	425	24%	1,023	100%	199	100%
<b>Granted and owed remuneration pursuant to section 162 of the AktG</b>	<b>1,792</b>	<b>100%</b>	<b>1,023</b>	<b>100%</b>	<b>199</b>	<b>100%</b>

1) In the case of Dr Lorenz Näger, the value for 2023 includes an amount of €458 thousand, which was already paid out as part of an advance payment for the long-term bonus 2021–2023/2024 in 2021.

2) Includes the payment of a waiting allowance to Dr Näger.

**Further development of the remuneration system**

The Supervisory Board is committed to continuously improving the remuneration system for the members of the Managing Board in the interests of the shareholders of Heidelberg Materials AG. This is done by maintaining ongoing dialogue with our investors and by regularly analysing current market practice.

In the 2023 financial year, the Supervisory Board carried out a comprehensive review of the remuneration system, taking into account investor expectations and Heidelberg Materials' strategic objectives. The remuneration system further developed on the basis of the review (2024+ Remuneration System) will be submitted to the 2024 Annual General Meeting for approval and will be effective as of 1 January 2024 for all members of the Managing Board whose employment contracts are newly concluded or extended after the date on which the Annual General Meeting approves the 2024+ Remuneration System. The 2024+ Remuneration System will also be effective as of 1 January 2024 with respect to members of the Managing Board already appointed as at the date on which the Annual General Meeting approves the remuneration system.

Key changes in the new remuneration system:

- **Long-term bonus:** 100 share-based award, uniform duration of four years and introduction of an ESG target
- **Annual bonus:** Definition of uniform performance criteria for every Managing Board member (including health and safety, free cash flow and sustainable revenue) with the aim of reducing complexity and increasing transparency



- Uniform **maximum remuneration** amounts
- Definition of **personal investment** requirements as a percentage of base salary
- Elimination of the **transitional allowance** and extension of the **clawback rule**

The revision of the remuneration system includes, in particular, adjustments to the variable, performance-related remuneration components. In future, the two target categories, Group Performance and Sustainable Strategy Targets, will have equal weighting in the annual bonus. While the profit for the financial year and the CO<sub>2</sub> component continue to be taken into account as part of Group Performance, four performance criteria (free cash flow, health and safety, sustainable revenue in the cement business line, and an individual target) are embedded in the Sustainable Strategy Targets, which are linked to Heidelberg Materials' strategic principles. By reducing the individual targets from up to six targets in the previous remuneration system to one target, complexity is significantly reduced and the harmonisation and comparability of objectives within the Managing Board is increased.

In future, the long-term bonus will be allocated entirely equity-based in the form of performance share units (PSUs). By dispensing with the previous separation into a management and a capital market component, the intention is to significantly reduce the complexity of the long-term bonus. In addition, the duration of the long-

term bonus will be harmonised to four years, strengthening the long-term focus of variable remuneration. To incentivise the achievement of Heidelberg Materials' ambitious sustainability targets, a strategy-derived and measurable ESG target will also be anchored in the long-term bonus. In future, target achievement for the

long-term bonus will be determined on the basis of the equally weighted performance criteria EBIT, ROIC, relative TSR, and ESG targets. The relative TSR will no longer be measured against the DAX and MSCI World Construction Materials Index, but against a peer group of competitors:

**Peer group used from 2024 onwards**

Global	Europe	North America	Asia	Australia
Cemex S.A.B.	ACS, S.A.	Eagle Materials Inc.	PT Semen Indonesia Tbk	Boral Limited
CRH plc	Bouygues SA	Martin Marietta Materials Inc.		
Holcim Ltd	Breedon Group plc	Summit Materials, Inc.		
	Buzzi S.p.A	Vulcan Materials Co.		
	Skanska AB			
	Titan Cement Int. S.A.			
	Vicat SA			

Furthermore, the defined maximum remuneration is concretised in accordance with section 87a(1)(2)(1) of the AktG. In future, the maximum remuneration for the Chairman of the Managing Board will be €11 million, and that of the regular members of the Managing Board will be €6 million. For regular members of the Managing Board whose remuneration is defined in US dollars, the maximum remuneration to avoid risks arising from exchange rate fluctuations is US\$6.5 million.

In addition, as part of the share ownership aspect of the 2024+ Remuneration System, the members of the Managing Board will in future be obliged to invest a fixed amount in euros in Heidelberg Materials shares corresponding to a fixed percentage of their respective fixed annual salary. The move away from the previous rule requiring a fixed number of shares to be held serves the purpose of increasing the comparability of share ownership. The future share ownership figure has been determined in accordance with German market practice and will amount to 180% of fixed annual salary for the Chairman of the Managing Board and 100% for regular members of the Managing Board.

To further increase consistency with current market practice, the option of granting a transitional allowance in the event of a member of the Managing Board leaving the company's service will be removed. In addition, the existing clawback rule will be extended to include the option of reclaiming variable remuneration components in the event of materially incorrect consolidated annual financial statements (performance clawback).

## Remuneration of the Supervisory Board in the 2023 financial year

### Principles of the remuneration of the Supervisory Board

By resolution of 22 March 2023, the Supervisory Board adjusted the remuneration system for the members of the Supervisory Board of Heidelberg Materials AG by taking into account the new Sustainability and Innovation Committee in the remuneration. The adjusted remuneration system of the Supervisory Board of Heidelberg Materials AG was approved by the Annual General Meeting in 2023.

The remuneration of the Supervisory Board is set out in section 12 of the Articles of Association of Heidelberg Materials 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 2023 financial year pursuant to section 162 of the AktG:

**Remuneration granted and owed to the members of the Supervisory Board in the 2023 financial year**

€'000s/share of total remuneration in %	Fixed remuneration		Remuneration for committee membership			Attendance fees			Total remuneration		
	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	
Dr Bernd Scheifele (Chairman since 12.05.2022)	128	200	75%	29	45	17%	10	20	8%	167	265
Fritz-Jürgen Heckmann (Chairman until 11.05.2022)	72	-		16	-		16	-		105	-
Heinz Schmitt (Deputy Chairman)	120	120	64%	45	45	24%	18	22	12%	183	187
Barbara Breuning	80	80	64%	25	25	20%	18	20	16%	123	125
Birgit Jochens	80	80	68%	20	20	17%	12	18	15%	112	118
Ludwig Merckle	80	80	42%	65	85	45%	24	26	14%	169	191
Tobias Merckle <sup>1)</sup> (Member until 11.05.2022)	29	-		0			6	-		35	-
Luka Mucic	80	80	47%	70	70	41%	18	22	13%	168	172
Dr Ines Ploss	80	80	58%	20	40	29%	12	18	13%	112	138
Peter Riedel	80	80	55%	25	45	31%	18	20	14%	123	145
Werner Schraeder	80	80	48%	45	65	39%	18	22	13%	143	167
Margret Suckale	80	80	53%	45	45	30%	24	26	17%	149	151
Dr Sopna Sury <sup>1)</sup> (Member since 12.05.2022)	51	80	70%	0	20	18%	6	14	12%	57	114
Prof. Dr Marion Weissenberger-Eibl <sup>1)</sup>	80	80	58%	0	40	29%	12	18	13%	92	138
<b>Total</b>	<b>1,121</b>	<b>1,120</b>	<b>59%</b>	<b>405</b>	<b>545</b>	<b>28%</b>	<b>212</b>	<b>246</b>	<b>13%</b>	<b>1,738</b>	<b>1,911</b>

1) No committee work

## Comparative presentation of the development in remuneration and earnings

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 2023 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 company's development in earnings. For the employees, the total workforce of Heidelberg Materials AG excluding the Managing Board was taken into account.

### Development of the direct remuneration of the Managing Board, the Supervisory Board, and the average direct remuneration of the workforce of Heidelberg Materials AG

€'000s	2019	Change	2020	Change	2021	Change	2022	Change	2023
<b>Development of earnings</b>									
Result from current operations before depreciation and amortisation in €m	3,580	4%	3,707	5%	3,875	-4%	3,739	14%	4,258
Profit/loss for the financial year attributable to Heidelberg Materials AG shareholders in €m	1,091	(-296%) <sup>1)</sup>	-2,139	(-182%) <sup>1)</sup>	1,759	-9%	1,597	21%	1,929
Net profit/net loss of Heidelberg Materials AG pursuant to the HGB in €m	35	(-346%) <sup>1)</sup>	-86	(-556%) <sup>1)</sup>	392	-34%	257	214%	806
<b>Employees<sup>2)</sup></b>									
Average	72	-1%	71	4%	74	-3%	72	7%	77
<b>Active members of the Managing Board in the financial year</b>									
Dr Dominik von Achten (Chairman) <sup>3)</sup>	3,611	41%	5,104	10%	5,606	4%	5,850	11%	6,515
René Aldach <sup>4)</sup>	-		-	-	502	178%	1,395	49%	2,083
Kevin Gluskie	3,287	0%	3,277	15%	3,766	-1%	3,728	3%	3,854
Hakan Gurdal	2,286	6%	2,430	18%	2,856	-6%	2,697	8%	2,925
Ernest Jelito <sup>5)</sup>	809	115%	1,736	44%	2,502	3%	2,575	22%	3,150
Dr Nicola Kimm <sup>4)</sup>	-		-	-	565	153%	1,432	47%	2,100
Dennis Lentz <sup>4)</sup>	-		-	-	528	220%	1,691	45%	2,452
Jon Morrish	2,806	11%	3,109	10%	3,415	-6%	3,209	7%	3,429
Chris Ward <sup>6)</sup>	780	176%	2,152	32%	2,850	13%	3,216	3%	3,307

**Development of the direct remuneration of the Managing Board, the Supervisory Board, and the average direct remuneration of the workforce of Heidelberg Materials AG**

€'000s	2019	Change	2020	Change	2021	Change	2022	Change	2023
<b>Former members of the Managing Board</b>									
Dr Lorenz Näger <sup>7)</sup>	2,878	23%	3,544	81%	6,407	-63%	2,355	-24%	1,792
Dr Bernd Scheifele <sup>8)</sup>	6,433	-62%	2,439	67%	4,063	-71%	1,163	-12%	1,023
Dr Albert Scheuer <sup>9)</sup>	2,179	-66%	743	17%	873	-68%	280	-100%	0
Andreas Kern									199
<b>Members of the Supervisory Board<sup>10)</sup></b>									
Fritz-Jürgen Heckmann (Chairman) <sup>11)</sup>	257	-2%	251	9%	273	-62%	105	-100%	0
Dr Bernd Scheifele (Chairman) <sup>12)</sup>	-		-		-		167	59%	265
Heinz Schmitt (Deputy Chairman)	177	-1%	175	9%	191	-4%	183	2%	187
Barbara Breuninger	106	10%	117	9%	127	-3%	123	2%	125
Birgit Jochens	71	58%	112	9%	122	-8%	112	5%	118
Ludwig Merckle	166	-5%	157	10%	173	-2%	169	13%	191
Tobias Merckle	90	0%	90	9%	98	-64%	35	-100%	0
Dr Sopna Sury	-		-		-		57	100%	114
Luka Mucic	101	58%	160	10%	176	-5%	168	2%	172
Dr Ines Ploss	71	58%	112	9%	122	-8%	112	23%	138
Peter Riedel	74	58%	117	9%	127	-3%	123	18%	145
Werner Schraeder	130	5%	137	10%	151	-5%	143	17%	167
Margret Suckale	128	5%	135	13%	153	-3%	149	1%	151
Prof. Dr Marion Weissenberger-Eibl	90	-2%	88	14%	100	-8%	92	50%	138

- 1) Mathematically determined change; limited interpretability due to change of algebraic sign within the reference values.
- 2) Total workforce of Heidelberg Materials AG incl. top and senior management, excluding Managing Board (full-time equivalents)
- 3) Chairman of the Managing Board since 1 February 2020
- 4) Member of the Managing Board since 1 September 2021
- 5) Member of the Managing Board since 1 July 2019
- 6) Member of the Managing Board since 1 September 2019
- 7) Deputy Chairman of the Managing Board until 31 August 2021
- 8) Chairman of the Managing Board until 31 January 2020
- 9) Member of the Managing Board until 5 August 2019
- 10) Individual amounts may fluctuate due to entries and exits during the year as well as changing committee activities.
- 11) Chairman of the Supervisory Board until 12 May 2022
- 12) Chairman of the Supervisory Board since 12 May 2022

# Auditor's Report

To Heidelberg Materials AG, Heidelberg

We have audited the remuneration report of Heidelberg Materials AG (formally: HeidelbergCement AG), Heidelberg, for the financial year from January 1 to December 31, 2023 including the related disclosures, which was prepared to comply with § [Article] 162 AktG [Aktengesetz: German Stock Corporation Act].

