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ÅRSREDOVISNING FÖR

Cementa AB

556013-5864

RÄKENSKAPSÅR

2021-01-01 -- 2021-12-31

Undertecknad styrelseledamot i intygar att resultat- och balansräkningen i årsredovisningen har fastställts på årsstämman den 30 juni 2022.
Stämman beslöt att disponera vinstmedlen i enlighet med styrelsens och verkställande direktörens förslag.

Jag intygar också att innehållet i årsredovisningen och revisionsberättelsen stämmer överens med originalen.

Jan Gånge

Styrelseledamot

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Årsredovisning

för

Cementa AB

556013-5864

Räkenskapsåret

2021–01–01 – 2021–12–31

Innehållsförteckning

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Kopian överensstämmmelse
med orginalet intygas:
Kerstin Nes
HeidelbergCement Sweden AB
Tel 0708233910

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Styrelsen och verkställande direktören för Cementa AB får härmed avge årsredovisning för räkenskapsåret 2021–01–01 – 2021–12–31.

Årsredovisningen är upprättad i svenska kronor, SEK.

Förvaltningsberättelse

Information om verksamheten

Cementa bedriver cementproduktion, försäljning och marknadsföring av cement samt kunskapsutveckling av cementets användning och dess funktion genom hela värdekedjan. Bolaget tillverkar en rad olika cementtyper för olika användningsområden. Tillverkningen bedrivs i fabriker i Slite på Gotland, i Skövde och i Degerhamn på Öland. Dessutom finns funktioner för bulktransport till lands och sjöss och längs den svenska kusten depåer för lagring.

I Sverige har efterfrågan på bostadsbyggande, anläggningsbyggande och övrigt byggande såsom hus ökat 2021.

Företaget har sitt säte i Stockholms Län, Stockholms Kommun.

Väsentliga händelser under räkenskapsåret

I juli fick Cementa sin tillståndsansökan för fortsatt kalkstensbrytning i Slite avvisad av Mark- och miljödomstolen. Efter detta har Cementa arbetat intensivt med både juridiska och praktiska insatser såsom att etablera flöden för kortsiktig extern försörjning av kalksten under tiden som ny tillståndsansökan hanteras

Väsentliga händelser efter räkenskapsårets slut

Cementa har i april 2022 skickat in en tillståndsansökan om kalkstensbrytning under fyra år, vilket är en övergångslösning fram till att ett långsiktigt tillstånd är på plats.

Förväntad framtida utveckling samt väsentliga risker och osäkerhetsfaktorer

Den osäkerhet i vår omvärld till följd av Ukrainakriget ger för handen en osäkerhet i de framåtriktade prognoserna inom bostadsbyggande och kommersiellt byggande.

Fortsatt finns en osäkerhet om cementproduktion i Slite kopplat till täkttillståndet som gäller till 31 december 2022. Ny tillståndsansökan för 4 år har skickats in under April. Parallellt pågår förberedelse av en långsiktig ansökan på cirka 20-30 år.

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Forskning och utveckling

Företaget deltar i FoU-program som representerar olika delar av verksamheten. Cementa deltar i projekt för Carbon Capture and Storage, CCS. I arbetet med produktstrategi arbetar FoU med att ta fram cement med bättre miljöprestanda.

Miljöpåverkan

Cementfabrikerna har tillstånd enligt miljöbalken att tillverka cement samt att använda industriella restprodukter som alternativa bränslen och råvaror. Man jobbar kontinuerligt med att minska förbrukningen av jungfruliga fossila bränslen och därmed öka andelen alternativa bränslen och biobaserade bränslen.

Det krävs täkttillstånd med efterbehandlingsplaner för kalkbrotten. Dessa tillstånd gäller för Slitefabriken t.o.m. 31 december 2022, för Skövdefabriken till 2032. Slitefabrikens täkttillstånd inkluderar även vattendom.

Cementfabrikerna har alla tillstånd att släppa ut koldioxid. Bolaget tilldelas utsläppsrätter årligen och överlämnar årligen utsläppsrätter motsvarande utsläppen.

Bolaget bedriver hamnverksamhet i egen regi vid depåerna i Bålsta, Köping, Norrköping och Stockholm och har tillstånd enligt miljöbalken härför. Vid Malmödepån har Bolaget ett frivilligt tillstånd.

Cementa har genomfört omfattande studier bl.a. i form av livscykelanalyser (LCA) för att kartlägga vilka miljöaspekter som är mest betydande. De är: koldioxidutsläpp, förbrukning av fossila bränslen, påverkan på grundvatten, elförbrukning, markanvändning samt klimatpåverkan från transporter.

Det hållbarhetsarbetearbete som drivs för att minska negativ miljöpåverkan och ge stärkta mervärden i samhället präglas av ISO 14001.

Företaget arbetar löpande med energiförbättrande åtgärder under ISO 50001 och dessutom inom ramen för företagets CIP (continuous improvement process).

Cementa driver ett ledande arbete inom utvinningsindustrin för att stärka biologisk mångfald. Vid alla täkter drivs ett successivt arbete fokuserat på särskilt skyddsvärd natur.

Genom att återanvända spillvärme från produktionsprocessen kan Slitefabriken delvis försörjas med el från den egna tillverkningsprocessen.

Hållbarhetsrapport

Företaget upprättar enligt 7 kap 31:a § inte någon lagstadgad hållbarhetsrapport. Moderföretaget HeidelbergCement AG, org nr HR B 82 med säte i Heidelberg, Tyskland, upprättar hållbarhetsrapport för koncernen där företaget ingår. Koncernens hållbarhetsrapport finns tillgänglig på Heidelberg Cement Groups hemsida, www.heidelbergcement.com.

Ägarförhållanden

Bolaget ingår i HeidelbergCement Sweden-koncernen och är helägt dotterbolag till HeidelbergCement Sweden AB, org.nr 556000-6057, med säte i Stockholm som ingår i Heidelberger Zement AG-koncernen, org.nr HRB 82, med säte i Heidelberg, Tyskland.

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Flerårsöversikt (Tkr)	**2021**	**2020**	**2019**	**2018**
Nettoomsättning	2 462 668	2 306 922	2 206 590	2 300 934
Rörelseresultat	564 433	388 532	186 235	-177 782
Resultat efter finansiella poster	556 037	379 691	177 667	-186 702
Eget kapital	497 305	492 187	433 529	284 236
Balansomslutning	2 388 338	2 143 078	2 234 624	2 229 069
Obeskattade reserver	373 749	449 606	469 511	537 409
Avkastning på totalt kap. (%)	23,5	18,1	12,0	-0,8
Soliditet (%)	33,2	39,6	35,9	32,8
Medeltal anställda	354	347	377	415

För definitioner av nyckeltal, se Redovisnings- och värderingsprinciper.

Förändring av eget kapital (kronor)

	Aktie-kapital	**Reserv-fond**	**Balanserat resultat**	**Årets resultat**	**Totalt**
Belopp vid årets ingång	196 000 000	39 200 000	198 329 465	58 657 118	**492 186 583**
Överföring resultat föregående år			58 657 118	-58 657 118	**0**
Årets resultat				5 118 882	**5 118 882**
Belopp vid årets utgång	**196 000 000**	**39 200 000**	**256 986 583**	**5 118 882**	**497 305 465**

Förslag till vinstdisposition

Styrelsen föreslår att till förfogande stående vinstmedel (kronor):

balanserad vinst	256 986 584
årets vinst	5 118 882
	262 105 466
disponeras så att	
i ny räkning överföres	262 105 466

Företagets resultat och ställning i övrigt framgår av efterföljande resultat- och balansräkning samt kassaflödesanalys med tilläggsupplysningar.

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Resultaträkning
Tkr

	Not	2021-01-01 -2021-12-31	2020-01-01 -2020-12-31
Nettoomsättning	1	2 462 667	2 306 922
Övriga rörelseintäkter		73 505	30 362
		2 536 172	**2 337 284**
Rörelsens kostnader			
Råvaror och förnödenheter		-663 728	-626 171
Handelsvaror		-152 360	-100 581
Övriga externa kostnader	2, 3	-774 032	-844 072
Personalkostnader	4	-278 154	-274 896
Avskrivningar och nedskrivningar av materiella och immateriella anläggningstillgångar		-103 465	-103 032
		-1 971 739	**-1 948 752**
Rörelseresultat	5	**564 433**	**388 532**
Resultat från finansiella poster			
Övriga ränteintäkter och liknande resultatposter	6	170	178
Räntekostnader och liknande resultatposter	7	-8 566	-9 019
		-8 396	**-8 841**
Resultat efter finansiella poster		**556 037**	**379 691**
Bokslutsdispositioner	8	-550 384	-303 857
Resultat före skatt		**5 653**	**75 834**
Skatt på årets resultat	9	-534	-17 177
Årets resultat		**5 119**	**58 657**

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Balansräkning
Tkr

	Not	2021-12-31	2020-12-31
TILLGÅNGAR			
Anläggningstillgångar			
Materiella anläggningstillgångar			
Byggnader och mark	10	219 483	177 059
Maskiner och andra tekniska anläggningar	11	562 032	613 330
Pågående nyanläggningar och förskott avseende materiella anläggningstillgångar	12	160 216	137 460
		941 731	**927 849**
Finansiella anläggningstillgångar			
Andelar i koncernföretag	13, 14	8 815	8 815
Andra långfristiga värdepappersinnehav	15	0	10
		8 815	**8 825**
Summa anläggningstillgångar		**950 546**	**936 674**
Omsättningstillgångar			
Varulager m m			
Råvaror och förnödenheter		122 420	113 955
Varor under tillverkning		62 370	54 038
Färdiga varor och handelsvaror		79 806	83 163
Utsläppsrätter		47 810	147 802
		312 406	**398 958**
Kortfristiga fordringar			
Kundfordringar		281 612	280 548
Fordringar hos koncernföretag		789 778	509 037
Aktuella skattefordringar		11 266	-3 303
Övriga fordringar		23 587	3 450
Förutbetalda kostnader och upplupna intäkter	16	19 140	17 711
		1 125 383	**807 443**
Kassa och bank		3	3
Summa omsättningstillgångar		**1 437 792**	**1 206 404**
SUMMA TILLGÅNGAR		**2 388 338**	**2 143 078**

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Balansräkning
Tkr

	Not	2021-12-31	2020-12-31
EGET KAPITAL OCH SKULDER			
Eget kapital	17, 18		
Bundet eget kapital			
Aktiekapital		196 000	196 000
Reservfond		39 200	39 200
		235 200	**235 200**
Fritt eget kapital			
Balanserad vinst eller förlust		256 987	198 329
Årets resultat		5 119	58 657
		262 106	**256 986**
Summa eget kapital		**497 306**	**492 186**
Obeskattade *reserver*	19	**373 749**	**449 608**
Avsättningar	20		
Avsatt för pensioner och likande förpliktelser enligt tryggandelagen		190 608	188 461
Övriga avsättningar	21	41 180	153 942
Summa avsättningar		**231 788**	**342 403**
Kortfristiga skulder			
Leverantörsskulder		273 780	235 512
Skulder till koncernföretag		640 251	361 604
Övriga skulder		172 192	95 800
Upplupna kostnader och förutbetalda intäkter	22	199 272	165 965
Summa kortfristiga skulder		**1 285 495**	**858 881**
SUMMA EGET KAPITAL OCH SKULDER		**2 388 338**	**2 143 078**

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Kassaflödesanalys

Tkr

	Not	2021-01-01 -2021-12-31	2020-01-01 -2020-12-31
Den löpande verksamheten			
Resultat efter finansiella poster		556 037	379 691
Justeringar för poster som inte ingår i kassaflödet		0	0
Resultat vid försäljning av anläggningstillgångar		8	0
Förändring avsättningar		-110 615	-355 351
Avskrivningar		103 465	103 032
Betald skatt		-15 102	-17 177
Kassaflöde från den löpande verksamheten före förändring av rörelsekapital		**533 793**	**110 195**
Justeringar för poster som inte ingår i kassaflödet			
Kassaflöde från förändring av rörelsekapitalet			
Förändring av varulager och pågående arbete		86 552	-146 516
Förändring av kundfordringar		-1 064	-30 098
Förändring av kortfristiga fordringar		-302 308	-288 469
Förändring av leverantörsskulder		38 268	-12 344
Förändring av kortfristiga skulder		86 003	10 895
Kassaflöde från den löpande verksamheten		**441 244**	**-356 337**
Investeringsverksamheten			
Investeringar i immateriella anläggningstillgångar		0	538 668
Investeringar i materiella anläggningstillgångar		-117 346	-86 875
Försäljning av materiella anläggningstillgångar		0	824
Försäljning av finansiella anläggningstillgångar		2	0
Kassaflöde från investeringsverksamheten		**-117 344**	**452 617**
Finansieringsverksamheten			
Utbetald utdelning		-323 900	-96 280
Likvida medel vid årets början			
Likvida medel vid årets början		3	3
Likvida medel vid årets slut		**3**	**3**

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Noter

Tkr

Redovisnings- och värderingsprinciper

Allmänna upplysningar

Årsredovisningen är upprättad i enlighet med årsredovisningslagen och BFNAR 2012:1 Årsredovisning och koncernredovisning (K3).

Fordringar har upptagits till de belopp varmed de beräknas inflyta.

Övriga tillgångar och skulder har upptagits till anskaffningsvärden där inget annat anges.

Omräkning av poster i utländsk valuta

Fordringar och skulder i utländsk valuta har värderats till balansdagens kurs. Kursvinster och kursförluster på rörelsefordringar och rörelseskulder redovisas i rörelseresultatet medan kursvinster och kursförluster på finansiella fordringar och skulder redovisas som finansiella poster.

Intäktsredovisning

Intäkter har tagits upp till verkligt värde av vad som erhållits eller kommer att erhållas och redovisas i den omfattning det är sannolikt att de ekonomiska fördelarna kommer att tillgodogöras bolaget och intäkterna kan beräknas på ett tillförlitligt sätt.

Vid försäljning av varor redovisas normalt inkomsten som intäkt när de väsentliga förmåner och risker som är förknippade med ägandet av varan har överförts från företaget till köparen.

I balansräkningen jämförs redovisade intäkter med de belopp som fakturerats beställaren under samma period. Om de fakturerade beloppen överstiger den redovisade intäkten utgör mellanskillnaden en skuld, vilken redovisas som fakturerad men ej upparbetad intäkt. Om intäkten överstiger de fakturerade beloppen utgör mellanskillnaden en fordran vilken redovisas som upparbetad men ej fakturerad intäkt.

Anläggningstillgångar

Immateriella och materiella anläggningstillgångar redovisas till anskaffningsvärde minskat med ackumulerade avskrivningar enligt plan och eventuella nedskrivningar.

Avskrivning sker linjärt över den förväntade nyttjandeperioden med hänsyn till väsentligt restvärde. Följande avskrivningsprocent tillämpas:

Byggnader	15-20 år
Markanläggningar	20 år
Maskiner och andra tekniska installationer	5-20 år
Inventarie, verktyg och installationer	5-20 år

Varulagret har värderats till 97 % av det ansamlade anskaffningsvärdet vilket understiger varulagrets nettoförsäljningsvärde på balansdagen. Med nettoförsäljningsvärde avses varornas beräknade försäljningspris minskat med försäljningskostnader. Den valda värderingsmetoden innebär att eventuell inkurrans i varulagret har beaktats.

Som avsättning har redovisats förpliktelser gentemot tredje man som är hänförliga till räkenskapsåret eller tidigare räkenskapsår och som på balansdagen antingen är säkra eller sannolika till sin förekomst men oviss till belopp eller till den tidpunkt då de ska infrias.

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Koncernförhållanden

Företaget är moderföretag men med hänvisning till undantagsreglerna i årsredovisningslagen 7 kap 2§ upprättas ingen egen koncernredovisning. Det överordnade moderföretaget HeidelbergCement AG , organisationsnummer HRB 82 med säte i Heidelberg, Tyskland upprättar koncernredovisning.

Nyckeltalsdefinitioner

Nettoomsättning
Rörelsens huvudintäkter, fakturerade kostnader, sidointäkter samt intäktskorrigeringar.

Resultat efter finansiella poster
Resultat efter finansiella intäkter och kostnader, men före extraordinära intäkter och kostnader.

Eget kapital
Företagets nettotillgångar, dvs skillnaden mellan tillgångar och skulder.

Balansomslutning
Företagets samlade tillgångar.

Avkastning på totalt kap. (%)
Rörelseresultat plus finansiella intäkter i procent av balansomslutningen.

Soliditet (%)
Justerat eget kapital (eget kapital och obeskattade reserver med avdrag för uppskjuten skatt) i procent av balansomslutning.

Upprättandet av bokslut och tillämpning av redovisningsprinciper, baseras ofta på ledningens bedömningar, uppskattningar och antaganden som anses vara rimliga vid den tidpunkt då bedömningen görs. Uppskattningar och bedömningar är baserade på historiska erfarenheter och ett antal andra faktorer, som under rådande omständigheter anses vara rimliga. Resultatet av dessa används för att bedöma de redovisade värdena på tillgångar och skulder, som inte annars framgår tydligt från andra källor. Det verkliga utfallet kan avvika från dessa uppskattningar och bedömningar. Uppskattningar och antaganden ses över regelbundet.

Not 22 Återställning

Bolaget använder en beräkningsmodell som vi gemensamt med Länsstyrelsen har tagit fram. Modellen bygger på generella antaganden om olika typer av efterbehandling i en täkt baserat på granskning av ett antal verkliga fall. Underlaget ligger därefter till grund för beräkning av ekonomisk säkerhet av tillståndsmyndigheten som även är ett krav för att ta ett tillstånd i anspråk.

Not 22 Utsläppsrätter

Avsättningen baseras på det faktiska underskottet 31/12 till ett pris per rättighet som är i enlighet med priset på köpta rättigheter under 2021.

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Not 1 Nettoomsättningens fördelning

	2021-01-01 -2021-12-31	2020-01-01 -2020-12-31
Nettoomsättningen per geografisk marknad		
Sverige	2 232 395	2 029 919
Malta		11 896
Norge	18 032	15 365
Tyskland	1 013	4 328
Danmark	78 429	71 991
Finland	1 150	2 916
Estland	76 965	70 464
Litauen	19 638	61 132
Lettland	34 777	38 912
Övriga marknader	269	
	2 462 668	**2 306 922**

Not 2 Leasingavtal

Årets leasingkostnader avseende leasingavtal, uppgår till 128 386 tkr.

Framtida leasingavgifter, för icke uppsägningsbara leasingavtal, förfaller till betalning enligt följande:

	2021-01-01 -2021-12-31	2020-01-01 -2020-12-31
Inom ett år	42 229	74 061
Senare än ett år men inom fem år	54 717	85 816
Senare än fem år	198	298
	97 144	**160 174**

Not 3 Arvode till revisorer

Med revisionsuppdrag avses granskning av årsredovisningen och bokföringen samt styrelsens och verkställande direktörens förvaltning, övriga arbetsuppgifter som det ankommer på bolagets revisor att utföra samt rådgivning eller annat biträde som föranleds av iakttagelser vid sådan granskning eller genomförandet av sådana övriga arbetsuppgifter.

	2021-01-01 -2021-12-31	2020-01-01 -2020-12-31
PwC Sverige		
Revision	841	552
	841	**552**

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Not 4 Anställda och personalkostnader

	2021-01-01 -2021-12-31	2020-01-01 -2020-12-31
Medelantalet anställda		
Kvinnor	55	49
Män	299	298
	354	**347**
Löner och andra ersättningar		
Styrelse och verkställande direktör	2 046	1 504
Tantiem och liknande ersättning till styrelse och verkställande direktör	522	346
Övriga anställda	190 806	183 269
	193 374	**185 119**
Pensions och övriga sociala kostnader		
Pensionskostnader för övriga anställda	20 292	26 667
Övriga sociala avgifter enligt lag och avtal	60 085	59 854
	80 377	**86 520**
Totala löner, ersättningar, sociala kostnader och pensionskostnader	**273 751**	**271 639**
Könsfördelning bland ledande befattningshavare		
Andel kvinnor i styrelsen	14 %	0 %
Andel män i styrelsen	86 %	100 %
Andel kvinnor bland övriga ledande befattningshavare	22 %	15 %
Andel män bland övriga ledande befattningshavare	78 %	85 %

Avtal om avgångsvederlag
Något avgångsvederlag finns ej avtalat för verkställande direktören. Pensionsåldern för verkställande direktör är 65 år. Uppsägningstiden från företagets sida är är tolv månader och från verkställande direktörens sida 6 månader. Under uppsägningstiden är den anställde skyldig att stå till företagsledningens förfogande för särskilda arbetsuppgifter.

Not 5 Inköp och försäljning mellan koncernföretag

	2021-01-01 -2021-12-31	2020-01-01 -2020-12-31
Andel av årets totala inköp som skett från andra företag i koncernen	26,89 %	26,09 %
Andel av årets totala försäljningar som skett till andra företag i koncernen	30,63 %	24,83 %

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Not 6 Övriga ränteintäkter och liknande resultatposter

	2021-01-01 -2021-12-31	2020-01-01 -2020-12-31
Ränteintäkter från koncernföretag	0	20
Övriga ränteintäkter	170	157
	170	**178**

Not 7 Räntekostnader och liknande resultatposter

	2021-01-01 -2021-12-31	2020-01-01 -2020-12-31
Räntekostnader till koncernföretag	-33	-160
Räntekostnader för skatter och avgifter	-1 065	-1 374
Räntekostnad PRI	-7 469	-7 485
	-8 566	**-9 019**

Not 8 Bokslutsdispositioner

	2021-01-01 -2021-12-31	2020-01-01 -2020-12-31
Avskrivningar över plan - maskiner	75 859	19 903
Lämnade koncernbidrag	-627 343	-325 000
Erhållna koncernbidrag	1 100	1 240
	-550 384	**-303 857**

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Not 9 Aktuell och uppskjuten skatt

	2021-01-01 -2021-12-31	2020-01-01 -2020-12-31
Skatt på årets resultat		
Aktuell skatt	-1 428	-16 876
Uppskjuten skatt	895	-301
Totalt redovisad skatt	**-534**	**-17 177**

Avstämning av effektiv skatt

		2021-01-01 -2021-12-31		2020-01-01 -2020-12-31
	Procent	**Belopp**	**Procent**	**Belopp**
Redovisat resultat före skatt		5 653		75 834
Skatt enligt gällande skattesats	20,60	-1 164	21,40	-16 228
Ej avdragsgilla kostnader		-259		-648
Kostnadsränta Skattekonto		-5		
Övrigt		895		-301
Redovisad effektiv skatt	**9,44**	**-534**	**22,65**	**-17 177**

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Not 10 Byggnader och mark

	2021-12-31	2020-12-31
Ingående anskaffningsvärden	429 091	427 603
Inköp	306	
Försäljningar/utrangeringar		-1 056
Omklassificeringar	50 567	2 545
Utgående ackumulerade anskaffningsvärden	**479 965**	**429 091**
Ingående avskrivningar	-266 166	-258 354
Försäljningar/utrangeringar		233
Årets avskrivningar	-8 450	-8 045
Utgående ackumulerade avskrivningar	**-274 616**	**-266 166**
Ingående uppskrivningar	40 000	40 000
Utgående ackumulerade uppskrivningar	**40 000**	**40 000**
Ingående nedskrivningar	-25 866	-25 866
Utgående ackumulerade nedskrivningar	**-25 866**	**-25 866**
Utgående redovisat värde	**219 483**	**177 059**

Not 11 Maskiner och andra tekniska anläggningar

	2021-12-31	2020-12-31
Ingående anskaffningsvärden	3 626 537	3 578 670
Inköp	17 167	17 855
Försäljningar/utrangeringar	-2 127	-312
Omklassificeringar	26 550	30 324
Utgående ackumulerade anskaffningsvärden	**3 668 127**	**3 626 537**
Ingående avskrivningar	-2 944 418	-2 849 743
Försäljningar/utrangeringar	2 127	312
Årets avskrivningar	-95 015	-94 987
Utgående ackumulerade avskrivningar	**-3 037 307**	**-2 944 418**
Ingående nedskrivningar	-68 788	-68 788
Utgående ackumulerade nedskrivningar	**-68 788**	**-68 788**
Utgående redovisat värde	**562 032**	**613 330**

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Not 12 Pågående nyanläggningar och förskott avseende materiella anläggningar

	2021-12-31	2020-12-31
Ingående anskaffningsvärde	137 460	101 309
Årets anskaffningar	99 873	69 067
Omklassificeringar	-77 117	-32 915
	160 216	**137 460**

Not 13 Andelar i koncernföretag

	2021-12-31	2020-12-31
Ingående anskaffningsvärden	8 815	8 815
Utgående ackumulerade anskaffningsvärden	**8 815**	**8 815**
Utgående redovisat värde	**8 815**	**8 815**

Not 14 Specifikation andelar i koncernföretag

Namn	Kapital-andel	Rösträtts-andel	Antal andelar	Bokfört värde
Cementa Fastighets AB	100	100	1 000	160
Cementa sp zoo	96	96	230	8 587
Fastighets AB Lövholmen	100	100	100	68
				8 815

	Org.nr	Säte
Cementa Fastighets AB	556728-6579	Stockholm
Cementa sp zoo	1594/2014	Warszawa
Fastighets AB Lövholmen	556484-2978	Stockholm

Not 15 Andra långfristiga värdepappersinnehav

	2021-12-31	2020-12-31
Ingående anskaffningsvärden	10	10
Försäljningar/utrangeringar	-10	
Utgående ackumulerade anskaffningsvärden	**0**	**10**
Utgående redovisat värde	**0**	**10**

Not 16 Förutbetalda kostnader och upplupna intäkter

	2021-12-31	2020-12-31
Förutbetalda hyreskostnader	0	283
Förutbetald avgift PRI/FORA	5 609	7 411
Förutbetalda leasingpremier	215	194
Förutbetalda frakter	10 362	9 823
Övriga förutbetalda kostnader och upplupna intäkter	2 953	
	19 140	**17 711**

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Not 17 Antal aktier och kvotvärde

Namn	Antal aktier	Kvot-värde
Antal aktier	1 960 000	100
	1 960 000	

Not 18 Disposition av vinst eller förlust

	2021-12-31
Förslag till vinstdisposition	
Styrelsen föreslår att till förfogande stående vinstmedel:	
balanserad vinst	256 987
årets vinst	5 119
	262 105
disponeras så att	
i ny räkning överföres	262 105

Not 19 Obeskattade reserver

	2021-12-31	2020-12-31
Ackumulerade överavskrivningar	373 749	449 608
	373 749	**449 608**

Not 20 Avsättningar

	2021-12-31	2020-12-31
Pensioner och liknande förpliktelser		
Belopp vid årets ingång	188 461	185 777
Årets avsättningar	2 146	2 684
	190 608	**188 461**

Not 21 Övriga avsättningar

	2021-12-31	2020-12-31
Avsättning återställning	9 412	8 569
Avsättning reklamationer	2 860	4 650
Avsättning utsläppsrätter	28 908	140 723
	41 180	**153 942**

Not 22 Upplupna kostnader och förutbetalda intäkter

	2021-12-31	2020-12-31
Upplupna löner	8 807	20 643
Upplupna semesterlöner	37 523	27 245
Upplupna sociala avgifter	0	10 663
Upplupen bonus	100 430	94 427
Övriga upplupna kostnader och förutbetalda intäkter	52 511	12 986
	199 272	**165 965**

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Not 23 Hållbarhetsrapport

Företaget upprättar enligt 7 kap 31:a § inte någon lagstadgad hållbarhetsrapport. Moderföretaget HeidelbergCement AG, org nr HR B 82 med säte i Heidelberg, Tyskland, upprättar hållbarhetsrapport för koncernen där företaget ingår. Koncernens hållbarhetsrapport finns tillgänglig på Heidelberg Cement Groups hemsida, www.heidelbergcement.com.

Not 24 Eventualförpliktelser

	2021-12-31	2020-12-31
Bankgarantier	32 933	32 933
Andra ansvarsförbindelser	3 764	3 769
	36 697	**36 703**

Not 25 Väsentliga händelser efter räkenskapsårets slut

De senaste veckorna tillhör de mest allvarstyngda och mörka i Europas moderna historia. Det är ofattbart och oerhört tragiskt att ett europeiskt demokratiskt land med 44 miljoner invånare är under en fullskalig rysk invasion som fått och kommer att få enorma humanitära följder. Ekonomiskt syns effekter på energi- och finansmarknader och en ökad oro hos konsumenterna. Bolaget har ingen direkt finansiell exponering mot Ryssland och Ukraina, men kommer givetvis påverkas av de indirekta effekterna. Dessa effekter är i dagsläget mycket svåra att bedöma.

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Stockholm den dag som framgår av vår elektroniska underskrift 30-06-2022

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Vår revisionsberättelse har lämnats den dag som framgår av vår elektroniska underskrift

Öhrlings PricewaterhouseCoopers AB 30-06-2022

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Roger Lehrberg
roger.lehrberg@cementa.se
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Electronic Record and Signature Disclosure: Accepted: 6/30/2022 9:34:16 AM ID: 475f5b7d-c73d-4af9-9715-874ba73e6cd1 Company Name: HeidelbergCement AG		
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Agent Delivery Events	**Status**	**Timestamp**

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Completed	Security Checked	6/30/2022 11:53:24 AM
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Electronic Record and Signature Disclosure

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Enclosed you will find the Electronic Record and Signature Disclosure as well as the mandatory data protection information according to Art. 13 GDPR for the usage of DocuSign.

ELECTRONIC RECORD AND SIGNATURE DISCLOSURE

From time to time, HeidelbergCement AG or the respective HeidelbergCement entity with which you (or the party you represent) has negotiated and concluded an individual agreement ("HeidelbergCement Contracting Party") may be required by law to provide to you certain written legal documents or notices. Described below are the terms and conditions for providing to you such legal documents and notices electronically through the DocuSign system. Please read the information below carefully and thoroughly, and if you can access this information electronically to your satisfaction and agree to this Electronic Record and Signature Disclosure ("ERSD"), please confirm your agreement by selecting the check-box next to 'I agree to use electronic records and signatures' before clicking 'CONTINUE' within the DocuSign system. For convenience, HeidelbergCement AG and the HeidelbergCement Contracting Party are referred to as we, us or the Company in this ERSD.

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If you do not agree with this process, please let us know as described below. Please also see the paragraph immediately above that describes the consequences of your electing not to receive delivery of the legal documents and notices electronically from the Company. Please note that the Company considers electronic legal documents and notices to have the same legal effect as paper copies, unless prohibited by local law or as set forth in an individual agreement.

How to contact HeidelbergCement AG or the HeidelbergCement Contracting Party

You may contact us to let us know of your changes as to how we may contact you electronically, to request paper copies of certain information from us, and to withdraw your prior consent to receive legal documents and notices electronically as follows:

To contact your respective HeidelbergCement Contracting Party, use the contact provided to you in your individual agreement.

To advise HeidelbergCement AG or the HeidelbergCement Contracting Party of your new email address

To let us know of a change in your email address where we should send legal documents and notices electronically to you, you must send an email message to the respective contact of the HeidelbergCement Contracting Party as provided to you in your individual agreement. In the

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body of such request you must state your previous email address and your new email address. We do not require any other information from you to change your email address.

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To inform us that you no longer wish to receive future legal documents and notices in electronic format, you may:

i. decline to sign a document from within your signing session, and on the subsequent page, select the check-box indicating you wish to withdraw your consent;

ii. send an e-mail with your request to your contact person at HeidelbergCement AG or the respective HeidelbergCement Contracting Party; or

In the body of your request you must state your email, full name, mailing address, and telephone number. We do not need any other information from you to withdraw consent. The consequences of your withdrawing consent for online documents will be that transactions may take a longer time to process.

Required hardware and software

The minimum system requirements for using the DocuSign system may change over time. The current system requirements are found here: https://support.docusign.com/guides/signer-guide-signing-system-requirements.

Acknowledging your access and consent to receive and sign documents electronically

To confirm to us that you can access this information electronically, which will be similar to other electronic notices and legal documents that we will provide to you, please confirm that you

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have read this ERSD, and that (i) you are able to print on paper or electronically save this ERSD for your future reference and access or (ii) you are able to email this ERSD to an email address where you will be able to print the ERSD on paper or save it for your future reference and access. Further, if you consent to receiving legal documents and notices exclusively in electronic format as described herein, then select the check-box next to 'I agree to use electronic records and signatures' before clicking 'CONTINUE' within the DocuSign system.

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- Until or unless you notify us as described above, you consent to receive exclusively through electronic means all legal documents, notices, disclosures, authorizations, acknowledgements, and other documents that are required to be provided or made available to you by the Company.

Mandatory data protection information pursuant to GDPR for the signature management tool "DocuSign"

1. Information about specific processing activity

Name and contact details of the controller	The HeidelbergCement Group entity (hereinafter "Controller") 1. for which you as an employee of Controller use the electronic signature management tool ("DocuSign") in order to conclude contracts with Suppliers of the Controller or 2. with which your employer acting as a Supplier of Controller is concluding a contract through DocuSign is responsible for processing of your personal data. You can contact the respective Controller. You will find the respective contact details in your contract documents or in the contract documents with the Supplier.
Contact details of the Group Data Protection Officer	The Group Data Protection Officer of HeidelbergCement AG is reachable under: Group Data Protection Officer, Berliner Straße 6, 69120 Heidelberg, Germany, Telephone: +49 6221-481-39603 email: data.protection@heidelbergcement.com
Description of the processing activity	The controllership results from the Controller's use of DocuSign as a management system for the signature processes of agreements

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<table>
<tr><td>and the controllership</td><td>with the Supplier ("Project").
The Controller may collect personal data during the signature process of the contract with the Supplier.
In addition, the respective Controller has access to the data and use them in own responsibility to create reports from the usage of DocuSign in order to evaluate the Project (whereby these data are not personal, not even company related, but are summarized without reference to individual suppliers).
The DocuSign process is provided by a third party processor (DocuSign). In context of provision of DocuSign (i.e. the pure IT-infrastructure) to the Controller, HeidelbergCement AG acts as a data processor to its Affiliates.</td></tr>
<tr><td>Categories of personal data subject to the processing activity</td><td>In particular the following categories may be processed:<table><tr><td>Data of Controller's employee</td><td>Data of Supplier's employee</td></tr><tr><td>Contact details (name, email-address)
Signature details (envelop ID)
IP address of envelop sender</td><td>Contract details (name of supplier employee, email-address)
Signature details (recipient ID; activity report within DocuSign)
IP address of envelop recipient</td></tr></table></td></tr>
<tr><td>Source of the personal data</td><td>For employees of Controller: The employee is providing the data him-/herself to the Controller.
For employees of the Supplier: The employee of the Supplier is providing the data him-/herself to the Controller.</td></tr>
<tr><td>The personal data is processed for the following purposes</td><td>Contact details of Controller employee: Conclusion and signature of agreements; transparency of the ongoing signature process
Data of Supplier employee: Conclusion and signature of agreements
All data mentioned under point 1 and 2 are used for statistical and reporting purposes in an anonymized form.</td></tr>
<tr><td>Legal basis for the data processing of the purposes mentioned under 1 and 2 above</td><td>Legal basis for the data processing of Supplier's employee data is Art. 6 (1) sent. 1 (a) GDPR for signing agreements electronically with the Supplier as well as Art. 6 (1) sent. 1 point (b) GDPR for the performance of an agreement with the Supplier or in order to take steps at Supplier's request prior to entering into an agreement. Moreover, Suppliers' employee data may be processed if and to the</td></tr>
</table>

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	extent necessary to comply with legal obligations. The legal basis for this processing is Art. 6 (1) sent. 1 point (b) GDPR. Another legal basis for the processing of Suppliers' employee data may be Art. 6 (1) sent. 1 point (f) GDPR if and to the extent it is necessary in the context with claims or legal disputes with the Supplier. Legal basis for the data processing of Controller's employees data is Art. 6 (1) sent. 1 point (b) GDPR for the performance of the employment contract with the employer. Besides that, with regard to Art. 6 (1) sent. 1 point (f) GDPR it is the Controllers' interest to analyze the cases for statistical purposes and to report about electronic signature processes in a pseudonymized form, so that business operations and processes can be optimized and work more efficient. The Controller does not use Supplier's data beyond this purpose.
Recipient or categories of recipients of the personal data	• Controller • Processors (e.g. DocuSign and HCAG) • External service providers (e.g. SAP Ariba) • Whenever applicable: external lawyers, authorities (e.g. police, state attorney, court) or administrative bodies or supervisory authorities (e.g. data protection authority, cartel office, Federal Financial Supervisory Authority (BaFin), subprocessors of recipients
Necessity of the data collection	The Controller is introducing DocuSign to improve the signature processes with the Supplier. It is not necessary to use DocuSign. You or your employer can waive the use of it. A contract with the Controller must then be concluded in the conventional way.
Place of processing and transmission to third countries	DocuSign will process personal data on behalf of the Controller.Technically the data is processed on a platform hosted in Europe. The data will be processed within the HeidelbergCement Group and thus transferred to other controllers, i.e. HCAG may share the data with its Affiliates, so that a specific Project can be assigned to the correct Controller within the HeidelbergCement Group. Data must be, if necessary, also transmitted to (foreign) authorities, insofar as it is based on legal grounds. Hence, the above mentioned recipients may also be based in countries outside the European Economic Area ("third countries"). In third countries, the data protection level may possibly not be guaranteed to the same extent as in the European Economic Area. If data is transmitted to a third country, the Controller will ensure that the transmission thereof is executed only in accordance with the statutory provisions (Chapter V GDPR).

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Duration for which the personal data are stored	The data will be stored as long as the data is necessary for the fulfilment of the signed contracts and possible legal claims, e.g. for damages of Controller.

2. Your rights as data subject

As a data subject, you may contact the Controller, in particular HeidelbergCement's Group Data Protection Officer, at any time with an informal message under the contact data mentioned above, in order to exercise your rights in accordance with GDPR. In the event you will contact HeidelbergCement Group Data Protection Officer HeidelbergCement AG will inform the respective Controller about the exertion of the rights as a data subject and provide the respective Controller with all necessary information. In case you request access according to Article 15 GDPR, the Controller will provide this information.

Your rights are as follows:

- the right to obtain information about the data processed as well as a copy of the data processed (Right of access, Art. 15 GDPR),
- the right to request rectification of inaccurate data or completion of incomplete data (Right of rectification, Art. 16 GDPR),
- the right to request erasure of personal data and in case that personal data was made public, the information to other controllers about the erasure request (Right of erasure, Art. 17 GDPR),
- the right to request restriction of processing (Right to restriction of processing, Art. 18 GDPR),
- if the conditions set out in Art. 20 GDPR are met, the right to receive personal data concerning yourself in a structured, commonly used and machine-readable format and the right to transmit those data to another controller for processing (Right to data portability, Art. 20 GDPR),
- on grounds relating to your particular situation, the right to object at any time to processing of personal data concerning yourself which is based on Art. 6 (1) sentence 1 f) GDPR, with future effect (Right to object, Art. 21 GDPR); in such case, the Controller no longer processes your personal data, unless the Controller demonstrates compelling legitimate grounds for the processing which override your interests, rights and freedoms, or for the establishment, exercise or defense of legal claims,
- the right to withdraw a consent at any time in order to prevent data processing which is based on your consent. The withdrawal of consent shall not affect the lawfulness of processing based on the consent prior to the withdrawal (Right to withdrawal, Art. 7(3) GDPR),
- the right to lodge a complaint with a supervisory authority in accordance with Art. 77 GDPR, pursuant to which you shall without prejudice to any other administrative or judicial remedy, in particular in the Member State of your habitual residence, place of work or place of the alleged infringement, lodge a complaint, if you consider that the processing of personal data relating to you infringes the GDPR.

You are also welcome to contact the Controller or HeidelbergCement Group's Data Protection Officer by phone first, as many things can be resolved by doing so quickly.

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Revisionsberättelse

Till bolagsstämman i Cementa AB, org.nr 556013-5864

Rapport om årsredovisningen

Uttalanden

Vi har utfört en revision av årsredovisningen för Cementa AB för år 2021.

Enligt vår uppfattning har årsredovisningen upprättats i enlighet med årsredovisningslagen och ger en i alla väsentliga avseenden rättvisande bild av Cementa ABs finansiella ställning per den 31 december 2021 och av dess finansiella resultat och kassaflöde för året enligt årsredovisningslagen. Förvaltningsberättelsen är förenlig med årsredovisningens övriga delar.

Vi tillstyrker därför att bolagsstämman fastställer resultaträkningen och balansräkningen för Cementa AB.

Grund för uttalanden

Vi har utfört revisionen enligt International Standards on Auditing (ISA) och god revisionssed i Sverige. Vårt ansvar enligt dessa standarder beskrivs närmare i avsnittet Revisorns ansvar. Vi är oberoende i förhållande till Cementa AB enligt god revisorssed i Sverige och har i övrigt fullgjort vårt yrkesetiska ansvar enligt dessa krav.

Vi anser att de revisionsbevis vi har inhämtat är tillräckliga och ändamålsenliga som grund för våra uttalanden.

Styrelsens och verkställande direktörens ansvar

Det är styrelsen och verkställande direktören som har ansvaret för att årsredovisningen upprättas och att den ger en rättvisande bild enligt årsredovisningslagen. Styrelsen och verkställande direktören ansvarar även för den interna kontroll som de bedömer är nödvändig för att upprätta en årsredovisning som inte innehåller några väsentliga felaktigheter, vare sig dessa beror på oegentligheter eller misstag.

Vid upprättandet av årsredovisningen ansvarar styrelsen och verkställande direktören för bedömningen av bolagets förmåga att fortsätta verksamheten. De upplyser, när så är tillämpligt, om förhållanden som kan påverka förmågan att fortsätta verksamheten och att använda antagandet om fortsatt drift. Antagandet om fortsatt drift tillämpas dock inte om styrelsen och verkställande direktören avser att likvidera bolaget, upphöra med verksamheten eller inte har något realistiskt alternativ till att göra något av detta.

Revisorns ansvar

Våra mål är att uppnå en rimlig grad av säkerhet om huruvida årsredovisningen som helhet inte innehåller några väsentliga felaktigheter, vare sig dessa beror på oegentligheter eller misstag, och att lämna en revisionsberättelse som innehåller våra uttalanden. Rimlig säkerhet är en hög grad av säkerhet, men är ingen garanti för att en revision som utförs enligt ISA och god revisionssed i Sverige alltid kommer att upptäcka en väsentlig felaktighet om en sådan finns. Felaktigheter kan uppstå på grund av oegentligheter eller misstag och anses vara väsentliga om de enskilt eller tillsammans rimligen kan förväntas påverka de ekonomiska beslut som användare fattar med grund i årsredovisningen.

En ytterligare beskrivning av vårt ansvar för revisionen av årsredovisningen finns på Revisorsinspektionens webbplats: www.revisorsinspektionen.se/revisornsansvar. Denna beskrivning är en del av revisionsberättelsen.

Rapport om andra krav enligt lagar och andra författningar

Uttalanden

Utöver vår revision av årsredovisningen har vi även utfört en revision av styrelsens och verkställande direktörens förvaltning för Cementa AB för år 2021 samt av förslaget till dispositioner beträffande bolagets vinst eller förlust.

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Vi tillstyrker att bolagsstämman disponerar vinsten enligt förslaget i förvaltningsberättelsen och beviljar styrelsens ledamöter och verkställande direktören ansvarsfrihet för räkenskapsåret.

Grund för uttalanden

Vi har utfört revisionen enligt god revisionssed i Sverige. Vårt ansvar enligt denna beskrivs närmare i avsnittet Revisorns ansvar. Vi är oberoende i förhållande till Cementa AB enligt god revisorssed i Sverige och har i övrigt fullgjort vårt yrkesetiska ansvar enligt dessa krav.

Vi anser att de revisionsbevis vi har inhämtat är tillräckliga och ändamålsenliga som grund för våra uttalanden.

Styrelsens och verkställande direktörens ansvar

Det är styrelsen som har ansvaret för förslaget till dispositioner beträffande bolagets vinst eller förlust. Vid förslag till utdelning innefattar detta bland annat en bedömning av om utdelningen är försvarlig med hänsyn till de krav som bolagets verksamhetsart, omfattning och risker ställer på storleken av bolagets egna kapital, konsolideringsbehov, likviditet och ställning i övrigt.

Styrelsen ansvarar för bolagets organisation och förvaltningen av bolagets angelägenheter. Detta innefattar bland annat att fortlöpande bedöma bolagets ekonomiska situation, och att tillse att bolagets organisation är utformad så att bokföringen, medelsförvaltningen och bolagets ekonomiska angelägenheter i övrigt kontrolleras på ett betryggande sätt. Den verkställande direktören ska sköta den löpande förvaltningen enligt styrelsens riktlinjer och anvisningar och bland annat vidta de åtgärder som är nödvändiga för att bolagets bokföring ska fullgöras i överensstämmelse med lag och för att medelsförvaltningen ska skötas på ett betryggande sätt.

Revisorns ansvar

Vårt mål beträffande revisionen av förvaltningen, och därmed vårt uttalande om ansvarsfrihet, är att inhämta revisionsbevis för att med en rimlig grad av säkerhet kunna bedöma om någon styrelseledamot eller verkställande direktören i något väsentligt avseende:

- företagit någon åtgärd eller gjort sig skyldig till någon försummelse som kan föranleda ersättningsskyldighet mot bolaget
- på något annat sätt handlat i strid med aktiebolagslagen, årsredovisningslagen eller bolagsordningen.

Vårt mål beträffande revisionen av förslaget till dispositioner av bolagets vinst eller förlust, och därmed vårt uttalande om detta, är att med rimlig grad av säkerhet bedöma om förslaget är förenligt med aktiebolagslagen.

Rimlig säkerhet är en hög grad av säkerhet, men ingen garanti för att en revision som utförs enligt god revisionssed i Sverige alltid kommer att upptäcka åtgärder eller försummelser som kan föranleda ersättningsskyldighet mot bolaget, eller att ett förslag till dispositioner av bolagets vinst eller förlust inte är förenligt med aktiebolagslagen.

En ytterligare beskrivning av vårt ansvar för revisionen av förvaltningen finns på Revisorsinspektionens webbplats: www.revisorsinspektionen.se/revisornsansvar. Denna beskrivning är en del av revisionsberättelsen.

Stockholm den dag som framgår av vår elektroniska underskrift

Öhrlings PricewaterhouseCoopers AB 30-06-2022

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Bo Lagerström
Auktoriserad revisor

DocuSign

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Company Name: HeidelbergCement AG

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Agent Delivery Events	**Status**	**Timestamp**
Intermediary Delivery Events	**Status**	**Timestamp**
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Carbon Copy Events	**Status**	**Timestamp**
Magnus Sprycha magnus.sprycha@pwc.com Security Level: Email, Account Authentication (None) **Electronic Record and Signature Disclosure:** Not Offered via DocuSign	COPIED	Sent: 6/30/2022 9:44:10 AM
Zakia Afrooz zakia.afrooz@pwc.com Security Level: Email, Account Authentication (None) **Electronic Record and Signature Disclosure:** Not Offered via DocuSign	COPIED	Sent: 6/30/2022 9:44:11 AM
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Witness Events	Signature	Timestamp

Notary Events	Signature	Timestamp

Envelope Summary Events	Status	Timestamps
Envelope Sent	Hashed/Encrypted	6/30/2022 9:44:11 AM
Certified Delivered	Security Checked	6/30/2022 11:52:42 AM
Signing Complete	Security Checked	6/30/2022 11:52:51 AM
Completed	Security Checked	6/30/2022 11:52:51 AM

Payment Events	Status	Timestamps
Electronic Record and Signature Disclosure		

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Enclosed you will find the Electronic Record and Signature Disclosure as well as the mandatory data protection information according to Art. 13 GDPR for the usage of DocuSign.

ELECTRONIC RECORD AND SIGNATURE DISCLOSURE

From time to time, HeidelbergCement AG or the respective HeidelbergCement entity with which you (or the party you represent) has negotiated and concluded an individual agreement ("HeidelbergCement Contracting Party") may be required by law to provide to you certain written legal documents or notices. Described below are the terms and conditions for providing to you such legal documents and notices electronically through the DocuSign system. Please read the information below carefully and thoroughly, and if you can access this information electronically to your satisfaction and agree to this Electronic Record and Signature Disclosure ("ERSD"), please confirm your agreement by selecting the check-box next to 'I agree to use electronic records and signatures' before clicking 'CONTINUE' within the DocuSign system. For convenience, HeidelbergCement AG and the HeidelbergCement Contracting Party are referred to as we, us or the Company in this ERSD.

The DocuSign terms of use and the DocuSign privacy policy apply to the electronic signing of contracts via DocuSign. Those documents are linked in the footer of the DocuSign starting window.

Getting paper copies

At any time, you may request from us a paper copy of any record we have provided or made available electronically to you. You will have the ability to download and print documents we send to you through the DocuSign system during and immediately after the signing session and, if you elect to create a DocuSign account, you may access the documents for a limited period of time (usually 30 days) after such documents are first sent to you. After such time, if you wish to receive paper copies of any such documents from our office to you, you may request delivery of such paper copies from us by following the procedure described below.

