

Leadership Principles



HeidelbergCement has been built through the character of its people. That character is reflected in the company's values, which have been fundamental to our success for over 135 years. Our continued success depends on each one of us doing our part to uphold these values in our day-to-day work and in all the decisions we make, as reflected in our Leadership Principles.

Dear Fellow Employees,

The successful acquisition of Hanson has made HeidelbergCement into a globally positioned building products group and worldwide leader in the core market segments of cement and aggregates as well as the downstream activities ready-mixed concrete, asphalt and building products. The strategy is clear: Concrete, the building material for which there is most demand worldwide, is by far our most important end product. With Hanson, our business is supported by a second pillar in the raw materials and products segment. Today, HeidelbergCement is the best example of a global, vertically integrated supplier of building materials.

The company cultures of HeidelbergCement and Hanson are an ideal fit. As part of the integration process, our shared values have now been incorporated into the Leadership Principles. They focus on integral efficiency, sustainable profitability and a strong commitment to customer and employee satisfaction, as well as result-oriented growth. Workplace health and safety, advanced environmental protection and corporate social responsibility within the communities where we operate are also key elements of our commitment to sustainability.

Despite the changes and increased size of the Group, we remain committed to our principles: a down-to-earth approach, closeness to the business, consistent leadership, strict cost management, margin control and speed, coupled with the ability to act decisively are the basis for our success. In addition, we place high demands on the performance and open-mindedness of our managers and employees.

Our aim is to put together the best management team in the industry. Consistent implementation of the Leadership Principles is an essential factor in the achievement of this goal.

Heidelberg, June 2008

The Managing Board



Alan Murray, Dr. Dominik von Achten, Daniel Gauthier, Dr. Bernd Scheifele, Dr. Lorenz Näger, Dr. Albert Scheuer, Andreas Kern

Partnerships

"Trust and fairness"

Management and employees at HeidelbergCement have one common goal: adding value to the company in the long term by working together as partners and promoting a corporate citizenship. This cooperation is characterised by integrity, treating each other with mutual respect and trust, openness and fairness.



- Our common goal is long-term, profit-oriented growth for HeidelbergCement, because the interests of customers, employees and shareholders, as well as the society at large, rely on such sustainable success.
- We act on the basis of what is in the best interest of the company.
- We are committed to teamwork. We do not discriminate against anyone within our working environment. Thus, we are open-minded towards others' opinions and ideas and also respect their dignity and privacy. We appreciate the personality and achievements of others, as well as diversity within our company.
- Integrity, openness, honesty and accountability form the basis for our actions.
- We act in compliance with the law and respect the different cultures, people and institutions of the countries in which we operate. We ensure an honest and fair partnership with our employee representatives.

HeidelbergCement Corporate Mission:

"We act responsibly towards customers, employees, business partners, co-owners, shareholders and the environment. We promote national identities and cultures in order to be as creative and close to local markets as possible. We ensure that human rights are observed throughout our Group."

Performance and Result Orientation

"Outperformance through rigorous benchmarking"

Our goal is to be the benchmark within our industry in operational performance based on cost leadership. The Group's priorities are comprehensive efficiency, strong customer orientation, sustainable profitability and profit-oriented growth. A performance and result-oriented corporate culture is vital to us.



- Increasing efficiency, strong customer focus, margin control and cost and result-orientation are of high importance for us.
- We understand cost leadership as acting in the short term in order to be competitive and profitable, while maximising opportunities to secure the company's competitiveness in the long-term.
- We benchmark our performance rigorously versus the very best internally and externally.
- We distinguish ourselves through clear and quick decisions, even if they prove to be unpopular. These are implemented fast and in a target-oriented manner.
- As part of the performance management process, clear targets are agreed upon and documented. We encourage employees to put forward their own ideas and to identify potential for improvement. We assign responsibility clearly and allow for sufficient individual scope, while regularly checking that targets are reached.