## Responsibilities of the Executive Directors and the Supervisory Board

The executive directors and the supervisory board of Heidelberg Materials AG are responsible for the preparation of the remuneration report, including the related disclosures, that complies with the requirements of § 162 AktG. The executive directors and the supervisory board 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

Our responsibility is to express an opinion on this remuneration report, including the related disclosures, based on our audit. We conducted our audit in accordance with German generally accepted standards for the audit of financial statements promulgated by the Institut der Wirtschaftsprüfer (Institute of Public Auditors in Germany) (IDW). Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the remuneration report, including the related disclosures, is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts including the related disclosures stated in the remuneration report. The procedures selected depend on the auditor's judgment. This includes the assessment of the risks of material misstatement of the remuneration report including the related disclosures, whether due to fraud or error.

In making those risk assessments, the auditor considers internal control relevant to the preparation of the remuneration report including the related disclosures.

The objective of this is to plan and perform audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the executive directors and the supervisory board, as well as evaluating the overall presentation of the remuneration report including the related disclosures.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

## Audit Opinion

In our opinion, based on the findings of our audit, the remuneration report for the financial year from January 1 to December 31, 2023, including the related disclosures, complies in all material respects with the accounting provisions of § 162 AktG.

### Reference to an Other Matter – Formal Audit of the Remuneration Report according to § 162 AktG

The audit of the content of the remuneration report described in this auditor's report includes the formal audit of the remuneration report required by § 162 Abs. [paragraph] 3 AktG, including the issuance of a report on this audit. As we express an unqualified audit opinion on the content of the remuneration report, this audit opinion includes that the information required by § 162 Abs. 1 and 2 AktG has been disclosed in all material respects in the remuneration report.

### Restriction on use

We issue this auditor's report on the basis of the engagement agreed with Heidelberg Materials AG. The audit has been performed only for purposes of the company and the auditor's report is solely intended to inform the company as to the results of the audit. Our responsibility for the audit and for our auditor's report is only towards the company in accordance with this engagement. The auditor's report is not intended for any third parties to base any (financial) decisions thereon. We do not assume any responsibility, duty of care or liability towards third parties; no third parties are included in the scope of protection of the underlying engagement. § 334 BGB [Bürgerliches Gesetzbuch: German Civil Code], according to which objections arising from a contract may also be raised against third parties, is not waived.

Frankfurt am Main, March 20, 2024

PricewaterhouseCoopers GmbH  
Wirtschaftsprüfungsgesellschaft

[sgnd. Thomas Tilgner]	[sgnd. ppa. Olav Krützfeldt]
Wirtschaftsprüfer	Wirtschaftsprüfer
(German Public Auditor)	(German Public Auditor)

Annex to agenda item 7

# 2024+ Remuneration System for the Managing Board members

## Introduction

The previous remuneration system (2021 Remuneration System) was submitted to the Annual General Meeting in 2021, where it was approved by 92.21% of the votes. In 2023, the Supervisory Board carried out a comprehensive review of the remuneration system, taking into account the expectations of Heidelberg Materials' investors and stakeholders. The remuneration system which was further developed on the basis of the review (2024+ Remuneration System) is described in detail below. The 2024+ Remuneration System will be effective as of 1 January 2024 for all members of the Managing Board whose employment contracts are newly concluded or extended after the date on which the Annual General Meeting approves the 2024+ Remuneration System. The 2024+ Remuneration System will also be effective as of 1 January 2024 with respect to members of the Managing Board already appointed as at the date on which the Annual General Meeting approves the remuneration system. In order to implement the 2024+ Remuneration System, the Supervisory Board will offer the members of the Managing Board appropriate adjustments to their employment contracts on behalf of Heidelberg Materials.

## I. Further development of the remuneration system

As part of the review and further development of the remuneration system, the following changes were made in comparison with the 2021 Remuneration System:

### Changes in the remuneration system

What was the objective?	What has been changed to achieve the objective?
<b>Annual bonus</b>	
<ul style="list-style-type: none"> <li>- To lower complexity by harmonising and reducing the number of performance criteria</li> <li>- To increase the transparency and comparability of Managing Board targets</li> <li>- To strengthen the links to Heidelberg Materials' strategic principles</li> </ul>	<ul style="list-style-type: none"> <li>- Use of two key target categories, Group Performance and Sustainable Strategy Targets, each with a 50% weighting</li> <li>- Definition of four performance criteria within the Sustainable Strategy Targets:                             <ol style="list-style-type: none"> <li>1. Health and safety</li> <li>2. Free cash flow</li> <li>3. Increase in sustainable revenue</li> <li>4. Individual target</li> </ol> </li> </ul>
<b>Long-term bonus</b>	
<ul style="list-style-type: none"> <li>- To reduce complexity by means of a standardised plan design</li> <li>- To increase share price orientation</li> <li>- To anchor ESG targets in the long-term bonus to support the achievement of ambitious sustainability targets</li> </ul>	<ul style="list-style-type: none"> <li>- Total grant amount to be issued in performance share units (PSUs) in all cases</li> <li>- Harmonisation of the duration to four years</li> <li>- Definition of four equally weighted performance criteria:                             <ol style="list-style-type: none"> <li>1. Earnings before interest and taxes (EBIT)</li> <li>2. Return on invested capital (ROIC)</li> <li>3. Relative total shareholder return (relative TSR)</li> <li>4. ESG target</li> </ol> </li> <li>- Introduction of an individual peer group to measure the relative TSR</li> </ul>

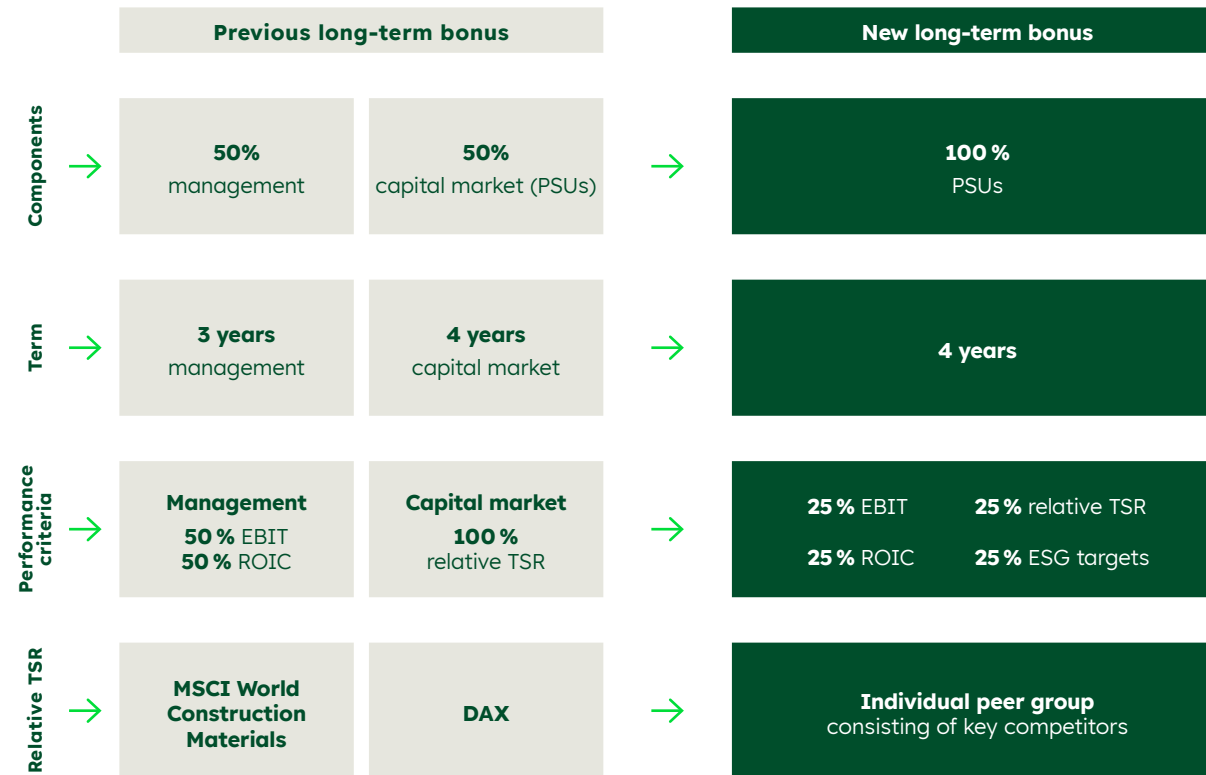


**Changes in the remuneration system**

**What was the objective?**

**What has been changed to achieve the objective?**

The following diagram shows the changes in the long-term bonus in detail:



## Changes in the remuneration system

### What was the objective?

### What has been changed to achieve the objective?

#### Maximum remuneration

- To concretise the maximum remuneration amounts

- Definition of a concrete maximum remuneration amount for the various Managing Board positions  
 - Chairman of the Managing Board: €11 million  
 - Regular members of the Managing Board: €6 million  
 - Definition of the maximum remuneration amounts for members of the Managing Board whose contracts state their remuneration in US dollars: US\$ 6.5 million

#### Share Ownership Guidelines

- To increase the comparability of share ownership  
 - To set the share ownership levels in line with market standards

- Specification of a fixed amount for share ownership based on the fixed annual salary of the members of the Managing Board instead of the previous fixed number of shares:  
 - Chairman of the Managing Board: 180% of fixed annual salary  
 - Regular members of the Managing Board: 100% of fixed annual salary

#### Further contractual provisions

- To further increase the remuneration system's market conformity  
 - To enhance the Supervisory Board's scope for action

- Removal of the option to grant a transitional allowance following retirement  
 - Extension of the clawback rules to include the option to reclaim variable compensation elements in the event of materially incorrect annual financial statements (performance clawback)

## II. Principles of the 2024+ Remuneration System

The Supervisory Board is committed to continuously developing the remuneration system for the members of the Managing Board with a view to implementing the Group strategy and serving the interests of the shareholders and stakeholders of Heidelberg Materials. Among other actions, this is achieved by means of ongoing dialogue with investors and proxy advisors as well as by regularly analysing current market practice.

The aim of the 2024+ Remuneration System is to further increase the focus of Managing Board remuneration on sustainability and strategic objectives. Working in line with the Group strategy and the Concrete Promises, the remuneration system contributes to the achievement of the corporate targets.

In order to ensure that the remuneration system contributes to the Group strategy, the remuneration of the Managing Board is designed in accordance with the following principles:

### Principles of the Managing Board remuneration

- Strong **pay for performance orientation** due to the large performance-related share of total remuneration
- Alignment of performance-related remuneration and performance criteria with the **long-term Group strategy**
- **Sustainability** as an important component of the performance criteria in both the **annual bonus** and the **long-term bonus**
- Alignment of remuneration with **shareholder interests**, in particular by making the long-term bonus entirely **share-oriented**
- Use of **relative performance assessment** and **prevention of adjustments** to target values or performance criteria during the year
- **Total remuneration** restricted by means of **maximum remuneration amounts** defined in the remuneration system
- **State-of-the-art malus and clawback rules** for the performance-related remuneration components

### III. Overview of the 2024+ Remuneration System

#### Components of the remuneration system

The remuneration system for the members of the Managing Board consists of non-performance-related and performance-related components.

The non-performance-related remuneration components consist of the fixed annual salary, fringe benefits, and a pension commitment or cash allowance. The performance-related components include the annual bonus and the long-term bonus (performance share units).