Withdrawing your consent to the use of DocuSign

If you decide to receive legal documents and notices from us electronically, you may at any time change your mind and tell us that thereafter you want to receive required legal documents and notices only in paper format. We describe below how you must inform us of your decision to receive future legal documents and notices in paper format and how to withdraw your consent to receive legal documents and notices electronically.

Consequences of changing your mind

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If you elect to receive required legal documents and notices only in paper format, it will slow the speed at which we can complete certain steps in transactions with you because we will need first to send the required legal documents and/or notices to you in paper format, and then wait until we receive your acknowledgment of your receipt of such legal documents and notices. Further, you will no longer be able to use the DocuSign system to receive required legal documents and notices electronically from us or to sign electronically legal documents and notices from the Company.

All legal documents and notices will be sent to you electronically

Unless you tell us otherwise in accordance with the procedures described herein, we will provide electronically to you through the DocuSign system all required legal documents, notices, disclosures, authorizations, acknowledgements, and other documents that are required to be provided or made available to you during the course of the relationship between you and the Company. To reduce the chance of you inadvertently not receiving any notice or disclosure, we prefer to provide all of the required legal documents and notices to you by the same method and to the same address that you have given us. Thus, you can receive all legal documents and notices electronically or in paper format through the mail delivery system. If the individual agreement between you (or the party you represent) and us sets forth how legal documents and notices will be sent, the provisions in the individual agreement shall prevail.

If you do not agree with this process, please let us know as described below. Please also see the paragraph immediately above that describes the consequences of your electing not to receive delivery of the legal documents and notices electronically from the Company. Please note that the Company considers electronic legal documents and notices to have the same legal effect as paper copies, unless prohibited by local law or as set forth in an individual agreement.

How to contact HeidelbergCement AG or the HeidelbergCement Contracting Party

You may contact us to let us know of your changes as to how we may contact you electronically, to request paper copies of certain information from us, and to withdraw your prior consent to receive legal documents and notices electronically as follows:

To contact your respective HeidelbergCement Contracting Party, use the contact provided to you in your individual agreement.

To advise HeidelbergCement AG or the HeidelbergCement Contracting Party of your new email address

To let us know of a change in your email address where we should send legal documents and notices electronically to you, you must send an email message to the respective contact of the HeidelbergCement Contracting Party as provided to you in your individual agreement. In the

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body of such request you must state your previous email address and your new email address. We do not require any other information from you to change your email address.

If you created a DocuSign account, you may update it with your new email address through your account preferences.

To request paper copies from HeidelbergCement AG or the HeidelbergCement Contracting Party

To request delivery of paper copies of the legal documents and notices previously provided by us to you electronically, you must send an email message to the respective contact of HeidelbergCement AG or the HeidelbergCement Contracting Party provided to you in your individual agreement. In the body of such request you must state your email address, full name, mailing address, and telephone number.

To withdraw your consent with HeidelbergCement AG or the HeidelbergCement Contracting Party

To inform us that you no longer wish to receive future legal documents and notices in electronic format, you may:

i. decline to sign a document from within your signing session, and on the subsequent page, select the check-box indicating you wish to withdraw your consent;

ii. send an e-mail with your request to your contact person at HeidelbergCement AG or the respective HeidelbergCement Contracting Party; or

In the body of your request you must state your email, full name, mailing address, and telephone number. We do not need any other information from you to withdraw consent. The consequences of your withdrawing consent for online documents will be that transactions may take a longer time to process.

Required hardware and software

The minimum system requirements for using the DocuSign system may change over time. The current system requirements are found here: https://support.docusign.com/guides/signer-guide-signing-system-requirements.

Acknowledging your access and consent to receive and sign documents electronically

To confirm to us that you can access this information electronically, which will be similar to other electronic notices and legal documents that we will provide to you, please confirm that you

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have read this ERSD, and that (i) you are able to print on paper or electronically save this ERSD for your future reference and access or (ii) you are able to email this ERSD to an email address where you will be able to print the ERSD on paper or save it for your future reference and access. Further, if you consent to receiving legal documents and notices exclusively in electronic format as described herein, then select the check-box next to 'I agree to use electronic records and signatures' before clicking 'CONTINUE' within the DocuSign system.

By selecting the check-box next to 'I agree to use electronic records and signatures', you confirm that:

- You can access and read this ERSD; and
- You can print on paper this ERSD, or save or send this ERSD to a location where you can print it, for future reference and access; and
- Until or unless you notify us as described above, you consent to receive exclusively through electronic means all legal documents, notices, disclosures, authorizations, acknowledgements, and other documents that are required to be provided or made available to you by the Company.

Mandatory data protection information pursuant to GDPR for the signature management tool "DocuSign"

1. Information about specific processing activity

Name and contact details of the controller	The HeidelbergCement Group entity (hereinafter "Controller") 1. for which you as an employee of Controller use the electronic signature management tool ("DocuSign") in order to conclude contracts with Suppliers of the Controller or 2. with which your employer acting as a Supplier of Controller is concluding a contract through DocuSign is responsible for processing of your personal data. You can contact the respective Controller. You will find the respective contact details in your contract documents or in the contract documents with the Supplier.
Contact details of the Group Data Protection Officer	The Group Data Protection Officer of HeidelbergCement AG is reachable under: Group Data Protection Officer, Berliner Straße 6, 69120 Heidelberg, Germany, Telephone: +49 6221-481-39603 email: data.protection@heidelbergcement.com
Description of the processing activity	The controllership results from the Controller's use of DocuSign as a management system for the signature processes of agreements

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<table>
<tr><td>and the controllership</td><td>with the Supplier ("Project").
The Controller may collect personal data during the signature process of the contract with the Supplier.
In addition, the respective Controller has access to the data and use them in own responsibility to create reports from the usage of DocuSign in order to evaluate the Project (whereby these data are not personal, not even company related, but are summarized without reference to individual suppliers).
The DocuSign process is provided by a third party processor (DocuSign). In context of provision of DocuSign (i.e. the pure IT-infrastructure) to the Controller, HeidelbergCement AG acts as a data processor to its Affiliates.</td></tr>
<tr><td>Categories of personal data subject to the processing activity</td><td>In particular the following categories may be processed:<table><tr><td>Data of Controller's employee</td><td>Data of Supplier's employee</td></tr><tr><td>Contact details (name, email-address)
Signature details (envelop ID)
IP address of envelop sender</td><td>Contract details (name of supplier employee, email-address)
Signature details (recipient ID; activity report within DocuSign)
IP address of envelop recipient</td></tr></table></td></tr>
<tr><td>Source of the personal data</td><td>For employees of Controller: The employee is providing the data him-/herself to the Controller.
For employees of the Supplier: The employee of the Supplier is providing the data him-/herself to the Controller.</td></tr>
<tr><td>The personal data is processed for the following purposes</td><td>Contact details of Controller employee: Conclusion and signature of agreements; transparency of the ongoing signature process
Data of Supplier employee: Conclusion and signature of agreements
All data mentioned under point 1 and 2 are used for statistical and reporting purposes in an anonymized form.</td></tr>
<tr><td>Legal basis for the data processing of the purposes mentioned under 1 and 2 above</td><td>Legal basis for the data processing of Supplier's employee data is Art. 6 (1) sent. 1 (a) GDPR for signing agreements electronically with the Supplier as well as Art. 6 (1) sent. 1 point (b) GDPR for the performance of an agreement with the Supplier or in order to take steps at Supplier's request prior to entering into an agreement. Moreover, Suppliers' employee data may be processed if and to the</td></tr>
</table>

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	extent necessary to comply with legal obligations. The legal basis for this processing is Art. 6 (1) sent. 1 point (b) GDPR. Another legal basis for the processing of Suppliers' employee data may be Art. 6 (1) sent. 1 point (f) GDPR if and to the extent it is necessary in the context with claims or legal disputes with the Supplier. Legal basis for the data processing of Controller's employees data is Art. 6 (1) sent. 1 point (b) GDPR for the performance of the employment contract with the employer. Besides that, with regard to Art. 6 (1) sent. 1 point (f) GDPR it is the Controllers' interest to analyze the cases for statistical purposes and to report about electronic signature processes in a pseudonymized form, so that business operations and processes can be optimized and work more efficient. The Controller does not use Supplier's data beyond this purpose.
Recipient or categories of recipients of the personal data	• Controller • Processors (e.g. DocuSign and HCAG) • External service providers (e.g. SAP Ariba) • Whenever applicable: external lawyers, authorities (e.g. police, state attorney, court) or administrative bodies or supervisory authorities (e.g. data protection authority, cartel office, Federal Financial Supervisory Authority (BaFin), subprocessors of recipients
Necessity of the data collection	The Controller is introducing DocuSign to improve the signature processes with the Supplier. It is not necessary to use DocuSign. You or your employer can waive the use of it. A contract with the Controller must then be concluded in the conventional way.
Place of processing and transmission to third countries	DocuSign will process personal data on behalf of the Controller.Technically the data is processed on a platform hosted in Europe. The data will be processed within the HeidelbergCement Group and thus transferred to other controllers, i.e. HCAG may share the data with its Affiliates, so that a specific Project can be assigned to the correct Controller within the HeidelbergCement Group. Data must be, if necessary, also transmitted to (foreign) authorities, insofar as it is based on legal grounds. Hence, the above mentioned recipients may also be based in countries outside the European Economic Area ("third countries"). In third countries, the data protection level may possibly not be guaranteed to the same extent as in the European Economic Area. If data is transmitted to a third country, the Controller will ensure that the transmission thereof is executed only in accordance with the statutory provisions (Chapter V GDPR).

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Duration for which the personal data are stored	The data will be stored as long as the data is necessary for the fulfilment of the signed contracts and possible legal claims, e.g. for damages of Controller.

2. Your rights as data subject

As a data subject, you may contact the Controller, in particular HeidelbergCement's Group Data Protection Officer, at any time with an informal message under the contact data mentioned above, in order to exercise your rights in accordance with GDPR. In the event you will contact HeidelbergCement Group Data Protection Officer HeidelbergCement AG will inform the respective Controller about the exertion of the rights as a data subject and provide the respective Controller with all necessary information. In case you request access according to Article 15 GDPR, the Controller will provide this information.

Your rights are as follows:

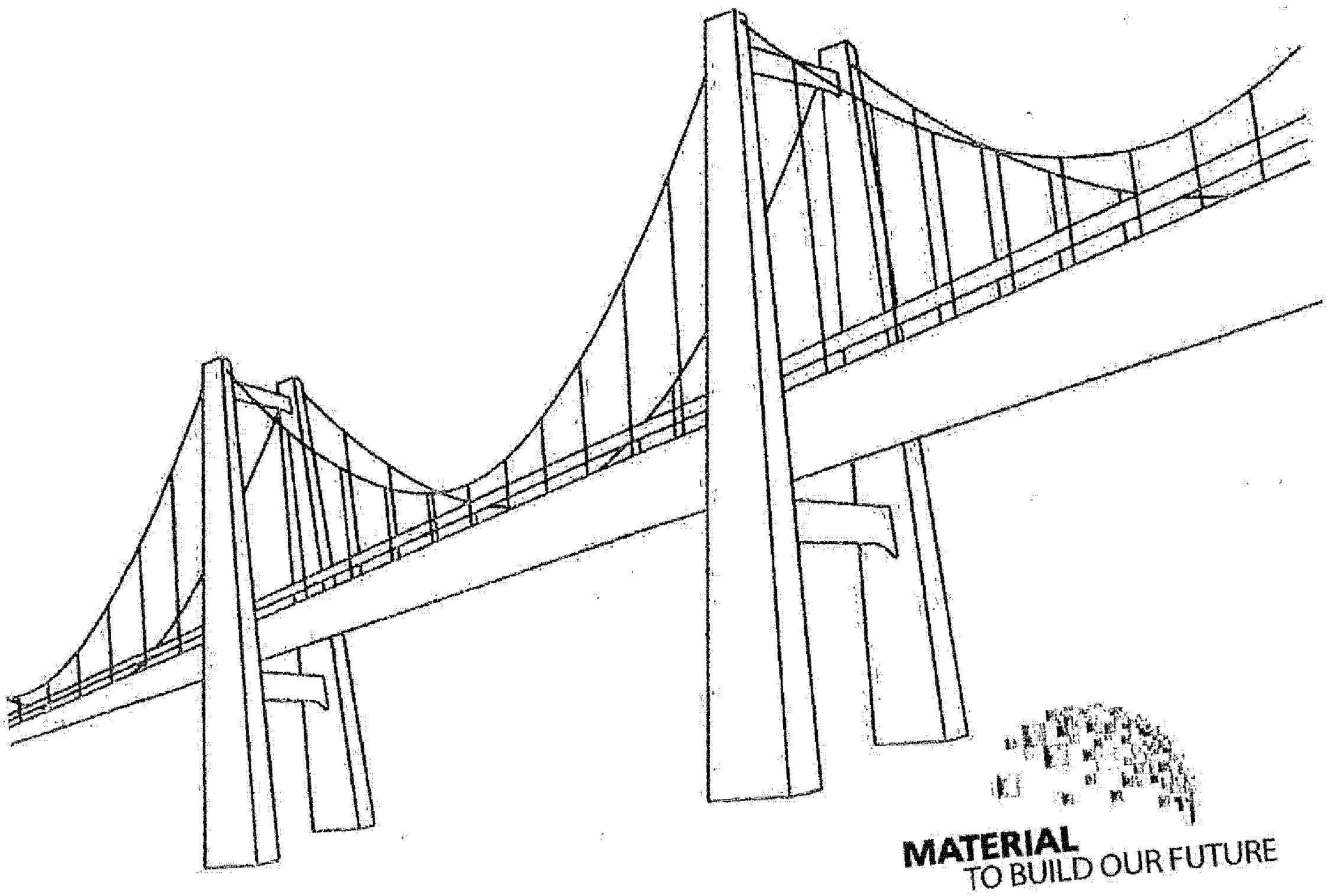
- the right to obtain information about the data processed as well as a copy of the data processed (Right of access, Art. 15 GDPR),
- the right to request rectification of inaccurate data or completion of incomplete data (Right of rectification, Art. 16 GDPR),
- the right to request erasure of personal data and in case that personal data was made public, the information to other controllers about the erasure request (Right of erasure, Art. 17 GDPR),
- the right to request restriction of processing (Right to restriction of processing, Art. 18 GDPR),
- if the conditions set out in Art. 20 GDPR are met, the right to receive personal data concerning yourself in a structured, commonly used and machine-readable format and the right to transmit those data to another controller for processing (Right to data portability, Art. 20 GDPR),
- on grounds relating to your particular situation, the right to object at any time to processing of personal data concerning yourself which is based on Art. 6 (1) sentence 1 f) GDPR, with future effect (Right to object, Art. 21 GDPR); in such case, the Controller no longer processes your personal data, unless the Controller demonstrates compelling legitimate grounds for the processing which override your interests, rights and freedoms, or for the establishment, exercise or defense of legal claims,
- the right to withdraw a consent at any time in order to prevent data processing which is based on your consent. The withdrawal of consent shall not affect the lawfulness of processing based on the consent prior to the withdrawal (Right to withdrawal, Art. 7(3) GDPR),
- the right to lodge a complaint with a supervisory authority in accordance with Art. 77 GDPR, pursuant to which you shall without prejudice to any other administrative or judicial remedy, in particular in the Member State of your habitual residence, place of work or place of the alleged infringement, lodge a complaint, if you consider that the processing of personal data relating to you infringes the GDPR.

You are also welcome to contact the Controller or HeidelbergCement Group's Data Protection Officer by phone first, as many things can be resolved by doing so quickly.

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HEIDELBERGCEMENT

Annual Report 2021



MATERIAL TO BUILD OUR FUTURE

HeidelbergCement at a glance

Figures in €m	2017	2018	2019	2020	2021
Sales volumes					
Cement and clinker (million tonnes)	125.7	130.0	125.9	122.0	126.5
Aggregates (million tonnes)	305.3	309.4	308.3	296.3	306.4
Ready-mixed concrete (million cubic metres)	47.2	49.0	50.7	46.9	47.4
Asphalt (million tonnes)	9.6	10.3	11.3	11.0	10.4
Income statement					
Revenue	17,266	18,075	18,851	17,606	18,720
Result from current operations before depreciation and amortisation (RCOBD[1][2])	3,297	3,100	3,580	3,707	3,875
Result from current operations (RCO[2][3])	2,188	2,010	2,186	2,363	2,614
Additional ordinary result	-133	108	-178	-3,678	481
Financial result[2]	-418	-353	-375	-287	-201
Profit / loss for the financial year	1,058	1,286	1,242	-2,009	1,902
Group share of profit / loss	918	1,143	1,091	-2,139	1,759
Earnings per share in €	4.62	5.76	5.50	-10.78	8.91
Dividend per share in €	1.90	2.10	0.60	2.20	2.40[4]
Investments					
Investments in intangible assets and PP&E	1,035	1,061	1,183	969	1,419
Investments in financial assets[5]	243	663	131	98	180
Total investments	1,278	1,723	1,314	1,067	1,599
Cash flow					
Cash flow from operating activities	2,038	1,968	2,664	3,027	2,396
Free cash flow[6]			1,702	2,172	1,187
Balance sheet					
Equity (incl. non-controlling interests)	15,987	16,822	18,504	14,548	16,659
Balance sheet total	34,558	35,783	38,589	32,335	33,711
Net debt[7]	8,695	8,323	8,410	6,893	4,999
Ratios					
RCOBD[1] margin in %	19.1	17.2	19.0	21.1	20.7
Return on invested capital (ROIC) in %	7.2	6.9	6.5	7.9	9.3
Leverage ratio	2.64x	2.68x	2.35x	1.86x	1.29x
Non-financial figures					
Number of employees as at 31 December	59,054	57,939	55,047	53,122	51,209
Share of women first leadership level in %	11	12	10	16	17
Share of women second leadership level in %	11	13	14	16	19
Lost time injury frequency rate[8][9]	1.8	1.7	1.5	1.6	1.6
Specific net CO_2 emissions (kg CO_2/t cementitious material)[9]	605	599	590	576	565
Alternative fuel rate in %[9]	20.8	22.0	24.0	25.7	26.4
Clinker ratio in %[9]	75.3	74.7	74.5	74.3	72.9

1) RCOBD = Result from current operations before depreciation and amortisation.
2) 2018 amount adjusted due to first-time application of IFRS 16 Leases.
3) RCO = Result from current operations.
4) The Managing Board and Supervisory Board will propose to the Annual General Meeting on 12 May 2022 the distribution of a cash dividend of €2.40.
5) 2019 amount was restated due to reporting change.
6) Adjustment of definition as of 2019.
7) 2018 amount was restated due to adjusted net debt definition.
8) Number of accidents (with at least one lost working day) suffered by Group employees per 1,000,000 working hours.
9) Previous year figures are presented as published in the reporting year.

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Consolidated income statement

€m	Notes	2020	2021
Revenue	7.1	17,605.9	18,719.9
Change in finished goods and work in progress		-55.6	66.8
Own work capitalised		14.4	20.0
Operating revenue		17,564.7	18,806.7
Other operating income	7.2	379.5	517.7
Material costs	7.3	-6,482.9	-7,305.4
Employee and personnel costs	7.4	-3,025.4	-3,108.0
Other operating expenses	7.5	-5,007.5	-5,392.5
Result from equity accounted investments (REI)	7.6	278.5	356.1
Result from current operations before depreciation and amortisation (RCOBD)		3,707.1	3,874.7
Depreciation and amortisation	7.7	-1,343.9	-1,260.5
Result from current operations		2,363.2	2,614.2
Additional ordinary income	7.8	27.4	775.1
Additional ordinary expenses	7.8	-3,705.5	-294.0
Additional ordinary result		-3,678.1	481.1
Earnings before interest and taxes (EBIT)		-1,314.9	3,095.3
Interest income		40.1	29.1
Interest expenses	7.9	-233.0	-220.8
Foreign exchange gains and losses		-11.7	9.8
Result from other participations		16.9	28.9
Other financial result	7.10	-99.9	-48.3
Financial result		-287.5	-201.3
Profit/loss before tax from continuing operations		-1,602.4	2,893.9
Income taxes	7.11	-334.5	-946.7
Net income/loss from continuing operations		-1,937.0	1,947.3
Net loss from discontinued operations	7.12	-72.3	-45.5
Profit/loss for the financial year		-2,009.2	1,901.7
Thereof non-controlling interests		130.0	142.8
Thereof Group share of profit/loss		-2,139.2	1,759.0
Earnings per share in € (IAS 33)	7.13		
Earnings/loss per share attributable to the parent entity		-10.78	8.91
Earnings/loss per share – continuing operations		-10.42	9.15
Loss per share – discontinued operations		-0.36	-0.23

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Consolidated statement of comprehensive income

€m	2020	2021
Profit/loss for the financial year	-2,009.2	1,901.7
Other comprehensive income		
Items not being reclassified to profit or loss in subsequent periods		
Remeasurement of the defined benefit liability (asset)	-108.5	280.4
Income taxes	34.3	-83.6
Defined benefit plans	-74.2	196.8
Investments in equity instruments – change in fair value	-131.0	
Net gains/losses arising from equity accounted investments	5.0	6.1
Total	-200.2	202.9
Items that maybe be reclassified subsequently to profit or loss		
Cash flow hedges – change in fair value	-6.5	33.8
Reclassification adjustments for gains/losses included in profit or loss	14.0	-19.4
Income taxes	-2.1	-2.6
Cash flow hedges	5.4	11.8
Currency translation	-1,339.9	1,070.9
Reclassification adjustments for gains/losses included in profit or loss	-1.4	-19.6
Income taxes	12.3	
Currency translation	-1,329.0	1,051.3
Net gains/losses arising from equity accounted investments	-40.8	19.2
Total	-1,364.4	1,082.3
Other comprehensive income	-1,564.6	1,285.2
Total comprehensive income	-3,573.9	3,187.0
Thereof non-controlling interests	17.9	197.3
Thereof Group share	-3,591.7	2,989.7

Consolidated statement of cash flows

€m	Notes	2020	2021
Net income/loss from continuing operations		**-1,937.0**	**1,947.3**
Income taxes		334.5	946.7
Interest income/expenses		192.8	191.7
Dividends received	8.1	223.3	301.8
Interest received	8.2	102.3	75.0
Interest paid	8.2	-367.6	-287.6
Income taxes paid	8.3	-340.9	-747.3
Depreciation, amortisation, and impairment		4,832.8	1,104.9
Other eliminations	8.4	98.7	-607.4
Cash flow		3,139.0	2,925.0
Changes in operating assets	8.5	125.1	-650.5
Changes in operating liabilities	8.5	110.5	443.7
Changes in working capital		235.5	-206.8
Decrease in provisions through cash payments		-328.2	-244.8
Cash flow from operating activities – continuing operations		3,046.4	2,473.4
Cash flow from operating activities – discontinued operations		-19.5	-77.4
Cash flow from operating activities		3,026.8	2,396.0
Intangible assets		-47.4	-27.2
Property, plant and equipment		-921.9	-1,392.3
Subsidiaries and other business units		-76.3	-144.8
Other financial assets, associates, and joint ventures		-21.8	-35.0
Investments (cash outflow)	8.6	-1,067.4	-1,599.3
Intangible assets		0.3	0.3
Property, plant and equipment		67.1	183.8
Subsidiaries and other business units		1.9	2,004.9
Other financial assets, associates, and joint ventures		48.9	30.1
Divestments (cash inflow)	8.7	118.2	2,219.1
Cash flow from investing activities		-949.3	619.8
Capital decrease – non-controlling interests		-10.2	-0.5
Dividend payments – HeidelbergCement AG		-119.1	-436.5
Dividend payments – non-controlling interests		-203.8	-181.2
Acquisition of treasury shares	8.8		-349.8
Decrease in ownership interests in subsidiaries	8.9	1.8	2.9
Increase in ownership interests in subsidiaries	8.9	-21.8	-102.5
Proceeds from bond issuance and loans	8.10	659.1	1.7
Repayment of bonds, loans, and lease liabilities	8.11	-2,893.4	-1,803.8
Changes in short-term interest-bearing liabilities	8.12	-53.8	30.0
Cash flow from financing activities		-2,641.2	-2,839.7
Net change in cash and cash equivalents – continuing operations		-544.1	253.4
Net change in cash and cash equivalents – discontinued operations		-19.5	-77.4
Net change in cash and cash equivalents		-563.6	176.0
Effect of exchange rate changes		-108.1	64.8
Cash and cash equivalents at 1 January		3,546.0	2,874.3
Cash and cash equivalents at 31 December	8.14	2,874.3	3,115.1
Reclassification of cash and cash equivalents according to IFRS 5		-17.1	0.0
Cash and cash equivalents presented in the balance sheet at 31 December	8.14	2,857.2	3,115.1

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Consolidated balance sheet

Assets

€m	Notes	31 Dec. 2020	31 Dec. 2021
Non-current assets			
Intangible assets	9.1		
Goodwill		8,588.8	8,164.7
Other intangible assets		361.2	206.9
		8,950.0	8,371.6
Property, plant and equipment	9.2		
Land and buildings		6,500.7	6,866.8
Plant and machinery		4,616.3	4,511.6
Other operating equipment		860.9	869.7
Prepayments and assets under construction		835.2	1,382.7
		12,813.1	13,630.8
Financial assets			
Investments in joint ventures	7.6	1,230.8	1,281.1
Investments in associates	7.6	540.5	583.5
Financial investments	9.3	78.2	148.7
Loans		103.3	92.9
Derivative financial instruments	9.7	39.6	16.6
		1,992.4	2,122.7
Fixed assets		23,755.6	24,125.1
Deferred taxes	7.11	343.2	262.9
Other non-current receivables and assets	9.4	898.9	1,151.2
Non-current income tax assets		25.6	29.0
Total non-current assets		25,023.2	25,568.2
Current assets			
Inventories	9.5		
Raw materials and consumables		882.5	1,112.1
Work in progress		295.1	261.6
Finished goods and goods for resale		784.5	819.7
Prepayments		9.3	18.1
		1,971.3	2,211.4
Receivables and other assets	9.6		
Current interest-bearing receivables		85.9	76.4
Trade receivables		1,562.4	1,837.3
Other current operating receivables and assets		597.8	534.5
Current income tax assets		80.6	147.5
		2,326.6	2,595.6
Current derivative financial instruments	9.7	114.4	95.2
Cash and cash equivalents	8.14	2,857.2	3,115.1
Total current assets		7,269.6	8,017.3
Assets held for sale	7.12	42.5	125.4
Balance sheet total		32,335.3	33,710.9

Equity and liabilities

€m	Notes	31 Dec. 2020	31 Dec. 2021
Shareholders' equity and non-controlling interests			
Subscribed share capital	9.8	595.2	595.2
Share premium	9.9	6,225.4	6,225.4
Retained earnings	9.10	8,527.8	10,015.7
Other components of equity	9.11	-2,077.7	-1,049.4
Treasury shares	9.8		-349.8
Equity attributable to shareholders		13,270.8	15,437.2
Non-controlling interests	9.12	1,277.6	1,222.3
Total equity		14,548.4	16,659.4
Non-current liabilities	9.15		
Bonds payable		7,131.5	5,363.6
Bank loans		660.2	262.4
Other non-current interest-bearing liabilities		924.0	906.8
Non-controlling interests with put options		25.8	
		8,741.5	6,532.8
Pension provisions	9.13	1,027.4	908.1
Deferred taxes	7.11	584.6	832.1
Other non-current provisions	9.14	1,152.0	1,503.0
Other non-current operating liabilities		221.4	50.6
Non-current income tax liabilities		181.9	178.6
		3,167.2	3,472.4
Total non-current liabilities		11,908.7	10,005.2
Current liabilities	9.15		
Bonds payable (current portion)		577.0	806.3
Bank loans (current portion)		181.9	474.0
Other current interest-bearing liabilities		353.3	333.3
Non-controlling interests with put options		50.3	79.9
		1,162.5	1,693.5
Pension provisions (current portion)	9.13	92.2	90.5
Other current provisions	9.14	226.9	322.3
Trade payables		2,611.0	3,180.4
Other current operating liabilities		1,527.9	1,541.9
Current income tax liabilities		240.5	192.8
		4,698.5	5,327.9
Total current liabilities		5,861.0	7,021.4
Liabilities associated with assets held for sale	7.12	17.1	24.9
Total liabilities		17,786.8	17,051.5
Balance sheet total		32,335.3	33,710.9

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Consolidated statement of changes in equity

€m	Subscribed share capital	Share premium	Retained earnings
1 January 2020	595.2	6,225.4	10,988.3
Loss for the financial year			-2,139.2
Other comprehensive income			-198.2
Total comprehensive income			-2,337.4
Change in consolidation scope			
Change in ownership interests in subsidiaries			-14.6
Change in non-controlling interests with put options			8.8
Transfer asset revaluation reserve			1.6
Other changes			0.1
Capital increase from corporate funds			
Repayment of capital			
Dividends			-119.1
31 December 2020	595.2	6,225.4	8,527.8
1 January 2021	595.2	6,225.4	8,527.8
Profit for the financial year			1,759.0
Other comprehensive income			200.4
Total comprehensive income			1,959.3
Change in consolidation scope			
Change in ownership interests in subsidiaries			-29.2
Change in non-controlling interests with put options			-7.3
Transfer asset revaluation reserve			1.5
Other changes			0.1
Repayment of capital			
Acquisition of treasury shares			
Dividends			-436.5
31 December 2021	595.2	6,225.4	10,015.7

1) The accumulated currency translation differences included in non-controlling interests changed in 2021 by €69.1 million (previous year: -98.0) to €-211.9 million (previous year: -281.1). The total currency translation differences recognised in equity thus amount to €-1,300.5 million (previous year: -2,386.7).

	Other components of equity							
	Cash flow hedge reserve	Asset revaluation reserve	Currency translation	Total other components of equity	Treasury shares	Equity attributable to shareholders	Non-controlling interests[1]	Total equity
	-0.5	24.8	-846.1	-821.8		16,987.2	1,517.2	18,504.4
						-2,139.2	130.0	-2,009.2
	5.2		-1,259.5	-1,254.3		-1,452.5	-112.1	-1,564.6
	5.2		-1,259.5	-1,254.3		-3,591.7	17.9	-3,573.9
							-15.5	-15.5
						-14.6	-6.2	-20.8
						8.8	-21.3	-12.5
		-1.6		-1.6				
	0.1			0.1		0.2	-0.2	-0.1
							1.5	1.5
							-11.7	-11.7
						-119.1	-204.0	-323.1
	4.7	23.2	-2,105.6	-2,077.7		13,270.8	1,277.6	14,548.4
	4.7	23.2	-2,105.6	-2,077.7		13,270.8	1,277.6	14,548.4
						1,759.0	142.8	1,901.7
	13.3		1,017.0	1,030.3		1,230.7	54.5	1,285.2
	13.3		1,017.0	1,030.3		2,989.7	197.3	3,187.0
							-9.2	-9.2
						-29.2	-70.4	-99.7
						-7.3	10.6	3.3
		-1.5		-1.5				
	-0.6			-0.6		-0.4	-1.2	-1.6
							-0.5	-0.5
					-349.8	-349.8		-349.8
						-436.5	-181.9	-618.4
	17.5	21.7	-1,088.6	-1,049.4	-349.8	15,437.2	1,222.3	16,659.4

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Segment reporting/Part of the Notes to the consolidated financial statements

Group areas	Western and Southern Europe		Northern and Eastern Europe-Central Asia		North America	
€m	2020	2021	2020	2021	2020	2021
External revenue	4,910	5,503	2,830	3,058	4,617	4,551
Inter-Group areas revenue	50	55	23	25		0
Revenue	4,960	5,557	2,854	3,084	4,617	4,551
Change to previous year in %		12.0%		8.1%		-1.4%
Result from equity accounted investments (REI)	29	41	28	79	53	50
Result from current operations before depreciation and amortisation (RCOBD)	859	937	718	737	1,019	1,042
as % of revenue (operating margin)	17.3%	16.9%	25.2%	23.9%	22.1%	22.9%
Depreciation and amortisation	-396	-377	-192	-193	-366	-321
Result from current operations	463	561	526	544	653	722
as % of revenue	9.3%	10.1%	18.4%	17.6%	14.1%	15.9%
Additional ordinary result						
Earnings before interest and taxes (EBIT)						
Capital expenditures [2]	296	426	160	172	281	499
Segment assets [3]	5,183	5,219	2,631	2,684	8,431	8,394
RCOBD as % of segment assets	16.6%	18.0%	27.3%	27.5%	12.1%	12.4%
Number of employees as at 31 December	15,250	15,040	11,097	11,101	8,585	7,637
Average number of employees	15,128	15,087	11,199	11,144	9,069	8,922

1) Reconciliation includes:
   a) intra-Group revenues = eliminations of intra-Group relationships between the segments
   b) results from current operations before depreciation and amortisation / depreciation from corporate functions
   c) additional ordinary result and earnings before interest and taxes
2) Capital expenditures = in the segment columns: cash effective investments in property, plant and equipment as well as intangible assets;
   in the reconciliation column: cash effective investments in non-current financial assets and other business units
3) Segment assets = property, plant and equipment as well as intangible assets

Asia-Pacific		Africa-Eastern Mediterranean Basin		Group Services		Reconciliation [1]		Continuing operations	
2020	2021	2020	2021	2020	2021	2020	2021	2020	2021
2,978	3,098	1,735	1,837	535	672			17,606	18,720
20	28	30	73	475	749	-599	-930		
2,998	3,126	1,765	1,909	1,010	1,421	-599	-930	17,606	18,720
	4.3 %		8.2 %		40.7 %				6.3 %
147	163	16	19	4	4			279	356
694	670	451	490	24	30	-57	-33	3,707	3,875
23.1 %	21.4 %	25.5 %	25.7 %	2.3 %	2.1 %			21.1 %	20.7 %
-248	-234	-109	-106	-4	-1	-29	-29	-1,344	-1,261
446	435	342	384	20	30	-86	-61	2,363	2,614
14.9 %	13.9 %	19.4 %	20.1 %	1.9 %	2.1 %			13.4 %	14.0 %
						-3,678	481	-3,678	481
						-1,315	3,095	-1,315	3,095
133	208	95	109	4	6	98	180	1,067	1,599
3,984	4,103	1,532	1,601	1	1			21,763	22,002
17.4 %	16.3 %	29.4 %	30.6 %	>100 %	>100 %			17.0 %	17.6 %
12,629	12,460	5,174	4,886	388	85			53,122	51,209
12,866	12,613	5,236	5,043	421	93			53,920	52,902

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Notes to the 2021 consolidated financial statements

1 General information

HeidelbergCement AG is a public limited company based in Germany. The company has its registered office in Heidelberg, Germany. Its address is: HeidelbergCement AG, Berliner Straße 6, 69120 Heidelberg. The company is registered at the Mannheim Local Court (HRB 330082).

The core activities of HeidelbergCement include the production and distribution of cement, aggregates, ready-mixed concrete, and asphalt.

2 Accounting and valuation principles

2.1 Accounting principles

The consolidated financial statements of HeidelbergCement AG were prepared in accordance with the International Financial Reporting Standards (IFRS) as adopted by the European Union and the additional requirements of German Commercial Law pursuant to section 315e(1) of the German Commercial Code (Handelsgesetzbuch – HGB). All binding IFRSs for the 2021 financial year adopted into European law by the European Commission, including the interpretations of the IFRS Interpretations Committee (IFRS IC), were applied.

The previous year's figures were determined according to the same principles. The consolidated financial statements are prepared in euro. The financial statements show a true and fair view of the assets, financial, and earnings position of the HeidelbergCement Group.

In accordance with IAS 1 (Presentation of Financial Statements), the consolidated financial statements contain a balance sheet as at the reporting date, an income statement, a statement of comprehensive income, a statement of changes in equity, and a statement of cash flows in accordance with the principles of IAS 7 (Statement of Cash Flows). The segment reporting is prepared in accordance with the regulations of IFRS 8 (Operating Segments).

For reasons of clarity, some individual items have been combined in the income statement and in the balance sheet. Explanations of these items are contained in the Notes. The income statement classifies expenses according to their nature. To improve the level of information, the additional ordinary result is shown separately in the income statement. This item shows income and expenses that, although occurring in the course of ordinary business activities, are not reported in result from current operations. This includes, in particular, impairment of goodwill, other intangible assets and property, plant and equipment, gains and losses from the disposal of subsidiaries and other business units, expenses from additions to or income from the reversal of provisions for litigation risks, restructuring expenses, and transaction costs for business combinations.

2.2 Scope of consolidation

In addition to HeidelbergCement AG, the consolidated financial statements include subsidiaries, joint arrangements, and associates.

Subsidiaries are characterised by the fact that HeidelbergCement can exercise control over these companies. Control exists when HeidelbergCement has decision-making power, is exposed to variable returns, and is able to influence the level of the variable returns as a result of the decision-making power. Normally, this is the case when more than 50 % of the shares are owned. If contracts or legal regulations stipulate that a company can be controlled despite a shareholding of less than 50 %, this company is included in the consolidated financial statements as a subsidiary. If a company cannot be controlled with a shareholding of more than 50 % as a result of contracts or legal regulations, this company is not included in the consolidated financial statements as a subsidiary.

In joint arrangements, HeidelbergCement exercises joint control over a company with one or more parties through contractual agreements. Joint control exists if decisions about the relevant activities of the company must be made unanimously.

Depending on the rights and obligations of the parties, joint arrangements may be joint operations or joint ventures. In joint operations, however, the controlling parties have direct rights to the assets and obligations for the liabilities of the jointly controlled operation. Joint ventures are characterised by the fact that the parties that have joint control participate in the net assets of the company by virtue of their position as shareholders.

In associates, HeidelbergCement has a significant influence on the operating and financial policies of the company. This is normally the case if HeidelbergCement holds between 20 % and 50 % of the voting rights in a company.

2.3 Consolidation principles

The capital consolidation of subsidiaries is performed using the acquisition method pursuant to IFRS 3 (Business Combinations). In this process, the acquirer measures the identifiable assets acquired and liabilities assumed at their fair values at the acquisition date. The acquiring entity's investment, measured at the fair value of the consideration transferred, is eliminated against the revalued equity of the newly consolidated subsidiary at acquisition date. The residual positive difference between the fair value of the consideration transferred and the fair value of acquired assets and liabilities is shown as goodwill. A residual negative difference is recognised in profit or loss after further review. Non-controlling interests can be recognised either at their proportionate share of the acquiree's net assets or at fair value. This option can be applied separately for every business combination. Transaction costs relating to business combinations are recorded as additional ordinary expenses.

Income and expenses as well as receivables and payables between consolidated companies are eliminated. Profits and losses from intra-Group sales of assets are eliminated. The consequences of consolidation on income tax are taken into account by recognising deferred taxes.

The share of equity and the share of profit or loss for the financial year attributable to non-controlling interests are shown separately. In the case of put options held by non-controlling interests, the proportionate share of the total comprehensive income attributable to the non-controlling interests as well as the dividend payments to non-controlling interests are shown over the course of the year as changes in equity. At the reporting date, non-controlling interests with a put option were reclassified as financial liabilities. The financial liability is measured at the present value of the redemption amount. Differences between the carrying amount of the non-controlling interests and the present value of the redemption amount are recognised directly in equity. In the case of non-controlling interests in German partnerships, on the other hand, changes in the value of the settlement obligation are recognised in profit or loss in the financial result. In the statement of changes in equity, this is reported in the line Change in non-controlling interests with put options.

In the event of business combinations achieved in stages, HeidelbergCement achieves control of a company in which it held a non-controlling equity interest immediately before the acquisition date. In this scenario, differences between the carrying amount and the fair value of previously held shares are recognised in profit or loss. Changes in the ownership interest in a subsidiary that do not lead to a loss of control are recognised outside profit or loss as equity transactions. In the case of transactions that lead to a loss of control, any residual interests are revalued at fair value in profit or loss.

In joint operations, the assets, liabilities, income and expenses, as well as cash flows are included pro rata in the consolidated financial statements in accordance with the rights and obligations of HeidelbergCement.

Joint ventures and associates are accounted for using the equity method. Initially, the acquired investments are recognised at cost. In subsequent years, the carrying amount of the investment is increased or decreased according to the share of HeidelbergCement in the comprehensive income of the investee. Dividend payments received from investees reduce the carrying amount. Unrealised gains on transactions between the Group and its associates and joint ventures are eliminated to the extent of the Group's participation in these companies. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. When the share of losses attributable to HeidelbergCement in the company in which a participating interest is held equals or exceeds the carrying amount of the investment, no further shares of losses are recognised. If the investee subsequently reports profits, the investor resumes recognising its share of these profits only after the share in profit equals the share of losses not yet recognised.

Subsidiaries, joint operations, joint ventures, and associates that do not have a material impact on the assets, financial, and earnings position of the Group, either individually or collectively, are accounted for at cost less impairment and shown as financial investments.

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2.4 Currency translation

The separate financial statements of the Group's foreign subsidiaries are translated into euro pursuant to IAS 21 (The Effects of Changes in Foreign Exchange Rates) using the concept of functional currency. In general, for operating companies, the functional currency is the local currency of the country in which the subsidiary is based, since all foreign subsidiaries are financially, economically, and organisationally independent in the conduct of their business. Assets and liabilities are translated using the middle rates at the reporting date, with equity, in contrast, using the historical exchange rates. The translation differences resulting from this are recognised outside profit or loss in other components of equity through other comprehensive income until the subsidiary is disposed of. The proportionate equity of the foreign joint ventures and associates is translated in accordance with the procedure described for subsidiaries. Income and expenses are translated using average annual exchange rates. The differences arising from the translation at the closing rate are also recognised outside profit or loss in other components of equity through other comprehensive income.

Foreign currency transactions in the companies' separate financial statements are recorded at the spot exchange rate at the date of the transaction. Exchange gains or losses from the measurement of monetary items in foreign currency at the closing rate up to the reporting date are recognised in profit or loss. Exchange differences arising from foreign currency borrowings, to the extent that they are part of a net investment in a foreign operation, form an exception to recognition in profit or loss. They are part of a net investment in a foreign operation if settlement is neither planned nor likely to occur in the foreseeable future. These translation differences are recognised directly in equity via other comprehensive income and only reclassified to profit or loss on disposal of the business. Non-monetary items in foreign currency are recorded at historical exchange rates.

The following table shows the key exchange rates used in the translation of the separate financial statements denominated in foreign currencies into euro.

Exchange rates		Exchange rates at reporting date		Average exchange rates	
EUR		31 Dec. 2020	31 Dec. 2021	2020	31 Dec. 2021
USD	USA	1.2216	1.1370	1.1416	1.1830
AUD	Australia	1.5876	1.5647	1.6556	1.5751
CAD	Canada	1.5545	1.4373	1.5297	1.4829
GBP	Great Britain	0.8937	0.8413	0.8895	0.8600
INR	India	89.7598	84.2136	84.5736	87.4508
IDR	Indonesia	17,231	16,224	16,696	16,970
MAD	Morocco	10.8848	10.5061	10.8254	10.6329

2.5 Recognition and measurement principles

The consolidated financial statements are generally prepared using the historical cost principle. Exceptions to this are derivative financial instruments and certain non-derivative financial assets, which are measured at fair value. Furthermore, the carrying amounts of the assets and liabilities recognised in the balance sheet, which represent the hedged items in fair value hedges and are otherwise accounted at cost, are adjusted as a result of changes in the fair values assigned to the hedged risks. The fundamental recognition and measurement principles are outlined below.

Intangible assets are initially measured at cost. In subsequent periods, intangible assets with a finite useful life are measured at cost less accumulated amortisation and impairment, and intangible assets with an indefinite useful life are measured at cost less accumulated impairment. Intangible assets with a definite useful life are amortised using the straight-line method.

Pursuant to IFRS 3 (Business Combinations), **goodwill** arising from business combinations is not amortised. Instead, goodwill is tested for impairment according to IAS 36 (Impairment of Assets) at least once a year in the fourth quarter after completion of the current operational plan or upon the occurrence of significant events or changes in circumstances that indicate an impairment requirement. In this impairment test, the carrying amount of a group of cash-generating units (CGUs) to which

goodwill is allocated is compared with the recoverable amount of this group of CGUs. On the basis of the sales and management structure, a group of CGUs is defined generally as a country or Group area; exceptions are the cross-border Nordic Precast Group and the Mibau Group. As soon as the carrying amount of a group of CGUs to which goodwill is allocated exceeds its recoverable amount, an impairment loss of the allocated goodwill is recognised in profit or loss. The recoverable amount is the higher of fair value less costs of disposal and the value in use of a group of CGUs. The fair value is the amount obtainable from the sale in an arm's length transaction. The value in use is calculated by discounting estimated future cash flows after taxes with a post-tax risk-adjusted discount rate (weighted average cost of capital – WACC).

Property, plant and equipment are accounted for according to IAS 16 (Property, Plant and Equipment) at cost less accumulated depreciation and impairment. Cost includes all costs that can be attributed to the manufacturing process and appropriate amounts of production overheads. Costs for repair and maintenance of property, plant and equipment are generally expensed as incurred. Capitalisation takes place if the measures lead to an extension or significant improvement of the asset. Property, plant and equipment are depreciated on a straight-line basis unless there is another depreciation method more appropriate for the pattern of use. Exploitation land and mineral reserves are amortised using the unit of production method. Borrowing costs that can be allocated directly or indirectly to the construction of large facilities with a creation period of more than 12 months (qualifying assets) are capitalised as part of the cost in accordance with IAS 23 (Borrowing Costs).

Government grants for the acquisition or construction of property, plant and equipment reduce the cost of the respective assets. Investment grants are reported as soon as there is reasonable assurance that the conditions attached to them have been met and that the grants will be received in full. Grants received are shown in the cash flow from investing activities. Other expenditure-related grants or subsidies are recognised in profit or loss in the period in which the corresponding expenses to be compensated are recognised.

Leases are accounted for pursuant to IFRS 16 (Leases). According to IFRS 16, the lessee has a fundamental obligation to recognise rights and obligations arising under leases in the balance sheet. Lessees account for the right-of-use asset in the fixed assets as well as a corresponding lease liability.

The lease liability is measured at the present value of the lease payments to be made during the term of the lease. In addition, payments connected with purchase options are taken into account if their exercise is reasonably certain. The lease payments are discounted at the incremental borrowing rate. Lease liabilities are reported in the other interest-bearing liabilities. The costs of the right-of-use asset include the initially recognised amount of the lease liability as well as any additional costs connected with the lease. The lease liability is compounded in subsequent periods and reduced by the amount of the lease payments made. The right-of-use assets are depreciated over the shorter of the expected useful life and the term of the underlying lease. If the ownership of the leased asset is transferred to the Group at the end of the lease term or the exercise of a purchase option is included in the cost of the right-of-use asset, the depreciation takes place on the basis of the expected useful life of the underlying leased asset.

In the case of leases for vehicles and ships that contain lease and non-lease components, HeidelbergCement separates the components so that only the lease components are accounted for in accordance with the regulations of IFRS 16. No right-of-use assets or lease liabilities are recognised for leases with a term of up to 12 months and contracts for low-value assets. The expenditure on these leases is recognised in the period in which it arises in the other operating expenses; the payments are shown under cash flow from operating activities in the statement of cash flows. The same applies to variable lease payments not linked to an index or (interest) rate. Leases for exploitation land do not fall within the scope of IFRS 16. These leases are considered pending transactions and the expenses are recognised in the material costs in the period in which they arise.

Inventories are measured pursuant to IAS 2 (Inventories) at the lower of cost and net realisable value using the weighted average cost method. Adequate provisions are made for risks relating to quality and quantity. Besides direct expenses, the costs for finished goods and work in progress include production-related indirect materials and indirect labour costs, as well as production-related depreciation. The overhead rates are calculated on the basis of the average operating performance rate. Borrowing costs are not recognised as part of the costs because the production period is less than 12 months. Spare parts for equipment are generally reported under inventories. If they were acquired in connection with the acquisition of the equipment, or in a separate acquisition meet the definition of an asset, then they are reported under fixed assets.

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Emission rights are reported under raw materials and consumables. Emission rights granted free of charge are initially measured at a nominal value of zero. Emission rights acquired for consideration are accounted for at cost and are subject to write-down in the event of impairment. Provisions for the obligation to return emission rights are recognised if the actual CO_2 emissions up to the reporting date are not covered by emission rights granted free of charge. The amount of the provision for emission rights already acquired for consideration is measured at the carrying amount and, for emission rights yet to be acquired in order to fulfil the obligation, at the market value as at the reporting date.

Treasury shares acquired are recognised at the settlement date at the consideration paid, including any directly attributable additional costs, and are deducted from equity in a separate item until the shares are cancelled, re-issued, or resold. Both the purchase or sale and any subsequent issue or cancellation of treasury shares are recognised directly in equity.

Pension provisions and similar obligations are determined pursuant to IAS 19 (Employee Benefits). For numerous employees, the Group makes provisions for retirement either directly or indirectly through contributions to pension funds. Various post-employment benefit plans are in place, depending on the legal, economic, and tax framework in each country, which are generally based on employees' years of service and remuneration. The pension provisions include those from current pensions and from entitlements from pensions to be paid in the future.

