

Remuneration report

Introduction

The remuneration report sets out the principles and structure of the remuneration of the Managing Board and the Supervisory Board of HeidelbergCement AG. When the remuneration report reports on remuneration at Group level, the brand name “Heidelberg Materials” is used. The remuneration report contains the remuneration granted and owed to the current and former members of the Managing Board and the Supervisory Board in the 2022 financial year. The remuneration granted includes the remuneration components whose underlying (single or multi-year) service or performance period was fully completed in the financial year. The remuneration report was jointly prepared by the Managing Board and the Supervisory Board in accordance with the provisions of section 162 of the German Stock Corporation Act (Aktiengesetz, AktG). In addition, it takes into account the recommendations and suggestions of the German Corporate Governance Code (GCGC) in its version of 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.

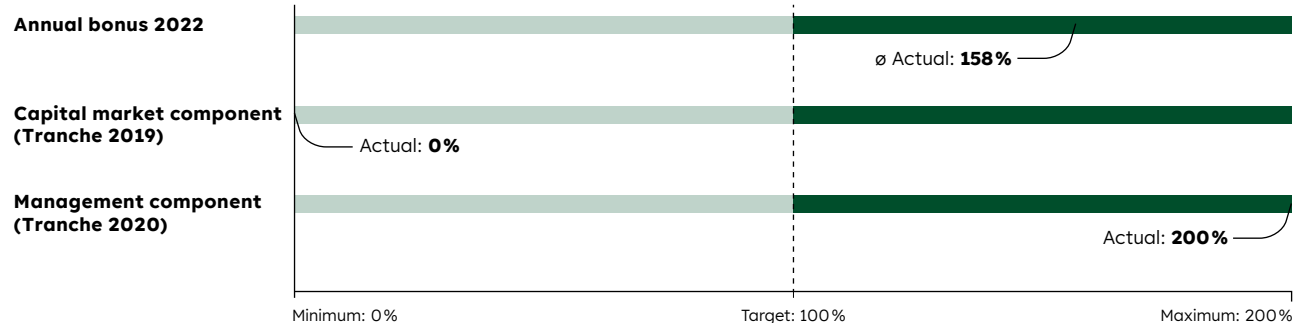
Review of the 2022 financial year

Business development and target achievement in the 2022 financial year

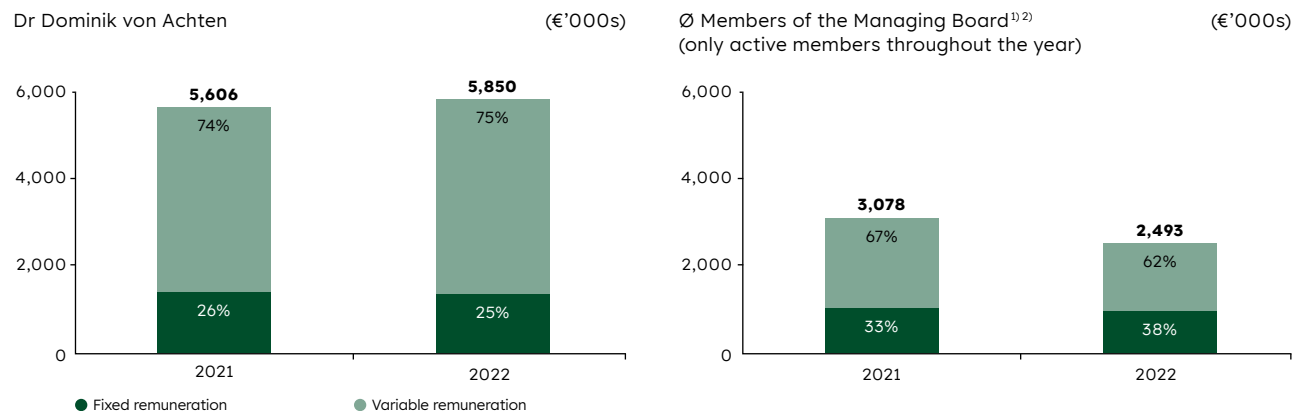
The good business development of Heidelberg Materials in the financial year 2022 despite the challenging conditions is also reflected in the target achievement of the variable elements of the remuneration of the Managing Board. The good result in the profit for the financial year attributable to the shareholders of HeidelbergCement AG adjusted for special effects and the reduction in CO₂ emissions compared with the previous year contributed to the achievement of the objectives for the annual bonus. In addition, initiatives were implemented that served as a basis of the individual target agreements for the members of the Managing Board within the framework of the company strategy.

For the management component of the long-term bonus 2020–2022/2023, 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 HeidelbergCement AG share after the end of the performance period from 2019 to 2022 was below that of the TSRs of the DAX and the MSCI World Construction Materials Index. Consequently, there is no payment from the capital market component of the long-term bonus 2019–2021/2022.

Target achievement 2022



Granted and owed remuneration in the 2022 financial year



1) Excluding the Chairman of the Managing Board

2) Decrease from 2021 to 2022 as, in contrast to 2021, the 2022 value includes the remuneration of the three members of the Managing Board that were appointed during 2021 and that do not receive a payout from the long-term bonus for 2022.

Changes in the composition of the Supervisory Board

The long-standing Chairman of the Supervisory Board, Mr Fritz-Jürgen Heckmann, and Mr Tobias Merckle resigned their Supervisory Board mandates with effect from the end of the ordinary 2022 annual general meeting and thus stepped down from the Supervisory Board on 12 May 2022. By way of a vote to choose their successors with effect from the end of the annual general meeting on 12 May 2022, Dr Bernd Scheifele and Dr Sopna Sury were elected to the Supervisory Board, and Dr Scheifele was elected by the Supervisory Board as its new chairman at the meeting on 12 May 2022.

2021 remuneration report

In accordance with the requirements of the German Act Implementing the Second Shareholder Rights Directive (Gesetz zur Umsetzung der zweiten Aktionärs-rechterichtlinie, ARUG II), the 2021 remuneration report was submitted to the 2022 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 94.16%. The 2021 remuneration report is available via the following link: <https://www.heidelbergmaterials.com/en/corporate-governance>.

The Managing Board and Supervisory Board are committed to continuously reviewing and further improving the transparency and clarity of remuneration reporting. For that reason, the 2022 remuneration report reports the number of shares held by the members of the Managing Board on an individual basis for the first

time, in addition to the degree of target achievement in terms of share ownership.

Remuneration of the Managing Board in the 2022 financial year

Principles of 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 economic 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 elements, the Supervisory Board pursues a strict pay-for-performance approach.

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

Fundamentals of the Managing Board remuneration

- Strong **pay for performance orientation** due to high performance-related share of total remuneration
- Alignment of variable remuneration and performance criteria with the long-term **Group strategy**
- **Sustainability** as important component of Managing Board remuneration through **CO₂ component** in variable remuneration
- **Alignment with shareholder interests** through share-based remuneration and obligation for individual investment
- Use of **relative performance assessment** and **prevention of adjustments** of target values or performance criteria during the year
- **Capping of total remuneration** through contractually **fixed payout caps**
- **Malus and clawback rules** for the variable remuneration in total

Procedure for determining and implementing the remuneration system and the amount of 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>.

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 also 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.

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 HeidelbergCement AG. It aims to do so by means of ongoing dialogue with our investors as well as regular analysis of current market practice.

By introducing a CO₂ component to the annual bonus awarded to the members of the Managing Board in 2021, Heidelberg Materials has taken an important step in aligning the remuneration of the Managing Board with a reduction in CO₂ emissions. To lend further support to the achievement of our ambitious climate targets, the Supervisory Board is currently reviewing the inclusion of a CO₂ emissions-related key performance indicator in the long-term bonus. In addition, a fundamental review of the Managing Board remuneration system is planned for the current year, with the aim of submitting a revised remuneration system to the annual general meeting for approval in 2024.

By doing so, the Supervisory Board intends to go beyond the regular, legally mandated four-yearly review of the Managing Board remuneration system in order to take account of the constantly changing requirements of a dynamic market and economic environment.

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 HeidelbergCement 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 2018 to 2022. 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](#).

Development of the average target direct remuneration¹⁾ of the Managing Board and total workforce of HeidelbergCement AG

€'000s	2018	Change 2019/2018	2019	Change 2020/2019	2020	Change 2021/2020	2021	Change 2022/2021	2022
Managing Board ²⁾	3,036.0	-5.6%	2,866.8	0.1%	2,868.7	-9.1%	2,607.8	-0.7%	2,590.5
Top and senior management ³⁾	207.7	4.6%	217.2	5.9%	230.0	2.7%	236.3	-1.0%	233.9
Total workforce of HeidelbergCement AG ⁴⁾	61.4	2.0%	62.6	1.2%	63.4	1.4%	64.3	-2.2%	62.9

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 5.6% in the average target direct remuneration of the Managing Board from 2018 to 2019 is due to personnel changes to the Managing Board. The decrease of 9.1% from 2020 to 2021 is mainly due to the new appointment of three Managing Board members, whose target direct remuneration was lower than the average remuneration of the other Managing Board members.

3) Top- and Senior-Management of HeidelbergCement 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.