Share Ownership Guidelines also apply, which oblige the members of the Managing Board to invest a substantial amount of cash in Heidelberg Materials AG shares and to hold them for the duration of their membership of the Managing Board. The following figure provides an overview summarising the remuneration system for the members of the Managing Board:

#### Overview 2024+ Remuneration System

Non-performance-related remuneration components													
<b>Fixed annual salary</b>	– Fixed annual salary, paid in 12 monthly installments												
<b>Fringe benefits</b>	– Customary fringe benefits, such as a company car, secretarial support, health and insurance benefits, assumption of tax consultancy costs, and individual contractual agreements												
<b>Pension commitment/consideration</b>	– Defined contribution pension commitment – Alternatively: pension consideration (cash allowance)												
Performance-related remuneration components													
<b>Annual bonus</b>	<ul style="list-style-type: none"> <li>– Plan type: target bonus</li> <li>– Cap: 200% of target value</li> </ul> <table border="1"> <thead> <tr> <th>Group performance</th> <th>Sustainable strategy targets</th> </tr> </thead> <tbody> <tr> <td> <ul style="list-style-type: none"> <li>– Profit for the financial year</li> <li>– CO<sub>2</sub> multiplier</li> </ul> </td> <td> <ul style="list-style-type: none"> <li>– Health and safety</li> <li>– Free cash flow</li> <li>– Sustainable revenue</li> <li>– Individual target</li> </ul> </td> </tr> <tr> <td style="text-align: center;">50%</td> <td style="text-align: center;">50%</td> </tr> </tbody> </table>	Group performance	Sustainable strategy targets	<ul style="list-style-type: none"> <li>– Profit for the financial year</li> <li>– CO<sub>2</sub> multiplier</li> </ul>	<ul style="list-style-type: none"> <li>– Health and safety</li> <li>– Free cash flow</li> <li>– Sustainable revenue</li> <li>– Individual target</li> </ul>	50%	50%						
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50%	50%												
<b>Long-term bonus (performance share units)</b>	<ul style="list-style-type: none"> <li>– Plan type: (Virtual) performance share plan</li> <li>– Term: Four years</li> <li>– Cap: 225% of target value</li> </ul> <table border="1"> <thead> <tr> <th colspan="4">Performance criteria</th> </tr> </thead> <tbody> <tr> <td style="text-align: center;">EBIT</td> <td style="text-align: center;">ROIC</td> <td style="text-align: center;">Relative TSR</td> <td style="text-align: center;">ESG targets</td> </tr> <tr> <td style="text-align: center;">25%</td> <td style="text-align: center;">25%</td> <td style="text-align: center;">25%</td> <td style="text-align: center;">25%</td> </tr> </tbody> </table>	Performance criteria				EBIT	ROIC	Relative TSR	ESG targets	25%	25%	25%	25%
Performance criteria													
EBIT	ROIC	Relative TSR	ESG targets										
25%	25%	25%	25%										
Other remuneration components													
<b>Share ownership</b>	<ul style="list-style-type: none"> <li>– Obligation to buy and hold Heidelberg Materials AG shares</li> <li>– 180% of fixed annual salary for the Chairman of the Managing Board</li> <li>– 100% of fixed annual salary for regular members of the Managing Board</li> </ul>												
<b>Maximum remuneration</b>	<ul style="list-style-type: none"> <li>– €11 million for the Chairman of the Managing Board</li> <li>– €6 million for regular members of the Managing Board</li> </ul>												
<b>Malus &amp; clawback</b>	<ul style="list-style-type: none"> <li>– Compliance malus and clawback</li> <li>– Performance clawback</li> </ul>												

## 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 Heidelberg Materials. With this in mind, around 60% to 80% of the target direct remuneration (fixed annual salary, target value of the annual bonus, target value of the long-term bonus) for the members of the Managing Board consists of performance-related remuneration components. The fixed annual salary accounts for around 20% to 40% of the target direct remuneration. While the target value of the annual bonus accounts for around 20% to 35%, the target value of the long-term bonus accounts for around 35% to 50% of the target direct remuneration.

To ensure the long-term focus of the remuneration of the Managing Board and meet the regulatory requirements, the share of the long-term bonus exceeds that of the annual bonus within the performance-related remuneration components.

The other components of the target total remuneration are the fringe benefits, which amount to an average of around 35% of the respective fixed annual salary, and the pension commitment or cash allowance, which also amounts to an average of around 35% of the fixed annual salary. The relative percentages of pension commitments and fringe benefits may vary in future due to changes in the cost of contractual pension commitments or fringe benefits or due to the granting of temporary benefits or benefits agreed for the entire duration of the service contract, particularly in relation to newly appointed or seconded members of the Managing Board pursuant to section IV.

## IV. Components of the 2024+ Remuneration System in detail

### Non-performance-related remuneration components

#### Fixed annual salary

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

#### Fringe benefits

The fringe benefits of the members of the Managing Board largely comprise the provision of company cars with a pool of drivers, health and insurance benefits, and the assumption of tax consultancy costs for cross-border matters. In addition, the assumption of further costs (e.g. for flights home, relocation, rent, travel hardship, cost-of-living expenses, or school fees) may be individually agreed in the event of secondments or increased travel due to departmental responsibilities.

If a newly appointed member of the Managing Board demonstrably loses remuneration claims against their previous employer as a result of moving to Heidelberg Materials (e.g. commitments to long-term performance-related remuneration), the Supervisory Board may, in exceptional cases, agree to a corresponding compensation payment. Any such compensation payments shall be disclosed and justified in the remuneration report.

Furthermore, 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 German Stock Corporation Act (Aktiengesetz, AktG) in the respective version.

#### Pension commitment/cash allowance

##### Defined contribution pension commitment

Members of the Managing Board who have been newly appointed or reappointed since 2019 are generally granted a defined contribution commitment, based on which the company will pay the member an annual pension contribution. The amount of this contribution is reviewed on a regular basis. In the framework of a capital market-oriented model, these 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 to receive an annuity based on the accumulated pension capital. The pension contributions accumulated over the duration of the commitment are guaranteed.

##### Cash allowance

As an alternative to the granting of the defined contribution pension commitment, the Supervisory Board may grant members of the Managing Board a fixed sum for their own private provision (cash allowance).

### Defined benefit pension commitment (old commitment)

The retirement agreements of the members of the Managing Board appointed prior to 2019 contain the commitment to an annual retirement pension. In the case of contract extensions, the existing defined benefit pension commitments were fixed at the value of the pension benefit at the changeover date. In addition to their defined contribution commitment, affected members of the Managing Board therefore enjoy a defined benefit pension commitment equal to the defined benefit entitlements earned up to the date on which the defined contribution commitment was granted.

### Pension benefit entitlement

An entitlement to pension benefits arises in the case of both defined contribution plans and defined benefit plans either:

- After leaving the company upon reaching retirement age (pension benefit paid on an 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 they have reached the age of 60 or 62 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 their employment contract or after benefit commencement, their widow or widower and their dependent children receive a widow's, widower's, or orphan's pension. In the case of defined contribution pension commitments, the entitlement to the value of the pension account shall pass to the widow or widower and the surviving children.

### Performance-related remuneration components

The performance-related remuneration elements consist of the annual bonus and the long-term bonus. While the annual bonus relates to a financial year, the long-term bonus has a duration of four years.

For the overall consideration of the company's success, various performance criteria are used within the performance-related remuneration components to measure the target achievement. The performance criteria are derived from the Group strategy and are both financial and non-financial. Furthermore, the majority of the selected performance criteria contribute to the achievement of Heidelberg Materials' sustainability targets.

The Supervisory Board has the option of increasing or reducing the payout amounts from the annual bonus and the long-term bonus at its reasonable discretion by a maximum of 15% of the respective target value in order to account for the individual performance of the respective members of the Managing Board and/or for extraordinary developments or circumstances in accordance with GCGC recommendation G.11. The respective cap on the performance-related remuneration components remains unchanged as a result and will not be increased. In the event that the Supervisory Board exercises discretion, the amount of the adjustment to the payout amount and the reasons shall be set out in detail in the remuneration report.

The following figure shows the type of performance criteria used and illustrates the importance of ESG targets in the context of Managing Board remuneration:

**Type of performance criteria**

Performance criteria	Financial	Non-financial	ESG
<b>Annual bonus</b>			
Profit for the financial year	●	●	●
CO <sub>2</sub> component	●	●	●
Health and safety	●	●	●
Free cash flow	●	●	●
Increase in sustainable revenue	●	●	●
Individual target	○	○	○
<b>Long-term bonus</b>			
EBIT	●	●	●
ROIC	●	●	●
Relative TSR	●	●	●
ESG target	○	○	●

● applicable    ○ partly applicable    ● not applicable

## Annual bonus

### Purpose and principal features

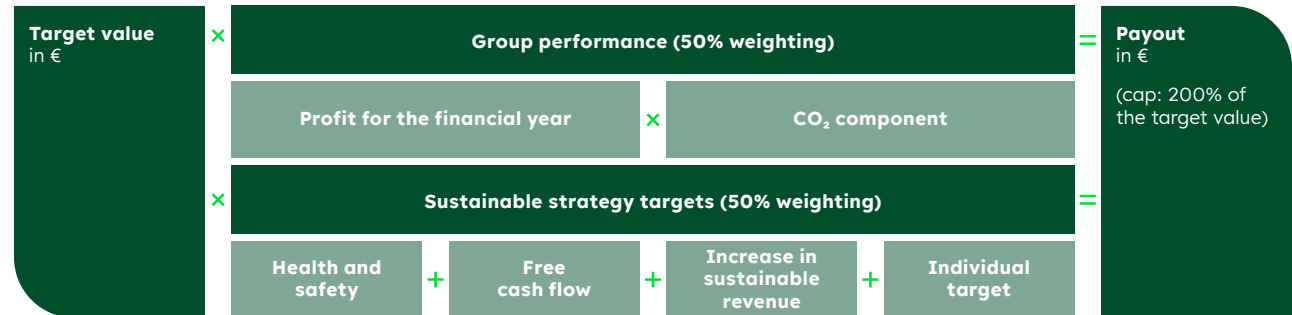
- The annual bonus provides incentives to achieve the ambitious annual financial and non-financial targets that are fundamental to the long-term and sustainable growth of Heidelberg Materials.
- Payout depends on target achievement with regard to Group performance (50% weighting) and sustainable strategy targets (50% weighting).
- Payout is capped at 200% of the target value and may not be made at all if the target is missed by a significant margin.

### How it works

The annual bonus is a one-year performance-related remuneration element that provides incentives to implement the operational targets in the financial year. The payout amount depends on the overall target achievement within the performance criteria and can range between 0% and 200% of the individual target value.

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

## Annual bonus





### Performance criteria

Half of the overall target achievement for the annual bonus is measured against Group Performance and half against Sustainable Strategy Targets.

### Group Performance

Group Performance is measured on the basis of the profit for the financial year attributable to the shareholders of Heidelberg Materials AG (profit for the financial year) and the CO<sub>2</sub> component. The target achievement is calculated by multiplying the target achievement from the profit for the financial year by the CO<sub>2</sub> component.

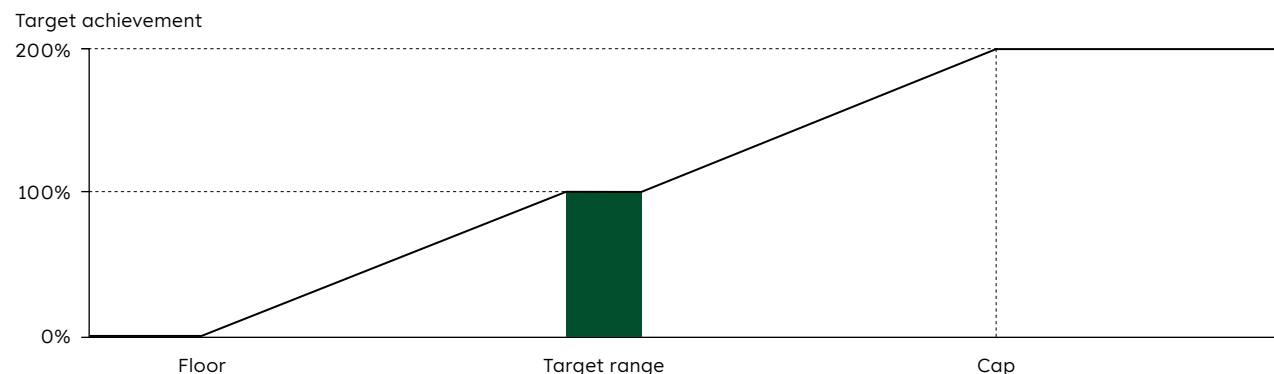
### Profit for the financial year

This figure is based on the profit for the financial year, adjusted for special items. Special items are only taken into account above a value of €20 million.

The profit for the financial year reflects Heidelberg Materials' profitability as a basic parameter. Increasing the value of the Group through sustainable and result-oriented growth is intended to guarantee a lasting entrepreneurial capacity to act. In line with its financial strategy, Heidelberg Materials strives to offer an attractive investment opportunity for its shareholders and to pursue a progressive dividend policy. As a component of the annual bonus, this performance criterion is therefore intended to provide incentives for profitable management.

In order to calculate the achievement of the profit for the financial year target, the Supervisory Board determines a target corridor and the thresholds (floor and cap) at the beginning of the respective financial year. The target achievement can range from 0% to 200%.

### Exemplary target achievement curve



For the profit for the financial year performance criterion, the defined target corridor, the thresholds (floor and cap), as well as the resulting target achievement and the adjustments made for the calculation of target achievement are disclosed in the remuneration report once the financial year has ended.

### CO<sub>2</sub> component

The CO<sub>2</sub> component in the annual bonus is intended to provide a significant incentive to achieve the CO<sub>2</sub> reduction targets set as part of the Group strategy. At the same time, the aim is to promote the long-term and sustainable development of Heidelberg Materials by orienting the business model towards resource-efficient production.

The CO<sub>2</sub> component is set up as a multiplier, which can range between 0.7 and 1.3 (CO<sub>2</sub> multiplier). To determine the CO<sub>2</sub> multiplier, the Supervisory Board defines a target for the specific CO<sub>2</sub> emissions per tonne of cement at the beginning of the respective financial year. That target is derived from Heidelberg Materials' long-term CO<sub>2</sub> roadmap and the Group's current CO<sub>2</sub> performance. The specific CO<sub>2</sub> emissions per tonne of cement are calculated using an internal definition that takes into account the CO<sub>2</sub> emissions generated during the main stages of cement production.