At HeidelbergCement, the company pension schemes include both defined contribution and defined benefit plans. In defined contribution plans, the Group pays contributions into external funds. After paying the contributions, the Group has no further benefit obligations. In defined benefit plans, the Group's obligation is to provide the agreed benefits to current and former employees. A distinction is made between benefit systems financed by provisions and those financed by funds.

The most significant post-employment benefit plans financed by funds exist in the United Kingdom, the USA, Belgium, Canada, Norway, Indonesia, and Australia. The retirement benefit system in Indonesia consists of a statutory defined benefit plan and a company-based defined contribution plan financed by funds, the benefits from the latter may be set off from the statutory benefits. In Germany, France, and Sweden, the retirement benefit plans are predominantly financed by means of provisions. HeidelbergCement also has a number of post-retirement medical benefit plans financed by provisions to cover the health care costs of pensioners in the USA, France, Belgium, Morocco, Canada, the United Kingdom, the Democratic Republic of Congo, Indonesia, Egypt, and Ghana. In addition, the Group grants its employees other long-term employee benefits, such as jubilee benefits, old age part-time arrangements, or early retirement commitments. The Group areas or countries North America, the United Kingdom, and Germany account for more than 90 % of the defined benefit obligations.

The majority of defined benefit pension plans in North America have been closed to new entrants, and many have been frozen for future accruals. In North America, a retirement plans committee has been established by HeidelbergCement to serve as oversight of the pension administration, the fiduciary responsibilities of HeidelbergCement in relation to the retirement plans, and HeidelbergCement's role as plan administrator. The regulatory framework for each of the qualified pension plans in the USA has a minimum funding requirement based on the statutory funding objective agreed with the plan administrator. In the USA, the Employee Retirement Income Security Act of 1974 (ERISA) provides the national legal framework. ERISA sets minimum standards for participation, vesting, the funding status of the pension plan, and the accountability of plan fiduciaries. In Canada, the pension plans of HeidelbergCement fall under the jurisdiction of the province of Alberta.

In the United Kingdom, the main defined benefit pension plans operate under UK trust law and under the jurisdiction of the UK Pensions Regulator. These plans are run by groups of trustees, some of whom are appointed by the sponsoring employer and some of whom are nominated by the plan members. Under UK law, the trustees are obligated to meet the statutory funding objective of having sufficient assets to cover the schemes' technical provisions. Benefits are granted under a number of plans, many of which are final salary plans. All of the main defined benefit pension plans in the United Kingdom are closed to new entrants and in most cases to future accruals. As such, the liabilities are expected to trend downwards in the medium to long term as benefits are paid out gradually. Liability-driven investment (LDI) strategies are used extensively, and the pension plans are, in aggregate, overfunded as at the reporting date. As pension benefits in the United Kingdom receive inflationary increases after benefit commencement, these benefits are subject to inflation risk. This risk is mitigated in many cases through the use of LDI products and/or caps on the maximum pension indexation granted.

Given the closed nature of most arrangements, the defined benefit obligation in the United Kingdom is only marginally impacted by the salary trend assumption.

In Germany, pension plans operate under the framework of the German Company Pension Law (Betriebsrentengesetz – BetrAVG) and general regulations based on German Labour Law. The main pension plans were closed to new entrants in 2005. Employees hired prior to 2006 continue to earn benefits under these arrangements which are final salary and/or years of service related. In addition, individual pension entitlements have been granted to the members of the Managing Board. The German pension benefits are largely unfunded.

The liabilities in respect of the benefits granted are subject to the following major risks:
- Discount rate risks in all cases where falling market interest rates could result in a higher present value of the remaining future obligations,
- Inflation risks (in particular where benefits are linked to salary, or pension payments are subject to inflation adjustments,
- Asset performance risks in countries where pension plans are funded (such as the United Kingdom and the USA); these risks have been partially mitigated through the use of liability-driven investment strategies,
- Longevity risks in cases where benefits would be paid for a longer period in the future than is currently anticipated in the mortality tables used,
- Changes to national funding requirements may increase contributions, and changes in national law might also mandate rises in benefits beyond those presently agreed upon.

The defined benefit obligations and plan assets are valued annually by independent experts for all major Group companies. The defined benefit obligation and the expenses required to cover these obligations are measured in accordance with the internationally accepted projected unit credit method.

For the purpose of financial reporting, the actuarial assumptions are dependent on the economic situation in each individual country. The interest rate is based on the interest yield achieved on the measurement date for high-quality corporate bonds (AA rating) in the relevant currency with a duration corresponding to the pension plans concerned. In countries or currency areas without a deep market for high-quality corporate bonds, the interest rate is determined on the basis of government bonds or using other approximation methods.

Actuarial gains and losses may result from increases or decreases in the present value of the defined benefit obligations. These may be caused by, for example, changes in the calculation parameters or deviations between the actual and expected development of the pension obligations. These amounts, as well as the difference between the actual asset performance and the interest income recognised in profit or loss, and the effect of the asset ceiling are reported in other comprehensive income.

Defined contribution accounting has been applied for certain multi-employer pension plans for which insufficient information is available to apply defined benefit accounting.

Other provisions are recognised in accordance with IAS 37 (Provisions, Contingent Liabilities and Contingent Assets) if, as a result of past events, there are legal or constructive obligations towards third parties that are likely to lead to outflows of resources embodying economic benefits that can be reliably determined. The provisions are calculated on the basis of the best estimate, taking into account all identifiable risks.

The capital market components of the Group-wide virtual stock option plan are accounted for as cash-settled, share-based payment transactions pursuant to IFRS 2 (Share-based Payment). As at the reporting date, a provision is recognised pro rata temporis in the amount of the fair value of the payment obligation. Changes in the fair value are recognised in profit or loss. The fair value of the options is determined using a recognised option price model.

The **current tax expense** is determined according to the local tax regulations in which the respective Group company operates. Local tax liabilities not yet covered by prepayments are presented as non-current or current tax liabilities in the financial statements, depending on the expected cash outflow. Any overpayments are capitalised as current or non-current tax receivables.

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Deferred tax assets and liabilities are recognised in accordance with the balance sheet liability method (IAS 12 Income Taxes). This means that deferred taxes are principally recognised for all temporary differences between the IFRS financial statements and the tax accounts. No deferred taxes are recognised for temporary differences from goodwill, unless tax-deductible goodwill exists at the same time. Deferred tax assets are only recognised to the extent that it is probable that taxable income will be sufficiently available in the future. Furthermore, deferred tax assets are recognised on unused tax losses carried forward, to the extent that the probability of their recovery in subsequent years is sufficiently high. Deferred tax liabilities are considered in connection with undistributed profits from subsidiaries, joint ventures, and associates, unless HeidelbergCement is able to control the dividend policy of the companies and no dividend distribution or disposal is anticipated in the foreseeable future. The deferred taxes are measured using the rates of taxation that, as at the reporting date, are applicable or have been announced as applicable in the individual countries for the period when the deferred taxes are realised. Deferred tax assets and liabilities are offset if there is an enforceable right to set off current tax assets and liabilities and if they relate to income taxes levied by the same taxing authority and the Group intends to settle its current tax assets and liabilities on a net basis. In principle, changes in the deferred taxes in the balance sheet lead to deferred tax expense or income. If circumstances that lead to a change in the deferred taxes are recognised outside profit or loss in other comprehensive income or directly in equity, the change in deferred taxes is also taken into account in other comprehensive income or directly in equity. If deferred taxes were recognised via other comprehensive income, they are also subsequently released via other comprehensive income.

Financial instruments are any contracts that give rise to a financial asset of one entity and a financial liability or equity instrument of another entity. The financial instruments include non-derivative and derivative financial instruments.

The **non-derivative financial assets** include investments in equity instruments and debt instruments. These assets are divided into the amortised cost, fair value through other comprehensive income, and fair value through profit or loss measurement categories when initially recognised, pursuant to IFRS 9 (Financial Instruments).

Investments in equity instruments are in principle measured at fair value. The gains and losses resulting from the subsequent measurement are recognised either in profit or loss or directly in equity through other comprehensive income. Investments in equity instruments held for trading are allocated to the financial investment category fair value through profit or loss. The market value at the reporting date forms the basis of the fair value. For the other investments in equity instruments, an individual decision can be made for each participation, when initially recognised, as to whether it is measured at fair value through profit or loss or through other comprehensive income. In principle, participations on which HeidelbergCement has no significant influence are measured at fair value through profit or loss and are therefore allocated to the financial investment category fair value through profit or loss. The revaluation of held shares at fair value through profit or loss is reported in the result from other participations. If a participation is irrevocably allocated to the category fair value through other comprehensive income, the gains and losses resulting from the subsequent measurement are recognised outside profit or loss in other comprehensive income. After the participation is derecognised, the gains and losses will not be subsequently reclassified from fair value through other comprehensive income to profit or loss. Dividends received from these participations are recognised in profit or loss.

At initial recognition, a financial asset is measured at fair value plus transaction costs directly attributable to the acquisition, provided that the financial asset is not measured at fair value through profit or loss. For financial assets recognised at fair value through profit or loss, attributable transaction costs are recognised directly as an expense in profit or loss. The subsequent measurement is based on the cash flow characteristics and the business model in use. Accordingly, HeidelbergCement divides its debt instruments into the following two measurement categories:

- At amortised cost: Financial assets held for the collection of contractual cash flows that are solely payments of principal and interest are measured at amortised cost, provided that they are not allocated to a hedging relationship. Interest income from these financial assets is recognised in the financial result using the effective interest method. All gains or losses resulting from derecognition, impairment losses, or currency translation are recognised directly in profit or loss. Impairment losses represent probability-weighted estimates of credit losses. They are calculated on the basis of the best available information and the time value of money. Reversals are carried out if the reasons for the impairment losses no longer apply. Financial assets measured at amortised cost include non-current receivables, interest-bearing receivables, trade receivables, and other current operating receivables.

– Fair value through profit or loss (FVTPL): Financial assets not meeting the criteria for the categories at amortised cost or fair value through other comprehensive income (FVOCI) are measured at fair value through profit or loss. Gains or losses are recognised directly in profit or loss in the period in which they are incurred.

In the HeidelbergCement Group, no financial assets are held for collecting contractual cash flows and selling financial assets, which means that no debt instruments were allocated to the category fair value through other comprehensive income.

Financial assets are derecognised from the balance sheet at the point in time that the financial asset was transferred and the derecognition criteria of IFRS 9 were met. The transfer of a financial asset is considered a derecognition if all risks and rewards have been substantially transferred. In case not all risks and rewards are transferred, the financial assets are derecognised when the control over the financial assets has been transferred.

Financial assets are also derecognised when there is no prospect of recovery, for example if enforcement measures have been unsuccessful, insolvency proceedings have been discontinued due to lack of assets, or the debt has since become statute barred. No further enforcement activities will subsequently be taken. In the past financial year (as in the previous year), there were no financial assets whose terms have been changed that would otherwise have been overdue or impaired.

Non-derivative financial liabilities are initially recognised at the fair value of the consideration received or at the value of the cash received less transaction costs incurred, if applicable. These instruments are subsequently measured at amortised cost, using the effective interest method if applicable. This includes trade payables, other operating liabilities, and financial liabilities.

Non-current financial liabilities are discounted. In principle, the amortised cost in the case of current financial liabilities corresponds to the nominal value or the redemption amount.

The Group has not yet made use of the possibility of designating non-derivative financial instruments, when initially recognised, as financial instruments at fair value through profit or loss. All non-derivative financial instruments at amortised cost are accounted for at the settlement date, whereas derivatives and non-derivative financial instruments at fair value through profit or loss are accounted for at the trade date.

A derivative financial instrument is a contract whose value is dependent on a variable, which usually requires no initial net investment or an initial net investment that is smaller than would be required for other types of contracts that would be expected to have a similar response to changes in market factors, and which is settled at a later date. All derivative financial instruments are measured at fair value on the trade date when initially recognised. The fair values are also relevant for the subsequent measurement. For derivative financial instruments, the fair value corresponds to the amount that HeidelbergCement would either receive or have to pay at the reporting date in the case of early termination of this financial instrument. This amount is calculated on the basis of the relevant exchange and interest rates as at the reporting date. The fair value of derivative financial instruments traded in the market corresponds to the market value.

In the HeidelbergCement Group, derivative financial instruments such as currency forwards, currency option contracts, interest rate swaps, or interest rate options are, in principle, used to minimise financial risks. The focus is on hedging interest, currency, and other market price risks. No derivative financial instruments are contracted or held for speculative purposes.

Contracts concluded for the purpose of receiving or supplying non-financial items pursuant to the company's expected purchase, sale, or usage requirements and held as such (own use contracts) are accounted for as pending transactions rather than derivative financial instruments. Written options for the purchase or sale of non-financial items that can be cash-settled are not classified as own use contracts.

Hybrid financial instruments consist of a non-derivative host contract and an embedded financial derivative. The two components are legally inseparable. These are usually contracts with riders. Separate accounting of the embedded derivative and the host contract is required if the economic characteristics and risks are not closely linked with the host contract, the embedded derivative fulfils the same definition criteria as a stand-alone derivative, and the hybrid financial instrument is not

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measured at fair value through profit or loss. Alternatively, the hybrid financial instrument may be measured in total at fair value through profit or loss unless the embedded derivative changes the resulting cash flows to an insignificant degree or separation of the embedded derivative is not permitted.

Hedge accounting denotes a specific accounting method that modifies the accounting of the hedged item and the hedge of a hedging relationship so that the results of measuring the hedged item or hedge are recognised in the period incurred directly in equity or in profit or loss. Accordingly, hedge accounting is based on matching the offsetting values of the hedging instrument and the hedged item.

For accounting purposes, three types of hedges exist in accordance with IFRS 9. Specific requirements have to be met for hedge accounting.

- Cash flow hedges
  Where necessary, HeidelbergCement hedges the risk of fluctuation in future cash flows. The risk of interest rate fluctuations in the case of variable interest is hedged by means of swaps that convert variable interest payments into fixed interest payments. This method is also used for hedging currency risks of transactions to be executed in foreign currency in the future. The fair value of the derivatives used for hedging is shown in the balance sheet. As an offsetting item, the other components of equity are adjusted directly in equity to the amount of the effective portion of the change in fair value, taking deferred taxes into account. These amounts are reclassified to the income statement when the hedged item is also recognised in profit or loss. The ineffective portion of the change in fair value is recognised directly in profit or loss.

- Fair value hedges
  In individual cases, HeidelbergCement hedges against fluctuations in the fair value of assets or liabilities. Where necessary, the currency risk that arises when financial instruments are accounted for in a currency other than the functional currency is thus hedged. In addition, the fair value of fixed interest-bearing liabilities is selectively hedged by means of conversion to variable interest. In the case of hedging against fluctuations in the fair value, both the hedging instrument and the hedged portion of the risk of the underlying transaction are recognised at fair value. Changes in fair value are recognised in profit or loss.

- Hedging a net investment in a foreign operation
  When acquiring foreign companies, the investment can, for example, be hedged with loans in the functional currency of the foreign company. In these cases, the currency risk arising on the subsidiary's equity through fluctuations in exchange rates (translation risk) is designated as a hedged risk. The loans are translated using the exchange rate applicable at the reporting date. As an offsetting item, the currency translation reserve in equity is adjusted. Consequently, translation differences are recognised outside profit or loss in equity through other comprehensive income until the net investment is sold and are recognised in profit or loss on its disposal.

Derivative financial instruments for which hedge accounting is not applied nevertheless generally represent an effective hedge in an economic sense within the context of the Group strategy. In accordance with IFRS 9, these instruments should be accounted for at fair value. The changes in the fair values of these derivative financial instruments recognised in profit or loss are principally offset by changes in the fair values of the hedged items. In addition, CO_2 derivatives were concluded for trading purposes.

Assets held for sale and discontinued operations are shown separately in the balance sheet if they can be sold in their present condition and the sale is highly probable. Assets classified as held for sale are recognised at the lower of their carrying amount and fair value less costs to sell, unless another value is to be recognised under other standards. According to their classification, liabilities directly connected with these assets are shown in a separate line on the liability side of the balance sheet.

For discontinued operations, the net result is shown in a separate line in the income statement. In the statement of cash flows, the cash flows are broken down into continuing and discontinued operations. For discontinued operations, the previous year's figures in the income statement, the statement of cash flows, and the segment reporting are adjusted accordingly in the year of the reclassification. The Notes include additional details on the assets held for sale and discontinued operations.

Contingent liabilities and assets are, on the one hand, possible obligations or assets arising from past events and whose existence depends on the occurrence or non-occurrence of one or more uncertain future events that are not within the Group's control. On the other hand, contingent liabilities are current obligations arising from past events for which there is unlikely to be an outflow of resources embodying economic benefits or where the scope of the obligation cannot be reliably estimated. Contingent liabilities are not included in the balance sheet unless they are current obligations that have been taken on as part of a business combination. Contingent assets are only recognised in the balance sheet if they are virtually certain. Insofar as an outflow or inflow of economic benefits is possible, details of contingent liabilities and assets are provided in the Notes.

Income is recognised when control of a promised good or service is transferred to a customer. It is measured at the fair value of the consideration received or receivable, including variable consideration; sales tax and other duties collected on behalf of third parties are not taken into account.

HeidelbergCement primarily generates **revenue** from simply structured sales of building materials, such as cement, aggregates, ready-mixed concrete, and asphalt, for which the control is transferred to the customer at a specific point in time. In the context of the sale of the products, separate performance obligations may arise from transport services as well as from services directly related to the sale of the products. These services are generally performed at the time that the control of the products is transferred. In a few exceptional cases, the transport services are performed after the control of the products has been transferred. In accordance with IFRS 15 (Revenue from Contracts with Customers), the revenue relating to these transport services is realised later than the corresponding product revenue. The revenue is measured on the basis of the consideration defined in the contract with a customer, including variable consideration, such as discounts, volume rebates, or other contractual price reductions. The variable consideration is estimated on the basis of the most likely amount. However, variable consideration is only included if it is highly probable that a significant reversal of revenue will not occur once the uncertainty related to the variable consideration is resolved. As the period between the date on which HeidelbergCement transfers the promised goods or services to the customer and the date on which the customer pays for these goods or services is generally one year or less, no financing components are taken into account. Contract assets and contract liabilities are recognised as soon as one of the contracting parties has commenced performance of the contract. Legal claims to receive consideration are then reported as trade receivables as soon as the legal claim is unconditional. HeidelbergCement grants its customers country- and industry-specific payment terms, which normally include payment within 30 to 60 days after the date of invoicing. Contract assets and contract liabilities are not shown separately in the balance sheet but under other operating receivables and assets and other operating liabilities respectively. They are shown separately in the Notes. Costs directly attributable to obtaining or fulfilling the contract are recognised as an expense when they are incurred, as the amortisation period is generally no longer than one year.

Interest income is recognised pro rata temporis using the effective interest method.

Dividend income is realised when the legal entitlement to payment arises.

3 Application of new accounting standards

3.1 Initial application of accounting standards in the financial year

In the 2021 financial year, HeidelbergCement applied the following standards and interpretations of the International Accounting Standards Board (IASB) for the first time.

The **amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 Interest Rate Benchmark Reform – Phase 2** clarify that when determining contractual cash flows as a result of the IBOR reform, an update to the effective interest rate is sufficient to reflect the change in the alternative benchmark rate. Furthermore, the amendments provide for additional time-limited relief with regard to the application of specific hedge accounting requirements to hedging relationships directly affected by the IBOR reform. The amendments did not have any significant impact on the assets, financial, and earnings position of the Group. HeidelbergCement has made all necessary arrangements. The relevant contracts have been switched to the new benchmark rates or it has already been contractually agreed to switch to the new benchmark rate when the USD LIBOR ceases to apply in 2023.

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3.2 Published, but not yet applicable accounting standards

The IASB and IFRS IC have adopted additional standards and interpretations that may impact the assets, financial, and earnings position of the HeidelbergCement Group, but whose application was not yet mandatory for the 2021 financial year.

Published, but not yet applicable accounting standards

Title	Date of initial application[1]	Endorsement by the EU Commission
Amendments to IFRS 3 Business Combinations	1 January 2022	yes
Amendments to IAS 16 Property, Plant and Equipment	1 January 2022	yes
Amendments to IAS 37 Provisions, Contingent Liabilities and Contingent Assets	1 January 2022	yes
Annual Improvements to IFRS Standards 2018-2020 Cycle	1 January 2022	yes
IFRS 17 Insurance Contracts	1 January 2023	yes
Amendments to IAS 1 Presentation of Financial Statements and IFRS Practice Statement 2: Disclosure of Accounting policies	1 January 2023	yes
Amendments to IAS 8 Accounting policies, Changes in Accounting Estimates and Errors: Definition of Accounting Estimates	1 January 2023	yes
Amendments to IAS 1 Presentation of Financial Statements: Classification of Liabilities as Current or Non-current	1 January 2023	no
Amendments to IAS 12 Income Taxes: Deferred Tax related to Assets and Liabilities arising from a Single Transaction	1 January 2023	no

1) Fiscal years beginning on or after that date.

HeidelbergCement will not apply these standards and interpretations until the date when their application first becomes mandatory and after endorsement by the European Commission.

The **amendments to IFRS 3 Business Combinations** update the references to the revised IFRS framework. In addition, they clarify that an acquirer shall apply the requirements of IAS 37 or IFRIC 21 instead of the framework when identifying obligations assumed that are within the scope of IAS 37 or IFRIC 21. At the same time, IFRS 3 is supplemented by an explicit prohibition on recognising acquired contingent assets. As at the date of transition, the amendments will not have any impact on the assets, financial, and earnings position of the Group, as they are to be applied to transactions taking place on or after the date of initial application of these amendments.

The **amendments to IAS 16 Property, Plant and Equipment** clarify that proceeds from selling items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management are recognised in profit or loss. In addition, sale proceeds and the corresponding costs for items produced that do not fall within the entity's ordinary business activity shall be shown separately and the line items in the income statement and other comprehensive income in which they were recognised shall be disclosed. The amendments will not have a significant impact on the assets, financial, and earnings position of the Group.

The **amendments to IAS 37 Provisions, Contingent Liabilities and Contingent Assets** determine which costs an entity should consider as the cost of fulfilling a contract when assessing whether a contract is onerous. The amendments will not have a significant impact on the assets, financial, and earnings position of the Group.

As part of the **Annual Improvements to IFRS Standards 2018–2020 Cycle**, the IASB made minor amendments to a total of three standards. The amendments will not have a significant impact on the assets, financial, and earnings position of the Group.

IFRS 17 Insurance Contracts contains principles for the recognition, measurement, presentation, and disclosure of insurance contracts and is applicable to all types of insurance contracts as well as to certain guarantees and financial instruments with discretionary participation features. With regard to the scope of application, a few exceptions apply. The impact is currently being examined. We assume that the application of IFRS 17 will not have a significant impact on the assets, financial, and earnings position of the Group.

The **amendments to IAS 1 Presentation of Financial Statements and IFRS Practice Statement 2: Disclosure of Accounting policies** clarify that, in the future, only material rather than significant accounting policies should be disclosed in the Notes. Guidance and examples on the practical application of the concept of materiality to the disclosures on the accounting policies were also provided. The impact of these amendments on the disclosures of the accounting policies is currently being examined.

With the **amendments to IAS 8 Accounting policies, Changes in Accounting Estimates and Errors: Definition of Accounting Estimates**, the concept of "accounting estimate" is defined and clarification is provided on how changes in accounting estimates differ from changes in accounting policies. The amendments will not have a significant impact on the assets, financial, and earnings position of the Group.

The **amendments to IAS 1 Presentation of Financial Statements: Classification of Liabilities as Current or Non-current** contain selective adjustments to the criteria for the classification of liabilities as current or non-current. The initial application is not expected to have a significant impact on the assets, financial, and earnings position of the Group.

The **amendments to IAS 12 Income Taxes: Deferred Tax related to Assets and Liabilities arising from a Single Transaction** restrict the "initial recognition exception" and require companies to recognise deferred taxes for transactions from which both deductible and taxable temporary differences of the same amount arise on initial recognition. Deferred tax is recognised for all temporary differences, in particular in the case of leases (recognition of a right-of-use asset and a lease liability) and in the case of asset retirement obligations (capitalization as part of the asset and recognition of a liability), which exist at the beginning of the earliest comparative period presented. The amendments are to be applied to transactions taking place at or after the beginning of the earliest comparative period presented. The cumulative effect of initial application is recognised in retained earnings as an adjustment to the opening balance. The amendments will not have any impact on the assets, financial, and earnings position of the Group, as the previous presentation in the balance sheet already comply with the new regulations.

4 Estimation uncertainty and assumptions

The presentation of the assets, financial, and earnings position in the consolidated financial statements is dependent on estimates and assumptions made by the management, which affect the amounts and presentation of the assets and liabilities, expenses and income, and contingent liabilities accounted for in the period. The possible impact of the current global coronavirus pandemic has also been taken into account. The actual values may differ from these estimates. The assumptions and estimates relate particularly to the necessity and calculation of impairment of goodwill, the recognition and measurement of deferred tax assets, and the measurement of pension provisions and other provisions as well as the measurement of specific financial instruments (e.g. put options of non-controlling interests).

A cash flow-based method in accordance with IAS 36 (Impairment of Assets) is used to determine the recoverable amount of groups of cash-generating units as part of the impairment test for goodwill. In particular, estimates are required in relation to future cash flows of the groups of cash-generating units as well as to the discount rates and growth rates used (discounted cash flow method). A change in the influencing factors may have a significant impact on the existence or amount of impairment losses. Explanations concerning the composition of the carrying amount of goodwill and the impairment test are provided in Note 9.1 Intangible assets.

To assess the future probability that deferred tax assets can be utilised, various estimates must be adopted, for example operational plans and tax projections. If the actual results deviate from these estimates, this may impact the assets and earnings position. Further explanations on current and deferred taxes are provided in Note 7.11 Income taxes.

Owing to the international nature of its business activities, HeidelbergCement AG and its subsidiaries are subject to a large number of national tax laws and regulations. Changes in tax laws as well as the issuance of case law and the possible differing interpretation by local tax authorities due to the complexity of tax laws can have an influence on the amount of both current and deferred taxes. The potential uncertainties resulting from this are to be resolved by means of appropriate discretionary decisions. Recognition and measurement are based on the most probable realisation value of the uncertainty. Individual presentation or aggregation of several uncertainties depends on the individual case under consideration. Uncertainties in current taxes are taken into account with an appropriate estimate of potential tax payments. Uncertainties regarding the recoverability of deferred tax assets are countered by means of internal planning, also with regard to the future development of results of the Group company concerned. Ongoing monitoring of the aforementioned uncertainties is ensured by organisational measures.

The obligations arising from defined benefit plans are determined on the basis of actuarial methods, which are based on assumptions and estimates concerning the discount rate, pension increase rate, life expectancy, and other influencing factors. A change in the underlying parameters may lead to differences in the amounts recognised in the balance sheet. Further details are given on ↗ page 140 f. and in Note 9.13 Pension provisions.

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Provisions for damages and environmental obligations are measured on the basis of an extrapolation of the claims and estimates of the development of costs. A change in the influencing parameters may have an impact on the income statement as well as the amounts recognised in the balance sheet. The recognition and measurement of the miscellaneous other provisions are based on estimates of the probabilities of future outflow of resources and on the basis of empirical values and the circumstances known at the reporting date. The actual outflow of resources may differ from the outflow of resources expected at the reporting date and may have an impact on the recognition and measurement. Further explanations on provisions can be found in Note 9.14 Other provisions.

The measurement of specific financial instruments such as put options of non-controlling interests, which are not traded on an active market, is based on best possible estimates using probability forecasts and recognised actuarial methods.

HeidelbergCement is subject to climate-related risks. According to the definition of the Task Force on Climate-related Financial Disclosures (TCFD), climate risks include both physical risks and transition risks. Physical climate risks, such as the impact of extreme weather scenarios including floods or droughts, can lead to a reduction in the useful lives of non-current assets. The useful lives are regularly checked and, if necessary, adjusted to the changed environment. As part of the structural transition to a low-carbon economy, HeidelbergCement anticipates a rise in prices for the acquisition of emission allowances. These cost increases are taken into account in the operational plans..

5 Changes in scope of consolidation

In addition to HeidelbergCement AG, the consolidated financial statements include 693 subsidiaries that have been fully consolidated, of which 20 are German and 673 are foreign companies. The changes in comparison with 31 December 2020 are shown in the following table.

Number of fully consolidated companies

	Germany	Abroad	Total
31 December 2020	22	713	735
First-time consolidations		8	8
Divestments		-17	-17
Incorporations / mergers/liquidations/method changes	-2	-31	-33
31 December 2021	20	673	693

A list of shareholdings of the HeidelbergCement Group as at 31 December 2021 on the basis of the regulations of section 313(2) of the German Commercial Code (HGB) is provided on ↗ page 198 f. It contains an exhaustive list of all subsidiaries that make use of the exemption from disclosure obligations in accordance with sections 264(3) and 264b of the HGB.

5.1 Business combinations

Business combinations in the reporting year

The wholly owned US subsidiaries Hanson Permanente Cement, Inc., Phoenix, and Kaiser Gypsum Company, Inc., Raleigh, filed a voluntary bankruptcy petition to a US bankruptcy court on 30 September 2016 in accordance with Chapter 11 of the US Bankruptcy Code. The objective was, among other things, to establish a trust to which all past and future asbestos personal injury claims would be channelled pursuant to section 524(g) of the US Bankruptcy Code. These companies were subject to insolvency proceedings as a result of the bankruptcy filing. The HeidelbergCement Group therefore no longer had control pursuant to IFRS 10, and the companies were deconsolidated along with their subsidiaries – Hanson Micronesia Cement, Inc., Wilmington, Hanson Permanente Cement of Guam, Inc., Sacramento, Permanente Cement Company, Los Angeles, and Mediterranean Carriers, Inc., Panama City, ("Permanente Group") – on 30 September 2016. Following the successful establishment of the trust and completion of the insolvency proceedings, HeidelbergCement regained control on 12 August 2021 and reconsolidated the Permanente Group.

Between the deconsolidation and reconsolidation, the participation in the Permanente Group was classified as a financial investment at fair value through other comprehensive income. At the time of the reconsolidation, the fair value amounted to €0.0 million. The Permanente Group owns real estate in Santa Clara County and operates two cement terminals on Guam and Saipan.

The reconsolidation resulted in the recoverability of deferred tax assets of €81.8 million, which were recognised accordingly. These deferred tax assets arise both from deductible temporary differences, which essentially result from recultivation provisions, and from unused losses carried forward. Therefore, the reconsolidation resulted in a gain of €20.8 million, which is shown in the additional ordinary income.

On 31 December 2021, our subsidiary Cadman Materials, Inc., Washington, USA, acquired 100 % of the shares in Corliss Resources, LLC, Dover, USA, ("Corliss") including its 50 % joint venture Sunset Quarry, LLC, Tacoma, USA. The takeover includes major aggregates operations and four ready-mixed concrete plants. The acquisition expands our market presence in the cement, aggregates, and ready-mixed concrete businesses in the USA's Pacific Northwest. The purchase price amounted to €134.1 million and was paid in cash. The provisionally recognised goodwill of €82.4 million is tax-deductible and represents synergy and growth potential. The purchase price allocation is provisional, primarily because the measurement of property, plant and equipment has not yet been completed.

The following table shows the (provisional) fair values of the assets and liabilities added or acquired as part of the above-mentioned transactions.

(Provisional) fair values recognised as at the acquisition date

€m	Permanente Group	Corliss	Total
Property, plant and equipment	220.4	81.6	302.1
Financial fixed assets		0.3	0.3
Deferred taxes	81.8		81.8
Inventories	0.0	3.0	3.0
Trade receivables	1.0	6.0	7.0
Cash and cash equivalents	3.9	2.7	6.5
Other assets	1.3	0.5	1.8
Total assets	308.4	94.1	402.5
Provisions	279.7	1.9	281.6
Non-current liabilities	6.8	21.7	28.5
Current liabilities	1.0	18.8	19.8
Total liabilities	287.6	42.4	330.0
Net assets	20.8	51.7	72.5

The added or acquired property, plant and equipment relates to land and buildings (€262.0 million), plant and machinery (€38.5 million), and other operating equipment (€1.6 million).

As part of the business combinations, receivables with a provisional fair value of €7.1 million were acquired. These concern trade receivables amounting to €7.0 million and other operating receivables to the amount of €0.1 million. The gross value of the contractual receivables totals €7.3 million, of which €0.2 million is likely to be irrecoverable.

Since the business combinations took place, the companies have contributed €0.5 million to revenue and €-5.1 million to the profit for the financial year. If the business combinations had taken place on 1 January 2021, contributions to revenue and profit for the financial year would be €62.8 million and €11.0 million higher respectively. Transaction costs of €3.4 million arising in connection with the above-mentioned business combinations were recognised in the additional ordinary expenses.

Furthermore, HeidelbergCement effected other business combinations during the reporting year that are of minor importance, both individually and collectively, for the presentation of the assets, financial, and earnings position of the Group.

Business combinations in the previous year

On 31 March 2020, our subsidiary Nordic Precast Group AB, Stockholm, Sweden, acquired 100 % of the shares in Kynningsrud Kasen AB, Uddevalla, Sweden, and Kynningsrud Prefab Holding AS, Halden, Norway, including its two 100 % subsidiaries (Kynningsrud Group). The two Norwegian companies Kynningsrud Prefab Holding AS, Halden, and Kynningsrud Prefab AS, Rolvsøy, were subsequently merged into our subsidiary Contiga AS, Moss, Norway, with retroactive effect from 31 March 2020. The acquisition expands our market presence in the precast concrete business in western Sweden and eastern Norway. The companies are established actors on the precast market in western Sweden, southern Norway, and Oslo, with production sites in Uddevalla, Sweden, and Fredrikstad, Norway. The purchase price amounted to €41.0 million and was paid in cash. The final goodwill of €24.3 million is not tax-deductible and represents synergy and growth potential.

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On 4 May 2020, our subsidiary Ciments du Maroc S.A., Casablanca, Morocco, completed its acquisition of a 100 % shareholding in Les Cimenteries Marocaines du Sud S.A., Laâyoune (Cimsud). Subsequently, Cimsud was merged into our subsidiary Industrie Sakia El Hamra "Indusaha" S.A., Laâyoune, with retroactive effect from 4 May 2020. Cimsud operates a grinding plant in Laâyoune with an annual capacity of 500,000 tonnes. The acquisition increases our market share and is a further step in the development of activities in the cement, aggregates, and ready-mixed concrete sectors. The purchase price amounted to €26.2 million and was paid in cash. The final goodwill of €11.0 million, attributable to HeidelbergCement on a pro rata basis, is not tax-deductible and represents synergy potential.

The following table shows the final fair values of the assets and liabilities as at the acquisition date.

Fair values recognised as at the acquisition date

€m	Kynningsrud Group	Cimsud	Total
Intangible assets		0.1	0.1
Property, plant and equipment	25.4	18.6	43.9
Inventories	0.7	0.3	1.0
Trade receivables	12.4	0.3	12.8
Cash and cash equivalents	5.3	1.7	7.0
Other assets	7.7	0.1	7.8
Total assets	51.5	21.1	72.6
Deferred taxes	2.9		2.9
Non-current liabilities	10.6	14.3	24.8
Current liabilities	21.5	2.1	23.5
Total liabilities	34.9	16.3	51.2
Net assets	16.6	4.8	21.4

Furthermore, HeidelbergCement effected other business combinations during the previous year that are of minor importance, both individually and collectively, for the presentation of the assets, financial, and earnings position of the Group.

5.2 Divestments

Divestments in the reporting year

On 29 November 2020, HeidelbergCement signed an agreement to sell the 51% participation in Hilal Cement Company KSCP and its subsidiaries Al Mahaliya Ready Mix Concrete W.L.L., Kuwait German Company for RMC W.L.L., and Gulf Ready Mix Concrete Company W.L.L., based in Safat, Kuwait ("Hilal Group"). The Hilal Group operates four ready-mixed concrete plants and two cement terminals on the local port site in Kuwait. In the previous year, the assets and liabilities of the Hilal Group were classified in the balance sheet as held for sale pursuant to IFRS 5. The sale was completed on 24 January 2021. The sales price amounts to €8.2 million and was paid in cash. The divestment resulted in a gain of €0.9 million, which is shown in the additional ordinary income.

On 29 April 2021, HeidelbergCement sold 100% of the shares in Pioneer Concrete (Hong Kong) Limited, Kowloon, Hong Kong ("Pioneer Ltd"). The sales price amounts to €28.0 million and was paid in cash. The divestment resulted in a gain of €20.7 million, which is shown in the additional ordinary income.

HeidelbergCement signed an agreement on 23 May 2021 to sell its business activities in the West region of the USA to the US company Martin Marietta Materials, Inc. The sale was completed on 1 October 2021. The transaction includes the sale of Lehigh Hanson's cement, aggregates, ready-mixed concrete, and asphalt business activities in the West region of the USA (California, Arizona, Oregon, and Nevada), with the exception of the Permanente cement plant and quarry (collectively, the "USA Region West"). The sale comprises two cement production plants with related distribution terminals, 17 active aggregates sites, and several downstream operations in the ready-mixed concrete and asphalt sectors. The sales price of US$2.3 billion was received in cash and is subject to the usual purchase price adjustments. The divestment resulted in a provisional gain of €481.9 million, which is shown in the additional ordinary income.

On 29 November 2021, as part of the portfolio optimisation and margin improvement programme in connection with the "Beyond 2020" strategy, HeidelbergCement signed an agreement to dispose of its shares in Sierra Leone Cement Corp Ltd., Freetown, Sierra Leone, ("Leocem") to the Diamond Cement Group. HeidelbergCement holds an indirect 50% share in the company and has full management responsibility. The sale includes a grinding plant with two cement mills. Located in Sierra Leone's capital, Freetown, the plant has an annual capacity of around 500,000 tonnes of cement. The sales price amounts to €10.4 million and was paid in cash. The sales price is subject to the usual purchase price adjustments. The divestment resulted in a gain of €0.1 million, which is shown in the additional ordinary income.

The following table shows the assets and liabilities as at the date of divestiture.

Assets and liabilities as at the date of divestiture

€m	Hilal Group	Pioneer Ltd	USA Region West	Leocem	Total
Goodwill		6.7	872.4	2.2	881.3
Other intangible assets	1.1		3.5		4.7
Property, plant and equipment	12.0	0.5	448.6	5.2	466.3
Other non-current assets	0.1		1.8		1.9
Inventories	3.0		94.6	8.9	106.5
Cash and cash equivalents	17.9	0.0	0.2	1.5	19.6
Other assets	10.3	0.0	5.6	4.7	20.5
Total assets	44.5	7.2	1,426.7	22.5	1,500.9
Provisions	2.7		19.1	0.2	21.9
Non-current liabilities	7.9		16.9		24.8
Current liabilities	17.5	0.0	17.2	3.5	38.2
Total liabilities	28.1	0.0	53.2	3.6	84.9
Net assets	16.4	7.2	1,373.5	18.9	1,415.9

Incidental disposal costs of €44.6 million arose in connection with these divestments and were recognised in the additional ordinary expenses. Furthermore, HeidelbergCement effected other divestments in the reporting year that are of minor importance for the presentation of the assets, financial, and earnings position of the Group.

Divestments in the previous year

HeidelbergCement signed an agreement on 17 December 2019 regarding the sale of its 56.93 % shareholding in Mauritano-Française des Ciments S.A., Mauritania. The sale was completed on 8 January 2020. The sales price totals €7.2 million, of which a prepayment of €4.5 million was already received during the 2019 financial year. The remaining amount was collected in the 2020 financial year. The divestment resulted in a gain of €0.1 million, which is shown in the additional ordinary income. The following table shows the assets and liabilities as at the date of divestiture.

Assets and liabilities as at the date of divestiture

€m	Mauritania
Intangible assets	0.0
Property, plant and equipment	1.7
Other non-current assets	0.5
Inventories	3.8
Cash and cash equivalents	4.5
Other assets	5.9
Total assets	16.6
Provisions	0.2
Current liabilities	4.3
Total liabilities	4.5
Net assets	12.1

Furthermore, HeidelbergCement effected other divestments in the previous year that are of minor importance for the presentation of the assets, financial, and earnings position of the Group.

6 Notes to the segment reporting

HeidelbergCement's segment reporting is based on the Group's internal division into geographical regions, corresponding to the management organisation. HeidelbergCement is divided into six Group areas:

- Western and Southern Europe: Belgium, France, Germany, Italy, Netherlands, Spain, and the United Kingdom
- Northern and Eastern Europe-Central Asia: Denmark, Iceland, Norway, Sweden, and the Baltic States, as well as the cross-border Nordic Precast Group and Mibau Group, Bosnia-Herzegovina, Bulgaria, Croatia, Czechia, Georgia, Greece, Hungary, Kazakhstan, Poland, Romania, Russia, and Slovakia
- North America: Canada and USA

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- Asia-Pacific: Australia, Bangladesh, Brunei, China, India, Indonesia, Malaysia, Singapore, and Thailand
- Africa-Eastern Mediterranean Basin: Benin, Burkina Faso, DR Congo, Egypt, Gambia, Ghana, Israel, Liberia, Morocco, Mozambique, Sierra Leone, South Africa, Tanzania, Togo, and Turkey
- Group Services comprise the international trading activities as well as the activities in the United Arab Emirates.

HeidelbergCement evaluates the performance in the segments primarily on the basis of the result from current operations. As Group financing (including financing expenses and income) is managed centrally by the Group and income taxes are, in general, calculated across business lines, neither is allocated to segments. The IFRS used in these financial statements form the basis for the valuation principles of the segment reporting. The Inter-Group areas revenue represents the revenue between segments. In the reconciliation, intra-Group relationships between the segments are eliminated.

The revenue and non-current assets of the main countries are shown in the table below. Revenue is allocated to countries according to the supplying company's country of origin.

Information by country	Revenue with external customers		Non-current assets [1]	
€m	2020	2021	2020	2021
USA	3,888	3,708	7,912	7,810
Germany	1,368	1,602	1,503	1,559
United Kingdom	1,190	1,498	1,126	1,221
France	1,185	1,313	1,104	1,120
Australia	1,158	1,244	1,947	2,006
Indonesia	841	857	981	1,016
Canada	729	852	527	582
Italy	560	656	622	566
Other countries	6,687	6,988	6,043	6,123
Total	17,606	18,720	21,763	22,002

1) Intangible assets and property, plant and equipment

7 Notes to the income statement

7.1 Revenue

The revenue shown in the consolidated income statement relates to revenue from contracts with customers in accordance with IFRS 15. In the following table, the revenue is broken down into two categories: type of products and services (business lines) and Group areas.

Revenue development by Group areas and business lines	Cement		Aggregates		Ready-mixed concrete-asphalt		Service-other		Intra-Group eliminations		Total	
€m	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021
Western and Southern Europe	2,527	2,881	1,077	1,278	1,922	2,131	373	367	-939	-1,100	4,960	5,557
Northern and Eastern Europe-Central Asia	1,532	1,631	525	564	560	614	437	485	-202	-211	2,854	3,084
North America	1,778	1,828	1,765	1,718	1,286	1,231	294	279	-505	-504	4,617	4,551
Asia-Pacific	1,617	1,678	512	563	1,106	1,141	44	45	-281	-302	2,998	3,126
Africa-Eastern Mediterranean Basin	1,448	1,585	78	78	350	352	40	42	-150	-147	1,765	1,909
Group Services					21		995	1,421	-5		1,010	1,421
Inter-Group area revenue within business lines	-33	-27	-36	-38			5	7			-64	-58
Total	8,869	9,577	3,922	4,164	5,244	5,469	2,188	2,646	-2,083	-2,265	18,140	19,591
Inter-Group area revenue between business lines									-534	-871	-534	-871
Total									-2,617	-3,136	17,606	18,720

7.2 Other operating income

Other operating income

€m	2020	2021
Gains from sale of fixed assets	39.6	113.5
Income from ancillary business	41.6	47.1
Rental income	37.6	35.7
Foreign exchange gains	33.2	28.7
Reversal of provisions	18.4	30.1
Other income	209.2	262.6
	379.5	517.7

The gains from sale of fixed assets include gains from the sale of quarries that were depleted and no longer in operational use to the amount of €53.7 million (previous year: 3.9). The foreign exchange gains concern trade receivables and payables. Foreign exchange gains from interest-bearing receivables and liabilities are shown in the financial result. The income from the reversal of provisions includes the reversal of provisions that cannot be assigned by cost type. The other income item includes proceeds of €15.1 million (previous year: 16.0) from the participation in energy efficiency projects, premium income of reinsurers of €22.2 million (previous year: 21.6), as well as numerous individual items.

Significant income that occurs in the course of ordinary business activities but is not reported in result from current operations is shown in the additional ordinary income and explained in Note 7.8.

7.3 Material costs

Material costs

€m	2020	2021
Raw materials	2,496.6	2,608.3
Supplies, repair materials, and packaging	1,112.3	1,204.9
Costs of energy	1,506.4	1,943.6
Goods purchased for resale	1,019.9	1,180.3
Miscellaneous	347.7	368.2
	6,482.9	7,305.4

Material costs amounted to 39.0 % of revenue (previous year: 36.8 %).

7.4 Personnel costs and employees

Personnel costs

€m	2020	2021
Wages, salaries, social security costs	2,822.9	2,908.8
Costs of retirement benefits	167.4	164.2
Other personnel costs	35.1	35.0
	3,025.4	3,108.0

Personnel costs equalled 16.6 % of revenue (previous year: 17.2 %). The development of expenses for retirement benefits is explained in Note 9.13 Pension provisions.

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Annual average number of employees

Categories of employees	2020	2021
Blue-collar employees	34,792	33,718
White-collar employees	18,794	18,875
Apprentices	334	309
	53,920	52,902

Long-term bonus – capital market component

As a long-term variable remuneration element, the members of the Managing Board of HeidelbergCement AG and certain managers within the HeidelbergCement Group receive a long-term bonus made up of a management component and a capital market component. The capital market component with a term of four years considers the external added value as measured by total shareholder return (TSR) – adjusted for the reinvested dividend payments and for changes in capital – compared with the relevant capital market indices, using performance share units (PSUs). The PSUs are virtual shares used for the calculation of the capital market component.

For the capital market component, the number of PSUs granted is determined in a first step: the number of PSUs is calculated from a set percentage of the fixed annual salary divided by the reference price of the HeidelbergCement share as at the time of issue. The reference price in each case is the average of the daily closing prices (trading days) of the HeidelbergCement share on the Frankfurt Stock Exchange Xetra trading system in the three months before the start or expiration of the performance period.

After expiry of the four-year performance period, the PSUs definitively earned are to be calculated in a second step according to the attainment of the target (0 %–200 %) and paid in cash at the reference price of the HeidelbergCement share valid at that time, adjusted for the reinvested dividend payments and for changes in capital.

The following table shows the key parameters of the plans.

Key parameters of the long-term bonus plans

	Plan 2018	Plan 2019	Plan 2020	Plan 2021
Date of issuance	1 January 2018	1 January 2019	1 January 2020	1 January 2021
Term	4 years	4 years	4 years	4 years
Reference price at issuance	€88.34	€58.78	€65.84	€57.00
Maximum payment amount per PSU	€220.85	€146.95	€164.60	€142.50

The reconciliation of the number of PSUs granted from 1 January 2018 to 31 December 2021 is shown in the following table.

Number of PSUs

	Plan 2018	Plan 2019	Plan 2020	Plan 2021
Granted as of 1 January 2018				
Additions	114,474			
Disposals	-2,729			
Granted as of 31 December 2018 / as of 1 January 2019	111,745			
Additions		178,084		
Disposals	-6,240	-8,426		
Granted as of 31 December 2019 / as of 1 January 2020	105,505	169,658		
Additions			149,384	
Disposals	-2,547	-3,319	-3,173	
Granted as of 31 December 2020 / as of 1 January 2021	102,958	166,339	146,211	
Additions				185,400
Disposals	-1,408	-3,534	-4,014	-9,273
Granted as of 31 December 2021	101,550	162,806	142,197	176,127

In the reporting year, all of the 101,531 PSUs from the 2017 plan granted as at 31 December 2020 were exercised and either settled via cash payment or lapsed due to the departure of employees.

For accounting in accordance with IFRS 2 (Share-based Payment), the fair value of the PSUs is calculated using a recognised option price model. A large number of different development paths for the HeidelbergCement share – taking into account the effects of reinvested dividends – and the benchmark indices are simulated (Monte Carlo simulation). As at the reporting date, the benchmark index DAX 40 had 15,885 points (previous year: 13,719) and the benchmark index MSCI World Construction Materials 277.5 points (previous year: 227.1).

The fair value and additional valuation parameters are shown in the tables below.