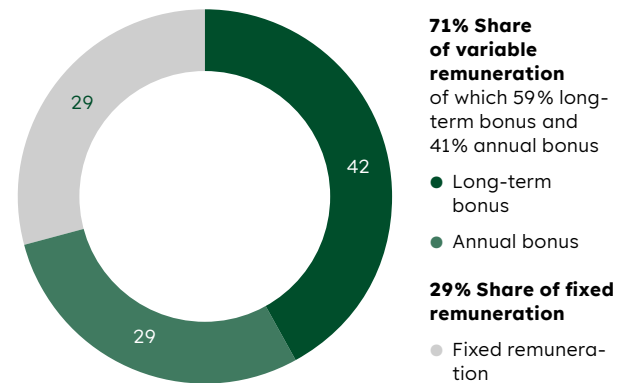
In the 2022 financial year, the ratio of the average remuneration of the Managing Board (including the Chairman of the Managing Board) to the average remuneration of top and senior management was 1:11 (previous year: 1:11), and the ratio to the total workforce of HeidelbergCement AG was 1:41 (previous year: 1:41).

Remuneration structure

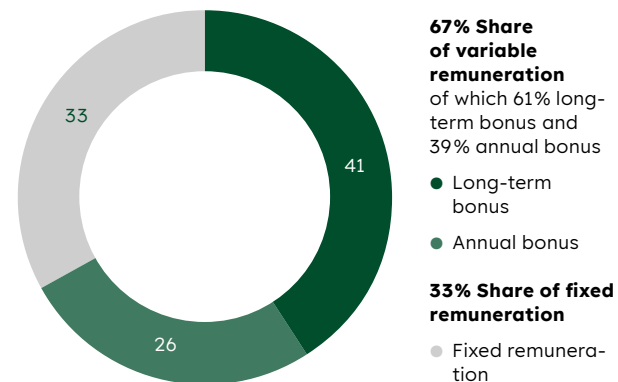
Pay for performance and the focus on the sustainable and long-term development of the company are central principles of the remuneration of its Managing Board. With these principles in mind, 71% of the target direct remuneration for the Chairman of the Managing Board and around 67% for the members of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

To ensure the long-term focus of the remuneration of the Managing Board, the share of the long-term bonus exceeds that of the annual bonus within the variable remuneration elements.

Remuneration components of the Chairman of the Managing Board in %



Remuneration components of the members of the Managing Board¹⁾ 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 of the individual member of the Managing Board.

The target remuneration of the members of the Managing Board that were active in the 2022 financial year is as follows:

Target remuneration

€'000s	Dr Dominik von Achten Chairman of the Managing Board		René Aldach Chief Financial Officer (since 1 September 2021)	
	2021	2022	2021	2022
Fixed annual salary	1,450	1,469	200	600
Fringe benefits	11	11	5	13
Contribution to private pension (cash allowance)	-	-	-	-
One-year variable compensation	1,450	1,469	160	480
Annual bonus 2021	1,450	-	160	-
Annual bonus 2022	-	1,469	-	480
Multi-year variable compensation	2,175	2,263	604	750
Long-term bonus plan 2021-2023/2024	2,175	-	604	-
Management component tranche 2021-2023	1,088	-	292	-
Capital market component tranche 2021-2024	1,088	-	313	-
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
Others	-	-	-	-
Service costs	427	414	83	254
Total compensation	5,513	5,626	1,052	2,097

Target remuneration

€'000s	Kevin Gluskie Member of the Managing Board ¹⁾		Hakan Gurdal Member of the Managing Board		Ernest Jelito Member of the Managing Board		Dr Nicola Kimm Member of the Managing Board (since 1 September 2021)	
	2021	2022	2021	2022	2021	2022	2021	2022
Fixed annual salary	913	960	764	770	700	719	200	600
Fringe benefits	463	502	84	79	27	80	72	83
Contribution to private pension (cash allowance)	-	-	-	-	-	-	-	-
One-year variable compensation	730	768	611	616	560	575	160	480
Annual bonus 2021	730	-	611	-	560	-	160	-
Annual bonus 2022	-	768	-	616	-	575	-	480
Multi-year variable compensation	1,151	1,164	960	963	875	907	604	750
Long-term bonus plan 2021-2023/2024	1,151	-	960	-	875	-	604	-
Management component tranche 2021-2023	575	-	480	-	438	-	292	-
Capital market component tranche 2021-2024	576	-	480	-	438	-	313	-
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
Others	-	-	-	-	-	-	-	-
Service costs	843	821	664	638	460	462	83	272
Total compensation	4,099	4,215	3,084	3,065	2,622	2,742	1,119	2,185

1) Kevin Gluskie receives his remuneration in Australian dollars in accordance with his employment contract. The average exchange rates for 2021 (1.5751 AUD/EUR) and 2022 (1.5169 AUD/EUR) were used for conversion into euros. The closing rates before the start of the performance period (31 December, 2020: 1.5876 AUD/EUR, 31 December, 2021: 1.5647 AUD/EUR) were used to convert the long-term bonus into euros.

Target remuneration

€'000s	Dennis Lentz Member of the Managing Board (since 1 September 2021) ²⁾		Jon Morrish Member of the Managing Board		Chris Ward Member of the Managing Board ³⁾	
	2021	2022	2021	2022	2021	2022
Fixed annual salary	200	600	899	903	710	819
Fringe benefits	25	326	79	97	58	60
Contribution to private pension (cash allowance)	-	-	-	-	356	401
One-year variable compensation	160	480	720	722	568	655
Annual bonus 2021	160	-	720	-	568	-
Annual bonus 2022	-	480	-	722	-	655
Multi-year variable compensation	604	750	1,127	1,129	888	957
Long-term bonus plan 2021-2023/2024	604	-	564	-	888	-
Management component tranche 2021-2023	292	-	564	-	444	-
Capital market component tranche 2021-2024	313	-	-	-	444	-
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
Others	-	-	-	-	-	-
Service costs	83	237	600	572	-	-
Total compensation	443	2,393	3,425	3,423	2,580	2,892

2) As of 1 December, 2021, 70% of Mr. Dennis Lentz's fixed annual salary, annual bonus, and long-term bonus were borne by Heidelberg Materials North America (Lehigh Hanson until 1 January 2023). The remaining 30% is borne by HeidelbergCement AG. Until 30 November, 2021, 100% of the remuneration of Mr. Dennis Lentz was borne by HeidelbergCement AG.

3) Chris Ward receives his remuneration in US dollars in accordance with his employment contract. The average exchange rates for 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, 2020: 1.2216 USD/EUR, 31 December, 2021: 1.1370 USD/EUR) were used to convert the long-term bonus into euros.

Compliance with the maximum remuneration

The maximum remuneration (without taking into account fringe benefits and annual service costs of pension commitments) equals the fixed annual salary plus the sum of the individual variable remuneration elements (annual bonus and long-term bonus), which are each limited to twice the target value, plus the discretionary adjustment of a maximum of 15% 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 payments resulting from the commitment for a financial year, regardless of when they are received. A compliance report on the maximum remuneration for the 2022 financial year will therefore be prepared after the tranche of the long-term bonus promised in 2022 has been paid out. Compliance with the maximum remuneration will be reported in the remuneration report for the 2025 financial year after the end of the performance period of the capital market component of the 2022 tranche. If the payout from the long-term bonus results in the maximum remuneration being exceeded, the payment amount will be reduced accordingly to ensure compliance with the maximum remuneration.

Application of the remuneration system in the 2022 financial year

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

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

Remuneration components and time frame, application 2022

Fixed remuneration components

Fixed annual salary

2022 2023 2024 2025

Designed as: Fixed cash payment relating to the financial year, paid on a monthly basis, cash allowance (only Chris Ward)

Share of target direct remuneration: Chairman of the Managing Board 29%, members of the Managing Board 33%

Fringe benefits

2022 2023 2024 2025

Arrangement: 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

Annual bonus

2022 2023 2024 2025

Designed as: Target bonus

Performance criteria: 2/3 Profit/loss for the financial year attributable to HeidelbergCement AG shareholders and CO₂ component, 1/3 individual targets

Target achievement: 0–200% target achievement

Cap: 200% of target value

Share of target direct remuneration: Chairman of the Managing Board 29%, members of the Managing Board 26%

Long-term bonus

Cap of long-term bonus: (sum of management component and capital market component) 200%

Share of target direct remuneration: Chairman of the Managing Board 42%, members of the Managing Board 41%

Management component

2022 2023 2024 2025

Designed as: 50% performance cash plan

Performance period: Three years

Performance criteria: 50% EBIT, 50% ROIC

Target achievement: 0–200% target achievement

Cap: 200% of target value

Capital market component

2022 2023 2024 2025

Designed as: 50% performance cash plan

Performance period: Four years

Performance criteria: 50% relative TSR vs. DAX, 50% relative TSR vs. MSCI World Construction Materials Index

Target achievement: 0–200% target achievement

Cap: 400% of target value

In addition to the remuneration elements shown, pension commitments are in place for the members of the Managing Board within the framework of the company pension scheme. Another central element of the 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 HeidelbergCement AG shares during their appointment and to hold them until the end of their appointment.

Fixed remuneration elements

Fixed annual salary

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

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 Dr Dominik von Achten, Ernest Jelito, and Chris Ward was reviewed and adjusted. The fixed annual salary of Ernest Jelito and Chris Ward was increased by 4% with effect from 1 May 2022. Taking into account the most recent adjustments to the fixed annual salary in July and September 2019 respectively, this corresponds to an annual rate of increase of 1.4% for Mr Jelito and 1.5% for Mr Ward. The fixed annual salary of Dr von Achten was increased by 5.2% with effect from 1 October 2022. Compared with the most recent adjustment in February 2020, this corresponds to an annual rate of increase of 1.9%. In comparison, the average annual rate of increase for the total workforce of HeidelbergCement AG over the years 2020 to 2022 was over 2.0%. In line with the procedure described in section 1.3, the appropriateness of the remuneration of the Managing Board members con-

cerned was also reviewed in the course of these adjustments.