For the CO<sub>2</sub> component, the set target value, the thresholds (floor and cap), as well as the resulting CO<sub>2</sub> multiplier are disclosed in the remuneration report once the financial year has ended.

### Sustainable Strategy Targets

The Sustainable Strategy Targets represent the second category of targets for the annual bonus. They consist of four different performance criteria. Health and safety and free cash flow, adjusted for special items, are fixed in the remuneration system. All cash-flow-relevant special items are taken into account and are also adjusted for the profit for the financial year. The third performance criterion is a sustainability-related figure. For 2024, the Supervisory Board will agree targets with the members of the Managing Board aimed at increasing sustainable revenue. The Supervisory Board reserves the right to use a different key figure for measuring the achievement of the company's sustainability targets in future years. As a fourth performance criterion, the Supervisory Board sets one individual target for each member of the Managing Board at the beginning of each financial year. The Supervisory Board also determines the weighting of the individual performance criteria at the beginning of each financial year, staying within the following ranges (in relation to the weighting within the Sustainable Strategy Targets):

#### Weighting ranges for the sustainable strategy targets

<b>Health and safety</b>	<b>20%</b>	<b>± 10%</b>
<b>Free cash flow</b>	<b>40%</b>	<b>± 10%</b>
<b>Sustainable revenue</b>	<b>20%</b>	<b>± 10%</b>
<b>Individual target</b>	<b>20%</b>	<b>± 10%</b>

The following table provides a detailed overview of the individual performance criteria and how they relate to the Group strategy:

#### Sustainable strategy targets

<b>Health and safety</b>	<ul style="list-style-type: none"> <li>- To ensure the occupational health and safety of Heidelberg Materials employees</li> <li>- By 2030, reduce the fatality rate to zero and cut the lost time injury frequency rate (LTIFR) by 50% compared with 2020</li> </ul>
<b>Free cash flow</b>	<ul style="list-style-type: none"> <li>- To measure division-specific or Group-wide free cash flow</li> <li>- To take cash flows into account when reviewing strategic investments and divestments</li> </ul>
<b>Increase in sustainable revenue</b>	<ul style="list-style-type: none"> <li>- To further increase revenue from sustainable products</li> <li>- By 2030, half of Group revenue to be generated from sustainable products</li> </ul>
<b>Individual target</b>	<ul style="list-style-type: none"> <li>- Person-specific objectives</li> <li>- To take account of certain strategic or operational targets depending on respective Managing Board responsibility</li> </ul>

For the Sustainable Strategy Targets performance criteria, the set target values and the resulting target achievements are disclosed in the remuneration report once the financial year has ended. The remuneration report also transparently discloses the individual target set for each member of the Managing Board.

## Long-term bonus (performance share units)

### Purpose and principal features

- As a share-based remuneration component, the long-term bonus links the interests of the Managing Board with those of the shareholders, fosters the long-term loyalty of the members of the Managing Board to the company, and incentivises the achievement of important financial targets and ESG targets, which are fundamental to the long-term sustainable growth of Heidelberg Materials.
- Allocation in accordance with a virtual performance share plan in the form of performance share units (PSUs).
- Payout depends on absolute share price performance and target achievement in the equally weighted performance criteria EBIT, ROIC, relative TSR, and ESG.
- Measurement of target achievement of the performance criteria after three years (performance period) followed by a one-year deferral of payout of the PSUs (waiting period).
- Payout is capped at 225% and may not be made at all if the target is missed by a significant margin.

### How it works

The long-term bonus is structured as a virtual performance share plan. It is based on virtual shares, so-called performance share units (PSUs), and is allocated in annual tranches. By using PSUs, the long-term bonus establishes a direct link to the performance of the Heidelberg Materials share price, thus strengthening the alignment between the interests of the Managing Board and the shareholders.

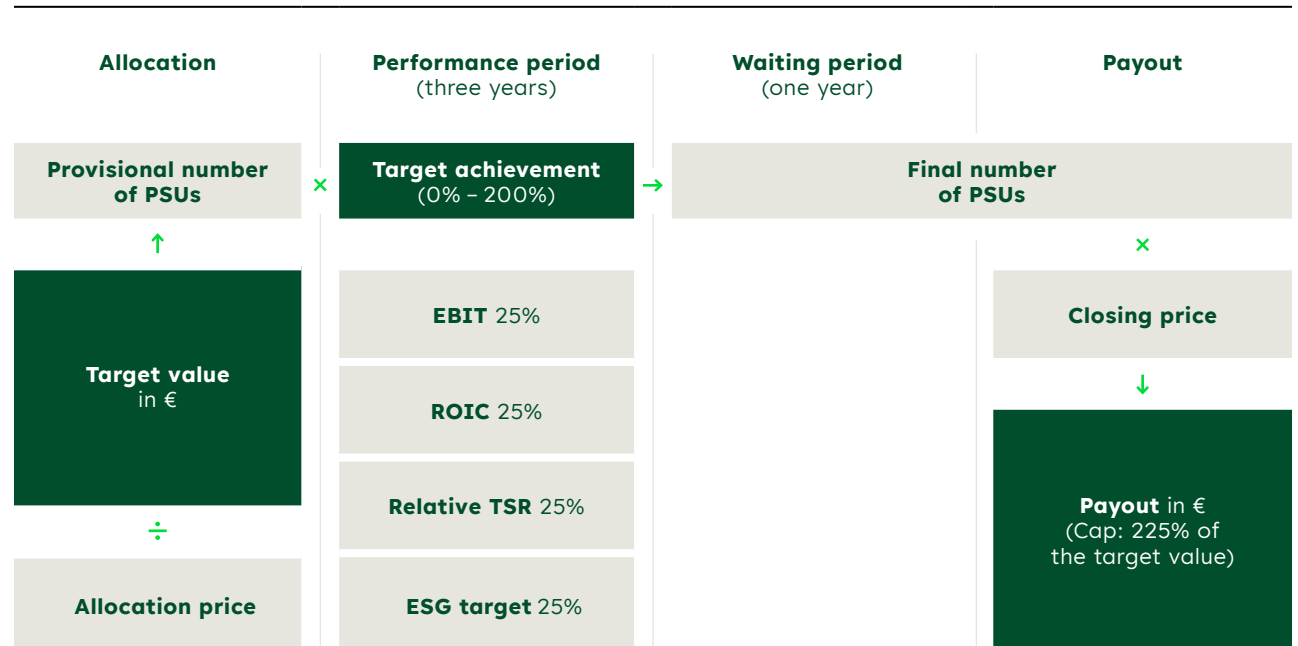
As a first step, the number of PSUs to be provisionally allocated is determined. To this end, the contractually agreed target value for the long-term bonus is divided by the reference price of the Heidelberg Materials share at the beginning of the tranche's duration (allocation price). The allocation price is generally the average of the daily closing prices of the Heidelberg Materials share on the Frankfurt Stock Exchange Xetra trading system in the three months prior to the start of the tranche's duration.

The long-term bonus has a four-year duration. This consists of a three-year performance period and a one-year waiting period. At the end of the performance period, the target achievement of the performance criteria is determined and the final number of PSUs is calculated. 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 payout takes place after a one-year waiting period following the performance period. The final number of PSUs is then multiplied with the reference price of the Heidelberg Materials share (closing price) applicable at the time, adjusted for notionally reinvested dividend payments and for changes in capital. The closing price is generally the average of the daily closing prices of the Heidelberg Materials share on the Frankfurt Stock Exchange Xetra trading system in the three months prior to the start of the waiting period.

Payouts from the long-term bonus are capped at 225% of the contractually agreed target value and are made after the Annual General Meeting following the end of the duration. In order to comply with the Share Ownership Guidelines, half of the payout amount must be used to acquire shares in Heidelberg Materials until the complete share ownership requirement has been fulfilled (see “Share Ownership Guidelines” chapter).

**Long-term bonus**



**Performance criteria**

The overall target achievement for the long-term bonus is determined on the basis of the equally weighted performance criteria EBIT, ROIC, relative TSR, and ESG target.

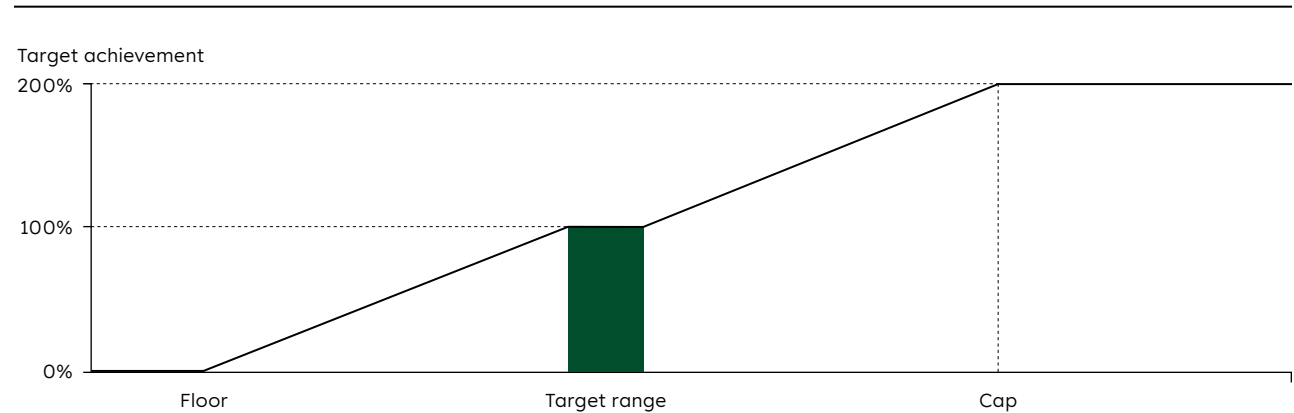
**EBIT**

The basis for the performance criterion is the EBIT, which is adjusted for one-time special effects that could not be foreseen at the time when the operating plan and the targets were set. As for the calculation of the profit for the financial year, only special items above a threshold of €20 million are taken into account.

EBIT is a measure of profitability and reflects the economic strength of Heidelberg Materials. Combined with the profit for the financial year in the annual bonus, incentives for profitable management are thus provided in both the short-term and long-term performance-related 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 (floor and cap). 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. The target achievement can range from 0% to 200%.

**Exemplary target achievement curve for EBIT**



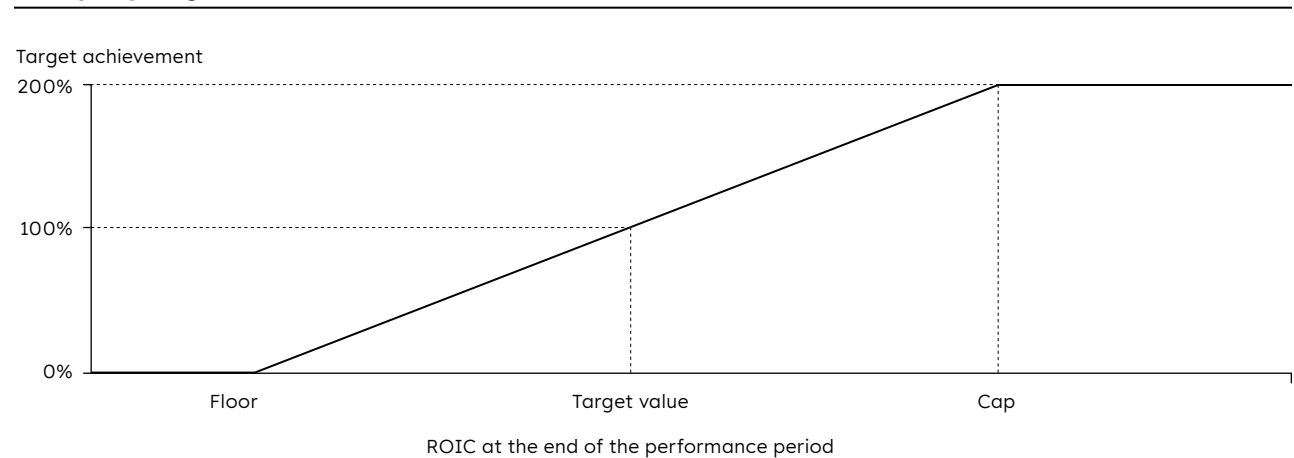
For the performance criterion EBIT, the defined target corridor, the thresholds (floor and cap), as well as the resulting target achievement and the adjustments made for the calculation of the target achievement are disclosed in the remuneration report after the duration of the respective tranche has ended.

**ROIC**

The performance criterion is based on return on invested capital (ROIC). ROIC is calculated as the ratio between EBIT adjusted for exchange rate effects less standard taxes and invested capital as reported in the consolidated balance sheet, also adjusted for exchange rate effects. The Supervisory Board can adjust ROIC for impairments that the Managing Board could not influence during the performance period or could only influence to a limited extent. ROIC is one of Heidelberg Materials' most important financial performance indicators. The inclusion of ROIC as a performance criterion in the long-term bonus therefore provides further incentives to increase capital efficiency in line with the Group strategy.