Fair value

in €	Plan 2018	Plan 2019	Plan 2020	Plan 2021
Fair value as of 31 December 2018	20.19			
Fair value as of 31 December 2019	10.39	21.13		
Fair value as of 31 December 2020	6.97	19.92	39.15	
Fair value as of 31 December 2021		0.04	2.00	13.86

Measurement parameters

	31 Dec. 2018	31 Dec. 2019	31 Dec. 2020	31 Dec. 2021
	Plans 2016/17/18	Plans 2017/18/19 [2]	Plans 2018/19/20 [2]	Plans 2019/20/21 [2]
Expected dividend yield	6.5 %	6.0 %	-0.8 %	-0.7 %
Share price at 31 December	€53.38	€64.96	€61.22	€59.52
Volatility of HeidelbergCement share [1]	18 %	19 %	32 %	32 %
Volatility of MSCI World Construction Materials Index [1]	13 %	13 %	25 %	26 %
Volatility of DAX 40 Index [1]	11 %	13 %	22 %	22 %
Correlation HeidelbergCement share / MSCI World Construction Materials Index [1]	93 %	87 %	67 %	92 %
Correlation HeidelbergCement share / DAX 40 Index [1]	63 %	69 %	51 %	89 %
Correlation DAX 40 Index / MSCI World Construction Materials Index [1]	77 %	90 %	92 %	97 %

1) Average over the last two years

2) The plans expiring in the financial year were revalued each on the base of the current value (31 Dec. 2019: Plan 2016 / 31 Dec. 2020: Plan 2017 / 31 Dec. 2021: Plan 2018).

The total expenditure on the capital market component of the long-term bonus plan amounted to €-2.7 million (previous year: 1.2). As at the reporting date, the provisions for the capital market component totalled €0.7 million (previous year: 3.9). The capital market component of the long-term bonus plan 2018–2020/21 is paid after the Annual General Meeting 2022. The same applies to the additional current long-term bonus plans, i.e. payment takes place in the year following the four-year performance period.

7.5 Other operating expenses

Other operating expenses

€m	2020	[illegible]/2021
Selling and administrative expenses	1,087.8	1,117.3
Freight	1,759.1	2,032.8
Expenses for third party repairs and services	1,786.6	1,927.6
Lease expenses	113.3	113.9
Other taxes	128.8	126.6
Foreign exchange losses	41.2	32.6
Losses from the derecognition of operating receivables	1.7	4.2
Impairment losses on operating receivables and contract assets	25.4	2.2
Other expenses	63.5	35.3
	5,007.5	5,392.5

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The lease expenses include expenses for short-term leases of €106.8 million (previous year: 108.4) and expenses for leases of low-value assets of €7.1 million (previous year: 4.9). The expenses for variable lease payments not included in the measurement of lease liabilities amounted to €88.9 million (previous year: 91.4) and were incurred primarily in connection with freight and third-party services. The foreign exchange losses concern trade receivables and payables. Foreign exchange losses from interest-bearing receivables and liabilities are shown in the financial result. Other expenses include expenses from the transfer of receivables outstanding as at the reporting date amounting to €6.3 million (previous year: 10.3).

Significant expenses that occur in the course of ordinary business activities but are not reported in result from current operations are shown in the additional ordinary expenses and explained in Note 7.8.

7.6 Result from equity accounted investments (REI)

The result from equity accounted investments (REI) is made up of the results from joint ventures and associates.

Result from joint ventures

With its joint venture partners, HeidelbergCement operates numerous joint ventures worldwide. The following companies make an important contribution to the result from current operations of the HeidelbergCement Group.

- The joint venture Cement Australia comprises Cement Australia Holdings Pty Ltd, Cement Australia Pty Limited, and Cement Australia Partnership, all based in Darra, Australia. Cement Australia is a joint venture between HeidelbergCement and Holcim. Each partner holds 50 % of the capital shares in the companies. Cement Australia is the largest Australian cement manufacturer and operates two cement plants and two grinding plants in eastern and southeastern Australia as well as in Tasmania. HeidelbergCement procures its entire Australian cement requirement from Cement Australia.

- Texas Lehigh Cement Company LP, based in Austin, USA, operates one cement plant in Buda, Texas, and supplies the regional market. The joint venture partners HeidelbergCement and Eagle Materials, Inc. each hold 50 % of the capital shares in the company.

The following table shows the statement of comprehensive income for these material joint ventures (100 % values).

Statement of comprehensive income for material joint ventures	Cement Australia		Texas Lehigh Cement Company LP	
€m	2020	2021	2020	2021
Revenue	650.7	731.5	190.7	175.5
Depreciation and amortisation	-37.9	-41.6	-2.8	-2.9
Result from current operations	172.9	185.8	69.7	56.2
Additional ordinary result	-0.1	0.0		
Earnings before interest and taxes (EBIT)	172.8	185.7	69.7	56.2
Interest expenses	-14.8	-11.4		
Other financial income and expenses	-1.1	-1.2	-0.1	-0.1
Profit before tax	156.9	173.1	69.6	56.1
Income taxes	-8.5	-8.3	-0.6	-0.5
Profit for the financial year	148.4	164.8	69.0	55.6
Other comprehensive income	3.6	1.0	-12.1	3.2
Total comprehensive income	152.0	165.8	56.9	58.8

The assets and liabilities of the material joint ventures (100 % values), the reconciliation to the total carrying amount of the interest, and the dividends received by the joint ventures are shown in the following table.

Additional financial information for material joint ventures	Cement Australia		Texas Lehigh Cement Company LP	
€m	2020	2021	2020	2021
Intangible assets	20.7	22.4		
Property, plant and equipment	466.4	478.6	72.4	84.1
Financial fixed assets	38.5	38.0	14.8	15.2
Other non-current assets	1.9	2.1		
Total non-current assets	527.5	541.1	87.2	99.3
Cash and cash equivalents	2.9	17.2	4.6	3.4
Other current assets	114.1	140.7	51.4	57.7
Total current assets	117.0	157.9	56.0	61.1
Total assets	644.5	699.0	143.2	160.4
Non-current interest-bearing liabilities	279.4	249.2	4.5	4.2
Non-current provisions	7.4	7.2	3.1	2.6
Other non-current liabilities	13.0	14.3		
Total non-current liabilities	299.8	270.7	7.6	6.8
Current interest-bearing liabilities	35.5	96.5	0.6	0.5
Current provisions	10.3	10.8	0.3	
Trade payables	78.0	105.8	9.5	11.3
Other current liabilities	62.1	65.3	4.2	5.2
Total current liabilities	185.9	278.4	14.6	17.0
Total liabilities	485.7	549.1	22.2	23.8
Net assets	158.8	149.9	121.0	136.6
Group share in %	50.0	50.0	50.0	50.0
Group share of net assets	79.4	74.9	60.5	68.3
Goodwill	345.6	350.7	34.7	37.3
Total carrying amount of the interest	425.0	425.6	95.2	105.6
Dividends received	29.1	90.1	31.8	24.4

HeidelbergCement also holds investments in individually immaterial joint ventures. The summarised financial information for these companies is shown in the following table (HeidelbergCement shareholding).

Summarised financial information for immaterial joint ventures		
€m	2020	2021
Investments in immaterial joint ventures	710.6	749.9
Result from immaterial joint ventures	107.7	171.9
Other comprehensive income	-28.7	15.1
Total comprehensive income	79.0	187.0
Unrecognised share of losses of the period	-0.2	-1.5
Unrecognised share of losses cumulated	-1.0	-2.6

Result from associates

The following table shows the summarised financial information concerning the associates.

Summarised financial information for associates		
€m	2020	2021
Investments in associates	540.5	583.5
Result from associates	62.1	74.0
Other comprehensive income	-3.6	6.1
Total comprehensive income	58.5	80.1
Unrecognised share of losses of the period	-1.2	-5.5
Unrecognised share of losses cumulated	-3.9	-7.4

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7.7 Amortisation and depreciation of intangible assets and property, plant and equipment

Scheduled amortisation of intangible assets and depreciation of property, plant and equipment is determined on the basis of the following Group-wide useful lives.

Useful lives

	Years
Standard software	3
SAP applications	3 to 5
Buildings	20 to 40
Technical equipment and machinery	10 to 30
Plant and office equipment	5 to 10
IT hardware	4 to 5

Impairment losses are shown in the additional ordinary expenses.

7.8 Additional ordinary result

The additional ordinary result includes income and expenses that, although occurring in the course of ordinary business activities, are not reported in result from current operations.

Additional ordinary result

€m	2020	2021
Additional ordinary income		
Gains from the disposal of subsidiaries and other business units	4.3	512.1
Gains from the disposal of other non-current assets	5.7	40.2
Reversal of impairment losses	1.7	201.3
Other additional income	15.7	21.6
	27.4	775.1
Additional ordinary expenses		
Losses from the disposal of subsidiaries and other business units	-3.3	-9.2
Impairment of goodwill	-2,693.7	
Impairment of other intangible assets and property, plant and equipment	-803.0	-73.1
Restructuring expenses	-130.9	-30.3
Other additional expenses	-74.5	-181.4
	-3,705.5	-294.0
	-3,678.1	481.1

Additional ordinary income

In 2021, the gains from the disposal of subsidiaries and other business units were essentially attributable to the sale of the business activities in the West region of the USA amounting to €481.9 million and the disposal of Pioneer Concrete (Hong Kong) Ltd. amounting to €20.7 million. In the previous year, the item included gains from the deconsolidation of smaller participations. Gains from the disposal of other non-current assets resulted from the disposal of land and buildings not required for operations. The reversal of impairment losses is explained in Note 9.2. Other additional income includes the income from the reconsolidation of the Permanente Group of €20.8 million. In the 2020 financial year, the item primarily included income from indemnities.

Additional ordinary expenses

The losses from the disposal of subsidiaries and other business units in the 2021 financial year are essentially attributable to the liquidation of several participations. In the previous year, this item included losses from the divestment of a participation in Norway.

The impairment of goodwill in the 2020 financial year is explained in Note 9.1. An explanation of the impairment of other intangible assets and property, plant and equipment is given in Note 9.2.

The restructuring expenses in the 2021 financial year were primarily incurred in the Group areas of Western and Southern Europe with €15.9 million, Africa-Eastern Mediterranean Basin with €8.5 million, Group functions with €3.7 million, and Asia-Pacific with €2.0 million. In the previous year, the restructuring expenses were incurred in the Group areas of Western

and Southern Europe with €98.6 million, Northern and Eastern Europe-Central Asia with €10.3 million, North America with €8.3 million, Asia-Pacific with €3.1 million, Africa-Eastern Mediterranean Basin with €3.0 million, and Group functions with €7.6 million.

Other additional expenses include expenses of €66.1 million connected with the closure of locations, additions to provisions amounting to €57.9 million for litigation and other risks, incidental disposal costs of €49.9 million in connection with the disposal of subsidiaries, transaction costs of €7.1 million in connection with business combinations, and other expenses not reported in results from current operations. In the previous year, this item included additions to environmental provisions of €24.3 million, expenses of €10.2 million connected with the closure of locations, payments of €9.2 million into a COVID-19 special fund, additions to provisions for litigation risks of €7.0 million, transaction costs in connection with business combinations amounting to €7.0 million, and other expenses not reported in results from current operations.

7.9 Interest expenses

In the 2021 financial year, the interest expenses for lease liabilities amounted to €32.3 million (previous year: 37.8).

7.10 Other financial result

Other financial result

€m	2020	2021
Interest balance from defined benefit pension plans	-10.6	-8.4
Interest effect from the valuation of other provisions	-34.5	5.7
Valuation result of derivative financial instruments	-13.6	-8.2
Impairment losses on interest-bearing receivables	-8.2	-7.4
Miscellaneous other financial result	-33.0	-29.9
	-99.9	-48.3

Interest effects from the valuation of other provisions are explained in Note 9.14. The valuation result of derivative financial instruments essentially stems from the interest component of the foreign currency derivatives. The miscellaneous other financial result includes expenses from the continuing involvement to the amount of €6.6 million (previous year: 10.8).

7.11 Income taxes

Income taxes from continuing operations

€m	2020	2021
Current taxes		
Current taxes current year	-384.3	-663.4
Current taxes previous years	-48.7	28.9
	-433.0	-634.4
Deferred taxes		
Deferred taxes resulting from the recognition and reversal of temporary differences	125.1	-68.6
Deferred taxes resulting from carryforwards of unused tax losses and interest, tax credits	-29.5	-202.9
Deferred taxes resulting from changes in tax rate	2.9	-40.8
	98.5	-312.2
Income taxes from continuing operations	-334.5	-946.7

Adjusted for tax income for previous years, which amounted to €28.9 million (previous year: tax expenses of 48.7), the current tax expense increased by €279.1 million. This increase is mainly attributable to the sale of business activities in the USA Region West, which resulted in a current tax expense of €259.2 million. The deferred tax expense includes expenses of €68.6 million (previous year: tax income of 125.1) due to the recognition and reversal of temporary differences. The significant change compared with the previous year is mainly due to the COVID 19-related impairment of other intangible assets and property, plant and equipment in the previous year. This led to a deferred tax income of €173.8 million in the 2020 financial year. Deferred tax assets created in previous years for carryforwards of unused tax losses and interest as well as tax credits were offset and reduced by €45.0 million (previous year: 56.5) during the reporting year. The reduction in the current and deferred tax expense for carryforwards of unused tax losses and interest not recognised in previous years as well as tax credits amounted to €61.1 million (previous year: 128.4) in the financial year. In the reporting year, deferred tax assets of

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€11.4 million (previous year: 26.6) not covered by deferred tax liabilities were recognised from companies that had made a loss in the current or previous period. This mainly concerns companies in the Netherlands and Indonesia and corresponds to the assessment of recoverability based on positive business development and corporate planning.

Carryforwards of unused tax losses as well as tax credits for which no deferred tax assets are recognised amount to €2,646.3 million (previous year: 2,671.0). They have essentially vested both in Germany and abroad. However, they are not determined separately in all countries by official notice and are therefore partly subject to review by the financial authorities prior to utilisation. In addition, no deferred tax assets were recognised for carryforwards of interest amounting to €508.8 million (previous year: 737.9) and deductible temporary differences of €109.6 million (previous year: 74.2). Overall, unrecognised deferred tax assets amounted to €813.6 million (previous year: 808.3) in the reporting year.

In the financial year, €-86.2 million (previous year: 44.7) in deferred taxes was recognised directly in equity. These amounts result primarily from the measurement of pension provisions in accordance with IAS 19. Changes to the scope of consolidation led to a net increase in deferred tax assets of €82.5 million (previous year: increase in deferred tax liabilities of €2.8 million), recognised directly in equity. This increase is largely due to the reconsolidation of the Permanente Group. Explanations of the business combinations are provided under Note 5.1.

As laid down in IAS 12, deferred taxes must be recognised on the difference between the share of equity of a subsidiary captured in the consolidated balance sheet and the carrying amount for this subsidiary in the parent company's tax accounts, if realisation is expected (outside basis differences). On the basis of the regulations for the application of IAS 12.39, deferred taxes of €52.1 million (previous year: 57.6) were recognised on planned future dividends. No deferred tax liabilities were recognised for additional temporary taxable outside basis differences from subsidiaries, associates, and other participations of HeidelbergCement AG amounting to €91.9 million (previous year: 58.4), as no reversal is likely within the foreseeable future. In accordance with the regulations of IAS 12.87, the amount of unrecognised deferred tax liabilities was not computed.

To measure deferred taxes, a combined income tax rate of 29.7 % is applied for the domestic companies. This consists of the statutory corporation tax rate of 15.0 % plus the solidarity surcharge of 5.5 % levied on the corporation tax to be paid, as well as an average trade tax burden of 13.9 %. For 2020, the combined income tax rate was also 29.7 %. The calculation of the expected income tax expense at the domestic tax rate is carried out using the same combined income tax rate that is used in the calculation of deferred taxes for domestic companies.

The profit before tax of the Group companies based abroad is taxed at the applicable rate in the respective country of residence. The local income tax rates in the individual countries vary, thus resulting in corresponding tax rate differentials.

A weighted average tax rate is established by taking the tax rate differentials into account. The increase in this rate in comparison with the earlier period is due to the change in the relative weighting of the companies' results.

Tax reconciliation of continuing operations

€m	2020	2021
Profit before tax	-1,602.4	2,893.9
Impairment of goodwill	-2,693.7	
Profit before tax and impairment of goodwill	1,091.3	2,893.9
Expected tax expense at national tax rate of 29.7 % (2020: 29.7 %)	-324.1	-859.5
Tax rate differentials	79.1	179.7
Expected tax expense at weighted average tax rate of 23.5 % (2020: 22.5 %)	-245.0	-679.8
Tax-free earnings (+) and non-deductible expenses (-)	-41.2	-235.2
Effects from carryforward of unused tax losses and interest, tax credits	71.9	16.1
Not recognised deferred tax assets	-28.8	-25.4
Tax increase (-), reduction (+) for prior years	-73.4	34.3
Changes in tax rate	2.9	-40.8
Others	-20.9	-15.9
Income taxes	-334.5	-946.7
Effective tax rate	30.7 %	32.7 %

Deferred tax by type of temporary difference

€m	2020	2021
Deferred tax assets		
Fixed assets	67.7	50.0
Other assets	133.6	89.7
Provisions and liabilities	678.2	737.4
Carryforward of unused tax losses and interest, tax credits	399.5	242.9
Gross amount	1,279.1	1,119.9
Netting	-935.9	-857.1
	343.2	262.9
Deferred tax liabilities		
Fixed assets	1,230.4	1,288.7
Other assets	54.2	71.5
Provisions and liabilities	235.9	329.0
Gross amount	1,520.5	1,689.1
Netting	-935.9	-857.1
	584.6	832.1

7.12 Discontinued operations and disposal groups

Discontinued operations

The following table shows the composition of the result.

Net loss from discontinued operations

€m	2020	2021
Income	0.2	
Expenses	-37.1	-60.8
Result before tax	-36.9	-60.8
Attributable income taxes	8.4	15.3
Result after tax	-28.5	-45.5
Loss on measurement	-43.8	
	-72.3	-45.5

The net loss essentially includes income and expenses incurred in connection with discontinued operations of the Hanson Group in previous years and that result primarily from provisions for damages and environmental obligations. Further details on the obligations are provided in Note 9.14 Other provisions.

The loss on measurement shown in the previous year related to the contingent purchase price receivable from the disposal of the Hanson Building Products operation on 13 March 2015. The receivable resulted from an additional earn-out clause agreed in the purchase agreement and was recognised in the 2014 financial year at a fair value of US$50 million, which was determined using probability forecasts. As part of the arbitration proceedings concluded in the 2020 financial year, it was determined that the receivable is now irrecoverable. The loss on measurement was reported in the result from discontinued operations in the same way as the original disposal result of the operation.

Disposal groups

As part of the portfolio optimisation and margin improvement programme in connection with the "Beyond 2020" strategy, HeidelbergCement concluded a number of agreements during the reporting period, which are described below.

On 30 April 2021, HeidelbergCement signed an agreement to sell its aggregates business and two ready-mixed concrete plants in Greece. In the future, HeidelbergCement will focus on its core business in Greece and will continue cement production through its subsidiary Halyps Cement. The transaction was concluded on 3 January 2022.

HeidelbergCement signed an agreement on 2 August 2021 to sell its aggregates and ready-mixed concrete business in the Spanish region of Catalonia and, on 30 September 2021, an agreement to sell its aggregates and ready-mixed concrete business in the Madrid region and its ready-mixed concrete business on the Balearic Islands to different buyers. The transactions are subject to a number of conditions precedent before the final closing. The sale of the ready-mixed concrete business on the Balearic Islands was completed on 31 January 2022.

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Furthermore, on 10 November 2021, HeidelbergCement signed an agreement on the sale of its activities in southern Spain to Votorantim Cimentos. The sale comprises the integrated cement plant in Málaga, three aggregates sites, and eleven ready-mixed concrete sites in Andalusia. In Spain, the company will now focus on its Northern cluster located in the Basque Country, with its three existing business lines of cement, aggregates, and ready-mixed concrete. Customers in this region are supplied with products from all three business lines. The transaction is subject to a number of conditions precedent. Final closing is expected to take place in the second half of 2022.

In the previous year, the disposal groups included the assets and liabilities of the participations in Kuwait. The sale was completed on 24 January 2021. Further explanations are given in Note 5.2.

The following overview shows the main groups of assets and liabilities of the disposal groups.

Assets and liabilities classified as held for sale

€m	2020	2021
Intangible assets	1.1	0.2
Property, plant and equipment	11.5	103.1
Other non-current assets	0.1	0.8
Inventories	2.9	12.0
Cash and cash equivalents	17.1	0.0
Other current assets	9.8	9.3
Assets classified as held for sale	42.5	125.4
Pension provisions	2.2	0.3
Other non-current provisions	0.4	5.7
Non-current liabilities	7.6	6.5
Current provisions		0.2
Current liabilities	7.0	12.2
Liabilities classified as held for sale	17.1	24.9
Net assets	25.3	100.5

Other components of equity as at 31 December 2021 contain no expenses (previous year: €0.9 million) connected with disposal groups.

7.13 Earnings per share

Earnings per share

€m	2020	2021
Profit/loss for the financial year	-2,009.2	1,901.7
Non-controlling interests	130.0	142.8
Group share of profit/loss	-2,139.2	1,759.0
Number of shares in '000s (weighted average)	198,416	197,308
Earnings/loss per share in €	-10.78	8.91
Net income/loss from continuing operations – attributable to the parent entity	-2,066.9	1,804.5
Earnings/loss per share in € – continuing operations	-10.42	9.15
Net loss from discontinued operations – attributable to the parent entity	-72.3	-45.5
Loss per share in € – discontinued operations	-0.36	-0.23

8 Notes to the statement of cash flows

The consolidated statement of cash flows shows how the Group's cash and cash equivalents changed through inflows and outflows during the reporting year. In accordance with IAS 7 (Statement of Cash Flows), a distinction is made between cash flows from operating, investing, and financing activities. The changes in the relevant balance sheet items cannot be directly derived from the consolidated balance sheet, as they are adjusted for non-cash transactions, such as effects arising from currency translation and changes to the scope of consolidation.

The cash flow is calculated as net income from continuing operations adjusted for income taxes, net interest, depreciation, amortisation, impairment losses, and other eliminations. Cash flows from dividends received from non-consolidated companies, from interest received and paid, and from income taxes paid are also recognised. Changes in working capital and use of provisions are taken into account when determining the cash flow from operating activities.

Cash flows from the acquisition or sale of intangible assets as well as property, plant and equipment and financial assets are recognised in the cash flow from investing activities. If these relate to the acquisition or disposal of subsidiaries or other business units (gain or loss of control), the effects on the statement of cash flows are shown in separate items.

The cash flow from financing activities mainly results from changes in capital and dividend payments as well as proceeds from and repayments of bonds and loans and repayments of lease liabilities. In addition, cash flows from changes in ownership interests in subsidiaries that do not result in a loss of control are classified as financing activities.

The cash flows from foreign Group companies shown in the statement are generally translated into euro using the average annual exchange rates. In contrast, cash and cash equivalents are translated using the exchange rate at year end, as in the consolidated balance sheet. The effects of exchange rate changes on cash and cash equivalents are shown separately.

The significant individual items in the statement of cash flows are explained below.

8.1 Dividends received

Of the cash inflow from dividends received, €271.0 million (previous year: 180.6) relates to joint ventures, €29.0 million (previous year: 40.1) to associates, and €1.8 million (previous year: 2.6) to other participations.

8.2 Interest received/interest paid

The cash inflow from interest received decreased by €27.2 million to €75.0 million (previous year: 102.3). Interest payments amounted to €287.6 million in the financial year (previous year: 367.6). This item includes interest paid for lease liabilities of €32.3 million (previous year: 37.8).

8.3 Income taxes paid

This item includes payments relating to income taxes amounting to €747.3 million (previous year: 340.9).

8.4 Other eliminations

The other eliminations include non-cash expenses and income, such as results from equity accounted investments (REI) (before impairments or reversals of impairments), additions to and reversals of provisions, and impairments and reversals of impairments of working capital. Furthermore, the results from divestments are adjusted because the total amount earned from divestments is shown in the cash flow from investing activities. The following table shows the composition of the other eliminations:

Other Eliminations

€m	2020	2021
Result from equity accounted investments	-287.2	-355.7
Addition / reversal of pension provisions	66.1	50.1
Addition / reversal of other provisions	302.9	231.5
Impairment / reversal of impairments of working capital	48.2	86.5
Result from divestments	-32.6	-631.5
Other non-cash expenses and income	1.4	11.8
	98.7	-607.4

8.5 Changes in operating assets/liabilities

Operating assets consist of inventories, trade receivables, and other assets used in operating activities. Operating liabilities include trade payables and other liabilities from operating activities.

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8.6 Investments (cash outflow)

The payments for investments differ from additions in the fixed asset movement schedule, which shows, for instance, non-cash transactions as additions, such as additions in connection with barter transactions or contributions in kind.

Of the total cash-relevant investments of €1,599.3 million (previous year: 1,067.4), €1,083.5 million (previous year: 833.1) related to investments to maintain and optimise capacity and €515.8 million (previous year: 234.4) to capacity expansions. Investments in intangible assets and property, plant and equipment amounted to €1,419.5 million (previous year: 969.4) and concerned maintenance, optimisation, and environmental protection measures at our production sites, as well as expansion projects in growth markets.

Payments for the acquisition of subsidiaries and other business units less cash and cash equivalents acquired amounted to €144.8 million (previous year: 76.3); this figure was primarily attributable to the acquisition of Corliss Resources, LLC in North America. In the previous year, the payments resulted mainly from the acquisition of the Kynningsrud Group and Cimsud. Further details of the acquisitions are provided in Note 5.1.

The investments in financial assets, associates, and joint ventures totalled €35.0 million (previous year: 21.8).

8.7 Divestments (cash inflow)

The cash inflow from the disposal of subsidiaries and other business units less cash and cash equivalents disposed of amounted to €2,004.9 million (previous year: 1.9) and primarily relates to the sale of our business activities of USA Region West and our subsidiaries in Hong Kong, Kuwait, and Sierra Leone. Proceeds in the previous year mainly related to the sale of our subsidiary in Mauritania. Detailed explanations on the divestments are provided in Note 5.2.

Proceeds from the disposal of intangible assets and property, plant and equipment amounted to €184.1 million in the financial year (previous year: 67.4). The disposal of financial assets, associates, and joint ventures as well as the repayment of loans resulted in payments received of €30.1 million (previous year: 48.9).

8.8 Acquisition of treasury shares

Under the first tranche of the share buyback programme, 5,324,577 shares were acquired for a total of €349.8 million in the financial year.

8.9 Decrease/increase in ownership interests in subsidiaries

This item shows cash flows from the decrease or increase in ownership interests in subsidiaries that do not lead to a loss of control. The proceeds of €2.9 million (previous year: 1.8) from the decrease in ownership interests in subsidiaries relate to the disposal of 2.0 % of the shares in Industrie Sakia El Hamra "Indusaha" S.A., Morocco. In the previous year, the proceeds related to the disposal of 2.5 % of the shares in Suez Cement Company S.A.E., Egypt. The payments made to increase ownership interests in subsidiaries totalled €102.5 million (previous year: 21.8) in the financial year, of which €97.9 million was connected with the 1.9 % increase in our share in PT Indocement Tunggal Prakarsa Tbk., Indonesia, through the acquisition of treasury shares. In the previous year, the payments related to the acquisition of 21.0 % of the shares in Suez Cement Company S.A.E., Egypt, amounting to €15.3 million, and of 18.5 % of the shares in Tourah Portland Cement Company S.A.E., Egypt, amounting to €5.0 million.

8.10 Proceeds from bond issuance and loans

In 2021, new loans amounting to €1.7 million were taken out. No new bonds were issued. In the previous year, this item included the issue of a bond with a nominal volume of €650.0 million.

8.11 Repayment of bonds, loans, and lease liabilities

This item includes the scheduled repayments of financial liabilities. In 2021, two bonds with a nominal volume totalling €1,500.0 million were repaid, as were lease liabilities amounting to €252.7 million (previous year: 270.9). In the previous year, this item included the repayment of four bonds totalling €2,550.0 million.

8.12 Changes in short-term interest-bearing liabilities

This line shows the balance of proceeds from and payments for items with a high turnover rate, large amounts, and short terms from financing activities.

8.13 Changes in liabilities arising from financing activities

The following table shows the changes in liabilities arising from financing activities, broken down into cash-relevant and non-cash changes.

Changes in liabilities arising from financing activities

€m	Bonds payable	Bank loans	Miscellaneous other interest-bearing liabilities	Lease liabilities	Non-controlling interests with put options	Derivative financial instruments (net position)	Total
1 January 2021	7,708.5	842.1	92.5	1,124.7	76.1	-44.6	9,799.4
Cash flow from financing activities	-1,500.0	-113.3	-17.1	-252.7		111.0	-1,772.1
Change in consolidation scope		0.1	9.9	29.2			39.2
Currency translation		7.0	2.5	36.4			45.9
Changes in fair value						-93.5	-93.5
Other changes	-38.6	0.5	3.5	121.5	3.7		90.6
31 December 2021	6,169.9	736.4	91.2	1,059.1	79.9	-27.1	8,109.4
1 January 2020	9,636.7	879.6	111.8	1,285.7	63.7	-2.8	11,974.7
Cash flow from financing activities	-1,900.0	-37.6	-20.8	-270.9		-58.9	-2,288.1
Change in consolidation scope		14.9	10.9	-8.5			17.3
Currency translation		-12.3	-7.4	-39.9			-59.6
Changes in fair value						17.1	17.1
Other changes	-28.2	-2.5	-2.0	158.2	12.5		138.0
31 December 2020	7,708.5	842.1	92.5	1,124.7	76.1	-44.6	9,799.4

The cash-relevant change in liabilities arising from financing activities includes cash flows resulting from the proceeds from and repayments of loans, bonds, and short-term interest-bearing liabilities and repayments of lease liabilities, as well as cash flows from rolling currency derivatives, insofar as they serve to hedge financial liabilities.

The net position of the derivative financial instruments includes currency derivatives with both positive and negative fair values. This results in a positive net carrying amount of €27.1 million (previous year: 44.6) as at 31 December 2021. The total change in interest liabilities is shown in other changes, as interest-related payment flows in the statement of cash flows are allocated to cash flow from operating activities.

8.14 Cash and cash equivalents

Cash and cash equivalents with a remaining term of up to three months are included. The cash equivalents in this item are short-term, highly liquid financial investments that are readily convertible to a known amount of cash and subject to only insignificant changes in value. Of this item, €16.6 million (previous year: 16.0) is not available for use by HeidelbergCement. This relates to short-term cash deposits at banks that were placed as security for various business transactions, for example outstanding recultivation payments and guarantees provided.

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9 Notes to the balance sheet

9.1 Intangible assets

Intangible assets

€m	Goodwill	Other intangible assets	Total
Cost			
1 January 2021	12,607.2	810.5	13,417.7
Currency translation	519.8	15.9	535.6
Change in consolidation scope	75.2	-0.1	75.1
Additions		27.2	27.2
Disposals		-22.5	-22.5
Reclassifications		-198.0	-198.0
Reclassifications to current assets	-875.5	-16.8	-892.2
31 December 2021	12,326.7	616.3	12,943.0
Amortisation			
1 January 2021	4,018.4	449.3	4,467.8
Currency translation	148.4	9.2	157.6
Change in consolidation scope	-1.2	-0.1	-1.3
Additions		45.1	45.1
Impairment		0.1	0.1
Disposals		-18.3	-18.3
Reclassifications		-62.8	-62.8
Reclassifications to current assets	-3.6	-13.1	-16.7
31 December 2021	4,162.0	409.5	4,571.5
Carrying amount at 31 December 2021	**8,164.7**	**206.9**	**8,371.6**
Cost			
1 January 2020	13,173.2	775.5	13,948.7
Currency translation	-600.1	-23.3	-623.4
Change in consolidation scope	34.1	2.9	37.0
Additions		47.7	47.7
Disposals		-13.4	-13.4
Reclassifications		22.4	22.4
Reclassifications to current assets		-1.3	-1.3
31 December 2020	12,607.2	810.5	13,417.7
Amortisation			
1 January 2020	1,390.6	403.0	1,793.6
Currency translation	-65.9	-11.5	-77.4
Change in consolidation scope	-0.1		-0.1
Additions		46.4	46.4
Impairment	2,693.7	23.8	2,717.5
Disposals		-12.6	-12.6
Reclassifications		0.4	0.4
Reclassifications to current assets		-0.1	-0.1
31 December 2020	4,018.4	449.3	4,467.8
Carrying amount at 31 December 2020	**8,588.8**	**361.2**	**8,950.0**

Goodwill

An impairment test on goodwill in accordance with IAS 36 (Impairment of Assets) is generally performed annually within the HeidelbergCement Group, in the fourth quarter once the operational three-year plan has been prepared or if there are indications for impairment.

In this impairment test, the carrying amount of a group of cash-generating units (CGUs) to which goodwill is allocated is compared with the recoverable amount of this group of CGUs.

Cash flow estimates extend over a five-year planning period, after which a terminal value is applied. A three-year detailed bottom-up operational plan approved by the Managing Board and Supervisory Board forms the basis for these estimates. This is generally complemented by a top-down plan for an additional two years, which incorporates medium-term expectations of the management based on estimates of market volume, market shares, as well as cost and price development. As a general rule, the top-down plan is derived by applying growth rates to the detailed three-year operational plan. A detailed plan is created for all CGUs operating in unstable markets. This applies especially to those markets in which demand for building materials and building products, as well as the price level, have decreased substantially due to economic uncertainties. It is generally assumed that demand and prices in these markets will recover.

The sales volumes derived from the demand are generally based on the assumption of constant market shares. The underlying development of the price level varies by CGU.

Variable costs are assumed to evolve in line with the projected development of sales volumes and prices. As a rule, it is expected that the contribution margin as a percentage of revenue will increase slightly. With increasing sales volumes, this leads to a significant improvement in the operating margin in some cases. Furthermore, it was assumed that the savings achieved through the efficiency improvement measures, particularly business excellence initiatives and digital transformation, as well as the initiatives to increase prices, would have a positive influence on the CGUs' operating margins. The projections for the estimated growth rates of the terminal value are based on country-specific long-term inflation rates.

The WACC rates for the Group were calculated using a two-phase approach, whereby a phase-one WACC rate was used to discount the payment surpluses for the first five years and a phase-two WACC discount rate was applied for the determination of the terminal value. The difference between the two WACC rates merely results from the downward adjustment for the perpetual growth rate as well as a long-term inflation differential adjustment in phase two. The credit spread as premium to the risk-free rate was derived from the rating of the homogenous peer group. The peer group is subjected to an annual review and adjusted if necessary.

The following key assumptions were applied in the determination of the recoverable amount based on the value in use for the CGU.

Assumptions made in the calculation of impairment of goodwill

Group area / CGU[1]	Carrying amount of goodwill in €m		Weighted average cost of capital before taxes[2] in %		Weighted average cost of capital after taxes[2] in %		Perpetual growth rate in %	
	31 Dec. 2020	31 Dec. 2021	31 Dec. 2020	31 Dec. 2021	31 Dec. 2020	31 Dec. 2021	31 Dec. 2020	31 Dec. 2021
Western and Southern Europe	915.2	918.6	7.3 - 9.4	7.9 - 10.2	5.8 - 7.3	6.2 - 8.0	1.4 - 2.0	1.3 - 2.0
Benelux	222.3	222.3	7.6	8.3	6.2	6.8	1.7	1.9
Germany	366.6	370.7	7.3	7.9	5.8	6.2	2.0	2.0
Italy	1.1	2.7	9.4	10.2	7.3	8.0	1.4	1.4
United Kingdom	134.3	131.9	7.9	8.6	6.8	7.4	2.0	2.0
Northern and Eastern Europe-Central Asia	775.8	781.8	7.2 - 10.4	7.6 - 10.9	6.1 - 9.2	6.5 - 9.7	1.8 - 2.5	1.9 - 2.5
Czechia	135.9	141.1	8.2	8.6	7.2	7.4	2.0	2.0
Poland	148.4	148.1	8.5	9.5	7.4	8.3	2.4	2.5
North America	5,072.0	4,598.6	8.4	9.4	6.9	7.7	2.1	2.2
Asia-Pacific	1,398.1	1,421.4	5.8 - 15.0	6.8 - 15.7	5.8 - 12.8	6.7 - 13.2	0.3 - 5.5	1.0 - 5.4
Australia	1,051.3	1,066.7	8.6	9.7	6.8	7.7	2.4	2.4
India	208.1	221.6	12.2	13.2	9.6	10.3	4.0	4.0
Africa-Eastern Mediterranean Basin	427.8	444.2	7.1 - 26.9	8.4 - 23.1	5.8 - 22.3	7.0 - 17.8	0.8 - 8.4	1.6 - 6.0
Israel	69.2	76.9	7.1	8.4	5.8	7.0	0.8	1.6
Morocco	281.0	291.2	10.6	11.3	7.9	8.4	2.0	2.0
Total	8,588.8	8,164.7						

1) CGU = Cash-generating unit

2) Stated figure is the phase one WACC, before adjustment for growth. The second phase WACC, used to calculate the terminal value, is equal to the phase one WACC after adjustment for growth and long-term inflation differential.

In the 2021 financial year, the goodwill impairment test did not lead to any impairment.

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For the CGUs Italy and Benelux, marginal changes in the sustainable growth rate or in the operational plan as the basis for cash flow estimates or the weighted average cost of capital could cause the carrying amount to exceed the recoverable amount. Management does not rule out such a development. With a reduction of the growth rate by around 0.2 percentage points for the CGU Italy and around 1.8 percentage points for the CGU Benelux, the recoverable amount corresponds to the respective carrying amount. With a decline in the planned results (EBIT) for each year of planning as well as in the terminal value of around 2.6 % for the CGU Italy, the recoverable amount and carrying amount are equal. With an increase in the weighted average cost of capital of around 0.2 percentage points for the CGU Italy, the recoverable amount corresponds to the respective carrying amount.

Without the aforementioned changes, the recoverable amount exceeds the carrying amount of the CGU Italy by €16.3 million and of the CGU Benelux by €221.6 million as at the reporting date.

With a reduction of 2.0 percentage points in the growth rate, a WACC increase of 1.0 percentage points, or a decline of 19.8 % in the planned result (EBIT) for each year of planning as well as in the terminal value, the recoverable amount for all other CGU continues to lie above the carrying amount.

In the previous year, the impairment test led to impairments of goodwill to the amount of €2,693.7 million. This impairment loss related to the CGUs United Kingdom (€1,420.5 million), France (€488.0 million), Benelux (€404.9 million), Malaysia (€139.8 million), Italy (€90.8 million), Kazakhstan (€48.0 million), Group Services (€30.9 million), Denmark (€24.2 million), Bulgaria (€13.2 million), Baltic States (€12.8 million), Togo (€10.0 million), Mozambique (€7.3 million), Liberia (€2.4 million), and Slovakia (€0.9 million), where the carrying amount exceeded the recoverable amount in accordance with the value-in-use method. The impairment of the CGUs Benelux, France, United Kingdom, Kazakhstan, Group Services, and Slovakia mainly resulted from a significantly weaker development of results as well as an increased cost of capital due to the adjustment of the market risk premium and the rise in the country risk premiums. The impairment of the CGU Malaysia, CGU Baltic States, and CGU Denmark resulted from a significantly poorer development of results. The impairment of the CGUs Bulgaria, Italy, Liberia, Mozambique, and Togo primarily resulted from an increase in the cost of capital, particularly of the market risk premium, in addition to the rise in the country risk premium.

Other intangible assets

Other intangible assets mainly include concessions and software. Spending on research and development of €122.8 million (previous year: 119.0) was recorded as an expense as it did not fulfil the recognition criteria for intangible assets.

In order to standardise the recognition of mineral reserves, a reclassification of €141.9 million was made from other intangible assets to land and buildings in property, plant and equipment in the reporting year.

9.2 Property, plant and equipment

Property, plant and equipment

€m	Land and buildings	Plant and machinery	Other operating equipment	Prepayments and assets under construction	Total
Cost					
1 January 2021	10,458.1	13,532.9	2,020.7	850.0	26,861.7
Currency translation	392.4	491.0	59.3	49.6	992.2
Change in consolidation scope	262.0	39.2	7.6	2.3	311.0
Additions	134.3	91.9	150.3	1,228.0	1,604.5
Disposals	-105.6	-224.1	-103.6	-1.6	-434.9
Reclassifications	384.3	432.5	79.6	-698.5	198.0
Reclassifications to current assets	-472.8	-689.4	-59.7	-27.6	-1,249.6
31 December 2021	11,052.6	13,674.0	2,154.2	1,402.2	28,283.0
Depreciation					
1 January 2021	3,957.3	8,916.5	1,159.8	14.9	14,048.5
Currency translation	129.2	324.3	39.6	0.5	493.6
Change in consolidation scope	-0.8	-3.5	-0.5		-4.8
Additions	325.1	657.2	233.2		1,215.4
Impairment	35.0	28.3	1.0	8.7	73.0
Reversal of impairment	-73.7	-111.7	-13.2	-2.7	-201.3
Disposals	-52.5	-192.7	-91.9		-337.1
Reclassifications	67.3	6.3	-8.9	-1.8	62.8
Reclassifications to current assets	-201.2	-462.4	-34.5		-698.1
31 December 2021	4,185.7	9,162.4	1,284.5	19.6	14,652.2
Carrying amount at 31 December 2021	**6,866.8**	**4,511.6**	**869.7**	**1,382.7**	**13,630.8**
Cost					
1 January 2020	10,600.3	13,711.4	1,967.1	1,136.1	27,414.9
Currency translation	-502.5	-685.0	-84.8	-53.0	-1,325.3
Change in consolidation scope	27.6	29.5	-11.8	1.2	46.6
Additions	138.0	86.6	171.5	733.2	1,129.3
Disposals	-81.5	-191.2	-84.1	-0.1	-356.9
Reclassifications	277.7	585.6	81.6	-967.3	-22.4
Reclassifications to current assets	-1.5	-4.1	-18.9		-24.4
31 December 2020	10,458.1	13,532.9	2,020.7	850.0	26,861.7
Depreciation					
1 January 2020	3,463.1	8,414.6	1,008.0		12,885.8
Currency translation	-151.2	-411.7	-50.7		-613.6
Change in consolidation scope	-2.1	4.6	-2.9		-0.4
Additions	332.4	711.1	254.0		1,297.4
Impairment	361.7	377.7	24.9	14.9	779.2
Reversal of impairment	-1.6				-1.7
Disposals	-45.7	-174.5	-65.4		-285.5
Reclassifications	2.0	-3.0	0.6		-0.4
Reclassifications to current assets	-1.2	-2.3	-8.8		-12.2
31 December 2020	3,957.3	8,916.5	1,159.8	14.9	14,048.5
Carrying amount at 31 December 2020	**6,500.7**	**4,616.3**	**860.9**	**835.2**	**12,813.1**

Exploitation land and mineral reserves are also recorded in land and buildings. In order to standardise the recognition of mineral reserves, €141.9 million was reclassified from other intangible assets to property, plant and equipment in the reporting year.

In the 2021 financial year, government grants totalling €90.4 million were deducted directly from the acquisition costs. The grants relate in particular to the construction of an industrial-scale carbon capture and storage (CCS) facility at our cement plant in Brevik, Norway. The conditions attached to these grants have been met in full and there are no other uncertainties.

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The carrying amount of property, plant and equipment pledged as security amounts to €32.6 million (previous year: 36.1). Borrowing costs of €3.0 million (previous year: 1.5) were recognised. The average capitalisation rate applied was 2 % (previous year: 2 %). In the reporting year, impairment losses of €73.0 million were recognised; these are shown in the additional ordinary result.

Right-of-use assets

The right-of-use assets reported under property, plant and equipment result from leases accounted for in accordance with IFRS 16. The following table shows the development of the right-of-use assets.

Right-of-use assets

€m	Land and buildings	Plant and machinery	Other operating equipment	Total
Cost				
1 January 2021	709.0	180.5	743.2	1,632.8
Currency translation	31.8	3.8	20.7	56.4
Change in consolidation scope	22.0	12.6		34.5
Additions	85.8	3.1	104.2	193.1
Disposals	-20.6	-22.2	-43.2	-86.0
Reclassifications		0.7	-1.2	-0.4
Reclassifications to current assets	-34.0	-3.9	-20.0	-57.8
31 December 2021	794.0	174.7	803.8	1,772.5
Depreciation				
1 January 2021	180.3	101.1	304.5	585.9
Currency translation	9.7	3.0	11.5	24.2
Change in consolidation scope	-0.6			-0.6
Additions	79.7	29.2	134.4	243.3
Impairment	3.8		0.3	4.0
Reversal of impairment	-11.2		-1.7	-12.8
Disposals	-8.3	-9.0	-35.5	-52.7
Reclassifications		-0.3		-0.3
Reclassifications to current assets	-13.4	-1.8	-9.2	-24.4
31 December 2021	240.0	122.2	404.3	766.5
Carrying amount at 31 December 2021	**554.0**	**52.5**	**399.5**	**1,005.9**
Cost				
1 January 2020	681.0	183.1	693.3	1,557.3
Currency translation	-26.1	-2.5	-23.0	-51.6
Change in consolidation scope	5.5		-13.9	-8.4
Additions	70.3	3.3	119.2	192.8
Disposals	-21.7	-0.9	-29.2	-51.8
Reclassifications		-2.5	2.4	-0.1
Reclassifications to current assets			-5.5	-5.5
31 December 2020	709.0	180.5	743.2	1,632.8
Depreciation				
1 January 2020	81.5	47.8	166.4	295.7
Currency translation	-4.5	-0.9	-8.4	-13.9
Change in consolidation scope			-3.3	-3.2
Additions	82.9	39.0	157.3	279.2
Impairment	28.8	15.5	7.3	51.7
Disposals	-8.4	-0.3	-13.3	-22.0
Reclassifications to current assets			-1.6	-1.6
31 December 2020	180.3	101.1	304.5	585.9
Carrying amount at 31 December 2020	**528.7**	**79.4**	**438.7**	**1,046.8**

Information on lease liabilities is provided in Note 8.13 and Note 9.15 as well as on ↗ page 193 and ↗ page 195.

The following table contains all the cash outflows for leases.

Cash outflow for leases

€m	2020	2021
Principal payments for lease liabilities	270.9	252.7
Interest payments for lease liabilities	37.8	32.3
Short-term leases	108.4	106.8
Leases of low-value assets	4.9	7.1
Variable lease payments, that were not recognised in the lease liability	91.4	88.9
	513.4	487.9

Impairment of other intangible assets and property, plant and equipment

The impairments in the 2021 financial year are shown in the following table.

Impairment of other intangible assets and property, plant and equipment

€m	Other intangible assets	Land and buildings	Plant and machinery	Other operating equipment	Prepayments and assets under construction	Total
Western and Southern Europe	-0.1	-30.4	-19.9	-0.9	-8.6	-59.9
United Kingdom	-0.1	-24.7	-15.5	-0.4	-8.4	-49.0
Other		-5.7	-4.4	-0.5	-0.2	-10.9
Northern and Eastern Europe – Central Asia			-1.6			-1.6
Africa-Eastern Mediterranean Basin		-4.2	-6.8	-0.1	-0.1	-11.1
Egypt		-4.2	-6.8	-0.1	-0.1	-11.1
Asia-Pacific		-0.4	-0.1	0.0		-0.5
Total	-0.1	-35.0	-28.3	-1.0	-8.7	-73.1

Impairment losses are shown in the additional ordinary expenses. The main impairments relate to the CGUs in the United Kingdom and Egypt.

In the case of the United Kingdom, the impairment of assets was tested on the basis of local cash-generating units (CGUs) or management areas. Impairment losses mainly related to individual CGUs within Hanson Quarry Products Europe, Cementitious, and Closed Sites. In total, assets of the CGUs with impairment losses within Hanson Quarry Products Europe were impaired by €31.4 million, with a carrying amount of €94.5 million and a value in use or fair value less costs to sell totalling €62.4 million. Assets of the CGUs within Cementitious were impaired by €12.1 million, with a carrying amount of €18.9 million and a value in use or fair value less costs to sell of €6.5 million. Assets within the CGU Closed Sites were impaired by €5.2 million, with a carrying amount of €11.6 million and a value in use or fair value less costs to sell of €6.3 million. The reasons for the impairments are increased costs for energy, materials, and CO_2 allowances. A cost of capital of 8.6 % was used.

In the case of Egypt, the impairment, due to the closure of a plant with a carrying amount of €32.3 million, was made to the fair value less costs to sell of €20.7 million on the basis of an external expert opinion.

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Reversals of impairments on property, plant and equipment
The reversals of impairments in the 2021 financial year are shown in the following table.

Reversals of impairments on property, plant and equipment

€m	Land and buildings	Plant and machinery	Other operating equipment	Prepayments and assets under construction	Total
Western and Southern Europe	32.2	27.8	2.5	2.7	65.3
United Kingdom	21.3	21.4	2.1	2.7	47.6
Spain	10.5	6.4	0.4		17.3
Other	0.4				0.4
North America	41.5	83.8	10.6		135.9
Total	73.7	111.7	13.2	2.7	201.3

Reversals of impairment losses are shown in the additional ordinary income. The main reversals of impairment losses relate to the CGUs in North America, the United Kingdom, and Spain.

In North America, reversals of impairment losses were mainly applied to the assets of the West Region Cement management unit. The assets are part of the USA Region West disposal group, which was classified as held for sale on 23 May 2021 and sold on 1 October 2021.

Reversals of impairment losses on assets within Hanson Quarry Products Europe totalling €47.6 million were recognised in the United Kingdom to a carrying amount of €165.9 million as a result of expected increases in sales volumes and prices in individual CGUs. The recoverable amount is €184.2 million. A cost of capital of 8.6 % was used.