HeidelbergCement Corporate Mission:

"Our economic goals are to continuously increase our earnings through leadership in cost efficiency and long-term, profit-oriented growth."

Customer Orientation

"Greatest possible benefit for the customer"

In a challenging market environment, we have to continually ensure confidence in our products and services for every customer and for every project every day.



- Our goal is a long-term customer relationship based on product quality, reliability, fairness and integrity.
- We always have the internal and external customer in focus and we consistently think and act in accordance with the needs of our customers with all our products and services.
- We treat all customer complaints seriously and are responsive to their suggestions.
- Being close to our customers allows us to anticipate and be aware of their needs. The customers' success is our success. Therefore, we maximise our efforts to offer the greatest possible benefit to the customers.
- We are a competent partner and provide advice and support to all our customers.

HeidelbergCement Corporate Mission:

"We strive for long-term customer relationships based on reliability and integrity. We achieve lasting customer satisfaction through innovative products, competitive prices and unassailable quality."

Sustainable Development

"Taking responsibility"

Sustainability is part of the corporate strategy of HeidelbergCement. We are thereby committed to create safe and healthy workplaces for our employees and strive for continuous progress in the field of environmental protection. Sustainability also includes taking social responsibility at our locations worldwide.



- Our commitment to occupational health and safety is an integral part of all our business activities. We are continually working to improve our occupational health and safety performance throughout the Group. In this context, employee attitudes towards health and safety hazards, controls and requirements are a fundamental driver of performance.
- Environmental protection is fundamentally important to us. Natural resources are the basis of our company. We will only be able to secure our basic needs and those of future generations if we manage to retain and look after these resources.
- Climate protection and biodiversity are key issues at HeidelbergCement. We work continuously on reducing both carbon dioxide emissions and the use of fossil fuel. With consistent and high quality restoration techniques, we strive to counteract the decreasing species diversity worldwide.
- We aim to make a positive contribution to the environment through the delivery of sustainable products and services.
- We foster good relationships at our locations and contribute to creating value locally. We pursue a reputation of good corporate citizenship and support projects at our locations in line with the established themes of Building – Environment – Education.

HeidelbergCement Corporate Mission:

"All appropriate safety measures should be taken at the workplace. Environmental protection benefits everyone: our employees, communities and customers. It also makes good economic sense. Our future goal is steady and sustainable development."

Professional, Social and Management Competence

"Competence as a success factor"

Successful business activities require a high level of professional, social and management competence. Efficiency and fast implementation are decisive factors in this respect.



- We have an excellent knowledge that allows us to organise and professionally control our area of responsibility, especially in challenging situations. In addition, we work together with confidence and trust across business lines, functions and geographies.
- We foster a corporate culture based on integrity, trust and mutual respect.
- We consistently use standardised key performance indicators that are applied throughout the Group. We organise our area of responsibility through standardised processes and a professional office organisation.
- We focus on the main points. Results, efficiency in processes, well prepared and documented meetings as well as fast and consistent implementation of decisions are crucial characteristics of effective management for us.
- We promote research and development through our worldwide network. We focus on innovative technologies and methodologies in order to increase efficiency of processes and develop customer-oriented products and services. Continuous learning ensures that we permanently update and extend our knowledge.

HeidelbergCement Corporate Mission:

"We are among the world's best and we want to continue to grow. Prerequisites for this are an especially well-qualified management plus committed, [and] well-trained employees..."

Role Model

“Lead by example”

Mutual trust is a prerequisite for dedication and success. Our managers fulfil a role model function with respect to their leadership and management skills as well as their personal behaviour.



- We act as a role model for the company's values and principles. What we say is consistent with what we do. We always act in a reasonable and authentic manner, even in difficult circumstances.
- We place greater demands on ourselves than on our employees. Others are inspired by our personal dedication and commitment.
- We treat our employees fairly and do not favour anyone on the basis of personal preference.
- We see change as the natural state of business and learn both from our success and failures. Personal assessment results are used to further our development. We consider new working environments and geographical changes as opportunities for our professional and personal development.