The achievement of the ROIC target is measured by comparing the target value set at the beginning of the respective tranche with the average ROIC over the performance period. The lower and upper limits of the target achievement curve at the start of the performance period are defined depending on the target value. The target value set by the Supervisory Board is derived from the company's relevant three-year operational plan. The target achievement can range from 0% to 200%.

**Exemplary target achievement curve for ROIC**



For the performance criterion ROIC, the defined target value, the thresholds (floor and cap), as well as the resulting target achievement and the adjustments made for the calculation of the target achievement are disclosed in the remuneration report after the duration of the respective tranche has ended.

**Relative TSR**

The total shareholder return (TSR) performance is determined by comparing the performance of the Heidelberg Materials share (calculated as percentage increase in share value taking into account reinvested dividend payments and adjustments for capital measures) with a peer group.

Relative TSR represents a capital market-oriented performance criterion that provides an incentive for the sustainable and long-term outperformance of the relevant peer group and is thus in line with Heidelberg Materials’ target of offering shareholders an attractive investment opportunity.

The peer group for measuring the relative TSR is currently composed of the following competitors of Heidelberg Materials:

The Supervisory Board has the option of adjusting the peer group if necessary, for example if individual companies no longer serve as a meaningful comparison or if other competitors take on greater importance. During the ongoing performance period of a tranche of the long-term bonus, the peer group can only be adjusted if the peer group defined at the start of the performance period can no longer be used, for example because a peer company is delisted from the stock exchange.

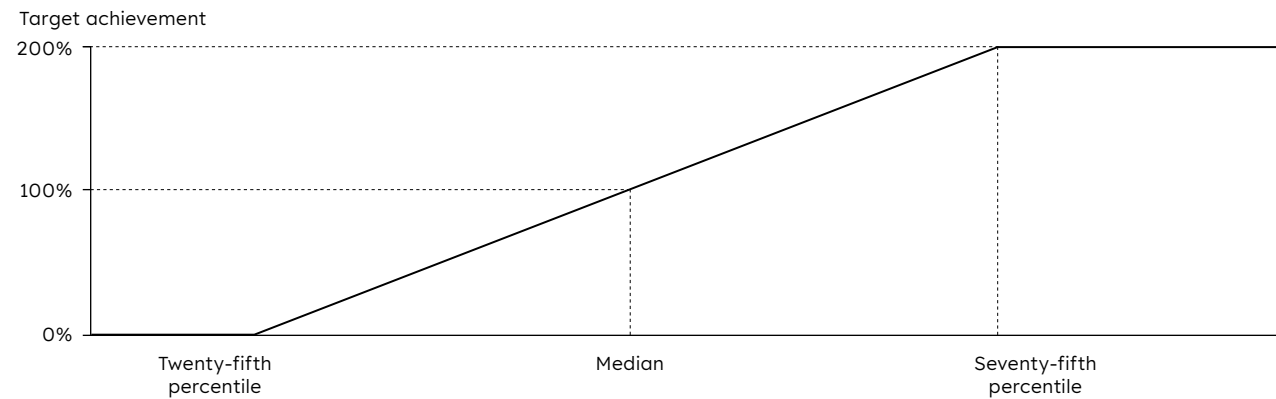
**Peer group used from 2024 onwards**

Global	Europe	North America	Asia	Australia
Cemex S.A.B.	ACS, S.A.	Eagle Materials Inc.	PT Semen Indonesia Tbk	Boral Limited
CRH plc	Bouygues SA	Martin Marietta Materials Inc.		
Holcim Ltd	Breedon Group plc	Summit Materials, Inc.		
	Buzzi S.p.A	Vulcan Materials Co.		
	Skanska AB			
	Titan Cement Int. S.A.			
	Vicat SA			

The relevant peer group is published for each tranche in the relevant remuneration report in which the allocation is reported. Any changes to the peer group are also announced retrospectively in the remuneration report.

The target achievement range for the relative TSR at the end of the performance period is 0% to 200%. To measure the relative TSR, the TSR performance of Heidelberg Materials and its peers over the performance period is ranked. Target achievement is calculated depending on Heidelberg Materials' relative rank within the peer group on the basis of the following target achievement curve:

**Target achievement curve for relative TSR**



The target achievement rate is 100% if the TSR of Heidelberg Materials corresponds to the peer group median. Below the twenty-fifth percentile, the target achievement is 0%; above the seventy-fifth percentile, it is 200%. The Supervisory Board has set the target achievement curve in line with German market practice, while taking into account a balanced risk and opportunity profile.



### ESG target

In order to address the global challenges caused by climate change and resource scarcity, Heidelberg Materials is transforming its business processes and placing sustainability at the centre of its activities. Against this background, the Supervisory Board has decided to include an ESG target in the long-term bonus from 2024 onwards in order to provide strong incentives for achieving Heidelberg Materials' ambitious sustainability targets via the long-term performance-related remuneration component too.

At the beginning of the duration of a tranche of the long-term bonus, the Supervisory Board sets a measurable and quantifiable ESG target. The ESG target is derived from Heidelberg Materials' Group and sustainability strategies.

For the ESG target, the Supervisory Board identifies a target value corresponding to a target achievement rate of 100%, a lower threshold (floor) corresponding to a target achievement rate of 0%, and an upper threshold (cap) corresponding to a target achievement rate of 200%.

The ESG target set for the tranche is disclosed in the remuneration report in which the allocation is reported. The target values set for the ESG target, the floor and cap, and the target achievements are disclosed in the remuneration report after the duration of the respective tranche has ended.

Potential ESG targets include reducing CO<sub>2</sub> emissions, increasing revenue from sustainable products, or introducing sustainable products. For the 2024 tranche of the long-term bonus, the Supervisory Board will agree targets with the members of the Managing Board aimed at reducing specific CO<sub>2</sub> emissions per tonne of cement over the three-year performance period of the long-term bonus. Reducing CO<sub>2</sub> emissions is a key lever

for achieving Heidelberg Materials' Sustainability Commitments 2030. The use of the CO<sub>2</sub> multiplier in the annual bonus in combination with the definition of CO<sub>2</sub> reduction targets over a three-year period in the long-term bonus creates a balanced incentive profile for the members of the Managing Board to achieve the target of reducing CO<sub>2</sub> emissions to 400 kg of CO<sub>2</sub> per tonne of cementitious material by 2030.

The Supervisory Board will determine the ESG target for each tranche of the long-term bonus as required, taking into account the progress made towards the various corporate targets laid out in the Concrete Promises and the Sustainability Commitments 2030.

### Provision concerning the transition to the 2024+ Remuneration System

Due to the standardisation of the long-term bonus duration to four years, there will be a one-time shift of the payout in the 2027 financial year, as only the capital market component of the 2023 LTI tranche (50% of the original grant amount) will be paid out in that financial year. In order to mitigate this one-time shift of the payout in the 2027 financial year, 25% of the provisionally calculated payout amount will be paid out after the three-year performance period on the basis of the target achievement set for the 2024 LTI tranche. This payout amount will be calculated on the basis of the reference price of the Heidelberg Materials share applicable at the end of the three-year performance period, which in turn will be adjusted for notionally reinvested dividend payments and changes in capital. This payout will then be set off against the regular payout of the 2024 LTI tranche, taking into account the reference price of the Heidelberg Materials share at the end of the waiting period in the 2028 financial year. The provisional payout will therefore not constitute additional or guaranteed remuneration.

## Other remuneration components

### Share Ownership Guidelines

To further harmonise the interests of the Managing Board and the shareholders of Heidelberg Materials, the Supervisory Board has adopted guidelines for share ownership. The members of the Managing Board are obliged to acquire Heidelberg Materials AG shares in the amount of a predetermined, relative proportion of their fixed annual salary and to hold these shares for the duration of their membership of the Managing Board.

The obligation amounts to 180% of fixed annual salary for the Chairman of the Managing Board and 100% of fixed annual salary for regular members of the Managing Board.

In order to comply with the guidelines, half of the payout amounts from the long-term bonus that the member of the Managing Board has received in their role must be used to acquire shares in Heidelberg Materials AG until the complete share ownership requirement has been met. Company shares that are already held by members of the Managing Board are taken into account when calculating share ownership.

### Malus and clawback rules

The performance-related remuneration elements include malus and clawback rules. These give the Supervisory Board the option to reduce part or all of the performance-related remuneration elements that have not yet been paid out (compliance malus) or to reclaim performance-related remuneration elements that have already been paid out (compliance clawback) in the event of breaches of essential duties of diligence.

In the event that performance-related remuneration elements are paid out on the basis of a materially incorrect consolidated financial statement, the Super-

visory Board may reclaim performance-related remuneration elements that have already been paid out (performance clawback). In this case, the repayment claim shall consist of the difference between the performance-related remuneration owed and the overpaid performance-related remuneration. The malus and clawback rules apply to both the annual bonus and the long-term bonus.

### Maximum remuneration

In accordance with section 87a of the AktG, the Supervisory Board has set a maximum remuneration for the members of the Managing Board. The maximum remuneration comprises all payouts of the non-performance remuneration components in the form of the fixed annual salary, fringe benefits (or their value), the pension commitment or cash allowance, and payouts from the performance-related remuneration components consisting of the annual bonus and the long-term bonus. The maximum remuneration caps the payouts of the remuneration promised for a financial year, regardless of the actual payout date. In the case of a pension commitment, the past service costs are used in the calculation of the maximum remuneration.

The maximum remuneration of the Chairman of the Managing Board is €11 million, and that of the regular members of the Managing Board is €6 million. For members of the Managing Board who are also appointed as members of the Managing Board or Executive Board of a foreign subsidiary of Heidelberg Materials the maximum remuneration relates to the remuneration received from Heidelberg Materials AG and the respective subsidiary.

For regular members of the Managing Board whose contracts state their remuneration in US dollars, the maximum remuneration is set at US\$ 6.5 million in order to avoid any effects resulting from exchange rate fluctua-

tions. At the time the 2024+ Remuneration System was established, this amount roughly corresponded to the maximum remuneration amount set in euros.

If the actual remuneration exceeds the maximum remuneration, the long-term bonus will be reduced accordingly. To the extent that this proves insufficient to comply with the maximum remuneration, the Supervisory Board may exercise due discretion and reduce other remuneration components or demand reimbursement of remuneration already paid out.

### Remuneration-related legal transactions

#### Duration of employment contracts

The term of the employment contracts of the members of the Managing Board corresponds with the duration of their appointment. When making appointments, the Supervisory Board takes into account the limitations laid down in section 84 of the AktG, in particular the maximum term of five years. In the case of first-time appointments, the term should not exceed three years in accordance with GCGC recommendation B.3. The right to terminate the contract without notice for good cause remains unaffected. If a member of the Managing Board's appointment to the Managing Board is temporarily revoked pursuant to section 84(3) of the AktG with a commitment to reappointment, the Supervisory Board may agree with this member of the Managing Board that they will continue to receive individual remuneration elements during the interruption of their term of office.

#### Exit conditions

In the event of an 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 stipulat-

ed due dates and conditions. There shall be no accelerated settlement or payout. The target values for 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.

If the employment contract of the member of the Managing Board is immediately and effectively terminated for serious cause before the end of its term, the member's claims to the annual bonus and long-term bonus shall be forfeited.

#### Severance pay cap

In the event of an early termination of a Managing Board membership without serious cause, in accordance with the recommendations of the GCGC, payments to a Managing Board member, including fringe benefits, shall not exceed the value of two annual remunerations and shall 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, where applicable, on the amount of the expected total remuneration for the current financial year.

#### Change of control

The remuneration system does not provide for commitments in the event of an early termination of membership of the Managing Board as a result of a change of control.

#### Post-contractual non-compete clause

The Supervisory Board is entitled to agree a post-contractual non-compete clause with the members of the Managing Board in return for the payment of a waiting allowance.

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

### Determining and implementing the remuneration system

Pursuant to section 87(1) of the AktG, remuneration is determined by the Supervisory Board. The Supervisory Board is supported in this task by its Personnel Committee, which develops recommendations on the remuneration system of the Managing Board, which are discussed in detail and decided upon by the Supervisory Board. If necessary, the Personnel Committee and Supervisory Board may seek advice from external remuneration experts. In this case, care is taken to ensure their independence from the Managing Board and the company.

The remuneration system adopted by the Supervisory Board is submitted to the Annual General Meeting for approval. The Supervisory Board regularly reviews the remuneration system for the members of the Managing Board on the basis of preparatory work by and recommendations from the Personnel Committee. If necessary, the Supervisory Board resolves to make changes. In the event of significant changes, and at least every four years, the remuneration system is submitted to the Annual General Meeting for approval.

If the Annual General Meeting does not approve the remuneration system, a revised remuneration system will be submitted for resolution no later than at the next Annual General Meeting.