In Spain, reversals of impairment losses were made on assets in southern Spain to the fair value less costs to sell. The assets were classified as held for sale on 10 November 2021.

Impairment of other intangible assets and property, plant and equipment in the previous year
In the 2020 financial year, owing to the coronavirus pandemic and restructuring measures, HeidelbergCement conducted an impairment review of intangible assets and property, plant and equipment.

The impairments resulting from the review are shown in the table below.

Impairment of other intangible assets and property, plant and equipment

€m	*Other intangible assets*	*Land and buildings*	*Plant and machinery*	*Other operating equipment*	*Prepayments and assets under construction*	*Total*
Western and Southern Europe	6.1	174.3	180.0	7.3	3.3	370.9
United Kingdom		102.6	93.8	5.7		202.1
Italy	5.0	2.5	66.0	0.4		73.9
France		49.0	4.6		3.3	56.9
Spain	0.9	15.9	9.4	1.0		27.2
Other	0.3	4.3	6.2	0.2		11.0
Northern and Eastern Europe – Central Asia		6.1	10.8	0.7		17.6
North America	0.6	158.3	162.4	15.9	1.8	338.9
Africa-Eastern Mediterranean Basin			0.5		0.3	0.7
Asia-Pacific	17.1	23.1	24.1	1.0	9.6	74.8
Australia	17.1	21.0	17.9	0.9	5.2	62.0
Other	0.0	2.0	6.2	0.1	4.4	12.8
Total	23.8	361.7	377.7	24.9	14.9	803.0

The main impairments related to the CGUs in North America, the United Kingdom, Italy, Australia, France, and Spain.

In the case of North America, the impairment of assets was tested on the basis of management units in the regions and individual assets were impaired. The impairment in the West Region Cement management unit is equal to the total carrying amount of €165.8 million with a fair value of €0.0 million, largely as a result of the negative economic outlook related to the consequences of the coronavirus pandemic. The impairment of the Canada Region Prairies management unit amounts to a total of €113.0 million with a value in use or fair value of €101.6 million and a carrying amount of €207.2 million, caused by the negative outlook of the oil and gas industry in Canada, the investment climate, and the trade conflict with China. The impairment of individual assets amounts to €48.5 million. A cost of capital of 6.6 % was used.

In the case of the United Kingdom, the impairment of assets was tested on the basis of local cash-generating units (CGUs). Assets within the CGU Closed Sites were impaired by €26.9 million, with a carrying amount of €33.0 million and a value in use of €6.3 million. Assets within the CGU Hanson Quarry Products Europe were impaired by €121.1 million, with a carrying amount of €199.8 million and a value in use or fair value less costs to sell totalling €79.3 million. Assets within the CGU Cementitious were impaired by €53.9 million, with a carrying amount of €70.8 million and a value in use or fair value less costs to sell of €17.1 million. Assets within the CGU Marine were impaired by €0.2 million, with a carrying amount of €0.2 million and a fair value less costs to sell of €0.0 million. The main reasons for the impairment were the negative outlook due to the impact of the coronavirus pandemic and the rise in the cost of capital to 6.9 %.

In the case of Italy, the impairment of assets was tested on the basis of local cash-generating units (CGUs) and individual assets were impaired. The impairment in the CGU North amounts to a total of €29.9 million with a fair value of €521.8 million and a carrying amount of €551.7 million. Assets within the CGU South were impaired by €23.8 million, with a carrying amount of €139.9 million and a fair value of €116.1 million. An impairment of €9.6 million was applied to the remaining CGUs Centre, Sicily, and Sardinia. The reasons for the impairment were the reduced demand for cement due to the coronavirus pandemic and the rise in the cost of capital to 8.7 %. The impairment of other assets in the amount of €10.8 million was mainly due to the planned closure of locations.

In the case of Australia, the impairment of assets was tested on the basis of local cash-generating units (CGUs) within the various business lines. CGUs within the aggregates business line were impaired by €45.7 million, with a carrying amount of €65.6 million and a value in use or fair value less costs to sell totalling €18.0 million. The impairment of the CGUs in the ready-mixed concrete business line amounts to a total of €12.3 million, with a value in use or fair value less costs to sell totalling €3.5 million and a carrying amount of €16.3 million. The impairment in the CGU Suncoast in the asphalt business line is equal to the total carrying amount of €4.2 million with a fair value less costs to sell of €0.0 million. The main reasons for the impairment were the economic downturn and negative outlook due to the impact of the coronavirus pandemic. A cost of capital of 8.0 % was used.

In the case of France, the impairment of assets was tested on the basis of business lines and individual assets were impaired. Assets within the aggregates business line were impaired by €44.2 million, with a carrying amount totalling €154.3 million, as a result of new findings relating to mineral reserves and resources. For the same reason, assets within the cement business line were also impaired by €4.5 million, with a carrying amount of €163.0 million. The impairment of other assets in the amount of €8.2 million was mainly due to the planned conversion of plants.

In the case of Spain, the impairment of assets was tested on the basis of legal units within the various business lines. Assets within the aggregates business line were impaired by €13.9 million, with a carrying amount totalling €41.3 million. The impairment of assets in the cement business line amounts to a total of €12.3 million, with a carrying amount of €75.4 million. The reason for the impairment was the negative economic outlook due to the impact of the coronavirus pandemic. A cost of capital of 9.0 % was used. In addition, other assets of €1.2 million were impaired.

9.3 Financial investments

This item includes investments in equity instruments. Firstly, participations in subsidiaries, joint ventures, and associates of minor importance totalling €49.2 million (previous year: 44.6) are shown. These participations are still measured at cost as they are not in the scope of IFRS 9. Secondly, this item contains financial investments at fair value through profit or loss. These primarily include participations of €84.6 million (previous year: 21.4), on which HeidelbergCement has no significant influence.

Additional information on the financial investments is provided in Note 10.1.

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9.4 Other non-current receivables and assets

The following table shows the composition of the other non-current receivables and assets.

Other non-current receivables and assets

€m	2020	2021
Other non-current operating receivables	61.9	79.1
Non-current contract assets	0.9	1.0
Other non-current non-financial assets	836.1	1,071.1
	898.9	1,151.2

Other non-current non-financial assets include overfunding of pension plans amounting to €948.7 million (previous year: 705.2), claims for reimbursement against insurance companies for environmental and third-party liability damages totalling €57.2 million (previous year: 64.3), and prepaid expenses.

An explanation of the credit risks is provided in Note 10.3.

9.5 Inventories

In the reporting year, impairments of inventories of €92.1 million (previous year: 38.4) and reversals of impairment losses of €14.9 million (previous year: 12.1) were recognised.

9.6 Receivables and other assets

The following overview shows the composition of the current operating receivables and assets.

Current operating receivables and assets

€m	2020	2021
Current trade receivables and other operating receivables – amortised cost	1,502.1	1,564.9
Current trade receivables and other operating receivables – fair value through profit or loss	300.0	387.7
Current contract assets	39.2	38.4
Current non-financial other assets	318.9	380.7
	2,160.2	2,371.7

HeidelbergCement is party to several factoring agreements for the revolving sale of trade receivables. There are no repurchase obligations for these receivables. The receivables of €720.4 million (previous year: 888.0) sold as at the reporting date were fully derecognised. The maximum exposure to loss from the continuing involvement amounts to €57.3 million (previous year: 69.0) and results from the partial coverage of credit and late payment risks, whereby the inherent risk from the continuing involvement is monitored as part of regular receivables management. The maximum exposure to loss substantially contains the carrying amount for the reserve account covering credit losses of pre-financed trade receivables as well as guarantees granted for this. The reserve account with a carrying amount of €22.9 million (previous year: 27.2) is reported in the cash and cash equivalents. Guarantees were granted in the amount of €32.3 million (previous year: 39.2). The management assumes that no significant risks or rewards remain because, as in the past, utilisation of the reserve accounts for the maximum exposure to loss is not anticipated. The fair value of the continuing involvement corresponds to the carrying amount. To ensure legal validity, trade receivables of €30.9 million (previous year: 57.8) were pledged as security. In connection with factoring transactions, the balance sheet items interest-bearing receivables with a gross carrying amount of €372.7 million (previous year: 353.8) and other current operating liabilities with a gross carrying amount of €1,838.2 million (previous year: 1,795.8) were netted; the netting amount totalled €296.3 million (previous year: 267.9). This results in a net carrying amount of €76.4 million (previous year: 85.9) and €1,541.9 million (previous year: 1,527.9) respectively.

Non-financial other assets essentially include non-income tax receivables and prepaid expenses. This item also shows claims for damages as well as claims for reimbursement against insurance companies for environmental and third-party liability damages amounting to €19.7 million (previous year: 16.5).

An explanation of the credit risks is provided in Note 10.3.

9.7 Derivative financial instruments

The non-current derivative financial instruments primarily relate to cross-currency interest rate swaps of €6.3 million (previous year: 13.9), interest rate swaps of €0.0 million (previous year: 24.3), and commodity derivatives of €10.3 million (previous year: 1.1). The current derivatives with positive fair values primarily include foreign exchange swaps of €51.8 million (previous year: 93.4), cross-currency interest rate swaps of €4.4 million (previous year: 6.1), interest rate swaps of €9.6 million (previous year: 9.4), and commodity derivatives of €28.4 million (previous year: 4.8). Additional information on the derivative financial instruments is provided in Note 10.2.

9.8 Subscribed share capital

As at the reporting date of 31 December 2021, the subscribed share capital amounts to €595,249,431, unchanged from the previous year. It is divided into 198,416,477 shares; the shares are no-par value bearer shares. The pro rata amount of each share is €3.00, which corresponds to a proportionate amount of the subscribed share capital.

Authorised Capital
The Annual General Meeting held on 4 June 2020 authorised the Managing Board, with the consent of the Supervisory Board, to increase the company's subscribed share capital by a total amount of up to €178,500,000 by issuing new no-par value bearer shares in total in return for cash contributions and/or contributions in kind on one or more occasions in partial amounts until 3 June 2025 (Authorised Capital 2020). The shareholders must be granted subscription rights. However, the Managing Board is authorised by the Articles of Association, in certain cases described in more detail in the authorisation, to exclude the subscription rights of shareholders – i.e. in the event of a capital increase for cash in order to realise residual amounts, to service option or conversion rights, or to issue shares totalling up to 10 % of the share capital at a near-market price; or in the event of a capital increase in return for contributions in kind for the purpose of acquiring companies or within the scope of implementing a dividend in kind/dividend option. As at 31 December 2021, the authorisation to issue new shares in return for cash contributions and/or contributions in kind forming the basis of the Authorised Capital 2020 had not been used.

Conditional share capital
In addition, the conditional share capital described below existed as at 31 December 2021: The Annual General Meeting of 9 May 2018 decided to conditionally increase the subscribed share capital by a further amount of up to €118,800,000, divided into up to 39,600,000 new no-par value bearer shares (Conditional Share Capital 2018). The conditional capital increase serves to back the issuance of option or conversion rights, or option or conversion obligations on HeidelbergCement shares. The conditional capital increase is only carried out insofar as the Managing Board issues warrant or convertible bonds under the authorisation until 8 May 2023 and the bearers of option or conversion rights make use of their rights. Warrant or convertible bonds may also be issued with option or conversion obligations. The shareholders generally have a subscription right to newly issued warrant or convertible bonds. The authorisation governs specific cases in which the Managing Board may exclude the subscription right of shareholders to warrant or convertible bonds. As at 31 December 2021, the authorisation to issue warrant or convertible bonds forming the basis of the Conditional Share Capital 2018 had not been used.

A corresponding volume limit as well as the deduction clauses ensure that the sum of all exclusions of subscription rights in the Authorised Capital 2020 and the Conditional Share Capital 2018 will not exceed a limit of 10 % of the share capital existing at the time the authorisation to exclude the subscription right comes into force.

Authorisation to acquire treasury shares
Furthermore, the authorisation to acquire treasury shares described below existed as at 31 December 2021. On 6 May 2021, the Annual General Meeting authorised the company to acquire treasury shares up to 5 May 2026 once or several times, in whole or partial amounts, up to a total of 10 % of the share capital at the time of the Annual General Meeting's resolution for any permissible purpose within the scope of the legal restrictions. The authorisation may not be used for the purpose of trading in treasury shares. At no time may more than 10 % of the respective share capital be attributable to the acquired treasury shares combined with other shares which the company has already acquired and still possesses. The shares may be acquired via the stock exchange or by way of a public purchase offer or by means of a public call for the submission of offers to sell or by issuing rights to sell shares to the shareholders. The treasury shares acquired on the basis of the authorisation will be used by selling them via the stock exchange or in another suitable manner while ensuring the equal treatment of the shareholders, or for any other purposes permitted by law. The Managing Board is authorised to cancel the acquired treasury shares without further resolution of the Annual General Meeting. The cancellation may also be effected without a capital decrease by adjusting the proportional amount of the remaining no-par value shares in the company's subscribed share capital. In both cases, the Managing Board is authorised to adjust the number of no-par value shares in the Articles of Association. Shareholders' subscription rights can be excluded in certain cases.

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On 28 July 2021, HeidelbergCement announced that it would make use of this authorisation to launch a share buyback programme in August 2021 with a total volume of up to €1 billion (excluding incidental acquisition costs) and a maturity date of 30 September 2023. The share buyback will be carried out in various tranches via the stock exchange. The aim of the share buyback programme is to strengthen shareholder return. HeidelbergCement started the share buyback on 10 August 2021 with a first tranche in a planned volume of €300 to €350 million. A total of 5,324,577 shares were acquired by the completion of the first tranche on 2 December 2021. This corresponds to a nominal amount of €15,973,731 or 2.68 % of the company's subscribed share capital. The average purchase price per share paid on the stock exchange was €65.68. The total price (including incidental acquisition costs) of the repurchased shares amounted to around €349.8 million. The share buyback was effected in the above-mentioned period on 83 trading days by a bank commissioned by HeidelbergCement exclusively via the Xetra trading of the Frankfurt Stock Exchange.

The number of treasury shares as at 31 December 2021 is shown in the following overview:

Treasury shares

Number	[illegible] Shares
1 January 2021	
Share buyback	5,324,577
31 December 2021	5,324,577

As at 31 December 2021, the company holds 5,324,577 treasury shares, corresponding to a nominal amount of €15,973,731 or 2.68 % of the company's subscribed share capital.

On 13 January 2022, the Managing Board resolved to cancel all treasury shares with a reduction of the subscribed share capital. Further details are provided in Note 11.8.

9.9 Share premium

The share premium of €6,225.4 million is unchanged from the previous year. It was essentially created from the premium from capital increases.

9.10 Retained earnings

The following table shows the change in ownership interests in subsidiaries that do not lead to a change in control.

Change in ownership interests in subsidiaries

€m	Change in share	Change in revenue reserves	Change in non-controlling interests	Change in [illegible] equity
PT Indocement Tunggal Prakarsa, Indonesia	1.9 %	-25.4	-72.4	-97.8
Tourah Portland Cement Company S.A.E., Egypt	4.2 %	-4.6	1.8	-2.8
Other		0.8	0.2	0.9
Total		-29.2	-70.4	-99.7

In the financial year, dividends of €436.5 million (previous year: 119.1), i.e. €2.20 per share (previous year: €0.60 per share), were paid to shareholders of HeidelbergCement AG.

The Managing Board and Supervisory Board propose the payment of a dividend of €2.40 on each of the participating 193,091,900 no-par value shares for the 2021 financial year. As at the reporting date of 31 December 2021, the number of no-par value shares entitled to dividends is calculated from 198,416,477 shares issued less the 5,324,577 treasury shares acquired in the 2021 financial year. The number of no-par value shares entitled to dividends may be reduced by the date of the resolution on the use of the balance sheet profit as a result of the share buyback programme continued on 7 March 2022. In this case, if the distribution of €2.40 per participating share remains unchanged, an appropriately adjusted resolution proposal for the use of profit will be submitted to the Annual General Meeting.

9.11 Other components of equity

The change of €1,017.0 million in the currency translation reserve is essentially attributable to the appreciation in the value of the US dollar by €571.2 million, the British pound by €170.9 million, the Canadian dollar by €57.1 million, and the Indonesian rupiah by €53.9 million against the euro.

9.12 Non-controlling interests

Subsidiaries with material non-controlling interests

PT Indocement Tunggal Prakarsa Tbk. ("Indocement"), Jakarta, Indonesia, is the material subsidiary with non-controlling interests in the HeidelbergCement Group. Indocement is a leading Indonesian manufacturer of high-quality cement and special cement products that are sold under the brand name Tiga Roda. Indocement has several subsidiaries that produce ready-mixed concrete, aggregates, and trass. Non-controlling interests hold 47.1% (previous year: 49.0%) of the capital or voting rights in the Indocement Group, which is included in the Asia-Pacific Group area. The Indocement share is listed on the stock exchange in Jakarta, Indonesia.

Non-controlling interests in the equity of Indocement amount to €568.8 million (previous year: 599.1). The share of non-controlling interests in profit for the financial year totals €49.3 million (previous year: 52.8). In the 2021 financial year, Indocement paid dividends of €52.5 million (previous year: 78.8) to non-controlling interests.

The following tables summarise the key financial information of the Indocement Group excluding goodwill allocated to the CGU.

Statement of comprehensive income	Indocement Group	
€m	2020	2021
Revenue	849.6	870.2
Depreciation and amortisation	-85.1	-79.9
Result from current operations	126.8	119.7
Additional ordinary result	-13.7	-0.8
Earnings before interest and taxes (EBIT)	113.1	118.8
Interest income	23.1	12.6
Interest expenses	-2.9	-1.6
Other financial income and expenses	-2.9	-1.5
Profit before tax	130.3	128.3
Income taxes	-22.6	-27.6
Profit for the financial year	107.8	100.7
Other comprehensive income	-118.2	107.0
Total comprehensive income	-10.5	207.7

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Assets and liabilities	Indocement Group	
€m	2020	2021
Intangible assets	1.0	1.0
Property, plant and equipment	906.7	939.9
Financial fixed assets	5.6	8.3
Other non-current assets	9.3	10.6
Non-current assets	922.6	959.9
Cash and cash equivalents	447.6	378.5
Other current assets	256.6	307.2
Current assets	704.2	685.7
Total assets	1,626.8	1,645.6
Non-current interest-bearing liabilities	14.3	7.0
Non-current provisions	36.0	36.0
Other non-current liabilities	11.6	17.2
Non-current liabilities	61.9	60.3
Current interest-bearing liabilities	16.1	10.5
Current provisions	4.6	2.6
Trade payables	132.3	172.8
Other current liabilities	95.5	101.9
Current liabilities	248.5	287.9
Total liabilities	310.4	348.2

9.13 Pension provisions

Defined contribution plans

The sum of all pension expenses in connection with defined contribution plans amounted to €115.2 million (previous year: 112.7). In the 2021 financial year, the contributions to the social security programmes came to €70.0 million (previous year: 71.0).

Actuarial assumptions

The significant actuarial assumptions on which the calculations of the defined benefit obligation are based are summarised in the following table (weighted presentation).

Actuarial assumptions	Discount rate		Pension increase rate		Mortality table
	2020	2021	2020	2021	
Group	1.55 %	2.11 %	2.56 %	2.82 %	-
North America	2.18 %	2.63 %	-	-	USA: PRI-2012; Canada: CPM 2014
United Kingdom	1.30 %	2.00 %	2.72 %	3.01 %	Different tables based on "S3" series
Germany	1.00 %	1.30 %	1.50 %	1.75 %	Heubeck 2018 G

The mortality tables in the United Kingdom, the USA, and Canada have been modified to consider future improvements in life expectancy and in many cases are additionally adjusted based on company-specific experience. With regard to the overfunded pension plans in the United Kingdom for which an asset ceiling has not been applied, HeidelbergCement has the unconditional entitlement to the pension plan surplus if the plan is wound up.

Development of defined benefit plans

In the 2021 financial year, defined benefit obligations amounting to €4,287.5 million (previous year: 4,417.3) existed in the Group, which were essentially covered by plan assets. In addition, there were direct agreements of €911.2 million (previous year: 957.6). Of this figure, €243.5 million (previous year: 246.7) related to obligations for health care benefits.

The following table shows the financing status of these plans and their presentation in the balance sheet.

Development of defined benefit plans	Defined benefit obligation (DBO) (a)		Fair value of plan assets (b)		Effects of asset ceiling (c))		Net defined benefit liability (a - b + c)	
€m	2020	2021	2020	2021	2020	2021	2020	2021
Balance at 1 January	5,316.6	5,374.9	4,922.2	4,990.8	27.0	30.3	421.4	414.4
Current service cost	36.5	36.5					36.5	36.5
Past service cost	1.7	-2.8					1.7	-2.8
Plan settlements		0.7						0.7
Interest cost	111.2	82.9			0.5	0.4	111.7	83.3
Interest income			101.1	74.9			-101.1	-74.9
Administrative expenses paid by the plan			-7.6	-4.6			7.6	4.6
Defined benefit costs recognised in profit and loss	149.4	117.3	93.5	70.3	0.5	0.4	56.4	47.4
Remeasurements recognised in other comprehensive income	525.2	-248.3	421.0	21.7	4.3	-10.4	108.5	-280.4
Employer contributions			120.5	38.3			-120.5	-38.3
Employee contributions	1.3	1.3	1.3	1.3				
Benefits paid by the company	-61.3	-66.9					-61.3	-66.9
Benefits paid by the fund	-274.6	-262.7	-274.6	-262.7				
Cash flows in the period	-334.6	-328.3	-152.8	-223.1			-181.8	-105.2
Change in consolidation scope	0.4	2.2		1.8			0.4	0.4
Disposal groups	-2.3	-0.3					-2.3	-0.3
Exchange rate changes	-279.8	281.2	-293.1	309.3	-1.5	1.7	11.8	-26.4
Other reconciling items	-281.7	283.1	-293.1	311.1	-1.5	1.7	9.9	-26.3
Balance at 31 December	5,374.9	5,198.7	4,990.8	5,170.8	30.3	22.0	414.4	49.9
North America	1,420.8	1,370.4	1,107.4	1,130.6			313.4	239.8
United Kingdom	2,905.0	2,813.6	3,627.7	3,760.9	30.3	21.9	-692.4	-925.4
Germany	524.2	512.5	100.4	108.7			423.8	403.8
Other countries	524.9	502.2	155.3	170.6		0.1	369.6	331.7
Total	5,374.9	5,198.7	4,990.8	5,170.8	30.3	22.0	414.4	49.9
Thereof non-current provisions							1,027.4	908.1
Thereof current provisions							92.2	90.5
Thereof other long-term operating receivables (overfunding of pension schemes)							-705.2	-948.7

Breakdown of defined benefit obligation

The following tables show the defined benefit obligation divided into the underlying plan types and the different member groups.

Defined benefit obligation by plan type		
€m	2020	2021
Defined benefit pension plans	5,128.2	4,955.2
Plans for health care costs	246.7	243.5
Total defined benefit obligation	5,374.9	5,198.7
Thereof related to wholly or partly funded plans	4,417.3	4,287.5
Thereof related to wholly unfunded plans	957.6	911.2

Defined benefit obligation by member groups		
€m	2020	2021
Active members	825.0	751.0
Deferred vested members	1,465.0	1,342.3
Pensioners	3,084.9	3,105.4
Total defined benefit obligation	5,374.9	5,198.7

Development in the income statement

Of the total pension expenses of €47.4 million (previous year: 56.4), €39.0 million (previous year: 45.8) are shown in the personnel costs or in other operating expenses, and an amount of €8.4 million (previous year: 10.6) in other financial result.

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In 2021, non-recurring special events resulted in a total gain of €2.1 million, which was recognised in the income statement. For example, the Health Reimbursement Arrangement subsidy for certain employees was reduced in the USA, resulting in a past service credit of €4.2 million. In France, some employees are no longer entitled to pension and medical benefits; this resulted in a past service credit of €4.5 million. In addition, the increase in pension benefits due to a change in a collective agreement applicable to certain employees resulted in past service costs of €1.0 million. In Norway, the recognition of prior service periods for new plan members resulted in past service costs of €2.8 million. In the Democratic Republic of Congo, the initial recognition of a health care plan led to past service costs of €1.5 million. All other special events that took place in 2021 had only a limited impact on the financial position.

Remeasurements recognised in other comprehensive income

In the 2021 financial year, total actuarial gains from the defined benefit obligation amounting to €248.3 million (previous year: losses of 525.2) have arisen mainly from the increase in the discount rate on which the actuarial calculation is based.

The actuarial gains and losses can be broken down into effects from the adjustment of financial assumptions resulting in gains of €271.5 million (previous year: loss of 542.6), effects from experience adjustments resulting in a loss of €17.5 million (previous year: gain of 16.4), and effects from changes in demographic assumptions resulting in a loss of €5.7 million (previous year: gain of 1.0), essentially attributable to the adjustment of assumptions relating to an increase in future life expectancy in the USA.

Sensitivity analysis of defined benefit obligation

Changes in the discount rate, pension increase rate, and life expectancy affect the income statement and the defined benefit obligation of pension plans. The sensitivities to changes in assumptions as shown below are determined by changing one assumption as indicated and keeping all other assumptions constant. In reality, multiple assumptions may change at the same time, and changing one parameter may lead to a change in another parameter.

Sensitivity analysis of defined benefit obligation (pension plans)

€m		2020	2021
Defined benefit obligation		5,128.2	4,955.2
Discount rate	increase by 0.5 %	4,776.2	4,633.6
	decrease by 0.5 %	5,512.1	5,317.1
Pension increase rate	increase by 0.25 %	5,241.3	5,063.3
	decrease by 0.25 %	5,019.4	4,854.0
Life expectancy	increase by 1 year	5,362.1	5,182.4
	decrease by 1 year	4,895.9	4,728.1

Breakdown of plan assets

The plan assets originate primarily from North America with 22 % (previous year: 22 %) and the United Kingdom with 73 % (previous year: 73 %). The plan assets can be divided into the following categories:

Breakdown of plan assets

€m	2020	2021
Cash and cash equivalents	278.8	322.6
Equity instruments	530.5	581.5
Derivatives	55.0	254.2
Nominal government bonds	1,249.0	986.4
Nominal corporate bonds	687.6	712.6
Index linked bonds	1,561.0	1,712.8
Real estate	141.2	164.1
Insurance policies	119.5	114.1
Other	368.2	322.5
Total	4,990.8	5,170.8

The actual return on plan assets amounted to €96.6 million (previous year: 522.1).

The majority of the Group's plan assets are based directly on quoted market prices for the invested assets or, in the case where investment funds are used, indirectly based on the quoted value of the underlying investments. Exceptions are that in the United Kingdom, a portion of the assets needs to be estimated as at the end of the year, as detailed asset information is not available or cannot be provided in time for the adoption of the consolidated financial statements by the Managing Board. The assets without a quoted market price (totalling €100.6 million) consist of insurance policies primarily in the United Kingdom. As a rule, the plan assets do not include any significant own financial instruments, property occupied by, or other assets used by HeidelbergCement.

As at 31 December 2021, the unrecognised surplus due to the application of the asset ceiling as per IAS 19.64 amounted to €22.0 million (previous year: 30.3). The changes in the plan assets not eligible for offsetting in 2021 are divided into interest income of €0.4 million, changes in the asset ceiling to be shown in other comprehensive income of €-10.4 million, and exchange rate changes of €1.7 million.

Cash flows
HeidelbergCement paid €66.9 million (previous year: 61.3) directly to the pension recipients and €38.3 million (previous year: 120.5) as employer contributions to the plan assets. The decline in employer contributions compared with 2020 is primarily due to an additional one-time contribution of €72.0 million into plan assets in the USA in the previous year as well as a one-time contribution of €9.1 million into the group CTA (Contractual Trust Arrangement) in Germany in 2020. In 2022, HeidelbergCement expects to make pension payments of €55.9 million and employer contributions to the plan assets of €41.9 million.

Over the next ten years, annual benefits of in average €313.5 million are expected to be paid to the pension recipients either in form of direct payments or in form of payments from the plan assets. The average duration of the obligations is 14.1 years (previous year: 14.4).

Multi-employer pension plans
HeidelbergCement participates in multi-employer pension plans (MEPPs), predominantly in North America, which award some unionised employees fixed benefits after their retirement. These MEPPs are accounted for as defined contribution plans because it is not possible to isolate the individual company components for these plans. The contributions are determined on the basis of collective bargaining. Contributions of €14.6 million (previous year: 16.3) were paid in 2021. The funding status of these pension plans could be affected by adverse developments in the capital markets, demographic changes, or increases in pension benefits. If one of the participating companies no longer pays contributions into the MEPP, all other parties concerned will be held liable for the obligations that have not been covered. For 2022, contributions of €12.8 million are expected in North America. The withdrawal liability of these plans as at 31 December 2021 would amount to €69.8 million (previous year: 87.9), should HeidelbergCement decide to withdraw. The decrease in the expected withdrawal liability is primarily connected with the divestment of the USA Region West. HeidelbergCement has provisions of €15.4 million (previous year: 12.0) for these liabilities, which are shown under miscellaneous other provisions.

9.14 Other provisions

The following table explains the development of other provisions.

Other provisions

€m	Provisions for damages and environmental obligations	Other environmental provisions	Miscellaneous other provisions	Total
1 January 2021	315.1	522.9	540.9	1,378.9
Change in consolidation scope		281.6	1.4	283.0
Currency translation	24.6	29.8	15.4	69.8
Reclassification		-22.6	11.8	-10.8
Use	-25.1	-36.2	-104.9	-166.2
Release	-15.7	-58.2	-68.2	-142.1
Offset	-8.8	-6.6	-13.4	-28.8
Addition	76.8	115.4	249.3	441.5
31 December 2021	366.9	826.1	632.3	1,825.3

The offsetting line includes the compensation of obligations against the corresponding claims for reimbursement and the offsetting of obligations in kind against other assets, particularly from emission rights.

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The maturities of the other provisions can be broken down as follows:

Maturities of other provisions

€m	Provisions for damages and environmental obligations	Other environmental provisions	Miscellaneous other provisions	Total
Maturity ≤ 1 year	46.9	58.5	217.0	322.3
Maturity > 1 year ≤ 5 years	266.5	250.4	329.0	845.9
Maturity > 5 years	53.6	517.2	86.3	657.1
	366.9	826.1	632.3	1,825.3

Provisions for damages and environmental obligations
Provisions for damages and environmental obligations result from discontinued operations that were transferred to the HeidelbergCement Group as part of the takeover of the Hanson Group in 2007. The obligations are therefore not linked to the continuing operations of the HeidelbergCement Group.

The provisions for damages concern legal proceedings before US courts. The claims relate to health problems allegedly caused by the sale of products containing asbestos. The provisions to be formed are measured at the present value of the expected expenses, using reliable estimates of the development of costs for the next 15 years. The environmental liability claims pertain to remediation obligations in connection with the sale of chemical products by a former Hanson participation.

The provisions are offset by claims for reimbursement against environmental and third-party liability insurers. As at 31 December 2021, the claims amount to €76.9 million (previous year: 80.8), of which €57.2 million (previous year: 64.3) is recorded under other non-current receivables and assets and €19.7 million (previous year: 16.5) under other current operating receivables and assets.

Other environmental provisions
The other environmental provisions include recultivation, environmental, and asset retirement obligations.

Recultivation obligations relate to legal and constructive obligations to backfill and restore raw material quarrying sites. The provisions recognised for these obligations are measured in accordance with the extraction progress on the basis of the best cost estimate for fulfilling the obligation. As at the reporting date, these provisions amounted to €579.6 million (previous year: 335.1). The increase in comparison with the previous year results primarily from the reconsolidation of the Permanente Group.

Provisions for environmental obligations are recognised on the basis of contractual or official regulations and essentially include expenses connected with the cleaning up of contaminated areas and the remediation of extraction damages. The provisions are measured at the present value of the expected expenses. These provisions amount to a total of €85.0 million (previous year: 62.6).

The provisions for asset retirement obligations pertain to obligations arising in connection with the removal of installations (e.g. conveying systems at rented locations), so that a location can be restored to its contractually agreed or legally defined state after the end of its useful life. As at the reporting date, provisions for asset retirement obligations of €161.5 million (previous year: 125.2) had been recognised.

Miscellaneous other provisions
Miscellaneous other provisions exist in particular for restructuring obligations, other litigation risks, compensation obligations, the obligation to return emission rights, and obligations to personnel.

The provisions for restructuring obligations concern expenses for various optimisation programmes, such as the closure of plants or relocation of activities. Provisions of €73.2 million (previous year: 101.7) had been recognised for this purpose as at the reporting date.

Because of pending legal action against the Group, provisions for litigation risks, including those relating to pending antitrust proceedings, amounting to €121.1 million (previous year: 95.5) were recognised in the balance sheet. These obligations are assessed as most likely, provided that other estimates do not lead to a fairer evaluation as a result of specific probability distributions.

Provisions for compensation obligations relate to the Group's obligations arising from occupational accidents. As at the reporting date, provisions of €71.7 million (previous year: 76.0) had been formed for this purpose.

As at the reporting date, provisions for emission rights of €64.3 million (previous year: 0.7) had been recognised.

Obligations to personnel include the provision for the long-term bonus plan (management and capital market component) of €35.6 million (previous year: 25.5), as well as provisions for multi-employer pension plans amounting to €15.4 million (previous year: 12.0).

Provisions were additionally recognised for a variety of minor issues.

Impact of interest effects

Provisions are measured at their present value, which is determined using a pre-tax interest rate. For this purpose, HeidelbergCement uses the risk-free interest rate of government bonds from the respective countries, taking into account the relevant term. The risks specific to the liability are taken into account in the estimate of future cash outflows.

Changes in the interest rate led to a decrease of €11.0 million in other environmental provisions and miscellaneous other provisions. Compounding effects of €5.3 million led to an increase in other environmental provisions and miscellaneous other provisions. Positive interest rate effects of €2.9 million for provisions for damages and environmental obligations are included in the expenses from discontinued operations.

9.15 Liabilities

The other non-current operating liabilities include non-current contract liabilities of €1.3 million (previous year: 3.0), while the other current operating liabilities include current contract liabilities of €127.8 million (previous year: 90.2). The contract liabilities relate to prepayments received by customers for performance obligations not yet fulfilled as at the reporting date. Current contract liabilities of €90.2 million as at 31 December 2020 were fully recognised in revenue in the 2021 financial year.

Trade payables at year end include liabilities of €377.6 million (previous year: 312.1) settled by external payment service providers (reverse factoring). The use of payment service providers does not change the disclosure of the trade payables concerned because this does not result in any significant changes to the contractual terms of the liabilities. The aggregation of liabilities with individual payment service providers has not resulted in an increased liquidity risk.

The following table provides an overview of the maturities of the interest-bearing liabilities.

Maturities of interest-bearing liabilities

€m	≤ 1 year	> 1 ≤ 5 years	> 5 years	Total
31 December 2021				
Bonds payable	806.3	3,383.7	1,979.9	6,169.9
Bank loans	474.0	262.4		736.4
Miscellaneous other interest-bearing liabilities	45.8	42.3	3.1	91.2
Lease liabilities	203.1	432.0	424.0	1,059.1
Derivative financial instruments	84.4	0.3	5.1	89.8
Non-controlling interests with put options	79.9			79.9
	1,693.5	4,120.7	2,412.1	8,226.3
31 December 2020				
Bonds payable	577.0	4,134.9	2,996.6	7,708.5
Bank loans	181.9	625.2	35.0	842.1
Miscellaneous other interest-bearing liabilities	49.6	40.2	2.7	92.5
Lease liabilities	244.5	485.9	394.3	1,124.7
Derivative financial instruments	59.2	0.9		60.1
Non-controlling interests with put options	50.3	25.8		76.1
	1,162.5	5,312.9	3,428.6	9,904.0

Explanations on the derivative financial instruments are provided in Note 10.2.

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10 Additional disclosures on financial instruments

10.1 Financial instruments by class

The following table assigns the individual balance sheet items for the financial instruments to classes and measurement categories of IFRS 9. In addition, the aggregate carrying amounts for each measurement category and the fair values for each class are depicted.

Carrying amounts and fair values of financial instruments		31 December 2020		31 December 2021	
€m	Category of IFRS 9[1]	Carrying amount	Fair value	Carrying amount	Fair value
Assets					
Financial investments – fair value through profit or loss	FVTPL	33.6	33.6	99.4	99.4
Loans and other interest-bearing receivables	AC	189.2	193.8	169.3	179.9
Trade receivables and other operating receivables – amortised cost	AC	1,564.0	1,564.0	1,644.0	1,644.0
Trade receivables and other operating receivables – fair value through profit or loss	FVTPL	300.0	300.0	387.7	387.7
Cash and cash equivalents – amortised cost	AC	2,615.5	2,615.5	2,667.2	2,667.2
Cash and cash equivalents – fair value through profit or loss	FVTPL	241.7	241.7	447.9	447.9
Derivatives – hedge accounting	Hedge	39.6	39.6	29.7	29.7
Derivatives – held for trading	FVTPL	114.4	114.4	82.1	82.1
Liabilities					
Bonds payable, bank loans and miscellaneous financial liabilities	AC	8,643.1	9,149.9	6,997.5	7,318.3
Trade payables and miscellaneous operating liabilities	AC	3,599.3	3,599.3	3,966.8	3,966.8
Derivatives – hedge accounting	Hedge	1.3	1.3	5.3	5.3
Derivatives – held for trading	FVTPL	58.8	58.8	84.5	84.5
Non-controlling interests with put options	AC	76.1	76.1	79.9	79.9

1) AC: Amortised cost, FVTPL: Fair value through profit or loss, Hedge: Hedge accounting

Fair value disclosures

For level 1, the fair value is determined using prices quoted on an active market (unadjusted) for identical assets or liabilities to which HeidelbergCement has access on the reporting date. For level 2, the fair value is determined using a discounted cash flow model on the basis of input data that does not involve quoted prices classified in level 1, and which is directly or indirectly observable. The fair values of level 3 are calculated using measurement models that include factors that cannot be observed on the active market.

The following table shows the fair value hierarchies for the assets and liabilities that are measured at fair value in the balance sheet.

Fair value hierarchy	31 December 2020			31 December 2021		
€m	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Assets						
Financial investments – fair value through profit or loss	12.2		21.4	14.8		84.6
Trade receivables and other operating receivables – fair value through profit or loss		300.0			387.7	
Cash and cash equivalents – fair value through profit or loss	241.7			447.9		
Derivatives – hedge accounting		38.5	1.1		14.6	15.1
Derivatives – held for trading		114.4			82.1	
Liabilities						
Derivatives – hedge accounting		0.2	1.1		4.7	0.6
Derivatives – held for trading		58.8			84.5	

The following table shows the fair value hierarchies for the assets and liabilities that are not measured at fair value in the balance sheet, but whose fair value is reported.

Fair value hierarchy	31 December 2020			31 December 2021		
€m	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Assets						
Loans and other interest-bearing receivables		193.8			179.9	
Trade receivables and other operating receivables – amortised cost		1,564.0			1,644.0	
Cash and cash equivalents – amortised cost	2,615.5			2,667.2		
Liabilities						
Bonds payable, bank loans, and miscellaneous financial liabilities	8,124.1	1,025.8		6,431.9	886.4	
Trade payables and miscellaneous operating liabilities		3,599.3			3,966.8	
Non-controlling interests with put options			76.1			79.9

For financial investments at fair value through profit or loss in level 1, the fair value is determined using the market values at the reporting date.

The financial investments at fair value through profit or loss in level 3 include participations on which HeidelbergCement has no significant influence. The increase of €63.2 million in the financial year was mainly due to additions of €37.9 million and remeasurements at fair value through profit or loss amounting to €27.2 million. One participation holds shares in early-stage investments, the measurement of which is carried out on the basis of the IPEV Valuation Guideline for venture capital funds. In the case of this participation, the measurement of its investment portfolio is based on the most recent financing rounds in particular. The fair value measurement of the other participations is mainly carried out using the multiplier method, which determines the proportionate enterprise value based on company-specific variables using EBITDA or revenue multipliers. Uncertainties relating to the determination of the fair value of these investments mainly result from the change in the multipliers used, as no quoted price on an active market exists. If the multipliers used were increased or decreased by 10.0 percentage points, the fair value of these investments would increase or decrease by €0.9 million.

The receivables at fair value through profit or loss are receivables that are intended for sale in the scope of factoring transactions. The fair values were primarily determined using the prices of recent transactions.

Cash and cash equivalents at fair value through profit or loss include highly liquid money market funds whose fair value was determined using the market values at the reporting date.

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Derivative financial instruments in level 2, both those designated as hedges and those held for trading, are measured at fair value. The derivative financial instruments designated as hedges in level 3 are embedded derivatives from electricity supply contracts. The changes in value during the financial year result from the remeasurement at fair value and were recognised directly in equity through other comprehensive income. The fair value is determined by discounting the expected future cash flows. Uncertainties relating to the determination of the fair value mainly result from the market price for electricity. Any changes to the market situation could have a positive or negative impact on this figure. If the electricity prices used were increased or decreased by 10.0 percentage points, the fair value would increase or decrease by €4.1 million (previous year: 3.2). For these items, the fair value always corresponds to the carrying amount.

The fair values of the non-current loans, other non-current operating receivables, bank loans, and other non-current interest-bearing and operating liabilities correspond to the present values of the future payments, taking into account the current interest parameters.

The fair values of the listed bonds correspond to the nominal values multiplied by the price quotations at the reporting date. For the financial instruments with short-term maturities, the carrying amounts on the reporting date represent appropriate estimates of the fair values.

The trade payables and miscellaneous operating liabilities category cannot be immediately reconciled with the related balance sheet items, as these contain not only financial liabilities but also prepaid expenses and non-financial liabilities of €806.1 million (previous year: 761.0).

Non-controlling interests with put options in level 3 are liabilities that relate to put options resulting from tender rights of non-controlling interests. The calculation of the fair value is based on the respective contractual agreements for paying off the non-controlling interests in the event of a tender. These usually provide an approximation of the proportionate enterprise value based on company-specific variables and multipliers. If the tender is only possible at a later point in time, the payoff amount is discounted using an appropriate market interest rate. For the German partnerships, the fair value is calculated using a discounted cash flow model. In this respect, the cash flows based on the companies' underlying plans were discounted with a risk-adjusted discount rate (WACC).

The assessment as to whether financial assets and liabilities that are accounted for at fair value are to be transferred between the levels of the fair value hierarchy will take place at the end of each reporting period. No reclassifications were carried out in the reporting period.

The following table shows the net gains or losses from the financial instruments by measurement category.

Net gains or losses

€m	Measurement category	2020	2021
Financial assets – fair value through other comprehensive income	FVOCI	-131.0	
Financial assets – fair value through profit or loss	FVTPL	-0.6	17.4
Financial assets – amortised cost	AC	-36.7	-95.3
Derivatives – held for trading	FVTPL	-23.0	80.5
Financial liabilities – amortised cost	AC	-10.1	-1.0
		-201.4	1.6

The measurement of the financial assets at fair value through other comprehensive income in the previous year resulted in a loss on measurement of €131.0 million recognised in equity. The net result of financial assets at fair value through profit or loss is essentially derived from the measurement affecting profit or loss. The net result of financial assets at amortised cost is made up of impairment losses of €8.8 million (previous year: 33.6), losses of €5.0 million (previous year: 1.7) from the derecognition of operating and interest-bearing receivables, and currency losses of €81.5 million (previous year: 1.4). The net result of derivative financial instruments held for trading comprises currency and interest rate effects. For financial liabilities at amortised costs, the net result primarily includes effects from currency translation.

The following table shows the total interest income and expenses for the financial instruments. All interest results from financial receivables and financial liabilities measured at amortised cost.

Total interest income and expense

€m	2020	2021
Total interest income	40.1	29.1
Total interest expense	-201.9	-198.1
	-161.8	-169.0

10.2 Derivative financial instruments and hedging relationships

The following table shows the nominal values and fair values of the derivative financial instruments.

Derivative financial instruments	31 December 2020		31 December 2021	
€m	Nominal value	Fair value [4]	Nominal value	Fair value
Assets				
Cash flow hedges				
Foreign exchange swaps	5.6	0.0		
Commodity derivatives	21.8	5.9	32.5	20.1
Fair value hedges				
Interest rate swaps [2]	1,500.0	33.7	750.0	9.6
Derivatives held for trading				
Currency forwards	29.8	1.0	37.4	1.0
Foreign exchange swaps	3,785.1	93.4	4,847.3	51.8
Cross-currency interest rate swaps [1]	83.6	20.0	34.8	10.7
Commodity derivatives [3]			459.4	18.6
	5,425.9	154.0	6,161.5	111.8
Liabilities				
Cash flow hedges				
Currency forwards	5.6	0.0		
Foreign exchange swaps	5.6	0.0		
Commodity derivatives	14.5	1.3	3.5	0.8
Fair value hedges				
Interest rate swaps [2]			750.0	4.5
Derivatives held for trading				
Currency forwards	20.7	0.4	35.5	1.2
Foreign exchange swaps	2,246.9	49.5	2,957.8	24.6
Cross-currency interest rate swaps [1]	638.3	8.9	1,358.3	38.3
Commodity derivatives [3]			464.6	20.4
	2,931.6	60.1	5,569.8	89.8

1) Nominal values of €34.8 million (previous year: 83.6) relate to cross-currency interest rate swaps with positive fair values of €4.4 million (previous year: 11.7), which are shown on the assets side in the amount of €4.4 million (previous year: 17.0) and on the liabilities side in the amount of €0.0 million (previous year: -5.3) because of the separation into long-term and short-term components of the swaps. Nominal values of €1,358.3 million (previous year: 638.3) relate to cross-currency interest rate swaps with negative fair values of €-32.0 million (previous year: -0.5), which are shown on the assets side in the amount of €6.3 million (previous year: 3.0) and on the liabilities side in the amount of €-38.3 million (previous year: -3.5) because of the separation into long-term and short-term components of the swaps.

2) Nominal values of €750.0 million (previous year: 1,500.0) relate to interest rate swaps with positive fair values of €5.4 million (previous year: 33.7). Nominal values of €750.0 million relate to interest rate swaps with negative fair values of €-0.3 million, which are shown on the assets side in the amount of €4.2 million and on the liabilities side in the amount of €-4.5 million because of the separation into long-term and short-term components of the swaps.

3) The commodity derivatives are mainly CO_2 forwards.

4) Fair values specified with €0.0 million amount to less than €50,000.

The derivatives contracted by HeidelbergCement are partly subject to legally enforceable netting agreements (ISDA Agreement or German Master Agreement for Financial Derivatives Transactions), which, however, do not permit netting of receivables and liabilities in the balance sheet in accordance with IAS 32.42. The right to offset only exists in the case of delayed payment or if a contracting party becomes insolvent. The presentation in the balance sheet is therefore shown on a gross basis.

As at the reporting date, derivatives with a positive carrying amount of €111.8 million (previous year: 154.0) and corresponding derivatives with a negative carrying amount of €-89.8 million (previous year: -60.1) were subject to netting agreements. Taking these agreements into consideration, a calculated netting amount of €59.8 million (previous year: 50.5) would result at the reporting date. Accordingly, the derivatives would have positive net carrying amounts of €52.0 million (previous year: 103.5) and negative net carrying amounts of €-30.0 million (previous year: -9.5).

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At HeidelbergCement, derivative financial instruments are generally used for economic hedging purposes arising from operational business or refinancing activities. In order to correct the accounting mismatch between the hedging instrument and the hedged item, hedges are designated in individual cases (hedge accounting).

Cash flow hedges

Currency risks arising from long-term investment projects, which result from future contractual payments in foreign currencies, are hedged by appropriate cash holdings in foreign currencies. The features of the hedging instruments match those of the hedged items. The hedge ratio is 50%. The outstanding payments from the investment projects are expected to be made by 2023. In the case of the foreign exchange swaps and currency forwards that expired in the current financial year, only the spot component of the change in fair value was designated as an element of the cash flow hedge. Changes in the fair value attributable to the forward component are recognised in profit or loss in the other financial result.

As an energy-intensive company, HeidelbergCement is exposed to the energy price risk in its fuel and electricity procurement activities. In Northern Europe, a small proportion of the future electricity and gas oil deliveries are hedged using electricity and gas oil forward contracts with terms of up to three years. In Poland, electricity prices are secured until 2031 through a long-term electricity supply contract. In principle, the main contract features of the hedging instruments correspond to the features of the hedged items. In the electricity hedges in Northern Europe, 38% of the short-term and 6% of the long-term planned electricity purchases are hedged. In the case of the Polish electricity hedge, the hedge ratio is 10%. The hedge ratio for the short-term gas oil hedges is 47%. There is no ineffectiveness in the cash flow hedges. The hedging instruments and hedged items designated as hedges have the following impact on the balance sheet.