Fringe benefits

In the 2022 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 living costs.

No further fringe benefits were granted to the members of the Managing Board in the 2022 financial year.

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

Variable remuneration elements

The variable remuneration elements include the annual bonus and the long-term bonus. While the annual bonus relates to a financial year, the long-term bonus has a performance period of three years (management component) or four years (capital market component).

For the overall consideration of the company's success, different performance criteria are used within the variable remuneration elements to measure the target achievement. The performance criteria are derived

from the 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
Annual bonus							
Profit for the financial year attributable to HeidelbergCement AG shareholders	●					●	●
CO ₂ component	●	●		●	●	●	●
Individual targets	●	●	●	●	●	●	●
Long-term bonus							
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 range of discretion has been reduced to ±15% of the target value of the variable remuneration elements. For Managing Board agreements concluded before 2019, it is ±25% of the respective target value. In the 2022 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 2022 financial year.

Annual bonus

Fundamentals of the annual bonus

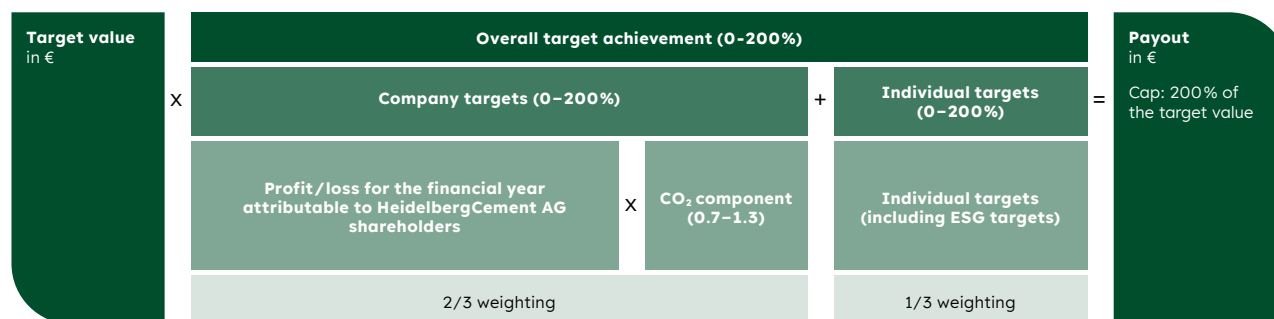
The annual bonus is a variable remuneration element that provides incentives to implement the operational targets in the financial year. At a target achievement rate of 100%, the annual bonus amounts to 100% of the fixed annual salary for the Chairman of the Managing Board and 80% for the members of 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.

The profit for the financial year attributable to the shareholders of HeidelbergCement 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 HeidelbergCement 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.

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 against corporate targets (profit for the financial year attributable to the shareholders of HeidelbergCement AG and CO₂ component) and one third against 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 HeidelbergCement AG by the achieved multiplier of the CO₂ 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 for the financial year attributable to the shareholders of HeidelbergCement AG

The profit for the financial year attributable to the shareholders of HeidelbergCement AG, adjusted for special items, is the basis for the first performance criterion. Special items are only taken into account above a value of €20 million.

For the target achievement calculation of the performance criterion profit for the financial year attributable to the shareholders of HeidelbergCement AG, the Supervisory Board determines a target corridor and the thresholds (lower and upper limit) at the beginning of the respective financial year. Target achievement ranges from 0% to 200%. For the 2022 financial year, the Supervisory Board set a target corridor of €1,526 million to €1,546 million. The target achievement rate is 120% if the actual value of the profit for the financial year attributable to the shareholders of HeidelbergCement AG is within the target corridor. The background to this decision is the unexpectedly sharp rise in energy and raw material costs between the preparation of the operational plan and the targets for 2022. The lower limit was set at €1,286 million and the upper limit at €1,646 million.

In the 2022 financial year, the actual value of the profit for the financial year attributable to the shareholders of HeidelbergCement AG, including adjustments for special items, amounted to €1,602 million. This results in a target achievement of 165%. The adjustments include:

- profits in the amount of €71 million from the sale of business operations in Spain and of real estate in Sweden and the Netherlands
- impairments in the amount of €-102 million of fixed assets in Russia as a result of the effects of the Russia-Ukraine war
- impairment of the investment in the joint venture Akcansa Cimento Sanayi ve Ticaret A.S. in the amount of €-26 million as a result of the local economic

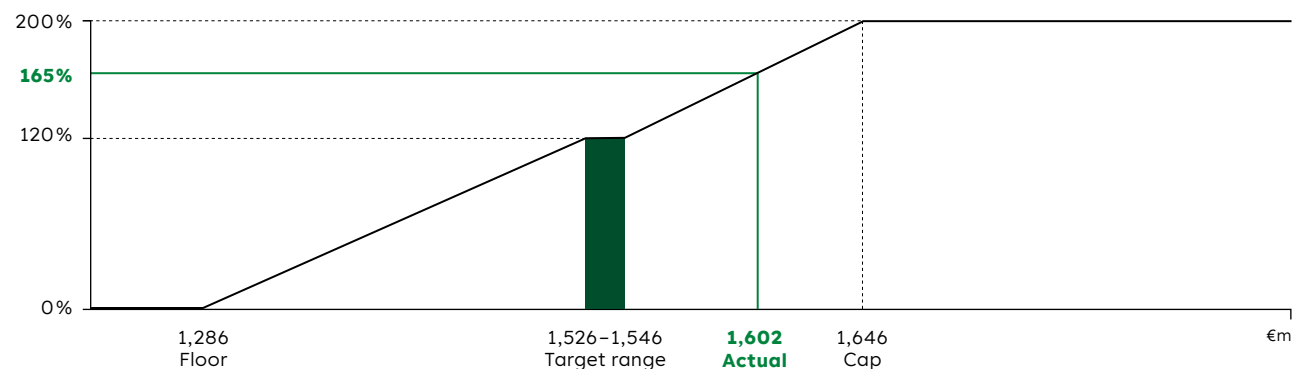
situation and the highly inflationary environment

- expenses of €80 million for the restructuring and closure of sites in connection with the startup of our new cement plant in Mitchell, Indiana, USA
- interest rate effects in the amount of €165 million from discounting of provisions

For the calculation of the profit for the financial year attributable to the shareholders of HeidelbergCement 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 HeidelbergCement AG:

Profit/loss for the financial year attributable to HeidelbergCement AG shareholders



CO₂ component

The CO₂ component in the annual bonus is intended to provide a significant incentive to achieve the CO₂ 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 CO₂ component is based on an internal definition for the specific CO₂ emissions per tonne of cement. The internal definition takes into account the CO₂ emissions of the main process steps in cement manufacture. These include the consumption of raw materials and fuel, clinker production, and clinker grinding. The CO₂ 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 as CO₂ neutral.

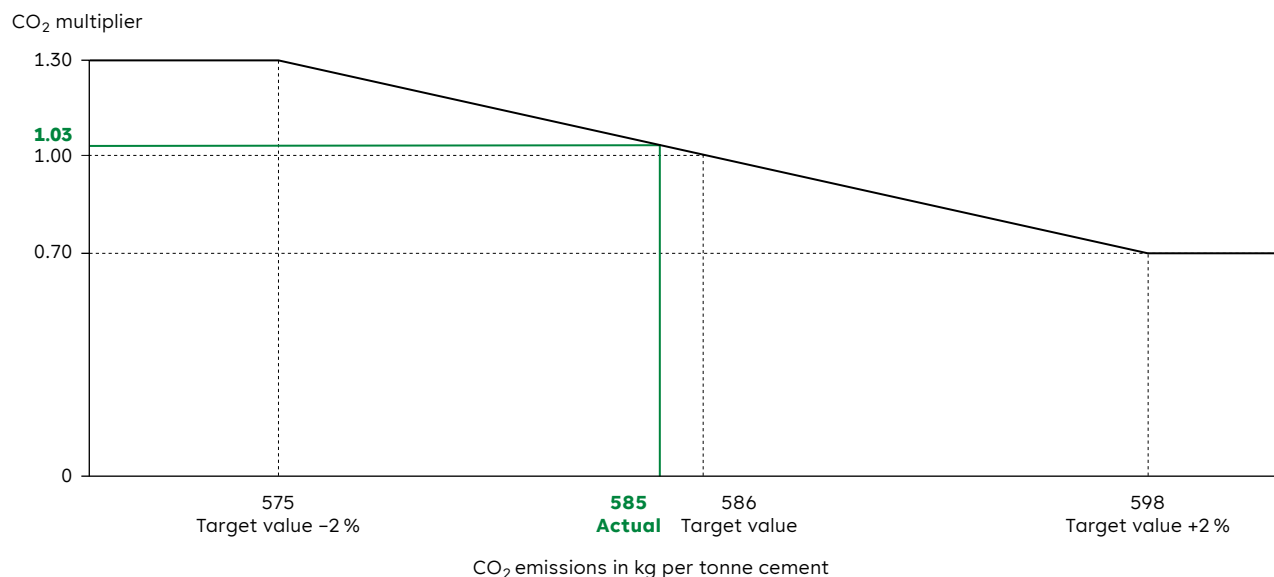
To ensure comparability with relevant competitors, Heidelberg Materials reports on CO₂ emissions in accordance with the GCCA standard (specific net CO₂ emissions per tonne of cementitious material) in the [Non-financial statement chapter](#). Compared with the internal definition, the net CO₂ emissions calculation considers alternative fuels in their entirety as carbon-neutral rather than just their biogenic content. As a result, the CO₂ emissions according to the internal definition are higher than those calculated in line with the GCCA standard.