### Setting Managing Board remuneration and ensuring its appropriateness

The remuneration of the Managing Board is determined by the Supervisory Board following a recommendation by the Personnel Committee. The Supervisory Board ensures that the remuneration is commensurate with the tasks and performance of the respective member of the Managing Board and with the company's economic situation and that it does not exceed common levels of remuneration without special justification. To this end, the Supervisory Board regularly makes horizontal and vertical comparisons with appropriate peer groups.

The Supervisory Board may seek advice in this regard from an external expert who is independent of the Managing Board and the company. Horizontal comparisons are based on relevant national and international peer groups selected by the Supervisory Board on the basis of country, size, and industry criteria in accordance with the AktG. Against this background, the Supervisory Board has latterly used the companies of the DAX as a peer group. In order to take the industry criterion into account, the Supervisory Board may also use companies from related industries as a peer group in future.

For the vertical comparison, the remuneration of the Managing Board is compared with the remuneration of top and senior management and the remuneration of the total workforce of Heidelberg Materials, both overall and in terms of development over time.

The Supervisory Board takes the results of such reviews into account when determining the target remuneration of the members of the Managing Board, also thereby ensuring the appropriateness of the remuneration of the Managing Board.

### Taking account of employees' remuneration and employment conditions

Heidelberg Materials aims to provide competitive remuneration and employment conditions for both employees and members of the Managing Board. Beyond taking into account vertical comparisons when determining the target remuneration of the members of the Managing Board, the Supervisory Board also considers the remuneration and employment conditions of Heidelberg Materials employees when determining the remuneration system for the Managing Board. In doing so, it pays attention to the consistency of remuneration within the Group.

### Measures to prevent conflicts of interest

Heidelberg Materials AG's rules on preventing and handling conflicts of interest also apply to the procedure for determining, implementing, and reviewing the remuneration system. Should conflicts of interest arise in exceptional cases, these must be disclosed and may lead, among other actions, to the persons concerned being excluded from the discussion and decision-making processes.

## **VI. Extraordinary developments/temporary deviation from the remuneration system**

In accordance with GCGC recommendation G.11 and in addition to the above-mentioned margin of discretion of 15% of the target value within the performance-related remuneration elements, the Supervisory Board has the option of taking reasonable account within the performance-related remuneration of significant extraordinary developments (e.g. the acquisition or disposal of a company or parts of a company, impairments of property, plant and equipment or participations, the effect of changes in interest rates on the fair value of provisions, or material changes in accounting and valuation methods) to the extent that these were not already taken into account during target setting.

Furthermore, the Supervisory Board has the right, pursuant to section 87a(2)(2) of the AktG, to temporarily deviate from the remuneration system in the event of extraordinary circumstances (e.g. in the event of a severe economic or financial crisis) if this is necessary in the interest of the long-term well-being of the company. Unfavourable market developments are not to be regarded as extraordinary circumstances justifying an exception. Even in the event of a deviation, remuneration must continue to be aligned with the long-term and sustainable development of the company and must be consistent with the success of the company and the performance of the member of the Managing Board. A deviation from the remuneration system in these circumstances may only be permitted after careful analysis of these extraordinary circumstances and at the suggestion of the Personnel Committee by means of a corresponding Supervisory Board resolution specifying the extraordinary circumstances and the need for a deviation. A temporary deviation from the remuneration system may be made with regard to the following components: performance criteria of the annual bonus and the long-term bonus as well as ranges of target achievements for the individual components of the performance-related remuneration. If the incentive effect of the remuneration cannot be adequately restored by adjusting the existing remuneration components, the Supervisory Board is authorised to temporarily grant additional remuneration components or to replace individual remuneration components with other ones.

In the event of a temporary deviation from the remuneration system, details of the deviations, including an explanation of the need for the deviations and the specific components of the remuneration system that were deviated from, shall be provided in the remuneration report for the following year.

Annex to agenda item 8

# Information on the Supervisory Board candidates proposed under agenda item 8 for the election

## Dr Bernd Scheifele

Residence: Heidelberg  
 Year of birth: 1958  
 Nationality: German  
 Profession: Member of various supervisory bodies

Member and Chairman of the Supervisory Board since 12 May 2022

## Career

Today	Chairman of the supervisory board of PHOENIX Pharma SE and PHOENIX Pharmahandel GmbH & Co KG Chairman of the supervisory board of Verlagsgruppe Georg von Holtzbrinck GmbH (until 24 April 2024) Member of the supervisory board of Springer Nature AG & Co. KGaA (until 23 April 2024)
2005–2020	Chairman of the Managing Board of Heidelberg Materials AG
1994–2005	Chairman of the Managing Board of Phoenix Pharmahandel AG & Co KG
1988–1994	Lawyer and, from 1991 partner in the law firm Gleiss Lutz Hootz Hirsch

## Education

Doctorate, University of Freiburg  
 Second state examination in law  
 Fulbright Scholarship in the USA, Master of Laws (LLM)  
 First state examination in law  
 Law, Universities of Freiburg and Dijon

## Membership in statutory supervisory boards of domestic companies

### Companies not listed on the stock exchange:

PHOENIX Pharma SE, Mannheim, Chairman  
 Verlagsgruppe Georg von Holtzbrinck GmbH, Stuttgart, Chairman (until 24 April 2024)  
 Springer Nature AG & Co. KGaA, Berlin (until 23 April 2024)

## Membership of comparable domestic and foreign supervisory bodies of commercial enterprises

### Company not listed on the stock exchange:

PHOENIX Pharmahandel GmbH & Co KG, Mannheim

The Supervisory Board of PHOENIX Pharma SE and the Advisory Board of PHOENIX Pharmahandel GmbH & Co KG meet jointly.

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

## Ludwig Merckle

Residence: Ulm  
 Year of birth: 1965  
 Nationality: German  
 Profession: Managing Director of Merckle Service GmbH (Ulm)

Member of the Supervisory Board since 2 June 1999

### Career

since 2009 Managing Director of Merckle Service GmbH  
 2005–2009 Managing Director of VEM Vermögensverwaltung GmbH  
 1997–2005 Managing Director of Merckle GmbH, parent company of  
 ratiopharm GmbH  
 1995–1997 Management Assistant at Merckle GmbH  
 1993–1994 Roland Berger Strategic Consulting

### Education

Degree in Business Information Technology (Diplom-Wirtschaftsinformatiker),  
 University of Mannheim

### Membership in statutory supervisory boards of domestic companies

#### Companies controlled by Mr Ludwig Merckle and not listed on the stock exchange:

Kässbohrer Geländefahrzeug AG, Laupheim, Chairman  
 PHOENIX Pharma SE, Mannheim, Deputy Chairman

### Membership of comparable domestic and foreign supervisory bodies of commercial enterprises

#### Company controlled by Mr Ludwig Merckle and not listed on the stock exchange:

PHOENIX Pharmahandel GmbH & Co KG, Mannheim

The Supervisory Board of PHOENIX Pharma SE and the Advisory Board of PHOENIX Pharmahandel GmbH & Co KG meet jointly.

Mr Ludwig Merckle has particular knowledge and experience in the use of accounting principles and internal control and risk management systems, in the auditing of financial statements and in sustainability reporting and its auditing. Mr Ludwig Merckle therefore meets the requirements of section 100 para. 5 of the German Stock Corporation Act for expertise in the areas of accounting and auditing.

Mr Ludwig Merckle holds a material interest in Heidelberg Materials AG within the meaning of recommendation C.13 of the German Corporate Governance Code. In addition, in financial year 2023, Heidelberg Materials AG provided services for PHOENIX Pharmahandel GmbH & Co KG, Mannheim, a company related to Mr Merckle, in the net amount of €203,508.00 plus expenses in the net amount of €2,077.00. Beyond this, there are no personal or business relationships between Mr Ludwig Merckle and the companies of the Heidelberg Materials Group or the executive bodies of Heidelberg Materials AG that an objectively judging shareholder would consider decisive for his election decision.

In the opinion of the shareholder representatives on the Supervisory Board, Mr Ludwig Merckle is independent within the meaning of recommendation C.6 of the German Corporate Governance Code. The Supervisory Board has taken into account the fact that Mr Ludwig Merckle has been a member of the Supervisory Board for more than twelve years. In the opinion of the Supervisory Board, this length of membership does not lead to a conflict of interest for Mr Ludwig Merckle, as his work in recent years has shown that this length of membership does not give rise to a conflict of interest.

## Luka Mucic

Residence: London  
 Year of birth: 1971  
 Nationality: German  
 Profession: Chief Financial Officer of Vodafone Group Plc

Member of the Supervisory Board since 9 May 2019

### Career

since 09/2023 Chief Financial Officer of Vodafone Group Plc  
 2014–2023 Chief Financial Officer of SAP SE  
 2013–2014 Head of Global Finance of SAP AG, with responsibility for Global Finance Infrastructure, Enterprise Analytics & Innovative Solutions, Global Governance, Risk & Compliance, Global Tax, Global Treasury, Global Field Finance and Cloud Finance  
 2012–2013 Chief Financial Officer for Global Customer Operations and Head of Global Field Finance of SAP AG. In this role, he was responsible for all finance, controlling, and commercial functions in SAP’s worldwide field organization  
 2008–2012 Chief Financial Officer of SAP AG for the DACH region (Germany, Austria, and Switzerland) and SAP Deutschland AG & Co. KG  
 2000–2008 Various executive roles within the Global Finance and Administration board area of SAP AG, overseeing merger and acquisition activities, heading SAP’s Global Risk Management organization, and leading the legal function of SAP Markets Europe GmbH  
 1996–2000 Corporate Legal department of SAP AG

### Education

Joint executive MBA from Mannheim Business School and ESSEC Paris  
 Study of law at the University of Heidelberg, Germany and second legal state examination

### Membership in statutory supervisory boards of domestic companies

None

### Membership of comparable domestic and foreign supervisory bodies of commercial enterprises

None

Mr Luka Mucic has special knowledge and experience in the use of accounting principles and internal control and risk management systems, in the auditing of financial statements and in sustainability reporting and its auditing. Mr Luka Mucic therefore meets the requirements of section 100 para. 5 of the German Stock Corporation Act for expertise in the areas of accounting and auditing.

According to the assessment of the Supervisory Board, there are no personal or business relationships between Mr Luka Mucic on the one hand and the companies of the Heidelberg Materials Group, the corporate bodies of Heidelberg Materials AG and Mr Ludwig Merckle as a shareholder with a significant interest in Heidelberg Materials AG on the other hand that an objectively judging shareholder would regard as decisive for his voting decision.

In the opinion of the shareholder representatives on the Supervisory Board, Mr Luka Mucic is independent within the meaning of recommendation C.6 of the German Corporate Governance Code. In this context, the Supervisory Board has taken into account that Mr Luka Mucic, as a member of the Board of Vodafone Group Plc, holds a responsible position at a non-Group company with which Heidelberg Materials AG maintains business relations. However, since the business success of Heidelberg Materials AG is not significantly influenced by the business relationship with Vodafone and there is no other dependence on Vodafone Group Plc, the Supervisory Board nevertheless considers Mr Luka Mucic to be independent.