Cash flow hedges by risk category

	2020		2021	
€m	Currency risk[1]	Electricity price risk	Currency risk	Electricity price risk
Hedging instruments				
Balance sheet items and carrying amounts				
Derivative financial instruments (assets)		1.1		10.3
Current derivative financial instruments (assets)	0.0	4.7		9.6
Cash and cash equivalents (assets)	11.7		11.8	
Other non-current interest-bearing liabilities		-0.9		-0.6
Other current interest-bearing liabilities	0.0	-0.4		
Change in fair value to measure the ineffectiveness in the reporting period	-0.8	7.0	-0.3	34.1
Hedged items				
Change to measure the ineffectiveness	0.8	-7.0	0.3	-34.2
Cash flow hedge reserve	-3.2	-4.8	-1.6	-19.5

1) Fair values specified with €0.0 million amount to less than €50,000.

The reconciliation of the cash flow hedge reserve including the non-controlling interests is shown in the following table.

Reconciliation of cash flow hedge reserve

€m	Risk	2020	2021
Balance at 1 January		0.7	5.7
Changes in fair values	Currency risk	0.6	-0.3
	Electricity price risk	-7.0	34.1
Gains or losses recognised in other comprehensive income		-6.5	33.8
Reclassification to profit or loss (material costs)	Electricity price risk	14.0	-19.4
Reclassification to cost of property, plant and equipment	Currency risk	0.1	-1.3
Income taxes		-2.1	-2.6
Gains / losses arising from equity accounted investments		-0.5	1.6
Balance at 31 December		5.7	17.8

Fair value hedges
The interest rate swaps open at the reporting date hedge the interest rate risks of two fixed interest-bearing Eurobonds each with a value of €750 million that mature in 2022 and 2027 respectively. The weighted average hedge rate of the outstanding interest rate swaps is the 6-month EURIBOR plus a margin of 0.68 %. The interest rate swaps have similar terms to the hedged items as regards the benchmark interest rate, payment dates, terms, and notional amount. The changes in the value of the hedged items arising from the change in the EURIBOR are offset to the greatest extent possible by the change in the value of the swaps. The hedge ratio is 100 %.

The hedging instruments and hedged items designated as fair value hedges have the following impact on the balance sheet and income statement.

Fair value hedge – hedging interest risk	2020			2021		
€m	Hedging instrument interest rate swaps	Hedged item bond	Hedge ineffectiveness recognised in profit or loss	Hedging instrument interest rate swaps	Hedged item bond	Hedge ineffectiveness recognised in profit or loss
Balance sheet items and carrying amount						
Derivative financial instruments (assets)	24.3					
Current derivative financial instruments (assets)	9.3			9.6		
Other non-current interest-bearing liabilities				-4.5		
Bonds payable (liabilities)		-1,529.0			-1,500.5	
thereof cumulated changes in fair value		-24.6			28.5	
Change in fair value to measure the ineffectiveness in the reporting period	23.7	-24.6		-28.9	28.5	
Profit or loss item and value of ineffectiveness						
Other financial result			-0.9			-0.4

The ineffectiveness of the fair value hedges results essentially from the influence of the credit risk of the counterparty and the Group on the fair value of the interest rate swaps and on the change in the fair value of the bonds. The accrued interest of €0.4 million (previous year: 0.3) included in the fair value was recognised in profit or loss in the interest result.

The effectiveness of the cash flow hedges and fair value hedges is verified prospectively on the basis of the main contract features at inception and at every reporting date.

10.3 Risks from financial instruments

With regard to its assets, liabilities, firm commitments, and planned transactions, HeidelbergCement is particularly exposed to risks arising from changes in exchange rates, interest rates, and market and stock market prices. These market price risks might have a negative impact on the assets, financial, and earnings position of the Group. The Group manages these risks primarily as part of its ongoing business and financing activities and, when required, by using derivative financial instruments. The main aspects of the financial policy are determined by the Managing Board and implemented by the Group Treasury department on the basis of existing guidelines.

Credit risk
HeidelbergCement is exposed to credit risk through its operating activities and certain financial transactions. The credit risk stands for the risk that a contracting party unexpectedly does not fulfil, or only partially fulfils, the obligations agreed when signing a financial instruments contract. The Group limits its credit risk by only concluding contracts for financial assets and derivative financial instruments with partners that meet our credit rating requirements.

Credit rating
The rating agencies Moody's and Standard & Poor's assess the creditworthiness of HeidelbergCement as Baa2/P-2 (stable outlook) and BBB/A-2 (stable outlook) as at the end of 2021. Any potential downgrading of the ratings awarded by the rating agencies could have a negative impact on HeidelbergCement's cost of capital and refinancing options.

Cash and cash equivalents
This item essentially comprises cash and cash equivalents. The Group is exposed to losses arising from credit risk in connection with the investment of cash and cash equivalents if contracting parties do not fulfil their obligations. HeidelbergCement manages the resulting risk position by diversification of contracting parties. Currently, no cash or cash equivalents are overdue or impaired as a result of actual defaults. The maximum credit risk of cash and cash equivalents corresponds to the carrying amount.

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Trade receivables and contract assets

Trade receivables result mainly from the sale of cement, concrete, and aggregates. In operating activities, the outstanding debts are monitored on an ongoing basis. The maximum risk position from trade receivables corresponds to the carrying amount. The concentration of risk with regard to trade receivables and contract assets is classified as low because of HeidelbergCement's global activity and the dispersion across a large number of customers.

To calculate the expected credit losses for trade receivables carried at amortised cost and contract assets, HeidelbergCement uses the simplified approach of IFRS 9. This provides for a loss allowance at every reporting date in the amount of the expected credit losses over the term. For the purposes of the calculation, the receivables are aggregated according to their geographical position, as the customer segments show similar credit risk features for each country. The determination itself takes place at the individual company level.

The trade receivables are divided into the risk classes "not credit-impaired" or "credit-impaired". For the calculation of the expected credit loss rate of the not credit-impaired risk class, historical loss rates are taken into account. These are based on revenue and derecognition of receivables over the last three years. They are then adjusted by a factor in order to reflect forward-looking macroeconomic information that could have an impact on customers' ability to settle the receivables. For this purpose, the expected real growth of the gross domestic product of the countries in which the customers are domiciled is taken into account. For the credit-impaired risk class, credit default rates are calculated for the expected credit loss, which are essentially based on historical default probabilities and due terms. The calculated loss rates are thus derived from the ratio of all loss allowances posted per individual company to the gross carrying amount.

In each country's domestic business, trade receivables may be secured by various types of collateral, such as guarantees, letters of credit, and other types of credit insurance. These securities are considered an integral part of the trade receivables and are taken into account when calculating impairment. The securities received as at 31 December 2021 amount to €256.3 million (previous year: 298.6).

The contract assets relate to performance obligations already fulfilled for which no unconditional right to payment exists as at the reporting date. The contract assets essentially have the same risk characteristics as the trade receivables. The expected default rates for trade receivables in each country are therefore regarded as a reasonable approximation of the default rates for the contract assets and used to calculate the expected credit loss.

Information about the credit risk position and the expected credit losses for the trade receivables accounted for at amortised cost is shown in the following table.

Trade receivables by risk class

€m	Loss rate	Gross carrying amount	Loss allowance	[illegible]
31 December 2021				
Not credit-impaired	0.3 %	1,358.3	-3.6	1,354.6
Credit-impaired	50.5 %	191.9	-97.0	94.9
		1,550.2	-100.6	1,449.6
31 December 2020				
Not credit-impaired	0.3 %	1,171.0	-3.4	1,167.7
Credit-impaired	51.5 %	195.3	-100.5	94.8
		1,366.3	-103.9	1,262.5

The loss allowances on trade receivables have developed as follows:

Loss allowances on trade receivables

€m	2020	[illegible] 2021
Loss allowances at 1 January	110.5	103.9
Addition	39.7	23.3
Reversal	-15.8	-20.1
Use	-21.4	-9.6
Currency translation and other adjustments	-9.1	3.0
Loss allowances at 31 December	103.9	100.6

Other receivables and financial assets

This item essentially includes non-current receivables, interest-bearing receivables, and other operating receivables. The credit risk position from other receivables and financial assets corresponds to the carrying amount of these instruments. HeidelbergCement regards this credit risk as insignificant.

HeidelbergCement already takes into account the default risk when a financial asset is initially recognised by setting up loss allowances for expected credit losses. The general approach in accordance with IFRS 9 is used for the calculation of impairments. Internal credit assessments taking into account both quantitative and qualitative information are used to calculate the default probabilities. The internal classifications are then reconciled with the rating classes of external rating agencies and the resulting default probabilities. These default probabilities are adjusted to take into account the expected real growth of the gross domestic product of the country in which the debtor is domiciled. Both the financial situation and earnings position of the debtor and granted securities are taken into consideration in the calculation of the loss rate, resulting in a low default risk overall. The securities granted as at the reporting date amount to €55.1 million (previous year: 56.0) and mainly comprise liens and guarantees. At every reporting date, an assessment is made as to whether the credit risk has increased significantly. If the credit risk has not increased significantly since initial recognition, the default probability is calculated on the basis of a 12-month period; otherwise, the total remaining term is used.

In order to assess whether the credit risk has increased significantly, the risk of default on the financial asset at the reporting date is compared with the default risk at the time of initial recognition. In particular, the following indicators are taken into account in this assessment in addition to the local conditions, which vary from country to country:

- Credit rating of the debtor in accordance with HeidelbergCement's internal assessments and those of external rating agencies
- Actual or expected significant adverse changes in the business, financial, or economic situation that are likely to lead to a significant change in the debtor's ability to fulfil its obligations.

Independent of the above analysis, a significant increase in the credit risk is assumed if a debtor is more than 30 days overdue with a contractual payment.

As regards the determination of a default event, a financial asset is classified as credit-impaired if an objective event has occurred, as in the following examples:

- Contractual payment is more than 90 days overdue
- Significant financial difficulties on the part of the debtor
- Restructuring of the receivable because of the debtor's financial difficulties (e.g. extension agreement)
- The debtor is likely to enter bankruptcy or other financial reorganisation.

The following table explains the development of the loss allowances for the other financial receivables that are accounted for at amortised cost.

Other financial receivables – amortised cost

€m	Loans and other interest-bearing receivables	Other operating receivables	Total
Gross carrying amount at 31 December 2021	206.8	201.0	407.8
Loss allowances at 1 January 2021	-30.6	-6.6	-37.2
Changes	-6.6	0.4	-6.2
Currency translation	-0.4	-0.2	-0.6
Change in consolidation scope	0.0	0.0	0.0
Loss allowances at 31 December 2021	-37.6	-6.5	-44.0
Carrying amount at 31 December 2021	169.3	194.5	363.8
Gross carrying amount at 31 December 2020	219.8	308.1	527.9
Loss allowances at 1 January 2020	-22.1	-3.5	-25.7
Changes	-8.4	-3.5	-11.9
Currency translation	0.0	0.4	0.3
Loss allowances at 31 December 2020	-30.6	-6.6	-37.2
Carrying amount at 31 December 2020	189.2	301.5	490.7

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The credit risk position and expected credit losses for the other financial receivables accounted for at amortised cost can be broken down by risk class as follows.

Other financial receivables by risk class

€m	Loss rate	Gross carrying amount	Loss allowance	Total
31 December 2021				
Low risk	0.1 %	355.2	-0.2	355.0
Default event	83.3 %	52.6	-43.8	8.8
		407.8	-44.0	363.8
31 December 2020				
Low risk	0.2 %	461.0	-0.8	460.2
Default event	54.4 %	66.9	-36.4	30.5
		527.9	-37.2	490.7

There was no allocation to the doubtful risk class as the credit risk for the above receivables has not increased significantly since initial recognition.

The cash and cash equivalents are also subject to the impairment requirements of IFRS 9. The identified impairment loss was immaterial.

Derivative financial instruments

Derivative financial instruments are generally used to reduce risks. In the course of its business activity, HeidelbergCement is exposed to interest rate, currency, and energy price risks. For accounting purposes, a significant portion of the derivatives are not accounted for as hedges in accordance with IFRS 9, but as instruments in the held-for-trading category. However, from a commercial perspective, the changes in the fair values of these instruments represent an economically effective hedge within the context of the Group strategy. The maximum credit risk of this item corresponds to the fair value of the derivative financial instruments that have a positive fair value and are shown as financial assets at the reporting date. In order to reduce default risks, the hedging transactions are generally concluded only with leading financial institutions that meet our credit rating requirements. There are currently no past-due derivative financial instruments in the portfolio.

Liquidity risk

The liquidity risk describes the risk of a company not being able to fulfil its financial obligations to a sufficient degree. To manage HeidelbergCement's liquidity, the Group maintains sufficient cash and cash equivalents as well as extensive credit lines with banks, besides the cash inflow from operating activities. The operating liquidity management includes a daily reconciliation of cash and cash equivalents. The Group Treasury department acts as an in-house bank. This allows liquidity surpluses and requirements to be managed in accordance with the needs of the entire Group and of individual Group companies. In addition, factoring programmes are used to optimise working capital.

As at the end of the year, HeidelbergCement still has as yet undrawn, confirmed credit lines of €2.9 billion available in order to secure liquidity, in addition to available cash and cash equivalents. HeidelbergCement has an open-ended framework agreement for the issue of short-term bearer bonds (commercial papers) of €2 billion to cover short-term liquidity peaks. Within the context of the programme, individual tranches with different terms will be issued at different times depending on the market situation. As at the end of 2021, none of the commercial papers issued by HeidelbergCement AG were outstanding.

As the financial contracts of HeidelbergCement do not contain any clauses that trigger a repayment obligation in the event of the credit rating being downgraded, the maturity structure will remain unaffected even if the credit assessments change. Margin calls that could lead to an outflow of liquidity are not agreed in any of the main financial instruments. All derivative financial instruments are contracted on the basis of existing framework agreements that contain netting agreements for the purpose of reducing credit and liquidity risks.

The maturity overview below shows how the cash flows of the liabilities as at 31 December 2021 affect the Group's liquidity position. The overview describes the progress of the following:

- Undiscounted repayments and interest payments for bonds payable,
- Undiscounted liabilities and interest payments to banks,
- Lease payments on a gross basis (before deducting financing costs),
- Undiscounted other interest-bearing liabilities,
- Undiscounted contractually agreed payments for derivative financial instruments, as a total for the year.

The trade payables are assigned to short-term maturities (within a year). For variable interest payments, the current interest rate is taken as a basis. Payments in foreign currency are translated using the exchange rate at year end.

Cash flows of interest-bearing liabilities and derivative financial instruments

€m	Carrying amount 31 Dec. 2021	Cash flows 2022	Cash flows 2023	Cash flows 2024	Cash flows 2025	Cash flows ≥ 2026
Bonds payable	6,169.9	847.2	93.4	1,493.4	1,060.3	3,087.5
Bank loans	736.4	477.6	207.6	26.3	11.5	34.0
Lease liabilities	1,059.1	232.2	176.2	130.6	103.8	696.8
Miscellaneous other interest-bearing liabilities	91.2	49.8	28.9	9.8	10.5	5.1
Derivatives with positive fair value						
Cash flow hedges	20.1	16.0	2.4	2.4	2.4	9.4
Fair value hedges	9.6					
Derivatives held for trading	82.1	5,267.6				
Derivatives with negative fair value						
Cash flow hedges	0.8					3.5
Fair value hedges	4.5	4.0	4.0	4.0	4.0	8.0
Derivatives held for trading	84.5	3,211.8	672.4	17.0	16.8	783.8

Cash flows of interest-bearing liabilities and derivative financial instruments

€m	Carrying amount 31 Dec. 2020	Cash flows 2021	Cash flows 2022	Cash flows 2023	Cash flows 2024	Cash flows ≥ 2025
Bonds payable	7,708.5	635.9	869.7	1,115.9	1,493.4	4,147.8
Bank loans	842.1	189.9	412.5	208.2	25.8	46.1
Lease liabilities	1,124.7	269.0	209.4	150.8	107.8	659.1
Miscellaneous other interest-bearing liabilities	92.5	51.6	13.5	12.0	7.7	7.9
Derivatives with positive fair value						
Cash flow hedges	5.9	16.4				13.0
Fair value hedges	33.7	4.2	4.2	4.2	4.2	12.6
Derivatives held for trading	114.4	3,787.6	34.8	5.9		
Derivatives with negative fair value						
Cash flow hedges	1.3	14.1	8.3	2.4	2.4	2.4
Derivatives held for trading	58.8	2,287.1	10.8	640.7		

The inflow of liquidity amounting to €1,517.1 million (previous year: 802.1) from cross-currency interest rate swaps and €8,444.6 million (previous year: 6,088.1) arising from current foreign exchange transactions and other derivatives have not been taken into account in the table.

Interest rate risk

Interest rate risks exist as a result of potential changes in the market interest rate and may lead to a change in fair value in the case of fixed interest-bearing financial instruments and to fluctuations in interest payments in the case of variable interest-bearing financial instruments. The Managing Board and Supervisory Board of HeidelbergCement AG have decided against hedging the variable interest-bearing financial instruments. This strategy is based on the historically strong correlation between increasing profits and rising interest rates. For financial instruments with fixed interest that are measured at amortised cost, interest rate risks have no impact on result and equity.

If the market interest rate level across all currencies had been 50 basis points higher or lower on 31 December 2021, the net interest cost of the HeidelbergCement Group taking into account the variable interest-bearing assets and liabilities would have fallen by €2.0 million (previous year: 4.0) or risen by €3.0 million (previous year: 4.9).

Currency risk

HeidelbergCement's currency risk results from its investing, financing, and operating activities. Risks from foreign currencies are generally hedged, insofar as they affect the Group's cash flow. Currency forwards and foreign exchange swaps are used in the elimination of existing currency risks.

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Through the in-house banking activities of HeidelbergCement AG, the borrowing and investment of liquidity of the subsidiaries leads to currency positions that are generally hedged by means of external foreign exchange swap transactions, which are appropriate in terms of maturities and amounts. Consequently, currency fluctuations in connection with the in-house banking activities usually have no impact on result or equity. Unhedged items exist only in isolated cases, such as where currencies are not convertible.

The following table shows the hypothetical impact on the financial result assuming a 10 % increase or decrease in the value of the foreign currency against the respective functional currency, whereby the positive values represent income and the negative values an expense in the income statement.

Sensitivity analysis of currency risk	Increase in the value of the foreign currency by 10 %		Decrease in the value of the foreign currency by 10 %	
€m	31 Dec. 2020	31 Dec. 2021	31 Dec. 2020	31 Dec. 2021
USD/ILS		0.4		-0.4
USD/CAD		0.4		-0.4
USD/LRD		0.9		-0.9
USD/TZS	3.2	3.0	-3.2	-3.0

By contrast, foreign currency risks that do not affect the Group's cash flows (i.e. the risks resulting from the translation of the assets and liabilities of foreign subsidiaries into the Group reporting currency) generally remain unhedged. However, if necessary, HeidelbergCement can also hedge this foreign currency risk.

11 Other disclosures

11.1 Capital management

The objective of capital management is to ensure sufficient liquidity for the Group at all times. Therefore, the Group makes use of external and internal financing opportunities. The net debt and the leverage ratio, which corresponds to the ratio of net debt to the result from current operations before depreciation and amortisation, are of fundamental importance to the monitoring of the Group's capital.

Leverage ratio		
€m	31 Dec. 2020	31 Dec. 2021
Cash, derivative financial instruments and short-term financial investments	3,011.2	3,226.9
Interest-bearing liabilities	9,904.0	8,226.3
Net debt	6,892.8	4,999.4
Result from current operations before depreciation and amortisation (RCOBD)	3,707.1	3,874.7
Leverage ratio	1.86	1.29

In connection with credit agreements, we agreed to comply with various financial covenants, which were all met in the reporting period. The most important key financial ratios are the ratio of net debt to EBITDA and the interest coverage ratio. The EBITDA key figure is derived from the credit agreements and therefore differs from the result from current operations before depreciation and amortisation key figure as it takes elements of the additional ordinary result and effects from first-time consolidations and deconsolidations into consideration. Furthermore, no non-current derivative financial instruments with a positive fair value are taken into account in the net debt key figure. Within the context of the Group planning, compliance with the covenants is monitored consistently, with notifications issued to the creditors on a quarterly basis. In the event of a breach of the covenants, the creditors could, under certain conditions, accelerate corresponding loans irrespective of the contractually agreed terms.

11.2 Contingent liabilities

As at the reporting date, contingent liabilities amounted to €176.8 million (previous year: 171.9) and essentially concern risks related to taxes on income. The timing of the possible cash outflows for the contingent liabilities is uncertain because they depend on various external factors that remain outside HeidelbergCement's control. The application of taxation regulations might not yet be determined at the time that tax refund claims and liabilities are calculated. The calculation of tax items is based on the regulations most likely to be applied in each case. Nevertheless, the fiscal authorities may be of a different opinion, which could give rise to additional tax liabilities.

11.3 Other financial commitments

As at the reporting date, there were contractual obligations for the acquisition of property, plant and equipment amounting to €715.7 million (previous year: 556.1), of which €187.5 million relates to the construction of the new cement plant in Mitchell, Indiana, USA. Future cash outflows of €56.3 million (previous year: 54.5) result from leases that had been entered into as at the reporting date but have not yet commenced.

11.4 Related party disclosures

IAS 24 requires a statement concerning the most important relationships with related companies and persons that may exert a significant influence on HeidelbergCement AG; the former are accounted for as joint ventures or associates, the latter hold key positions as members of the management.

As at 31 December 2021, Mr. Ludwig Merckle, Ulm, holds via Spohn Cement Beteiligungen GmbH, Zossen, a company under his control, 26.73 % of the voting rights in HeidelbergCement AG. In the 2021 financial year, HeidelbergCement AG provided services with a net amount of €322.0 thousand (previous year: 244.6) to PHOENIX Pharmahandel GmbH & Co KG, Mannheim, a related company of Mr. Ludwig Merckle. In addition, net expenses of €113.2 thousand (previous year: 91.0) for purchased services were incurred.

Revenue and other sales with joint ventures in the HeidelbergCement Group amounted to €62.0 million (previous year: 47.3). Raw materials, goods, and other services with a value of €349.0 million (previous year: 282.6) were procured from these joint ventures. A total of €10.3 million (previous year: 9.6) was generated in financial and other services. Receivables of €97.9 million (previous year: 80.9) and liabilities of €42.9 million (previous year: 25.1) exist in connection with these activities and financial transactions. In addition, capital increases of €1.0 million (previous year: 1.6) were carried out for joint ventures. As in the previous year, no repayments of capital were made from joint ventures to the parent company. In the 2021 financial year, guarantees of €0.2 million (previous year: 0.6) were outstanding to joint ventures.

Business transactions with associates include revenue and other sales amounting to €96.6 million (previous year: 88.4), the procurement of goods and services amounting to €20.7 million (previous year: 21.4), and services provided amounting to €1.1 million (previous year: 1.2). Receivables of €39.0 million (previous year: 39.6) and liabilities of €12.5 million (previous year: 14.5) exist in connection with these activities and financial transactions. Capital increases and contributions in kind made to associates amounted to €0.2 million (previous year: 0.2). As in the previous year, no repayments of capital were made from associates to the parent company in the 2021 financial year. Guarantees of €0.6 million (previous year: 0.2) were outstanding to associates in the 2021 financial year.

Receivables of €8.7 million (previous year: 34.9) and liabilities of €16.3 million (previous year: 18.9) existed in connection with transactions with non-consolidated subsidiaries.

The stated transactions were carried out under conditions that would also apply to third parties.

11.5 Managing Board and Supervisory Board

The fixed remuneration of the Managing Board increased in comparison with the previous year due to the creation of two functional Managing Board responsibilities to €6.8 million (previous year: 6.2). The sum of short-term variable remuneration elements changed in comparison with the previous year to €10.5 million (previous year: 10.0). It consisted of the annual bonus in the amount of €10.6 million (previous year: 10.1), of which €0.1 million (previous year: 0.1) was offset against other remuneration elements. The annual bonus is a variable remuneration element, which relates to the financial year. Two thirds of the overall target achievement for the annual bonus is measured by corporate targets (Group share of profit and CO_2 component) and one third by individual targets. The achievement of the corporate targets results from the multiplication of the target achievement of the performance criterion Group share of profit for the year with the multiplier of the CO_2 component.

Other remuneration elements totalled €4.7 million (previous year: 1.3). In 2021, they consisted of payments for committee activities at subsidiaries of HeidelbergCement AG, contribution of private pension benefits (cash allowance), a severance payment for Dr. Näger and an associated advance payment for the long-term bonus plan 2021–2023/2024, and taxable fringe benefits. These included, in particular, the provision of company cars and driving services, mobile phones and communication tools, the reimbursement of expenses, insurance benefits, bearing the costs of flights home, school fees, and company-related relocations as well as assignment-related benefits.

The members of the Managing Board are participating in the long-term bonus plan 2021–2023/24, granted in 2021. The target values for the plan, rounded to the nearest €'000, are €9,906,000.

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The plan comprises two equally weighted components: the management component and the capital market component. The management component, with a term of three years, considers the internal added value as measured by earnings before interest and taxes (EBIT) and return on invested capital (ROIC), and is arranged in the form of a bonus with cash settlement. The capital market component, with a term of four years, considers the external added value as measured by total shareholder return (TSR) – adjusted for the reinvested dividend payments and for changes in capital – compared with the relevant capital market indices, using performance share units (PSUs). The PSUs are virtual shares used for the calculation of the capital market component. The target value, rounded to the nearest €'000, amounts to €4,921,000 for the management component and €4,985,000 for the capital market component. The different amounts result from the pro-rata calculation for the incoming and outgoing members of the Managing Board during the year. The reference price for the capital market component amounts to €57.00. This equates to 87,457 performance share units (PSUs) in total.

Pursuant to section 314(1)(6a) sentence 4 of the German Commercial Code (HGB), the fair value at the grant date must be indicated for the capital market component. For the members of the Managing Board, the amount, rounded to the nearest €'000, is in total €4,987,000.

The total remuneration pursuant to HGB amounted to €30.4 million (previous year: 26.5).

The retirement agreements of the members of the Managing Board appointed prior to 2019 contain the promise of an annual retirement pension, in the form of either an absolute amount or a percentage of the pensionable income. In 2019, a defined contribution pension commitment was introduced for the newly and reappointed members of the Managing Board. The design and expected pension benefits are based on the customary characteristics of such schemes, and existing contractual obligations are taken into account. In the financial year, allocations to provisions for pensions (service cost) for active members of the Managing Board amounted to €4.2 million (previous year: 3.8). The present values of the defined benefit obligation amounted to €40.7 million (previous year: 36.8).

Expenses relating to the long-term capital market components of the last four issued and outstanding long-term bonus plans in accordance with IFRS 2.51a amounted to €-1,316,000 for the Members of the Managing Board (previous year: 717,000).

In accordance with IAS 24, recognized expenses relating to the long-term capital market components for the service as members of the Managing Board amounted to €-1.3 million (previous year: 0.7). The expenses recognized relating to the long-term management components came to €12.7 million (previous year: 5.9). Provisions for capital market components amounted to €0.3 million, and for management components they amounted to €22.4 million.

For the members of the Managing Board appointed as of 2016 and 2019, the existing contractual entitlements from long-term bonus and pension plans from prior positions within the HeidelbergCement Group were continued. These entitlements are serviced according to the original plan conditions. The corresponding expenses in the financial year are included in the following table, in addition to the expenses for the service as member of the Managing Board.

Total remuneration of the Managing Board in accordance with IAS 24 came to €37.4 million in 2021 (previous year: 28.2) as represented in the following table.

Total remuneration of the Managing Board in accordance with IAS 24

€m	2020	2021
Short-term employee benefits (fixed remuneration, short-term variable remuneration elements, other remuneration elements)	17.5	18.5
Post-employment benefits (allocations to provisions for pensions – service cost including prior positions)	4.0	4.5
Redundancy payments for members of the Managing Board who stepped down in the reporting year		3.0
Other long-term benefits (expenses related to the LTIP management components including prior positions)	5.9	12.7
Share-based payment (expenses related to the LTIP capital market components including prior positions)	0.7	-1.3
Total	28.2	37.4

Payments to former members of the Managing Board and their surviving dependents amounted to €8.7 million in the financial year (previous year: 5.4). Provisions for pension obligations to former members of the Managing Board amounted to €78.7 million (previous year: 69.3).

The total Supervisory Board remuneration (excluding value added tax) for the 2021 financial year amounted to €1,813,000 (previous year: 1,651,000). Employee representatives of the Supervisory Board who are employees of the HeidelbergCement Group also received remuneration in accordance with their contracts of employment, the level of which corresponded to an equitable remuneration for their relevant functions and tasks within the Group.

11.6 Declaration of compliance with the German Corporate Governance Code

The declaration of compliance with the German Corporate Governance Code as required by section 161 of the German Stock Corporation Act (Aktiengesetz – AktG) was submitted by the Managing Board and the Supervisory Board of HeidelbergCement AG and made available on the internet at 🖳 www.heidelbergcement.com under Company/Corporate Governance/Declaration of Corporate Governance.

11.7 Auditor's fees

The auditor PricewaterhouseCoopers GmbH Wirtschaftsprüfungsgesellschaft received fees of €3.8 million (previous year: 3.7) in the financial year.

Auditor's fees

€m	2020	2021
Audit services [1]	3.5	3.6
Other assurance services	0.1	0.2
Tax services	0.1	0.0
	3.7	3.8

1) Thereof for the previous year: 2021: €0.1 million

The auditor's services mainly comprised services for the audit of the financial statements and, to a lesser extent, other assurance services and tax advisory services. The fee for the other assurance services includes the fee for the audit to obtain limited assurance on the non-financial statement and for the issuance of a comfort letter in connection with the €10 billion Euro Medium Term Note (EMTN) programme.

11.8 Events occurring after the close of the 2021 financial year

On 13 January 2022, the Managing Board resolved to cancel all 5,324,577 treasury shares purchased under the first tranche of the share buyback programme launched in 2021 in the period from 10 August to 2 December 2021, with a reduction of €15,973,731 in the subscribed share capital. This corresponds to 2.68 % of the company's subscribed share capital before cancellation and capital reduction. In doing so, the Managing Board has made use of the authorisation of the Annual General Meeting of 6 May 2021 to cancel acquired treasury shares without further resolution of the Annual General Meeting. Following the cancellation of the shares and the capital reduction, the subscribed share capital of HeidelbergCement AG amounts to €579,275,700 and is divided into 193,091,900 no-par value shares, each representing a notional amount of €3.00 of the subscribed share capital. In addition, HeidelbergCement announced on 13 January 2022 that it would continue its share buyback programme earlier than originally planned. The second tranche of €300 to €350 million started on 7 March 2022 and is scheduled to be completed by 31 August 2022 at the latest.

At the end of February, the global political situation had changed drastically due to the Russian attack on Ukraine. Due to the very dynamic development of the situation, it is currently not possible to make a reliable forecast about the dimension of the impact on our business activity. The Managing Board expects smaller direct impacts on HeidelbergCement's business activity. HeidelbergCement is no longer represented in Ukraine since the disposal of its activities in 2019. In Russia, we operate three cement plants that supply their respective local markets and do not export. The contribution of our Russian activities to Group revenue amounts to around 1 %. However, negative impacts on the assets, financial, and earnings position of the 2022 financial year can be expected indirectly as a result of the very high volatility on the energy markets, particularly in Europe, caused by the crisis.

11.9 Approval by the Supervisory Board

The consolidated financial statements were prepared by the Managing Board and adopted on 23 March 2022. They were then submitted to the Supervisory Board for approval.

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List of shareholdings of HeidelbergCement Group and HeidelbergCement AG as at 31 December 2021 (section 313(2), resp. section 285 no. 11 of the German Commercial Code (HGB))

Company name	Corporate seat	HC AG direct ownership %	Group ownership %	Year[2]	Equity in € million[2]	Net income in € million[2]
Subsidiaries						
Western and Southern Europe						
A.R.C. (Western) Limited	Maidenhead, GB		100.00	2020	6.8	0.0
Amey Group Limited (The)	Maidenhead, GB		100.00	2020	14.3	0.0
Amey Roadstone International Limited	Maidenhead, GB		100.00	2020	0.1	0.0
Appleby Group Limited	Maidenhead, GB		100.00	2020	30.1	0.8
ARC Aggregates Limited	Maidenhead, GB		100.00	2020	3.6	0.0
ARC Building Limited	Maidenhead, GB		100.00	2020	-20.2	0.0
ARC Concrete (Anglia) Limited	Maidenhead, GB		100.00	2020	0.0	0.0
ARC Concrete Limited	Maidenhead, GB		100.00	2020	0.0	0.0
ARC Holdings Limited	Maidenhead, GB		100.00	2020	0.1	0.0
ARC Land Holdings Limited	Maidenhead, GB		100.00	2020	0.3	0.0
ARC Limited	Maidenhead, GB		100.00	2020	0.0	0.0
ARC Property Investments Limited	Maidenhead, GB		100.00	2020	43.7	0.0
ARC Slimline Limited	Maidenhead, GB		100.00	2020	-3.6	0.0
ARC South Wales Limited	Maidenhead, GB		100.00	2020	0.0	0.0
ARC South Wales Mortar Limited	Maidenhead, GB		100.00	2020	0.0	0.0
ARC South Wales Quarries Limited	Maidenhead, GB		100.00	2020	0.0	0.0
ARC South Wales Surfacing Limited	Maidenhead, GB		100.00	2020	0.4	0.0
Attendflower Limited	Maidenhead, GB		100.00	2020	0.0	0.0
B.V. Betoncentrale De Schelde	Bergen op Zoom, NL		66.67	2020	-0.1	0.2
B.V. Betonmortelcentrale 'BEMA'	Alkmaar, NL		66.67	2020	-1.5	-0.2
Banbury Alton Limited	Maidenhead, GB		100.00	2020	-0.3	0.0
Beazer Limited	Maidenhead, GB		100.00	2020	11.3	3.3
Beforebeam Limited	Maidenhead, GB		100.00	2020	447.6	0.0
Beforeblend Limited	Maidenhead, GB		100.00	2020	227.9	0.0
Berec Holdings B.V.	's-Hertogenbosch, NL		100.00	2020	59.1	104.9
Béton Contrôle de l'Adour S.a.s.[3]	Bayonne, FR		35.99	2020	2.0	0.0
Béton Contrôle du Pays Basque S.a.s.	Bayonne, FR		59.98	2020	2.6	-0.2
Betontir S.p.A.	Bergamo, IT		100.00	2020	1.1	1.0
Birchwood Concrete Products Limited	Maidenhead, GB		100.00	2020	178.3	0.0
Birchwood Omnia Limited	Maidenhead, GB		100.00	2020	1,251.6	99.4
BravoEnergy S.r.l.	Bergamo, IT		100.00	2020	0.1	-0.2
British Agricultural Services Limited	Maidenhead, GB		100.00	2020	407.3	0.1
British Ever Ready Limited	Maidenhead, GB		100.00	2020	29.8	0.0
Bulldog Company Limited	St. Peter Port, GG		100.00	2020	38.8	0.0
C.T.G. S.R.L.	Bergamo, IT		100.00	2020	0.3	0.0
Calcestruzzi S.p.A.	Bergamo, IT		100.00	2020	2.3	-26.1
Calumite Limited	Maidenhead, GB		51.00	2020	2.8	1.7
Castle Building Products Limited	Maidenhead, GB		100.00	2020	-0.5	0.0
Castle Cement (Chatburn) Limited	Maidenhead, GB		100.00	2020	0.2	0.0
Castle Cement (Clyde) Limited	Maidenhead, GB		100.00	2020	0.1	0.0
Castle Cement (Ketton) Limited	Maidenhead, GB		100.00	2020	25.2	0.0
Castle Cement (Padeswood) Limited	Maidenhead, GB		100.00	2020	6.7	0.0
Castle Cement (Pitstone) Limited	Maidenhead, GB		100.00	2020	10.9	0.0
Castle Cement (Ribblesdale) Limited	Maidenhead, GB		100.00	2020	26.3	0.0
Castle Cement Limited	Maidenhead, GB		100.00	2020	260.7	-33.4

Company name	Corporate seat	HC AG direct ownership %	Group ownership %	Year[1]	Equity in € million[2]	Net income in € million[2]
Castle Lime Limited	Maidenhead, GB		100.00	2020	0.0	0.0
Castle Pension Scheme Trustees Limited	Maidenhead, GB		100.00	2020	0.0	0.0
CBR Baltic B.V.	's-Hertogenbosch, NL	100.00	100.00	2020	209.0	12.7
Cementrum I B.V.	's-Hertogenbosch, NL	100.00	100.00	2020	169.5	9.8
Cemitaly S.p.A.	Bergamo, IT	100.00	100.00	2020	4.9	-14.6
Centro Administrativo y de Servicios de Malaga S.A.	Málaga, ES	99.94	99.94	2020	-0.9	-0.6
Cetramaris S.a.s	La Rochelle, FR	70.00	70.00	2020	0.8	0.1
CGF Capital B.V.	's-Hertogenbosch, NL	100.00	100.00	2020	0.1	233.5
CHB Group Limited	Maidenhead, GB	100.00	100.00	2020	751.7	0.0
CHB P H R Limited	Maidenhead, GB	100.00	100.00	2020	15.1	0.0
CHB Products Limited	Maidenhead, GB	100.00	100.00	2020	2,237.7	0.0
Chemical Manufacture and Refining Limited	Maidenhead, GB	100.00	100.00	2020	6.1	0.0
Ciment du Littoral S.a.s.	Bassens, FR	100.00	100.00	2020	-5.1	-1.0
Ciments Calcia S.a.s.	Guerville, FR	100.00	100.00	2020	1,016.6	3.4
Ciments Français S.a.s.	Guerville, FR	100.00	100.00	2020	1,121.4	-136.9
Ciminter S.A.	Strassen, LU	100.00	100.00	2020	48.6	0.3
City of London Heliport Limited	Maidenhead, GB	55.56	55.56	2020	-2.0	0.0
Civil and Marine (Holdings) Limited	Maidenhead, GB	100.00	100.00	2020	34.3	0.8
Civil and Marine Limited	Maidenhead, GB	100.00	100.00	2020	590.5	14.1
Civil and Marine Slag Cement Limited	Maidenhead, GB	100.00	100.00	2020	68.2	0.0
Claughton Manor Brick Limited (The)	Maidenhead, GB	100.00	100.00	2020	0.2	0.0
Codesib S.a.s.	Guerville, FR	100.00	100.00	2020	-51.7	4.4
Compagnie Financière et de Participations S.a.s.	Guerville, FR	100.00	100.00	2020	27.4	0.9
Compagnie pour l'Investissement Financier en Inde S.a.s.	Guerville, FR	100.00	100.00	2020	-1.3	-0.8
Compañía General de Canteras, S.A.	Málaga, ES	99.35	99.35	2020	23.8	0.1
Conbloc Limited	Maidenhead, GB	100.00	100.00	2020	-0.1	0.0
Concrete Italia S.r.l.	Brescia, IT	51.00	51.00	2020	-0.2	-0.2
Contiga Holding GmbH	Flensburg, DE	100.00	100.00	2020	4.7	0.6
Contiga Tinglev Montage GmbH	Altlandsberg, DE	100.00	100.00	2020	0.0	0.0
Creative Land Developers Limited[5]	Maidenhead, GB	50.00	50.00	2020	-0.4	0.0
Cromhall Quarries, Limited	Maidenhead, GB	100.00	100.00	2020	0.1	0.0
Cumbrian Industrials Limited	Maidenhead, GB	100.00	100.00	2020	8.4	0.0
Delmorgal Limited	Maidenhead, GB	100.00	100.00	2020	0.0	0.0
Desimpel Brick Limited	Maidenhead, GB	100.00	100.00	2020	2.9	0.0
Devon Concrete Works, Limited	Maidenhead, GB	100.00	100.00	2020	0.1	0.0
Dragages du Pont de St Leger S.a.s.	St Léger, FR	60.00	60.00	2020	5.3	0.9
Dragages Transports & Travaux Maritimes S.a.s.	La Rochelle, FR	100.00	100.00	2020	18.4	2.1
DUPAMU Holding GmbH i.L.[4]	Kalkar, DE	100.00	100.00	2020	0.1	-0.1
E & S Retail Limited	Maidenhead, GB	100.00	100.00	2020	0.0	0.0
E Sub Limited	Maidenhead, GB	100.00	100.00	2020	6.8	0.0
Effectengage Limited	Maidenhead, GB	100.00	100.00	2020	296.7	1.1
ENCI B.V.	's-Hertogenbosch, NL	100.00	100.00	2020	85.5	31.2
ENCI Holding N.V.	's-Hertogenbosch, NL	100.00	100.00	2020	0.0	0.5
Ensign Park Limited[5]	Maidenhead, GB	50.00	50.00	2020	-1.8	0.0
Essroc Netherlands Coöperatief U.A.	's-Hertogenbosch, NL	100.00	100.00	2020	215.2	0.0
Eurarco France S.A.	Le Crotoy, FR	64.98	64.98	2020	7.7	0.8
F.C. Precast Concrete Limited	Maidenhead, GB	100.00	100.00	2020	0.1	0.0
Ferrersand Aggregates Limited	Maidenhead, GB	100.00	100.00	2020	1.6	0.0
Fruitbat Company	Maidenhead, GB	100.00	100.00	2020	0.0	0.0
Fulber Limited	St. Peter Port, GG	100.00	100.00	2020	240.6	0.0
Granulats de la Drôme S.a.s.	Saint-Jean-de-Védas, FR	100.00	100.00	2020	2.9	-0.4

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Company name	Corporate seat	HC AG direct ownership %	Group ownership %	Year[1]	Equity in € million[2]	Net income in € million[2]
Granulats de Lahontan	Guerville, FR		51.00	2020	2.1	-0.3
Granulats Ouest - GO S.a.s.	Saint-Herblain, FR		100.00	2020	3.4	0.3
Greenwoods (St. Ives) Limited	Maidenhead, GB		100.00	2020	2.0	0.0
GSM S.a.s.	Guerville Cedex, FR		100.00	2020	164.2	15.1
Guidelink	Maidenhead, GB		100.00	2020	0.1	0.0
Habfield Limited	Maidenhead, GB		100.00	2020	0.0	0.0
Hanson (BB) Limited	Maidenhead, GB		100.00	2020	0.5	0.0
Hanson (BBIN02) Limited	Maidenhead, GB		100.00	2020	29.1	0.0
Hanson (CGF) (No.1) Limited	Maidenhead, GB		100.00	2020	0.0	0.0
Hanson (CGF) (No2) Limited	Maidenhead, GB		100.00	2020	0.0	0.0
Hanson (CGF) Finance Limited	Maidenhead, GB		100.00	2020	151.1	-0.7
Hanson (CGF) Holdings Limited	Maidenhead, GB		100.00	2020	0.0	0.0
Hanson (ER - No 10) Limited	Maidenhead, GB		100.00	2020	284.5	0.0
Hanson (ER - No 5) Limited	Maidenhead, GB		100.00	2020	444.4	0.0
Hanson (F) Limited	Maidenhead, GB		100.00	2020	5.6	0.0
Hanson (FH) Limited	Maidenhead, GB		100.00	2020	3.7	0.0
Hanson (FP) Limited	Maidenhead, GB		100.00	2020	0.0	0.0
Hanson (LBC) Limited	Maidenhead, GB		100.00	2020	24.6	0.0
Hanson (MR) Limited	Maidenhead, GB		100.00	2020	2,456.4	0.0
Hanson (NAIL) Limited	Maidenhead, GB		100.00	2020	6.0	0.0
Hanson (RBMC) Limited	Maidenhead, GB		100.00	2020	6.7	0.0
Hanson (SH) Limited	Maidenhead, GB		100.00	2020	65.0	1.4
Hanson Aggregates (North) Limited	Maidenhead, GB		100.00	2020	45.1	0.0
Hanson Aggregates Limited	Maidenhead, GB		100.00	2020	91.6	0.0
Hanson Aggregates Marine Limited	Maidenhead, GB		100.00	2020	149.7	4.7
Hanson Aggregates South Wales Holdings Limited	Maidenhead, GB		100.00	2020	7.6	0.0
Hanson Aggregates South Wales Limited	Maidenhead, GB		100.00	2020	43.4	0.0
Hanson Aggregates UK Limited	Maidenhead, GB		100.00	2020	2,237.9	0.0
Hanson America Holdings (1) Limited	Maidenhead, GB		100.00	2020	1,043.4	0.0
Hanson America Holdings (2) Limited	Maidenhead, GB		100.00	2020	10.5	0.0
Hanson America Holdings (3) Limited	Maidenhead, GB		100.00	2020	1,403.8	881.4
Hanson America Holdings (4) Limited	Maidenhead, GB		100.00	2020	132.0	2.7
Hanson Aruba Limited	St. Peter Port, GG		100.00	2020	1,728.0	0.0
Hanson Bath and Portland Stone Limited	Maidenhead, GB		100.00	2020	-2.4	0.0
Hanson Batteries Limited	Maidenhead, GB		100.00	2020	51.7	0.0
Hanson Blocks North Limited	Maidenhead, GB		100.00	2020	14.8	0.0
Hanson Brick Ltd	Maidenhead, GB		100.00	2020	0.2	0.0
Hanson Building Materials Europe Limited	Maidenhead, GB		100.00	2020	631.8	4.1
Hanson Building Materials Limited	Maidenhead, GB		100.00	2020	3,546.4	-3.8
Hanson Building Products (2003) Limited	Maidenhead, GB		100.00	2020	211.7	0.0
Hanson Building Products Limited	St. Helier, JE		100.00	2020	0.1	0.0
Hanson Canada Limited	Maidenhead, GB		100.00	2020	1.0	0.0
Hanson Clay Products Limited	Maidenhead, GB		100.00	2020	17.0	0.0
Hanson Concrete Products Limited	Maidenhead, GB		100.00	2020	58.7	0.0
Hanson Crewing Services Limited	Maidenhead, GB		100.00	2020	0.0	0.0
Hanson Devon Designated Activity Company	Shannon, IE		100.00	2020	4,501.7	-0.1
Hanson Facing Bricks Limited	Maidenhead, GB		100.00	2020	277.5	0.0
Hanson Finance (2003) Limited	Maidenhead, GB		100.00	2020	490.8	3.1
Hanson Finance Limited	Maidenhead, GB		100.00	2020	677.9	-5.4
Hanson Financial Services Limited	Maidenhead, GB		100.00	2020	224.9	0.0
Hanson FP Holdings B.V.	's-Hertogenbosch, NL		100.00	2020	406.9	0.0

Company name	Corporate seat	HC AG direct ownership %	Group ownership %	Year[1]	Equity in € million[2]	Net income in € million[2]
Hanson Funding (G) Limited	Maidenhead, GB		100.00	2020	194.4	0.0
Hanson H4 Limited	Maidenhead, GB		100.00	2020	9.8	0.0
Hanson H5	Maidenhead, GB		100.00	2020	0.1	0.0
Hanson Hedging (Dollars) (1) Limited	Maidenhead, GB		100.00	2020	0.3	0.0
Hanson Hispania Hormigones SL	Málaga, ES		99.99	2020	-0.4	0.2
Hanson Hispania, S.A.U.	Madrid, ES		100.00	2020	67.1	-3.4
Hanson Holdings (1) Limited	Maidenhead, GB		100.00	2020	5,617.2	130.1
Hanson Holdings (2) Limited	Maidenhead, GB		100.00	2020	1,155.2	10.4
Hanson Holdings (3) Limited	Maidenhead, GB		100.00	2020	794.9	-76.3
Hanson Holdings Limited	Maidenhead, GB		100.00	2020	3,866.1	2,784.4
Hanson Industrial (Engineering Holdings) Limited	Maidenhead, GB		100.00	2020	6.1	0.0
Hanson Industrial Limited	Maidenhead, GB		100.00	2020	178.2	2.8
Hanson International Holdings Limited	Maidenhead, GB		100.00	2020	2,640.5	160.0
Hanson Island Management Limited	St. Peter Port, GG		100.00	2020	-1.0	-0.1
Hanson Land Development Limited	Maidenhead, GB		100.00	2020	-33.0	0.0
Hanson Limited	Maidenhead, GB		100.00	2020	9,308.4	1,842.0
Hanson Marine Holdings Limited	Maidenhead, GB		100.00	2020	1.4	0.3
Hanson Marine Limited	Maidenhead, GB		100.00	2020	35.1	0.7
Hanson Overseas Corporation Limited	Maidenhead, GB		100.00	2020	0.0	0.0
Hanson Overseas Holdings Limited	Maidenhead, GB		100.00	2020	4,931.0	1,210.0
Hanson Packed Products Limited	Maidenhead, GB		100.00	2020	288.0	6.6
Hanson Peabody Limited	Maidenhead, GB		100.00	2020	0.0	0.0
Hanson Pioneer España, S.L.U.	Madrid, ES		100.00	2020	338.1	5.9
Hanson Quarry Products Europe Limited	Maidenhead, GB		100.00	2020	1,709.5	-58.8
Hanson Quarry Products Holdings Limited	Maidenhead, GB		100.00	2020	46.9	0.0
Hanson Quarry Products Trade Finance Limited	Maidenhead, GB		100.00	2020	3.3	0.0
Hanson Quarry Products Transport Limited	Maidenhead, GB		100.00	2020	0.1	0.0
Hanson Quarry Products Ventures Limited	Maidenhead, GB		100.00	2020	52.6	-0.6
Hanson Retail Limited	Maidenhead, GB		100.00	2020	438.0	-0.1
Hanson Ship Management Ltd	St. Peter Port, GG		100.00	2020	-0.8	-0.1
Hanson Thermalite Limited	Maidenhead, GB		100.00	2020	46.6	0.0
Hanson TIS Holdings Limited	Maidenhead, GB		100.00	2020	0.0	0.0
Hanson TIS Limited	Maidenhead, GB		100.00	2020	-2.9	0.0
Hanson Trust Limited	Maidenhead, GB		100.00	2020	108.9	0.0
Hanson Trustees Limited	Maidenhead, GB		100.00	2020	-1.6	0.0
Harrisons Limeworks Limited	Maidenhead, GB		100.00	2020	0.0	0.0
Hartsholme Property Limited	Maidenhead, GB		100.00	2020	0.1	0.0
HB Hotels Limited	Maidenhead, GB		100.00	2020	-0.6	0.0
HC Asia Holding GmbH	Heidelberg, DE	100.00	100.00	2020	84.0	0.0
HC Fuels Limited	Maidenhead, GB		100.00	2020	10.1	0.1
HC Green Trading Limited	Żebbuġ, MT		100.00	2020	0.0	1.2
HC Hanson Holding B.V.	's-Hertogenbosch, NL		100.00	2020	375.8	49.3
HC Trading B.V.	's-Hertogenbosch, NL		100.00	2020	-2.3	-0.3
HC Trading GmbH[3]	Heidelberg, DE		100.00	2020	0.0	0.0
HC Trading Malta Limited	Żebbuġ, MT		100.00	2020	0.0	7.9
HCT Holding Malta Limited	Żebbuġ, MT	100.00	100.00	2020	72.8	11.1
HDigital GmbH[4]	Heidelberg, DE		100.00	-	-	-
HeidelbergCement BP Limited	Maidenhead, GB		100.00	2020	0.1	0.0
HeidelbergCement Canada Holding Limited	Maidenhead, GB		100.00	2020	2,893.4	78.4
HeidelbergCement Central Europe East Holding B.V.	's-Hertogenbosch, NL		100.00	2020	1,749.4	112.5
HeidelbergCement Euro I Limited	Maidenhead, GB		100.00	2020	0.0	11.4