HeidelbergCement Corporate Mission:

"[Our managers] should be role models with respect to their technical qualifications and their interpersonal skills. They should distinguish themselves through their teamwork skills and their loyalty."

Communication and Information

"Creating transparency"

Successful, active and trustful working partnerships are based on timely and comprehensive communication and information.



- We encourage an open flow of information within the entire organisation, for example through transferring knowledge, benchmarking and by sharing experience of best practices.
- We strive to communicate in a clear, concise, objective and comprehensible way, and, where necessary, in writing.
- Effective communication requires equal obligations to request and to provide information on a timely basis.
- We arrange regular meetings with employees for the mutual and timely exchange of information on the specific aspects of their work. We highlight individual and team contributions to the overall achievement of company goals.
- We communicate company goals comprehensively and on a regular basis. We timely inform employees of organisational and personnel changes that affect their work.

HeidelbergCement Corporate Mission:

"Our information policy is to provide open communication and make use of the latest technologies. We inform truthfully and responsibly."

Commitment

“Inspiring yourself and others”

HeidelbergCement can only be successful and competitive in the long term if all employees are dedicated to their jobs and the company goals. Everyone’s commitment and the willingness to take responsibility are therefore of central importance.



- We live the company values and principles actively through our own behaviour. We create a culture of high performance and results that leads to the success of the company and its employees.
- A continuous, candid and creative dialogue is an important tool to motivate our employees.
- We strengthen the employees' sense of personal responsibility by delegating challenging tasks and involving them in decision-making processes.
- Every employee is assigned work according to his or her knowledge, abilities and strengths. We evoke trust, security and motivation by recognising performance and results.

HeidelbergCement Corporate Mission:

"We expect our employees to be future-oriented and motivated and, through continuous learning, to see change as opportunity."

Employee Development

“Challenge and support”

We rely on dedicated and qualified employees and an excellent management team. People grow with their tasks. Personnel development not only means supporting, but also challenging our employees.



- We inspire and enable people to meet high expectations and achieve high standards and challenging goals.
- We support their development by continually challenging them with demanding tasks and guiding and coaching them as they pursue these tasks. When doing so, we focus in particular on the existing strengths and potential of our employees.
- Through targeted personnel development we also create the basis for sustainable succession planning. Whenever possible, positions are filled by qualified internal candidates. This is carried out solely on the basis of competences, performance and results.
- We agree and document training measures together with our employees specifically aligned to their needs. We utilise training programs offered within the company and regularly evaluate their effectiveness.

HeidelbergCement Corporate Mission:

“Only through focused and continuous employee development can we achieve long lasting technical, social and leadership competencies.”

Assessment and Feedback

“Development and performance through feedback”

The success of HeidelbergCement depends on its employees' competence, performance and achievements. Managers therefore regularly assess their employees' job performance and provide feedback accordingly.



- We conduct formal job performance appraisals at least annually and document the results. We ensure that employees understand the performance criteria on which their appraisals and feedback are based.
- In addition, we regularly and promptly provide employees with open and fair job performance feedback. We acknowledge good work and we value individual successes. We discuss mistakes and deviations from objectives immediately and use the opportunity to learn from the experience.
- We assist employees in correcting unsatisfactory results. In doing so, we provide reassurance and support, and are steadfast when it comes to implementing any necessary consequences which should be fair and adequate.
- We are open to constructive criticism and allow ourselves to be assessed in line with the Leadership Principles.
- We utilise active listening to resolve conflicts, misconduct and/or complaints at an early stage and, where appropriate, we conduct an unbiased, thorough investigation involving all relevant personnel. We take prompt action accordingly, including providing feedback to employees involved.

HeidelbergCement Corporate Mission:

"We expect a high degree of professionalism and credibility from our managers, as well as fairness and openness in all their undertakings."