## Margret Suckale

Residence: Tegernsee  
 Year of birth: 1956  
 Nationality: German  
 Profession: Member of various supervisory boards

Member of the Supervisory Board since 25 August 2017

## Career

Since 2017	Member of various supervisory boards
2011–05/2017	Member of the Board of Executive Directors of BASF SE, responsible for Engineering and Maintenance, Environmental Protection, Health & Safety, European Site & Verbund Management and Human Resources; also Labour Director at BASF SE and Site Director for Ludwigshafen
2009	Senior Vice President, Global HR – Executive Management & Development, BASF SE, Ludwigshafen
2008	Member of the Management Board responsible for HR and Services, Deutsche Bahn Mobility & Logistics AG, Berlin
2005	Member of the Management Board responsible for HR and Services, Deutsche Bahn AG, Berlin
2004	Head of Central Staff Units, Deutsche Bahn AG, Berlin
1997	Head of Legal Division, Deutsche Bahn AG, Berlin
1996	Joint Venture Mobil/BP, Integration Team, Mobil Europe Ltd., London/UK
1991	Various positions in human resources for subsidiary companies of the Mobil Corporation in Europe, for example, in London (UK), Copenhagen (Denmark), Vienna (Austria) and Hamburg (Germany)
1985	Legal Adviser for Marketing, Sales, Contract, Competition, and Antitrust Law, Labor Law, Supply and Distribution, Mobil Oil AG, Hamburg

## Education

Study of law and second legal state examination, Hamburg  
 Executive Master of Business Administration from WHU, Vallendar and Kellogg School of Management, Illinois/USA  
 Executive Master of European and International Law, University of St. Gallen/Switzerland

## Membership in statutory supervisory boards of domestic companies

### Companies listed on the stock exchange:

Deutsche Telekom AG, Bonn  
 DWS Group GmbH & Co. KGaA, Frankfurt  
 Infineon Technologies AG, Neubiberg

### Membership of comparable domestic and foreign supervisory bodies of commercial enterprises

### Company not listed on the stock exchange:

Greiner AG, Austria

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



## Dr Sopna Sury

Residence: Willich  
 Year of birth: 1974  
 Nationality: German  
 Profession: Chief Operating Officer Hydrogen and member of the Executive Board of RWE Generation SE

Member of the Supervisory Board since 12 May 2022

### 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, Düsseldorf 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
2001–2010	McKinsey & Company, Inc., Düsseldorf
2009–2010	Manager EMEA (Europe, Middle East, Africa) Organization Practice
2006–2008	Manager German Organization Practice
2001–2006	Senior Associate

### Education

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

### Membership in statutory supervisory boards of domestic companies

None

### Membership of comparable domestic and foreign supervisory bodies of commercial enterprises

#### Company not listed on the stock exchange:

Société Electrique de l'Our S.A., Luxembourg

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

## Gunnar Groebler

Residence: Hamburg

Year of birth: 1972

Nationality: German

Profession: Chief Executive Officer of Salzgitter AG

### Career

2021– today	Chief Executive Officer of Salzgitter AG
1999–2020	Vattenfall
2014–2020	In addition: Vice President, Wind Business and Member of the Group Executive Board, Stockholm
2014–2020	Chairman of the Management Board of Vattenfall Windkraft, Hamburg
2011–2013	Head, Hydropower Business, Germany, Hohenwarte
2009–2010	Head, Corporate Development and Mergers & Acquisitions, Central Europe, Berlin
2008	Head, Mergers & Acquisitions, Central Europe, Berlin
2007	Head of Department, Group Structuring, Berlin
2005–2007	Head of Department, Purchasing, Hamburg
2003–2004	Project Manager, Group Strategies, Stockholm
1999–2002	Last: Project Manager, Corporate Development, Post-Merger Integration, VEAG, Berlin

### Education

Graduate engineer, mechanical engineering, RWTH Aachen University (Rheinisch-Westfälische Technische Hochschule Aachen)

## Membership in statutory supervisory boards of domestic companies

### Company listed on the stock exchange:

Aurubis AG, Hamburg

### Companies not listed on the stock exchange:

Ilsenburger Grobblech GmbH, Isenburg, Chairman

KHS GmbH, Dortmund

Mannesmann Precision Tubes GmbH, Mülheim an der Ruhr

Peiner Träger GmbH, Peine, Chairman

Salzgitter Flachstahl GmbH, Salzgitter, Chairman

Salzgitter Mannesmann Grobblech GmbH, Mülheim an der Ruhr, Chairman

Salzgitter Mannesmann Handel GmbH, Mülheim an der Ruhr, Chairman

## Membership of comparable domestic and foreign supervisory bodies of commercial enterprises

### Companies not listed on the stock exchange:

Semco Maritime A/S, Denmark

Ilsenburger Grobblech GmbH, Isenburg and Salzgitter Mannesmann Grobblech GmbH, Mülheim an der Ruhr (joint advisory board), Chairman

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

## Further information and notes on the virtual Annual General Meeting without attendance in person of the shareholders

Based on section 118a para. 1 of the German Stock Corporation Act in conjunction with article 16 para. 5 of the Articles of Association of Heidelberg Materials AG, the Managing Board has decided that the Annual General Meeting will be held as a virtual general meeting without attendance in person of the shareholders or their proxies (with the exception of the proxies nominated by the Company).

The Annual General Meeting will be transmitted from the business premises of the Company at Berliner Strasse 6, 69120 Heidelberg (location of the Annual General Meeting within the meaning of section 121 para. 3 of the German Stock Corporation Act). Please note that attendance in person of the shareholders or their proxies (with the exception of the proxies nominated by the Company) at the place of transmission of the Annual General Meeting is excluded. All members of the Managing Board and the Supervisory Board intend to attend the Annual General Meeting for its entire duration.

The entire Annual General Meeting will be transmitted with video and audio in an internet-supported and password-protected general meeting system (“**InvestorPortal**”) that can be accessed via the website at [www.heidelbergmaterials.com/en/annual-general-meeting-2024](http://www.heidelbergmaterials.com/en/annual-general-meeting-2024). Duly registered shareholders and their proxies can join the virtual Annual General Meeting electronically via the InvestorPortal and follow the live video and audio transmission there (“**attendance**”) as well as exercise their shareholder rights.

Shareholders or their proxies may exercise their voting rights exclusively by way of absentee voting (including by means of electronic communication) or by granting power of attorney and giving instructions to the proxies nominated by the Company. Shareholders joining the meeting electronically will be granted the right to speak and request information by way of video communication as well as the right to submit motions and election proposals by way of video communication. They will also be granted the right to object to a resolution of the Annual General Meeting by way of electronic communication. Shareholders who have duly registered for the Annual General Meeting are also granted the right to submit written statements prior to the meeting by way of electronic communication.

## 1. Requirements for attending the virtual Annual General Meeting and for exercising the shareholders’ rights, in particular voting rights

In accordance with section 123 para. 4 sentence 2 of the German Stock Corporation Act in its current version, shareholders must have duly registered for the Annual General Meeting and have provided the Company with proof of their shareholding as of the close of business, i.e. the end of the 22nd day before the Annual General Meeting, i.e. as of 24 April 2024, 2400 hrs (CEST) (so-called “**record date**”), in order to attend the Annual General Meeting and exercise the shareholders’ rights in connection with the virtual Annual General Meeting, in particular their voting rights. For this purpose, a certificate of shareholding issued in text form in German or English 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 provision in the Articles of Association of Heidelberg Materials AG (article 16 para. 1), which currently still corresponds to the wording of section 123 para. 4 sentence 2 of the German Stock Corporation Act (old version), specifies the record date “as of the start of the 21st day before the General Meeting”. The corresponding provision of the Articles of Association is to be amended and adapted to the new statutory regulation by the Annual General Meeting on 16 May 2024, agenda item 9.

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 9 May 2024, 2400 hrs (CEST) at the following address:

Heidelberg Materials AG  
c/o Computershare Operations Center  
80249 Munich, Germany  
E-mail: [anmeldestelle@computershare.de](mailto:anmeldestelle@computershare.de)

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 exercising shareholders’ rights, including voting rights, in connection with the Annual General Meeting. The right to exercise the shareholders’ rights 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 exercise of the shareholder rights 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 exercise the shareholder rights 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 exercise shareholder rights. 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, registration confirmations for the virtual Annual General Meeting will be sent to the shareholders, containing the access data for the InvestorPortal, which can be accessed via the website [www.heidelbergmaterials.com/en/annual-general-meeting-2024](http://www.heidelbergmaterials.com/en/annual-general-meeting-2024), as well as an integrated form for the granting of the power of attorney, instructions to proxies and absentee votes, together with further explanations. In order to ensure that the registration confirmation 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 registration confirmation for attending the Annual General Meeting from their depository institution. In such cases, the depository institution will handle the registration and proof of shareholding.

## 2. Access to InvestorPortal

Shareholders who have duly registered for the Annual General Meeting, or their proxies, can join the Annual General Meeting electronically via the InvestorPortal using the access data printed on the registration confirmation and in this way attend the Annual General Meeting and exercise shareholder rights as well as follow the live video and audio transmission of the entire Annual General Meeting via electronic communication.

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

[www.heidelbergmaterials.com/en/annual-general-meeting-2024](http://www.heidelbergmaterials.com/en/annual-general-meeting-2024)

The InvestorPortal is expected to be available from 25 April 2024.

## 3. Transmission of the Annual General Meeting

There will be a video and audio transmission of the entire Annual General Meeting on the internet for duly registered shareholders or their proxies via the InvestorPortal, which will be accessible at [www.heidelbergmaterials.com/en/annual-general-meeting-2024](http://www.heidelbergmaterials.com/en/annual-general-meeting-2024). Shareholders or their proxies may access the InvestorPortal and therefore follow the Annual General Meeting by entering the access data printed on their registration confirmation.

The speech by the Chairman of the Supervisory Board as well as the Managing Board speech can also be followed live on the internet by other interested parties at <https://www.heidelbergmaterials.com/en/investor-relations>.

Shareholders or their proxies who follow the virtual Annual General Meeting as part of the public transmission will not be automatically connected electronically to the virtual Annual General Meeting. Electronic access to the virtual Annual General Meeting and the exercise of shareholder rights at the Annual General Meeting will only be possible via the InvestorPortal after entering and validating the access data printed on the registration confirmation.

#### 4. Exercise of voting rights

The exercise of voting rights by shareholders or their proxies may only be done by way of absentee voting or by granting power of attorney and issuing instructions to the proxies nominated by the Company. In all cases, timely and proper registration for the Annual General Meeting, as described in section 1 above, is required.

##### a) Absentee voting process

Shareholders or their proxies may cast their votes by way of absentee voting, even without attending the meeting, in writing or electronically via the InvestorPortal, which can be accessed via the website [www.heidelbergmaterials.com/en/annual-general-meeting-2024](http://www.heidelbergmaterials.com/en/annual-general-meeting-2024).

The form printed on the registration confirmation or a corresponding power-of-attorney and absentee voting form, which is available on the internet at [www.heidelbergmaterials.com/en/annual-general-meeting-2024](http://www.heidelbergmaterials.com/en/annual-general-meeting-2024), is available for written votes by post or by e-mail. The votes cast by post or by e-mail, their amendment and their revocation should, if possible, use the forms designated for this purpose and must be received by the Company, at the latest, by 15 May 2024, 2400 hrs (CEST) at the following address:

Heidelberg Materials AG  
c/o Computershare Operations Center  
80249 Munich, Germany  
E-mail: [anmeldestelle@computershare.de](mailto:anmeldestelle@computershare.de)

Electronic absentee voting, its amendment and its revocation are possible via the InvestorPortal, which can be accessed via the website [www.heidelbergmaterials.com/en/annual-general-meeting-2024](http://www.heidelbergmaterials.com/en/annual-general-meeting-2024) until the time at which the voting is closed by the chair at the Annual General Meeting on 16 May 2024.

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

##### b) Voting by proxies

Shareholders may also appoint a proxy, such as an intermediary (e.g. a credit institution), a shareholders' association or another person of their choice, to vote on their behalf in the Annual General Meeting. 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.

Proxies cannot attend the virtual Annual General Meeting in person either. They can only exercise the voting right for shareholders they represent by way of absentee voting (see section a) above) or by granting (sub-)powers of attorney and giving instructions to the proxies nominated by the Company (see section c) below). The use of the InvestorPortal by a proxy requires that the proxy receive from the grantor of the proxy the access data sent following proper registration for the Annual General Meeting and proof of shareholding, unless the access data were sent directly to the proxy.

If the proxy authorisation is not granted to an intermediary (e.g. a credit institution), a shareholders' association or another person or institution equivalent to them pursuant to the regulations of the German Stock Corporation Act, the granting of the power of attorney, 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 registration confirmation and which is available on the internet at [www.heidelbergmaterials.com/en/annual-general-meeting-2024](http://www.heidelbergmaterials.com/en/annual-general-meeting-2024). 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 to us by post or by e-mail, at the latest, by 15 May 2024, 2400 hrs (CEST), to the following address:

Heidelberg Materials AG  
c/o Computershare Operations Center  
80249 Munich, Germany  
E-mail: [anmeldestelle@computershare.de](mailto:anmeldestelle@computershare.de)

Alternatively, registered shareholders may also grant, amend or revoke their powers of attorney electronically via the InvestorPortal, which can be accessed via the website [www.heidelbergmaterials.com/en/annual-general-meeting-2024](http://www.heidelbergmaterials.com/en/annual-general-meeting-2024), until the end of the Annual General Meeting on 16 May 2024. In such a case, it is not necessary to send anything to the Company in writing.

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

Intermediaries (e.g. credit institutions), shareholders' associations and persons equivalent to them pursuant to section 135 of the German Stock Corporation Act 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.

### c) Voting by proxies nominated by 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 a proxy nominated by the Company is printed on the registration confirmation and is available on the internet at [www.heidelbergmaterials.com/en/annual-general-meeting-2024](http://www.heidelbergmaterials.com/en/annual-general-meeting-2024). If proxies nominated by the Company are granted authorisation, instructions for exercising the voting right must be issued in each case. The proxies nominated by the Company are obliged to vote as instructed. Please note that proxies of the Company will not accept instructions to speak, to object to Annual General Meeting resolutions or to ask questions, submit motions or election proposals 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, or on which the Managing Board and/or Supervisory Board issue statements during the Annual General Meeting.