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Company name	Corporate seat	HC AG direct ownership %	Group ownership %	Year [1]	Equity in € million [2]	Net income in € million [2]
HeidelbergCement Euro II Limited	Maidenhead, GB		100.00	2020	3,464.7	53.6
HeidelbergCement Euro III Limited	Maidenhead, GB		100.00	2020	868.1	17.2
HeidelbergCement Finance Luxembourg S.A.	Strassen, LU		100.00	2020	33.2	44.5
HeidelbergCement France S.A.S.	Guerville, FR		100.00	2020	2,474.4	-23.0
HeidelbergCement Grundstücksgesellschaft mbH & Co. KG [3]	Heidelberg, DE	100.00	100.00	2020	5.3	1.7
HeidelbergCement Holding Coöperatief U.A.	's-Hertogenbosch, NL		100.00	2020	1,127.9	12.3
HeidelbergCement Holding S.à r.l.	Strassen, LU		100.00	2020	24,119.4	70.2
HeidelbergCement Holdings Limited	Maidenhead, GB	100.00	100.00	2020	2.2	0.0
HeidelbergCement International Holding GmbH	Heidelberg, DE	100.00	100.00	2020	20,635.7	0.0
HeidelbergCement Logistik GmbH [3]	Polch, DE		100.00	2020	11.0	4.0
HeidelbergCement Mediterranean Basin Holdings S.L.U.	Madrid, ES		100.00	2020	0.0	0.0
HeidelbergCement Netherlands Holding B.V.	's-Hertogenbosch, NL	14.54	100.00	2020	809.7	0.0
HeidelbergCement Reinsurance Luxembourg S.A.	Strassen, LU		100.00	2020	15.9	0.7
HeidelbergCement UK Holding II Limited	Maidenhead, GB		100.00	2020	15,728.8	5.7
HeidelbergCement UK Holding Limited	Maidenhead, GB		100.00	2020	11,893.0	415.9
HeidelbergCement UK Limited	Maidenhead, GB		100.00	2020	89.6	89.9
HeidelbergCement, Funk & Kapphan Grundstücksgesellschaft GmbH & Co. KG [3]	Heidelberg, DE	79.91	79.91	2020	11.7	0.2
Heidelberger Beton Donau-Naab GmbH & Co. KG [3]	Burglengenfeld, DE		77.70	2020	3.6	2.3
Heidelberger Beton GmbH [3]	Heidelberg, DE	100.00	100.00	2020	450.1	38.3
Heidelberger Betonelemente GmbH & Co. KG [3]	Chemnitz, DE		83.00	2020	12.7	7.7
Heidelberger Sand und Kies GmbH [3]	Heidelberg, DE	6.00	100.00	2020	108.8	0.0
HIPS (Trustees) Limited	Maidenhead, GB		100.00	2020	0.0	0.0
HK Holdings (No.1) Limited	Maidenhead, GB		100.00	2020	47.3	16.1
HK Holdings (No.2) Limited	Maidenhead, GB		100.00	2020	0.0	0.0
Holms Sand & Gravel Company (1985) (The)	Maidenhead, GB		100.00	2020	0.0	0.0
Holms Sand & Gravel Company Limited (The)	Maidenhead, GB		100.00	2020	0.0	0.0
Homes (East Anglia) Limited	Maidenhead, GB		100.00	2020	0.2	0.0
Hormigones y Minas S.A.	Málaga, ES		99.94	2020	23.8	1.0
Housemotor Limited	Maidenhead, GB		100.00	2020	0.0	0.0
Houseprice Limited	Maidenhead, GB		100.00	2020	0.0	0.0
Houserate Limited	Maidenhead, GB		100.00	2020	8,028.6	-258.6
HPL Albany House Developments Limited [4]	Maidenhead, GB		50.00	2020	-0.6	0.0
HPL Estates Limited	Maidenhead, GB		100.00	2020	3.9	0.0
HPL Investments Limited	Maidenhead, GB		100.00	2020	0.0	0.0
HPL Properties Limited	Maidenhead, GB		100.00	2020	44.5	0.0
HPL Property Limited	Maidenhead, GB		100.00	2020	44.8	0.0
HPL West London Developments Limited [4]	Maidenhead, GB		50.00	2020	-0.2	0.0
Hurst and Sandler Limited	Maidenhead, GB		100.00	2020	5.2	0.0
Immobilière des Technodes S.a.s.	Guerville, FR		100.00	2020	12.4	1.4
Imperial Foods Holdings Limited	Maidenhead, GB		100.00	2020	0.7	0.0
Imperial Group Limited	Maidenhead, GB		100.00	2020	275.8	0.0
Imperial Seafoods Limited	Maidenhead, GB		100.00	2020	1.3	0.0
Ing. Sala S.p.A.	Bergamo, IT		100.00	2020	0.5	-1.2
Interbulk Trading (IBT) S.A.	Lugano, CH		100.00	2020	75.3	-6.1
Intercom S.r.l.	Bergamo, IT		100.00	2020	7.0	0.0
Investcim S.a.s.	Guerville, FR		100.00	2020	112.0	0.0
Irvine - Whitlock Limited	Maidenhead, GB		100.00	2020	-12.1	-3.6
Ital Real Estate S.r.l.	Bergamo, IT		100.00	2020	37.9	6.4
Italcementi Finance S.A.	Guerville, FR		100.00	2020	24.3	-4.6
Italcementi S.p.A.	Bergamo, IT		100.00	2020	2,696.7	-6.2
Italsacci S.p.A.	Bergamo, IT		100.00	2020	118.9	-12.0

Company name	Corporate seat	HC AG direct ownership %	Group ownership %	Year[1]	Equity in € million[2]	Net income in € million[2]
J. Riera, S.A.	Barcelona, ES		99.89	2020	2.0	-1.9
James Grant & Company (West) Limited	Edinburgh, GB		100.00	2020	2.5	0.0
Judkins Limited	Maidenhead, GB		100.00	2020	0.1	0.0
K.M. Property Development Company Limited	Maidenhead, GB		100.00	2020	0.0	0.0
Kazakhstan Cement Holding B.V.	's-Hertogenbosch, NL		100.00	2020	85.1	0.0
Ketton Cement Limited	Maidenhead, GB		100.00	2020	0.0	0.0
Kingston Minerals Limited	Maidenhead, GB		100.00	2020	0.2	0.0
L.B. (Stewartby) Limited	Maidenhead, GB		100.00	2020	58.7	0.0
Lehigh B.V.	's-Hertogenbosch, NL		100.00	2020	15,469.8	736.8
Lehigh UK Limited	Maidenhead, GB		100.00	2020	14,882.1	3.3
Les Sabliers de l'Odet S.a.s.	Quimper, FR		100.00	2020	4.4	0.0
Lindustries Limited	Edinburgh, GB		100.00	2020	49.8	0.0
Lithonplus GmbH & Co. KG^	Lingenfeld, DE		60.00	2020	53.6	8.0
Localdouble Limited	Maidenhead, GB		100.00	2020	0.0	0.0
M E Sub Limited	Maidenhead, GB		100.00	2020	19.7	0.0
Mantle & Llay Limited	Maidenhead, GB		100.00	2020	0.0	0.0
Marnee Limited	Maidenhead, GB		100.00	2020	0.0	0.0
Marples Ridgway Limited	Maidenhead, GB		100.00	2020	-4.4	0.0
Mebin B.V.	's-Hertogenbosch, NL		100.00	2020	53.1	-5.0
Mebin Leeuwarden B.V.	Leeuwarden, NL		79.79	2020	0.5	-0.3
Menaf S.a.s.	Guerville, FR		100.00	2020	-32.0	-37.5
Meppeler Betoncentrale B.V.	Meppel, NL		66.67	2020	-0.3	-0.2
Mibau Deutschland GmbH	Cadenberge, DE		60.00	2020	1.4	0.0
Mibau Holding GmbH	Cadenberge, DE		60.00	2020	67.4	23.8
Mibau Nederland B.V.	Venlo, NL		60.00	2020	2.6	0.4
Midland Quarry Products Limited	Maidenhead, GB		100.00	2020	85.8	16.1
Milton Hall (Southend) Brick Company Limited (The)	Maidenhead, GB		100.00	2020	1.5	0.0
Minster Quarries Limited	Maidenhead, GB		100.00	2020	-1.4	0.0
Mixconcrete Holdings Limited	Maidenhead, GB		100.00	2020	4.3	0.0
Mixconcrete Limited	Maidenhead, GB		100.00	2020	-2.0	0.0
Morebeat Limited	Maidenhead, GB		100.00	2020	0.0	0.0
Motioneager Limited	Maidenhead, GB		100.00	2020	238.3	0.0
National Brick Company Limited	Maidenhead, GB		100.00	2020	2.8	0.0
National Star Brick and Tile Holdings Limited	Maidenhead, GB		100.00	2020	2.4	0.0
National Star Limited	Maidenhead, GB		100.00	2020	0.1	0.0
Nuova Sacelit S.r.l.	Bergamo, IT		100.00	2020	-2.4	-3.0
Paperbefore Limited	Maidenhead, GB		100.00	2020	336.7	0.0
Pencrete Limited	Maidenhead, GB		100.00	2020	0.1	0.0
Picon Overseas Limited	St. Peter Port, GG		100.00	2020	177.0	20.7
PILC Limited	St. Peter Port, GG		100.00	2020	20.9	0.2
Pimco 2945 Limited	Maidenhead, GB		100.00	2020	4.5	0.0
Pinden Plant & Processing Co. Limited (The)	Maidenhead, GB		100.00	2020	6.3	0.0
Pioneer Aggregates (UK) Limited	Maidenhead, GB		100.00	2020	5.1	0.0
Pioneer Asphalts (U.K.) Limited	Maidenhead, GB		100.00	2020	0.0	0.0
Pioneer Concrete (U.K.) Limited	Maidenhead, GB		100.00	2020	0.0	0.0
Pioneer Concrete Holdings Limited	Maidenhead, GB		100.00	2020	130.3	0.0
Pioneer International Group Holdings Limited	Maidenhead, GB		100.00	2020	0.0	0.0
Pioneer Investments UK Limited	Maidenhead, GB		100.00	2020	0.1	0.0
Pioneer Overseas Investments Limited	St. Peter Port, GG		100.00	2020	117.4	0.0
Premix Concrete Limited	Maidenhead, GB		100.00	2020	0.0	0.0
Purfleet Aggregates Limited	Maidenhead, GB		100.00	2020	-0.2	0.0

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Company name	Corporate seat	HC AG direct ownership %	Group ownership %	Year[1]	Equity in € million[2]	Net income in € million[2]
Redshow Limited	Maidenhead, GB		100.00	2020	123.0	0.0
Rezincote (1995) Limited	Maidenhead, GB		100.00	2020	-0.5	0.0
Roads Reconstruction Limited	Maidenhead, GB		100.00	2020	9.6	0.0
Rostocker Zementumschlagsgesellschaft mbH	Rostock, DE		60.00	2020	0.1	0.0
Rouennaise de Transformation S.a.s.	Grand-Couronne, FR		100.00	2020	1.3	0.1
S Sub Limited	Maidenhead, GB		100.00	2020	0.0	0.0
S Z G - Saarländische Zementgesellschaft mit beschränkter Haftung	Saarbrücken, DE		100.00	2020	1.2	0.1
S.A. Cimenteries CBR	Braine-l'Alleud, BE	0.00	100.00	2020	999.3	85.7
S.A. TRANS CBR	Braine-l'Alleud, BE		100.00	2020	0.1	0.1
Sabine Limited	St. Peter Port, GG		100.00	2020	240.6	0.0
Sablimaris S.a.s.	Saint-Herblain, FR		100.00	2020	13.1	1.2
Sagrex B.V.	's-Hertogenbosch, NL		100.00	2020	7.2	-0.3
Sagrex France S.A.S.	Thourotte, FR		100.00	2020	6.1	0.8
Sagrex Holding B.V.	's-Hertogenbosch, NL		100.00	2020	27.6	5.3
Sagrex Productie B.V.	's-Hertogenbosch, NL		100.00	2020	6.4	0.4
Sailtown Limited	Maidenhead, GB		100.00	2020	1,081.4	19.6
Saint Hubert Investments S.à r.l.	Strassen, LU		100.00	2020	398.9	-0.1
SAMA S.r.l. - in liquidazione[4]	Bergamo, IT		100.00	2020	-0.1	-0.1
Samuel Wilkinson & Sons Limited	Maidenhead, GB		100.00	2020	0.0	0.0
Sax S.a.s.	Guerville, FR		100.00	2020	1.7	-0.3
Scancem Energy and Recovery Limited	Maidenhead, GB		100.00	2020	19.0	0.0
Scancem International Limited	Maidenhead, GB		100.00	2020	20.0	0.0
Scancem Recovery Limited	Maidenhead, GB		100.00	2020	19.5	0.2
Scancem Supply Limited	Maidenhead, GB		100.00	2020	-2.1	0.0
Seagoe Concrete Products Limited	Maidenhead, GB		100.00	2020	0.0	0.0
Second City Properties Limited	Maidenhead, GB		100.00	2020	12.9	0.0
Shapedirect Limited	Maidenhead, GB		100.00	2020	1,913.2	42.6
SJP 1 Limited	Maidenhead, GB		100.00	2020	-0.1	0.0
Slotcount Limited	Maidenhead, GB		100.00	2020	0.0	0.0
Small Lots (Mix-It) Limited	Maidenhead, GB		100.00	2020	12.0	0.0
Sociedad Financiera y Minera Sur S.L.[3]	Málaga, ES		99.94			
Sociedad Financiera y Minera, S.A.	Málaga, ES		99.94	2020	241.3	-31.6
Socli S.a.s.	Loures-Barousse, FR		100.00	2020	9.2	2.2
Sodramaris S.N.C.	La Rochelle, FR		100.00	2020	13.7	0.0
Solrec Limited	Maidenhead, GB		100.00	2020	9.3	0.0
SQ Corporation Limited	Maidenhead, GB		100.00	2020	0.0	0.0
SQ Finance No 2 Limited	Maidenhead, GB		100.00	2020	48.7	73.8
St Edouard S.à r.l.	Strassen, LU		100.00	2020	2,690.6	0.0
ST JUDE S.à r.l.	Strassen, LU		100.00	2020	2,237.3	0.0
ST NICOLAS S.à r.l.	Strassen, LU		100.00	2020	1,567.2	0.0
Stema Shipping (UK) Limited	Grays, GB		60.00	2020	6.6	1.9
Stema Shipping France S.a.s.	Le Mesnil Esnard, FR		60.00	2020	0.6	-0.3
Stephen Toulson & Sons Limited	Maidenhead, GB		100.00	2020	0.0	0.0
Stewartby Housing Association Limited	Maidenhead, GB		100.00	2020	0.0	0.0
Supamix Limited	Maidenhead, GB		100.00	2020	6.3	0.0
Technodes S.a.s.	Guerville, FR		100.00	2020	-11.1	-1.2
Tercim S.a.s.	Guerville, FR		100.00	2020	-7.5	-7.9
The Purfleet Ship to Shore Conveyor Company Limited	Maidenhead, GB		100.00	2020	0.1	0.0
Thistleton Quarries Limited	Maidenhead, GB		100.00	2020	-1.6	0.0
Tillotson Commercial Motors Limited	Maidenhead, GB		100.00	2020	-20.9	0.0
Tillotson Commercial Vehicles Limited	Maidenhead, GB		100.00	2020	0.0	0.0

Company name	Corporate seat	HC AG direct ownership %	Group ownership %	Year[1]	Equity in € million[2]	Net income in € million[3]
Tilmanstone Brick Limited	Maidenhead, GB		100.00	2020	7.9	0.0
Timesound	Maidenhead, GB		100.00	2020	0.7	0.0
Tinglev Elementfabrik GmbH	Altlandsberg, DE		100.00	2020	2.3	0.0
TLQ Limited	Edinburgh, GB		100.00	2020	0.0	0.0
TMC Pioneer Aggregates Limited	Maidenhead, GB		100.00	2020	0.0	0.0
Tratel Affrètement S.a.s.	Guerville, FR		100.00	2020	16.1	1.5
Tratel S.a.s.	Guerville, FR		100.00	2020	23.0	1.5
Tunnel Cement Limited	Maidenhead, GB		100.00	2020	0.0	0.0
U.D.S. Holdings B.V.	's-Hertogenbosch, NL		100.00	2020	47.4	298.0
UDS (No 10)	Maidenhead, GB		100.00	2020	794.9	-76.3
UDS (No 3) Limited	Maidenhead, GB		100.00	2020	6.3	0.0
UDS Corporation Limited	Maidenhead, GB		100.00	2020	0.0	261.8
UDS Finance Limited	Maidenhead, GB		100.00	2020	45.6	0.0
UDS Group Limited	Maidenhead, GB		100.00	2020	127.5	0.0
UDS Holdings (1) Limited	Maidenhead, GB		100.00	2020	227.3	0.0
UGI Group Limited	Maidenhead, GB		100.00	2020	107.8	0.0
Unibéton Centre Ouest S.a.s.	Saint Jean le Blanc, FR		100.00	2020	6.9	-2.6
Unibéton S.a.s.	Guerville, FR		100.00	2020	-0.1	-23.2
United Gas Industries Limited	Maidenhead, GB		100.00	2020	13.0	0.0
Uniwerbéton S.a.s.	Heillecourt, FR		70.00	2020	0.4	0.0
V.E.A. Limited	St. Peter Port, GG		100.00	2020	179.5	0.3
Ventore S.L.	Málaga, ES		99.94	2020	-0.2	0.0
Viewgrove Investments Limited	Maidenhead, GB		100.00	2020	0.0	0.0
Visionfocus Limited	Maidenhead, GB		100.00	2020	742.8	0.0
Visionrefine Limited	Maidenhead, GB		100.00	2020	-0.3	0.0
Welbecson Group Limited	Maidenhead, GB		100.00	2020	-0.1	0.0
Wineholm Limited	Maidenhead, GB		100.00	2020	0.0	0.0
Subsidiaries						
Northern and Eastern Europe-Central Asia						
Abetong AB	Växjö, SE		100.00	2020	6.7	0.2
Abetong AS	Oslo, NO		100.00	2020	0.6	0.0
AS Kunda Nordic Tsement	Kunda, EE		75.00	2020	61.3	-6.5
BayKaz Beton LLP	Almaty, KZ		100.00	2020	0.7	-12.3
Beton Ata LLP	Almaty, KZ		100.00	2020	0.4	0.0
Betong Sør AS	Kristiansand, NO		100.00	2020	1.7	0.3
Betongindustri AB	Stockholm, SE		100.00	2020	4.3	0.1
BETOTECH, s.r.o.	Beroun, CZ		91.50	2020	0.6	0.0
Björgun ehf	Reykjavik, IS		52.98	2020	7.5	0.3
BM Valla ehf	Reykjavik, IS		52.98	2020	21.0	3.3
Bukhtarma Cement Company LLP	Oktyabrskiy village, KZ		100.00	2020	22.3	1.9
Calumite s.r.o.	Ostrava-Kunčičky, CZ		51.00	2020	4.4	0.8
CaspiCement Limited Liability Partnership	Shetpe, KZ		100.00	2020	49.1	2.5
Caspinerud Limited Liability Partnership	Shetpe, KZ		100.00	2020	7.8	0.4
Cementa AB	Stockholm, SE		100.00	2020	49.0	5.6
Cementa Fastighets AB	Stockholm, SE		100.00	2020	0.1	0.0
Cementa sp. z o. o.	Warszawa, PL		100.00	2020	0.1	0.0
Českomoravský beton, a.s.	Beroun, CZ		100.00	2020	24.7	5.2
Českomoravský cement, a.s.	Mokrá-Horákov, CZ		100.00	2020	107.8	51.8
Českomoravský štěrk, a.s.	Mokrá-Horákov, CZ		100.00	2020	57.8	10.7
Contiga A/S	Tinglev, DK		100.00	2020	11.7	6.3

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Company name	Corporate seat	HC AG direct ownership %	Group ownership %	Year[1]	Equity in € million[1]	Net income in € million[1]
Contiga AB	Norrtälje, SE		100.00	2020	1.0	0.2
Contiga AS	Moss, NO		100.00	2020	46.2	28.1
Contiga Holding AS	Oslo, NO		100.00	2020	58.9	7.4
Contiga Väst AB	Uddevalla, SE		100.00	2020	4.4	3.4
Devnya Cement AD	Devnya, BG		99.94	2020	240.5	9.8
DK Beton A/S	Ringsted, DK		100.00	2020	26.9	2.2
DK Cement A/S	Ringsted, DK		100.00	2020	9.7	0.0
Eignarhaldsfélagið Hornsteinn ehf.	Reykjavik, IS		52.98	2020	34.4	4.5
Fastighets AB Limhamns Kalkbrott	Stockholm, SE		100.00	2020	2.3	0.0
Fastighets AB Lövholmen	Stockholm, SE		100.00	2020	0.5	0.1
Garkalnes Grants SIA	Riga, LV		100.00	2020	8.4	0.4
Global IT Center EAD	Devnya, BG		99.94	2020	1.0	0.1
Górażdże Beton Sp. z o.o.	Górażdże, PL		100.00	2020	14.2	-9.1
Górażdże Cement S.A.	Górażdże, PL		100.00	2020	480.3	83.0
Górażdże Kruszywa Sp. z o.o.	Górażdże, PL		100.00	2020	44.8	2.6
Halyps Building Materials S.A.	Aspropyrgos, GR		99.90	2020	73.8	9.6
Hanson Iceland EHF	Reykjavik, IS		100.00	2020	2,236.7	0.1
HC Betons SIA	Riga, LV		100.00	2020	0.2	-1.0
HC Betoon AS, Estonia	Tallinn, EE		100.00	2020	5.7	-0.3
HC SSC Latvia, SIA	Riga, LV		100.00	2020	-0.1	0.0
HeidelbergCement Africa Holding Kommanditbolag	Stockholm, SE		100.00	2020	23.8	0.0
HeidelbergCement Danmark A/S	Ringsted, DK		100.00	2020	42.4	2.7
HeidelbergCement Iceland EHF	Reykjavik, IS		100.00	2020	18.5	2.4
HeidelbergCement Miljö AB	Örebro, SE		100.00	2020	1.8	0.0
HeidelbergCement Northern Europe AB	Stockholm, SE		100.00	2020	1,268.7	25.3
HeidelbergCement Norway AS	Oslo, NO		100.00	2020	537.3	478.9
HeidelbergCement România S.A.	Bucharest, RO		100.00	2020	292.0	92.0
HeidelbergCement Services - LLP	Almaty, KZ		100.00	2020	-0.9	-0.1
HeidelbergCement Sweden AB	Stockholm, SE		100.00	2020	226.8	13.7
Italmed Cement Company Ltd.	Limassol, CY		99.90	2020	25.2	1.6
Kamenivo Slovakia a.s.	Bytča-Hrabové, SK		100.00	2020	2.0	0.2
LLC "Norcem Kola"	Murmansk, RU		100.00	2020	0.2	-0.3
LLC 'HeidelbergCement Rus'	Podolsk, RU		100.00	2020	119.3	25.0
LLC KaliningradCement	Kaliningrad, RU		100.00	2020	1.2	-0.3
Lyulyaka Materials EAD	Devnya, BG		99.94	2020	1.2	0.1
Magnatool AB	Stockholm, SE		75.00	2020	0.0	0.0
Mibau Polska Sp. z o.o.	Gdansk, PL		60.00	2020	1.7	0.2
Norbetong AS	Oslo, NO		100.00	2020	89.4	0.0
Norcem AS	Oslo, NO		100.00	2020	42.3	21.2
Nordic Precast Group AB	Stockholm, SE		100.00	2020	137.1	-1.0
Nordic Precast Kasen Fastighets AB	Uddevalla, SE		100.00	2020	1.0	0.7
Norsk Stein AS	Jelsa, NO		60.00	2020	85.0	10.7
NorStone AS	Sandnes, NO		100.00	2020	3.0	0.7
OJSC "Cesla"	Slantsy, RU		99.98	2020	7.2	-1.4
OJSC Gurovo-Beton	Novogurovsky, RU		100.00	2020	1.9	0.5
Precon Polska Sp.z.o.o.	Warszawa, PL		100.00	2020	4.8	0.3
Protenna AB	Stockholm, SE		75.00	2020	25.9	0.0
Renor AS	Aurskog, NO		100.00	2020	4.4	0.4
Sand- och grusaktiebolaget Jehander	Stockholm, SE		100.00	2020	11.0	0.0
Scancem Central Africa Holding 1 AB	Stockholm, SE		100.00	2020	5.3	0.0
Scancem Central Africa Holding 2 AB	Stockholm, SE		100.00	2020	0.1	0.0

Company name	Corporate seat	HC AG direct ownership %	Group ownership %	Year[1]	Equity in € million[2]	Net income in € million[2]
Scancem Central Africa Holding 3 AB	Stockholm, SE		100.00	2020	0.2	0.0
Scancem Central Africa Holding 4 AB	Stockholm, SE		100.00	2020	0.0	0.0
Scancem Holding AS	Oslo, NO		100.00	2020	18.5	5.2
Scancem International DA	Oslo, NO		100.00	2020	127.8	84.2
Sementsverksmidjan ehf	Akranes, IS		52.98	2020	5.6	0.9
ShymkentCement JSC	Shymkent, KZ		100.00	2020	14.3	7.2
SIA BALTIC SAULE	Riga, LV		100.00	2020	2.5	-0.1
SIA SBC	Marupe, LV		100.00	2020	2.4	0.8
SIA SBC Finance	Marupe, LV		100.00	2020	0.1	0.0
SIA SBC Property*	Marupe, LV		49.00	2020	3.7	0.3
Sola Betong AS	Tananger, NO		66.67	2020	1.3	0.0
Splitt Chartering Aps	Aabenraa, DK		60.00	2020	16.2	7.6
SSC Lithuania UAB	Kaunas, LT		100.00	2020	0.0	0.0
Stema Shipping A/S	Aabenraa, DK		60.00	2020	84.4	23.6
TBG BETONMIX a. s.	Brno, CZ		66.00	2020	9.0	2.0
TBG BETONPUMPY MORAVA s.r.o.	Brno, CZ		84.90	2020	0.7	0.2
TBG SEVEROZÁPADNÍ ČECHY s.r.o.	Chomutov, CZ		66.00	2020	2.3	0.4
TBG Slovensko, a. s.	Bratislava, SK		100.00	2020	2.6	-2.1
TBG Východní Čechy s.r.o.	Mladé Buky, CZ		70.04	2020	1.9	0.5
TBG VYSOČINA s.r.o.	Kožichovice, CZ		59.40	2020	1.7	0.4
UAB HC Betonas	Kaunas, LT		100.00	2020	-0.5	-0.6
UAB HeidelbergCement Klaipeda	Klaipėda, LT		100.00	2020	3.9	0.4
Vulkan Cement AD	Dimitrovgrad, BG		98.60	2020	39.5	-0.2
Subsidiaries						
North America						
Amangani SA	Panama City, PA		100.00	2020	-0.5	0.0
Amcord, Inc.	Wilmington, US		100.00	2020	-2.2	-3.6
Anche Holdings Inc	Panama City, PA		100.00	2020	0.0	0.0
Asian Carriers Inc.	Panama City, PA		100.00	2020	31.8	0.0
Astravance Corp.	Panama City, PA		100.00	2020	4.8	0.0
Beazer East, Inc.	Wilmington, US		100.00	2020	-208.8	-25.0
Cadman Materials, Inc.	Tumwater, US		100.00	2020	60.0	-1.0
Cambridge Aggregates Inc.	Cambridge, CA		60.00	2020	6.5	1.9
Campbell Concrete & Materials LLC	Austin, US		100.00	2020	36.3	-0.9
Campbell Transportation Services LLC*	Austin, US		100.00			
Cavenham Forest Industries LLC	Wilmington, US		100.00	2020	-84.3	-4.6
Cindercrete Mining Supplies Ltd.*	Regina, CA		50.00	2020	4.7	0.0
Cindercrete Products Limited	Regina, CA		100.00	2020	8.5	-13.9
Commercial Aggregates Transportation and Sales, LLC	Wilmington, US		100.00	2020	2.4	0.1
Constar LLC	Wilmington, US		100.00	2020	304.3	16.1
Corliss Resources, LLC	Dover, US		100.00	2020	30.2	8.3
Cowichan Corporation	Panama City, PA		100.00	2020	0.5	0.0
Essex NA Holdings LLC	Wilmington, US		100.00	2020	43.1	0.0
Essroc Holdings LLC	Wilmington, US		100.00	2020	734.9	0.0
Fairburn Ready-Mix, Inc.	Norcross, US		100.00	2020	13.6	1.6
Greyrock, LLC	Wilmington, US		100.00	2020	90.6	1.0
Gulf Coast Stabilized Materials LLC	Austin, US		100.00	2020	61.0	4.6
Gypsum Carrier Inc	Panama City, PA		100.00	2020	60.1	0.0
Hampshire Properties LLC	Austin, US		100.00	2020	-0.3	0.0
Hanson Aggregates Midwest, Inc.	Frankfort, US		100.00	2020	715.0	63.8

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Company name	Corporate seat	HC AG direct ownership %	Group ownership %	Year[1]	Equity in € million[2]	Net income in € million[2]
Hanson Aggregates New York LLC	Albany, US		100.00	2020	580.9	30.9
Hanson Aggregates Pennsylvania LLC	Wilmington, US		100.00	2020	383.0	18.1
Hanson Aggregates Southeast LLC	Wilmington, US		100.00	2020	712.7	56.4
Hanson Aggregates WRP, Inc.	Wilmington, US		100.00	2020	-2.2	2.9
Hanson Building Materials America LLC	Wilmington, US		100.00	2020	-340.1	0.0
Hanson Green Limited	Hamilton, BM		100.00	2020	0.1	0.0
Hanson Micronesia Cement, Inc.	Wilmington, US		100.00	2020	4.7	0.1
Hanson Permanente Cement of Guam, Inc.	Sacramento, US		100.00	2020	46.2	1.5
Hanson Permanente Cement, Inc.	Phoenix, US		100.00	2020	-165.8	-260.2
Harrell Aggregate Hauling, Inc.	Norcross, US		100.00	2020	0.4	0.0
HBMA Holdings LLC	Wilmington, US		100.00	2020	3,679.2	16.2
HC Trading Americas, LLC[3]	Coral Gables, US		100.00			
HNA Investments	Wilmington, US		100.00	2020	1,512.8	0.0
Kaiser Gypsum Company, Inc.	Raleigh, US		100.00	2020	-98.5	-6.8
KH 1 Inc.	Wilmington, US		100.00	2020	12.3	0.0
Lehigh Cement Company LLC	Wilmington, US		100.00	2020	1,363.9	90.0
Lehigh Hanson Cement South LLC	Wilmington, US		100.00	2020	328.9	60.5
Lehigh Hanson Materials Limited	Calgary, CA		100.00	2020	1,590.1	-57.5
Lehigh Hanson Materials South LLC	Austin, US		100.00	2020	683.4	7.4
Lehigh Hanson Receivables LLC	Wilmington, US		100.00	2020	62.8	7.5
Lehigh Hanson Services LLC	Wilmington, US		100.00	2020	-182.5	30.5
Lehigh Hanson, Inc.	Wilmington, US		100.00	2020	8,357.3	-123.6
Lehigh Northwest Cement Company	Tumwater, US		100.00	2020	150.2	3.1
Lehigh Northwest Marine, LLC	Wilmington, US		100.00	2020	2.3	0.0
Lehigh Southwest Cement Company	Sacramento, US		100.00	2020	210.2	-181.8
LHI Duomo Holdings LLC	Wilmington, US		100.00	2020	0.0	0.0
Mediterranean Carriers, Inc.	Panama City, PA		100.00	2020	-2.4	0.0
Permanente Cement Company[4]	Los Angeles, US		100.00			
Pioneer International Overseas Corporation	Road Town, VG		100.00	2020	152.9	1.7
Rimarcal Corporation	Panama City, PA		100.00	2020	0.0	0.0
Sherman Industries LLC	Wilmington, US		100.00	2020	27.4	-2.7
Sinclair General Corporation	Panama City, PA		100.00	2020	1,096.1	504.4
Standard Concrete Products, Inc.	Sacramento, US		100.00	2020	0.0	-0.1
Three Rivers Management, Inc.	Wilmington, US		100.00	2020	-3.3	0.0
Vestur Insurance (Bermuda) Ltd	Hamilton, BM		100.00	2020	0.0	0.0
Subsidiaries						
Asia-Pacific						
Alex Fraser Asphalt Holdings Pty Ltd	Sydney, AU		100.00	2020	1.1	0.0
Alex Fraser Asphalt Pty Ltd	Sydney, AU		100.00	2020	20.3	11.3
Alex Fraser Holdings Pty Ltd	Sydney, AU		100.00	2020	4.2	0.0
Alex Fraser Pty Ltd	Sydney, AU		100.00	2020	8.6	-0.9
Asia Cement Energy Conservation Co., Ltd.[5]	Bangkok, TH		39.53	2020	42.8	8.5
Asia Cement Products Co., Ltd.[5]	Bangkok, TH		39.53	2020	3.1	-2.1
Asia Cement Public Company Limited[5]	Bangkok, TH		39.53	2020	274.0	27.9
Bitumix Granite Sdn Bhd	Kuala Lumpur, MY		100.00	2020	1.1	0.3
Butra HeidelbergCement Sdn Bhd	Muara, BN		70.00	2020	7.5	-0.4
Calga Sands Pty Ltd	Sydney, AU		100.00	2020	9.8	-0.5
CBR Cement (Guangzhou) Company Limited	Guangzhou, CN		100.00	2020	1.5	0.2
Cemix Concrete (M) Sdn Bhd	Kuala Lumpur, MY		100.00	2020	0.9	-0.4
CGF Pty Limited	Sydney, AU		100.00	2020	158.2	0.0

Company name	Corporate seat	HC AG direct ownership %	Group ownership %	Year[1]	Equity in € million[2]	Net income in € million[2]
Christies Stone Quarries Pty Ltd	Sydney, AU		100.00	2020	0.0	0.0
Concrete Materials Laboratory Sdn Bhd	Kuala Lumpur, MY		100.00	2020	0.5	0.0
Consolidated Quarries Pty Ltd	Sydney, AU		100.00	2020	0.0	0.0
Construction Materials Pty Ltd	Sydney, AU		100.00	2020	0.0	0.0
Excel Quarries Pty Limited	Sydney, AU		100.00	2020	0.1	0.0
Galli Quarries Pty Limited	Sydney, AU		100.00	2020	22.5	-0.6
Gerak Harapan Sdn Bhd	Kuala Lumpur, MY		70.00	2020	-0.2	-0.1
Gulbarga Cement Limited	Bangalore, IN		100.00	2021	39.2	-1.9
Hanson Australia (Holdings) Proprietary Limited	Sydney, AU		100.00	2020	909.8	-1,021.6
Hanson Australia Cement (2) Pty Ltd	Sydney, AU		100.00	2020	25.9	21.4
Hanson Australia Cement Pty Limited	Sydney, AU		100.00	2020	27.5	21.4
Hanson Australia Funding Limited	Sydney, AU		100.00	2020	36.9	1,001.9
Hanson Australia Investments Pty Limited	Sydney, AU		100.00	2020	2.2	4.5
Hanson Australia Pty Limited	Sydney, AU		100.00	2020	855.3	265.8
Hanson Building Materials Cartage Sdn Bhd	Kuala Lumpur, MY		100.00	2020	0.6	0.0
Hanson Building Materials Malaysia Sdn Bhd	Kuala Lumpur, MY		100.00	2020	20.0	-4.2
Hanson Building Materials Manufacturing Sdn Bhd	Kuala Lumpur, MY		100.00	2020	0.6	0.1
Hanson Building Materials Production Sdn Bhd	Sungai Nibong, MY		100.00	2020	11.7	0.2
Hanson Building Materials Transport Sdn Bhd	Kuala Lumpur, MY		100.00	2020	0.4	0.1
Hanson Building Materials-KTPC Sdn Bhd[4]	Kuala Lumpur, MY		100.00	2020	0.3	0.0
Hanson Building Materials-KTPC-PBPM Sdn Bhd[4]	Kuala Lumpur, MY		100.00	2020	1.1	0.0
Hanson Building Materials-PBPM Sdn Bhd[4]	Kuala Lumpur, MY		100.00	2020	0.2	0.0
Hanson Cement Holdings Pty Ltd	Sydney, AU		100.00	2020	3.9	4.4
Hanson Concrete (M) Sdn Bhd	Kuala Lumpur, MY		100.00	2020	0.5	0.0
Hanson Construction Materials Pty Ltd	Sydney, AU		100.00	2020	3.9	23.0
Hanson Finance Australia Ltd	Sydney, AU		100.00	2020	62.2	-1.0
Hanson Holdings (M) Sdn Bhd	Kuala Lumpur, MY		100.00	2020	11.6	0.0
Hanson Holdings Australia Pty Ltd	Sydney, AU		100.00	2020	-0.5	-2.6
Hanson Investment Holdings Pte Ltd	Singapore, SG		100.00	2020	34.8	0.1
Hanson Landfill Services Pty Ltd	Sydney, AU		100.00	2020	59.8	6.4
Hanson Pacific (S) Pte Limited	Singapore, SG		100.00	2020	-6.9	0.0
Hanson Pty Limited	Sydney, AU		100.00	2020	2,542.3	262.7
Hanson Quarries Victoria Pty Limited	Sydney, AU		100.00	2020	0.5	0.0
Hanson Quarry Products (Batu Pahat) Sdn Bhd	Kuala Lumpur, MY		100.00	2020	0.1	0.0
Hanson Quarry Products (EA) Sdn Bhd[4]	Kuala Lumpur, MY		100.00	2020	0.5	0.0
Hanson Quarry Products (Holdings) Sdn Bhd	Kuala Lumpur, MY		100.00	2020	41.3	-1.1
Hanson Quarry Products (Kuantan) Sdn Bhd[4]	Kuala Lumpur, MY		100.00	2020	0.1	0.0
Hanson Quarry Products (Kulai) Sdn Bhd[4]	Kuala Lumpur, MY		100.00	2020	9.4	0.0
Hanson Quarry Products (Land) Sdn Bhd	Kuala Lumpur, MY		100.00	2020	2.8	0.2
Hanson Quarry Products (Masai) Sdn Bhd	Kuala Lumpur, MY		100.00	2020	0.8	0.0
Hanson Quarry Products (Northern) Sdn Bhd[4]	Kuala Lumpur, MY		100.00	2020	0.2	0.0
Hanson Quarry Products (Pengerang) Sdn Bhd[4]	Kuala Lumpur, MY		100.00	2020	1.1	0.0
Hanson Quarry Products (Perak) Sdn Bhd[4]	Kuala Lumpur, MY		100.00	2020	0.5	0.0
Hanson Quarry Products (Rawang) Sdn Bhd[4]	Kuala Lumpur, MY		100.00	2020	1.1	0.1
Hanson Quarry Products (Segamat) Sdn Bhd	Kuala Lumpur, MY		100.00	2020	0.5	0.1
Hanson Quarry Products (Tempoyak) Sdn Bhd	Kuala Lumpur, MY		100.00	2020	-1.8	-0.5
Hanson Quarry Products (Terengganu) Sdn Bhd	Kuala Lumpur, MY		100.00	2020	0.7	0.0
Hanson Quarry Products Sdn Bhd	Kuala Lumpur, MY		100.00	2020	36.6	-1.9
HC Trading (India) Private Limited	Hyderabad, IN		100.00	2020	0.2	0.1
HC Trading Asia and Pacific Pte. Ltd.	Singapore, SG		100.00	2020	1.2	0.3
HeidelbergCement (Hong Kong) Company Limited	Hong Kong S.A.R., CN		100.00	2020	0.1	0.0

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Company name	Corporate seat	HC AG direct ownership %	Group ownership %	Year [1]	Equity in € million [2]	Net income in € million [3]
HeidelbergCement Asia Pte Ltd	Singapore, SG		100.00	2020	9.7	-2.1
HeidelbergCement Bangladesh Limited	Narayanganj, BD		60.66	2020	33.2	0.1
HeidelbergCement Holding HK Limited	Hong Kong S.A.R., CN		100.00	2020	52.9	37.9
HeidelbergCement India Limited	Gurgaon (State-Haryana), IN		69.39	2021	174.2	35.9
HeidelbergCement Myanmar Company Limited	Yangon, MM		100.00	2021	0.3	-0.1
Hymix Australia Pty Ltd	Sydney, AU		100.00	2020	74.6	14.5
Jalaprathan Cement Public Company Limited [5]	Bangkok, TH		35.12	2020	89.7	2.4
Jalaprathan Concrete Co., Ltd. [5]	Bangkok, TH		35.12	2020	8.0	0.4
Melbourne Concrete Pty Ltd	Sydney, AU		100.00	2020	0.3	0.0
Naga Property Co., Ltd. [5]	Bangkok, TH		35.12	2020	0.2	0.0
Pioneer Concrete (Tasmania) Proprietary Limited	Sydney, AU		100.00	2020	5.2	0.0
Pioneer Concrete Services (Malaysia) S/B [4] [6]	Petaling Jaya, MY		100.00	-	-	-
Pioneer International (Labuan) Ltd [4]	Wilayah Persekutuan Labuan, MY		100.00	2020	0.4	0.0
Pioneer International Holdings Pty Ltd	Sydney, AU		100.00	2020	132.0	-1,306.2
Pioneer North Queensland Pty Ltd	Sydney, AU		100.00	2020	26.2	0.8
Placecrete Australia Pty Ltd	Sydney, AU		100.00	2020	-0.7	0.0
Plentong Granite Industries Sdn Bhd [4]	Kuala Lumpur, MY		70.00	2020	0.7	0.0
PT Bahana Indonor	Jakarta, ID		52.87	2020	16.7	1.4
PT Bhakti Sari Perkasa Abadi	Jakarta, ID		52.87	2020	0.8	0.1
PT Cipta Armada Bersama [4]	Batam, ID		52.87	-	-	-
PT Dian Abadi Perkasa	Jakarta, ID		52.87	2020	97.9	8.5
PT Indocement Tunggal Prakarsa Tbk.	Jakarta, ID		52.89	2020	1,202.0	104.6
PT Indomix Perkasa	Jakarta, ID		52.89	2020	28.3	0.0
PT Kencana Terang Sejahtera	Jakarta, ID		52.87	2020	0.1	0.0
PT Lentera Abadi Sejahtera	Jakarta, ID		52.89	2020	0.0	0.0
PT Lintas Bahana Abadi	Jakarta, ID		52.87	2020	5.5	0.5
PT Makmur Abadi Perkasa Mandiri	Jakarta, ID		52.89	2020	0.0	0.0
PT Makmur Lestari Abadi	Jakarta, ID		52.87	2020	0.2	0.0
PT Makmur Lestari Indonesia	Jakarta, ID		52.87	2020	0.4	0.0
PT Makmur Lestari Sentosa	Jakarta, ID		52.87	2020	10.9	0.0
PT Mandiri Sejahtera Sentra	Purwakarta, ID		52.87	2020	38.6	-1.2
PT Mineral Industri Sukabumi	Sukabumi, ID		52.87	2020	4.6	0.1
PT Multi Bangun Galaxy	Lombok, ID		52.87	2020	11.8	0.0
PT Pionirbeton Industri	Jakarta, ID		52.89	2020	4.6	-6.0
PT Sahabat Muliasakti	Pati, ID		52.87	2020	-0.1	0.0
PT Sari Bhakti Sejati	Jakarta, ID		52.89	2020	3.1	0.1
PT Semesta Perkasa Cipta	Bogor, ID		52.87	2020	1.9	0.0
PT Sinar Sakti Agung	Jakarta, ID		52.87	2020	0.0	0.0
PT Tarabatuh Manunggal	Bogor, ID		52.87	2020	23.9	-0.1
PT Terang Prakarsa Cipta	Medan, ID		52.89	2020	0.1	0.0
PT Tigaroda Rumah Sejahtera	Jakarta, ID		52.89	2020	0.3	0.0
PT Tiro Abadi Perkasa	Jakarta, ID		52.87	2020	0.0	0.0
Queensland Recycling Holdings Pty Ltd	Sydney, AU		100.00	2020	2.5	0.0
Queensland Recycling Pty Ltd	Sydney, AU		100.00	2020	0.4	0.3
Rajang Perkasa Sdn Bhd	Kuala Lumpur, MY		60.00	2020	0.3	0.3
Realistic Sensation Sdn Bhd	Kuala Lumpur, MY		69.98	2020	1.5	0.1
Recycling Industries Pty Ltd	Sydney, AU		100.00	2020	13.6	3.1
Sofinaz Holdings Sdn Bhd	Kuala Lumpur, MY		100.00	2020	0.3	0.0
South Coast Basalt Pty Ltd	Sydney, AU		100.00	2020	20.4	1.2
Suncoast Asphalt Pty Ltd	Sydney, AU		100.00	2020	0.1	-1.9
Tanah Merah Quarry Sdn Bhd	Kuala Lumpur, MY		100.00	2020	-2.0	0.0
Traino Group Australia Pty Ltd	Sydney, AU		70.00	2020	5.0	0.4