The CO₂ component is set up as a multiplier, which can range between 0.7 and 1.3 (CO₂ multiplier). To determine the CO₂ multiplier, the Supervisory Board defines a target for the specific CO₂ emissions per tonne of cement at the beginning of the respective financial year. That target is derived from Heidelberg Materials' CO₂ roadmap and the Group's current CO₂ performance. For the 2022 financial year, the Supervisory

Board set a target value of 586 kg of CO₂ 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 CO₂ multiplier between 1.3 (at -2%: upper limit) and 0.7 (at +2%: lower limit).

In the 2022 financial year, the actual value of CO₂ emissions was 585 kg of CO₂ per tonne of cement. This results in a CO₂ multiplier of 1.03. The following graph shows the target achievement of the CO₂ component:

CO₂ 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. Target achievement ranges from 0% to 200%.

Individual targets were agreed for each member of the Managing Board in 2022 depending on their respective area of responsibility. These targets were based on the objectives of the Group strategy: growth and transformation, sustainability, digital transformation, people and organisation, company portfolio, capital allocation, and value creation. With regard to growth and transformation, revenue growth targets as well as targets for optimising processes and structures in sales, production, and administration were implemented. In terms of company portfolio, the focus was on simplifying the country portfolio and prioritising the strongest market positions. The agreed targets provided incentives to accelerate divestments if the expected returns could not be achieved in the medium term and only to pursue acquisitions if the expected returns are high. As for digital transformation, targets were set to expand the digital customer base (HConnect), enable efficiency gains and cost reductions in production and administration (HProduce), and integrate the participation in Command Alkon into the digitalisation strategy. In order to achieve the company's sustainability goals, targets were set to develop a product labelling system for sustainable products, improve sustainability reporting, and further develop the CO₂ roadmap. Furthermore, targets were set to increase occupational safety as well as to ensure sustainable water management and the protection and preservation of biodiversity.

For 2022, the achievement rate of individual targets for Managing Board members was between 117% and 149%. In many areas, the Managing Board not only

achieved the targets, but even exceeded them. In the area of sustainability, a product tagging system for sustainable products was introduced on a global level and the reporting of CO₂ emissions was further improved to meet the auditing requirements for reasonable assurance. In addition, water and biodiversity management plans were introduced across the board at many sites worldwide. With regard to digital transformation, the digital customer base was increased (HConnect), further digital products were introduced (new "Smartrock" sensors) and the company's cyber security was improved. Through the acquisition of several companies (e.g. Mick George, RWG) the strategically important presence in the recycling market was further expanded. In terms of value creation further savings potential was realized through the implementation of the Business Excellence Program and the optimization of administration (e.g. by reducing legal units). The highly successful pricing policy led to sales targets in many regions being overachieved. At the same time, margin targets were missed due to the sharp increase in costs of energy and raw materials. The following table provides an overview of the targets and their achievement per Managing Board member for 2022.

Individual target achievement of Managing Board members

	Individual target	2022
Dr Dominik von Achten	<ul style="list-style-type: none"> - Global growth targets for Heidelberg Materials - Acceleration of sustainability transformation (focus on sustainable products, CO₂ roadmap, and reporting) - Digital customer growth, IT security, and the digitalisation of administrative processes - Transformation of the Managing Board - Further development of the Heidelberg Materials brand identity 	149%
René Aldach	<ul style="list-style-type: none"> - Improvement of ROIC, free cash flow, and cash conversion rate - Acceleration of sustainability transformation (focus on sustainable financing, CO₂ modelling, and reporting) - Sustainability transparency and data management - Realisation of operational and administrative savings potential - Realisation of savings potential through restructuring 	149%
Kevin Gluskie	<ul style="list-style-type: none"> - Growth and operational targets for Asia-Pacific (APAC) - Focusing portfolio in APAC in accordance with company strategy - Establishment of sustainable products in APAC - Occupational safety, water management, and protection of biodiversity in APAC - Strengthening the digital customer base in APAC - Operational targets for ready-mixed concrete 	117%
Hakan Gurdal	<ul style="list-style-type: none"> - Growth and operational targets for Africa-Eastern Mediterranean Basin (AEM) and Heidelberg Materials Trading - Focusing portfolio in AEM in accordance with company strategy - Establishment of sustainable products in AEM - Occupational safety, water management, and protection of biodiversity in AEM - Digital transformation in AEM - Increase in the use of alternative fuels 	134%
Ernest Jelito	<ul style="list-style-type: none"> - Growth and operational targets for Northern and Eastern Europe-Central Asia (NEECA) - Focusing portfolio in NEECA in accordance with company strategy - Establishment of sustainable products in NEECA - Occupational safety, water management, and protection of biodiversity in NEECA - Strengthening the digital customer base in NEECA - Expansion of clinker production and digital process optimisation 	130%
Dr Nicola Kimm	<ul style="list-style-type: none"> - Development and establishment of sustainable products - Sustainability reporting and rating improvement - Updating of the CO₂ roadmap and implementation of sustainability projects (e.g. CCUS, circular economy, etc.) - Occupational safety, water management, and protection of biodiversity 	128%
Dennis Lentz	<ul style="list-style-type: none"> - Strengthening the digital customer base - IT security and the digitalisation of administrative processes - Process optimisation through digital transformation - Command Alkon growth targets 	138%
Jon Morrish	<ul style="list-style-type: none"> - Growth and operational targets for Western and Southern Europe (WSE) - Focusing portfolio in WSE in accordance with company strategy - Occupational safety, water management, and protection of biodiversity in WSE - Establishment of sustainable products in WSE - Strengthening the digital customer base and digital process optimisation in WSE - Development and communication of the new Heidelberg Materials brand identity 	131%
Chris Ward	<ul style="list-style-type: none"> - Growth and operational targets for North America (NAM) and aggregates - Focusing portfolio in NAM in accordance with company strategy - Occupational safety, water management, and protection of biodiversity in NAM - Establishment of sustainable products in NAM - Strengthening the digital customer base in NAM and Command Alkon growth targets 	118%

Annual bonus 2022 – 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 2022:

Overall target achievement Annual bonus 2022

€'000s	Target value	Target achievement			Total	Total	Payout
		Profit/loss for the financial year attributable to Heidelberg-Cement AG shareholders	CO ₂ multiplier	Company targets (2/3)			
Dr Dominik von Achten	1,469				149%	163%	2,394
René Aldach	480				149%	163%	782
Kevin Gluskie	768				117%	152%	1,170
Hakan Gurdal	616				134%	158%	973
Ernest Jelito	575	165%	1.03	170%	130%	157%	901
Dr Nicola Kimm	480				128%	156%	749
Dennis Lentz	480				138%	159%	765
Jon Morrish	722				131%	157%	1,134
Chris Ward	655				118%	153%	1,000
Total	6,245						9,868

In the case of a start or termination of the Managing Board membership 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 financial year 2022). The 2022 annual bonus is paid after the annual general meeting in 2023.

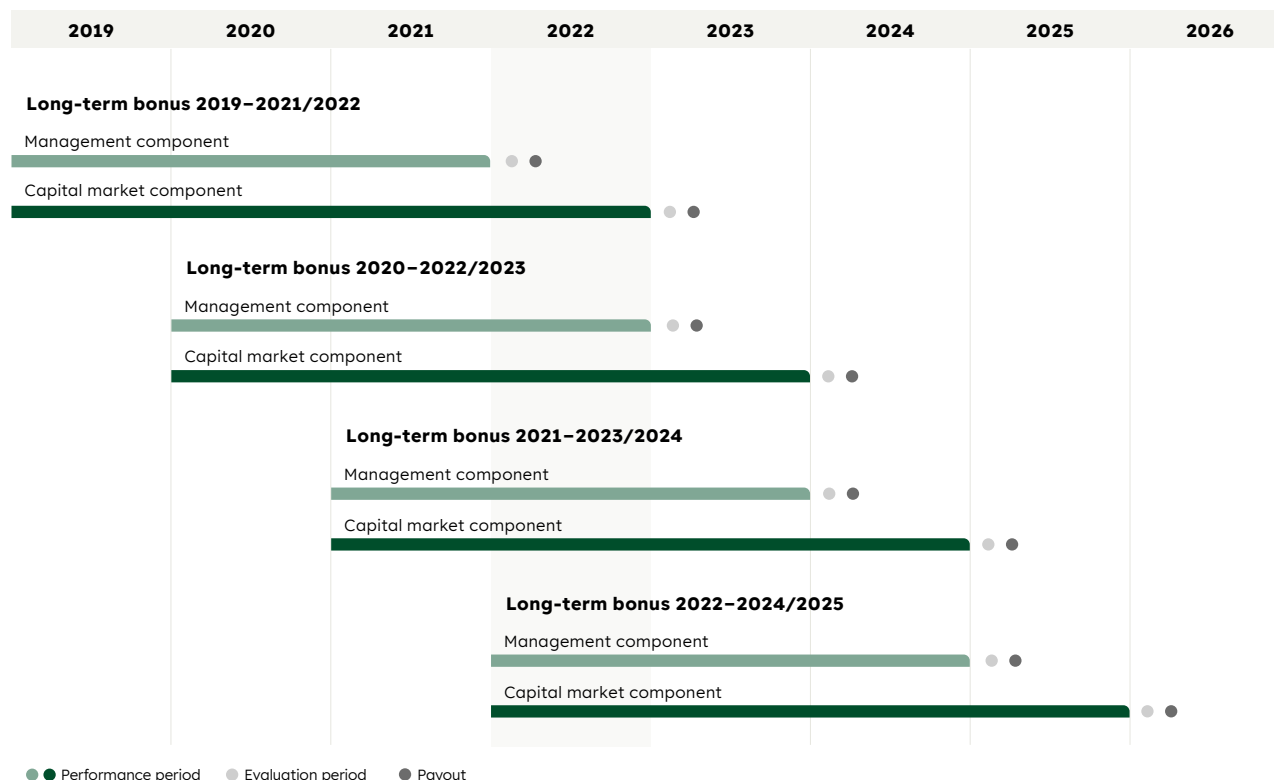
Long-term bonus

The long-term bonus is a variable remuneration element 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 2022 financial year, the long-term bonus 2022–2024/2025 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 2022 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 HeidelbergCement AG 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 HeidelbergCement AG share at the start of the performance period (allocation price). The allocation price is the average of the daily closing prices of the HeidelbergCement AG 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 2022–2024/2025 and the 2022 tranche of the capital market component is €62.56.