The powers of attorney for the proxies giving explicit instructions that are sent by post or by e-mail, their amendment and their revocation must, if possible by using the forms designated for this purpose, be received by the Company, at the latest, by 15 May 2024, 2400 hrs (CEST) at the following address:

Heidelberg Materials AG  
c/o Computershare Operations Center  
80249 Munich, Germany  
E-mail: [anmeldestelle@computershare.de](mailto:anmeldestelle@computershare.de)

Granting power of attorney and giving instructions to the proxies nominated by the Company, as well as the amendment and revocation hereof, are possible electronically via the InvestorPortal, which can be accessed via the website [www.heidelbergmaterials.com/en/annual-general-meeting-2024](http://www.heidelbergmaterials.com/en/annual-general-meeting-2024) until the time at which the voting is closed by the chair at the virtual Annual General Meeting on 16 May 2024.

In all cases, 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 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.

### Further information on voting

If several absentee votes and/or several powers of attorney and instructions to the proxies that are not revoked are received, the declaration that was last received is binding. If declarations that differ from one another are received on different transmission channels and it is not apparent which was issued last, the declarations will be taken into account in the following transmission channel order: (i) InvestorPortal, (ii) e-mail, (iii) in writing by post.

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 priority 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 voting or instructions to the proxies 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.

## **5. Rights of the shareholders pursuant to sections 122 para. 2, 126 para. 1, 127, 130a, 131 para. 1, 118a para. 1 sentence 2 no. 8 of the German Stock Corporation Act**

### **a) 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 reasons 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 receipt. The last possible date of receipt is therefore 15 April 2024, 2400 hrs (CEST). Please send any such requests to the following address: Heidelberg Materials AG, Vorstand, Berliner Strasse 6, 69120 Heidelberg, Germany. Subject to the requirements set out in section 126a of the German Civil Code, requests for an additional agenda item within the meaning of section 122 para. 2 German Stock Corporation Act may also be transmitted to the Company in electronic form, i.e. by e-mail including the name and with a qualified electronic signature, to the e-mail address [tagesordnungsergaenzung@heidelbergmaterials.com](mailto:tagesordnungsergaenzung@heidelbergmaterials.com).

Further details as to the requirements for exercise of said right and its limits may be viewed at [www.heidelbergmaterials.com/en/annual-general-meeting-2024](http://www.heidelbergmaterials.com/en/annual-general-meeting-2024) under the heading “Information regarding shareholders’ rights”.

### **b) 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 Supervisory Board members or auditors in accordance with section 127 of the German Stock Corporation Act, received by us at our address: Heidelberg Materials AG, Abt. GLC, Berliner Strasse 6, 69120 Heidelberg, Germany, or by e-mail to: [antrag-hv@heidelbergmaterials.com](mailto:antrag-hv@heidelbergmaterials.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 1 May 2024, and required to be disclosed will be published without undue delay after receipt at [www.heidelbergmaterials.com/en/annual-general-meeting-2024](http://www.heidelbergmaterials.com/en/annual-general-meeting-2024). 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 regarding shareholders’ rights”.

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 deemed to have been made at the time they are made available. The Company allows the right to vote on these motions or election proposals to be exercised from this point in time. If the shareholder submitting the motion or the election proposal is not duly authorised or has not registered for the Annual General Meeting in due time and form, the motion or election proposal does not have to be dealt with at the meeting.

In addition, shareholders or their proxies who have joined the Annual General Meeting shall have the right, as part of their right to speak, to submit motions and election proposals at the meeting by way of video communication (for details, see below).



### c) Submission of statements

According to section 130a paras. 1 to 4 of the German Stock Corporation Act, shareholders who have registered for the Annual General Meeting in due time and form, or their proxies, have the right to submit statements on the agenda items in text form by e-mail to [stellungnahme@heidelbergmaterials.com](mailto:stellungnahme@heidelbergmaterials.com) no later than five days before the meeting, i.e., at the latest, by 10 May 2024, 2400 hrs (CEST). Statements must be submitted in plain text form as a PDF file. Please do not exceed 10,000 characters. By submitting the statement, the shareholder or his/her proxy agrees that the statement may be made available on the InvestorPortal, stating his/her name.

Unless, as an exception, the Company can decide not to make them available pursuant to section 130a para. 3 sentence 4 of the German Stock Corporation Act, submitted statements on the agenda items will be made available to the duly registered shareholders or their proxies on the InvestorPortal at [www.heidelbergmaterials.com/en/annual-general-meeting-2024](http://www.heidelbergmaterials.com/en/annual-general-meeting-2024) no later than four days before the Annual General Meeting, i.e., at the latest, by 11 May 2024, 2400 hrs (CEST).

Motions and election proposals, questions as well as objections to resolutions of the Annual General Meeting submitted as statements in text form will not be considered at the Annual General Meeting; the submission of motions or election proposals, the exercise of the right to information and the filing of objections to resolutions of the Annual General Meeting are only possible via the channels described separately in this convocation.

### d) Right to speak

Shareholders who have registered in due time and form or their proxies and have joined the Annual General Meeting electronically have the right to speak at the meeting by way of video communication.

From 0930 hrs (CEST) on the day of the Annual General Meeting, a virtual request-to-speak desk will be maintained via the InvestorPortal which the shareholders or their proxies joining the Annual General Meeting electronically can use to register their request. The InvestorPortal can be accessed on the website [www.heidelbergmaterials.com/en/annual-general-meeting-2024](http://www.heidelbergmaterials.com/en/annual-general-meeting-2024).

The right to speak also includes in particular the right to submit motions and election proposals in accordance with section 118a para. 1 sentence 2 no. 3 of the German Stock Corporation Act, as well as the right to request information in accordance with section 131 para. 1 of the German Stock Corporation Act. Pursuant to article 18 para. 2 sentence 3 of the Company's Articles of Association, the chair of the meeting may impose appropriate limits on the speaking time, the question time or the total speaking and question time for the whole Annual General Meeting, for individual items on the agenda and for individual speakers, at the beginning or during the course of the Annual General Meeting and, as far as it is necessary for proper running of the Annual General Meeting, bring the debate to a close.

All video communication with shareholders and their proxies is handled via the InvestorPortal. Shareholders or their proxies require either a non-mobile or mobile device (e.g. PC, notebook, laptop, tablet, smartphone) for their spoken statements to be connected. For this purpose, the devices must be connected to the internet with stable upload/download bandwidth, and a camera and microphone must be available on the devices which can be accessed from the browser. No further installation of software components or apps on the devices is required. The statements of persons who have registered to speak via the virtual request-to-speak desk will be activated in the InvestorPortal. The Company will examine the functionality of the video communication between the shareholders or proxies and the Company during the meeting and before a statement is made, reserving the right to reject it if the functionality is not ensured.

### e) Right to information

To the extent that such information is necessary to permit a proper evaluation of the relevant item on the agenda, and provided that the Managing Board is not entitled to refuse to provide such information, each shareholder shall upon request be provided with information at the Annual General Meeting by the Managing Board regarding the Company's affairs pursuant to section 131 para. 1 of the German Stock Corporation Act. The Managing Board's duty to provide information also extends to the Company's legal and business relations with affiliated companies. The duty to provide information also pertains to the situation of the Group and the companies that are included in the consolidated financial statements.



It is intended that the chair of the meeting will stipulate that the aforementioned right to information pursuant to section 131 para. 1 of the German Stock Corporation Act may only be exercised at the Annual General Meeting by way of video communication, i.e. in the context of exercising the right to speak during the general debate (see section d) above).

Pursuant to section 131 para. 4 sentence 1 of the German Stock Corporation Act, where information has been provided to shareholders due to their capacity as such, and this was done outside of the general meeting, this information is to be provided to all other shareholders or their proxies making a corresponding request at the general meeting, even if such information is not required in order to appropriately adjudge the item of business set out in the agenda. The Managing Board has determined that this right to information pursuant to section 131 para. 4 sentence 1 of the German Stock Corporation Act may only be exercised at the Annual General Meeting by way of video communication, i.e. in the context of exercising the right to speak via the InvestorPortal (see section d) above). The InvestorPortal can be accessed on the website [www.heidelbergmaterials.com/en/annual-general-meeting-2024](http://www.heidelbergmaterials.com/en/annual-general-meeting-2024). It is intended that the chair of the meeting will confirm this determination at the Annual General Meeting.

Pursuant to section 131 para. 5 sentence 1 of the German Stock Corporation Act, where a shareholder's request for information is refused, that shareholder may demand that this question and the grounds for refusing to provide the information be included in the minutes of the meeting. It will be ensured in the course of the virtual Annual General Meeting that shareholders or their proxies who have joined the Annual General Meeting electronically can transmit their request pursuant to section 131 para. 5 sentence 1 of the German Stock Corporation Act by way of electronic communication via the InvestorPortal in accordance with the procedure provided for this purpose in the Annual General Meeting. The InvestorPortal can be accessed on the website [www.heidelbergmaterials.com/en/annual-general-meeting-2024](http://www.heidelbergmaterials.com/en/annual-general-meeting-2024).

#### **f) Possibility to object to resolutions of the Annual General Meeting**

Shareholders who have joined the meeting, or their proxies, have the right to object to the resolutions of the Annual General Meeting by way of electronic communication in accordance with section 118a para. 1 sentence 2 no. 8 of the German Stock Corporation Act.

Corresponding declarations may be submitted electronically via the InvestorPortal from the opening of the virtual Annual General Meeting to its adjournment by the chair. The InvestorPortal can be accessed on the website [www.heidelbergmaterials.com/en/annual-general-meeting-2024](http://www.heidelbergmaterials.com/en/annual-general-meeting-2024).

#### **6. 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.heidelbergmaterials.com/en/annual-general-meeting-2024](http://www.heidelbergmaterials.com/en/annual-general-meeting-2024). The speech by the Chairman of the Supervisory Board, as well as that of the Managing Board, will be published as a recording at the same internet address following the Annual General Meeting.

#### **7. Notice of the aggregate number of shares and voting rights**

At the time of the convocation of the Annual General Meeting, all 182,068,120 no-par value shares of the Company issued are entitled to attend and vote. The Company does not hold any treasury shares. Each share entitled to attend shall carry one vote at the Annual General Meeting. There are no different classes of shares.

#### **8. Information on data protection for shareholders of Heidelberg Materials 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 general information on the processing of your personal data by Heidelberg Materials AG in connection with the preparation, holding and follow-up of our Annual General Meeting and your rights granted by the data protection law on the internet at [www.heidelbergmaterials.com/en/annual-general-meeting-2024](http://www.heidelbergmaterials.com/en/annual-general-meeting-2024). If you use our InvestorPortal, you will receive additional data protection information for data processing in the InvestorPortal.

Heidelberg, March 2024

Heidelberg Materials 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 Heidelberg Materials AG**

Further information on the convocation of the Annual General Meeting (blocks D to F of Table 3 of the Annex to Implementing Regulation (EU) 2018 / 1212): participation in the Annual 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.heidelbergmaterials.com/en/annual-general-meeting-2024](http://www.heidelbergmaterials.com/en/annual-general-meeting-2024)

A. Specification of the message	
1. Unique identifier of the event	Virtual Annual General Meeting 2024 of Heidelberg Materials AG f4794bc782bfee11b52f00505696f23c
2. Type of message	NEWM
B. Specification of the issuer	
1. ISIN	DE0006047004
2. Name of issuer	Heidelberg Materials AG
C. Specification of the Annual General Meeting	
1. Date of the Annual General Meeting	16 May 2024 (20240516)
2. Time of the Annual General Meeting	1000 hrs CEST (0800 hrs UTC)
3. Type of Annual General Meeting	GMET
4. Location of the Annual General Meeting	Link to the InvestorPortal of the virtual Annual General Meeting: <a href="http://www.heidelbergmaterials.com/en/annual-general-meeting-2024">www.heidelbergmaterials.com/en/annual-general-meeting-2024</a>  Location of the General Meeting in the sense of the German Stock Corporation Act: Berliner Strasse 6, 69120 Heidelberg, Germany
5. Record Date	24 April 2024 (20240424)
6. Uniform Resource Locator (URL)	<a href="http://www.heidelbergmaterials.com/en/annual-general-meeting-2024">www.heidelbergmaterials.com/en/annual-general-meeting-2024</a>

## Contact

### Group Communication

Phone:  
+ 49 6221 481-13227

Fax:  
+ 49 6221 481-13217

info@heidelbergmaterials.com

### Investor Relations

Phone institutional investors:  
+49 6221 481-41326  
+ 49 6221 481-13925  
+ 49 6221 481-41016  
+ 49 6221 481-39670

Phone private investors:  
+ 49 6221 481-13256

Fax:  
+ 49 6221 481-13217

ir-info@heidelbergmaterials.com

## Imprint

### Managing Board

Dr Dominik von Achten, Chairman  
René Aldach  
Roberto Callieri  
Axel Conrads  
Hakan Gurdal  
Dr Nicola Kimm  
Dennis Lentz  
Jon Morrish  
Chris Ward

### Chairman of the Supervisory Board

Dr Bernd Scheifele

### Heidelberg Materials AG

Berliner Strasse 6  
69120 Heidelberg, Germany  
[www.heidelbergmaterials.com](http://www.heidelbergmaterials.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

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