Company name	Corporate seat	HC AG direct ownership %	Group ownership %	Year[1]	Equity in € million[2]	Net income in € million[2]
Valscot Pty Limited	Sydney, AU		100.00	2020	0.0	0.0
Vanlyuth Co., Ltd.*	Bangkok Metropolis, TH		48.80	2020	18.2	2.8
Waterfall Quarries Pty Limited	Sydney, AU		100.00	2020	0.0	0.0
West Coast Premix Pty Ltd	Sydney, AU		100.00	2020	-0.2	0.0
Western Suburbs Concrete Partnership[3]	Parramatta, AU		50.00	2021	4.8	4.6
XL Premix Partnership[3]	Fairfield, AU		50.00	2020	-3.1	-0.8
XL Premix Pty Ltd[3]	Sydney, AU		50.00	2020	0.0	0.0
Zuari Cement Ltd.	Bangalore, IN		100.00	2021	181.8	19.8
Subsidiaries						
Africa-Eastern Mediterranean Basin						
ACH Investments Limited	Ebene, MU		100.00	2020	15.3	0.0
Africim S.A.	Casablanca, MA		51.00	2020	1.4	0.0
ATLANTIC CIMENT	Casablanca, MA		51.00	2020	2.0	0.2
Austral Cimentos Sofala, SA	Dondo, MZ		100.00	2020	10.4	3.3
BETOSAHA SA[3]	Laâyoune, MA		26.01	2020	0.9	-0.1
Calcim S.A.	Cotonou, BJ		89.00	2020	1.0	-0.2
Cimbenin S.A.	Cotonou, BJ		87.95	2020	15.7	1.2
CimBurkina S.A.	Ouagadougou, BF		80.00	2020	36.5	12.4
Cimenterie de Lukala S.A.	Kinshasa, CD		94.22	2020	-3.4	-10.0
Ciments du Maroc S.A.	Casablanca, MA		51.00	2020	348.4	66.5
Ciments du Togo SA	Lomé, TG		99.63	2020	43.1	11.7
DECOM Egyptian Co for Development of Building Materials S.A.E.*	Cairo, EG		36.48	2020	10.2	1.6
Gacem Company Limited	Serrekunda, GM		100.00	2020	-1.0	-1.0
Ghacem Ltd.	Tema, GH		93.10	2020	55.0	65.0
GRANUBENIN SA avec CA**	Cotonou, BJ		89.90			
Hanson (Israel) Ltd	Ramat Gan, IL		99.98	2020	232.3	17.1
Hanson Quarry Products (Israel) Ltd	Ramat Gan, IL		99.98	2020	211.5	4.2
Hanson Yam Limited Partnership	Ramat Gan, IL		99.98	2020	5.9	1.3
HC Trading FZE	Dubai, AE		100.00	2020	1.6	0.4
HeidelbergCement Afrique Service	Lomé, TG		94.43	2020	0.0	0.0
Helwan Cement Company S.A.E.	Helwan/Greater Cairo, EG		69.83	2020	49.4	-12.3
Industrie Sakia El Hamra "Indusaha" S.A.*	Laâyoune, MA		46.91	2020	84.5	12.8
Interbulk Egypt for Export S.A.E.	Cairo, EG		100.00	2020	-0.1	-0.2
La Societe GRANUTOGO SA	Lomé, TG		90.00	2020	2.1	0.1
Liberia Cement Corporation Ltd.	Monrovia, LR		81.67	2020	32.2	11.5
Pioneer Beton Muva Umachzavot Ltd	Ramat Gan, IL		99.98	2020	0.2	0.0
Procimar S.A.	Casablanca, MA		100.00	2020	101.1	27.2
Scantogo Mines SA	Lomé, TG		90.00	2020	31.1	11.2
Suez Cement Company S.A.E.	Cairo, EG		70.15	2020	146.4	-42.4
Suez for Transportation & Trade S.A.E.	Cairo, EG		69.47	2020	0.7	0.2
Tadir Readymix Concrete (1965) Ltd	Ramat Gan, IL		100.00	2020	0.2	0.2
Tanzania Portland Cement Public Limited Company	Dar es Salaam, TZ		69.25	2020	89.3	28.0
Teracem Limited	Accra, GH		100.00	2020	1.3	-0.4
Tourah Portland Cement Company S.A.E.	Cairo, EG		65.17	2020	-54.9	-13.0
Universal Company for Ready Mix Concrete Production S.A.E.*	Cairo, EG		36.48	2020	23.0	2.8
West Africa Quarries Limited	Tema, GH		83.79	2020	1.2	0.7
Joint Operations						
Western and Southern Europe						
Atlantica de Graneles y Moliendas S.A.	Zierbena-Vizcaya, ES		49.97	2020	-21.1	0.0

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Company name	Corporate seat	HC AG direct ownership %	Group ownership %	Year [1]	Equity in € million [2]	Net income in € million [3]
Joint Operations						
North America						
Terrell Materials LLC	Frisco, US		50.00	2020	10.7	3.2
Joint Operations						
Asia-Pacific						
Lytton Unincorporated Joint Venture	Toowong, AU		50.00	2020	0.0	0.0
Joint Ventures						
Western and Southern Europe						
ABE Deponie GmbH	Damsdorf, DE		50.00	2020	3.0	0.9
bihek GmbH	Breisach am Rhein, DE		40.00	2020	0.1	-0.2
Carrières Bresse Bourgogne S.A.	Épervans, FR		33.26	2020	6.6	0.3
CaucasusCement Holding B.V.	's-Hertogenbosch, NL		45.00	2020	52.4	9.9
Donau Kies GmbH & Co. KG	Fürstenzell, DE		75.00	2020	6.8	0.9
DONAU MÖRTEL - GmbH & Co. KG	Neuburg a. Inn, DE		50.00	2020	0.3	0.1
Dragages et Carrières S.A.	Épervans, FR		50.00	2020	3.4	0.5
Fraimbois Granulats S.à r.l.	Fraimbois, FR		50.00	2020	-0.2	-0.1
GENAMO Gesellschaft zur Entwicklung des Naherholungsgebietes Misburg-Ost mbH	Hannover, DE	50.00	50.00	2020	1.6	0.8
Hafenbetriebsgesellschaft mbH & Co KG Stade	Stade, DE		50.00	2020	0.5	0.1
Heidelberger Beton Donau-Iller GmbH & Co. KG	Elchingen, DE		80.48	2020	0.8	0.0
Heidelberger Betonpumpen Simonis GmbH & Co. KG	Ubstadt-Weiher, DE		65.29	2020	2.5	0.5
Humber Sand and Gravel Limited [4]	Rugby, GB		50.00			
KANN Beton GmbH & Co KG	Bendorf, DE		50.00	2020	0.9	0.9
Kieswerk Langsdorf GmbH	Jarmen, DE		62.45	2020	1.0	0.0
Kieswerke Flemmingen GmbH	Penig, DE		64.00	2020	3.2	0.4
Les Graves de l'Estuaire S.a.s.	Le Havre, FR		50.00	2020	0.1	-0.4
New Milton Sand and Ballast Limited	New Milton, GB		49.00	2020	11.1	0.0
North Tyne Roadstone Limited	Birmingham, GB		50.00	2020	-1.4	-0.3
Raunheimer Quarzsand GmbH & Co. KG	Raunheim, DE		50.00	2020	1.5	0.7
Rewinn B.V.	Amsterdam, NL		50.00	2020	0.8	-0.2
Sandkorn GmbH & Co. KG	Trappenkamp, DE		25.00	2020	0.6	0.9
SCL S.A.	Heillecourt, FR		50.00	2020	-0.8	0.0
Smiths Concrete Limited	Oxford, GB		49.00	2020	9.4	-1.4
SPS S.a.s.	Pont de l'Arche, FR		50.00	2020	4.8	-0.7
TBG Ilm-Beton GmbH & Co. KG	Arnstadt, DE		55.00	2020	0.4	0.0
TBG Rott Kies und Transportbeton GmbH	Kelheim, DE		38.85	2020	0.8	0.5
TBG Transportbeton GmbH & Co. KG Naabbeton	Nabburg, DE		50.00	2020	4.4	0.8
TBG Transportbeton Oder-Spree GmbH & Co. KG	Wriezen, DE		50.00	2020	1.5	0.7
TBG Transportbeton Reichenbach GmbH & Co. KG	Reichenbach, DE		70.00	2020	0.6	0.0
TBG Transportbeton Werner GmbH & Co. KG	Dietfurt a.d. Altmühl, DE		38.85	2020	0.1	0.3
Trapobet Transportbeton GmbH Kaiserslautern Kommanditgesellschaft	Kaiserslautern, DE		50.00	2020	1.0	1.2
Joint Ventures						
Northern and Eastern Europe-Central Asia						
AS Betongpumping	Våler i Østfold, NO		50.00	2020	0.8	0.1
Betong Øst AS	Kongsvinger, NO		50.00	2020	10.1	5.1
Betong Vest AS	Blomsterdalen, NO		40.00	2020	3.0	0.5
BT Topbeton Sp. z o.o.	Gorzów Wielkopolski, PL		50.00	2020	5.9	0.9
CEMET S.A.	Warszawa, PL		42.91	2020	20.4	3.9
Devnya Limestone AD, Chernevo	Chernevo Village, BG		49.97	2020	13.0	0.4
Duna-Dráva Cement Kft.	Vác, HU		50.00	2020	189.4	48.3
JSC "Mineral Resources Company"	Ishimbay, RU		50.00	2020	9.8	-0.1

Company name	Corporate seat	HC AG direct ownership %	Group ownership %	Year [1]	Equity in € million [2]	Net income in € million [2]
PÍSKOVNY MORAVA spol. s r.o.	Němčičky, CZ		50.00	2020	2.1	0.5
Pražské betonpumpy a doprava s.r.o.	Praha, CZ		50.00	2020	2.5	0.2
Tangen Eiendom AS	Brevik, NO		50.00	2020	3.2	0.1
TBG METROSTAV s.r.o.	Praha, CZ		50.00	2020	12.3	1.3
TBG Plzeň Transportbeton s.r.o.	Beroun, CZ		50.10	2020	2.1	0.6
TBG SWIETELSKY s.r.o.	České Budějovice, CZ		51.00	2020	1.1	0.2
Vltavské štěrkopísky, s.r.o.	Chlumín, CZ		50.00	2020	3.6	0.8
Joint Ventures						
North America						
American Stone Company	Raleigh, US		50.00	2020	3.2	0.5
BP General Partner Ltd. [3]	Winnipeg, CA		50.00			
Building Products & Concrete Supply Limited Partnership	Winnipeg, CA		50.00	2020	12.2	3.7
Bulk Silos LLC	Mendota Heights, US		50.00	2020	0.0	0.0
China Century Cement Ltd.	Hamilton, BM		50.00	2020	137.3	21.1
Jack Cewe Construction Ltd.	Coquitlam, CA		50.00	2020	9.3	1.5
Red Bluff Sand & Gravel, L.L.C.	Birmingham, US		50.00	2020	5.0	0.6
Sunset Quarry, L.L.C.	Tacoma, US		50.00	2020	0.6	-0.1
Texas Lehigh Cement Company LP	Austin, US		50.00	2020	120.8	69.1
Joint Ventures						
Asia-Pacific						
Alliance Construction Materials Limited	Hong Kong S.A.R., CN		50.00	2020	25.1	2.0
Cement Australia Holdings Pty Ltd	Darra, AU		50.00	2020	185.1	26.6
Cement Australia Partnership	Darra, AU		50.00	2020	104.3	120.9
Cement Australia Pty Limited	Darra, AU		50.00	2020	0.0	0.0
Easy Point Industrial Ltd.	Hong Kong S.A.R., CN		50.00	2020	0.5	0.1
Jidong Heidelberg (Fufeng) Cement Company Limited	Baoji City, CN		48.11	2020	107.6	45.3
Jidong Heidelberg (Jingyang) Cement Company Limited	Xianyang City, CN		50.00	2020	112.0	54.5
M&H Quarries Partnership	Doncaster, AU		50.00	2020	-2.5	-0.1
Metromix Pty Limited	Parramatta, AU		50.00	2020	13.4	-2.7
Penrith Lakes Development Corporation Limited	Castlereagh, AU		20.00	2021	-111.3	5.7
Squareal Cement Ltd	Hong Kong S.A.R., CN		50.00	2020	98.3	31.5
Technically Designed Concrete Partnership	Bibra Lake, AU		50.00	2021	0.6	-0.1
Joint Ventures						
Africa-Eastern Mediterranean Basin						
Akçansa Çimento Sanayi ve Ticaret A.S.	Ataşehir/Istanbul, TR	39.72	39.72	2020	77.4	17.0
Associates						
Western and Southern Europe						
Béton Contrôle des Abers S.a.s.	Lannilis, FR		34.00	2020	6.2	0.6
Betonmortelcentrale De Mark B.V.	Oud-Gastel, NL		28.57	2020	1.8	0.3
Betotech GmbH, Baustofftechnisches Labor [4]	Nabburg, DE		72.08	2020	0.2	0.0
Betuwe Beton Holding B.V.	Tiel, NL		50.00	2020	7.5	1.9
C.V. Projectbureau Grensmaas	Born, NL		8.22	2020	10.3	1.9
Cugla B.V.	Breda, NL		50.00	2020	9.0	5.0
Dijon Béton S.A.	Saint-Apollinaire, FR		15.00	2020	8.9	0.4
Ernst Marschall GmbH & Co. KG Kies- und Schotterwerke	Kressbronn, DE		19.96	2020	4.0	0.8
Fertigbeton (FBU) GmbH & Co Kommanditgesellschaft Unterwittbach [4]	Kreuzwertheim, DE		57.14	2020	0.3	0.0
Heidelberger Beton Grenzland GmbH & Co. KG	Marktredwitz, DE		50.00	2020	0.4	1.4
Heidelberger Beton Inntal GmbH & Co. KG [4]	Altötting, DE		68.39	2020	0.6	1.9
ISAR-DONAU MÖRTEL-GmbH & Co. KG	Passau, DE		33.33	2020	0.7	0.2

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Company name	Corporate seat	HC AG direct ownership %	Group ownership %	Year[1]	Equity in € million[1]	Net income in € million[1]
Kronimus Aktiengesellschaft	Iffezheim, DE	24.90	24.90	2020	33.8	4.8
Kronimus SAS	Maizières-lès-Metz, FR		43.60	2020	5.1	1.0
Maasgrind B.V.	Maasbracht, NL		16.48	2020	0,6	0.3
Maasgrind Ontwikkeling B.V.	Maasbracht, NL		16.48	2020	0.1	0.0
Materiaux Traites du Hainaut S.A.	Antoing, BE		50.00	2020	0.6	0.0
MERMANS BETON N.V.	Arendonk, BE		50.00	2020	0.2	-0.3
Misburger Hafengesellschaft mit beschränkter Haftung	Hannover, DE	39.66	39.66	2020	1.7	0.2
Münchner Mörtel GmbH & Co. KG	München, DE		20.00	2020	0.1	0.1
Nederlands Cement Transport Cetra B.V.	Uithoorn, NL		50.00	2020	2,2	0.2
Panheel (Maatschappij tot Exploitatie van het Ontgrondingsproject Panheel) B.V.	Maasbracht, NL		16.48	2020	0.3	0.0
Peene Kies GmbH	Jarmen, DE		24.90	2020	3.1	0.0
Raunheimer Sand- und Kiesgewinnung Blasberg GmbH & Co. KG	Raunheim, DE		23.53	2020	0.5	0.4
Recybel S.A.	Flémalle, BE		26.50	2020	0.7	0.7
Recyfuel S.A.	Braine-l'Alleud, BE		50.00	2020	14.2	1.9
Stinkal S.a.s.	Ferques, FR		35.00	2020	-3.2	-2.3
Südbayerisches Portland-Zementwerk Gebr. Wiesböck & Co. GmbH	Rohrdorf, DE	23.90	23.90	2020	631.8	72.9
TBG Bayerwald Transportbeton GmbH & Co. KG	Fürstenzell, DE		50.00	2020	0.6	0.0
TBG Deggendorfer Transportbeton GmbH	Deggendorf, DE		33.33	2020	1.3	0.9
TBG Singen GmbH & Co. KG	Singen, DE		36.90	2020	0.1	-0.1
TBG Transportbeton Caprano GmbH & Co. KG	Heidelberg, DE		50.00	2020	0.3	0.2
TBG Transportbeton Gesellschaft mit beschränkter Haftung & Co. KG, Hohenlohe	Schwäbisch Hall, DE		25.00	2020	0.3	-0.1
TBG Transportbeton GmbH & Co. KG Betonpumpendienst[1]	Nabburg, DE		55.54	2020	0.8	1.0
TBG Transportbeton GmbH & Co.KG Lohr-Beton	Lohr am Main, DE		50.00	2020	0.2	0.1
Transbeton Gesellschaft mit beschränkter Haftung & Co Kommanditgesellschaft	Löhne, DE		27.23	2020	2.6	1.9
Transportbeton Johann Braun GmbH & Co. KG	Tröstau, DE		50.00	2020	0.5	0.4
V.o.F. Betoncentrale West-Brabant	Oud-Gastel, NL		50.00	2020	-2.1	-1.3
Van Zanten Holding B.V.	Leek, NL		25.00	2020	5.9	1.9
Zement- und Kalkwerke Otterbein GmbH & Co. KG	Großenlüder-Müs, DE	38.10	38.10	2020	3.3	0.8
Northern and Eastern Europe-Central Asia						
LOMY MOŘINA spol. s r.o.	Mořina, CZ		48.95	2020	10.7	0.3
Ribe Betong AS	Kristiansand, NO		40.00	2020	3.2	1.7
SP Bohemia, k.s.[1]	Králův Dvůr, CZ		75.00	2020	10.0	0.6
Sylteosen Betong AS	Elnesvågen, NO		39.94	2020	2.7	0.7
TBG Louny s.r.o.	Louny, CZ		33.33	2020	1.0	0.3
TBG PKS a.s.	Žďár nad Sázavou, CZ		29.70	2020	3.2	0.4
TBG PODIVÍN s.r.o.	Brno, CZ		33.00	2020	0.7	0.1
Vassiliko Cement Works Ltd.	Nicosia, CY		25.94	2020	246.2	16.6
North America						
Cemstone Products Company	Mendota Heights, US		36.09	2020	56.4	10.9
Cemstone Ready-Mix, Inc.	Mendota Heights, US		44.01	2020	9.8	1.0
Chaney Enterprises 2, LLC	Lothian, US		25.00	2020	27.1	3.9
Chaney Enterprises Limited Partnership	Lothian, US		25.00	2020	44.5	5.9
Innocon Inc.	Richmond Hill, CA		45.00	2020	34.0	0.6
Innocon Partnership	Richmond Hill, CA		45.00	2020	-11.2	1.8
RF Properties East, LLC	Lothian, US		25.00	2020	0.0	0.0
RF Properties, LLC	Lothian, US		25.00	2020	1.6	0.7
Southstar Limited Partnership	Lothian, US		25.00	2020	74.2	5.9
Sustainable Land Use, LLC	Lothian, US		25.00	2020	25.8	17.2

Company name	Corporate seat	HC AG direct ownership %	Group ownership %	Year[1]	Equity in € million[2]	Net income in € million[2]
Associates						
Asia-Pacific						
PT Bhakti Sari Perkasa Bersama	Jakarta, ID		15.86	2020	0.8	0.3
PT Cibinong Center Industrial Estate	Bogor, ID		26.44	2020	5.5	1.3
PT Jaya Berdikari Cipta	Bogor, ID		26.44	2020	2.4	0.0
PT Pama Indo Mining	Jakarta, ID		21.15	2020	3.7	0.7
PT Tripa Semen Aceh[4]	Jakarta, ID		10.92	-	-	-
Associates						
Africa-Eastern Mediterranean Basin						
Asment Temara S.A.	Témara, MA		37.01	2020	76.8	25.3
CEMZA (PTY) LTD	Midrand, ZA		40.00	2021	11.4	2.4
Fortia Cement S.A.	Lomé, TG		50.00	2020	7.5	0.4
Tecno Gravel Egypt S.A.E.	Cairo, EG		31.57	2020	2.3	0.3

The following subsidiaries are reflected in the consolidated financial statements at cost due to their immateriality.

Immaterial subsidiaries						
Western and Southern Europe						
3G IONICA S.C.A.R.L.[3]	Bergamo, IT		55.00	-	-	-
Azienda Agricola Lodoletta S.r.l.	Bergamo, IT		75.00	2020	1.0	0.2
Betonpumpen-Service Niedersachsen GmbH & Co. KG	Hannover, DE		100.00	2020	0.2	0.0
Betonpumpen-Service Niedersachsen Verwaltungs-GmbH	Hannover, DE		100.00	2020	0.0	0.0
Betotech Baustofflabor GmbH	Heidelberg, DE	100.00	100.00	2020	0.2	-0.1
CSPS Trustees Limited	Maidenhead, GB		100.00	2020	0.0	0.0
Drew Group Holdings Limited[4]	New Milton, GB		100.00	-	-	-
Entreprise Lorraine d'Agriculture - ELDA S.à r.l.	Heillecourt, FR		100.00	2020	0.1	0.0
Etablissement F.S. Bivois SARL	Strasbourg, FR		60.00	2020	0.2	0.0
Garonne Labo S.à r.l.[4]	St Léger, FR		40.05	2020	0.0	0.0
Hanson (ER-No 3) Limited[4]	London, GB		100.00	-	-	-
HConnect 2 GmbH	Heidelberg, DE		100.00	2020	0.0	0.0
HConnect GmbH	Heidelberg, DE		100.00	2020	0.0	0.0
HeidelbergCement Grundstücksverwaltungsgesellschaft mbH	Heidelberg, DE	100.00	100.00	2020	0.1	0.0
HeidelbergCement Holding GmbH[4]	Heidelberg, DE		100.00	-	-	-
HeidelbergCement Shared Services GmbH	Leimen, DE	100.00	100.00	2020	2.0	0.3
HeidelbergCement, Funk & Kapphan Grundstücksverwaltungsgesellschaft mbH	Heidelberg, DE	80.00	80.00	2020	0.0	0.0
Heidelberger Beton Donau-Naab Verwaltungsgesellschaft mbH	Burglengenfeld, DE		77.70	2020	0.0	0.0
Heidelberger Beton Gersdorf GmbH & Co. KG	Gersdorf, DE		65.00	2020	0.1	0.0
Heidelberger Beton Gersdorf Verwaltungs- und Beteiligungs-GmbH	Gersdorf, DE		65.00	2020	0.0	0.0
Heidelberger Beton Personal-Service GmbH	Heidelberg, DE		100.00	2020	0.1	0.0
Heidelberger Betonelemente Verwaltungs-GmbH	Chemnitz, DE		83.00	2020	0.1	0.0
Lindustries (D) Limited[4]	London, GB		100.00	-	-	-
Lithonplus Verwaltungs-GmbH	Lingenfeld, DE		60.00	2020	0.0	0.0
Matériaux de Boran S.A.	Tourcoing, FR		99.76	2020	0.0	0.0
MM MAIN-MÖRTEL GmbH & Co.KG	Kleinostheim, DE		84.19	2020	0.1	0.2
MM MAIN-MÖRTEL Verwaltungsgesellschaft mbH	Aschaffenburg, DE		84.19	2020	0.0	0.0
MS "Wesertrans" Verwaltungsgesellschaft mbH	Elsfleth, DE		75.00	2020	0.0	0.0
MTE Mineralstoff Terminal Emden GmbH	Emden, DE		60.00	2020	1.3	-0.1
NOHA Norddeutsche Hafenumschlagsgesellschaft mbH	Cadenberge, DE		60.00	2020	0.1	0.0
Rederij Cement-Tankvaart B.V.	Terneuzen, NL		66.64	2020	4.5	0.5
SBIC Limited[4]	Gibraltar, GI		100.00	-	-	-

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Company name	Corporate seat	HC AG direct ownership %	Group ownership %	Year[1]	Equity in € million[1]	Net income in € million[1]
SCI Bicowal	Strasbourg, FR		60.00	2020	0.0	0.0
SCI de Balloy	Avon, FR		100.00	2020	0.0	0.0
SCI du Colombier	Rungis, FR		63.00	2020	0.0	0.0
Société Civile d'Exploitation Agricole de l'Avesnois	Guerville, FR		80.00	2020	0.0	0.0
Société d'Extraction et d'Aménagement de la Plaine de Marolles SEAPM S.a.s.	Avon, FR		56.40	2020	0.8	-0.2
SPRL Ferme de Wisempierre	Antoing, BE		100.00	2020	1.7	0.0
TBM Transportbeton-Gesellschaft mbH Marienfeld & Co. KG	Harsewinkel, DE		87.50	2020	0.1	0.0
TBM Transportbeton-Gesellschaft mit beschränkter Haftung Marienfeld	Harsewinkel, DE		87.50	2020	0.0	0.0
Transportbeton Meschede Gesellschaft mit beschränkter Haftung	*Meschede, DE*		*58.06*	*2020*	*0.0*	*0.0*
Transportbeton Meschede GmbH & Co. KG	Meschede, DE		58.06	2020	0.1	0.2
WIKING Baustoff- und Transport Gesellschaft mit beschränkter Haftung*	Geseke, DE		100.00	-	-	-
WIKING Baustoff- und Transport GmbH & Co. Kommanditgesellschaft*	Geseke, DE		100.00	-	-	-
Immaterial subsidiaries						
Northern and Eastern Europe-Central Asia						
8 Vershin LLP	Almaty, KZ		100.00	2020	0.1	0.0
Agromir Sp. z o.o.	Góraźdże, PL		100.00	2020	0.0	0.0
Agrowelt Sp. z o.o.	Góraźdże, PL		100.00	2020	0.7	0.0
Azer-E.S. Limited Liability Company	Baku, AZ	100.00	100.00	2020	-4.0	-0.7
Bukhtarma TeploEnergo LLP	Oktyabrskiy village, KZ		100.00	2020	0.0	0.0
Bukhtarma Vodokanal LLP	Oktyabrskiy village, KZ		100.00	2020	0.0	0.0
Center Cement Plus Limited Liability Partnership	*Nur-Sultan, KZ*		*100.00*	*2020*	*0.6*	*-0.2*
Centrum Technologiczne Betotech Sp. z o.o.	Dąbrowa Górnicza, PL		100.00	2020	0.2	0.1
Českomoravská těžařská, s.r.o.	Mokrá-Horákov, CZ		100.00	2020	0.0	0.0
Donau Kies Bohemia Verwaltungs, s.r.o.	Pilsen, CZ		75.00	2020	0.0	0.0
Eurotech Cement S.h.p.k.	Durrës, AL		92.41	2020	-1.2	0.1
Fastighets AB Lövholmen 1	Stockholm, SE		100.00	2020	0.0	0.0
Fastighets AB Lövholmen 2	Stockholm, SE		100.00	2020	0.0	0.0
Fastighets AB Lövholmen 3	Stockholm, SE		100.00	2020	0.0	0.0
Fastighets AB Lövholmen 4	Stockholm, SE		100.00	2020	0.0	0.0
Fastighets AB Lövholmen 5	Stockholm, SE		100.00	2020	0.0	0.0
Fastighets AB Lövholmen 6	Stockholm, SE		100.00	2020	0.0	0.0
Fastighets AB Lövholmen 7	Stockholm, SE		100.00	2020	0.0	0.0
Fastighets AB Lövholmen 8	Stockholm, SE		100.00	2020	0.0	0.0
Fastighets AB Lövholmen 9	*Stockholm, SE*		*100.00*	*2020*	*0.0*	*0.0*
Fastighets AB Lövholmen 10	Stockholm, SE		100.00	2020	0.0	0.0
Fastighets AB Lövholmen 11	Stockholm, SE		100.00	2020	0.0	0.0
Fastighets Söder om Kalkbrottet 1 AB	Stockholm, SE		100.00	2020	0.0	0.0
Fastighets Söder om Kalkbrottet 2 AB	Stockholm, SE		100.00	2020	0.0	0.0
Fastighets Söder om Kalkbrottet 3 AB	Stockholm, SE		100.00	2020	0.0	0.0
Fastighets Söder om Kalkbrottet 4 AB	Stockholm, SE		100.00	2020	0.0	0.0
Fastighets Söder om Kalkbrottet Holding AB	Stockholm, SE		100.00	2020	0.0	0.0
Geo Nieruchomości Sp. z o.o.	Góraźdże, PL		100.00	2020	0.1	0.0
Global IT Center, s.r.o.	Brno, CZ		100.00	2020	3.9	0.5
LLC HC Yug	Podolsk, RU		100.00	2020	-0.1	-0.1
MIXT Sp. z o.o.	Góraźdże, PL		100.00	2020	0.8	0.0
Podgrodzie Sp. z o.o.	Raciborowice Górne, PL		100.00	2020	1.1	-0.3
Polgrunt Sp. z o.o.	Góraźdże, PL		100.00	2020	2.1	0.4
Shqiperia Cement Company Shpk	Tirana, AL		100.00	2020	0.6	-0.1
TRANS-SERVIS,spol. s r.o.	Praha, CZ		100.00	2020	1.4	0.2

Company name	Corporate seat	HC AG direct ownership %	Group ownership %	Year[1]	Equity in € million[1]	Net income in € million[1]
Immaterial subsidiaries						
North America						
Hanson (ER-No 16) Inc.[2]	Wilmington, US		100.00	-	-	-
Industrial Del Fresno SA[2]	San Miguel de Allende, MX		76.00	-	-	-
Kidde Industries, Inc.[2]	Wilmington, US		100.00	-	-	-
Lucas Coal Company, Inc[2]	Harrisburg, US		100.00	-	-	-
Magnum Minerals, Inc.[2]	Harrisburg, US		100.00	-	-	-
PUSH NA Holdings, Inc.[2]	Wilmington, US		100.00	-	-	-
SunCrete Rooftile, Inc.[2]	Sacramento, US		100.00	-	-	-
Total Limited[2]	Wilmington, US		100.00	-	-	-
Immaterial subsidiaries						
Asia-Pacific						
Vesprapat Holding Co., Ltd.[2,3,4]	Bangkok, TH		49.00	-	-	-
Immaterial subsidiaries						
Africa-Eastern Mediterranean Basin						
C.N.A. - Cimentos Nacionais de Angola S.A.[2]	Luanda, AO		56.00	-	-	-
FOUNDATION HEIDELBERGCEMENT TOGO[2]	Lomé, TG		93.21	-	-	-
Intercom Libya F.Z.C.[2]	Misrata, LY		100.00	-	-	-
Suez for Import & Export Co S.A.E.	Cairo, EG		69.47	2020	0.0	0.0
Terra Cimentos LDA[2]	Dondo, MZ		100.00	-	-	-

The following joint arrangements and associates are accounted for at cost due to their immateriality.

Immaterial joint arrangements and associates						
Western and Southern Europe						
Alzagri NV	Brugge, BE		50.00	2020	0.9	0.3
Asto Holding B.V.	Raamsdonksveer, NL		33.32	2020	1.7	0.4
Asto Investment B.V.	Raamsdonksveer, NL		33.32	2020	0.6	0.2
Auxerre Béton S.à r.l.	Guerville, FR		50.00	2020	0.3	0.2
Baustoff- und Umschlags-GmbH	Mosbach, DE		33.33	2020	0.3	0.1
Calcaires de la Rive Gauche I SPRL	Nivelles, BE		35.00	2020	3.9	-0.3
Canteras Aldoyar, S.L.	Olazagutia, ES		19.99	2020	1.9	0.2
Cava delle Capannelle S.r.l.	Almenno San Bartolomeo, IT		49.00	2020	0.1	-0.3
Cementi della Lucania S.r.l.	Potenza, IT		30.00	2020	0.0	-0.1
CI4C GmbH & Co. KG	Heidenheim an der Brenz, DE	25.00	25.00	2020	1.1	0.0
CI4C Verwaltungs GmbH	Heidenheim an der Brenz, DE		25.00	2020	0.0	0.0
Consorzio Stabile San Francesco S.C.A.R.L.	Foligno, IT		42.00	2020	0.1	0.0
Deltapav S.r.l.	Samarate, IT		45.01	2020	0.6	0.1
Donau Kies Verwaltungs GmbH[4]	Fürstenzell, DE		75.00	2020	0.0	0.0
DONAU MÖRTEL-Verwaltungs und-GmbH	Passau, DE		50.00	2020	0.0	0.0
Eurocalizas S.L.[4]	Meruelo, ES		33.31	-	-	-
Fertigbeton (FBU) Gesellschaft mit beschränkter Haftung[4]	Kreuzwertheim, DE		57.14	2020	0.0	0.0
GAM Greifswalder Asphaltmischwerke VerwaltungsGmbH	Greifswald, DE		30.00	2020	0.0	0.0
Generalcave S.r.l. - in liquidazione[4]	Fiumicino, IT		50.00	2020	0.0	0.0
GIE des Terres de Mayocq	Le Crotoy, FR		32.49	2020	0.0	0.0
GIE GM[4]	Guerville, FR		63.00	2020	0.0	0.0
GIE Loire Grand Large	Saint-Herblain, FR		26.00	2020	0.0	0.0
GIE Manche Est	Rouxmesnil-Bouteilles, FR		20.00	2020	0.0	0.0
GIE Sud Atlantique	La Rochelle, FR		50.00	2020	-0.1	0.0

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Company name	Corporate seat	HC AG direct ownership %	Group ownership %	Year[1]	Equity in € million[2]	Net income in € million[2]
Granulats Marins de Normandie GIE	Le Havre, FR		32.50	2020	-0.1	-0.1
Hafen- und Lagergesellschaft Greifswald mbH	Greifswald, DE		30.00	2020	0.3	0.2
Hafenbetriebs- und Beteiligungs-GmbH, Stade	Stade, DE		50.00	2020	0.1	0.0
Heidelberger Beton Donau-Iller Verwaltungs-GmbH[4]	Eichingen, DE		80.65	2020	0.1	0.0
Heidelberger Beton Grenzland Verwaltungs-GmbH	Marktredwitz, DE		50.00	2020	0.0	0.0
Heidelberger Beton Inntal Verwaltungs-GmbH[5]	Altötting, DE		68.39	2020	0.0	0.0
Heidelberger Beton Karlsruhe GmbH & Co. KG[4][6]	Karlsruhe, DE		50.30	-	-	-
Heidelberger Beton Karlsruhe Verwaltungs-GmbH[4][6]	Karlsruhe, DE		50.30	-	-	-
Heidelberger Beton Kurpfalz GmbH & Co. KG[4][6]	Eppelheim, DE		64.73	-	-	-
Heidelberger Beton Kurpfalz Verwaltungs-GmbH[4][6]	Eppelheim, DE		64.73	-	-	-
Heidelberger Betonpumpen Simonis Verwaltungs-GmbH[4]	Ubstadt-Weiher, DE		65.25	2020	0.0	0.0
Hormigones Olazti S.A[4]	Olazagutia, ES		24.99	-	-	-
Hormigones Txingudi S.A.	San Sebastián, ES		33.31	2020	0.1	0.0
ISAR-DONAU MÖRTEL-Verwaltungs-GmbH	Plattling, DE		33.33	2020	0.0	0.0
KANN Beton Verwaltungsgesellschaft mbH	Bendorf, DE		50.00	2020	0.1	0.0
KVB Kies- Vertrieb GmbH & Co. KG[4][6]	Karlsdorf-Neuthard, DE		24.46	-	-	-
KVB Verwaltungs- und Beteiligungs-GmbH[4][6]	Karlsdorf-Neuthard, DE		24.41	-	-	-
Les Quatre Termes S.a.s.	Salon-de-Provence, FR		50.00	2020	0.1	0.0
Les Sables de Mezieres S.a.s.	Saint-Pierre-des-Corps, FR		50.00	2020	0.3	0.1
Lippe-Kies GmbH & Co. KG	Delbrück, DE		50.00	2020	0.2	0.2
Lippe-Kies Verwaltungs GmbH	Delbrück, DE		50.00	2020	0.0	0.0
Mantovana Inerti S.r.l.	Castiglione delle Stiviere, IT		50.00	2020	2.2	0.1
Mendip Rail Limited	Markfield, GB		50.00	2020	0.2	-0.3
MS "Wesertrans" Binnenschiffsreederei GmbH & Co. KG[4]	Elsfleth, DE		68.75	2020	-0.2	0.0
Münchner Mörtel Verwaltungsges. mbH	München, DE		20.00	2020	0.0	0.0
Neuciclaje S.A.	Bilbao, ES		49.97	2020	-0.1	-0.2
Nordhafen Stade-Bützfleth Verwaltungsgesellschaft mbH	Stade, DE		20.00	2020	0.0	0.0
Otterbein Gesellschaft mit beschränkter Haftung	Großenlüder-Müs, DE	20.00	20.00	2020	0.0	0.0
Padyear Limited	Maidenhead, GB		50.00	2020	-0.2	0.0
Peters Cement Overslagbedrijf B.V.	Raamsdonksveer, NL		33.32	2020	1.2	0.1
Raunheimer Quarzsand Verwaltungsgesellschaft mbH	Raunheim, DE		50.00	2020	0.0	0.0
S.A.F.R.A. S.r.l. - in liquidazione[4][6]	Bologna, IT		33.33	-	-	-
San Francesco S.c.a.r.l. in liquidazione[4]	Foligno, IT		45.71	2020	0.5	0.0
Sandkorn Verwaltungs GmbH	Nortorf, DE		25.00	2020	0.1	0.0
SCI de Barbeau	Bray-sur-Seine, FR		49.00	2020	0.0	0.0
SCI des Granets	Cayeux-sur-Mer, FR		33.33	2020	0.0	0.0
SCI La Motte au Bois	Harnes, FR		50.00	2020	0.0	0.0
Société Civile Bachant le Grand Bonval[4]	Guerville, FR		80.00	2020	0.0	0.0
Société Foncière de la Petite Seine S.a.s.	Saint-Sauveur-lès-Bray, FR		42.25	2020	0.1	0.0
TBG Bayerwald Verwaltungs-GmbH	Fürstenzell, DE		50.00	2020	0.0	0.0
TBG Ilm-Beton Verwaltungs-GmbH[4]	Arnstadt, DE		55.00	2020	0.0	0.0
TBG Singen Verwaltungs-GmbH	Singen, DE		36.90	2020	0.0	0.0
TBG Transportbeton Caprano Verwaltungs-GmbH	Heidelberg, DE		50.00	2020	0.0	0.0
TBG Transportbeton Gesellschaft mit beschränkter Haftung	Schwäbisch Hall, DE		25.00	2020	0.0	0.0
TBG Transportbeton Lohr Verwaltungsgesellschaft mbH	Lohr am Main, DE		50.00	2020	0.0	0.0
TBG Transportbeton Oder-Spree Verwaltungs-GmbH	Wriezen, DE		50.00	2020	0.0	0.0
TBG Transportbeton Reichenbach Verwaltungs-GmbH[4]	Reichenbach, DE		70.00	2020	0.1	0.0
TBG Transportbeton Verwaltungsgesellschaft mbH	Nabburg, DE		50.00	2020	0.0	0.0
TBG Transportbeton Werner Verwaltungsgesellschaft mbH	Dietfurt a.d. Altmühl, DE		38.85	2020	0.0	0.0
terravas GmbH	Königs Wusterhausen, DE		50.00	2020	0.0	0.0
Transbeton Gesellschaft mit beschränkter Haftung	Löhne, DE		27.23	2020	0.0	0.0

Company name	Corporate seat	HC AG direct ownership %	Group ownership %	Year [1]	Equity in € million [2]	Net income in € million [3]
Transportbeton Johann Braun Geschäftsführungs GmbH	Tröstau, DE		50.00	2020	0.0	0.0
Urzeit Weide GbR	Schelklingen, DE	50.00	50.00	2020	0.1	0.0
Verwaltungsgesellschaft mit beschränkter Haftung TRAPOBET Transportbeton Kaiserslautern	Kaiserslautern, DE		50.00	2020	0.0	0.0
Immaterial joint arrangements and associates						
Northern and Eastern Europe-Central Asia						
Björgun - Bygg ehf.	Reykjavík, IS		26.49	2020	0.0	0.0
Dobrotitsa BSK AD - in liquidation [4]	Dobrich, BG		26.38	2020	-1.2	0.0
Kalkkaia AS	Verdal, NO		50.00	2020	2.1	0.2
Velkolom Čertovy schody, akciová společnost	Tmaň, CZ		50.00	2020	6.7	0.1
Immaterial joint arrangements and associates						
North America						
KHB Venture LLC [6]	Waltham, US		33.33	-	-	-
Newbury Development Associates, LP [6]	Bridgeville, US		35.00	-	-	-
Newbury Development Management, LLC [6]	Bridgeville, US		35.00	-	-	-
Woodbury Investors, LLC [6]	Atlanta, US		50.00	-	-	-
Immaterial joint arrangements and associates						
Asia-Pacific						
Diversified Function Sdn Bhd	Kuala Lumpur, MY		50.00	2020	-0.1	0.0
Pornphen Prathan Company Limited [6] [8]	Bangkok, TH		49.70	-	-	-
Sanggul Suria Sdn Bhd	Kuala Lumpur, MY		45.00	2020	0.0	0.0
Immaterial joint arrangements and associates						
Africa-Eastern Mediterranean Basin						
Ceval GIE	Casablanca, MA		29.34	2020	0.0	0.0
Italcementi for Cement Manufacturing - Libyan J.S.C. [9]	Tripoli, LY		50.00	-	-	-
Suez Lime S.A.E.	Cairo, EG		35.02	2020	0.1	0.0
Union Cement Norcem C.o. (LLC)	Ras Al Khaimah, AE		40.00	2020	2.3	1.6

1) Last fiscal year for which financial statements are available.
2) Translated with the closing rate of the fiscal year for which financial statements are available.
3) Translated with the average rate of the fiscal year for which financial statements are available.
4) In liquidation
5) Controlling influence through contractual arrangements and/or legal regulations
6) Absence of controlling influence through contractual arrangements and/or legal regulations
7) The company makes use of the exemption from disclosure obligations in accordance with section 264(3) or with section 264b of the German Commercial Code (HGB).
8) Information on equity and earnings is omitted pursuant to section 313(3) or to section 286(3), sentence 1, no. 1 of the German Commercial Code (HGB) if such information is of minor relevance for a fair presentation of the assets, financial, and earnings position of HeidelbergCement AG.
9) Company founded last year. Therefore, no annual financial statement available yet.

Heidelberg, 23 March 2022

HeidelbergCement AG

The Managing Board

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Independent auditor's report

To HeidelbergCement AG, Heidelberg

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

Audit Opinions

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

In our opinion, on the basis of the knowledge obtained in the audit,

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

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

Basis for the Audit Opinions

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

Key Audit Matters in the Audit of the Consolidated Financial Statements

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

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

1 Recoverability of goodwill

2 Accounting treatment of deferred taxes

3 Obligations arising from tax matters

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

Hereinafter we present the key audit matters:

1 Recoverability of goodwill

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

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

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

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

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

2 Accounting treatment of deferred taxes

a) In the consolidated financial statements of the Company deferred tax assets amounting to EUR 262.9 million after netting are reported. Deferred tax assets amounting to EUR 1,119.9 million are recognized before netting with matching deferred tax liabilities. The deferred tax assets were recognized to the extent that the executive directors consider it probable that taxable profit will be available in the foreseeable future which will enable the deductible temporary differences and unused tax losses as well as interest carryforwards to be utilized. For this purpose, insofar as sufficient deferred tax liabilities are not available, future taxable profits are projected on the basis of the adopted business plan. No deferred tax assets were recognized in respect of deductible temporary differences (EUR 109.6 million), tax loss carryforwards (EUR 2,646.3 million), as well as interest carryforwards (EUR 508.8 million) since it is not probable that they will be utilized for tax purposes by means of offset against taxable profits.

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

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

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

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

3 Obligations arising from tax matters

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

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

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

Other Information

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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Other legal and regulatory requirements

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

German Public Auditor responsible for the Engagement

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

Frankfurt am Main, 23 March 2022

PricewaterhouseCoopers GmbH
Wirtschaftsprüfungsgesellschaft

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

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

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Independent practitioner's report on a limited assurance engagement on non-financial reporting [1)]

To HeidelbergCement AG, Heidelberg

We have performed a limited assurance engagement on the combined non-financial statement of HeidelbergCement AG, Heidelberg, (hereinafter the "Company") for the period from 1 January to 31 December 2021 (hereinafter the "Combined Non-financial Statement") included in section "Non-financial Statement" of the combined management report.

Not subject to our assurance engagement are the external sources of documentation or expert opinions mentioned in the Combined Non-financial Statement.

Responsibilities of the Executive Directors
The executive directors of the Company are responsible for the preparation of the Combined Non-financial Statement in accordance with §§ (Articles) 315c in conjunction with 289c to 289e HGB ("Handelsgesetzbuch": "German Commercial Code") and Article 8 of REGULATION (EU) 2020/852 OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL of 18. June 2020 on establishing a framework to facilitate sustainable investment and amending Regulation (EU) 2019/2088 (hereinafter the "EU Taxonomy Regulation") and the Delegated Acts adopted thereunder, as well as for making their own interpretation of the wording and terms contained in the EU Taxonomy Regulation and the Delegated Acts adopted thereunder, as set out in section "Information according to the Taxonomy Regulation" of the Combined Non-financial Statement.

This responsibility includes the selection and application of appropriate non-financial reporting methods and making assumptions and estimates about individual non-financial disclosures of the Group that are reasonable in the circumstances. Furthermore, the executive directors are responsible for such internal controls as the executive directors consider necessary to enable the preparation of a Combined Non-financial Statement that is free from material misstatement whether due to fraud or error.

The EU Taxonomy Regulation and the Delegated Acts issued thereunder contain wording and terms that are still subject to considerable interpretation uncertainties and for which clarifications have not yet been published in every case. Therefore, the executive directors have disclosed their interpretation of the EU Taxonomy Regulation and the Delegated Acts adopted thereunder in section "Information according to the Taxonomy Regulation" of the Combined Non-financial Statement. They are responsible for the defensibility of this interpretation. Due to the immanent risk that indeterminate legal terms may be interpreted differently, the legal conformity of the interpretation is subject to uncertainties.

Independence and Quality Control of the Audit Firm
We have complied with the German professional provisions regarding independence as well as other ethical requirements.

Our audit firm applies the national legal requirements and professional standards – in particular the Professional Code for German Public Auditors and German Chartered Auditors ("Berufssatzung für Wirtschaftsprüfer und vereidigte Buchprüfer": "BS WP/vBP") as well as the Standard on Quality Control 1 published by the Institut der Wirtschaftsprüfer (Institute of Public Auditors in Germany; IDW): Requirements to quality control for audit firms (IDW Qualitätssicherungsstandard 1: Anforderungen an die Qualitätssicherung in der Wirtschaftsprüferpraxis - IDW QS 1) – and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Responsibility of the Assurance Practitioner
Our responsibility is to express a conclusion with limited assurance on the Combined Non-financial Statement based on our assurance engagement.

We conducted our assurance engagement in accordance with International Standard on Assurance Engagements (ISAE) 3000 (Revised): Assurance Engagements other than Audits or Reviews of Historical Financial Information, issued by the IAASB. This Standard requires that we plan and perform the assurance engagement to obtain limited assurance about whether any matters have come to our attention that cause us to believe that the Company's Combined Non-financial Statement, other than the external sources of documentation or expert opinions mentioned in the, are not prepared, in all material respects,

1) PricewaterhouseCoopers GmbH has performed a limited assurance engagement on the German version of the combined non-financial statement and issued an independent practitioner's report in German language, which is authoritative. The following text is a translation of the independent practitioner's report.

in accordance with §§ 315c in conjunction with 289c to 289e HGB and the EU Taxonomy Regulation and the Delegated Acts issued thereunder as well as the interpretation by the executive directors disclosed in section "Information according to the Taxonomy Regulation" of the Combined Non-financial Statement. In a limited assurance engagement, the procedures performed are less extensive than in a reasonable assurance engagement, and accordingly a substantially lower level of assurance is obtained. The selection of the assurance procedures is subject to the professional judgement of the assurance practitioner.

In the course of our assurance engagement, we have, amongst other things, performed the following assurance procedures and other activities

- Gain an understanding of the structure of the Group's sustainability organisation and stakeholder engagement
- Inquiries of the executive directors and relevant employees involved in the preparation of the Combined Non-financial Statement about the preparation process, about the internal control system relating to this process and about disclosures in the Combined Non-financial Statement
- Identification of likely risks of material misstatement in the Combined Non-financial Statement
- Analytical procedures on selected disclosures in Combined Non-financial Statement
- Reconciliation of selected disclosures with the corresponding data in the consolidated financial statements and group management report
- Evaluation of the presentation of the Combined Non-financial Statement
- Evaluation of the process to identify taxonomy-eligible economic activities and the corresponding disclosures in the Combined Non-financial Statement
- Inquiries on the relevance of climate-risks
- Use of the work of a practitioner's verification of indicators on accident trends, climate protection and emission control accordingly to the criteria as set out by GCCA (Global Cement and Concrete Association).

In determining the disclosures in accordance with Article 8 of the EU Taxonomy Regulation, the executive directors are required to interpret undefined legal terms. Due to the immanent risk that undefined legal terms may be interpreted differently, the legal conformity of their interpretation and, accordingly, our assurance engagement thereon are subject to uncertainties.

Assurance Opinion

Based on the assurance procedures performed and evidence obtained, nothing has come to our attention that causes us to believe that the Combined Non-financial Statement of the Company for the period from 1 January to 31 December 2021 is not prepared, in all material respects, in accordance with §§ 315c in conjunction with 289c to 289e HGB and the EU Taxonomy Regulation and the Delegated Acts issued thereunder as well as the interpretation by the executive directors disclosed in section "Information according to the Taxonomy Regulation" of the Combined Non-financial Statement.

We do not express an assurance opinion on the external sources of documentation or expert opinions mentioned in the Combined Non-financial Statement.

Restriction of Use

We draw attention to the fact that the assurance engagement was conducted for the Company's purposes and that the report is intended solely to inform the Company about the result of the assurance engagement. Consequently, it may not be suitable for any other purpose than the aforementioned. Accordingly, the report is not intended to be used by third parties for making (financial) decisions based on it. Our responsibility is to the Company. We do not accept any responsibility to third parties. Our assurance opinion is not modified in this respect.

Frankfurt am Main, 23 March 2022

PricewaterhouseCoopers GmbH
Wirtschaftsprüfungsgesellschaft

Nicolette Behncke
Wirtschaftsprüfer
(German public auditor)

ppa. Annette Maria Daschner

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Responsibility statement

To the best of our knowledge, and in accordance with the applicable reporting principles, the consolidated financial statements give a true and fair view of the assets, liabilities, financial position, and profit or loss of the Group, and the Group management report, which has been combined with the management report of HeidelbergCement AG, includes a fair review of the development and performance of the business and the position of the Group, together with a description of the principal opportunities and risks associated with the expected development of the Group.

Heidelberg, 23 March 2022

HeidelbergCement AG

The Managing Board

Dr. Dominik von Achten

René Aldach

Kevin Gluskie

Hakan Gurdal

Ernest Jelito

Dr. Nicola Kimm

Dennis Lentz

Jon Morrish

Chris Ward