After the four-year performance period, the target achievement is determined for the performance criterion of the capital market component. The target achievement can range between 0% and 200%. The final number of PSUs is calculated by multiplying the provisionally allocated number of PSUs with the target achievement. The resulting number of PSUs is then multiplied with the current reference price of the HeidelbergCement AG share at the end of the performance period (closing price), adjusted for the notional-

ly reinvested dividend payments and for changes in capital. The closing price represents the average of the daily closing prices of the HeidelbergCement AG 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 2022–2024/2025:

Allocation long-term bonus 2022–2024/2025

€'000s	Management component		Allocation price in €	Capital market component		Overall target value
	Target value	Target value		Number of provisionally allocated PSUs	Maximum possible number of PSUs	
Dr Dominik von Achten ¹⁾	1,130	1,133	62.56	18,114	36,229	2,263
René Aldach	375	375		5,994	11,988	750
Kevin Gluskie	582	582		9,295	18,590	1,163
Hakan Gurdal	481	481		7,693	15,385	963
Ernest Jelito ²⁾	453	454		7,250	14,500	907
Dr Nicola Kimm	375	375		5,994	11,988	750
Dennis Lentz	375	375		5,994	11,988	750
Jon Morrish	564	564		9,021	18,043	1,129
Chris Ward ²⁾	478	479		7,652	15,304	957
Total	4,813	4,818			77,008	154,016

1) Calculation basis: daily pro rata calculation from 1 January 2022 to 30 September 2022 and from 1 October 2022 over the term of 3 and 4 years, respectively.

2) Calculation basis: daily pro rata calculation from 1 January 2022 to 30 April 2022 and from 1 May 2022 over the term of 3 and 4 years, respectively.

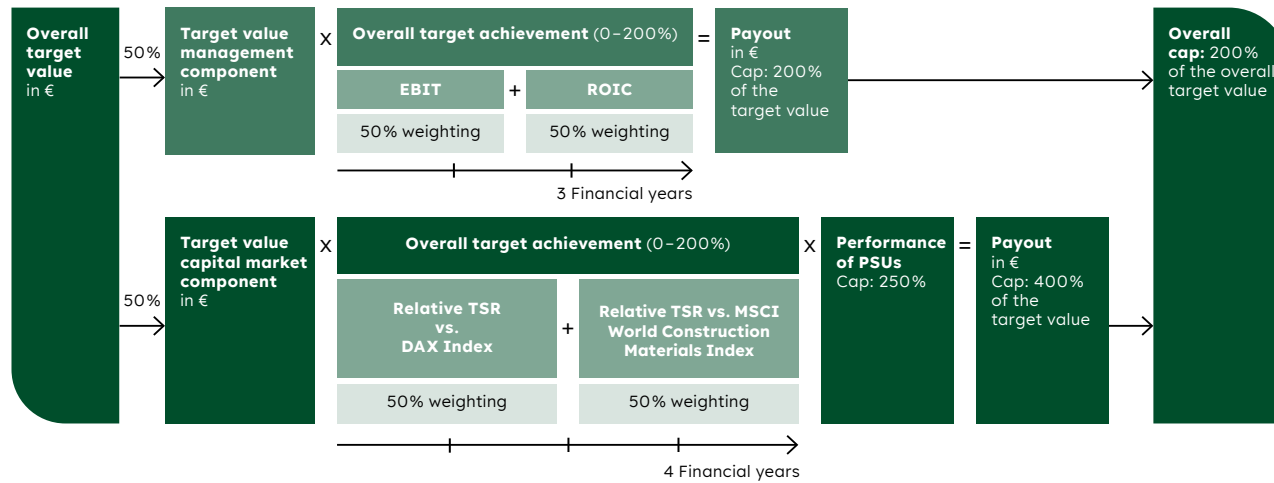
If the term of office of the Managing Board member begins or ends during the year, the target value for both the management component and the capital market component will be calculated to the day pro rata temporis based on the period from the date of appointment to the end of the respective performance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

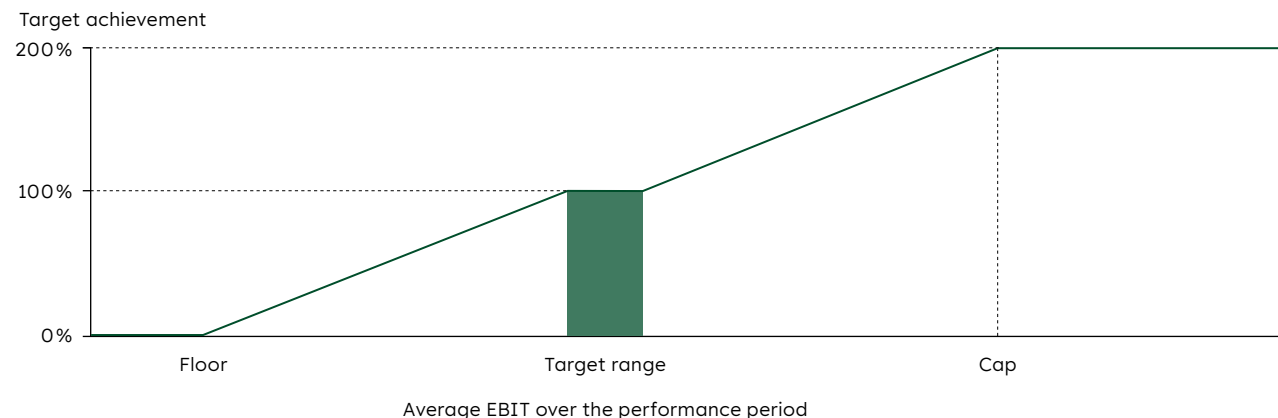
EBIT

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 HeidelbergCement 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 HeidelbergCement AG in the annual bonus, incentives for profitable growth are thus provided in both the short-term and long-term variable remuneration elements.

At the beginning of each tranche, the Supervisory Board determines a target corridor, which is derived from the Group’s three-year operating plan, as well as the thresholds (upper and lower limit). The calculation of the target achievement at the end of the performance period is based on the comparison of the average EBIT over the three-year performance period with the specified target corridor. The target achievement can range from 0% to 200%.

Performance criterion EBIT



For the performance criterion EBIT, the defined target corridor, the thresholds (upper and lower limit), as well as the resulting target achievement and the adjustments made for the calculation of target achievement

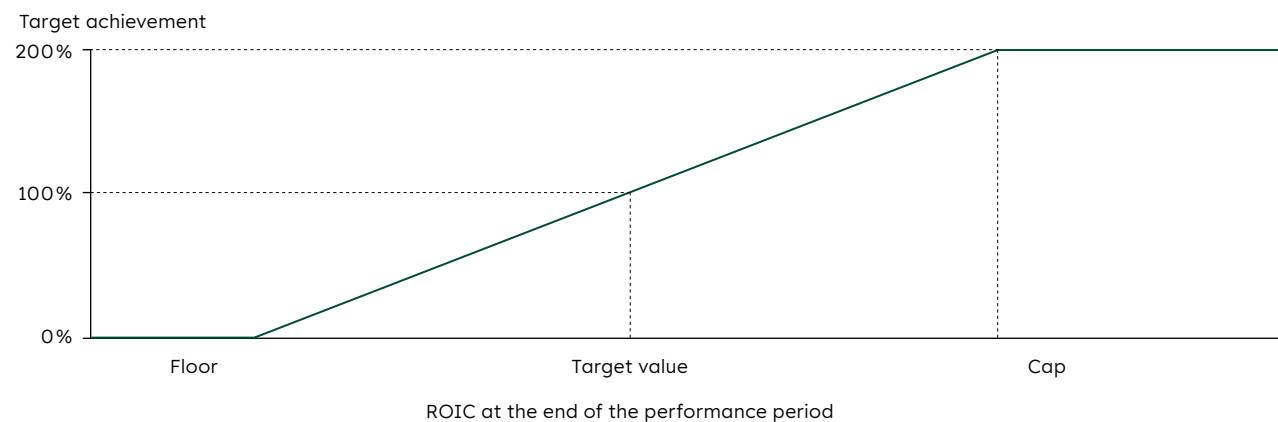
are disclosed in the remuneration report after the performance period has ended.

ROIC

The performance criterion is based on ROIC. Starting with the 2021 tranche of the long-term bonus, ROIC is calculated as the ratio between the result from current operations minus current tax expense (adjusted for impairments) and the average invested capital (average of the opening and closing balance of the respective financial year). For tranches of the long-term bonus that were awarded before 2021, a different calculation methodology applies, which is described in the [Completed tranches at the end of the 2022 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 operating plan. The target achievement can range from 0% to 200%.

Performance criterion ROIC

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

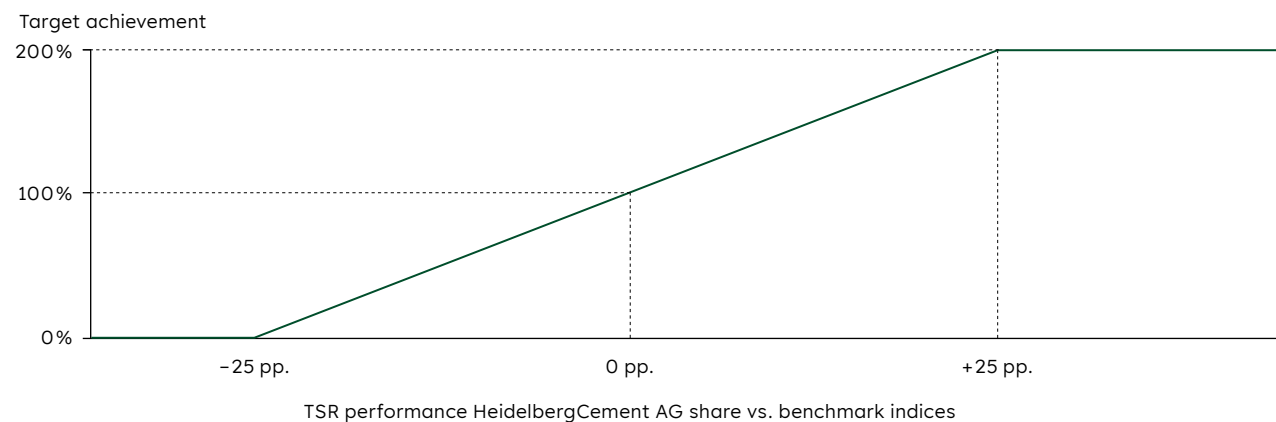
Relative TSR represents a capital market-oriented performance criterion that provides an incentive for the

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. The development of the TSR of the HeidelbergCement AG 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 2022 financial year

At the end of the 2022 financial year, the 2020 tranche of the management component (long-term bonus 2020–2022/2023) and the 2019 tranche of the capital market component (long-term bonus 2019–2021/2022) were completed. The structure of the two completed tranches largely corresponds to the tranches of the long-term bonus allocated in the 2022 financial year.

2020 tranche of the management component

The target achievement for the 2020 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 2021 tranche and described in the previous section, ROIC for the 2020 tranche is measured on the basis of the result from current operations less taxes paid divided by invested capital in the last year of the performance period adjusted for currency translation effects. Taxes paid correspond to taxes paid as reported in the statement of cash flows. Invested capital comprises equity and reported net debt less puttable minorities at the end of the performance period. Invested capital is adjusted for the currency translation differences recognised in equity at the end of the performance period and at the time of the target setting.

Before the start of the tranche, a target corridor of €2,210 million to €2,310 million corresponding to a target achievement of 100% was set for EBIT. The actual EBIT value, which is calculated as the average EBIT over the three years of the performance period, was €2,429 million (2020: €2,302 million, 2021: €2,565 million, 2022: €2,419 million). The individual annual figures are adjusted for the special items that were also taken into account when determining the Group share of profit for the purposes of the annual bonus, insofar as they have an impact on EBIT. In previous years, these were primarily restructuring expenses, impairments, and gains on disposals. For 2022 these are listed in the [Annual bonus section](#) and include the gains from the disposal of business operations in Spain and of real estate in Sweden and the Netherlands, impairment losses in Russia and on the investment in the joint venture Akcansa Cimento Sanayi ve Ticaret A.S., as well as

restructuring expenses in North America. This results in a target achievement for EBIT of 200%.

Before the start of the tranche, a target value of 6.70% was set for ROIC, for which a target achievement of 100% could be reached. The actual ROIC value was 7.97% corresponding to a target achievement of 200%.

Based on the target achievements in the two performance criteria, the overall target achievement for the 2020 tranche of the management component is 200%.

The table summarises the target values, thresholds (upper and lower limit), as well as actual values and target achievements per performance criterion:

Target achievement in management component of long-term bonus 2020–2022/2023

	Target achievement curve				Actual value	Target achievement
	Weighting	Floor	Target corridor	Cap		
EBIT	50%	€m 2,110	€m 2,210–2,310	€m 2,410	€m 2,429	200%
ROIC	50%	5.70%	6.70%	7.70%	7.97%	200%
Total	100%					200%

The following table shows the payout amount per member of the Managing Board resulting from the overall target achievement for the 2020 tranche of the management component:

Summary of the management component of long-term bonus 2020–2022/2023

€ '000s	Target value	Target achievement			Payout
		EBIT	ROIC	Total	
Dr Dominik von Achten	988				1,976
Kevin Gluskie	548				1,096
Hakan Gurdal	438				875
Ernest Jelito	438	200%	200%	200%	875
Jon Morrish	538				1,075
Chris Ward	468				936
Total	3,417				6,833

The payment from the 2020 tranche of the management component will be made following the annual general meeting in 2023.

2019 tranche of the capital market component

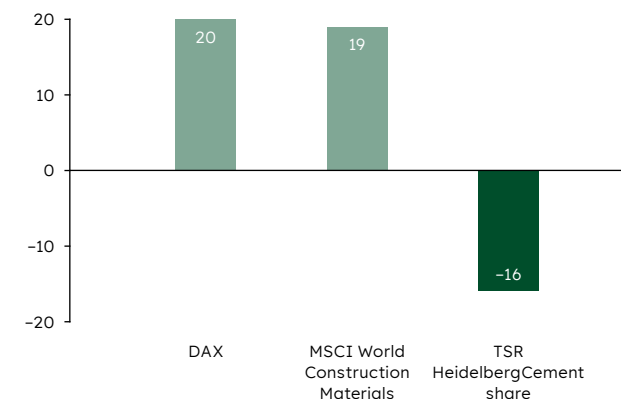
The target achievement for the 2019 tranche of the capital market component was measured analogously to the tranche allocated in the 2022 financial year on the basis of the performance criterion relative TSR.

While the DAX recorded an increase of 20.3% over the four-year performance period compared with the reference period and the MSCI World Construction Materials Index an increase of 18.9%, the TSR of the HeidelbergCement AG share was -16.2% at the end of the performance period. This results in a difference of -36.5 percentage points compared with the DAX and a difference of -35.1 percentage points compared with the MSCI World Construction Materials Index. The average difference amounts to -36 percentage points.

The overall target achievement rate for the relative TSR is therefore 0% for the 2019 tranche of the capital market component.

The allocation price for determining the number of provisionally allocated PSUs at the start of the tranche was €58.78. The closing price, including notionally reinvested dividends and adjusted for changes in capital, was €54.78 at the end of the performance period. This corresponds to a development of -6.8% over the performance period.

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



Development of the HeidelbergCement share in €



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

Summary of the capital market component of the long-term bonus 2019–2021/2022

€'000s	Target value	Allocation price in €	Number of provisionally allocated PSUs	Target achievement relative TSR	Final number of PSUs	Closing price in €	Payout
Dr Dominik von Achten	688		11,696		0		0
Kevin Gluskie	538		9,150		0		0
Hakan Gurdal	438		7,443		0		0
Ernest Jelito	383	58.78	6,521	0.00%	0	54.76	0
Jon Morrish	538		9,144		0		0
Chris Ward	382		6,493		0		0
Total	2,965		50,447		0		0

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 accumulated over the duration of the commitment are guaranteed. If the member of the Managing Board dies, the pension entitlement shall pass to the widow or widower or to the children of the Managing Board member.

Dr Dominik von Achten, René Aldach, Ernest Jelito, Dr Nicola Kimm, and Dennis Lentz currently have a defined contribution commitment.

As part of the defined contribution commitment, an annual cash allowance is provided to Chris Ward, that 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 obligations earned until his reappointment in 2020.

The retirement agreements of the members of the Managing Board appointed between 2016 and 2018 contain the commitment of an annual retirement pension in the form of a percentage of the pensionable income. Kevin Gluskie, Hakan Gurdal, and Jon Morrish currently possess a defined benefit commitment. 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 individual basis between the 62nd and 63rd year of age) or
- In the event of premature termination of contract for reasons for which the Managing Board member is not responsible, provided that he or she has reached the age of 60 at the time of termination of contract or
- Due to permanent disability owing to illness

Survivor pension benefit

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

Service costs and present values of pension obligations

The service costs and the present values of the existing pension obligations as at 31 December 2022 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	
	2021	2022	2021	2022
Dr Dominik von Achten	427	414	13,859	9,357
René Aldach	83	254	88	306
Kevin Gluskie	843	821	5,171	3,709
Hakan Gurdal	664	638	4,019	2,697
Ernest Jelito	460	462	1,175	1,609
Dr Nicola Kimm	83	272	93	313
Dennis Lentz	83	237	86	306
Jon Morrish	600	572	3,606	2,280
Total	4,205	3,668	40,653	20,576

In addition to the amount of the agreed benefit and the agreed contribution, both the service costs and the present values of the pension obligations depend in a substantial way on various actuarial parameters, 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 pension obligations than in previous years and, as can be seen in the table, even to a decrease in individual cases.

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 Cement 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 HeidelbergCement AG 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 HeidelbergCement AG shares, which is why contracts concluded prior to this date stipulate an obligation in this amount. In the event of a reappointment, the required number of 15,000 shares also applies to these members of the Managing Board. In order to fulfil the share ownership, provided that the investment target has not yet been achieved at the relevant payout date, half of the payment amounts from the long-term bonus must be used to acquire shares of the company until

the complete share ownership requirement has been met. Accumulating the share ownership can therefore take several years. HeidelbergCement shares that are already held by members of the Managing Board are taken into account for the share ownership. The members of the Managing Board have confirmed to the

Supervisory Board that sufficient shares were acquired in accordance with the respective obligation.

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

Share ownership as at 31 December 2022 of current members of the Managing Board

Piece	Target	Status	Shares held as of 31 December 2022	in % of target
Dr Dominik von Achten	30,000	Investment target fully achieved	35,300	118%
René Aldach ¹⁾	15,000	In accumulation phase	4,000	27%
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	In accumulation phase	10,644	71%
Dr Nicola Kimm ¹⁾	15,000	In accumulation phase	722	5%
Dennis Lentz ¹⁾	15,000	In accumulation phase	2,000	13%
Jon Morrish	15,000	Investment target fully achieved	15,004	100%
Chris Ward	15,000	Investment target fully achieved	15,000	100%

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

Malus and clawback rules

The variable remuneration elements include malus and clawback rules. These give the Supervisory Board the option to reduce part or all of the variable remuneration elements that have not yet been paid out (malus) or to reclaim variable remuneration elements that have

already been paid out (clawback) in case of breaches of essential duties of diligence. The malus and clawback rules apply to both the annual bonus and the long-term bonus.

In the 2022 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

Departure 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 is no early settlement or payout. The annual bonus and long-term bonus shall be reduced pro rata temporis in case of a departure during the financial year in which the annual bonus or long-term bonus is allocated.

In the event of the early termination of a Managing Board membership for serious cause before the end of the performance period, the claims to the annual bonus and long-term bonus shall be forfeited.

Severance pay cap

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

Change of control clause

Managing Board contracts concluded before the publication of the version of the GCGC of 16 December 2019 are governed by the version of 7 February 2017, according to which a commitment to benefits in the event of the early termination of the Managing Board membership as a result of a change of control should not exceed 150% of the severance pay cap.

Managing Board contracts 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 contracts. The contracts of René Aldach, Dr Nicola Kimm, and Dennis Lentz therefore do not contain any change of control clauses.

Post-contractual non-compete clause

A post-contractual non-compete clause applies to the members of the Managing Board, according to which they are prohibited for a period of two years after the termination of the employment contract from working for a company that is in direct or indirect competition with 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 the last fixed annual salary in equal monthly instalments (waiting allowance). The waiting allowance shall be reduced to the extent that the member of the Managing Board receives benefits from the pension agreement after leaving the company. HeidelbergCement AG may waive the post-contractual non-compete clause before the termination of the employment contract.

In 2022, a waiting allowance of €60,000 was paid to Dr Bernd Scheifele. Dr Lorenz Näger received a waiting allowance of €746,000.

Disclosure of benefits from third parties

For the 2022 financial year, the members of the Managing Board have not received any benefits from third parties in connection with their Managing Board activities.

Remuneration granted and owed in the 2022 financial year**Remuneration of active members of the Managing Board in the 2022 financial year**

The remuneration granted and owed to the individual members of the Managing Board in the 2022 financial year pursuant to section 162 of the AktG is presented in the following.

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

The remuneration granted and owed in the 2022 financial year pursuant to section 162 of the AktG consists of the following remuneration elements:

- The fixed annual salary paid in the 2022 financial year

- The fringe benefits accrued in the 2022 financial year
- The cash allowance paid for the 2022 financial year in the case of Chris Ward
- The annual bonus determined for the 2022 financial year (annual bonus 2022), which is paid in the 2023 financial year
- The 2020 tranche of the management component, which was completed at the end of the 2022 financial year and is paid in the 2023 financial year
- The 2019 tranche of the capital market component, which was completed at the end of the 2022 financial year and is paid in the 2023 financial year

Furthermore, the service costs of the pension commitments in accordance with IAS 19 for the 2022 financial year is shown in the tables as part of the Managing Board remuneration.

In addition to the absolute remuneration amounts, the tables also contain the relative proportion of the individual remuneration elements within the total remuneration granted and owed.

Granted and owed remuneration pursuant to section 162 of the AktG

€'000s / share of total remuneration in %	Dr Dominik von Achten Chairman of the Managing Board			René Aldach Member of the Board (since September 1, 2021)		
	2021	2022		2021	2022	
Fixed annual salary	1,450	1,469	25%	200	600	43%
Fringe benefits	11	11	0%	5	13	1%
Contribution to private pension (cash allowance)	-	-		-	-	
One-year variable compensation	2,770	2,394	41%	297	782	56%
Annual bonus 2021	2,770	-		297	-	
Annual bonus 2022	-	2,394		-	782	
Multi-year variable compensation	1,375	1,976	34%	0	0%	
Long-term bonus 2018-2020/2021						
Capital market component tranche 2018-2021	0	-		-	-	
Long-term bonus 2019-2021/2022						
Management component tranche 2019-2021	1,375	-		-	-	
Capital market component tranche 2019-2022	-	0		-	-	
Long-term bonus 2020-2022/2023	-			-		
Management component tranche 2020-2022	-	1,976		-	-	
Others	-		0%	-		0%
Granted and owed remuneration pursuant to section 162 of the AktG	5,606	5,850	100%	502	1,395	100%
Service costs	427	414	-	83	254	-
Total compensation	6,033	6,264	-	585	1,649	-

Granted and owed remuneration pursuant to section 162 of the AktG

	Kevin Gluskie Member of the Managing Board ¹⁾			Hakan Gurdal Member of the Managing Board			Ernest Jelito Member of the Managing Board			Dr Nicola Kimm Member of the Managing Board (since 1 September 2021)		
	2021	2022		2021	2022		2021	2022		2021	2022	
€'000s / share of total remuneration in %												
Fixed annual salary	913	960	26%	764	770	29%	700	719	28%	200	600	42%
Fringe benefits	463	502	13%	84	79	3%	27	80	3%	72	83	6%
Contribution to private pension (cash allowance)	-	-		-	-		-	-		-	-	
One-year variable compensation	1,314	1,170	31%	1,133	973	36%	1,045	901	35%	293	749	52%
Annual bonus 2021	1,314	-		1,133	-		1,045	-		293	-	
Annual bonus 2022	-	1,170		-	973		-	901		-	749	
Multi-year variable compensation	1,076	1,096	30%	875	875	32%	730	875	34%	0	0	0%
Long-term bonus 2018-2020/2021		-										
Capital market component tranche 2018-2021	0	-		0	-		0	-		-	-	
Long-term bonus 2019-2021/2022		0										
Management component tranche 2019-2021	1,076	-		875	-		730	-		-	-	
Capital market component tranche 2019-2022	-	-		-	-		-	-		-	-	
Long-term bonus 2020-2022/2023												
Management component tranche 2020-2022	-	1,096			875		-	875		-	-	
Others	-	-	0%	-	-	0%	-	-	0%	-	-	0%
Granted and owed remuneration pursuant to section 162 of the AktG	3,766	3,728	100%	2,856	2,697	100%	2,502	2,575	100%	565	1,432	100%
Service costs	843	821	-	664	638	-	460	462	-	83	272	-
Total compensation	4,608	4,549	-	3,520	3,335	-	2,962	3,037	-	648	1,704	-

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

Granted and owed remuneration pursuant to section 162 of the AktG

€'000s / share of total remuneration in %	Dennis Lentz Member of the Managing Board (since 1 September 2021) ²⁾			Jon Morrish Member of the Managing Board			Chris Ward Member of the Managing Board ³⁾		
	2021	2022		2021	2022		2021	2022	
Fixed annual salary	200	600	36%	899	903	28%	710	819	25%
Fringe benefits	25	326	19%	79	97	3%	58	60	2%
Contribution to private pension (cash allowance)	-	-		-	-		356	401	13%
One-year variable compensation	303	765	45%	1,362	1,134	35%	1,013	1,000	31%
Annual bonus 2021	303	-		1,362	-		1,013	-	
Annual bonus 2022	-	765		-	1,134		-	1,000	
Multi-year variable compensation	0	0%		1,075	1,075	34%	713	936	29%
Long-term bonus 2018-2020/2021									
Capital market component tranche 2018-2021	-	-		0	-		0	-	
Long-term bonus 2019-2021/2022									
Management component tranche 2019-2021	-	-		1,075	-		713	-	
Capital market component tranche 2019-2022	-	-		-	0		-	0	
Long-term bonus 2020-2022/2023									
Management component tranche 2020-2022	-	-		-	1,075		-	936	
Others	-	-	0%	-	-	0%	-	-	0%
Granted and owed remuneration pursuant to section 162 of the AktG	528	1,691	100%	3,415	3,209	100%	2,850	3,216	100%
Service costs	83	237	-	600	572	-	-	-	-
Total compensation	611	1,928	-	4,015	3,781	-	2,850	3,216	-

2) As of 1 December 2021, 70% of Dennis Lentz's fixed annual salary, the annual bonus and the long-term bonus were paid by Heidelberg Materials North America (Lehigh Hanson until 1 January 2023). The remaining 30% are paid by HeidelbergCement AG. Until 30 November 2021, 100% of the remuneration of Dennis Lentz was paid by HeidelbergCement 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.

3) 90% of the fixed annual salary, the annual bonus, and the long-term bonus of Chris Ward are borne by Heidelberg Materials North America (Lehigh Hanson until 1 January 2023). The remaining 10% is borne by HeidelbergCement 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 2020 tranche of the management component, which was completed at the end of the 2022 financial year, and from the 2019 tranche of the capital market component, which was also completed at the end of the 2022 financial year.

The following table summarises the main elements of the tranches:

Summary of management component of long-term bonus 2020–2022/2023 for former members of the Managing Board

€'000s	Target value	Target achievement			Payout
		EBIT	ROIC	Total	
Dr Bernd Scheifele ¹⁾	102				203
Dr Lorenz Näger	627	200%	200%	200%	1,255

1) In the case of Dr Bernd Scheifele, the value for 2022 includes a crediting of a prepayment for the long-term bonus 2020–2022/2023 in the amount of € 102 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	531		9,038		0		0
Dr Bernd Scheifele	1,219	58.78	20,734	0.00%	0	54.76	0
Dr Albert Scheuer	313		5,316		0		0

The payment of the tranches will be made following the annual general meeting in 2023.

Further information on the 2020 tranche of the management component and the 2019 tranche of the capital market component can be found in the **Completed tranches at the end of the 2022 financial year section.**

The following table shows the remuneration granted and owed to the former members of the Managing Board in the 2022 financial year pursuant to section 162 of the AktG:

Granted and owed remuneration pursuant to section 162 of the AktG

€'000s / share of total remuneration in %	Dr Lorenz Näger Deputy Chairman of the Managing Board (until 31 Aug. 2021)		Dr Bernd Scheifele Chairman of the Managing Board (until 31 Jan. 2020) ¹⁾		Dr Albert Scheuer Member of the Managing Board (until 5 Aug. 2019)	
	2022		2022		2022	
Multi-year variable compensation	1,255	53%	203	18%	0	0%
Long-term bonus 2019-2021/2022						
Management component tranche 2019-2021	0		0		0	
Long-term bonus 2020-2022/2023						
Management component tranche 2020-2022	1,255		203		-	
Others ²⁾	746	32%	60	5%	0	0%
Total	2,001	-	263	-	0	-
Retirement and transitional payments	354	15%	900	77%	280	100%
Granted and owed remuneration pursuant to section 162 of the AktG	2,355	100%	1,163	100%	280	100%

1) In the case of Dr Bernd Scheifele, the value for 2022 includes a crediting of a prepayment for the long-term bonus 2020-2022/2023 in the amount of €102 thousand.

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

Remuneration of the Supervisory Board in the 2022 financial year

Principles of remuneration of the Supervisory Board

The remuneration system of the Supervisory Board of HeidelbergCement AG was approved by the annual general meeting in 2021 and came into force retroactively as of 1 January 2021.

The remuneration of the Supervisory Board is set out in section 12 of the Articles of Association of HeidelbergCement AG. It consists of fixed amounts and attendance fees. Each member receives a fixed remuneration of €80,000, the chairman receives two and a half times and his deputy one and a half times the amount. The members of the Audit Committee additionally receive a fixed remuneration of €25,000 and the members of the Personnel Committee €20,000. The chairperson of the committees receives twice these respective amounts.

In addition, an attendance fee of €2,000 is paid for each personal participation in a meeting of the Supervisory Board and its committees, irrespective of the form in which it is carried out. For multiple meetings that take place on the same day or on subsequent days, the attendance fee is paid only once.

Remuneration granted and owed to the members of the Supervisory Board

The following table lists the remuneration granted and owed to the members of the Supervisory Board in the 2022 financial year pursuant to section 162 of the AktG:

Remuneration granted and owed to the members of the Supervisory Board

€'000s / share of total remuneration in %	Fixed remuneration		Remuneration for committee membership			Attendance fees			Total remuneration		
	2021	2022	2021	2022	2022	2021	2022	2021	2022		
Fritz-Jürgen Heckmann (Chairman) (until 12 May 2022)	200	72	70%	45	16	15%	28	16	15%	273	105
Dr Bernd Scheifele (Chairman) (since 12 May 2022)	-	128	77%	-	29	17%	-	10	6%	-	167
Heinz Schmitt (Deputy Chairman)	120	120	66%	45	45	25%	26	18	10%	191	183
Barbara Breuninger	80	80	65%	25	25	20%	22	18	15%	127	123
Birgit Jochens	80	80	71%	20	20	18%	22	12	11%	122	112
Ludwig Merckle	80	80	47%	65	65	38%	28	24	14%	173	169
Tobias Merckle ¹⁾ (until 12 May 2022)	80	29	83%	-	0	0%	18	6	17%	98	35
Dr Sopna Sury ¹⁾ (since 12 May 2022)	-	51	89%	-	0	0%	-	6	11%	-	57
Luka Mucic	80	80	48%	70	70	42%	26	18	11%	176	168
Dr Ines Ploss	80	80	71%	20	20	18%	22	12	11%	122	112
Peter Riedel	80	80	65%	25	25	20%	22	18	15%	127	123
Werner Schraeder	80	80	56%	45	45	31%	26	18	13%	151	143
Margret Suckale	80	80	54%	45	45	30%	28	24	16%	153	149
Prof. Dr Marion Weissenberger-Eibl ¹⁾	80	80	87%	-	0	0%	20	12	13%	100	92
Total	1,120	1,121	64%	405	405	23%	288	212	12%	1,813	1,738

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 2022 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 HeidelbergCement AG excluding the Managing Board was taken into account.

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

€'000s	2018	Change	2019	Change	2020	Change	2021	Change	2022
Development of earnings									
Result from current operations before depreciation and amortisation in €m	3,100	15%	3,580	4%	3,707	5%	3,875	-4%	3,739
Profit/loss for the financial year attributable to HeidelbergCement AG shareholders in €m	1,143	-5%	1,091	(-296%) ¹⁾	-2,139	(-182%) ¹⁾	1,759	-9%	1,597
Net profit/net loss of HeidelbergCement AG pursuant to the HGB in €m	-204	(-177%) ¹⁾	35	(-346%) ¹⁾	-86	(-556%) ¹⁾	392	-34%	257
Employees²⁾									
Average	71	1%	72	-1%	71	4%	74	-3%	72
Active members of the Managing Board in the financial year									
Dr Dominik von Achten (Chairman) ³⁾	4,210	-14%	3,611	41%	5,104	10%	5,606	4%	5,850
René Aldach ⁴⁾	-		-		-		502	178%	1,395
Kevin Gluskie	2,830	16%	3,287	0%	3,277	15%	3,766	-1%	3,728
Hakan Gurdal	1,963	16%	2,286	6%	2,430	18%	2,856	-6%	2,697
Ernest Jelito ⁵⁾	-		809	115%	1,736	44%	2,502	3%	2,575
Dr Nicola Kimm ⁴⁾	-		-		-		565	153%	1,432
Dennis Lentz ⁴⁾	-		-		-		528	220%	1,691
Jon Morrish	2,425	16%	2,806	11%	3,109	10%	3,415	-6%	3,209
Chris Ward ⁶⁾	-		780	176%	2,152	32%	2,850	13%	3,216

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

€'000s	2018	Change	2019	Change	2020	Change	2021	Change	2022
Former members of the Managing Board									
Dr Lorenz Näger ⁷⁾	3,457	-17%	2,878	23%	3,544	81%	6,407	-63%	2,355
Dr Bernd Scheifele ⁸⁾	7,933	-19%	6,433	-62%	2,439	67%	4,063	-71%	1,163
Dr Albert Scheuer ⁹⁾	3,003	-27%	2,179	-66%	743	17%	873	-68%	280
Members of the Supervisory Board¹⁰⁾									
Fritz-Jürgen Heckmann (Chairman) ¹¹⁾	232	11%	257	-2%	251	9%	273	-62%	105
Dr Bernd Scheifele (Chairman) ¹²⁾	-		-		-		-		167
Heinz Schmitt (Deputy Chairman)	162	9%	177	-1%	175	9%	191	-4%	183
Barbara Breuninger	58	83%	106	10%	117	9%	127	-3%	123
Birgit Jochens	-		71	58%	112	9%	122	-8%	112
Ludwig Merckle	172	-3%	166	-5%	157	10%	173	-2%	169
Tobias Merckle	78	15%	90	0%	90	9%	98	-64%	35
Dr Sopna Sury	-		-		-		-		57
Luka Mucic	-		101	58%	160	10%	176	-5%	168
Dr Ines Ploss	-		71	58%	112	9%	122	-8%	112
Peter Riedel	-		74	58%	117	9%	127	-3%	123
Werner Schraeder	107	21%	130	5%	137	10%	151	-5%	143
Margret Suckale	102	25%	128	5%	135	13%	153	-3%	149
Prof. Dr Marion Weissenberger-Eibl	80	13%	90	-2%	88	14%	100	-8%	92

- 1) Mathematically determined change; limited interpretability due to change of algebraic sign within the reference values.
- 2) Total workforce of HeidelbergCement AG incl. top and senior management, excluding Managing Board (full-time equivalents)
- 3) 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 HeidelbergCement AG, Heidelberg

We have audited the remuneration report of HeidelbergCement AG, Heidelberg, for the financial year from January 1 to December 31, 2022 including the related disclosures, which was prepared to comply with § [Article] 162 AktG [Aktiengesetz: German Stock Corporation Act].

Responsibilities of the Executive Directors and the Supervisory Board

The executive directors and the supervisory board of HeidelbergCement 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 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, 2022, 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 HeidelbergCement 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 22, 2023
PricewaterhouseCoopers GmbH

Wirtschaftsprüfungsgesellschaft

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